



# HOME FOR INDONESIAN MILLENNIALS



# HOME FOR INDONESIAN MILLENNIALS

The large population of Indonesia, reaching 270\* million, is a huge capital for the Indonesian economy. Even more, with a demographic bonus that predicts approximately 20% of them are aged 20-44 years, Indonesia is a country with a very potential asset capital: a population with high number of productive age people.

As a banking that focuses on the housing finance sector, Bank BTN tries to be part of the solution to address challenges related to providing housing for Indonesian people, including housing needs for the "Millennials", the term for Indonesia's productive generation.

Bank BTN's focus to become a savings bank in the housing finance sector is the agenda that will be prioritized going forward. With the huge market potential of Millennials, Bank BTN hopes to become a partner in the housing and property industry ecosystem, while simultaneously providing added value to the shareholders and all stakeholders.

# CONTINUITY THEME

## 2018

### PREPARING FOR DIGITAL ECOSYSTEMS THROUGH TRANSFORMATION TO SUPPORT SUSTAINABLE BUSINESS

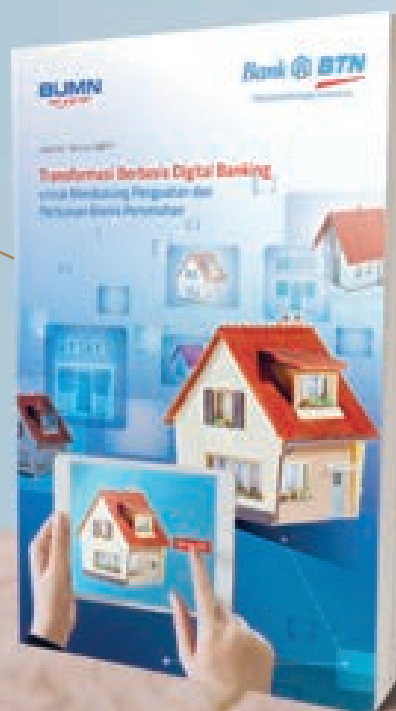
In the midst of challenging banking conditions, the Company was able to bolster its performance, as evidenced with success in improving its competitive position in the banking industry and national housing sector, particularly on the realization of the One Million Houses Program. The success of this performance is inseparable from current Digital Banking transformation process, allowing the Company to quickly adapt to changes in an ever more complex banking industry. Realizing the future challenges, the Company has taken significant steps to strengthen its financial fundamentals, particularly in preparing for up-coming implementation of Statements of Financial Accounting Standards (SFAS) No. 71. To that end, in 2018 the Company strengthened its prudent business process governance and increased Allowance for Impairment Losses as an effort to improve the coverage ratio. For the Company, the Digital Banking transformation along with efforts to strengthen the financial fundamentals are essential to manage the challenges of the banking business in the future, in order to realize sustainable growth and allowing the Company to contribute to improving the country's economy.



## 2017

### TRANSFORMATION BASED ON DIGITAL BANKING TO SUPPORT STRENGTHENING AND EXPANSION OF HOUSING BUSINESS

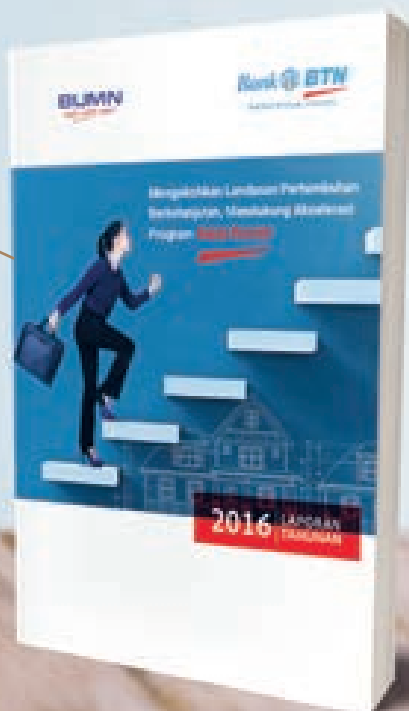
The transformation of the digital-based Company is the Company's priority in 2017. Because the digital domination of business aspects in all sectors and lines has become more evident. The Company's understanding of the millennial generation and the development of millennial generation human resources has become the concern of the Company's management to anticipate competition especially in the face of the ASEAN Economic Community (MEA) and the competitive reliability in the market today. The Company will continue to develop the use of the latest and general digital technology to support its services and networks.



# 2016

## STRENGTHENING THE PLATFORM FOR SUSTAINABLE GROWTH, SUPPORTING THE ACCELERATION OF A MILLION HOUSES PROGRAM

In 2016 the Company was able to record success in performance, implement good corporate governance practices, and achieve a positive image in the public eye. Success achieved thanks to the consistency of the Company in conducting business based on sound industrial and commercial rules, having resources capable of producing value creation, complying with regulations and having clear directions and strategies.



# 2015

## BTN SIAP BECOMES A MILLION HOUSE PROGRAM MAIN PLAYER

The position of the Company in the field of housing finance is getting stronger. Supported by a long history in this field, plus "Program 5 Ready", the Company is ready to become a major player in the Million Houses program launched by the government. 5 Ready is Ready for Human Resources (HR), Ready for Technology, Ready for Business Processes, Ready for Funding and Ready for Home Supply. With that provision, the Company is confident that it will continue to be able to improve its performance now and in the future.

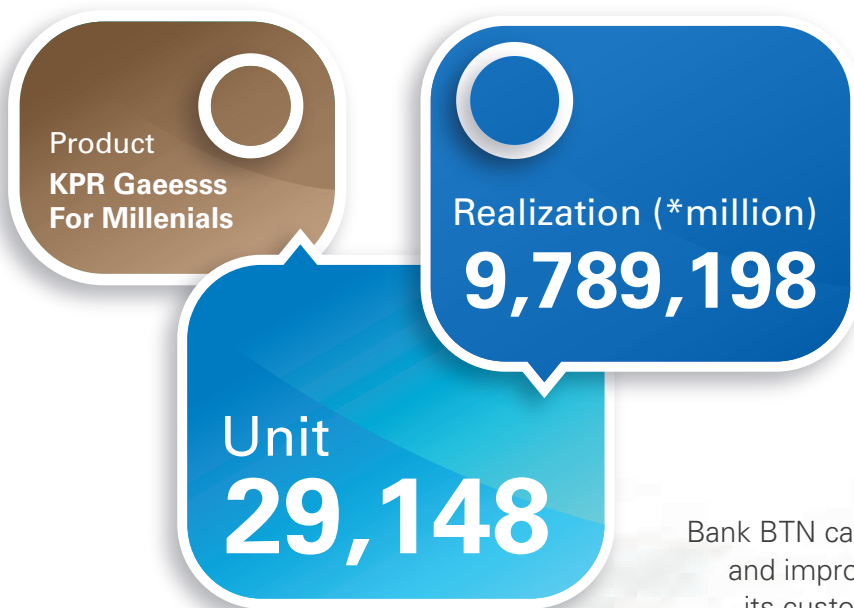


# STRATEGIC INITIATIVES



## KPR Gaeesss For Millenials

Bank BTN also continues to play a role in increasing the availability of houses, especially for millennials aged 21-35 years through the KPR Gaeesss For Millenials program. Until December 2019, the realization of KPR for this program was 29,148 units with credit funds distribution of Rp9.78 trillion.



## SUSTAINABLE DIGITAL TRANSFORMATION

Bank BTN carries out continuous innovation and improvement of digital services for its customers. Bank BTN continues to carry out Digital Banking Transformation on an ongoing basis through digital service innovations that will make it easier for the public to access BTN banking services.

  
BTN Digital Solution

  
Debit BTN Online

  
BTN Internet Banking

  
BTN Cash Management

  
BTN Mobile Banking

  
LinkAja

  
SMS Banking

[www.rumahbtn.co.id](http://www.rumahbtn.co.id)

[www.btnproperti.co.id](http://www.btnproperti.co.id)

## BTN Encourages Saving Culture

Bank BTN has again established itself as the best and most trusted savings place, as its name which means the State Saving Bank. BTN has the objective to encourage/educate the public to be fond of saving and owning a house by saving. BTN has superior savings products for various groups of people, ranging from students to those already married.

Tabungan BTN Batara



Tabungan BTN Prima

TabunganKu



Tabungan Simpanan Pelajar (Simpel)

Tabungan BTN e'BATARAPOS



Tabungan BTN Cermat

Tabungan Rekening Dana Nasabah (RDN)



Tabungan BTN siap!

Tabungan BTN Felas



Tabungan Simuda Rumahku



Performance 2019



Management Report



Company Profile



Management Discussion and  
Analysis

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Business Support



Good Corporate Governance



Corporate Social Responsibility



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KPR BTN

"Tabung Sedikit Demi Sedikit,  
Lama - Lama Jadi Rumah!"

*Bank*  **BTN**

Sahabat Keluarga Indonesia

# PERFORMANCE 2019

In the midst of business challenges, the performance  
of Bank BTN remains solid and on track.





## KEY FINANCIAL HIGHLIGHTS

### PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME

(in Million Rupiah, unless otherwise stated)	2019	2018	2017	2016	2015	YoY 2018- 2019 (%)
<b>Interest and Profit Sharing Income</b>						
• Interest Income	23,271,432	20,781,512	18,446,732	16,501,472	14,455,136	11.98%
• Sharia Business Unit Profit Sharing Income and Margin	2,448,442	2,070,246	1,644,868	637,347	511,073	18.27%
Total Interest and Profit Sharing Income	25,719,874	22,851,758	20,091,600	17,138,819	14,966,209	12.55%
Interest, Profit Sharing and Bonus Expenses	(16,758,073)	(12,762,581)	(10,750,660)	(8,975,274)	(8,155,133)	31.31%
Interest and Profit Sharing Income – Net	8,961,801	10,089,177	9,340,940	8,163,545	6,811,076	-11.17%
Other Operational Income	2,109,852	2,071,594	1,605,931	1,282,822	1,106,526	1.85%
Provision for Impairment Losses on Financial and Non-Financial Assets	(3,486,665)	(1,714,427)	(884,401)	(707,531)	(901,008)	103.37%
Reverses (Expenses) of Estimated Allowance on Impairment of Commitments and Contingencies	-	-	-	-	7,198	-
Other Operational Expenses	(7,063,215)	(6,852,544)	(6,170,567)	(5,386,604)	(4,490,187)	3.07%
Income from Operations	521,773	3,593,800	3,891,903	3,352,232	2,533,605	-85.48%
Non-Operational Income - Net	(110,711)	16,475	(30,348)	(22,148)	8,281	-771.99%
Profit Before Tax Expenses	411,062	3,610,275	3,861,555	3,330,084	2,541,886	-88.61%
Tax Expenses	(201,799)	(802,352)	(834,089)	(711,179)	(690,979)	-74.85%
Income for the Year	209,263	2,807,923	3,027,466	2,618,905	1,850,907	-92.55%
Other Comprehensive Income	348,069	(25,416)	29,213	3,012,712	(39,570)	1,469.49%
Total Comprehensive Income for the Year	557,332	2,782,507	3,056,679	5,631,617	1,811,337	-79.97%
<b>Income for the Year Attributable to:</b>						
• Owners	209,263	2,807,923	3,027,466	2,618,905	1,850,907	-92.55%
• Non-Controlling Interests	-	-	-	-	-	-
<b>Total Comprehensive Income for the Year Attributable to:</b>						
• Owners	557,332	2,782,507	3,056,679	5,631,617	1,811,337	-79.97%
• Non-Controlling Interests	-	-	-	-	-	-
Earnings per Share (Full Amount)	20	265	286	247	175	-92.45%



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## Key Financial Highlights

Bank BTN has no subsidiaries and/or associates, thus it has no information related to Income and Comprehensive Income for the Year Attributable to Non-Controlling Interests.

## FINANCIAL POSITION

(in Million Rupiah, unless otherwise stated)	2019	2018	2017	2016	2015	YoY 2018-2019 (%)
<b>Assets</b>						
Cash	1,369,167	1,243,615	1,027,554	1,006,682	1,181,219	10.10%
Current Accounts with Bank Indonesia	15,512,329	15,417,862	12,554,585	10,697,378	10,986,351	0.61%
Current Accounts with Other Banks	747,869	1,587,051	556,301	321,306	201,361	-52.88%
Placement with Bank Indonesia and Other Banks	11,097,193	26,464,760	24,697,503	17,581,350	7,839,477	-58.07%
Securities	8,084,671	5,848,485	7,706,031	4,171,700	1,807,561	38.24%
Government Bonds	11,053,601	9,393,138	8,183,973	9,243,639	8,230,908	17.68%
Securities Purchased Under Agreement to Resell	1,875,221	-	-	-	-	-
Loans and Sharia Financing/Receivables	249,708,993	234,459,542	196,634,594	162,330,347	136,905,226	6.26%
Interest Rate Spot Receivable	-	167	-	-	-	-
Acceptances Receivable	487,052	528,148	8,081	-	-	-7.78%
Investment in Shares	-	-	-	-	-	-
Premises and Equipment	5,400,658	5,017,694	4,837,319	4,659,379	1,553,401	7.63%
Interest Receivable	3,210,772	2,959,502	2,296,440	1,864,829	1,548,489	8.49%
Deffered Tax Assets - Net	629,105	260,251	174,555	102,791	-	141.73%
Other Assets	2,600,197	3,255,979	2,688,331	2,189,078	1,553,599	-4.26%
<b>Total Assets</b>	<b>311,776,828</b>	<b>306,436,194</b>	<b>261,365,267</b>	<b>214,168,479</b>	<b>171,807,592</b>	<b>1.74%</b>
<b>Liabilities, Temporary Syirkah Funds, and Equity</b>						
<b>Liabilities</b>						
Liabilities Due Immediately	1,999,183	2,301,930	2,813,874	2,081,886	1,960,789	-13.15%
Deposits from Customers	206,905,692	211,034,488	177,091,421	147,787,618	127,708,670	-1.96%
• Demand Deposits	50,701,126	56,455,042	52,769,152	44,906,039	31,368,443	-10.19%
• Savings Deposits	42,274,798	39,117,163	38,840,337	33,344,626	30,757,681	8.07%
• Time Deposits	113,929,768	115,462,283	85,481,932	69,536,953	65,582,546	-1.33%
Deposits from Other Banks	4,509,238	2,992,579	5,063,433	3,643,889	1,721,198	50.68%



## FINANCIAL POSITION

(in Million Rupiah, unless otherwise stated)	2019	2018	2017	2016	2015	YoY 2018-2019 (%)
Securities Sold Under Repurchase Agreements	935,000	935,000	1,385,000	1,385,000	2,135,091	-
Acceptances Payable	487,052	528,148	8,081	-	-	-7.78%
Interest Rate Spot Payable	-	152	-	-	-	-
Securities Issued	19,783,552	20,644,760	20,480,459	14,919,910	12,492,202	-4.17%
Fund Borrowings	22,465,657	15,499,493	7,991,053	4,999,616	7,726,728	44.94%
Interest Payable	630,002	630,134	492,361	382,551	357,364	-0.02%
Employee Benefits and Other Liabilities	5,736,637	6,217,814	5,612,462	4,629,410	3,835,877	-7.74%
Subordinated Loan	5,999,669	2,999,519	2,999,319	2,999,118		100.02%
Total Liabilities	269,451,682	263,784,017	223,937,463	182,828,998	157,947,485	2.15%
<b>Temporary Syirkah Funds</b>						
• Deposits from Customers	18,477,539	18,794,497	15,382,372	12,200,099	-	-1.69%
• Deposits from Other Banks	11,412	17,232	381,998	8,846	-	-33.77%
Total Temporary Syirkah Funds	18,488,951	18,811,729	15,764,370	12,208,945	-	-1.72%
Total Equity	23,836,195	23,840,448	21,663,434	19,130,536	13,860,107	-0.02%

Bank BTN has no subsidiaries, associates or joint venture. Thus Bank BTN has no information related to investments in those forms of entity.

## FINANCIAL RATIOS AND OTHER IMPORTANT RATIOS

	Unit	2019	2018	2017	2016	2015	YoY 2018-2019 (%)
Capital Adequacy Ratio (CAR)	%	17.32	18.21	18.87	20.34	16.97	-4.89%
Non Performing Loan (NPL) Gross	%	4.78	2.82	2.66	2.84	3.42	70.11%
Non Performing Loan (NPL) Net	%	2.96	1.83	1.66	1.85	2.11	61.75%
Return On Asset (ROA)	%	0.13	1.34	1.71	1.76	1.61	-90.30%
Return On Equity (ROE)	%	1.00	14.93	18.11	18.35	16.84	-93.28%



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## Key Financial Highlights

## FINANCIAL RATIOS AND OTHER IMPORTANT RATIOS

	Unit	2019	2018	2017	2016	2015	YoY 2018- 2019 (%)
Net Interest Margin (NIM)	%	3.32	4.32	4.76	4.98	4.87	-23.15%
Operating Expenses to Operating Revenues (BOPO)	%	98.12	85.58	82.06	82.48	84.83	14.65%
Loan to Deposit Ratio (LDR)	%	113.50	103.25	103.13	102.66	108.78	9.67%
<b>BMPK Violation Percentage</b>							
• Related Parties	%	0.00	0.00	0.00	0.00	0.00	-
• Non Related Parties	%	0.00	0.00	0.00	0.00	0.00	-
<b>BMPK Exceedance Percentage</b>							
• Related Parties	%	0.00	0.00	0.00	0.00	0.00	-
• Non Related Parties	%	0.00	0.00	0.00	0.00	0.00	-
<b>Minimum Statutory Reserve (GWM)</b>							
• Primary Statutory Reserve (Rupiah):							
- Conventional	%	6.19	6.61	7.02	6.72	7.95	-6.35%
- Sharia	%	4.64	5.30	5.00	5.08	5.04	-12.45%
• Statutory Reserve (Foreign Currency)	%	8.28	8.69	8.38	8.47	8.08	-4.72%
Net Open Position	%	4.14	1.56	1.29	0.29	1.74	167.10%



# OPERATIONS HIGHLIGHTS

## BUSINESS PERFORMANCE HIGHLIGHTS

(in Million Rupiah, unless otherwise stated)	2019	2018	2017	2016	2015	YoY 2018-2019 (%)
<b>Consumer Banking</b>						
Consumer Loan Disbursement	33,349,158	49,371,120	44,187,731	34,804,253	30,399,375	-32.45%
Consumer Deposits	65,668,669	61,792,136	52,743,237	44,389,209	38,618,436	6.27%
<b>Commercial Banking</b>						
Commercial Loan Disbursement	25,962,288	29,135,261	23,298,077	18,521,043	16,565,305	-10.89%
Commercial Deposits	137,900,318	146,263,780	120,011,519	100,568,259	77,985,698	-36.32%
<b>Sharia Business Unit</b>						
Sharia Financing	5,302,479	8,326,533	7,489,093	5,960,741	4,281,418	-5.27%
Sharia Deposits	21,860,438	22,342,676	18,754,100	15,030,249	11,104,536	-2.16%
Sharia Fee Based Income	118,533	116,880	93,758	62,880	39,375	1.41%

## OPERATIONS AND ORGANIZATION PERFORMANCE HIGHLIGHTS

	2019	2018	2017	2016	2015	YoY 2018-2019 (%)
Total Branch Offices (units)	78	76	75	65	65	2.63%
Total ATMs (units)	2,159	2,126	1,964	1,830	1,830	1.55%
Total Employees (persons)	11,647	11,810	10,360	9,244	9,042	-1.38%
GCG Score *	Composite 2 HEALTHY	Composite 2 HEALTHY	Composite 2 HEALTHY	Composite 2 HEALTHY	Composite 2 HEALTHY	

\*) GCG scores is based on the Self Assessment analysis which includes 11 (eleven) parameters.





# SHARES HIGHLIGHTS

## INFORMATION FOR INVESTORS AND SHAREHOLDERS

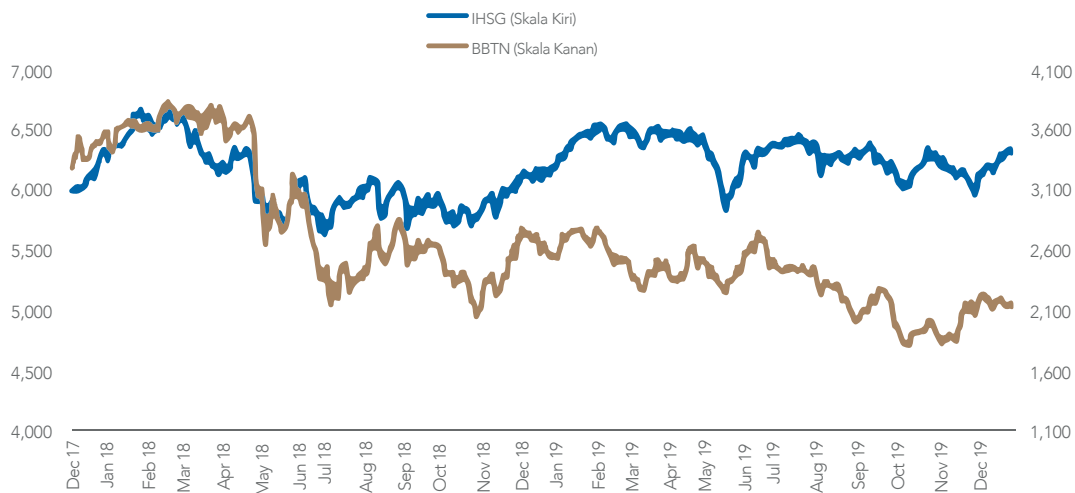
Indonesia's capital market performance throughout 2019 is inseparable from various challenges, especially the global economic uncertainty. Based on the World Economic Outlook (WEO) data released by the International Monetary Fund (IMF) in October 2019, global economy only grew 3%, the slowest growth since the 2008 global economic crisis. The economic slowdown in the United States (US), Europe and China became the key to the condition. On the other hand, the global financial market started to rebound, including Indonesia financial market. Indonesia Composite Index (ICI/IDX Composite) recorded a 1.70% increase along 2019 to the level of 6,299.54 from 6,194.49 at the closing of 2018.

### GLOBAL FINANCIAL MARKET PERFORMANCE

No	Country	Index	31-Dec-19	31-Dec-18	31-Dec-17	% YoY 2018-2019	
1	India	S&P BSE	41,253.74	36,068.33	34,056.83	14.38%	▲
2	AS	DJI Index	28,538.44	23,327.46	24,719.22	22.34%	▲
3	Australia	AS30 Index	6,802.40	5,709.40	6,167.29	19.14%	▲
4	Malaysia	FBMKLCI Index	1,588.76	1,690.58	1,796.81	-6.02%	▼
5	Vietnam	VNINDEX Index	960.99	892.54	984.24	7.67%	▲
6	Japan	NKY Index	23,656.62	20,014.77	22,764.94	18.20%	▲
7	Thailand	SET Index	1,579.84	1,563.88	1,753.71	1.02%	▲
8	England	UKX Index	7,542.44	6,728.13	7,687.77	12.10%	▲
9	Indonesia	JCI Index	6,299.54	6,194.50	6,355.65	1.70%	▲
10	Singapore	STI Index	3,222.83	3,068.76	3,402.92	5.02%	▲
11	South Korea	KOSPI Index	2,197.67	2,041.04	2,467.49	7.67%	▲
12	Hong Kong	HSI Index	28,189.75	25,845.70	29,919.15	9.07%	▲
13	Philippine	PSEi	7,815.26	7,466.02	8,558.42	4.68%	▲
14	Argentina	MERVAL Index	41,671.41	30,292.55	30,065.61	37.56%	▲
15	China	SHCOMP Index	3,050.12	2,493.90	3,307.17	22.30%	▲
16	Turkey	XU100 Index	114,425.00	91,270.48	115,333.00	25.37%	▲



## GLOBAL FINANCIAL MARKET PERFORMANCE



## BBTN SHARE INFORMATION

KODE SAHAM  
**BBTN**

“Bank BTN has listed and traded its shares on the Indonesia Stock Exchange since December 17, 2009.”

BBTN SHARES INFORMATION SUMMARY  
2015-2019

	2019	2018	2017	2016	2015
Opening Price (Rp / per share)	2,560	3,560	1,745	1,300	1,205
Highest Price (Rp / per share)	2,860	3,890	3,610	2,100	1,315
Lowest Price (Rp / per share)	1,780	2,010	1,695	1,280	935
Closing Price (Rp / per share)	2,120	2,540	3,570	1,740	1,295
Average Daily Trading Volume (Stock Lot)	248,000	294,954	209,739	202,509	302,217
Book Value Per Share (Rp)	2,251	2,251	2,046	1,806	1,310
Price to Book Value (times)	0.94	1.13	1.75	0.96	0.99



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## Shares Highlights

BBTN SHARES INFORMATION SUMMARY  
2015-2019

	2019	2018	2017	2016	2015
Price to Earning Ratio (times)	107.29	9.58	12.49	7.04	7.40
Total Outstanding Shares (million shares)	10,590,000,000	10,590,000,000	10,590,000,000	10,590,000,000	10,590,000,000
Market Capitalization (Rp-million)	22,450,800	26,898,600	37,806,300	18,426,600	13,704,137

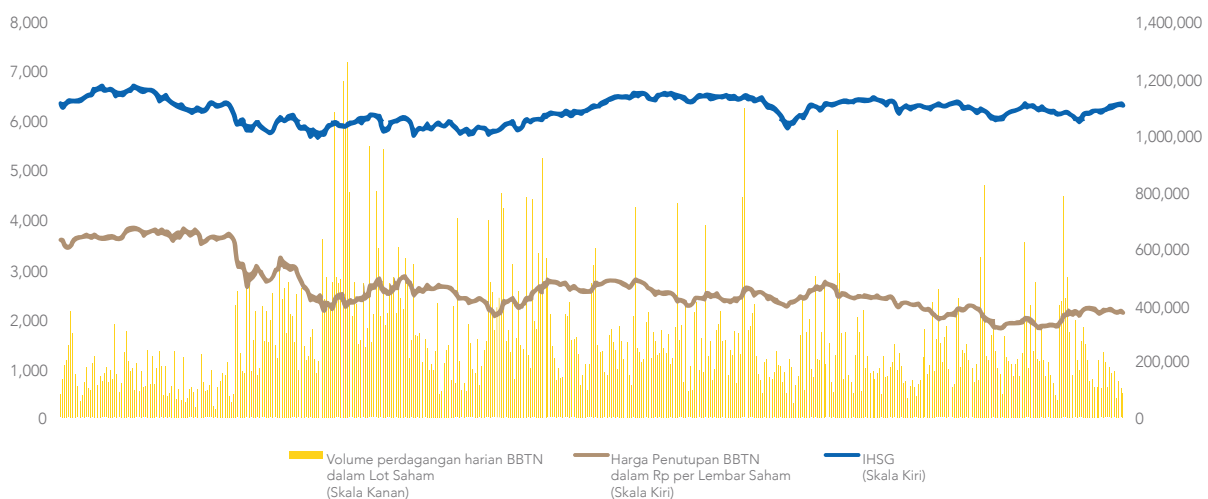
**“Bank BTN shares with share code “BBTN” succeeded to be included in several leading Stock Market Indices”**

Index	Period
LQ45	November 2019 - January 2020
Kompas100	August 2019 - January 2020
IDX30	November 2019 - January 2020
IDX80	November 2019 - January 2020
IDX Small-Mid Cap (IDX SMC) Composite	August 2019 - January 2020
IDX Small-Mid Cap (IDX SMC) Liquid	August 2019 - January 2020
IDX High Dividend 20	August 2019 - January 2020
IDX BUMN20	November 2019 - January 2020
SRI-KEHATI	November 2019 - April 2020
PEFINDO i-Grade	January - Juni 2020
Infobank15	July - December 2019
Investor33	December 2019 - May 2020

**BBTN SHARE PRICE, VOLUME AND CAPITALIZATION INFORMATION 2018-2019**

Period 2019	Total Outstanding Shares (shares)	Opening Price		Highest Price	
		Price (Rp/share)	Date	Price (Rp/share)	Date
Quarter I	10,590,000,000	2.560	January 2, 2019	2.860	February 1, 2019
Quarter II	10,590,000,000	2.440	April 1, 2019	2.750	June 19, 2019
Quarter III	10,590,000,000	2.490	July 1, 2019	2.550	July 2, 2019
Quarter IV	10,590,000,000	1.970	October 1, 2019	2.240	December 4, 2019
During the Reporting Year	10,590,000,000	2.560	January 2, 2019	2.860	February 1, 2019

Period 2018	Total Outstanding Shares (shares)	Opening Price		Highest Price	
		Price (Rp/share)	Price (Rp/share)	Price (Rp/share)	Price (Rp/share)
Quarter I	10,590,000,000	3,560	January 2, 2018	3,890	March 22, 2018
Quarter II	10,590,000,000	3,740	April 2, 2018	3,770	April 2, 2018
Quarter III	10,590,000,000	2,450	July 2, 2018	2,920	August 30, 2018
Triwulan IV	10,590,000,000	2,630	October 1, 2018	2,820	December 3, 2018
During the Reporting Year	10,590,000,000	3,560	January 2, 2018	3,890	March 22, 2018

**CLOSING PRICE MOVEMENTS AND BBTN TRADING VOLUME 2018-2019**



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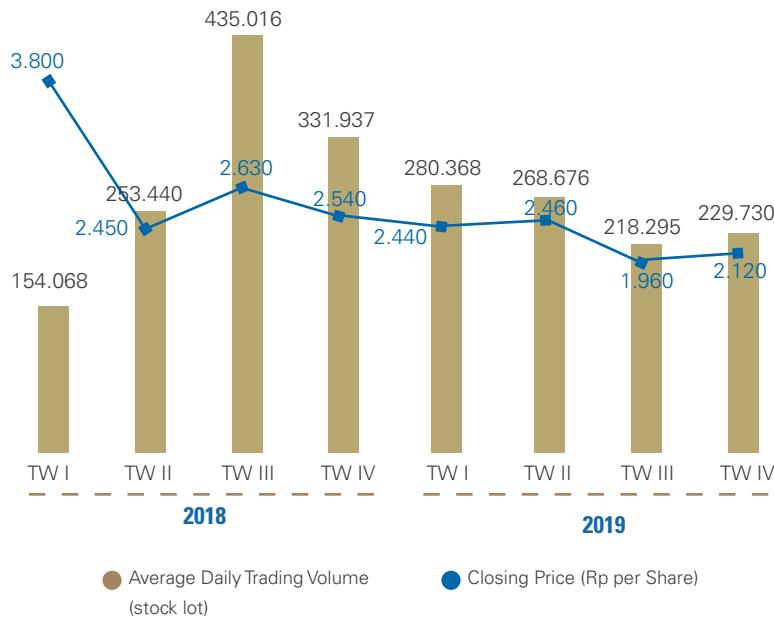
## Shares Highlights

Harga Saham Terendah		Harga Saham Penutupan		Trading Volume (billion shares)	Market Capitalization (Rp trillion)
Price (Rp/share)	Date	Price (Rp/share)	Date		
2,250	March 8, 2019	2,440	March 29, 2019	280,368	25.84
2,160	May 20, 2019	2,460	June 28, 2019	268,676	26.05
1,950	September 30, 2019	1,960	September 30, 2019	218,295	20.76
1,780	October 9, 2019	2,120	December 30, 2019	229,730	22.45
1,780	October 9, 2019	2,120	December 30, 2019	248,000	22.45

Harga Saham Terendah		Harga Saham Penutupan		Average Daily Trading Volume (stock lot)	Market Capitalization (Rp trillion)
Price (Rp/share)	Date	Price (Rp/share)	Date		
3,370	January 4, 2018	3,800	March 29, 2018	154,068	40.24
2,370	June 28, 2018	2,450	June 29, 2018	253,440	25.95
2,110	July 6, 2018	2,630	September 28, 2018	435,016	27.85
2,010	October 30, 2018	2,540	December 28, 2018	331,937	26.90
2,010	October 30, 2018	2,540	December 28, 2018	294,954	26.90



MOVEMENT OF BBTN CLOSING PRICE AND TRADING VOLUME BY QUARTER 2018-2019



### CORPORATE ACTION INFORMATION

The Company conducted its Initial Public Offering (IPO) on the Indonesia Stock Exchange on December 17, 2009 by offering 2,360,057,000 ordinary shares Series B or 27.08% of the issued capital, with an offering price of Rp800 per share to the public. The Initial Public Offering (IPO) was warmly welcomed by public, marked with 2.04 times oversubscribe with proceed value of Rp1.88 trillion. No wonder this was awarded the “Best IPO in Indonesia 2009” from The Asset magazine and “Mid Cap / IPO Deal of the Year in Southeast Asia 2009” from the Alpha South

Asia Publisher (Hong Kong).

In 2012, the Company carried out a corporate action of Limited Public Offering I (PUT I) with Preemptive Rights (Rights Issue) with the aim of strengthening the capital structure and to increase the number of shares actually available for trading (the float). This condition would increase market capitalization and liquidity of BBTN shares in the capital market as well as support loans growth, in order to increase investors’ interest in making more investments in BBTN shares.



## Shares Highlights

## CORPORATE ACTION CHRONOLOGY BY BANK BTN

Corporate Action	Execution Time	Number of Shares Offered (shares)	Number of Shares Before Corporate Action (shares)	Number of Shares After Corporate Action (shares)	Nominal Value (Rp/share)	Offering Price (Rp / share)	Remarks
Initial Public Offering	December 17, 2009	2,360,057,000 Series B shares	0	8,623,285,575 Series B shares	Rp500	Rp800	-
Pre-emptive Rights	November 23, 2012	1,512,857,500 Series B shares	8,859,291,500 Series B shares	10,481,074,500 Series B shares	Rp500	Rp1,235	Ownership Dilution by 14.61% before and 16.49% after MESOP implementation

Throughout 2019 the Company did not undertake any corporate action significantly impacting its business sustainability, such as stock split, reverse stock, bonus shares, and changes in nominal value of shares.

## SHARES DIVIDEND

In 2019 the Company distributed Shares Dividend in accordance with the Resolution of Annual General Meeting of Shareholders dated May 17, 2019. Based on the AGMS 2019, the shareholders decided to approve the use of net income for the Fiscal Year 2018 amounting to Rp2,807,921,063,074.00 as follows:

1. A dividend of 20% or Rp.561,584,212,615.00 is determined as Cash Dividend distributed to the Shareholders to be paid with the following conditions:
  - a. Specifically, the dividend for the Government of

Indonesia on 60% share ownership amounting to Rp336,950,527,569.00 will be deposited to the State General Treasury Account in Rupiah.

- b. Granting authority and power to the Company's Board of Directors with substitution right to determine the schedule and procedure for FY2018 dividend distribution in accordance with applicable regulations.
2. As much as 80% or Rp2,246,336,850,459.00 will be used as retained earnings balance



The distribution of FY2018 share dividend in 2019 was already realized. Share dividend distributed by the Company in 2018 and 2019 is as follows:

Shares Dividend	Distribution Year 2019 (for FY2018 Net Income and Dividend)	Distribution Year 2018 (for FY2017 Net Income and Dividend)	Distribution Year 2017 (for FY2016 Net Income and Dividend)
Net Income (Rp)	2,807,921,063,074	3,027,466,149,252	2,618,905,537,321
Total Cash Dividend distributed (Rp)	561,584,212,615	605,493,229,850	523,781,107,464
Dividend Payout Ratio (%)	20.00%	20.00%	20.00%
Dividend Value per share (Rp/share)	53.03	57.18	49.46
Number of shares entitled to dividends (shares)	10,590,000,000	10,590,000,000	10,590,000,000
Announcement Date	May 17, 2019	March 26, 2018	March 20, 2017
Payment Date	June 12, 2019	April 24, 2018	April 13, 2017

## INFORMATION ON TEMPORARY SUSPENSION, TRADING SANCTIONS, AND/OR DELISTING OF BBTN SHARES

Throughout 2019, there was no sanction – such as temporary suspension - imposed on BBTN shares that affected trading activities on the Stock Exchange where the shares were listed and traded. The Company did not conduct share delisting either.





## BONDS, SUKUK AND CONVERTIBLE BONDS HIGHLIGHTS

“Bank BTN has executed bonds issue 22 times and 1 issue of subordinated bonds once since July 25, 1989. The bonds done as an alternative sources of funding the long-term.”

Details of outstanding bonds on the Indonesia Stock Exchange (IDX) as of December 31, 2019 are as follows:

Name of Bonds	Nominal (Rp Million)	Issue Date	Tenor (Year)	Maturity Date	Coupon (%)	Rating		Status (as of December 31, 2019)	Stock Exchange
						2019	2018		
BTN Bonds XIV 2010	1,650,000	June 11, 2010	10	June 11, 2020	10.250%	idAA+	idAA+	Not yet due	BEI
BTN Bonds XV 2011	1,300,000	June 28, 2011	10	June 28, 2021	9.500%	idAA+	idAA+	Not yet due	BEI
Shelf Registration Bonds I Phase I BTN 2012	2,000,000	June 5, 2012	10	June 5, 2022	7.900%	idAA+	idAA+	Not yet due	BEI
Shelf Registration Bonds I Phase II BTN 2013	2,000,000	March 27, 2013	10	March 27, 2023	7.900%	idAA+	idAA+	Not yet due	BEI
Shelf Registration Bonds II Phase I BTN 2015 D Series	800,000	July 8, 2015	10	July 8, 2025	10.500%	idAA+	idAA+	Not yet due	BEI
Shelf Registration Bonds II Phase I BTN 2015 B Series	500,000	July 8, 2015	5	July 8, 2020	9.875%	idAA+	idAA+	Not yet due	BEI
Shelf Registration Bonds II Phase I BTN 2015 C Series	800,000	July 8, 2015	7	July 8, 2022	10.000%	idAA+	idAA+	Not yet due	BEI
Shelf Registration Bonds II Phase II BTN 2016 B Series	1,653,000	August 30, 2016	5	August 30, 2021	8.750%	idAA+	idAA+	Not yet due	BEI
Shelf Registration Bonds III Phase I BTN 2017 A Series	1,466,000	July 13, 2017	3	July 13, 2020	8.300%	idAA+	idAA+	Not yet due	BEI
Shelf Registration Bonds III Phase I BTN 2017 B Series	1,295,000	July 13, 2017	5	July 13, 2022	8.500%	idAA+	idAA+	Not yet due	BEI
Shelf Registration Bonds II Phase I BTN 2017 C Series	853,000	July 13, 2017	7	July 13, 2024	8.700%	idAA+	idAA+	Not yet due	BEI
Shelf Registration Bonds III Phase I BTN 2017 D Series	1,386,000	July 13, 2017	10	July 13, 2027	8.900%	idAA+	idAA+	Not yet due	BEI



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Name of Bonds	Nominal (Rp Million)	Issue Date	Tenor (Year)	Maturity Date	Coupon (%)	Rating		Status (as of December 31, 2019)	Stock Exchange
						2019	2018		
Shelf Registration Bonds III Phase II BTN 2019 A Series	1,756,500	June 28, 2019	370 hari	July 8, 2020	7.750%	idAA+	-	Not yet due	BEI
Shelf Registration Bonds III Phase II BTN 2019 B Series	1,168,000	June 28, 2019	3	June 28, 2022	8.750%	idAA+	-	Not yet due	BEI
Shelf Registration Bonds III Phase II BTN 2019 C Series	1,219,500	June 28, 2019	5	June 28, 2024	9.000%	idAA+	-	Not yet due	BEI
<b>Total</b>	<b>19,847,000</b>								

For the period ended December 31, 2019, Bank BTN has paid interest in accordance with the coupon value to the bondholders at its maturity.

Next are the bonds that have been paid by Bank BTN in 2019:

Name of Bonds	Nominal (Rp. Million)	Issue Date	Tenor (Year)	Maturity Date	Coupon (%)	Rating		Status	Stock Exchange
						2019	2018		
Obligasi Berkelanjutan II Bank BTN Tahap II Tahun 2016 Seri A	1,347,000	30 Agustus 2016	3	30 Agustus 2019	8.200%	idAA+	idAA+	Lunas	BEI

Up to the end of 2019, the Company has not issued sukuk, convertible bonds, or other securities.



## OTHER FUNDING SOURCES HIGHLIGHTS

“Bank BTN utilizes other financial instruments to strengthen its capital, one of which is by issuing Negotiable Certificates of Deposit (NCD)”

The Bank has issued Negotiable Certificate of Deposit (NCD) since 2014. In 2019 the Bank has paid off all NCDs with the following details:

Type	Series	Nominal (Rp Million)	Transaction Date	Term	Maturity Date	Interest Rate	Nominal per Series (Rp. Million)	Status
NCD Phase IV 2017	C	540,000	December 13, 2017	24 months	December 13, 2019	6.60%	60,000	Paid
NCD Phase I 2018	B	1,440,000	April 03, 2018	12 months	April 2, 2019	6.20%	610,000	Paid
NCD Phase II 2018	A	690,000	July 18, 2018	6 months	January 15, 2019	7.60%	520,000	Paid
	B			12 months	July 16, 2019	7.70%	170,000	Paid
NCD Phase III 2018	A	2,020,000	November 5, 2018	6 months	May 7, 2019	8.30%	1,340,000	Paid
	B			9 months	August 2, 2019	8.40%	170,000	Paid
	C			12 months	November 5, 2019	8.50%	510,000	Paid
NCD Phase IV 2018	A	340,000	December 10, 2018	3 months	March 12, 2019	8.00%	80,000	Paid
	B			6 months	June 11, 2019	8.40%	260,000	Paid
<b>Total</b>		<b>5,030,000</b>					<b>3,720,000</b>	



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## EVENT HIGHLIGHTS



JANUARY

### ➤ BANK BTN PREPARES HOUSING FINANCING FOR GARUT BARBER COMMUNITY

President of the Republic of Indonesia, Joko Widodo accompanied by President Director of BTN and a number of Ministers of Working Cabinet, and also Governor of West Java dan Regent of Garut performed the groundbreaking at housing area of Persaudaraan Pencukur Rambut Garut (PPRG) in Sukamukti Village, Banyuresmi, Garut, West Java, Saturday (19/1). This is a real embodiment of Bank BTN's support to the Government's one million housings program through Subsidized KPR for informal sector workers that are incorporated in PPRG Community.



FEBRUARY

### ➤ CELEBRATING 69<sup>TH</sup> Anniversary, BTN HELD CHARITY FUNWALK

In order to celebrate its 69th Birthday, Bank BTN held an activity titled Charity Funwalk which was attended by more than 10,000 participants. This activity was held at JCC, Senayan, Jakarta on Sunday (10/2). At the age of 69, Bank BTN managed to record assets of more than Rp300 trillion and succeeded in being ranked as the fifth largest bank in terms of assets in Indonesia. Bank BTN which focuses on housing loans recorded loans of around Rp523 trillion throughout its establishment for 69 years.



FEBRUARY

### ➤ BTN SYARIAH LAUNCHED KPR HITS

Bank BTN launched the BTN iB property financing service under the name KPR Hits in Jakarta on Thursday (2/14) night. KPR Hits is a non-subsidized KPR product targeting millennials. Hits KPR is targeted to be able to reap funding of up to Rp 1.35 trillion throughout 2019. The launch of this service is carried out by the Director of Bank BTN, Iman Nugroho Soeko along with the Chairman of the BTN Sharia Supervisory Board, Quraish Shihab and the Head of BTN Sharia Division, Joni Prasetyanto.



MARCH

### ➤ BTN INITIATES SCHOOL OF PROPERTY DEVELOPER IN HIGHER EDUCATION ENVIRONMENT

Bank BTN in cooperation with the Civil Engineering Alumni Family of the University of Gadjah Mada (Katsgama) and FT UGM signed an MoU on Human Resources Development and Research, in which the MoU resulted in the initiation of School of Property Developer. The purpose of this collaboration is to educate MBR housing developers so that they can achieve accreditation and certification from the Ministry of PUPR which is at the same time become a new standard for developers who will in charge in subsidized housing projects.



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APRIL

### »» BTN ACQUIRED PNM'S SUBSIDIARY

Bank BTN is expanding its business scope by acquiring shares from PT Permodalan Nasional Madani Investment Management (PNMIM). Located at the Ministry of SOE Building, in Jakarta, Monday (22/4) the Company bought 33,000 PNMIM shares worth Rp114.3 billion owned by its parent company PNM.



MAY

### »» BANK BTN ESTABLISHES COOPERATION IN LAW ENFORCEMENT AND BANKING SERVICES

Located in Jakarta, Wednesday (8/5) Bank BTN established a partnership with the Indonesian National Police (Polri) in an effort to enhance cooperation in the fields of security, law enforcement and banking services. Bank BTN's partnership with state institutions including the National Police is conducted to support the success of the Million Houses program. This collaboration is a concrete manifestation of Bank BTN's support for the duties and responsibilities of the National Police in law enforcement in Indonesia.



JUNE

### »» OVER DEMANDS FOR SUSTAINABLE BONDS III BANK BTN PHASE II YEAR 2019

Bank BTN has managed to raise Rp4.11 trillion, which was higher than the target set at Rp3.14 trillion. The funds came from the capital market through the issuance of bonds. The Sustainable Public Offering Bonds (PUB) III Phase II that were offered in mid-June 2019. All of the three series of PUB III Bank BTN bonds in this second phase gained over demands, showing that investors assessed the Company's performance is positive.



JULY

### »» BTN COOPERATES WITH TNI

To support the success of the One Million Houses program launched by the Government, Bank BTN has cooperated with the Indonesian National Armed Forces (TNI) in providing banking services for TNI members. The MoU signing between Bank BTN and TNI was conducted at TNI Headquarters on Monday (7/22). Through this collaboration, Bank BTN will provide banking products and services to TNI in the form of Savings, Deposits and Current Accounts. The Company will also work on the potentials for Home Ownership Loans from members of TNI which is estimated to reach 300,000 housing units.



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SEPTEMBER

» **BTN BECOME THE PILOT PROJECT OF ELECTRONIC MORTGAGE RIGHTS SERVICE LAUNCHED BY THE MINISTRY OF ATR**

In September 2019, Bank BTN was officially appointed by the Ministry of Agrarian Affairs and Spatial Planning (ATR) as the pilot project for the Electronic Mortgage Rights (HT-el). This service also aims to accelerate the completion of the mortgage right certificate (HT) as a second way out of the application of the Statement of Financial Accounting Standards (PSAK 71) at Bank BTN. This electronic service will provide convenience for the public, especially those who want to participate in the Housing Loans (KPR).



OCTOBER

» **BANK BTN LAUNCHED KEMILAU EMAS PROGRAM**

On Friday (31/10) Bank BTN launched the "Kemilau Emas" program. When launching this program, the Company also showed a mock up of the gold pieces. The Company is targeting to raise fresh funds in the form of Third Party Funds from the retail segment amounted to Rp3 trillion from this program, which will be held from November to December 2019.



NOVEMBER

» **BANK BTN HELD MASS KPR CONTRACT**

Head of Regional Office I of PT Bank Tabungan Negara (Persero) Tbk. Manahan Hutapea visited the mass KPR contract process that was followed by 200 debtors under the Savings Based Housing Financing or BP2BT scheme in Bogor, West Java, Thursday (11/28). Until the end of 2019, Bank BTN has distributed KPR with BP2BT scheme for approximately 5,635 housing units throughout Indonesia. With this achievement, Bank BTN still plays a role as the government's main partner in channeling BP2BT.



NOVEMBER

» **BTN IS READY TO FACE 2020**

The Board of Directors of Bank BTN held an Extraordinary General Meeting of Shareholders (EGMS) in Jakarta, Wednesday (11/27). In the EGMS, the shareholders agreed to appoint a new President Director, Pahala N. Mansury and Chandra Hamzah as the President Commissioner of the Company. The new composition of directors and commissioners of Bank BTN is believed to be solid in running the Company's business and supporting President Joko Widodo's public housing program.



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## EVENT HIGHLIGHTS



DECEMBER

### » BTN IS PREPARED TO CONQUER MILLENIAL MARKET

To attract the millennial generation, Bank BTN launched the Android version of BTN Properti Mobile application in Jakarta, Wednesday (12/28). This application is expected to make millennial generation easier to access KPR products from Bank BTN. In addition, the Company is also preparing to conquer the millennial market by rebranding KPR Gaeesss for Millenials product. Until November 2019, the Company was recorded to be successfully distributed KPR Gaeesss KPR amounted to Rp9.3 trillion. The distribution value is equivalent to 27,593 residential units for millennials.



DECEMBER

### » BTN LISTED EBA-SP SMF BTN 05

Bank BTN listed the BTN 05 SMF EBA-SP on the Indonesia Stock Exchange on Wednesday (4/12). EBA-SP is an instrument resulting from securitization of KPR claims. With the listing of EBA-SP SMF BTN 05 that achieved id AAA rating, Bank BTN recorded 12 times securitization transactions with a total EBA value of Rp11.65 trillion.





# MANAGEMENT REPORT

One of the major agendas in strengthening the Company's organization is the implementation of Good Corporate Governance. The management emphasizes integrity as the main key in implementing GCG principles and practices, especially from all people of Bank BTN.





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**Chandra M. Hamzah**  
President Commissioner



# BOARD OF COMMISSIONERS REPORT

Bank BTN's performance in 2019 becomes an important part of the reflection of Bank BTN's journey to be able to grow with a strong foundation in the future

Dear distinguished Shareholders and all stakeholders,

As a banking business that focuses on housing finance, PT Bank Tabungan Negara (Persero) Tbk, hereinafter referred to as "the Company" or "Bank BTN", plays a significant role in the Indonesian Government's "One Million Houses" program. This program aiming to provide decent and affordable housing for Indonesian people has become one of the leading programs of the Indonesian Government in the quest of improving the lives of Indonesian people; especially in meeting basic needs related to housing. With a market share reaching 90.82% of total housing loan subsidies in Indonesia, the Company has taken on a strategic position to support the "One Million Houses" program realization.

To that end, the Board of Commissioners hereby submits a brief report of the supervisory function in this Annual Report 2019 of the Company, which is part of the supervision reporting concerning the Company's performance throughout a challenging year in 2019.

## IMPLEMENTATION OF THE BOARD OF COMMISSIONERS' FUNCTION TO SUPERVISE THE IMPLEMENTATION OF THE BANK'S STRATEGIES AND TO PROVIDE ADVICES TO THE BOARD OF DIRECTORS

Supervision of the Company's strategic policies undertaken by the Directors is performed by monitoring the implementation of Bank BTN Business Plan for 2019-2021 period. This Business Plan is a fundamental review of the policies on various aspects in management of the Company, i.e. the operations and targets of the Bank, including the implementation of Good Corporate Governance (GCG) in pursue of encouraging Bank Governance within the Company.

Throughout 2019, Bank BTN's Business Plan underwent changes in the framework of preparing the implementation of the Statement of Financial Accounting Standards (SFAS) 71 which will come into effect on January 1, 2020. In addition, the challenge of tight banking liquidity continued to significantly bring impact on the Company's performance until the Quarter III of 2019. This condition gave rise to an increase in outstanding Non-Performing Loans (NPLs) and higher cost of fund than the predetermined target, which led to a significant deviation from the projections of the Company's NPL, Allowance for Impairment of Credit Losses, and Profit as of December 2019 position.



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Therefore, the Company, with encouragement from the Financial Services Authority (OJK) as the banking regulator, corrected the Bank's Business Plan previously set at the end of 2018 and/or early 2019. The Company made adjustments/revision to the Bank's Business Plan 2019-2021 by focusing on its commitment to meet the coverage ratio and efforts to improve performance to realize sustainable growth.

The Board of Commissioners' supervisory role is carried out through intense involvement of the Board of Commissioners on a regular basis in giving directives concerning the Company's work plan preparation to the Board of Directors. The Board of Commissioners and the Board of Directors convene in a joint meeting forum that discusses various agendas regarding work plans, Bank operations, challenges and opportunities, as well as strategic issues that require approval of the Board of Commissioners and the Board of Directors. This meeting is a form of coordination to discuss the Board of Directors' periodic reports and provide responses, notes and advices

that will poured in the minutes of meeting.

The Board of Commissioners has 2 (two) forms of meetings, namely the Board of Commissioners' Internal Meeting, and Joint Meetings with the Board of Directors. Throughout 2019, the Board of Commissioners held 51 Internal Meetings and 41 Joint Meetings with the Board of Directors, with a total of 92 meetings. The high meetings frequency and discussion agenda related to the Company's performance throughout the dynamic year of 2019 shows the intensity of the Board of Commissioners and the Board of Directors to jointly address the quite challenging situation. The Board of Commissioners hopes that this joint commitment can be maintained in the future.

Specifically, the Board of Commissioners emphasizes the importance of liquidity and increasing sources of funds for the Company. These two things shall become the focus of improvement in 2020, including the Board of Commissioners' notes regarding NPL as an indicator for the Company to improve its credit quality.

## ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE IN BANK MANAGEMENT AND BASIS OF ASSESSMENT

Assessment of the Board of Directors' performance is based on a management contract prepared in conjunction with the Bank's Business Plan 2019-2021. In the assessment, there are 6 (six) perspectives which are divided into 35 Key Performance Indicators (KPI) downgraded to the Corporate KPI and KPI of each Directorate.

### 6 THE DIRECTORS PERFORMANCE ASSESSMENT PERSPECTIVE



Financial



Customer



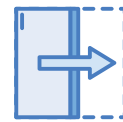
Business Process



Learning & Growth



Agent of Development



Transformation Program

35 KPI aspects include several achievements of the Company's performance with measurement target including financial performance, product and service network achievement development, Excellent Performance Assessment Criteria (KPKU) score achievement, Employee Engagement index, Information Technology development, Synergy between SOEs, Integrated Regional Economic Development, and various key criteria that describe the Company's performance and contribution to the financial industry, especially housing finance, the SOE Ministry Agenda related to economic escalation, to the transformation program undertaken by the Company.

In general, the Board of Commissioners views that the Board of Directors has endeavored to realize the shareholders' aspirations specified in the KPI. Some important notes shall become joint evaluation for all levels

to make improvements in 2020.



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## BOARD OF COMMISSIONERS REPORT

### THE BOARD OF COMMISSIONERS' VIEW OF THE BUSINESS PROSPECTS 2020 PREPARED BY THE DIRECTORS

2020 will remain a year filled with challenges for the Indonesian economy, the banking industry, and the housing industry. Pursuant to Bank BTN's Business Plan 2020-2022, 2020 is not only a challenging year, but also a year of foundation when the Company is able to make fundamental improvement.

Given the flat global growth, various countries are predicted to reduce their benchmark interest rates in order to move their economy. The United States, through the Central Bank of America, has cut interest rates throughout 2019 since its economy was still not able to bounce back. This brought an impact on other countries, including Indonesia through Bank Indonesia (BI), which cut the BI 7-day repo interest rate in stages throughout 2019, and is predicted to do the same thing in 2020.

Another external challenge was the tight banking liquidity, which gave rise to a slowdown in credit growth. Since the Bank focuses on housing finance, the Board of Directors has its own challenges in being able to continuously increase the Company's performance in the midst of a condition that is filled with challenges. In addition, the effective implementation of SFAS 71 will have a significant impact on the Company, which in turn will be a major challenge for the Board of Directors in financial management of the Company.

Above all, the Board of Commissioners recognizes that the biggest challenge for the Board of Directors is to continue to grow and improve the performance of the Company by improving fundamental aspect at the organizational level. This fundamental aspect is reflected in the integrity of all BTN People to spur the Company's performance to the best level. The Board of Commissioners emphasizes the importance of the Company's transformation in all fields, strengthening Human Resources quality based on meritocracy, the formation of digital culture, compliance, and focus on increasing Third Party Fund as a fundamental strength of the Bank's funding source, and reducing cost of funds.

The strengthening of this fundamental aspect is expected to become a foundation for the Company to maintain its loan quality, maintain a good quality of loan growth including a decline in NPL, and raise optimism for growth in the midst of such extraordinary challenges. Specifically focusing on the housing finance market which has become the Company's trade mark, the Board of Commissioners truly hopes that the Board of Directors will be able to realize 2020 as a year of foundation for the Company with optimistic projections to grow significantly in 2021.

### OVERVIEW OF THE IMPLEMENTATION OF BANK GOVERNANCE AND SUPERVISORY FUNCTIONS BY THE BOARD OF COMMISSIONERS

The implementation of GCG principles, in this case Bank Governance, shall be the Company's obligation. Implementation of this principles has two basic meanings, i.e. compliance with applicable laws and regulations, as well as the intention and willingness of all BTN People to create a healthy and accountable organization that is able to sustain in the foreseeable future.

Through the supervisory function carried out, the Board of Commissioners considers that the Company's management has endeavored to comply with all applicable laws and regulations; not only to comply with legislation generally applicable to business actors in Indonesia,

provisions in the banking sector, capital market regulations and provisions for public companies, provisions for managing Sharia Business Units, but also provisions as State-Owned Enterprises (SOEs). Basically, this compliance is visible from the implementation of several things as follows:

1. General Meetings of Shareholders (GMS) as a public company is organized in accordance with applicable regulations. This shows the willingness of the Company's management to respect the rights of shareholders up to minority shareholders.
2. The entire structure and mechanism of the GCG



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organs function properly, characterized by high intensity of meetings.

3. The Company submits reports to regulators according to the regulations. Additionally, the Company listens to the inputs given by regulators in order to strengthen the Indonesian banking industry.
4. Transparency of financial performance, both through the website and information disclosure to public.
5. Compliance with regulations concerning housing finance sector.

The main key to implementing GCG principles in the banking sector comprise risk management at the upstream as an early warning system, establishing and carrying out risk awareness in the Bank's operations and financial management, and the audit process at the downstream; both internal audit and independent audit conducted by Public Accountants. The existence of Risk Monitoring Committee under the Board of Commissioners, Risk Management Task Force, and Risk Management Committee under the Board of Directors, have demonstrated the Company's seriousness in a balanced risk management. At the audit level, the Audit Committee under the Board of Commissioners and the Internal Audit Division under the Board of Directors form a good combination of audit management, coupled with an independent audit of the Company's financial statements by Public Accountants Firm.

Moreover, the Board of Commissioners recognizes that GCG implementation in the Bank rests on the commitment of all BTN's People to realize an accountable management of the Company. This fundamental strength is a challenge for the Board of Directors in 2020 to realize the Company's

## APPRECIATION FOR THE PERFORMANCE OF COMMITTEES UNDER THE BOARD OF COMMISSIONERS

In carrying out its duties, function, and responsibilities, the Board of Commissioners is assisted by several organs, i.e. Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee. In addition, the Company also has Secretary of the Board of Commissioners who supports the implementation of the Board of Commissioners' duties and responsibilities.

sustainable growth resting on the integrity of all parties as a foundation. The Board of Commissioners is committed to working together with the Board of Directors in the effort to lay this foundation, and strengthen the Company's performance growth with a strong foundation.

The Board of Commissioners is specifically proud of the cooperation that has been established between the Company and the Corruption Eradication Commission (KPK) in implementing guideline for preventing corruption or "Cegah Korupsi (CEK)", and Professional with Integrity or "Profesional Berintegritas (PROFIT)" program. The Company is the first SOE Bank to adopt and implement CEK and PROFIT to encourage the prevention of corruption and fraud in the Company. The Board of Commissioners hopes these programs will run smoothly and provide positive benefits for the Company to lay the foundation for sustainable bank management.

Not to forget, the application of the FSA Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies coming into effect on January 1, 2019, will also bring impact on the Company's management. This regulation actually relies on the spirit of sustainable finance implementation that is oriented towards the financial industry with due observance of environmental, social and economic aspects. The Board of Commissioners hopes that the continuation of sustainable finance implementation in the following years will bring the Company to become a banking business actor who has great attention to those aspects, especially as a Bank focusing on housing finance for the people.

Each organ, both the committees and the Secretary of the Board of Commissioners, has a tactical role in providing inputs to the Board of Commissioners. The Audit Committee works together with Internal Audit Division to provide checks and balances on the ongoing internal audit process within the Company; including cooperating in an independent audit process of the Company's financial statements conducted by Public Accountants Firm.



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Likewise, Risk Monitoring Committee has established working relationship with Risk Management Function carried out by a function under the Board of Directors. On the flip side, Nomination and Remuneration Committee is in charge of providing inputs on the nomination and remuneration process applied in the Company. This good working relationship is expected to be the foundation for the Company's future development.

Assessment of the performance of Audit Committee, Risk Monitoring Committee, and Nomination and Remuneration Committee is conducted periodically every 3 (three) months. This assessment is carried out based on the realization and completion of the work programs specified in the Work Plan and Budget of each committee, which are then reported to the Board of Commissioners

in the report submitted by each committee. Results of the assessment become the consideration for the Board of Commissioners to reappoint and/or dismiss members of the Audit Committee for the next term.

The Board of Commissioners considers that the 3 committees and the Secretary of the Board of Commissioners as supporting organs have carried out their functions properly. Periodic reporting is a valuable input for the Board of Commissioners to look more closely at the management of the Company carried out by the Board of Directors. Therefore, the Board of Commissioners expresses our appreciation and gratitude for all the efforts made and the inputs provided by members of the Committees and the Secretary of the Board of Commissioners.

## VIOLATION REPORTING OR WHISTLE BLOWING SYSTEM (WBS) MECHANISM APPLIED IN THE BANK AND THE ROLE OF THE BOARD OF COMMISSIONERS IN THE MECHANISM

Whistle Blowing System (WBS) is a mechanism that allows complaints or reporting of violations occurring in the Company by prioritizing the whistleblower's identity confidentiality. The Company has in place WBS Guidelines that are regulated based on the Board of Directors' Circular No. 21/DIR/IAD/2014 dated 28 May 2014 concerning Standard Operating Procedure of Whistle Blowing System of PT Bank Tabungan Negara (Persero) Tbk.

The implementation of the Company's WBS is inseparable from Bank Indonesia Regulation No. 5/8/ PBI/2003 amended by PBI No. 11/23 / PBI / 2009 and Bank Indonesia Circular No. 13/28 / DPNP concerning Anti-Fraud Policy. The Company's WBS mechanism is implemented with a view to enforce regulations and the spirit of reporting transparency from any party. The whistleblower can submit reports of alleged violations based on evidence that can be accounted for and in good faith for the benefit of the Company. The whistleblower's identity is kept confidential and the report can be submitted by the whistleblower without mentioning his identity (anonymous); except if there are legal steps that require the whistleblower's identity to be disclosed before the court. The Company has in place WBS Team specifically formed to manage all

the complaints reports that are submitted, to be verified and processed to the next stage.

In the WBS mechanism that applies in the Company, the Board of Commissioners plays the role of report recipient at the top level. If the alleged violator is a member of the Board of Directors or their family members, the alleged violation report shall be directly addressed the Board of Commissioners by mail to the PO BOX Whistle Blowing System (WBS) BTN Jakarta 10000. On the flip side, if the alleged violator is a member of the Board of Commissioners or his/her family, then the alleged violation report shall be directly addressed to the President Director. Reports submitted to the Board of Commissioners will be verified and reviewed further, and the best steps will be taken if necessary.

In addition, the Board of Commissioners also monitors the progress of the reports submitted to the Company's WBS channel. Through internal meetings and meetings with the Board of Directors, the Board of Commissioners can find out should there be a complaint reported through the WBS channel that requires attention. Until the end of 2019, some 90 complaints were received through the Company's WBS



channel either by Mail/PO BOX, SMS / Mobile, come in person, or by electronic mail. From this figure, some 80 complaints have been completed without further auditing (clarification audits and/or special audits), while 10 other complaints have been forwarded for clarification audit and/

or special audits. As of December 31, 2019, from the 10 complaints received, 8 (eight) complaints were still in the process of either the audit process, document verification or cross-division processes; while 2 (two) other complaints have been proven and sanctioned.

## CHANGES IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS

In 2019, through resolutions of the General Meetings of Shareholders (GMS) consisting of the Annual GMS on May 17, 2019, the Extraordinary GMS on August 29, 2019 and the Extraordinary GMS on November 27, 2019, the Shareholders decided to change the Board of Commissioners composition with a chronology as below

### CHRONOLOGY OF CHANGES IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS THROUGHOUT 2019

January 1 – May 17 2019 Period	May 17 – August 29, 2019 Period	August 29 – November 27, 2019 Period	November 27 – December 31, 2019	Description
I Wayan Agus Mertayasa (President/ Independent Commissioner)				I Wayan Agus Mertayasa is no longer serving since the 2019 Annual General Meeting on May 17, 2019.
Kamaruddin Sjam (Independent Commissioner)	Kamaruddin Sjam (Independent Commissioner)	Kamaruddin Sjam (Independent Commissioner)		Kamaruddin Sjam is no longer serving since the Extraordinary General Meeting of Shareholders' Decision on November 27, 2019.
Arie Coerniadi (Independent Commissioner)	Arie Coerniadi (Independent Commissioner)	Arie Coerniadi (Independent Commissioner)		Arie Coerniadi is no longer serving since the Extraordinary GMS Decision on November 27, 2019
Lucky Fathul Aziz Hadibrata (Independent Commissioner)	Lucky Fathul Aziz Hadibrata (Independent Commissioner)	Lucky Fathul Aziz Hadibrata (Independent Commissioner)		Lucky Fathul Aziz Hadibrata is no longer serving since the Extraordinary GMS Decision on November 27, 2019.
Garuda Wiko (Independent Commissioner)	Garuda Wiko (Independent Commissioner)	Garuda Wiko (Independent Commissioner)		Garuda Wiko is no longer serving since the Extraordinary GMS Decision on November 27, 2019
Sumiyati (Commissioner)	Sumiyati (Commissioner)			Sumiyati is no longer serving since the 2019 Annual GMS Decision on August 29, 2019.





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January 1 – May 17 2019 Period	May 17 – August 29, 2019 Period	August 29 – November 27, 2019 Period	November 27 – December 31, 2019	Description
Maurin Sitorus (Commissioner)				Maurin Sitorus is no longer serving since the 2019 Annual GMS Decision on May 17, 2019.
Iman Sugema (Commissioner)	Iman Sugema (Commissioner)	Iman Sugema (Commissioner)		Iman Sugema is no longer serving since the Extraordinary GMS Decision on November 27, 2019.
Parman Nataatmadja (Commissioner)				Parman Nataatmadja is no longer serving since the 2019 Annual GMS Decision on May 17, 2019.
	Asmawi Syam (President Commissioner/ Independent)	Asmawi Syam (President Commissioner / Independent)		Asmawi Syam was appointed through the 2019 Annual GMS Decision on May 17, 2019, but has not held office since the Extraordinary GMS Decision on November 27, 2019.
	Eko D. Heripoerwanto (Commissioner)	Eko D. Heripoerwanto (Commissioner)	Eko D. Heripoerwanto (Commissioner)	Eko D. Heripoerwanto was appointed through 2019 Annual GMS Decision on May 17, 2019.
		Marwanto Harjowiryono (Commissioner)		Marwanto Harjowiryono was appointed through the Extraordinary GMS Decision on August 29, 2019
			Chandra M. Hamzah <sup>1)</sup> (President Commissioner / Independent)	Chandra M. Hamzah was appointed through the Extraordinary GPS Decision on November 27, 2019.
			Armand B. Arief <sup>1)</sup> (Independent Commissioner)	Armand B. Arief was appointed through the Extraordinary GMS Decision on November 27, 2019
			Ahdi Jumhari Luddin <sup>1)</sup> (Independent Commissioner)	Ahdi Jumhari Luddin was appointed through the Extraordinary GMS Decision on November 27, 2019



January 1 – May 17 2019 Period	May 17 – August 29, 2019 Period	August 29 – November 27, 2019 Period	November 27 – December 31, 2019	Description
			<b>Heru Budi Hartono<sup>*)</sup></b> (Commissioner)	Heru Budi Hartono was appointed through the Extraordinary GMS Decision on November 27, 2019.
			<b>Andin Hadiyanto<sup>*)</sup></b> (Commissioner)	Andin Hadiyanto was appointed through the Extraordinary GMS Decision on November 27, 2019.

<sup>\*)</sup> Effective after the appointment has been approved by the Financial Services Authority.

Until the end of December 31, 2019 period, the Company has 6 (six) members of the Board of Commissioners consisting of 3 (three) Independent Commissioners, one of whom was appointed as President Commissioner and 3 (three) Non-Independent Commissioners. These numbers are different compared to the beginning of 2019, where the Company has 9 (nine) members of the Board of Commissioners consisting of 5 (five) Independent Commissioners, one of whom was appointed as President Commissioner and 4 (four) Non-Independent Commissioners.

The following is the composition of the Board of Commissioners who served at the end of 2019.

#### COMPOSITION OF BOARD OF COMMISSIONERS PER DECEMBER 31, 2019

Board of Commissioners	Appointment Basis	Term of Office	Serving Period
Chandra M. Hamzah <sup>*)</sup> (President Commissioner/ Independent)	Decision of Extraordinary GMS, November 27, 2019	2019 GMS – 2024 GMS	First
Armand B. Arief <sup>*)</sup> (Independent Commissioner)	Decision of Extraordinary GMS, November 27, 2019	2019 GMS – 2024 GMS	First
Ahdi Jumhari Luddin <sup>*)</sup> (Independent Commissioner)	Decision of Extraordinary GMS, November 27, 2019	2019 GMS – 2024 GMS	First
Eko D. Heripoerwanto (Commissioner)	Decision of 2019 Annual GMS, May 17, 2019	2019 GMS – 2024 GMS	First
Heru Budi Hartono <sup>*)</sup> (Commissioner)	Decision of Extraordinary GMS, November 27, 2019	2019 GMS – 2024 GMS	First
Andin Hadiyanto <sup>*)</sup> (Commissioner)	Decision of Extraordinary GMS, November 27, 2019	2019 GMS – 2024 GMS	First

<sup>\*)</sup> Effective after the appointment has been approved by the Financial Services Authority.



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Of the 6 members of the Board of Commissioners in office until the end of the reporting period, 5 (five) members have not yet received approval from the FSA for the Fit and Proper Test conducted by the respective member of the Board of Commissioners.

All changes in the composition and membership of the Board of Commissioners are fully the decisions of the Shareholders as set forth in the GMS.

### CLOSING REMARKS

To the shareholders, the Board of Commissioners expresses our gratitude for the trust given to us. The Board of Commissioners also sends our appreciation to the Board of Directors for their commitment to sustaining the Company's growth in the coming years. The Board of Commissioners' appreciation also goes to all employees of the Company for their best contributions. The Board of Commissioners truly hopes the 2019 journey will become an important record for all levels of staff to continuously formulate the right strategy and bring the Company towards a better growth.

President Commissioner  
**Chandra M. Hamzah**

Commissioner  
**EKO D. HERIPOERWANTO**



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**PAHALA NUGRAHA MANSURY**  
President Director



## BOARD OF DIRECTORS REPORT

**2019 is an important note for Bank BTN's journey to being able to make future improvement and grow from its core competency as a savings bank focusing on housing finance.**

Dear distinguished Shareholders and all stakeholders,

Representing the Board of Directors and Management of PT Bank Tabungan Negara (Persero) Tbk, hereinafter referred to as "the Company" or "Bank BTN", allow me to present to you the Company's FY2019 performance report. We should give our appreciation for the Company's achievement in 2019, in terms of operations and business performance as a banking business focusing on housing finance, to all the people who have directly and indirectly contributed to this achievement.

### DEVELOPMENT AND STRATEGIC POLICIES UNDERTAKEN IN 2019

2019 was a year filled with challenges for the world economy. The World Bank projected the world economic growth in 2019 will be at the level of 2.9%, down from 2018 which was at the level of 3%. This projection is no different from the International Monetary Fund (IMF)'s projection that the world economy in 2019 will only grow 2.9%, down from the projection released in October 2019 at the level of 3%. The tension of the trade war between the United States (US) and China continued in 2019 - which recently began to subside after the signing of an agreement between the two countries, giving an impact on the weakening of world trade and manufacturing activities. In addition, geopolitical conditions in several regions also contributed to the world economic uncertainty throughout 2019.

The US' and China's economic slowdown in 2019 forced the two countries to take anticipatory measures, especially maintaining the benchmark interest rate. The US government through the American Central Bank or The Fed throughout 2019 cut the Federal Funds Rate (FFR) interest rate from 2.50% to 1.75%. This led to foreign capital flow into several financial markets in developing countries, which then gave the developing countries an opportunity to cut interest rates and undertake other accommodative policies.



In the midst of the world economic slowdown, Indonesia was actually able to keep its economic stability. Based on the Central Bureau of Statistics (BPS) data, Indonesia's economy in 2019 was able to grow 5.02%, slightly below the 2018 growth of 5.17%. Indonesia's success to be resilient in the midst of a less favorable world economic situation was mainly due to Indonesia's economic growth posture that is dominated by the domestic consumption sector. The success of Bank Indonesia to maintain the inflation rate in 2019 by 2.72%, the lowest since 1999, as well as the Indonesian Government's efforts to maintain the Basic Electricity Tariff and Subsidized BBM, also significantly contributed in maintaining Indonesia's economic growth.

These positive factors, coupled with stronger exchange rate of Rupiah against US Dollar, provide a room for Bank Indonesia to take anticipatory policies towards its benchmark interest rates. In 2019 BI cut the BI 7 Days Reverse Repo Rate (BI 7 DRRR) by 100 bps from 6.0% to 5.0%. In addition, BI eased some macroprudential ratio policies to encourage the growth of bank loans, one of which the easing of LTV / FTV (Loan To Value / Financing To Value).

However, continued tight banking liquidity remained a banking challenge in 2019. This was indicated by the National Banking LDR (Loan to Deposit Ratio) which was still above 92% and an increase in funding sources from securities. As of November 2019, the Bank's LDR ratio was 93.5% and banking securities grew 20.7% (yoy) higher than the previous period of 2.4%. The growth of these securities was higher than the growth of Third Party Funds per November of 8.8% (yoy).

The increasingly limited banking liquidity resulted in slower loan growth. As of November 2019, national banking loans grew 8.3% (yoy), down from the previous period's growth of 11.6%. In addition to tightening liquidity, the slowdown in loan growth in 2019 was also caused by the behavior of investors who tend to take wait and see action on political conditions after the holding of the Indonesian General Election (2019).

In facing the challenges of macro dynamics and increasingly fierce competition, in 2019 the management set the direction of the General Policy of the Board of Directors or "Kebijakan Umum Direksi (KUD)" themed "Controlled Growth with More Prudent and Quality Business, supported by Enhanced HR Productivity, IT Infrastructure, and Optimal Risk Management". In line with the KUD theme, Bank BTN has established the following strategic policies:

1. Loan Business Strategy
  - a. Optimizing the Government's subsidized housing loan program.
  - b. Developing housing loan mortgage program for millennial generation.
  - c. Developing commercial loans (KMK and KI) and corporate loans in the SOE segment.
  - d. Enhancing the role of BTN HFC to produce new developers for the Subsidized and MBR housing projects.
2. Funding Strategies
  - a. Developing Savings products with enhanced electronic channel features (prepaid cards, debit cards, mobile banking and internet banking).
  - b. Developing Cash Management for the institutional and corporate segments.
  - c. Selective in granting funds interest rates.
  - d. Increasing wholesale funding both from securities and bilateral loans.
3. Fee Based Income Strategy
  - a. Increasing treasury transactions.
  - b. Developing bank guarantee fees and supply chain financing for institutional and corporate customers
  - c. Increasing fee-based income from institutional banking activities.
4. Collection & Remedial Strategy
  - a. Improving loan business processes by implementing housing loan business process improvement initiatives.
  - b. Increasing the effectiveness of desk calls to improve collectability 2 (Under special supervision).
  - c. Developing strategic partnerships with investors, attorneys, lawyers, property agents and debt collectors.



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- d. Speeding up the completion of documents through the Threshold Tolerance (LAT).
- e. Increasing CKPN reserves to prepare for the implementation of PSAK 71 in early 2020.
- f. Reducing loans at risk.
- 5. Information Technology (IT) Initiative
  - a. Strengthening the role of BTN Property Portal.
  - b. Developing Customer Relationship Management (CRM) to find out 360 in Retail DPK sales.
  - c. Developing internet banking & mobile banking applications.
  - d. Developing management tools for marketing and sales activities by forming digital marketing & sales tools (BTN SMART).
  - e. Improving current operational supporting tools now, to increase risk prevention capacity.
  - f. Maximizing the risk profiling of work units.
  - g. Integrating the Loan Origination System and the addition of iCremo to monitor lending.
- 6. Implementing Risk, Governance and Compliance
  - a. Implementing integrated GRC implementation by monitoring Key Performance Indicators (KPI), Key Risk Indicators (KRI), and Key Compliance Indicators (KCI).
  - b. Improving corporate governance standards according to the 11 pillars of BI / FSA, Corporate Governance Perception Index (CGPI) standards and sustainability finance standards.
  - c. Applying compliance maps to all work units.
- 7. HR Strategy and Corporate Culture Strengthening
  - a. Creating top talent management and succession.
  - b. Evaluating career management and job family.
  - c. Developing succession and handover plan
  - d. Developng strategic man power planning with the Pareto allocation strategy.
  - e. Strengthening the internalization of employer value propositions through targeted recruitment activities to attract top talents.
  - f. Strengthening performance-based management through performance management system enhancement, designing compensation mechanism that is attractive and for all business segments.
  - g. Strengthening high-performance culture through internalization of integrity work culture.

## REALIZATION BETWEEN TARGET DAN PERFORMANCE ACHIEVEMENT IN 2019

The challenging macroeconomic condition and efforts to prepare for the the SFAS 71 implementation became an important note on the Company's performance in 2019. Nevertheless, amidst these challenges, the Company continued to demonstrate its strategic positioning and contribution to the national banking and housing sector.

The Company's loan and financing increased by 7.4% (yoy), to Rp255.8 trillion. The loan growth was driven by subsidized housing loans. In line with loan growth, the Company managed to strengthen its position as the 5th Largest Bank in terms of Assets and Banks with the largest Housing Loan market share in supporting the Government's Million Houses program. In December 2019, the Company's total assets were recorded at Rp311.7 trillion and total market share of Bank BTN's Housing Loans as of September 2019 was 40.13%.

Third Party Funds (TPF) Realization amounted to Rp225.4 trillion, down 2.1% (yoy) due to tightening bank liquidity which resulted in the raising of Third Party Fund to become more competitive thus increasing funding sources from non-TPF. Even so, the performance of Bank BTN's savings is still better than the industry's growth, which was 8.9% (yoy) higher than the National Savings growth of around 7% (November 2019 position).

The Company's Gross NPL ratio increased to 4.7%. The decline in loan quality was due to the Company's efforts to reduce low-quality loans (loan at risk), especially in the high-rise commercial segment (Apartments) due to a decrease in property demand in the middle-upper segment and apartments which resulted in a decrease in sales and debtors' ability.



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The Company's profit performance fell to Rp209 billion due to two main factors: First, the effort to increase Allowance for Impairment Losses (CKPN) for the purpose of SFAS 71 implementation, where in 2019 the Company increased its CKPN position to Rp6.1 Trillion, an increase from 2018 which was only Rp.3.3 Trillion. The second factor is the

increase in interest expense due to tightening liquidity. As of December 2019, the Company's interest income was recorded at Rp. 25.6 trillion, up from the previous period of Rp. 22.8 trillion. However, interest expense increased to Rp 16.5 trillion from Rp 12.6 trillion in 2018.

## OBSTACLES, CHALLENGES AND FUTURE OPPORTUNITIES

Slowing economic growth is predicted to continue. In the 2020 APBN, the Government projects that economic growth in 2020 will range from 5.1% - 5.2%, which has not improved significantly compared to the outlook for economic growth in 2019 of 5.1%. Nevertheless, the Company is optimistic that domestic economic fundamentals are still strong and holds opportunities that can be developed in expanding business going forward.

The Company's optimism is motivated by several factors, including:

1. Government commitment and support to support the sustainability of Subsidized KPR program in the One Million Houses Program. Although the allocation of subsidized housing quotas has tended to decline in the past two years, the Government has sought funding options to continue to increase subsidized housing loans in the future. To that end, the Company will strengthen communication with stakeholders to propose new funding options that will be used in the distribution of Subsidized KPR.
2. The development of new centers of growth driven by trend in urbanization, infrastructure development and the plan to remove the National Capital City that will

encourage the creation of new metropolitan areas. In the next five years, it is predicted that there will be six new metropolitan areas, namely Palembang, Medan, Manado, Banjarmasin, Makassar and Denpasar which can be opportunities for the Company to expand its business reach.

3. Demands for houses at a price of Rp150 million - Rp300 million is still high, while property credit growth is still limited. Based on the Residential Property Price Index (IHPR) released by Bank Indonesia in 2019, the small house type (Type <36) IHPR has a higher index of IHPR compared to the medium and large house type IHPR. In Q4 2019, IHPR for small type houses was realized at 211.3 higher than the medium and large house IHPR, which were 207.1 and 177.2, respectively. These conditions indicate that the low segment housing market which has been the Company's main market share is still far from saturated.
4. Collaboration and partnership trend of Banking with Fintech as a new engine of business growth. This condition is an opportunity that will be utilized by the Company to develop digital-based property and housing credit ecosystems

## BUSINESS PROSPECTS AND PLAN FOR 2020

By taking into account the future challenges and opportunities, the Company has formulated five long-term strategic focus that will be carried out as an effort to improve performance and strengthen core business competency, namely as a Savings Bank that focuses on Housing Financing. The five strategic focus are:

1. Implement SIIPS work culture (Synergy, Integrity, Innovation, Professional and Strive for Excellence), consistently to improve productivity.

2. Increase the quality of productive assets and improve the credit business processes.
3. Build a new business model to develop CASA and new low cost sources of funding.
4. Automation and digitization of business processes.
5. Partnership with various stakeholders to build a property and KPR business ecosystem.

By establishing the five strategic focus, the Company has established eight main strategic initiatives that will be





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implemented in 2020:

1. Completion of NPL and massively increasing coverage ratio, which will be done through:
  - a. Strengthening the collection management system
  - b. Speed up the sale of bad loans to increase coverage
2. Partnership to develop affordable housing finance for millennials in urban areas
  - a. Create funding collaboration for housing finance distribution in the millennial and urban segments
  - b. Expand Market and Securitization Productivity
3. Bundling products to improve CASA
  - a. Increase CASA through activation of transactional savings accounts and sale of Bundling Products
  - b. Improve Sales Management Model for Retail DPK Sales
  - c. Become a transaction operational Bank for institutional customers
4. Strengthening the application of SIIPS work culture
  - a. Culture Program that encourages performance improvement
  - b. Improve performance management cycle
  - c. Strengthening Performance Culture, Sales and Service Culture
5. Continue initiatives to improve credit business processes and collection management
  - a. Have a credit business model that enforces 3 Pillars (Business, Risk and Operation)
  - b. Ensure the quality of productive assets
  - c. Develop analytic data
6. Strengthening communication with the Government to develop housing finance schemes in the MBR segment
  - a. Develop stakeholder collaboration for affordable housing programs
  - b. Bundling Products with Anchor in KPR
7. Automatization of business processes and develop the Digital KPR ecosystem
  - a. Improve digital capability, reliability and competitive feature of business processes automatization
  - b. Develop digital ecosystems, in the payment, P2P and Property sectors
8. Develop a savings proposition for the mass affluent segment
  - a. BTN Savings Rebranding with Digital image, Easy transaction and multi-benefit

## DEVELOPMENT OF CORPORATE GOVERNANCE IMPLEMENTATION

One of the big agenda in strengthening the organization of the Company is Good Corporate Governance (GCG) implementation. Being both a state-owned enterprise bank and a public company, the Company is required to carry out business management in compliance with applicable laws and regulations. The implementation of GCG principles is mainly based on 5 (five) basic principles, namely transparency, accountability, responsibility, independence, and fairness, as released in the General Guidelines for Good Corporate Governance issued by the National Committee on Governance Policy (KNKG).

Management has endeavored to implement all GCG principles as outlined in the organizational scheme and policy tools, as well as various programs and activities. In the policy infrastructure, the Board of Directors together with the Board of Commissioners have devised various guidelines and regulations that can set limits the responsibilities of each organ of the Company. This limitation becomes important so that the relationship pattern among organs can be intertwined harmoniously, and is able to support the achievement of a predetermined vision and mission. In addition, the Company

also holds General Meeting of Shareholders (GMS) as a forum for shareholders to determine a number of limited strategic policies for the Company's sustainability.

The existence of various supporting organs, such as Corporate Secretary, Internal Audit Unit, and Risk Management function, is supported by the policy instruments as GCG process and mechanism implemented in the Company. The management periodically reviews and updates its policy instruments to be continuously relevant to the development of the Company and regulations in force, and the growth of the banking industry in Indonesia.

In the quest of realizing the ultimate goal of GCG principles and practices, i.e. to make them part of the culture, the Company considers it important to conduct GCG dissemination to all Bank BTN's People. In addition, evaluation, monitoring and enhancement of the Company's GCG implementation have also become important part of the overall GCG development in order to enhance GCG implementation year by year. The assessment is done on the application of GCG aspects, and on risk management pursuant to the FSA regulations.



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Management Discussion and Analysis

The management specifically emphasizes integrity as the main key in implementing GCG principles and practices, especially the integrity of all Bank BTN's people. Management has a high commitment to continuously making integrity as a culture, as an inseparable part of HR competency and capacity development. The Company's journey throughout 2019 has provided an important note on the necessity of all Bank BTN's

people in building positive thinking pattern and work culture that can support sound management of the Bank. Only with integrity, the Company's organization will be able to achieve its vision, and become a leading business player in the banking industry in Indonesia.

## CHANGES IN THE BOARD OF DIRECTORS COMPOSITION

In 2019, through the resolutions produced in General Meetings of Shareholders (GMS), i.e. the Annual GMS on May 17, 2019, the Extraordinary GMS on August 29, 2019 and the Extraordinary GMS on November 27, 2019, the Shareholders have decided to make changes in the Board of Directors' Composition and Position Nomenclature with chronology as follows.

### CHRONOLOGY OF CHANGES IN THE BOARD OF DIRECTORS' COMPOSITION AND POSITION NOMENCLATURE IN 2019

Period 1 January – 17 May 2019	Period May 17 - August 29, 2019	Period August 29 - November 27, 2019	Period November 27 – December 31, 2019	Remarks
Maryono (President Director)	Maryono (President Director)			Maryono has no longer served pursuant to the Resolution of the Extraordinary GMS dated August 29, 2019.
Iman Nugroho Soeko (Director of Finance & Teasury)				Iman Nugroho Soeko has no longer served pursuant to the Resolution of the FY2019 Annual GMS Resolution dated May 17, 2019.
Andi Nirwoto (Director of IT & Operation)	Andi Nirwoto (Director of IT & Operation)	Andi Nirwoto (Director of IT & Operation)	Andi Nirwoto (Director of Operation, IT and Digital Banking)	Nomenclatur change as Extraordinary GMS Resolution dated 27 November 2019
Oni Febriarto Rahardjo (Direktur Commercial Banking)	Oni Febriarto Rahardjo (Director of Commercial Banking)	Oni Febriarto Rahardjo (Acting President Director, Director of Commercial Banking)		On 2 September, the Board of Directors appointed Oni Febriarto Rahardjo to act as Acting President Director. Oni Febriarto Rahardjo has no longer served pursuant to the Resolution of the Extraordinary GMS Resolution dated November 27, 2019
Budi Satria (Director of Consumer Banking)	Budi Satria (Director of Consumer Banking)	Budi Satria (Director of Consumer Banking)		Budi Satria has no longer served pursuant to the Resolution of the Extraordinary GMS Resolution dated November 27, 2019.



## BOARD OF DIRECTORS REPORT

## CHRONOLOGY OF CHANGES IN THE BOARD OF DIRECTORS' COMPOSITION AND POSITION NOMENCLATURE IN 2019

Period 1 January – 17 May 2019	Period May 17 – August 29, 2019	Period August 29 – November 27, 2019	Period November 27 – December 31, 2019	Remarks
R. Mahelan Prabantarikso (Director of Strategy, Compliance & Risk)	R. Mahelan Prabantarikso (Director of Compliance)	R. Mahelan Prabantarikso (Director of Compliance)		R. Mahelan Prabantarikso has no longer served pursuant to the Resolution of the Extraordinary GMS Resolution dated November 27, 2019.
Nixon L.P Napitupulu (Director Collection & Asset Management)	Nixon L.P Napitupulu (Director of Collection & Asset Management concurrently serves as Acting Director of Finance, Treasury & Strategy)	Nixon L.P Napitupulu (Director Finance, Treasury & Strategy)	Nixon L.P Napitupulu (Director Finance, Planning and Treasury)	Nomenclatur change as Extraordinary GMS Resolution dated 27 November 2019.
Dasuki Amsir (Director of Distribution & Network)	Dasuki Amsir (Director of Distribution & Network)	Dasuki Amsir (Director of Distribution & Network)		Dasuki Amsir has no longer served pursuant to the Resolution of the Extraordinary GMS Resolution dated November 27, 2019.
Yossi Istanto** (Director of Strategic Human Capital)	Yossi Istanto** (Director of Strategic Human Capital)	Yossi Istanto** (Director of Strategic Human Capital)	Yossi Istanto** (Director of Human Capital, Legal and Compliance)	Nomenclatur change as Extraordinary GMS Resolution dated 27 November 2019.
		Suprajarto (President Director)		Suprajarto was appointed pursuant to the Resolution of the Extraordinary General Meeting of Shareholders dated August 29, 2019, and then tendered his resignation.
		Elisabeth Novie Riswanti* (Director of Collection & Asset Management)	Elisabeth Novie Riswanti* (Director of Remedial and Wholesale Risk)	Elisabeth Novie Riswanti was appointed based on the Extraordinary GMS Resolution dated August 29, 2019 nomenclatur change as Extraordinary GMS Resolution dated 27 November 2019
			Pahala Nugraha Mansury (President Director)	Pahala Nugraha Mansury was appointed based on the Extraordinary GMS Resolution dated November 27, 2019
			Hirwandi Gafar* (Director of Consumer and Commercial Lending)	Hirwandi Gafar was appointed based on the Extraordinary GMS Resolution dated November 27, 2019

**CHRONOLOGY OF CHANGES IN THE BOARD OF DIRECTORS' COMPOSITION AND POSITION NOMENCLATURE IN 2019**

Period 1 January – 17 May 2019	Period May 17 – August 29, 2019	Period August 29 – November 27, 2019	Period November 27 – December 31, 2019	Remarks
			<b>Jasmin*</b> (Director of Distribution and Retail Funding)	Jasmin was appointed based on the Extraordinary GMS Resolution dated November 27, 2019
			<b>Setiyo Wibowo*</b> (Director of Enterprise Risk Management, Big Data and Analytic)	Setiyo Wibowo was appointed based on the Extraordinary GMS Resolution dated November 27, 2019

As of Desember 31, 2019, the Company had 8 (eight) Directors, one of whom acted as President Director. This number is different compared to the beginning of 2019, where the Company has 9 (nine) Directors, one of whom served as President Director. This change was in line with the change in the nomenclature of the Company's Board of Directors position pursuant to the Extraordinary GMS Resolution dated November 27, 2019.

The following is composition of the Board of Directors serving at the end of 2019.

**BOARD OF DIRECTORS COMPOSITION AS OF 31 DECEMBER 2019**

Board of Directors	Legal Basis for Appointment	Effective Date in Office	Term of Office Period
Pahala Nugraha Mansury (President Director)	Extraordinary GMS Resolution dated 27 November 2019	AGMS 2019 - AGMS 2024	First
Andi Nirwoto (Director of Operation, IT and Digital Banking)	Annual GMS 2018 Resolution dated March 23, 2018	AGMS 2018 - AGMS 2023	First
Nixon L.P Napitupulu (Director of Finance, Planning and Treasury)	Annual GMS 2017 Resolution dated March 17, 2017	AGMS 2017 - AGMS 2022	First
Yossi Istanto** (Director of Human Capital, Legal and Compliance)	Annual GMS 2018 Resolution dated March 23, 2018	AGMS 2018 - AGMS 2023	First
Elisabeth Novie Riswanti* (Director of Remedial and Wholesale Risk)	Extraordinary GMS 2019 Resolution dated August 29, 2019	AGMS 2019 - AGMS 2024	First
Hirwandi Gafar* (Director of Consumer and Commercial Lending)	Extraordinary GMS Resolution dated November 27, 2019	AGMS 2019 - AGMS 2024	First



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## BOARD OF DIRECTORS REPORT

### BOARD OF DIRECTORS COMPOSITION AS OF 31 DECEMBER 2019

Board of Directors	Legal Basis for Appointment	Effective Date in Office	Term of Office Period
Jasmin* (Director of Distribution and Retail Funding)	Extraordinary GMS Resolution dated November 27, 2019	AGMS 2019 - AGMS 2024	First
Setiyo Wibowo* (Director of Enterprise Risk Management, Big Data and Analytics)	Extraordinary GMS Resolution dated November 27, 2019	AGMS 2019 - AGMS 2024	First

\*) Effective after the appointment has been approved by the Financial Services Authority.

\*\*) Effective as a member of Board of Directors since September 10, 2018, but performed the compliance function after obtaining approval by the Financial Services Authority as Director in charge of the compliance function.

From the 8 Directors serving until the end of the reporting fiscal year period, 4 (four) Directors have not received the FSA's approval on their Fit and Proper Test.

All changes to the Board of Directors' composition and position nomenclature are fully the Shareholders' resolutions produced in the GMS.

### APPRECIATION AND OPTIMISM

With the journey and all important notes made throughout 2019, the Board of Directors would like to express our appreciation and gratitude to the Board of Commissioners for providing directives and strategic partnership in managing the Company's operations and business. The Board of Directors would also like to send our gratitude to the shareholders and all investors. Our gratitude also goes to the regulators, customers, suppliers and business partners for the cooperation that has been established so far.

To all Bank BTN's people, allow us the Board of Directors to express our appreciation for all the efforts that have been made. Hopefully, the 2019 journey can be an evaluation for the Company to optimize its potential and achieve its best performance in the future.

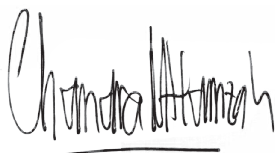
President Director  
**PAHALA NUGRAHA MANSURY**

# ACCOUNTABILITY OF ANNUAL REPORT

## LETTER OF STATEMENT OF THE MEMBERS OF BOARD OF COMMISSIONERS ON 2019 ANNUAL ACCOUNTABILITY REPORT OF PT BANK TABUNGAN NEGARA (PERSERO) TBK

We, the undersigned below, declare that all information in the 2019 Annual Report of PT Bank Tabungan Negara (Persero) Tbk has been completely disclosed and we are fully accountable for the truthfulness of its content. We also declare that the Company Risk Management and Internal Control System is adequate. This statement is made truthfully.

Jakarta, February 2020



**CHANDRA M. HAMZAH<sup>\*)</sup>**  
(President Commissioner/Independent)



**HERU BUDI HARTONO<sup>\*)</sup>**  
(Commissioner)



**EKO D. HERIPOERWANTO**  
(Commissioner)



**ANDIN HADIYANTO<sup>\*)</sup>**  
(Commissioner)



**ARMAND B. ARIEF<sup>\*)</sup>**  
(Independent Commissioner)



**AHDI JUMHARI LUDDIN<sup>\*)</sup>**  
(Independent Commissioner)

<sup>\*)</sup>Effective after the appointment has been approved by Financial Services Authority

## LETTER OF STATEMENT OF THE MEMBERS OF BOARD OF DIRECTORS ON 2019 ANNUAL ACCOUNTABILITY REPORT OF PT BANK TABUNGAN NEGARA (PERSERO) TBK

We, the undersigned below, declare that all information in the 2019 Annual Report of PT Bank Tabungan Negara (Persero) Tbk has been completely disclosed and we are fully accountable for the truthfulness of its content. We also declare that the Company Risk Management and Internal Control System is adequate. This statement is made truthfully.

Jakarta, February 2020



**PAHALA NUGRAHA MANSURY**  
(President Director)



**ELISABETH NOVIE RISWANTI \*)**  
(Director of Remedial and Wholesale Risk)



**NIXON L.P NAPITUPULU**  
(Director of Finance, Planning and Treasury)



**YOSSI INSTANTO \*\*)**  
(Director of Human Capital, Legal and Compliance)



**HIRWANDI GAFAR \*)**  
(Director of Consumer and Commercial Lending)



**ANDI NIRWOTO**  
(Director of Operation, IT and Digital Banking)



**JASMIN \*)**  
(Director of Distribution and Retail Funding)



**SETIYO WIBOWO \*)**  
(Director of Enterprise Risk Management, Big Data and Analytics?)

\*)Effective after the appointment has been approved by Financial Services Authority

\*\*) Effective as a member of Board of Directors since September 10, 2018, but obtaining approval by the Financial Services Authority as director in charge of the compliance function.





# COMPANY PROFILE

For more than six decades, BTN has provided a variety of products and services in the housing sector, mainly through KPR. This effort produced good results, BTN successfully improved its position to become the 5 (five) largest banks in Indonesia in terms of assets.





# GENERAL INFORMATION AND COMPANY IDENTITY

## Name

PT Bank Tabungan Negara (Persero) Tbk

## Short Name

Bank BTN

## Date of Establishment

February 9, 1950

## Business Line

Commercial Bank, including to conduct Sharia principle-based business

## Legal Basis of Establishment

- Martial Law No. 9 Year 1950 dated February 9, 1950 concerning Amendments to the Postspaarbank Law (Staatsblad 1934 No. 653, 1937 No. 176 and 197 and 1941 No. 295) (State Gazette of the Republic of Indonesia No. 12 Year 1950)
- Government Regulation Amendment of Law No. 4 Year 1963 dated June 22, 1963 concerning Amendments and Additions to Law No. 36 Year 1953 concerning Bank Tabungan Negara (State Gazette No. 86 of 1953)
- Government Regulation No. 24 Year 1992 dated April 29, 1992 concerning Adjustment of Legal Status of Bank Tabungan Negara to State-owned Limited Liability Corporation (Persero).
- Deed of establishment of the Bank as Persero No. 136 Dated July 31, 1992 passed before Muhani Salim, S.H., Notary in Jakarta

## Change of Name

Established as "Postspaarbank" in 1897, then changed its name to Tyokin Kyoku or Savings Office in 1942. It again changed its name to Taboengan Pos Office in 1945. In 1950, the name was changed to "Bank Tabungan Pos" by the Government of Republic of Indonesia. Effective in 1963, the Company changed its name to Bank Tabungan Negara. Since 1992, it has officially become Limited Liability Corporation (Persero).

## Company Status

Limited Liability Corporation (Persero) / Public Company / State-Owned Enterprise (SOE)

## Ownership

- The Government of the Republic of Indonesia: 60,00%
- Public – Domestic: 16,82%
- Public – Foreign: 23,18%

## Authorized Capital

Rp10,239,216,000,000,- (ten trillion two hundred thirty nine billion two hundred sixteen million Rupiah) divided into:

- 1 (one) Series A Dwiwarna share with nominal value of each share of Rp500 (five hundred Rupiah).
- 20,478,431,999 (twenty billion four hundred seventy eight million four hundred thirty one thousand nine hundred and ninety nine) Series B shares with a nominal value of each share of Rp500 (five hundred Rupiah).

## Issued and Fully Paid Capital

From the Authorized Capital, some 51.71% or equal to 10,590,000,000 (ten billion five hundred ninety million) shares have been issued and fully paid in to the nominal amount of Rp5,295,000,000,000 (five trillion two hundred ninety five billion Rupiah), divided into:

- 1 (one) Series A Dwiwarna share with nominal value of Rp500 (five hundred Rupiah)
- 10,589,999,999 (ten billion five hundred eighty nine million nine hundred ninety nine thousand nine hundred ninety nine) series B shares, with a total nominal value of Rp5,294,999,999,500 (five trillion two hundred ninety four billion nine hundred ninety nine million nine hundred ninety nine thousand five hundred Rupiah).

## Stock Exchange Listing

December 17, 2009, Indonesia Stock Exchange (IDX)

## Ticker Code

BBTN

## Issued and Fully Paid Capital

- BTN Bonds XIV Year 2010, Rating idAA+
- BTN Bonds XV Year 2011, Rating idAA+
- Bank BTN Self-Registered Bonds I Phase I Year 2012, Rating idAA+
- Bank BTN Self-Registered Bonds I Phase II Year 2013, Rating idAA+
- Bank BTN Self-Registered Bonds II Phase I Year 2015 Series D, Rating idAA+
- Bank BTN Self-Registered Bonds II Phase I Year 2015 Series B, Rating idAA+
- Bank BTN Self-Registered Bonds II Phase I Year 2015 Series C, Rating idAA+
- Bank BTN Self-Registered Bonds II Phase I Year 2015 Series A, Rating idAA+
- Bank BTN Self-Registered Bonds II Phase II Year 2016 Series B, Rating idAA+
- Bank BTN Self-Registered Bonds III Phase I Year 2017 Series A, Rating idAA+
- Bank BTN Self-Registered Bonds III Phase I Year 2017 Series B, Rating idAA+
- Bank BTN Self-Registered Bonds III Phase I Year 2017 Series C, Rating idAA+
- Bank BTN Self-Registered Bonds III Phase I Year 2017 Series D, Rating idAA+
- Bank BTN Self-Registered Bonds III Phase II Year 2019 Series A, Rating idAA+
- Bank BTN Self-Registered Bonds III Phase II Year 2019 Series B, Rating idAA+
- Bank BTN Self-Registered Bonds III Phase I Year 2019 Series C, Rating idAA+



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report



### Number of Employees



11,647 (2019)

### Business Networks

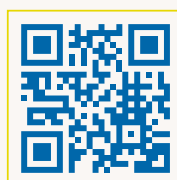


- Conventional Banking Network: 6 Regional Offices, 78 Branch Offices, 326 Sub-Branch Offices (KCP), 358 Cash Offices, 52 Payment Points, 3 KCP Equivalent Service Offices, 2,950 Cash Office Equivalent Service Offices, and 23 Mobile Cash Units.
- Sharia Banking Network: 25 Sharia Branch Offices, 53 Sharia Sub-Branch Offices, 7 Sharia Cash Offices, and 12 Sharia Payment Points.

### Head Office Address



Menara Bank BTN  
Jl. Gajah Mada No. 1 Jakarta  
10130, Indonesia



- +62 21 6336789
- +62 21 6346704
- csd@btn.co.id
- www.btn.co.id

Call Center : 1500-286

### Social Media

- BankBTNcoid
- @BankBTNcoid
- BankBTN
- Bank BTN

### Company's Contact



Corporate Secretary  
Achmad Chairul  
Menara BTN  
Jl. Gajah Mada No.1, Jakarta Pusat  
10130  
Phone : (021) 6336789 ext. 2003  
Fax : (021) 6336719  
E-mail : achmad.chaerul@btn.co.id



## BRIEF HISTORY OF THE COMPANY



### BRIEF HISTORY AND ACHIEVEMENT OF BANK TABUNGAN NEGARA.

The long history of PT Bank Tabungan Negara (Persero) Tbk, hereinafter referred to as “the Bank”, “the Company”, or “BTN”, began with the establishment of Postspaarbank in 1897. In 1942, Postspaarbank was taken over by the Government of Japan and changed its name to Tyokin Kyoku or Savings Office. In 1945, the Government of the Republic of Indonesia took over Tyokin Kyoku and established the Taboengan Pos Office. In the post independence era, precisely in 1950, the Government of the Republic of Indonesia changed the name of Tyokin Kyoku to Bank Tabungan Pos, and then again changed its name to Bank Tabungan Negara in 1963. It is still known as Bank Tabungan Negara today. In 1974, the Government appointed the Company as the only institution allowed to channel Home Ownership Loans (KPR) for the lower middle class, in line with the Government program to promote a housing program for the public. In 1976, the Company carried out its first realization in Tanah Mas Housing in Semarang. In 1994, the Company obtained an operating license as a Foreign Exchange Bank, and subsequently, the Company was appointed as a commercial bank that focused on home financing in 2002. Then, In 2009, the Company did the first securitization of housing loan in Indonesia. Company carry out asset securitization by listing Asset Backed Securities (KIK-EBA) Collective Investment Contract transaction,

then on December 17, 2009 the company conducted the Initial Public Offering and listing on the Indonesia Stock Exchange. Company have a determination to help all level of Indonesian society in realizing their dreams of owning a home. Their determination was realized by the company by continuing to focus on home financing and its consistency.

For more than six decades in providing a variety of products and services in the housing sector, mainly through mortgages/KPR, both Subsidized Mortgages for lower middle segment and Non-Subsidized Mortgages for the middle to upper segments. This effort produced good results; the Company succeeded in elevating its position to become the 5th largest bank in Indonesia in terms of assets. With the aim of providing the best results to stakeholders, the Company is always consistent in emphasizing its focus as a leader in home financing. Company have a dream to be the leading and trusted bank in housing sector and family financial services.

In 2015, the Company took on an important role in helping the Government’s “One Million Houses for the People” Program. The Company has been appointed as one of the banks that support government programs through mortgage financing. In an effort to accelerate



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report



## “BTN focuses on financing for the housing sector through its ( 3 ) three main products: consumer banking, commercial banking and shariah banking.”

the one million houses program, in 2016, the Company continued to boost supply and demand for mortgages, among other things, by offering financing facilities for developers for mortgage loans and disbursements, providing financing facilities for developers to accelerate subsidized mortgages, nonsubsidized KPR and micro KPR. In 2016, the Company entered Phase II of transformation for the first year, namely the digital banking period. The Company has developed various products and added digital services such as BTN mobile, internet banking and cash management. In 2017, the journey of the Company’s digital banking transformation process continued. In terms of business, the Company continues to improve banking services by accelerating the stages of corporate transformation in the digital era, one of which is by opening Smart Branch. The Company’s Smart Branch is equipped with a variety of services to facilitate customers’ needs in obtaining banking information, communicating with banks, registering, opening accounts, conducting transactions including transactions outside of banking products.

In 2018, the period of digital banking through improvement of infrastructure and information technology networks began to bear fruit. During the first semester of 2018, the Company managed to leverage fee-based income (FBI) by 26.53% to Rp2,062.99 billion. In addition, through the implementation of various strategic policies carried out

throughout 2018, the Company won first place for the Best Good Corporate Governance category in the 2018 BUMN Award. The Company was considered to have succeeded in implementing the principles of good corporate governance compared to other publicly listed SOEs. In addition to achieving The Best GCG, the Company won the Best Talent Development and The Best CEO award in the Driving Execution category.

As the 5th largest bank in Indonesia which carries the main mandate in implementing Government programs Related to housing, in 2019, Bank BTN continues to transform to strengthen the role of becoming a housing market maker, which is realized by acting as a demand side and supply side integrator. To realize this, the Housing Finance Center (HFC) unit has been formed, a unit that plays an active role as a think tank to accelerate the construction of a million houses

In addition, Bank BTN's efforts in realizing the construction of a million houses were also carried out by supporting the development of subsidized housing developers, one of which was by conducting research integration which involves stakeholders in the property sector (academics, banks, government and communities) in developing patterns of financing and providing housing for MBR which are categorized as informal.

### INFORMATION ON THE CHANGE OF COMPANY NAME

As described above, BTN has a long history until as it is today; starting with the name Bank Tabungan Pos in 1950 until the name was changed to become PT. Bank Tabungan Negara (Persero) Tbk.

<p><b>1897 - 1950</b></p> <p>Founded under the name "Postspaarbank" in 1897 during the Dutch Indies Government, then changed its name to "Tyokin Kyoku" or "Kantor Tabungan" in 1942 during the Japanese Government. The name changed to "Kantor Taboengan Pos" in 1945 during the independence of the Republic of Indonesia.</p>	<p><b>1950</b></p> <p>February 9, 1950, the name was changed to "Bank Tabungan Pos" by the Government of the Republic of Indonesia.</p>	<p><b>1963</b></p> <p>June 22, 1963 effectively changed its name to "Bank Tabungan Negara".</p>	<p><b>2009-Now</b></p> <p>December 17, 2009 officially conducted an Initial Public Offering (IPO) on the Indonesia Stock Exchange. The legal status of the Bank becomes a publicly listed company under the name "PT Bank Tabungan Negara (Persero) Tbk".</p>
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# MILESTONES

**1897**



The Company was established under the name "Postspaarbank" during the rule of the Dutch East Indies Government.

**1942**



The Company was taken over by the Government of Japan and renamed Tyokin Kyoku or the Savings Office.

**1945**



The Government of the Republic of Indonesia took over Tyokin Kyoku and established Taboengan Pos Office.

**1946**

All Taboengan Pos offices were occupied by the Dutch and temporarily ceased operations.

**1949**



The Government of Indonesia reopened the Taboengan Pos Offices with the name of Bank Tabungan Pos RI

**1950**



Change of name to "Bank Tabungan Pos" by the Government of the Republic of Indonesia.

**1953**



Inaugurated as a legal entity under the Ministry of Transportation and allowed to open a Branch Office.

**1963**



Change of name to Bank Tabungan Negara and moved under the Ministry of Central Bank Affairs.

**1965**



Integration of State-owned Banks and Bank Tabungan Negara into the Central Bank. Established a Single Bank under the name of Bank Negara Indonesia consisting of Bank Tabungan Negara, Bank Indonesia, Bank Koperasi Tani dan Nelayan, State-owned Banks, BNI 1946 and Bank Dagang Negara.

**1968**



The single bank was separated and reopened as Bank Tabungan Negara, abbreviated to BTN.

**1971**



BTN cooperated with Perum Pos and Giro to implement Tabanas (National Savings) program and Taska (Term Insurance Savings) program.

**1974**



Assigned by the Ministry of Finance to handle public housing financing.

**1976**



Realization of BTN mortgage (KPR) for the first time in Tanah Mas Housing, Semarang.

**1986**

Obtained credit from IBRD / World Bank in the amount of USD 266,550,000 which was signed by the Government of Republic of Indonesia.

**1989**



Issued Bonds for the first time and the commencement of commercial bank operations



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

**1992**



Effectively became a limited liability company (Persero).

**1994**

Obtained permission to operate as a Foreign Exchange Bank.

**2001**



Recapitalized by the Government of the Republic of Indonesia with a value of Rp13.6 trillion.

**2002**



With an online realtime system, based on IBM-AS400, information technology was implemented in all branch offices.

**2005**



Establishment of Sharia Unit Business and opened the First Sharia Branch Office at Harmoni, Jakarta.

**2008**



Obtained ISO 9001-2000 Certification for mid-term credit services with service pattern 1-5-1.

**2009**



Mortgage Securitization through the first Asset Backed Securities (KIK EBA) Collective Investment Contract in Indonesia. The Company conducted an Initial Public Offering (IPO) and was listed on the Indonesia Stock Exchange (Go Public).

**2012**



The Company executed Rights Issue.

**2013**



The Company transformed into a leading housing financing bank, offering world class banking.

**2014**



The Company and SMF signed Indonesia's biggest securitization.

**2015**



The Company participated in the success of "One Million Houses for Indonesian People."

**2016**



The Company continued the transformation agenda, namely "Digital Banking Period."

**2017**

The Company continued the transformation phase of the digital banking period by developing various digital-based products and services, one of which was the opening of the Smart Branch in Harmoni, Jakarta.

**2018**

Developing Digital Ecosystems to Support Sustainable Business

**2019**



Became the Housing Market Maker and strengthened its position as the 5th Largest Bank.



# VISION, MISSION & CORPORATE CULTURE VALUES



## VISION

Leading, and trusted in facilitating the housing sector and family financial services.

### VISION EXPLANATION

#### Accelerator and Integrator in the field of housing

Bank BTN can make a comprehensive contribution to all housing sector activities from upstream to downstream

#### Family Financial Partners

Can contribute as a whole to all activities in the housing sector and at the same time as an anchor to serve the needs of other customers

## MISSION



Play an active role in supporting the housing sector, both from the supply side and demand side, which is integrated in the housing sector in Indonesia



Provide superior services in financing to the housing sector and family financial needs.



Increase competitive advantage through innovation in digital product development, services and strategic networks.



Prepare and develop qualified, professional and high-integrity human capital



Increase stakeholder value by focusing on increasing profitability growth in accordance with prudential and good corporate governance principles



Care for community, social and environmental interests in a sustainable manner.





Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## APPROVAL AND STUDY OF KEY MANAGEMENT OF THE COMPANY'S VISION AND MISSION

The determination of the Company's Vision and Mission is carried out periodically based on the mechanism for preparing the Bank's Long Term Plan (RJP). The Company's Vision and Mission have been reviewed and approved in the Blueprint of the BTN Bank Strategic Plan.

## CORPORATE CULTURE VALUES



Corporate culture is built on values, becoming principles that are believed to be good and right in carrying out work, and become a guideline for every person to behave, act and make decisions to achieve common objectives. Corporate culture values direct the behavior of members of the organization and establish the basis for determining organizational rules, policies and systems ("the way we do things around here").

### SYNERGY

Building synergic cooperation with all stakeholders based on a sincere, open-minded attitude and encouraging productive collaboration by upholding mutual trust and respect to achieve common goals.

### INTEGRITY

Consistency in mind, manner, matter in line with the Company's rules, code of professional conduct, and commendable principle of truth.

### INNOVATION

Continual development of new ideas and continuous improvements that add value to the Company.

### PROFESSIONALISM

Visionary, competent in each field, always willing to move ahead using the latest technology to produce the best performance.

### SPIRIT TO ACHIEVE EXCELLENCE

Demonstrate passion and strong commitment to achieve the best results and provide services that exceed customer expectations (internal and external) by stressing the importance of quality in each activity, as well as in calculated risks.





Each Corporate Culture Value has 2 (two) Main Types of Behavior which are the reference point for all Company Personnel (Bitniz). The 10 (ten) main types of behavior are:

### SYNERGYI



- Be sincere, open and show productive collaboration.
- Show mutual trust and respect.

### INTEGRITY



- Be consistent and disciplined
- Be honest and dedicated.

### INNOVATION



- Respond to change.
- Be creative and innovative in making value-added improvements.

### PROFESSIONALISM



- Be competent, show intrapreneurship and be responsible.
- Work smart and be result oriented.

### SPIRIT TO ACHIEVE EXCELLENCE



- Be enthusiastic, proactive and never give up.
- Be effective, efficient and prioritize customer satisfaction.



# STRATEGIES TO ACHIEVE THE VISION AND MISSION

The Company has established strategic pillars in the context of business growth and has a vision to become 'Leading and Reliable in facilitating the housing sector and family financial services', as follows:



MASS (Subsidized KPR)	MASS (Non Subsidized)	EMERGING AFFLUENT	AFFLUENT	UKM & CORP. & SYNDICATION (Construction)
<ul style="list-style-type: none"> <li>• Becoming a housing business market maker</li> <li>• Supporting developers' growth</li> <li>• Optimizing Share of Wallet (SOW) and service fees</li> </ul>	<ul style="list-style-type: none"> <li>• The strategy for subsidized mortgage also applies to non subsidies</li> <li>• Developing non secured lending through subsidiaries</li> <li>• Improving informal sector services</li> </ul>	<ul style="list-style-type: none"> <li>• Deepening Share of Wallet (SOW) Existing to Bank (ETB)</li> <li>• Getting CASA New to Bank (NTB) customers through digital banks</li> <li>• Digital disruption: Ekosistem KPR</li> </ul>	<ul style="list-style-type: none"> <li>• Development of coverage models</li> <li>• <i>Re-branding positioning for BTN Priorities</i></li> <li>• Building BTN wealth management products and advisors</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisition of SME customers in the value chain</li> <li>• Corporations &amp; Syndications focus on high-ticket</li> <li>• Simple products to encourage transactions</li> </ul>

- Sharia and Subsidiaries
- Agile Organization with high capabilities
- Human Capital, Man Power Planning and performance-based culture
- Optimal productivity of branches and sales/service model
- Best-in-class process through digitalization
- Comprehensive Integrated GRC
- Digital Infrastructure, Big Data, advance analytics and technology



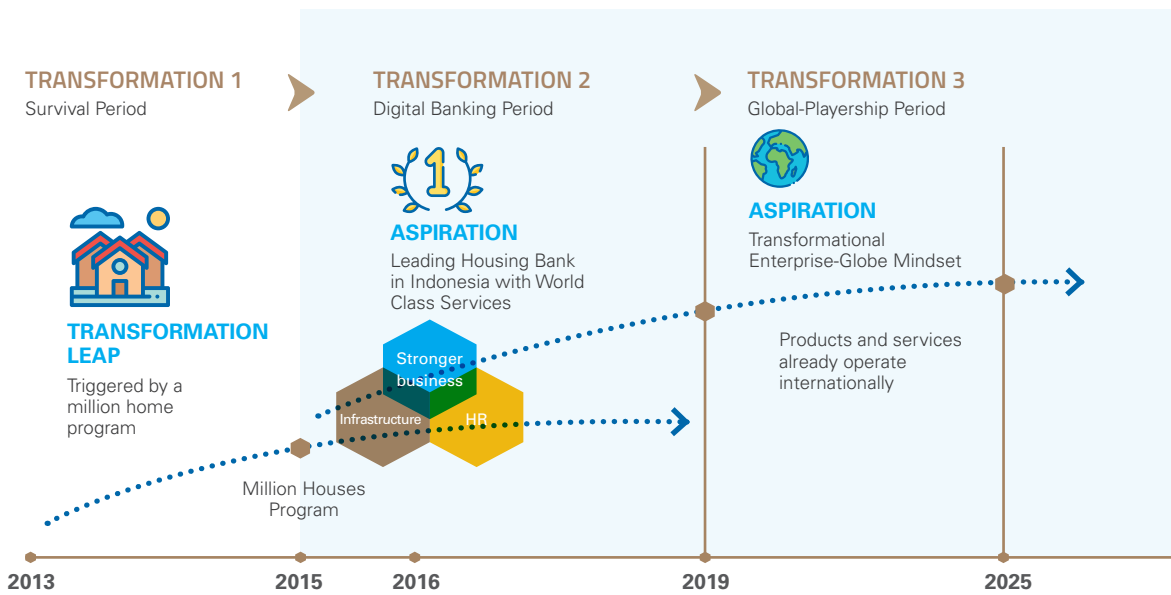
: Business Segment



: Human Capital/Infrastructure



# BTN TRANSFORMATION JOURNEY



The survival period has been concluded well, and currently the Company is entering the digital banking phase. The focus of the transformation implementation is to strengthen business dominance in the housing sector, expanding the role of Bank BTN to realize the one million houses program, as well as offering digital banking services to expand the CASA-based financing and an increase in basic transaction account.



### STRENGTHEN

Business positioning in the housing sector and construction value chain.

- Maintaining the dominance of the KPR segment in the Mass market (Subsidized & Non-Subsidized).
- Expanding the emerging affluent & affluent credit segment.
- Increase construction loans in supporting home supply by targeting the MSME, Commercial and Corporate segments segmen UMKM, Komersial dan Korporasi.



### ACTIVELY ACTING

As an integrator and accelerator in the housing business sector

- Increase the role of BTN HFC as the main think tank in Indonesia.
- Develop initiatives to support the development of subsidized house developers.



### BUILD

Strong customer orientation to seek and improve CASA-based funding

- Targeting emerging affluent and affluent segments that include families and young people (millennial generation, digital savvy).
- Develop digital banking services to strengthen the image of banks in the upper middle segment.



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## CORPORATE BRAND MEANING



Sahabat Keluarga Indonesia



1. The roof of the house represents the main vision and mission of the Company as a provider of Housing Loans for all Indonesian people.
2. Two patterns of large and small hexagons symbolize the meaning of "the big is protecting and growing the small."
3. The Three Dimensions formed from 4 Sturdy Pillars displays the Company's security and flexibility.
4. The symbol of the roof of the house with a three-dimensional impression in the form of space symbolizes the flexibility of the Company as a place for the community to carry out banking activities.



Red line under "BTN" is interpreted as selfconfidence.



Blue symbolizes the maturity of the Company with experience in managing the banking business and the wisdom in carrying out the main mission of national development.



Gold symbolizes the Company's solid credibility in proving itself as a bank that has gained public trust.



Red symbolizes self-confidence as a strong bank in running the banking business in Indonesia



# BUSINESSES LINES, PRODUCTS AND SERVICES

## BUSINESS ACTIVITIES BASED ON ARTICLES OF ASSOCIATION AND CONDUCTED BUSINESS ACTIVITIES

In accordance with Article 3 Paragraph 2 of the Company's Articles of Association which has been amended several times, most recently is based on the Deed of Resolution of the Annual General Meeting of Shareholders No. 66 dated March 23, 2018 passed before Ashoya Ratam, S.H., M.Kn., a notary in Jakarta, the scope of the Bank's activities is to carry out commercial banking activities in accordance with applicable laws and regulations, including conducting bank activities based on sharia principles..

The business sectors that can be carried out by the Company include below following matters:

BUSINESS ACTIVITIES ACCORDING TO THE LATEST ARTICLES OF ASSOCIATION	Operating/Not Yet Operating
<b>Main Business Activities</b>	
1. Collects funds from the public in the form of savings such as demand deposits, time deposits, certificates of deposit, savings and / or other similar equivalent forms.	✓
2. Provides credit/loans.	✓
3. Issues debt instruments.	✓
4. Buys and sells, at its own risk and for the benefit of and at the behest of its customers <ul style="list-style-type: none"> <li>a. Bills of Exchange including those that are accepted by the Bank where the validity period is no longer than the related customary trading notes.</li> <li>b. Promissory notes and other commercial papers where the validity period is no longer than the related customary trading notes.</li> <li>c. Treasury bills and government insurance notes.</li> <li>d. Bank Indonesia Certificates (SBI).</li> <li>e. Bonds.</li> <li>f. Commercial papers where the validity period is in accordance to the Law</li> <li>g. Other securities instruments where the validity period is in accordance with Laws and Regulations.</li> </ul>	✓
5. Moves funds both for its own interests or the interests of its customers	✓
6. Places, borrows, or lends funds from other banks, either through mail, means of telecommunication, money order, cheque, or other means.	✓
7. Receives payment from securities bills and makes the calculation with third parties	✓
8. Provides safekeeping services for valuables and securities.	✓
9. Provides a third-party custodian service on a contractual basis.	✗
10. Places funds from one client to another client in the form of securities not listed on the stock exchange.	✗
11. Finances or performs other activities based on Islamic principles, in accordance with regulations set by Bank Indonesia.	✓
12. Performs factoring, credit card, and trustee services.	✓
13. Performs activities utilizing foreign currency in accordance with regulations set by Bank Indonesia	✓



Business Support



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## BUSINESSES LINES, PRODUCTS AND SERVICES

BUSINESS ACTIVITIES ACCORDING TO THE LATEST ARTICLES OF ASSOCIATION	Operating/Not Yet Operating
14. Performs short-term capital inclusion to banks or other financial institutions.	✘
15. Performs short-term capital inclusion to cope with credit or financing failures based on Islamic principles, with the condition that they have to withdraw/retrieve the inclusion, in accordance with regulations set by Bank Indonesia.	✘
16. Acts as a pension fund provider and manager in accordance with the applicable pension funds law.	✔
17. Conducts financial services, commercial banking, and other investment banking activities. r.	✔
18. Conducts Sharia-principle business activities in accordance to the Laws and provisions established by the authorities.	✔
19. Conducts other common banking activities insofar as they are not in conflict with the aforementioned law or other applicable laws.	✔
<b>Supporting Business Activities</b>	
Optimizes the utilization of its resources to support main business as long as it is not in conflict with the laws and regulations.	✔

✔ = Operating | ✘ = Not Yet Operating

## PRODUCTS AND SERVICES

Based on the business segment developed by the Company, its Products and Services cover 2 (two) segments: conventional banking and sharia banking, with details as follows





Performance 2019



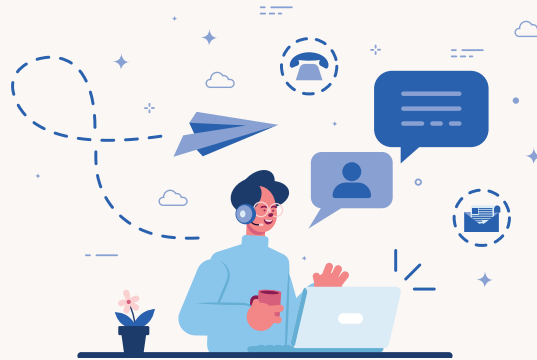
Management Report



Company Profile



Management Discussion and Analysis



## Services



CONVENTIONAL BANKING



Consumer Cards



Wealth Management



Electronic Channel ATM



CDM (Cash Deposit Machine)



Non-Cash ATM (Kiosk)



SMS Banking



Mobile Banking



Internet Banking



Virtual Account



Electronic Data Capture (EDC)



Cash Management



Branchless Banking



Portal BTN Properti



Other Banking Services

- Bank BTN Guarantee
- SKBND or Local L/C
- Virtual Account BTN
- Transfer Management
- Payment Management
- Payroll Service BTN



Sharia Banking/  
Sharia Business Unit

- BTN Sharia Visa Debit Card
- Remittance
- BTN Cash Management
- BTN iB Payment Point
- BTN iB Payroll
- Submission of Hajj funds proposals
- BTN iB SPP Online
- BTN iB Operational Development Program
- BTN iB Bank Guarantee
- Safe Deposit Box BTN iB







Business Support



Good Corporate Governance



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Financial Report

## BUSINESSES LINES, PRODUCTS AND SERVICES

### PRODUCT RANGE



### Conventional Banking

#### Consumer Banking

##### 1. Consumer Credit Products

###### a. Housing loans

- KPR BTN Subsidized
- KPR BTN Micro

Products with ease to buy land or houses, or to renovate houses gradually and to build houses on land that is already owned by the applicant, which is prioritized for people who work in the informal sector.

###### • Non-Subsidized Mortgages

- Housing loan for the middle-upper class customers. Non-subsidized Housing Loan services consist of BTN Platinum Housing Loan, BTN Apartment Loan, and Shop House (Ruko) Ownership Loan.

###### - KPR BTN Platinum

Housing Loan for house purchase from developer or non-developer, both for a new house or resale house, ready stock or indent, or loan taken over from other banks.

###### » KPR Gaeesss!

It is a feature development of KPR / KPA BTN Platinum products to fulfill the needs of house or apartment purchasing for prospective debtors from millennial segment generation (21- 35 years) with various facilities & advantages.

###### » KPR Atlet

Special program for KPR / KPA BTN Platinum products, which intended for Indonesian athletes and administrators of the Indonesian Olympic Committee.

###### - KPA BTN

- Apartment Loan for apartment purchase from developer or non-developer, both for a new apartment or resale apartment, ready stock or indent, or loan take over from other banks.

###### - KP Ruko BTN

Shop House (Ruko) ownership loan to buy a shop unit, business unit, office, or kiosk with swift and easy services.



- Other Housing-related Loans
    - BTN Collateral Credit  
Loan facility for various consumer needs by guaranteeing house/ apartment/shop/house.
    - Kredit Bangun Rumah BTN  
Loan facility for those who want to build landed house on their own land.
    - Benefit of BPJS Employment Supplementary Services – Housing Advances Loan.
  - b. Non-Housing Loan  
Non-Housing Consumer Loan is a Company focus on improving business growth, as this potential market can survive the global financial crisis. This loan has a large and scattered customer base. Non-Housing Consumer Loan products include Ringan BTN (Kring BTN), Kredit Ringan BTN Pra Pensiunan (Kring BTN Pra Pensiun), Kredit Ringan BTN Pensiunan (Kring BTN Pensiunan), Kredit Swadana BTN, Kredit Pegawai.
    - Kredit Ringan BTN (Kring BTN)  
Loan facility that is targeted for employees of company/institution to fulfill their needs without collateral. The Employee's statement will suffice.  
Loan facility granted to debtors/prospective debtors with a fixed income (salary and pension) as the repayment source. The salary may or may not be disbursed through the Bank, and should be utilized for consumptive purposes. The financing period may extend through the debtor's pension period.
    - Kredit Ringan BTN Pensiunan (Kring BTN Pensiun)  
Loan facility that is targeted for Pensioners from the Civil Service , the Indonesian Armed Forces, the Police, and their widows or widowers. The pension benefit must be disbursed through an account with BTN Bank.
    - Kredit Swadana BTN  
Loan facility for customers with collateral in the form of savings or deposits in the Bank, with the maximum loan 90% of the funds held by the customer with a competitive interest rate, an easy and fast process, and a flexible term time up to 1 year extendable.
    - Kredit Pegawai  
Soft loan facility for employees who have met certain requirements.
  - BTN Pensioner Low Credit (Kring BTN Pension)  
Credit facility intended for para retired civil servants, military/police, and widows/his widower who benefits his pensioner paid through an account at Bank BTN.
  - BTN Swadana Credit  
Credit facilities provided to customers with collateral in the form of savings or deposits deposited at Bank BTN with Maximum credit of 90% of funds deposited by these customers at interest rates competitive, fast and easy, long term process  
time is very flexible up to 1 year and can be extended.
2. Consumer Saving Products
- a. Consumer Savings
- Tabungan BTN Batara  
Multipurpose savings with various transaction facilities to support customers' financial activities.
  - Tabungan BTN Prima  
Investment savings with various benefits to provide a better life for customers.
  - TabunganKu  
Individual savings with easy and light requirements to promote a savings culture and improve public welfare
  - Tabungan Simpanan Pelajar (Simpel)  
Savings for students with easy and simple requirements, as well as interesting features in the framework of financial education and inclusion, in order to promote a savings culture at an early age
  - Tabungan BTN e'BATARAPOS  
Closer to the community and easily accessible savings for the community since they can make transactions at Online Post Offices throughout Indonesia.
  - Tabungan BTN Cermat  
Savings that facilitate access and ease of banking transactions through EDC and phone account throughout the country without having to visit the Bank. This form of savings is a part of Laku Pandai Program.
  - Tabungan Rekening Dana Nasabah (RDN)  
A savings account from the Bank for Investors in order to conduct transactions in the capital



## BUSINESSES LINES, PRODUCTS AND SERVICES

market.

- Tabungan BTN siap!  
Savings to meet the customers' future planning needs
- Tabungan BTN Felas  
Savings Products that can be used to save, transact, and invest in foreign currencies. Available in USD & SGD.
- Tabungan Simuda Rumahku  
Term savings account for students and youths aged 18-30 years as a means of educating home ownership planning from an early age.

### b. Deposito BTN Ritel

Bank BTN deposits are time deposits in rupiah and foreign currencies. Benefits of Bank BTN Deposits are attractive interest, deposit interest which can be capitalized into principal, deposit interest which can be transferred for home installment payments, electricity and telephone account bills, placement periods vary from 1 month, 2 months, 3 months, 6 months, 12 month and 24 months, and can be used as collateral for credit (Kredit Swadana).

## Commercial Banking

### 1. Commercial Loan Products

#### a. Housing Loan

Kredit Modal Kerja (KMK) Konstruksi BTN Loan facility targeted for Developers. This loan functions as capital to fund horizontal construction (houses, offices, kiosks, etc.) and vertical/ high-rise building (flats, apartments, condotels, office buildings, etc.) and the facilities and infrastructure, as long as they display a feasible rating to obtain a loan. The Company provides at the maximum 80% of the total construction cost.

- Kredit Pemilikan Lahan (KPL)  
BTN Loans granted to developers for the purchase of lands for subsidized housing, of which the construction is funded by the Company.

#### b. Non-Housing Loan

The Company Non-Housing Loan consists of MSME Loan Products, Linkage, and Corporate Programs and Loans. MSME Loan includes KUR BTN, KUMK, Kredit Investasi, KMK, and KMK Kontraktor. Linkage Program covers loans to Rural

Banks and Savings and Loan Cooperatives. While Corporate Loans include Construction Loans, Investment, Working Capital, Contractor's Working Capital and Syndication.

- Kredit Usaha Mikro dan Kecil (KUMK) BTN  
Loan for customers who have a productive business in line with the requirements of MSME. The loan may be utilized to fund the capital and/or investment with a maximum credit limit up to Rp5 billion.
- Program Kemitraan  
A program to increase the competence of small businesses in order to become strong and independent.
- Kredit Usaha Rakyat (KUR)  
Capital loan and/or investment granted to debtors with MSME status, in a productive and viable business field, but do not have additional collateral or sufficient additional collateral.
- BTN Kredit Linkage  
Loan to facilitate legal entities i.e. Rural Banks (BPR) and Cooperatives, to be disbursed to the Micro, Small, and Medium Enterprises sector.
- Corporate Loans  
Corporate Loans are loans granted to Debtors in the form of legal entities in order to meet their working capital needs and / or investment needs.
  - Kredit Modal Kerja (KMK) BTN  
Kredit Modal Kerja (KMK) or Working Capital Loan BTN is a short-term loan provided for working capital of a company.
  - Kredit Investasi BTN  
Investment Loan is medium and long term loans given to finance new projects or expansion projects of a company.
  - Kredit Modal Kerja Kontraktor (KMK Kontraktor)  
Capital loan to facilitate contractors to finish their job based on specified contract with the amount up to 60% of the value of the contract.
  - Kredit Sindikasi  
Syndicated loan is one of loan financing systems (investment loans, working capital loans, as well as guarantor) where several banks jointly financing the projects that are



proposed by customers with the same terms and conditions.

## 2. Commercial Savings Products

### BTN Demand Deposits

- BTN Demand Deposits is a type of deposit held by the Bank that can be withdrawn at any time by using Checks, Bilyet Giro, Payment Order, Book entry and other withdrawal media.
- BTN Demand Deposit by Ownership
  - Giro Perorangan  
Personal demand deposit is an individual account, including those who have a business. Withdrawals may be performed through Check/BG, ATM and other withdrawal means.
  - Giro Lembaga  
Corporate demand deposit is an account under government/state institution, business entity/  
    - legal entity (including the Bank and Rural Banks) and all business entities or legal entities governed by the Commercial Laws.
    - Giro Gabungan (Joint Account)  
Joint account is an account that is owned by more than one person, which can be a combination of institution/agency, individual, and/or a combination of both.
- BTN Demand Deposit by Currency
  - Giro BTN Rupiah  
BTN Rupiah Demand Deposit is a third party savings account in Rupiah. Withdrawals may be made by using Check/BG, other withdrawal

means, or BTN Cash Management System (i-Cash).

- BTN Foreign Currency Demand Deposit  
BTN Foreign Currency Demand Deposit is a third party savings account in foreign currency (USD). Withdrawals may be made by using a Purchase Order.

### a. Time Deposit for Institutions

Time deposit for institutions is a time deposit for investment in Rupiah or Foreign Currency, with attractive and competitive interest rates.

- Deposito BTN Rupiah  
BTN Rupiah Deposit is a time deposit for investment in Rupiah, with placement periods of 1, 2, 3, 6, 12, and 24 months. Savings may only be withdrawn within a certain period, under an agreement between the customer and the Bank.
- Deposito BTN Valas  
BTN Foreign Exchange Deposit is a time deposit for investment in foreign currency (USD) with placement periods of 1, 2, 3, 6, 12, and 24 months. Savings may only be withdrawn within a certain period, under an agreement between the customer and the Bank.
- Deposito On Call Lembaga  
BTN On Call Deposit is a time deposit in Rupiah and foreign currency (USD), with a minimum period of 1 day and maximum 35 days. The disbursement may only be conducted on the maturity date, in accordance with the agreement between the customer and the Bank.



Business Support



Good Corporate Governance

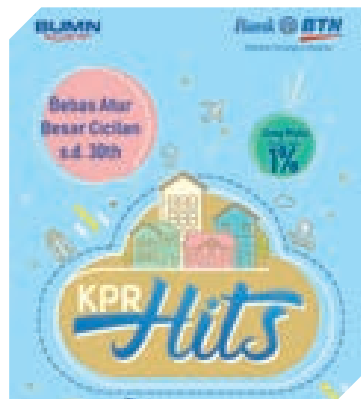


Corporate Social Responsibility



Financial Report

## BUSINESSES LINES, PRODUCTS AND SERVICES



### Sharia Business Unit

#### Sharia Financing Products

Sharia Business Unit's Financing Products are categorized into Consumer Financing and Commercial Financing. The Sharia Business Financing Products are described as follows:

1. Consumer Financing
  - a. KPR BTN Sejahtera iB
 

KPR BTN Sejahtera iB is BTN Sharia financing product to purchase a house for Low-Income Communities with low margins, low and fixed installments throughout the loan term under "Murabahah" (Sale and purchase) contract for the purpose of owning House, Flat, or apartment as part of the government program.
  - b. KPR BTN Platinum iB
 

A financing product for individual customers using "Murabahah" (Sale and purchase) contract, with fixed installments throughout the loan period in order to own House, Shop, Office, Flat, or Apartment, both new and used.
  - c. Pembiayaan Properti BTN iB (KPR HITS)
 

A finance product using "Musyarakah Mutanaqisah" (ownership sharing) contract leased to customers in flexible installments, can be used for mortgage finance, as well as other assets and refinancing systems.
  - d. KPR BTN Indent iB
 

A financing product for owning houses, shophouses, shopoffice, flats or apartments based on order by using "Istishna" (Sale and Purchase by Order) Contract with monthly installments within a certain period.
  - e. Pembiayaan Kendaraan Bermotor (PKB) BTN iB
 

A financing product for individual customers by using Murabahah (Sale and purchase) contract for owning vehicles for personal use.
  - f. Pembiayaan Tunai Emas (Tunas) BTN iB
 

A financing for customers to fulfill their financial needs by mortgaging the gold possessed using the "Qardh" (pawns), Rahn, and Ijarah contract given by Bank to customers based on agreement and accompanied by a pawn letter.
  - g. Pembiayaan Multijasa BTN iB
 

A financing product using "Kafalah bil Ujroh" contract to finance various needs of customers such as education fund package, wedding fund package, traveling fund package, pilgrimage (umrah/haji plus) package, medical fund package, and other packages that are in line with Sharia principles.
  - h. Pembiayaan Multimanfaat BTN iB
 

An individual financing product for consumptive purpose based on "Murabahah" (Sale and



purchase) contract to purchase various types of goods in need and not contrary to the applicable laws, such as electronics, furniture, household appliances, as well as other necessities.

- i. **Pembiayaan Emasku BTN iB**  
A financing product for individual customers by using "Murabahah" (Sale and Purchase) contract for purchasing gold bars with fixed installments over a period of time.
- j. **Pembiayaan Talangan Haji**  
A financing product for individual customers by using "Qard" contract for payment of the Hajj Implementation Fee (BPIH) deposit. Commercial Financing
- k. **Pembiayaan Konstruksi BTN iB**  
A financing product to meet capital expenditure needs of housing developers to develop housing and industrial projects by using "Musyarakah (cooperation)" principle. The installment plan is based on the customer's cash flow ability.
- l. **Pembiayaan Modal Kerja BTN iB**  
A financing product by using "Murabahah" (Sale and Purchase) contract or "Musyarakah (cooperation)" contract granted to institutions or companies to meet their capital needs in the trading and services industry. The installment plan is based on customer's cash flow projection.
- m. **Pembiayaan Investasi BTN iB**  
A financing product using "Murabahah" (Sale and Purchase) contract or "Musyarakah" (cooperation) contract granted to agencies, institutions, or companies to meet their capital expenditure needs for rehabilitating, modernizing, expanding, or increasing business capacity. The installment plan is based on customer's cash flow projection.
- n. **Pembiayaan KUR BTN iB**  
A financing product using "Musyarakah (cooperation)" or a "Murabahah" (Sale and Purchase) contract granted to productive businesses in the category of micro, small, and middle enterprises in the form of individual and Linkage Institution to meet capital and investment needs. The installment plan is based on customer's cash flow.
- o. **Pembiayaan Sindikasi BTN iB**  
A financing product in the form of syndication or Club Deal by more than one Banks to customers whose financing amount is too large to be granted

by one Banking Financial Institutions/Non-Bank Financial Institutions with choices of contracts such as "Mudharabah" (Profit Sharing), "Musyarakah" (Cooperation)", "Murabahah" (Sale and Purchase) or "Ijarah (Lease)".

### Sharia Savings Products

1. **Sharia Demand Deposit**
  - a. **Giro BTN iB**
  - b. A product of funds deposit for the financial operations using the contract "Wadi'ah" (Deposit), with attractive bonus offered to customers on their deposits for the convenience of their business activities.
  - c. **Giro BTN Prima iB**  
A saving product using the contract "Mudharabah mutlaqah" (profit sharing) for investment purpose, where customers will get a competitive sharing profit for the convenience of their business activities.
  - d. **Sharia Savings BTN Batara iB**  
Savings with "Wadi'ah (deposit)" contract for daily banking transactions with attractive benefits for customers and administration fee that does not reduce the principal savings.
  - e. **BTN Prima iB**  
Saving product using "Mudharabah Mutlaqah (Profit Sharing)" contract, intended for investment by providing a lucrative and competitive profit sharing for customers, and administration fee that does not reduce the principal savings..
  - f. **Tabungan BTN Haji iB dan Umroh iB**  
This saving product is intended to fulfill the dream of Pilgrimage (Haji and Umroh) using Mudharabah (Profit Sharing) contract. The outcome is lucrative and beneficial and competitive for the customer.
  - g. **TabunganKu iB**  
A saving product using Wadi'ah (Deposit) contract which has attractive bonus. Issued jointly by banks in Indonesia to foster the culture of saving and improve public welfare.
  - h. **Tabungan BTN Qurban iB**  
A saving product to realize the qurban prayer using Mudharabah Mutlaqah (Profit Sharing), by offering lucrative and competitive gains and losses
  - i. **Tabungan BTN Simpel iB**  
A saving product specifically for Students up to 17



## BUSINESSES LINES, PRODUCTS AND SERVICES

years old who do not yet have an Identity Card. The initial deposit is very small but still offers a lucrative bonus.

j. Tabungan BTN Emas iB

A saving product based on “Mudharabah Muthlaqah” contract to facilitate customers in preparing funds for buying gold and other future needs.

2. Sharia Time Deposits

a. Deposito BTN iB

A deposit for secure, comfortable, and reliable investment in a certain period of time based on “Mudharabah Mutlaqah (Profit Sharing)” contract. The deposit may be under individual’s or company’s name.

b. Deposito On Call iB

A deposit for secure and reliable investment for a shorter period of time based on “Mudharabah Mutlaqah” (Profit Sharing) contract. The deposit may be under individual’s or company’s name.

### BANKING SERVICES

The Company has banking services, such as customer card, wealth management, electronic channel, and other banking services. The customer card offers debit or credit cards; Wealth Management services consist of savings, securities (ORI, Sukuk, and SBR), Mutual Funds, and Bancassurance; Electronic Channel covers ATM and Kiosk, CDM, Internet Banking, Cash Management, SMS Banking, and Mobile Banking products. While other banking services provided are trading and administration services, and other services.

#### Conventional Banking

1. Customer Card

a. Kartu Debit BTN

Functioning as ATM cards as well as debit cards that facilitate customers in making transactions in stores throughout the world, which display the Visa logo. It is easy, reliable, and fast and can be used for online shopping through various online merchants (for some types of BTN ATM cards). The BTN Debit card has many variants, customised to the savings segment. The Debit Cards include TabunganKu ATM card, Institution ATM Card, Regular

BTN Visa Debit, BTN Visa e’Batarapos Debit Card, BTN Visa Juara Card, BTN Visa Sharia Debit Card, BTN Visa Gold Debit Card, and BTN Visa Platinum Debit Card for the Company’s priority customers

b. Kartu Suka-suka BTN

The first Visa debit card is a card designed specifically in line with customer or community requests. This card is able to complete transactions in stores all around the world, using the VISA network.

c. Debit BTN Online VBV (Verified by Visa)

The BTN Online Debit VBV (Verified by Visa) assists customers in making online transactions with BTN Sharia Debit (e-Commerce).

2. Wealth Management

Wealth Management contributes to the acquisition of income through fee-based income that comes from the sale of non-banking products, including Bancassurance, Mutual Funds, and investment instruments issued by the government.

In the development of Wealth Management in the field of protection, the Company cooperates with several major insurance partners namely PT Asuransi Jiwasraya (Persero), Generali Life Insurance Indonesia, PT Zurich Topaz Life, PT Asuransi Sinarmas MSIG and PT FWD Life Indonesia. While in investment product development, the Company cooperates with investment partners PT Trimegah Aset Manajemen, PT Bahana TCW Investment Management, PT Manulife Asset Management Indonesia, PT Schroder Investment Management Indonesia and PT Insight Investment Management. This year the Company is also part of the sale of SR 10 Series Retail Sukuk products, SBR004 Series Retail Savings Bonds, ORI015 Series Government Bonds and ST002 Series Sukuk Savings.

In 2018, the Wealth Management network operated 43 Priority BTN Outlets and 8 Priority BTN Lounges from Aceh to Papua. The services include Airport Executive Lounge, Airport Handling, Airport Transfers, Concierge Services, Discount Merchants, Market Update SMS, Birthday and Holidays Gifts, Meeting Rooms, E-Consolidated Statement, Safe Deposit Boxes, and Priority Events.



3. **Electronic Channel ATM**  
The Automatic Teller Machine (ATM) provides cash withdrawals with denomination of Rp50,000 and Rp100,000, located in Branch Offices and at premium locations, such as the ATM Gallery at malls, shopping centers, offices, markets, and housing estates to facilitate customers in making transactions. The network operates 24 hours online.
4. **CDM (Cash Deposit Machine)**  
ATM machine services to receive cash deposit to facilitate fast and real-time transactions. The machine is able to receive money with denomination of Rp20,000, Rp50,000, and Rp100,000.
5. **Non-Cash ATM (KIOSK)**  
A compact and modern machine with touchscreen. It looks similar to an ATM machine, but does not have a cash withdrawal feature. The machine functions as promotion media and provides non-cash financial transactions.
6. **SMS Banking**  
Banking services application for individual customers for the convenience of conducting financial transactions (non-cash) and non-financial transactions anywhere and everywhere by using a mobile phone. The application can be accessed by sending a text message to 3555 or by USSD (Unstructured Supplementary Service Data) command. Customers may register through a BTN ATM machine or by contacting Customer Services at branch offices.
7. **Mobile Banking**  
Banking application for individual customers to conduct financial transactions (non-cash) and non-financial transactions anywhere and everywhere using a mobile phone. The application can be accessed by downloading the BTN iMobile application from Google Play, Blackberry World, and Apple Store. The connection uses internet data so it is cheaper and more efficient. The data tariff follows the provisions of the network provider.
8. **Internet Banking**  
Banking application for individual customers to obtain financial information and conduct self-managed banking transactions using the internet. Website: <https://internetbanking.btn.co.id> Register through the BTN ATM machine or by contacting Customer Services at branch offices. The data tariff follows the provisions of the network provider.
9. **Virtual Account**  
Services for BTN Institution customers' Current Accounts in the form of virtual accounts that can be used by customers / partners of the institution's customers to make bill payments using any bank card and institutional customers can monitor the receipt of real-time online payments to their customers' payment results.
10. **Electronic Data Capture (EDC)**  
This service is similar to a mini ATM that functions as a means to provide transactions and/or payment by inserting or by swiping the ATM Card (both Debit and Credit) in a bank or between banks, complete with other payment facilities. It also connects real-time.
11. **Cash Management**  
Special services for institutional customers to make self-managed financial transactions by using the internet. Website: <https://cashmanagement.btn.co.id> Register by contacting Customer Services at the nearest branch office. The data tariff follows the provisions of the network provider.
12. **Branchless Banking**  
Banking services for customers that are performed outside the Bank's coverage area through the cooperation of information technology network utilization with telecommunication companies, and/or cooperation with agents acting on behalf of the Bank, in order to expand the range of banking services and to promote the realization of branchless banking for financial inclusion. It is called LAKU PANDAI.
13. **Portal BTN Properti**  
Special services based on property portals, making it easier for prospective debtors in terms of project listing which have collaborated with Bank BTN, installment simulations, online KPR / KPA submissions, 24 hour online live chat, and other features. The BTN





## BUSINESSES LINES, PRODUCTS AND SERVICES

Property Portal also complements its features with 4D Tour Service technology that enables prospective debtors to get a real picture of the selected property units.

### 14. Other Banking Services

In addition to disbursing loans and collecting third-party funds, the Company provides other consumer services to improve fee-based income, such as: domestic money transfer, remittance, foreign currency exchange, safe deposit box, bill payment (telephone, electricity, and water), Internet and TV cable payment, flight and train tickets purchase, and top ups. Moreover, as a provider of total solution banking for the institutional customer, the Company also provides additional services for the institutional customer such as:

#### a. BTN Bank Guarantee

This is a statement issued by the Bank upon customers' requests to guarantee a certain risk that may arise if the customer does not perform its obligations (breach of contract) to the party receiving the guarantee

#### b. SKBDN atau L/C Lokal

Is every written appointment based on a written request from the Applicant that binds the Issuing Bank to:

- Make a payment to the recipient or the order or accept payment notes received by the bank;
- Give power to other banks to make payments to recipients or orders or accept and pay money orders drawn by the recipient; or
- Give power to other banks to negotiate money orders drawn by the recipient.

#### c. Virtual Account BTN

Services for BTN Institutional Giro customers in the form of virtual accounts that can be used by customers / partners of the institution customers to pay bills using any bank card and institutional customers can monitor real-time payment receipts online to the results of their customers' payments

#### d. Transfer Management

Transfer Management is a financial service for institutional customers to assist in conducting online fund transfers. The transfer may be in the form of In-house transfer (between accounts),

domestic transfer (LLG/ Clearing, and RTGS), and International Fund Transfer (transfer to another bank both domestic and abroad, in foreign currency). The transfer may be in single currency (the recipient received the same currency being sent) or multi-currency (the recipient received different currency from the currency that is being sent)

#### e. Payment Management

Payment management is a form of cooperation to assist the customer in managing payments and bills, such as:

- BTN Online Edu Payment/SPP
- Edu payment is a facility for educational institutions to receive payment of fees and other payments related to education online in real time.
- Utility Bill Payment (telephone, electricity, water, gas, etc.)
- Tax Payment
- Payment of purchase of Pertamina products
- Payment of BPJS Employment Subscriptions
- Payment of BPJS Health Subscriptions
- Pension Payment (Taspen dan ASABRI)
- Hospital Bill Payment
- Bank Operational I and II

#### f. Payroll Service BTN

Payroll Service is a form of bank cooperation with customers to help them pay wages or salaries of their employees.

### Sharia Business Unit Service

#### 1. BTN Sharia Debit Visa

This card provides ease for customers through an ATM, such as cash withdrawal and transfer. The transaction may be performed in all the Company ATM, ATM Bersama (Joint ATM), Prima (Prime), Visa and Plus. The transaction may be in the form of shopping at a store displaying the Visa logo, both in country and abroad.

#### 2. Transfer or Remittance

A facility to send money real-time to other BTN and BTN Sharia accounts, and to other Banks by using SKN, RTGS, Link, ATM Bersama (Joint ATM), and Prima (Prime).



Performance 2019



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3. **BTN Cash Management**  
BTN Cash Management Internet-based services use a web browser to facilitate customers in managing their banking activities independently, effectively, and efficiently.
4. **BTN iB Payment Point**  
Service facilities for customers to make it easier to pay regular and fixed bills, such as bills for paying education fees.
5. **BTN iB Payroll**  
Services used by companies, institutions, and individuals in managing payrolls, holiday allowance (THR), bonus, and other routine financial needs of the employee.
6. **Receipt of the Hajj Implementation Fee Deposit**  
A service to provide certainty and ease in obtaining a seat for hajj through the Siskohat online system.
7. **SPP Online BTN iB**  
Services for Universities/Schools to provide delivery channel to accept education fee payments in real-time and online.
8. **Program Pengembangan Operasional BTN iB**  
The Bank provides this program to Institutional Customers in the form of funds, goods, or other facilities to support the operation of customers with certain requirements, agreed upon by the Bank and the customer while maintaining the principles of prudence and Good Corporate Governance (GCG).
9. **BTN iB Bank Guarantee**  
This service provides payment guarantee of a certain amount of money to the receiving party, in the interests of specified transactions/projects that are performed by customers. This guarantee is agreed upon in the Customer's "Kafalah (Guarantee)" contract.
10. **BTN iB Safe Deposit Box**  
A box specially designed with certain sizes and complete with a safety system to ensure the safe keeping of valuables or important documents. The purpose is to keep the valuables/important documents away from fire, robbery, etc. The safe deposit box uses the "Ijarah (Rent)" contract.



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

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# OPERATING AREA AND BUSINESS NETWORK



## SUMATRA

Regional Office	1
Branch Office	12
Office Supporting Branch	58
Cash Office	42
Sharia Outlet	15
Priority Outlet	8
Post Office	700
ATM	292

## JAWA

Regional Office	4
Branch Office	47
Office Supporting Branch	213
Cash Office	269
Sharia Outlet	60
Priority Outlet	31
Post Office	1,623
ATM	1,538

## KALIMANTAN

Regional Office	-
Branch Office	7
Office Supporting Branch	21
Cash Office	15
Sharia Outlet	5
Priority Outlet	5
Post Office	299
ATM	116



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## OPERATING AREA AND BUSINESS NETWORK



### OFFICE NETWORK

	2017	2018	2019
Regional Office	5	6	6
Branch Office	75	76	78
Office Supporting Branch	279	304	326
Cash Office	485	468	358
Payment Point	32	48	52
Service Office as Cash Office	2,951	2,948	2,950
Mobil Kas Keliling	22	23	23
<b>Conventional Office Network Total</b>	<b>3,852</b>	<b>3,876</b>	<b>3,793</b>
Kantor Cabang Syariah	24	24	25
Sharia Branch Office	42	48	53
Sharia Cash Office	7	8	7
Payment Point Syariah	13	13	12
<b>Syariah Network Office Total</b>	<b>86</b>	<b>93</b>	<b>97</b>
ATM			2,159



### SULAWESI

Regional Office	1
Branch Office	6
Office Supporting Branch	19
Cash Office	18
Sharia Outlet	5
Priority Outlet	2
Post Office	126
ATM	121

### BALI DAN NUSA TENGGARA

Regional Office	-
Branch Office	3
Office Supporting Branch	12
Cash Office	9
Outlet Syariah	-
Priority Outlet	2
Post Office	141
ATM	62

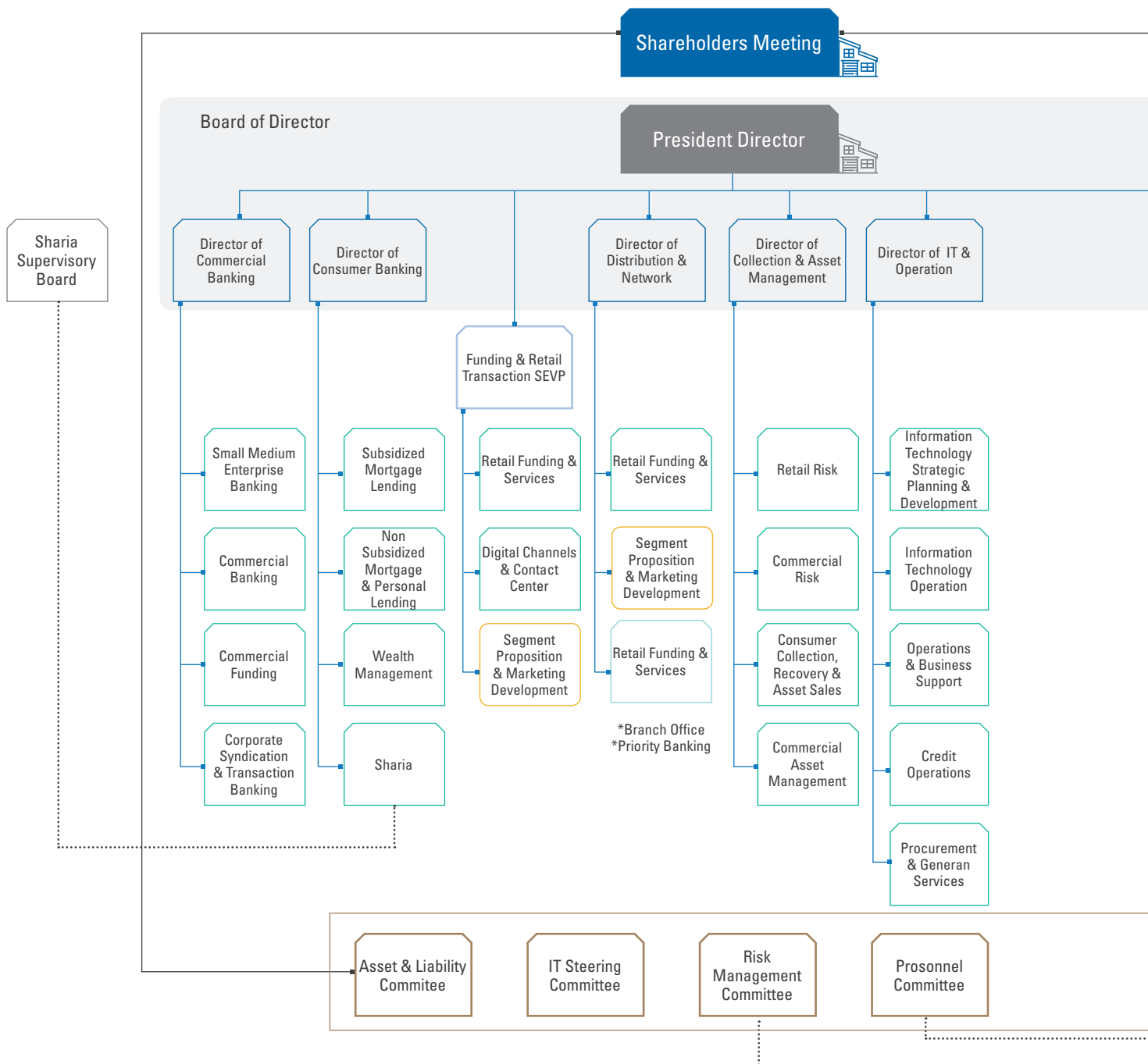
### MALUKU DAN PAPUA

Regional Office	-
Branch Office	3
Office Supporting Branch	3
Cash Office	5
Outlet Syariah	-
Priority Outlet	3
Post Office	61
ATM	30



# ORGANIZATIONAL STRUCTURE

The Company's organizational structure has been approved through Directors Decree No.3 / KD / DIR / PPBD / 2019 dated 31 December 2019 concerning the second amendment to the provisions of directors number 04 / KD / DIR / TMO / 2018 concerning the Office Organizational Structure the central and regional offices of PT Bank Tabungan Negara (Persero) Tbk. The following is the Company's organizational structure as at 31 December 2019.



\*The 2019 Integrated Corporate Governance Committee is currently not effective because the Company does not have a subsidiary company.



Business Support



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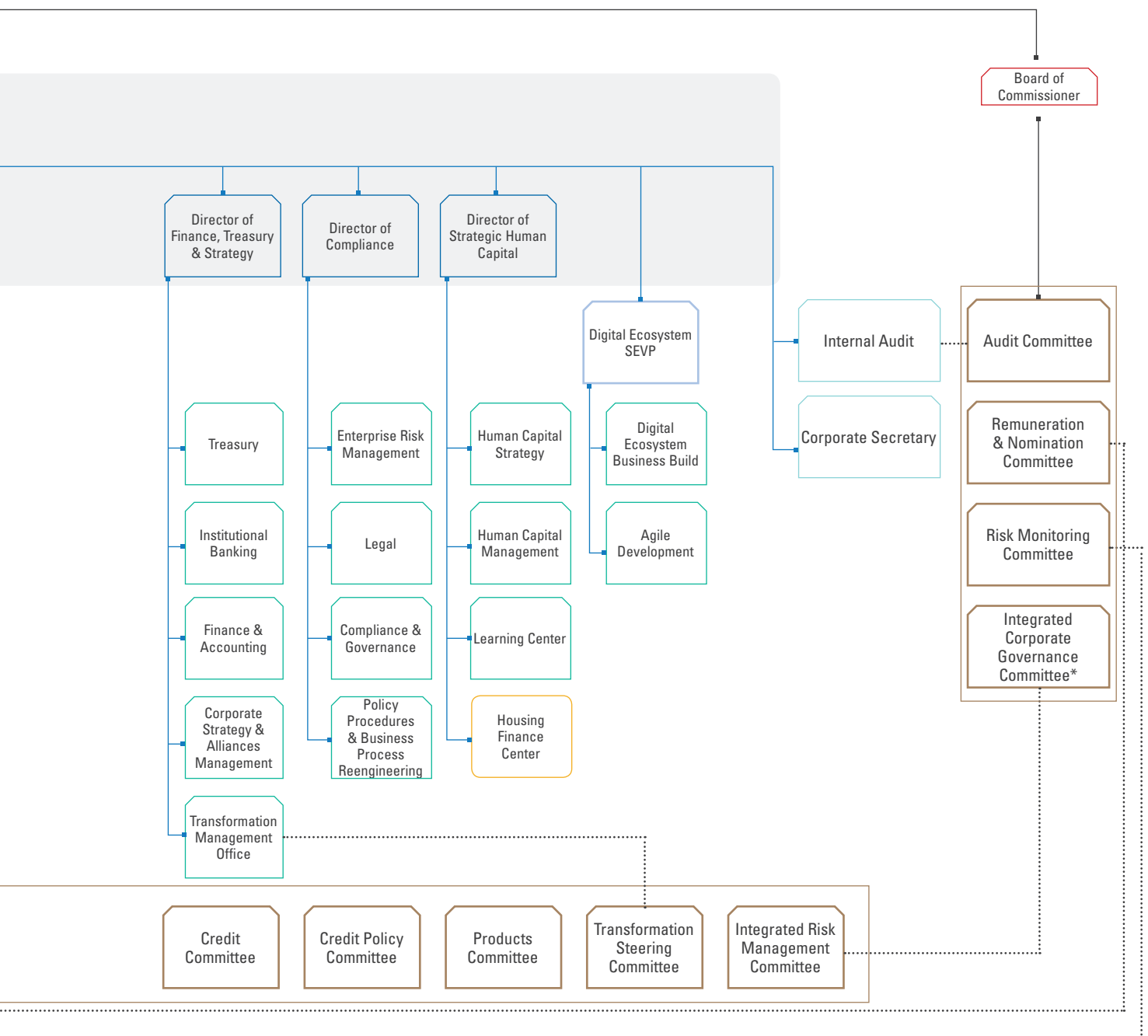
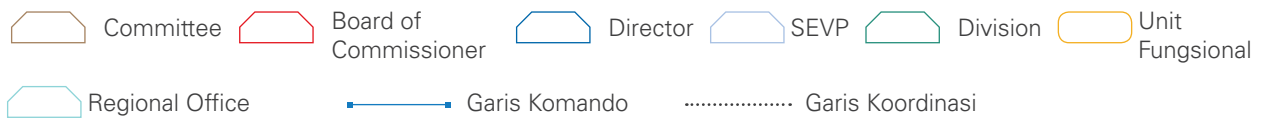


Corporate Social Responsibility



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## ORGANIZATIONAL STRUCTURE





## BOARD OF COMMISSIONERS' PROFILE



**CHANDRA M. HAMZAH<sup>\*)</sup>**  
President Commissioner/Independent

### Term of Office

Extraordinary GMS dated November 27, 2019 – GMS 2024, First Period

### Citizenship

Indonesia

### Age

52 Years Old

### Domicile

South Jakarta, DKI Jakarta, Indonesia

<b>Basis of Appointment</b>	Has been serving as President Commissioner/Independent Commissioner since November 27, 2019 based on the Company's Extraordinary General Meeting of Shareholders (RUPS) Resolution and shall be effective upon obtaining approval for Fit and Proper Test by the Financial Services Authority (OJK) and with due observance of applicable laws and regulations. This is the 1st period. Previously served as President Commissioner of the Company in 2015.
<b>Education</b>	Bachelor of Law (S1) from the University of Indonesia in 1995
<b>Work Experience</b>	<ul style="list-style-type: none"> <li>• Partner of Assegaf Hamzah &amp; Partners Law Firm (2012-present)</li> <li>• President Commissioner of Bank BTN (2015)</li> <li>• President Commissioner of PT Perusahaan Listrik Negara Tbk, (2014-2015)</li> <li>• Commissioner of Corruption Eradication Agency (KPK) (2007-2011)</li> </ul>
<b>Assignment in BTN Board of Commissioners</b>	Chairperson of the Remuneration and Nomination Committee *
<b>Competency Training and development</b>	In-House Training, Commissioner's UMKR Refreshment Program Level 1 in Jakarta, December 16, 2019, by Indonesian Bankers Association.
<b>Concurrent Position</b>	Has no concurrent position that could potentially cause conflict of interest and has no affiliation with members of the Board of Directors, fellow members of the Board of Commissioners, and the Controlling Shareholder.
<b>Affiliation with Fellow Members of the Board of Commissioners, the Board of Directors and Controlling Shareholder</b>	Has no affiliation with fellow members of the Board of Commissioners, the Board of Directors and the Controlling Shareholder.
<b>Ownership of BTN Shares</b>	Has no ownership of BTN shares (ticker code: BBTN)

\*)Effective after the appointment has been approved by the Financial Services Authority.





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## BOARD OF COMMISSIONERS' PROFILE

**Term of Office**  
May 17, 2019 – AGMS 2024, First Period

**Citizenship**  
Indonesia

**Age**  
58 Years Old

**Domicile**  
West Jakarta, DKI Jakarta, Indonesia



<b>Basis of Appointment</b>	Has been serving as Commissioner since May 17, 2019 at the Company's Annual General Meeting of Shareholders and declared effective by the Financial Services Authority (FSA) on December 20, 2019.
<b>Education</b>	<ul style="list-style-type: none"> <li>• Bachelor's Degree in Planology Engineering, Institut Teknologi Bandung (1987)</li> <li>• Master's Degree (S2) in City Planning, Universitas Pennsylvania, USA (1994).</li> <li>• PhD in Natural Resources and Environment Management, Institut Pertanian Bogor (2009)</li> </ul>
<b>Work Experience</b>	<ul style="list-style-type: none"> <li>• General Director of Infrastructure Financing of Public Works and Housing of the Ministry of Public Works and Housing (2019-present)</li> <li>• Secretary General of Housing Provision of the Ministry of Public Works and Housing (2015-2016)</li> <li>• ASDEP Evaluation of Independent Housing, the Ministry of Public Works and Housing (2013-2015)</li> </ul>
<b>Scope of Assignment in BTN Board of Commissioners</b>	Member of the Risk Monitoring Committee.
<b>Competency Training and development</b>	<ul style="list-style-type: none"> <li>• Seminar "60th Professional Commissioner", Jakarta, 20-21 November 2019, by Intipesan</li> <li>• In-House Training, Commissioner's UMKR Refreshment Program Level 1 in Jakarta, July 3-4, 2019, by Sandra Chalik (Individual)</li> </ul>
<b>Concurrent Position</b>	<ul style="list-style-type: none"> <li>• General Director of Infrastructure Financing of Public Works and Housing of the Ministry of Public Works and Housing (2019-present)</li> </ul>
<b>Affiliation with Fellow Members of the Board of Commissioners, the Board of Directors and Controlling Shareholder</b>	Has no affiliation with fellow members of the Board of Commissioners, the Board of Directors and the Controlling Shareholder.
<b>Ownership of BTN Shares</b>	Has no ownership of BTN shares (ticker code: BBTN)



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**HERU BUDI HARTONO<sup>\*)</sup>**  
Commissioner

**Term of Office**

November 27, 2019 – GMS 2024, First Period

**Citizenship**

Indonesia

**Age**

54 Year Old

**Domicile**

East Jakarta, DKI Jakarta, Indonesia

**Legal Basis of Appointment**

Has been serving as Commissioner since November 27, 2019 based on the Company's Extraordinary General Meeting of Shareholders (RUPS) and shall be effective upon obtaining approval for Fit and Proper Test by the Financial Services Authority (OJK) and with observance of applicable laws and regulations. This term of office is the 1st period.

**Academic Background**

- Bachelor in jurusan/bidang from Universitas Krisna Dwipayana (1990)
- Magister Manajemen Universitas Krisna Dwipayana (1998)

**Work Experience**

- Head of the Presidential Secretariat (2017-present)
- Head of Financial Asset Management Agency of DKI Jakarta
- Mayor of North Jakarta
- Head of Bureau KDH and KLN DKI Jakarta

**Scope of Assignment in BTN Board of Commissioners**

Chairperson of the Remuneration and Nomination Committee \*

**Competency Training and development**

In-House Training of Commissioner's UMKR Refreshment Program Level 1 "Credit Risk Management" at Jakarta, December 16, 2019, by Indonesian Bankers Association.

**Concurrent Positions**

Head of the Presidential Secretariat (2017-present)

**Affiliation with Fellow Members of the Board of Commissioners, the Board of Directors and Controlling Shareholder.**

Has no affiliation with fellow members of the Board of Commissioners, the Board of Directors and the Controlling Shareholder.

**Kepemilikan Saham BTN**

Has no ownership of BTN shares (ticker code: BBTN)

\*) Effective after the appointment has been approved by the Financial Services Authority.



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## BOARD OF COMMISSIONERS' PROFILE

**Term of Office**  
November 27, 2019 – GMS 2024, First  
Periode

**Citizenship**  
Indonesia

**Age**  
55 Years Old

**Domicile**  
Bekasi, West Java, Indonesia



**ANDIN HADIYANTO<sup>\*)</sup>**  
Commissioner

### Basis of Appointment

Has been serving as Commissioner since November 27, 2019 based on the Company's Extraordinary General Meeting of Shareholders Resolution and shall be effective upon obtaining approval for Fit and Proper Test by the Financial Services Authority (OJK) and with due observance of applicable laws and regulations. This term of office is the 1<sup>st</sup> period.

### Academic Background

- Bachelor's Degree in Economics from Universitas Gajah Mada, Yogyakarta (1989)
- Master of Art from Nagoya University, Jepang (1999)
- Doctor of Philosophy from Nagoya University, Jepang (2000)

### Work Experience

- General Director of Treasury of the Ministry of Finance (2019-present)
- Expert staff of the Finance Minister for Macroeconomics and International Finance (2018-2019)

### Scope of Assignment in BTN Board of Commissioners

Audit Committee Member \*

### Competency Training and development

In House Training, Program Pembekalan UKMR Level 1 Komisaris, Jakarta, 16 Desember 2019, oleh Ikatan Bankir Indonesia.

### Concurrent Positions

General Director Treasury of the Ministry of Finance (2019-present)

### Affiliation with Fellow Members of the Board of Commissioners, the Board of Directors and Controlling Shareholder.

Has no affiliation with fellow members of the Board of Commissioners, the Board of Directors and the Controlling Shareholder.

### Ownership of BTN Shares

Has no ownership of BTN shares (ticker code: BBTN)

\*) Effective after the appointment has been approved by the Financial Services Authority.



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**ARMAND B. ARIEF<sup>\*)</sup>**  
Independent Commissioner

**Term of Office:**

November 27, 2019 – GMS 2024, First Period

**Citizenship**

Indonesia

**Age**

67 Years Old

**Domicile**

Central Jakarta, DKI Jakarta, Indonesia

**Basis of Appointment**

Has been serving as Commissioner since November 27, 2019 through the Company's Extraordinary General Meeting of Shareholders (RUPS) and shall be effective upon obtaining approval for Fit and Proper Test by the Financial Services Authority (OJK) and with due observance of applicable laws and regulations. This term of office is the 1<sup>st</sup> period.

**Education**

- Bachelor of Business Administration from Suffolk University, Boston, USA (1979)
- Master of Business Administration from Curry College, Massachusetts, USA (1982)

**Work Experience**

- Commissioner and Senior Consultant of Dunamis Organization Services (2016-present)
- Independent Commissioner PT Bank Royal Indonesia (2017-2018)
- President Director of PT Bank UOB Buana (2007-2015)
- Deputy CEO of PT Bank International Indonesia (2002-2007)

**Scope of Assignment in BTN Board of Commissioners**

Head of the Risk Monitoring Committee\*

**Concurrent Position**

Has no concurrent position that could potentially cause conflict of interest or no affiliation with fellow members of the Board of Commissioners, the Board of Directors, and Ultimate/Controlling Shareholders.

**Affiliation with Fellow Members of the Board of Commissioners, the Board of Directors and Controlling Shareholder.**

Has no affiliation with fellow members of the Board of Commissioners, the Board of Directors, and Ultimate/Controlling Shareholders.

**Ownership of BTN Shares**

Has no ownership of BTN shares (ticker code: BBTN)

\*) Effective after the appointment has been approved by the Financial Services Authority.



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## BOARD OF COMMISSIONERS' PROFILE

**Term of Office**  
November 27, 2019 – GMS 2024, First Period

**Citizenship**  
Indonesia

**Age**  
65 Years Old

**Domicile**  
East Jakarta, DKI Jakarta, Indonesia



<b>Basis of Appointment</b>	Has been serving as Independent Commissioner since November 27, 2019 based on the Company's Extraordinary General Meeting of Shareholders (RUPS) Resolution and shall be effective upon obtaining approval for Fit and Proper Test by the Financial Services Authority (OJK) and with due observance of applicable laws and regulations. This term of office is the 1 <sup>st</sup> period.
<b>Education</b>	<ul style="list-style-type: none"> <li>Bachelor's Degree in Accounting, Indonesia University (1982)</li> <li>Master of Science in Policy Economics, University of Illinois, Chicago, USA (1989)</li> </ul>
<b>Work Experience</b>	<ul style="list-style-type: none"> <li>President Commissioner of PT BRI Agroniaga Tbk (2019)</li> <li>Independent Commissioner of PT Bank DKI</li> <li>Director of Law and Compliance of PT Bank Negara Indonesia (Persero) Tbk (2010-2015)</li> <li>Director of Compliance and Risk Management of PT Bank Negara Indonesia (Persero) Tbk (2008-2010)</li> </ul>
<b>Scope of Assignment in BTN Board of Commissioners</b>	Chairman of the Audit Committee *
<b>Competency Training and development</b>	In House Training of Commissioner's UKMR Level 1 "Credit Risk Management" Refreshment Program in Jakarta, December 16, 2019, by Indonesian Bankers Association.
<b>Concurrent Position</b>	Has no concurrent position that could potentially cause conflict of interest or no affiliation with fellow members of the Board of Commissioners, the Board of Directors, and Ultimate/Controlling Shareholders.
<b>Affiliation with Fellow Members of the Board of Commissioners, the Board of Directors and Controlling shareholder.</b>	Has no affiliation with Fellow Members of the Board of Commissioners, the Board of Directors and Controlling Shareholder.
<b>Ownership of BTN Shares</b>	Has no ownership of BTN shares (ticker code: BBTN)

\*) Effective after the appointment has been approved by the Financial Services Authority.



# SHARIA SUPERVISORY BOARD'S PROFILE



**PROF. DR. H. MUHAMMAD QURAISH SHIHAB, MA**  
Chairman of the Sharia Supervisory Board

#### Citizenship

Indonesia

#### Age

76 Years Old

#### Domicile

South Jakarta, DKI Jakarta, Indonesia

#### Basis of Appointment

- Has been serving as Chairman of Bank BTN's Sharia Supervisory Board since January 22, 2019 based on the FSA Letter No. SR-4/PB.13/2019 dated January 10, 2019, regarding Decision on Submission of Candidates for Sharia Supervisory Board of Sharia Business Unit of PT Bank Tabungan Negara (Persero) Tbk
- Resolution of the Annual General Meeting of Shareholders of PT Bank Tabungan Negara (Persero) Tbk dated March 23, 2018

#### Academic Background

- Bachelor's Degree from Al-Azhar University, Cairo, Egypt (1967)
- Master's Degree from Al-Azhar University, Cairo, Egypt (1969)
- PhD from Al-Azhar University, Cairo, Egypt (1982).

#### Work Experience

- Deputy Rector of IAIN Alauddin 1974-1980
- Coordinator of Private Islamic Tertiary Education in Eastern Indonesia (Kopertis Wilayah Timur) (1967 – 1980)
- Assistant to the Chief Coordinator of the East Indonesian Inter-Police in Mental Coaching (1973 -1975)
- Rector of IAIN Syarif Hidayatullah (1992 – 1998)
- Member of the Sharia Supervisory Board of Bank Muamalat (1992 – 1999)
- Minister of Religious Affairs of the Republic of Indonesia in 1998
- Member of the Indonesian-Malaysian Eminent Person Group (2010)
- Extraordinary and Plenipotentiary Ambassador for Egypt and Djibouti (1998 – 2002)
- Founder and Member of the Council of Muslim Elders, 2014 - present
- Member of the Sharia Supervisory Board, 2004 - present
- Member of the MPR - RI periods 1982 - 1987 and 1987 - 2002
- Chairman of the Indonesian Ulama Council (MUI) period 1985 - 1998
- Member of the National Education Advisory Board (1988 – 1996)
- Member of the National Accreditation Agency (1994 – 1998)
- Member of the National Research Council (1995 – 1999)
- Member of Lajnah Pentashbih Qur'an in the Indonesian Ministry of Religious Affairs (1989 – present)
- Director of Ulama Cadre of MUI (1994 -1997)

#### Competency Training and development

Ijtima' Sanawi & Workshop on DPS-DSM MUI October 2019

#### Concurrent Position

- Chairman of Sharia Supervisory Board (SSB) UUS Bank BTN
- Member of SSB USS CIMB Niaga DPS

#### Affiliation with Fellow Members of the Board of Commissioners, the Board of Directors and Controlling shareholder.

Has no affiliation with Fellow Members of the Board of Commissioners, the Board of Directors and Controlling Shareholder.

#### Ownership of BTN Shares

Has no ownership of BTN shares (ticker code: BBTN)



Business Support



Good Corporate Governance



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Financial Report



**Citizenship**

Indonesia

**Age**

50 Years Old

**Domicile**

Tangerang City, Banten, Indonesia

**MUHAMMAD GUNAWAN YASNI,  
SE.AK., MM, CIFA, FIIS, CRP, CA**  
Member of Sharia Supervisory Board

**Basis of Appointment**

- Has been serving as Member of Bank BTN’s Sharia Supervisory Board since January 22, 2019 based on the FSA Letter No. SR-4/PB.13/2019 dated January 10, 2019 regarding Decision on Submission of Candidates for the Sharia Supervisory Board of the Sharia Business Unit (UUS) in PT Bank Tabungan Negara (Persero) Tbk
- Resolution of the Annual General Meeting of Shareholders (AGMS) of PT Bank Tabungan Negara (Persero) Tbk dated March 23, 2018.

**Education**

- Bachelor’s Degree from the University of Indonesia in 1993
- Master’s Degree from STIE Prasetiya Mulya in 1995

**Work Experience**

- Deputy Secretary – Daily Executive Board of DSN MUI for (2015-2020)
- Lecturer for Middle East - Islamic Study in the Post Graduate Program, University of Indonesia
- Sharia Supervisory Board ar BATASA Sharia Fund (2003-2007)
- SIMAS Sharia Insurance (2004-2005)
- Deutsche Bank Sharia Custodian & Investment Banking (2006-2009)
- State Owned Indonesia Exim Bank (2007-2012)

**Competency Training and development**

Ijtima’ Sanawi & Workshop on DPS-DSM MUI October 2019

**Concurrent Position**

- Member of USS Bank BTN
- Sharia Supervisory Board (SSB) BRI Syariah members
- Chairperson and Member of SSB at Manulife Asset Management Indonesia
- Chairman of SSB Astra Buana Insurance

**Affiliation with Fellow Members of the Board of Commissioners, the Board of Directors and Controlling shareholder.**

- Member of USS Bank BTN
- Sharia Supervisory Board (SSB) BRI Syariah members
- Chairperson and Member of SSB at Manulife Asset Management Indonesia
- Chairman of SSB Astra Buana Insurance

**Ownership of BTN Shares**

Has no ownership of BTN shares (ticker code: BBTN)



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**DR. H. MOHAMAD HIDAYAT,**  
MBA, MH  
Member of Sharia Supervisory Board

**Citizenship**

Indonesia

**Age**

52 Years Old

**Domicile**

Jakarta, Indonesia

**Basis of Appointment**

Resolution of the Annual General Meeting of Shareholders (AGMS) of PT Bank Tabungan Negara (Persero) Tbk dated March 23, 2018

**Education**

- Bachelor's Degree from IAIN Jakarta - 1992
- Master's Degree (MBA), IPWI Jakarta (tahun lulus).
- Master's Degree from Sekolah Tinggi Ilmu Hukum Institute at Business Law & Legal Management (IBLAM) Jakarta - 2003
- Doctoral degree (PhD) in Islamic Economy and Finance from Trisakti University – 2014

**Work Experience**

- Plenary Board of DSN-MUI
- Indonesian Association of Islamic Economists (MES)
- Indonesian Association of Sharia Insurance
- Lecturer at the Graduate School of the Indonesian Banking School, PSTTI Program at Universitas Indonesia, and IEF Program at Universitas Trisakti
- Advisor/supervisor at a number of sharia financial/non-financial institutions
- Lecturer at Tahfiz Al Qurna Al Wasiah Islamic Boarding School, Jakarta
- Permanent khotib at Presidential Palace Mosque, Vice Presidential Palace Mosque, OJK, BI, others
- Writer, Mubaligh, etc.

**Competency Training and development**

- Ijtima' Sanawi & Workshop DPS-DSM MUI October 2019
- Presenters in the Seminar "Existence of Islamic Educational Institutions in Development of Sharia Economy "13 February 2016.
- The Syariah Insurance Socialization.

**Concurrent Positions**

- Member of Sharia Supervisory Board (SSB) UUS BTN Syariah
- Member of SSB Bank Syariah Mandiri
- Member of SSB PT Asuransi Manulife
- Member of SSB PT Asuransi Allianz Syariah
- Member of SSB PT BRIIngin Life Syariah

**Affiliation with Members of the Board of Commissioners, the Board of Directors and Controlling shareholder.**

Has no affiliation with Members of the Board of Commissioners, the Board of Directors and Controlling Shareholder.

**Ownership of BTN Shares**

Has no ownership of BTN shares (ticker code: BBTN)





## BOARD OF DIRECTORS' PROFILE

**Term of Office**  
November 27, 2019 – GMS 2024, First Period

**Citizenship**  
Indonesia

**Age**  
49 Years Old

**Domicile**  
South Jakarta, DKI Jakarta, Indonesia



### Basis of Appointment

Has been serving as President Director since November 27, 2019 based on the Company's Extraordinary General Meeting of Shareholders (RUPS) Resolution and declared effective by the Financial Services Authority (FSA) on February 10, 2020. This term of office is the 1<sup>st</sup> period.

### Education

- Bachelor's Degree from the University of Indonesia (1994)
- Master's Degree from Leonard N. Stern School of Business New York, USA (1999)

### Work Experience

- Director of Finance of PT Pertamina (Persero) (2018-2019)
- President Director of PT Garuda Indonesia (Persero) Tbk (2017-2018)
- Director of Treasury & Market PT Bank Mandiri (Persero) TBK (2015-2017)

### Competency Training and development

In House Training, the Refreshment Program of UKMR Level 5 "Credit Risk Management" Commissioner, Jakarta, December 18, 2019, by Indonesian Bankers Association.

### Concurrent Positions

He has no concurrent position on other company or other Institution.

### Affiliation with other members of the Board of Commissioners, the Board of Directors and, as well as controlling shareholder.

Has no affiliation with other members of the Board of Commissioners, the Board of Directors and, as well as controlling shareholder.

### Ownership of BTn Shares

453,100 shares; 0.0042786% (Ticker Code: BBTN).



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis



**HIRWANDI GAFAR<sup>\*)</sup>**  
Director Consumer and Commercial Lending

**Term of Office**

November 27, 2019 – GMS 2024,  
1<sup>st</sup> Period

**Citizenship**

Indonesia

**Age**

51 Years Old

**Domicile**

West Jakarta, DKI Jakarta, Indonesia

**Basis of Appointment**

Has been serving as Director of Consumer and Commercial Lending since November 27, 2019 based on the Company's Extraordinary General Meeting of Shareholders Resolution and shall be effective upon obtaining approval for Fit and Proper Test by the Financial Services Authority (OJK) and with due observance of applicable laws and regulations. This term of office is the one period.

**Education**

Bachelor's Degree from Institut Teknologi Bandung (ITB) (1992)

**Work Experience**

- Head of Subsidized Mortgage Lending Division Bank BTN (2019)
- Head of Subsidized Mortgage Division Bank BTN (2014-2019)
- Head of Business Development Subsidized Mortgage Department Bank BTN (2013-2014)

**Competency Training and development**

In House Training, the Refreshment Program of UKMR Level 5 "Credit Risk Management" Commissioner, Jakarta, December 18, 2019, by Indonesian Bankers Association.

**Concurrent Positions**

He has no concurrent position on other company or other Institution.

**Affiliation with other members of the Board of Commissioners, the Board of Directors and, as well as controlling shareholder.**

Has no affiliation with other members of the Board of Commissioners, the Board of Directors and, as well as controlling shareholder.

**Ownership of BTN Shares**

56,000 shares; 0.0005288% (Ticker Code: BBTN)

\*) Effective after the appointment has been approved by the Financial Services Authority.



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

**BOARD OF DIRECTORS' PROFILE**

**Term of Office**  
March 17, 2017 – GMS 2022. First/  
Second Period

**Citizenship**  
Indonesia

**Age**  
50 Years Old

**Domicile**  
West Jakarta, DKI Jakarta, Indonesia

**Basis of Appointment**

Has been serving as Director of Bank BTN based on the Resolution of the Company's Annual General Meeting of Shareholders (AGMS) dated March 17, 2017 and declared effective by the FSA on July 25, 2017. Entrusted to manage the Directorate of Finance, Planning and Treasury since the Company's EGMS dated November 27, 2019. This term of office is the first period.

**Education**

Bachelor of Economics from Universitas Sumatera Utara, Medan (1994)

**Work Experience**

- Director of PT Bank Tabungan Negara (Persero) Tbk (March 2017 - present)
- President Director of PT Bank Mandiri TASPEN Pos (in May 2015 - March 2017) Head of Bank Joint Venture Transition Team of PT Bank Mandiri (Persero) Tbk, (January 2015–May 2015)
- Head of Priority Bank Joint Venture Project of PT Bank Mandiri (Persero) Tbk (October 2014–December 2015)
- Group Head Corporate Secretary of PT Bank Mandiri (Persero) Tbk (January 2013-September 2014)
- Acting Group Head Strategy & Performance Management of PT Bank Mandiri (Persero) Tbk (June 2012 - January 2013)
- Group Head Micro Network Development of PT Bank Mandiri (Persero) Tbk (August 2010 - May 2012)
- Acting Group Head of Micro Network Development of PT Bank Mandiri (Persero) Tbk (January 2010 - July 2010)

**Competency Training and development**

- In-House Training of UMKR Level 5 Refreshment Program "Fintech" (Operational Risk Management Approach), Jakarta, May 23, 2019, by Indonesian Bankers Association.
- Seminar PSAK 71 concerning Impairment Deep Dive in Risk Management Perspective & CSG-CIMB 13Th Annual Indonesia Conference, Bali, June 27-28, 2019, by Bankers Association for Risk Management.
- In-House Training of Refreshment & Certification of Treasury Dealer Advance, Jakarta, 24-30 August 2019, by ACI FMA Indonesia.
- Seminar the 1st ASEAN CPA Conference 2020 in Bali, 16-17 October 2019, by Indonesian Institute of Management Accountants.

**Concurrent Positions**

He has no concurrent position in other company or other Institution.

**Affiliation with other members of the Board of Commissioners, the Board of Directors and, as well as controlling shareholder.**

Has no affiliation with other members of the Board of Commissioners, the Board of Directors and, as well as controlling shareholder.

**Ownership of BTN Shares**

236,600 shares; 0.0022342% Shares (Ticker Code: BBTN)



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis



**YOSSI INSTANTO \*\*)**  
Director of Human Capital, Legal and Compliance

**Term of Office**

March 23, 2018 – GMS 2023.  
First Period

**Citizenship**

Indonesia

**Age**

46 Years Old

**Domicile**

West Jakarta, DKI Jakarta, Indonesia

**Basis of Appointment**

Has been serving as as Director since March 23, 2018 based on PT Bank Tabungan Negara (Persero) Tbk Annual General Meeting of Shareholders Resolution on and declared effective on September 10, 2018 by the Financial Services Authority (OJK). Entrusted to manage the Directorate of Human Capital, Legal and Compliance since the Company's Extraordinary GMS on November 27, 2019. This term of office is the 1<sup>st</sup> period.

**Education**

- Bachelor of Law from Universitas Sebelas Maret, Surakarta in 1996
- Master of Business Law from the Universitas Katolik, Bandung in 2004

**Work Experience**

- Legal Division Head of PT Bank Tabungan Negara (Persero) Tbk (2017 - 2018)
- Legal & Loan Document Desk Head of PT Bank Tabungan Negara (Persero) Tbk (2014 - 2017)

**Competency Training and development**

Seminar Leadership, Entrepreneurship and Innovation in The Global Economy, London, 25-29 Maret 2019, by Asean Global Leadership Programme.

**Concurrent Positions**

Has no concurrent position in other company or other Institution.

**Affiliation with the Board of Commissioners, fellow members of the Board of Directors, and, Ultimate/Controlling Shareholder.**

Has no affiliation with the Board of Commissioners, fellow members of the Board of Directors, and the Ultimate/Controlling Shareholder.

**Ownership of BTN Shares**

70.200 shares; 0,0006629% (share code: BBTN)

\*\* ) Effective as a member of Board of Directors since September 10, 2018, but performed the compliance function after obtaining approval by the Financial Services Authority as Director in charge of the compliance function.



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## BOARD OF DIRECTORS' PROFILE

**Term of Office**  
August 29, 2019 – GMS 2024, First Period

**Citizenship**  
Indonesia

**Age**  
52 Years Old

**Domicile**  
Bekasi, West Java, Indonesia



<b>Basis of Appointment</b>	Has been serving as Director of Consumer and Commercial since November 27, 2019 based on the Resolution of the Company's Extraordinary General Meeting of Shareholders and shall be effective upon obtaining approval for Fit and Proper Test by the Financial Services Authority (OJK) and with observance of applicable laws and regulations. This term of office is the 1 <sup>st</sup> period.
<b>Education</b>	Bachelor of Law majoring in Civil Law from Universitas Gadjah Mada, Yogyakarta (1991)
<b>Work Experience</b>	<ul style="list-style-type: none"> <li>Asset Management Division Head Bank BTN (2017-2019)</li> <li>Small &amp; Medium Lending Division Head Bank BTN (2015-2017)</li> <li>Commercial Housing Loan Department Head Bank BTN (2013-2015)</li> </ul>
<b>Competency Training and development</b>	In-House Training, the Refreshment Program of UKMR Level 5, Jakarta, September 18, 2019 and Oktober 6, 2019, by Chandra Chalik (Personal)
<b>Concurrent Positions</b>	Has no concurrent position in other company or other Institution.
<b>Affiliation with the Board of Commissioners, fellow members of the Board of Directors, and, Ultimate/Controlling Shareholder.</b>	Has no affiliation with the Board of Commissioners, fellow members of the Board of Directors, and the Ultimate/Controlling Shareholder.
<b>Ownership of BTN Shares</b>	25,000 shares; 0.0002361% (share code: BBTN)

\*) Effective after the appointment has been approved by the Financial Services Authority.



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis



**ANDI NIRWOTO**  
Direktur Operation, IT and Digital Banking

**Term of Office**

March 23, 2018 – GMS 2023, First/Second period

**Citizenship**

Indonesia

**Age**

50 Years Old

**Domicile**

Bekasi, West Java, Indonesia

**Basis of Appointment**

Has been serving as Director since March 23, 2018 based on the Resolution of PT Bank Tabungan Negara (Persero) Tbk Annual General Meeting of Shareholders and declared effective since September 10, 2018 by the Financial Services Authority (OJK). Entrusted to manage the Directorate of Operation, IT and Digital Banking since the Company's Extraordinary GMS on November 27, 2019. This term of office is the 1<sup>st</sup> period.

**Education**

- Bachelor of Engineering from Gadjah Mada University, Yogyakarta (1994)
- Master of Finance (S2) from Gadjah Mada University/University of Lexington Kentucky, USA in (1997)

**Work Experience**

- General Manager Information Technology Operational, PT Bank Negara Indonesia (Persero) Tbk ( 2017 - 2018)
- General Manager of Information Technology Solutions & Security Division, PT Bank Negara Indonesia (Persero) Tbk (2015 -2017)
- General Manager of Information Technology Division, PT Bank Negara Indonesia (Persero) Tbk (2014 - 2015)
- Deputy General Manager of Information Technology Division, PT Bank Negara Indonesia (Persero) Tbk (2009 - 2014)

**Competency Training and development**

In House Training, the Refreshment Program of UKMR Level 5 "Fintech (Operational Risk Management Approach)", Jakarta, May 23, 2019, by Indonesian Bankers Association.

**Concurrent Positions**

Has no concurrent position in other company or other Institution.

**Affiliation with the Board of Commissioners, fellow members of the Board of Directors, and, Ultimate/Controlling Shareholder.**

Has no affiliation with the Board of Commissioners, fellow members of the Board of Directors, and the Ultimate/Controlling Shareholder.

**Ownership of BTN Shares**

70,200 shares; 0.0006629% (share code: BBTN)



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## BOARD OF DIRECTORS' PROFILE

**Term of Office**  
November 27, 2019 – GMS 2024, First Period

**Citizenship**  
Indonesia

**Age**  
54 Years Old

**Domicile**  
South Jakarta, DKI Jakarta, Indonesia



<b>Basis of Appointment</b>	Has been serving as Director of Distribution and Retail Funding since November 27, 2019 based on the Resolution of the Company's Extraordinary General Meeting of Shareholders and shall be effective upon obtaining approval for Fit and Proper Test by the Financial Services Authority (OJK) and with due observance of applicable laws and regulations. This term of office is the 1 <sup>st</sup> period.
<b>Education</b>	<ul style="list-style-type: none"> <li>• Bachelor's Degree from Universitas Gadjah Mada, Yogyakarta (1988)</li> <li>• Master's Degree from Universitas Gajah Mada, Yogyakarta</li> </ul>
<b>Work Experience</b>	<ul style="list-style-type: none"> <li>• SEVP Consumer &amp; Transaction of PT Bank Mandiri (Persero) Tbk (2018-2019)</li> <li>• Regional CEO IV/JKT 2 of PT Bank Mandiri (Persero) Tbk (2015-2018)</li> <li>• Regional Manager IV-JKT of PT Bank Mandiri (Persero) Tbk (2013-2015)</li> </ul>
<b>Competency Training and development</b>	In-House Training, the Refreshment Program of UKMR Level 5, Jakarta, Desember 11, by Chandra Chalik (Individual)
<b>Concurrent Positions</b>	Has no concurrent position in other company or other Institution.
<b>Affiliation with the Board of Commissioners, fellow members of the Board of Directors, and, Ultimate/Controlling Shareholder.</b>	Has no affiliation with the Board of Commissioners, fellow members of the Board of Directors, and the Ultimate/Controlling Shareholder.
<b>Ownership of BTN Shares</b>	Has no ownership of BTN Shares (share code: BBTN)

\*) Effective after the appointment has been approved by the Financial Services Authority.



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis



**Term of Office**

November 27, 2019 – GMS 2024, First Period

**Citizenship**

Indonesia

**Age**

43 Years Old

**Domicile**

South Tangerang, Banten, Indonesia

**Basis of Appointment**

Has been serving as Director of Enterprise Risk Management, Big Data and Analytics since November 27, 2019 based on the Resolution of the Company’s Extraordinary General Meeting of Shareholders and shall be effective upon obtaining approval for Fit and Proper Test by the Financial Services Authority (OJK) and with due observance of applicable laws and regulations. This term of office is the 1<sup>st</sup> period.

**Education**

- Bachelor’s Degree from Institut Teknologi Bandung (1999)
- Master’s Degree from KDI School of Public Policy and Management, South Korea (2009)

**Work Experience**

- Group Head Consumer Credit Risk & Analytics of PT Bank Mandiri (Persero) Tbk (2018-2019)
- Group Head Credit Portofolio Risk of PT Bank Mandiri (Persero) Tbk (2017-2018)
- Group Head Consumer Deposits of PT Bank Mandiri (Persero) Tbk (2015-2017)

**Competency Training and development**

In-House Training, Commissioner’s Refreshment Program of UKMR Level 5 “Credit Risk Management” in Jakarta, December 18, 2019, by Indonesian Bankers Association.

**Concurrent Positions**

Has no concurrent position in other company or other Institution.

**Affiliation with the Board of Commissioners, fellow members of the Board of Directors, and, Ultimate/Controlling Shareholder.**

Has no affiliation with the Board of Commissioners, fellow members of the Board of Directors, and the Ultimate/Controlling Shareholder.

**Ownership of BTN Shares**

Has no ownership of BTN Shares (share code: BBTN)

\*) Effective after the appointment has been approved by the Financial Services Authority.





## OFFICIAL PROFILE ONE LEVEL BELOW THE BOARD OF DIRECTORS



### Served Since

30 October 2018

### Citizenship

Indonesia

### Age

49 years old

### Domicile

Central Java, Indonesia

### Join since

03 February 1997

### Education

Masters (S-2) Legal Studies from the University of Indonesia in 2002

### Professional History

- 2018 Division Head Compliance & Governance
- 2017 Head of the Regional Office 5
- 2016 served a Head of Makassar Branch

### Certification and Training

- Law Enforcement Seminar on Corporate Criminal Actions at BUMN Intrinsic Bali 2019
- Aztech Dubai Excellence Strategy, United Arab Emirates 2018



### Served Since

01 March 2019

### Citizenship

Indonesia

### Age

55 years old

### Domicile

Yogyakarta, DI Yogyakarta, Indonesia

### Join since

01 May 1991

### Education

Masters (S-2) Financial Management from Padjajaran University in 2005

### Professional History

- 2019 serves as Internal Audit Division Head
- 2018 serves as Human Capital Strategy Division Head
- 2017 serves as Commercial Risk Division Head
- 2015 Enterprise Risk Management Division Head

### Certification and Training

- UKMR Level-5 LSPP '
- Executive Development Program DDI
- Directorship Program
- National Anti-Fraud Conference 2019



## PROFILE OF EXECUTIVE OFFICIALS



### Anton Rijanto

Commercial Funding Division  
Head  
Served Since: 23 September  
2019



### Erwin Dwi Kusuma

Enterprise Risk Management  
Division  
Served Since: 24 May 2019

#### Citizenship

Indonesia

#### Age

48 years old

#### Domicile

Tangerang, Banten, Indonesia

#### Join Since

01 May 1996

#### Education

Master (S-2) Management  
from Hasanudin University  
in 2004

#### Professional History

- 2018 served as Commercial Funding & Services Div. Head
- 2017 served as PJ Commercial Funding & Service Div Head
- 2016 served as Branch Manager

#### Certification and Training

- APU & PPT Bank Tabungan Negara Socialization, Central Jakarta 2019
- Executive Development Program Phase-3 of PT. Daya Dimensi Indonesia, DKI Jakarta 2019

#### Citizenship

Indonesia

#### Age

40 years old

#### Domicile

East Surabaya, Surabaya,  
Indonesia

#### Join Since

1 September 2017

#### Education

Bachelor (S-1) Civil Engineering  
Sepuluh November Institute  
in 2002

#### Professional History

- 2017 - 2018 served as Retail Risk Division Head
- 2019 - currently served as Enterprise Risk Management Division Head

#### Certification and Training

- PSAK 71 Impairment Deep Dive in Risk Man, Bali, 2019
- Certified in Enterprise Risk Governance, Jakarta, 2019



### Heru Kurniawan

Digital Channel & Contact Center  
Division  
Served Since: 30 December  
2019



### Dadang Eka Jatnika

Human Capital Strategy Division  
Served Since: 10 June 2019

#### Citizenship

Indonesia

#### Age

48 years old

#### Domicile

East Bogor City, Indonesia

#### Join Since

03 February 1997

#### Education

Master (S-2) Management  
Pertanian Bogor Institute in  
2003

#### Professional History

- 2019 served as Digital Channels & Contact Ctr Div Head
- 2018 served as Commercial Lending Division Head
- 2017 served as SME Lending Division Head

#### Certification and Training

- Executive Development Program Fase-3 PT. Daya Dimensi Indonesia DKI Jakarta 2019

#### Citizenship

Indonesia

#### Age

50 years old

#### Domicile

Bogor, Jawa Barat, Indonesia

#### Join Since

01 November 1995

#### Education

Master (S-2) Accounting  
from Diponegoro University  
in 2006

#### Professional History

- 2019 served as Finance & Accounting Division Head
- 2017 served as PLT Policy & Procedure Desk Head
- 2017 served as Operation & Business Support Div Head

#### Certification and Training

- Aktuaria Imbalan Kerja sesuai PSAK 24, Jakarta, 2019
- Certified Profession Human Resouce, Jakarta, 2019



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## PROFILE OF EXECUTIVE OFFICIALS



### Rudolf Valentino Saragih

Finance & Accounting Division  
Served Since: 31 May 2019

#### Citizenship

Indonesia

#### Age

52 years old

#### Domicile

West Jakarta, DKI Jakarta, Indonesia

#### Join Since

01 April 1997

#### Education

Bachelor (S1) Economy/  
Accounting Sumatera Utara  
University in 1994

#### Professional History

- 2018 served as Credit Operations Division Head
- 2019 served as Finance & Accounting Division Head

#### Certification and Training

Executive Development Program Phase-3 of PT.Daya Dimensi Indonesia, DKI Jakarta, 2019



### Joni Prasetyanto

Credit Operations Division Head  
Served Since: 31 May 2019

#### Citizenship

Indonesia

#### Age

51 years old

#### Domicile

East Jakarta, DKI Jakarta, Indonesia

#### Join Since

01 July 1994

#### Education

Master (S-2) Business Law from University of Indonesia tahun 2004

#### Professional History

- 2018 served as Exec. Vice President
- 2017 served as Sr. Vice President
- 2015 served as Vice President

#### Certification and Training

- Seminar on Sustainable Finance Indonesian Banking Development Institute Jakarta 2019
- Integrating Strategic, Operational & Tectual Leadership For Outstanding Performance Fairmont Hotel - Dubai, UEA Fairmont Hotel - Dubai, UEA 2018



### Eko Waluyo

Human Capital Management Division  
Served Since: 07 February 2019

#### Citizenship

Indonesia

#### Age

48 years old

#### Domicile

Bekasi, West Java, Indonesia

#### Join Since

01 August 1997

#### Education

Master (S-2) Management from Gadjah Mada University in 2004

#### Professional History

- 2017 served as HC Management & Culture Spec. Divisi Head
- 2019 served as Human Capital Management Division Head

#### Certification and Training

National Seminar with theme "Where do pension funds go to?"; ADPI, Jakarta, 2019



### Wilson Arafat

Procurement & General Services Division  
Served Since: 02 December 2019

#### Citizenship

Indonesia

#### Age

48 years old

#### Domicile

Kebun Jeruk, West Jakarta, Indonesia

#### Join Since

02 January 1998

#### Education

Master (S2) Economy/  
Marketing Management, Gadjah Mada University 2014

#### Riwayat Profesi

- 2016 served as Project Leader Member "BTN Transformer Team" for drafting Blueprint Transformation Bank BTN
- 2019 served as Change Leader Company Culture Program

#### Certification and Training

Executive Development Program Phase-3 of PT.Daya Dimensi Indonesia, DKI Jakarta, 2019



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis



### Adi Santoso Budi Darma

Institutional Banking Division Head  
Served Since: 1 June 2017

#### Citizenship

Indonesia

#### Age

54 years old

#### Domicile

Rawamangun, East Jakarta, Indonesia

#### Join Since

01 April 1990

#### Education

Bachelor (S-1) Economy Management from Pancasila University in 1988

#### Professional History

- 2017 served as Institutional Banking Division Head
- 2019 served as Institutional Banking Division Head

#### Certification and Training

- SESPIBANK, LPPI, in 2011.
- Certified Wealth Manager, MM UGM, in 2015.
- Competent Certificate Risk Management Banking, Level 4, LSPP, in 2018.
- Executive Development Program, PT. DDI, in 2019.



### Mohammad Faiz

Small Medium Enterprise Banking Division  
Served Since: 30 September 2019

#### Citizenship

Indonesia

#### Age

50 years old

#### Domicile

Bekasi, West Java, Indonesia

#### Join Since

01 April 1997

#### Education

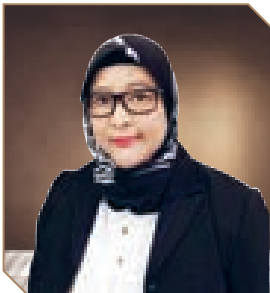
Bachelor (S1) Law University of Islamic Indonesia in 1995

#### Professional History

- 2018 served as SME Lending Division Head
- 2019 served as Small Medium Enterprise Banking Div Head

#### Certification and Training

Executive Development Program Phase-3 of 2019, PT Daya Dimensi Indonesia, DKI Jakarta 2019



### L. Esti Dwi Retnosari

Policy, Procedure & BPR Division  
Served Since: 16 September 2019

#### Citizenship

Indonesia

#### Age

50 years old

#### Domicile

Bekasi, West Java, Indonesia

#### Join Since

03 February 1997

#### Education

Master (S-2) Economic and Business from Gajah Mada University

#### Professional History

- 2019 served as Policy & Procedure Desk Head
- 2018 served as PLT.Policy & Procedure Desk Head

#### Certification and Training

Executive Development Program Phase-3 of PT. Daya Dimensi Indonesia DKI Jakarta 2019



### Sindhu Rahardian Ardita

Corporate Syndication & Transaction Banking  
Served Since: 19 November 2019

#### Citizenship

Indonesia

#### Age

47 years old

#### Domicile

Central Jakarta, DKI Jakarta, Indonesia

#### Join Since

03 February 1997

#### Education

Master (S-2) Management from Gajah Mada University in 2004

#### Professional History

- 2014 -2017 served as Institutional Banking Head
- 2017, Head of Corporate Syndication and Transactional Banking Division
- 2018 served as Corporate & Loan Syndication Division

#### Certification and Training

- Advanced Analysis of Infrastructure Proj PT Perneringkat Efek Indonesia (PEFINDO) Jakarta 2019
- International Housing Finance Program Wharton School Univ. Pennsylvania USA 2012
- Sespibank LPPI 2016



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## PROFILE OF EXECUTIVE OFFICIALS



### Sahat Sihombing

Retail Risk Division Head  
Served Since: 27 May 2019

#### Citizenship

Indonesia

#### Age

53 years old

#### Domicile

Rawamangun, East Jakarta, Indonesia

#### Join Since

01 July 1994

#### Education

Doctor (S-3) Business Administration from Brawijaya University Malang tahun 2019

#### Professional History

- Head of Retail Risk Division 2019
- Head of Enterprise Risk Management Division 2017-2019
- Head of Strategic, Innovation & Performance Division 2017
- Head Wealth Management Divisin 2016

#### Certification and Training

- Certification UKMR 5, LSPP 2019
- Executive Development Program DDI 2018
- Sespibank 66, LPPI 2017



### Ferry Sipahutar

Retail Funding & Service Division  
Served Since: 16 September 2019

#### Kewarganegaraan

Indonesia

#### Age

49 years old

#### Domicile

Citeureup, West Java, Indonesias

#### Join Since

01 December 1996

#### Education

Master (S-2) Management, UGM & University of Kentucky USA, 2004

#### Professional History

2018 served as Retail Funding & Service Division Head

#### Certification and Training

- Executive Development, DDI in 2018
- Refreshment UKMR 4, LSPP 2019



### Nasril

Service Quality & Distribution  
Served Since: 17 Desember 2018

#### Citizenship

Indonesia

#### Age

54 years old

#### Domicile

Bogor, West Java, Indonesia

#### Join Since

01 May 1991

#### Education

Bachelor (S-1) Management Finance from STIE KBP Padang in 1989

#### Professional History

- 2016 served as Retail Funding & Services Division Head
- 2014 served as Regional Office Head
- 2012 served as Branch Manager Tangerang

#### Certification and Training

Refreshment UKMR Level 4, Professional Certification Institute Banking, DKI Jakarta, 2019



### Marfiades

Consumer Collection, Recovery & Asset Sales Division  
Served Since: 12 November 2019

#### Kewarganegaraan

Indonesia

#### Age

55 years old

#### Domicile

East Jakarta, DKI Jakarta, Indonesia

#### Join Since

01 February 1990

#### Education

Master (S-2) Management from Borobudur University in 2006

#### Professional History

- 2017 served as Consumer Collection & Remedial Div Head
- 2017 served as Regional Office IV Head
- 2017 served as Regional Office Head

#### Certification and Training

Business Process Improvement KPR Bank Tabungan Negara Yogyakarta 2019



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis



### Alex Sofyan Noor

Sharia Division Head  
Served Since: 31 May 2019

#### Citizenship

Indonesia

#### Age

53 years old

#### Domicile

Pejompongan, DKI Jakarta, Indonesia

#### Join Since

01 March 1993

#### Education

Bachelor (S-1) Economy from University of Islamic Indonesia tahun 1991

#### Professional History

- 2017 served as Vice President
- 2011 served as Ass.Vice President
- 2011 served as Senior Manager

#### Certification and Training

APU & PPT Bank Tabungan Negara Socialization, Jakarta Pusat, 2019



### Beki Kanuwa

Corporate Strategy & Alliances Management Division  
Served Since: 18 November 2019

#### Citizenship

Indonesia

#### Age

47 years old

#### Domicile

Bambu Apus, East Jakarta, Indonesia

#### Join Since

02 January 1998

#### Education

Bachelor (S-1) Civil Engineering from Technology Institute Bandung in 1996

#### Professional History

- 2019 served as Corp Strategy & Alliances Mgmt Div Head
- 2018 served as Corp. Strategy & Perf Mgt Div. Head

#### Certification and Training

Executive Development Program Phase-3 of PT.Daya Dimensi Indonesia, DKI Jakarta, 2019



### R. Wahyu B. Witjaksono

Compliance & Governance Division  
Served Since: 05 September 2019

#### Citizenship

Indonesia

#### Age

49 years old

#### Domicile

Bekasi Barat, Bekasi, West Java

#### Join Since

01 November 1995

#### Education

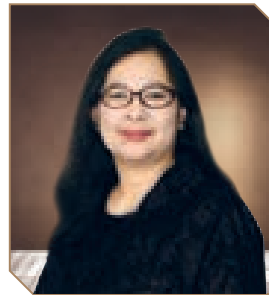
Master (S-2) Management Finance from Gadjah Mada University in 2004

#### Professional History

- 2019 served as PLT. Compliance & Governance Div. Head
- 2018 served as Wakil Kepala Divisi Internal Audit
- 2017 served as Auditor Coordination Head

#### Certification and Training

Sertifikasi General Banking Level III, 2019



### Adee Indriana D

Operation & Business Support Division  
Served Since: 07 February 2019

#### Citizenship

Indonesia

#### Age

48 years old

#### Domicile

Bekasi, West Java, Indonesia

#### Join Since

01 April 1997

#### Education

Bachelor (S-1) Economic Development from Sebelas Maret University in 1995

#### Professional History

- 2019 served as Operations & Business Support Div. Head
- 2018 served as Operation & Business Support Div. Head

#### Certification and Training

Executive Development Program (EDP), PT.Daya Dimensi Indonesia, Jakarta 2019



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## PROFILE OF EXECUTIVE OFFICIALS



### Suryanti Agustinar

Non Subsidized Mortgage & Personal  
Served Since: 01 October 2019

#### Citizenship

Indonesia

#### Age

54 years old

#### Domicile

South Jakarta, DKI Jakarta, Indonesia

#### Join Since

01 April 1991

#### Education

Master (S-2) Management from Gadjah Mada University in 1997

#### Professional History

- 2019 served as Non Subsidized Mortgage Lending Div Head
- 2016 served as Non Subsidized & Consumer Lending Divisi
- 2013 served as Branch Manager Bekasi

#### Certification and Training

Eksekutif Development Program (EDP) PT. Daya Dimensi Indonesia, Jakarta Pusat, 2018



### M. Amin Sholeh

Commercial Asset Management Division  
Served Since: 12 November 2019

#### Citizenship

Indonesia

#### Age

50 years old

#### Domicile

Banyuwangi, East Java

#### Join Since

03 February 1997

#### Education

Bachelor (S-1) Economic Management from Sebelas Maret University in 1993

#### Professional History

- 2019 served as PJ Asset Management Division Head
- 2019 served as Branch Manager Banjarmasin
- 2017 served as Commercial Loan Monitor & Restruct Dep Head

#### Certification and Training

Asset Management: Special Asset Sales Tandika Learning Institute Jakarta 2019



### Sri Rezeki Murni Sudarsari

Wealth Management Division Head  
Served Since: 11 November 2019

#### Citizenship

Indonesia

#### Age

54 years old

#### Domicile

West Jakarta, DKI Jakarta, Indonesia

#### Join Since

01 May 1991

#### Education

Master (S-2) Management from Gadjah Mada University in 1998

#### Professional History

- 2016 served as Regional Office Head
- 2014 served as Branch Manager Bekasi
- 2011 served as Housing Dept Head

#### Certification and Training

AAJI Certification, Dewan Asuransi Indonesia (DAI), Jakarta, 2019



### Lusiana Anjarsari

Legal Division Head  
Served Since: 5 September 2019

#### Citizenship

Indonesia

#### Age

46 years old

#### Domicile

Ragunan, South Jakarta, Indonesia

#### Join Since

01 March 1998

#### Education

Master (S2) Law/Economic Law, University of Indonesia 2002

#### Professional History

- 2019 served as Legal Division Head
- 2018 served as PLT Legal Division Head

#### Certification and Training

Executive Development Program Phase-3 of PT.Daya Dimensi Indonesia, DKI Jakarta, 2019



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis



### Katon Djoko Soekarsono

IT Strategic Planning & Development Division  
Served Since: 21 February 2019



### Nofry Rony Poetra

Treasury Division Head  
Served Since: 21 April 2014

#### Citizenship

Indonesia

#### Age

51 years old

#### Domicile

Gunung Putri, Bogor, Java West

#### Join Since

15 April 2019

#### Education

Master (S2) Management/Agriculture Business Institut Pertanian Bogor 2001

#### Professional History

2019 served as IT Strategic Planning & Dev. Div Head

#### Certification and Training

- Certified ITIL V3 Foundation, Jakarta, 2017
- Certified Master Black Belt Lean Six Sigma (CMBB), USA, 2014
- Certified Business Continuity Professional (CBCP), Singapore, 2014

#### Citizenship

Indonesia

#### Age

51 years old

#### Domicile

East Jakarta, DKI Jakarta

#### Join Since

01 March 1993

#### Education

Master (S2) Business Administration, The George Washington University, USA

#### Professional History

- 2013 served as Institutional Banking Division Head
- 2015 served as Regional Office Head
- 2016 served as Treasury Division Head

#### Certification and Training

Treasury Level Advance - LSPP Certification 2019



### Mochamad Yut Penta

Subsidized Mortgage Lending Division  
Served Since: 18 November 2019



### Sri Astuti

PJ. Commercial Banking Division  
Served Since: 10 January 2020

#### Citizenship

Indonesia

#### Age

50 years old

#### Domicile

Bandung, West Java, Indonesia

#### Join Since

03 February 1997

#### Education

Master (S2) Management Gadjah Mada University 2004

#### Professional History

- 2019 served as Subsidized Mortgage Lending Div Head
- 2018 served as Roll Out Project Lead

#### Certification and Training

Business Process Improvement KPR Bank Tabungan Negara, Yogyakarta, 2019

#### Citizenship

Indonesia

#### Age

47 years old

#### Domicile

Umbulharjo, Yogyakarta, Indonesia

#### Join Since

02 January 1998

#### Education

Bachelor (S1) Economy University of Islamic Indonesia 1995

#### Professional History

- 2019 served as PJ. Commercial Banking Division Head
- 2018 served as Corporate & Loan Syndication Depart Head

#### Certification and Training

General Manager Development Program, PT. Daya Dimensi Indonesia, DKI Jakarta, 2019





Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## PROFILE OF EXECUTIVE OFFICIALS



### Wahyudi Joko Santoso

PJ IT Operations Division Head  
Served Since: 09 September 2019

#### Citizenship

Indonesia

#### Age

48 years old

#### Domicile

Bekasi, West Java, Indonesia

#### Join Since

03 February 1997

#### Education

Master (S-2) Management  
from STIE Indonesia Banking  
School tahun 2019

#### Professional History

- 2019 served as PJ IT Operations Division Head
- 2017 served as IT Security Policy, Risk & Governance DH

#### Certification and Training

Refreshment UKMR Level 3  
Professional Certification Institute,  
DKI Jakarta 2019



### Muhamad Irwan

PLT. Transformation  
Management Division  
Served Since: 18 November 2019

#### Citizenship

Indonesia

#### Age

49 years old

#### Domicile

Sunter, Jakarta, Indonesia

#### Join Since

02 January 1998

#### Education

Bachelor S1 Economy from  
Pancasila University 1996

#### Professional History

- 2019 served as PLT. Transf. Management Office Head
- 2018 served as Infrastructure & GRC Transformation DH

#### Certification and Training

General Manager Development,  
Program PT.Daya Dimensi  
Indonesia, DKI Jakarta ,2019



### Roni Subagio

PLT. Commercial Risk Division  
Served Since: 26 August 2019

#### Citizenship

Indonesia

#### Age

51 years old

#### Domicile

Bekasi, Jawa Barat

#### Join Since

01 May 1996

#### Education

Bachelor (S-1) Economy/  
Accounting from Brawijaya  
University in 1993

#### Professional History

- 2019 served as PLT. Commercial Risk Division Head
- 2017 served as Credit Risk Housing Dept Head

#### Certification and Training

Refreshment UKMR Level 3  
Professional Certification Institute  
Banking, Jakarta 2018



### Khaeruddin B.

PLT. Learning Center Division  
Head  
Served Since: 03 February 2020

#### Citizenship

Indonesia

#### Age

53 years old

#### Domicile

Tangerang, Banten

#### Join Since

01 November 1991

#### Education

Master (S-2) Management  
from Gadjah Mada University  
in 1999

#### Professional History

- 2019 served as School of Operational Banking Dept Head
- 2017 served as Associate School of Operational Banking

#### Certification and Training

Refreshment UKMR Level 3  
Professional Certification Institute DKI Jakarta 2019  
• Training Housing Finance Management - HDFC HDFC India, India 2018



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis



### Dewi Fitrianingrum

Regional Office Head II  
Served Since: 30 December 2018

#### Citizenship

Indonesia

#### Age

53 years old

#### Domicile

Tebet, South Jakarta, Indonesia

#### Join Since

01 April 1991

#### Education

Master (S-2) Management from Gadjah Mada University in 1998

#### Professional History

- Comm Funding & Services Division Head, 2015 - 2017
- Regional Office II Head 2017-current

#### Certification and Training

- Credit Certification, Professional Banking Certification Institute, 2017
- Executive Development Program (EDP) 2018
- Refreshment UKMR Level 4, Professional Banking Certification Institute, 2019



### Edward Alimin Syarif

Regional Office Head V  
Served Since: 5 September 2019

#### Citizenship

Indonesia

#### Age

51 years old

#### Domicile

Bekasi, West Java, Indonesia

#### Join Since

01 July 1994

#### Education

Master (S-2) Management from Open University in 2013

#### Professional History

- 2019 served as Regional Office Head
- 2015 served as Sharia Business Deputy

#### Certification and Training

Executive Development Program Phase-3 of PT. Daya Dimensi Indonesia, DKI Jakarta, 2019



### Frisaba H. Yusdianto

Regional Office Head III  
Served Since: 27 July 2018

#### Citizenship

Indonesia

#### Age

55 years old

#### Domicile

Cibubur, West Java, Indonesia

#### Join Since

01 December 1989

#### Education

Bachelor (S-1) Law from Krisnadipayana University tahun 1989

#### Professional History

- 2019 served as Regional Office Head
- 2018 served as Regional Office III Head

#### Certification and Training

- Refreshment UKMR Level 3 Lembaga Sertifikasi Profesi Perbankan Jakarta Pusat 2019
- Sertifikasi Wealth Management Modul 1-3 Maesa Consulting Indonesia (MCI) Jakarta 2018



### Sri Nuryanti Ekaningsih

Regional Office Head VI  
Served Since: 29 September 2019

#### Citizenship

Indonesia

#### Age

55 years old

#### Domicile

Serpong, Tangerang, Indonesia

#### Join Since

01 August 1989

#### Education

Bachelor (S1) Law/Civil Law from Gadjah Mada University 1988

#### Professional History

Regional Office Head, Regional Office 6, 2019

#### Certification and Training

Executive Development Program Phase-2, Jakarta, 2019



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## PROFILE OF EXECUTIVE OFFICIALS



### Manahan Hutapea

Regional Office Head I  
Served Since: 18 November 2019



### Benjamin Sihombing

Pj. Regional Head IV  
Served Since: 18 November 2019

#### Citizenship

Indonesia

#### Age

51 tahun

#### Domicile

Bekasi, West Java, 2019

#### Join Since

01 November 1995

#### Education

Bachelor (S-1) Economy from Sumatera Utara University

#### Professional History

- Deputy Regional Manager Business, General Management, 2017
- Regional Office IV Head, General Management, 2018
- Regional Office Head, 2019

#### Certification and Training

Executive Development Program Phase-3, 2019

#### Citizenship

Indonesia

#### Age

50 tahun

#### Domicile

Bekasi, West Java, Indonesia

#### Join Since

03 Februari 1997

#### Education

Bachelor (S1) Economy/ Management from Sumatera Utara University in 1993

#### Professional History

- 2019 served as PJ Regional Office Head
- 2018 served as Branch Manager Bekasi

#### Certification and Training

Refreshment UKMR Level 3, Profesional Banking Certification Institute, 2019



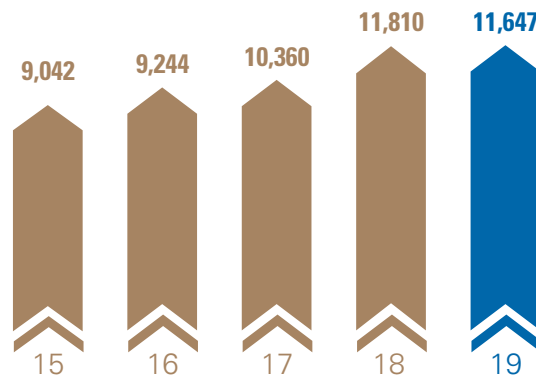
# EMPLOYEE DEMOGRAPHY AND ABOUT COMPETENCY DEVELOPMENT



As of Desember 31, 2019, the Company had 11.498 employees, a decrease from the number of employees at the end of year 2018 as many as 11,810. The cause of the decrease in the number of employees is due to the employees entering retirement (MPP), employees resigned (resigned) but also a lower recruitment target than 2018 of 410 employee...

The tables and charts of the Company's employee statistics are as follows:

THE NUMBER OF EMPLOYEES IN THE LAST 5 (FIVE) YEARS 2015-2019  
(EMPLOYEES)  
2015-2019





## EMPLOYEE DEMOGRAPHY AND ABOUT

## EMPLOYEE STATISTICS BY ORGANIZATION LEVEL

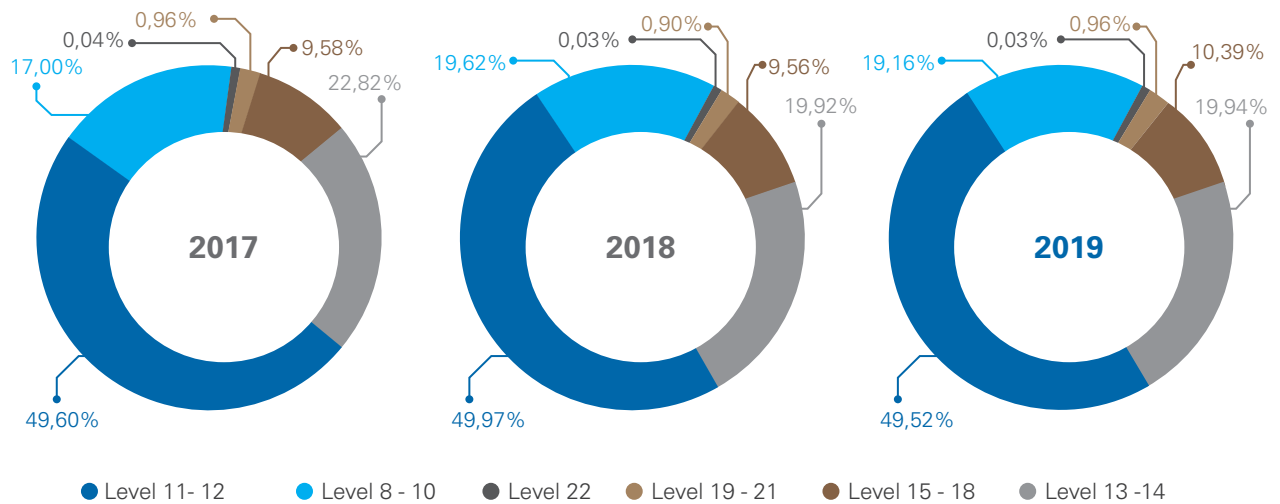
(Employees)

Organization Level	2019				2018				2017			
	L	P	Total	%	L	P	Total	%	L	P	Total	(%)
Level 22	2	2	4	0.03%	2	2	4	0.03%	1	3	4	0.04%
Level 19-21	93	19	112	0.96%	88	18	106	0.90%	82	17	99	0.96%
Level 15-18	910	300	1,210	10.39%	852	277	1,129	9.56%	755	238	993	9.58%
Level 13-14	1,503	819	2,322	19.94%	1,561	792	2,353	19.92%	1,613	751	2,364	22.82%
Level 11-12	2,950	2,818	5,768	49.52%	3,045	2,856	5,901	49.97%	2,697	2,442	5,139	49.60%
Level 8-10	885	1,346	2,231	19.16%	917	1,400	2,317	19.62%	649	1,112	1,761	17.00%
Total	6,343	5,304	11,647	100.00%	6,465	5,345	11,810	100.00%	5,797	4,563	10,360	100.00%

M = Male | F = Female

## EMPLOYEE COMPOSITION BY ORGANIZATION LEVEL

(%)



The number of employees in 2019 was 11,647 dominated by employees with levels 11 to. 12 49.52% which is dominated by young employees (millennials). In 2019, the implementation of Manpower Planning is capable give effect to the achievement of the Company's performance with the level of recruitment to achieve employee fulfillment 100% of the recruitment target of 410 new employees. Uraian tentang perubahan jumlah pegawai berdasarkan level organisasi dan penyebabnya

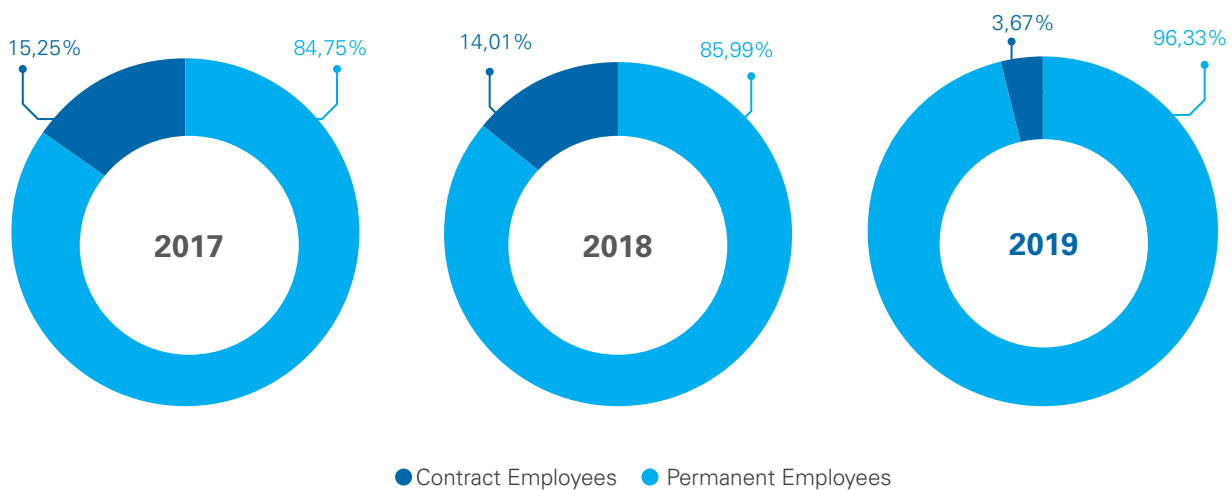


## EMPLOYEE STATISTICS BY EMPLOYMENT STATUS

(Employees)

Employment Status	2019				2018				2017			
	L	P	Total	%	L	P	Total	%	L	P	Total	%
Permanent Employees	6,150	5,069	11,219	96.33%	5,649	4,506	10,155	85.99%	4,921	3,859	8,780	84.75%
Kontrak	193	235	428	3.67%	816	839	1,655	14.01%	876	704	1,580	15.25%
Contract Employees	6,343	5,304	11,647	100.00%	6,465	5,345	11,810	100.00%	5,797	4,563	10,360	100.00%
<i>Outsourced Employees</i>	9,113	1,013	10,125		9,360	926	10,286		8,485	738	9,223	
Including Outsourced Employees	15,456	6,317	21,772		15,825	6,271	22,096		14,282	5,301	19,583	

M = Male | F = Female

EMPLOYEE COMPOSITION BY EMPLOYMENT STATUS (TO THE NUMBER OF EMPLOYEES INCLUDING OUTSOURCED)  
(%)

At the end of 2019, the Company employed 11,647 employees, consisting of 11,219 permanent employees and 428 contract / PKWT employees. In addition, the Company also employs as many Outsourced Employees 10,125 people so the number of employees including outsourced employees by the end of 2019 has decreased by -1.47% out of a total of 11,810 employees at the end of 2018. The cause of the decrease in the number of employees was not caused retirement employees (MPP), resigned employees but also recruitment targets which is lower than in 2018 with 410 employees.



## EMPLOYEE DEMOGRAPHY AND ABOUT

## EMPLOYEE STATISTICS BY EDUCATION LEVEL

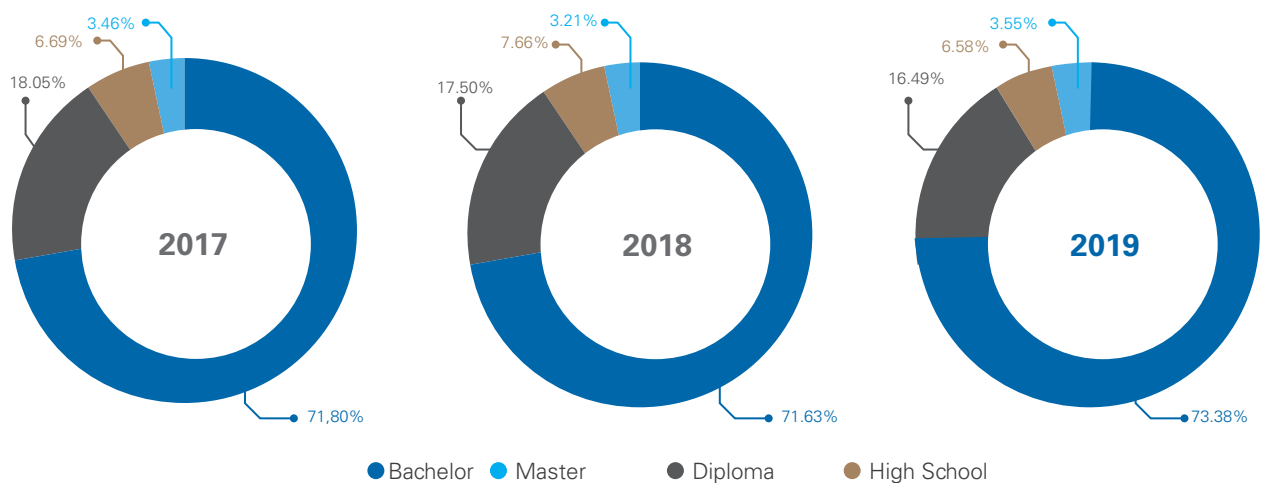
(Employees)

Education Level	2019				2018				2017			
	L	P	Total	%	L	P	Total	%	L	P	Total	%
Master's Degree	303	111	414	3.55%	312	110	422	3.57%	319	113	432	4.17%
Bachelor's Degree	4,895	3,651	8,546	73.38%	4,957	3,644	8,601	72.83%	4,461	3,219	7,680	74.13%
Diploma	847	1,074	1,921	16.49%	857	1,084	1,941	16.44%	755	888	1,643	15.86%
High School	298	468	766	6.58%	339	507	846	7.16%	262	343	605	5.84%
TOTAL	6,343	5,304	11,647	100.00%	6,465	5,345	11,810	100.00%	5,797	4,563	10,360	100.00%

M = Male | F = Female

## EMPLOYEE COMPOSITION BY EDUCATION LEVEL

(%)



In 2019, the number of employees with Bachelor education (S1) had the highest composition, namely 73.38% more than in 2018 as much as 72.83%. This is because the majority of the recruitment of new employees requires minimum S1. In addition, the number of high schools in 2019 had a composition of 6.58% or decreased from 2018 as much as 7.16% is due to the majority of Teller who is retired at 36 years old.

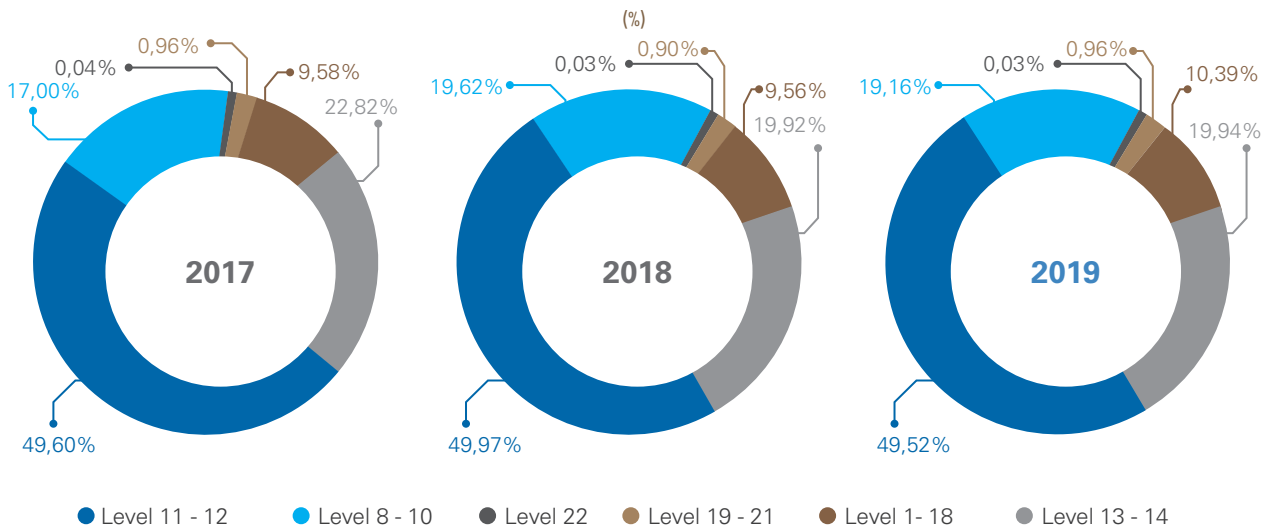
EMPLOYEE STATISTICS BY AGE  
(EMPLOYEES)

Age	2019				2018				2017			
	L	P	Total	%	L	P	Total	%	L	P	Total	%
≥ 51	466	227	693	5.95%	443	230	673	5.70%	465	220	685	6.61%
31-50	2,313	1,753	4,066	34.91%	2,129	1,488	3,617	30.63%	1,899	1,223	3,122	30.14%
≤ 30	3,564	3,324	6,888	59.14%	3,893	3,627	7,520	63.67%	3,433	3,120	6,553	63.25%
Jumlah	6,343	5,304	11,647	100.00%	6,465	5,345	11,810	100.00%	5,797	4,563	10,360	100.00%

M = Male / F = Female



## EMPLOYEE COMPOSITION BY AGE



In 2019, the number of employees will be dominated by employees with an age range <30 years or millennials, that is 59.14%. This is because the Bank had not recruited for 10 years since 1998 so the current composition of employees is dominated by a young age range.

## EMPLOYEE STATISTICS BY WORKING PERIOD

(employees)

Range of work period	2019				2018				2017			
	L	P	Total	%	L	P	Total	%	L	P	Total	%
> 30th	127	42	169	1.45%	96	25	121	1.02%	55	21	76	0.73%
25th-30th	369	251	620	5.32%	355	253	608	5.15%	425	235	660	6.37%
20th-25th	765	194	959	8.23%	788	234	1.022	8.65%	651	276	927	8.95%
15th-20th	-	-	-	0.00%	148	21	169	1.43%	372	46	418	4.03%
10th-15th	232	345	577	4.95%	129	275	404	3.42%	27	223	250	2.41%
5th-10th	1,562	1,882	3,444	29.57%	1,158	1,672	2,830	23.96%	925	1,360	2,285	22.06%
0-5th	3,288	2,590	5,878	50.47%	3,791	2,865	6,656	56.36%	3,342	2,402	5,744	55.44%
Jumlah	6,343	5,304	11,647	100.00%	6,465	5,345	11,810	100.00%	5,797	4,563	10,360	100.00%

M = Male | F = Female

In 2019, the composition of employees was dominated by employees with tenure of 0-5 years by 50.47%. Majority employees are young employees and new recruits belonging to the millennials. The height of this composition also due to the reduced number of employees above their age (> 20 years) due to retirement and the Bank does not do so recruitment for 10 years since 1998.





## EMPLOYEE DEMOGRAPHY AND ABOUT

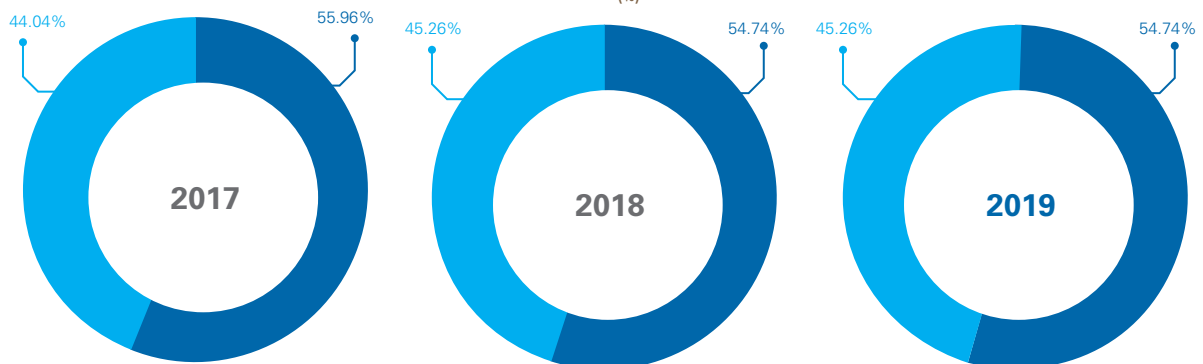
## EMPLOYEE STATISTICS BY GENDER

(employees)

Gender	2019		2018		2017	
	Total	Percentage (%)	Total	Percentage (%)	Total	Percentage (%)
Male	6,343	54.46%	6.465	54,74%	5.797	55,96%
Female	5,304	45.54%	5.345	45,26%	4.563	44,04%
Total	11,647	100.00%	11.810	100,00%	10.360	100,00%

## EMPLOYEE COMPOSITION BY GENDER

(%)



In 2019, the composition of employees by sex was still dominated by male employees, at 54.46%. This condition is the same as in 2017 or 2018 because the Bank prioritizes male employees because it has a level and longer work retention.

## OVERVIEW OF HR STRATEGIC AND HR COMPETENCY DEVELOPMENT

The Company emphasizes the importance of Human Capital management as the main capital for the Company to deliver its products and services, realize its operational and service excellence, and create an organization that is able to be the foundation for Sustainable business development. The Company sees employees as stakeholders who have a great interest in the progress of the Company. Therefore, the Company has formulated strategic policies on Human Capital Development which is expected to increase productivity, while also providing positive impact for personal talent development of each employee.



Performance 2019



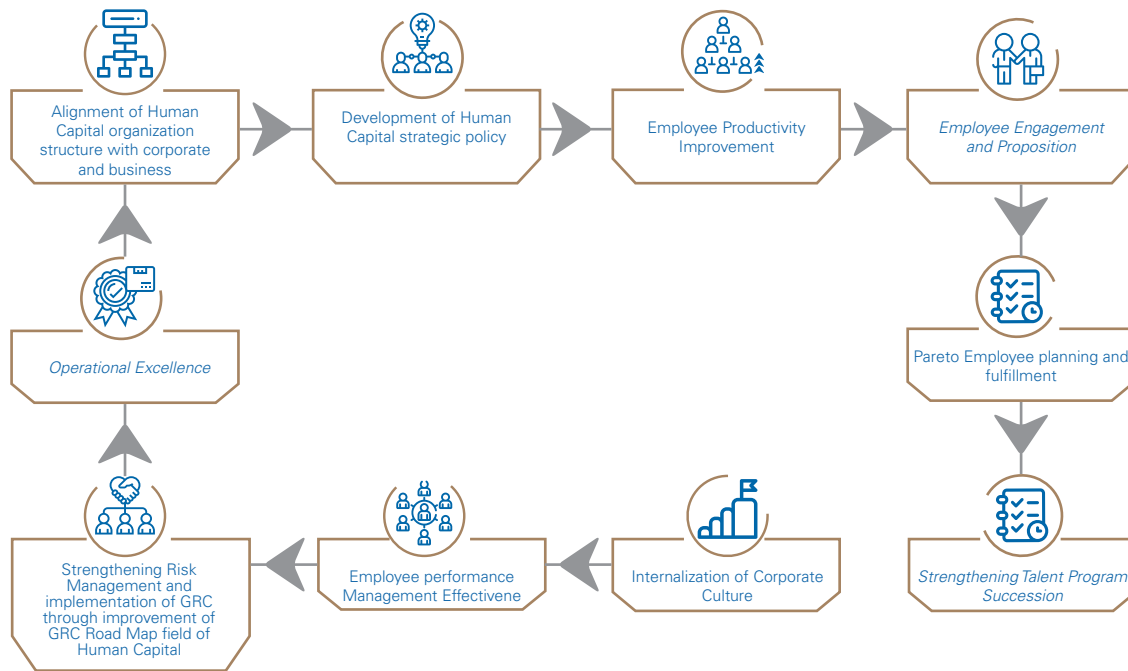
Management Report



Company Profile



Management Discussion and Analysis



HR competency development in the form of education and training is a priority agenda for the Company to create qualified human resources. The following is a table of education and training attended by the Company's employees by position level which reflect the opportunity for each level of the organization within the period from January to December 2019.

Types of Education and Training	Objective	Position Level	Number of Participants		Participants Composition base on Gender	
			2019	2018	2019	2018
Leadership	Focus on developing leadership qualities	<ul style="list-style-type: none"> <li>• Junior staff</li> <li>• Staff</li> <li>• Senior staff</li> <li>• Assistant Manager</li> <li>• Manager</li> <li>• Senior Manager</li> <li>• Ass. Vice President</li> <li>• Vice President</li> <li>• Exec. Vice President</li> <li>• Sr. Vice President</li> <li>• Directors &amp; Commissioners</li> </ul>	5,936	4,893	Female 46% Male 54%	Male 71% Female 29%
Business	Focus on training on products and services	<ul style="list-style-type: none"> <li>• Junior staff</li> <li>• Staff</li> <li>• Senior staff</li> <li>• Assistant Manager</li> <li>• Manager</li> <li>• Senior Manager</li> <li>• Ass. Vice President</li> <li>• Vice President</li> <li>• Exec. Vice President</li> <li>• Sr. Vice President</li> <li>• Directors &amp; Commissioners</li> </ul>	12,632	10,153	Male 48% Female 52%	Male 45% Female 55%



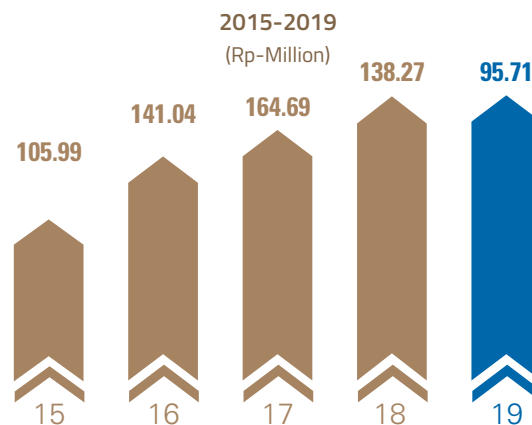
## EMPLOYEE DEMOGRAPHY AND ABOUT

Types of Education and Training	Objective	Position Level	Number of Participants		Participants Composition base on Gender	
			2019	2018	2019	2018
Operational Banking	Focus on training on operational banking in support of business units	<ul style="list-style-type: none"> <li>• Junior staff</li> <li>• Staff</li> <li>• Senior staff</li> <li>• Assistant Manager</li> <li>• Manager</li> <li>• Senior Manager</li> <li>• Ass. Vice President</li> <li>• Vice President</li> <li>• Exec. Vice President</li> <li>• Sr. Vice President</li> <li>• Directors &amp; Commissioners</li> </ul>	37,690	13,781	Male 48% Female 52%	Male 56% Female 44%

In 2019, the Company organized education and training programs that were attended by 56,258 participants. From this figure, 12,632 participants attended the School of Business, 5,936 participants attended the School of Leadership and 37,690 participants attended the School of Operational banking. Overall, the number of education and training participants in 2019 increased by 95% compared to 2018.

The investment or costs incurred by the Company in employee education and training programs throughout 2019 reached Rp95,71 million, an increase compared to Rp138,27 million in 2018. Realized use of fees education in 2019 is lower than in 2018 because the Company established a delivery blended learning method which combines online learning and classroom so that the implementation of education becomes more efficient without reduce the effectiveness of each of the education and training programs. Development of investment programs Employee education and training can be seen in the graph below.

## INVESTMENT DEVELOPMENT OF EMPLOYEE EDUCATION AND TRAINING PROGRAM IN THE LAST 5 (FIVE) YEARS



**“A COMPLETE DESCRIPTION OF BANK BTN'S POLICY ON HR COMPETENCY MANAGEMENT AND DEVELOPMENT CAN BE SEEN IN THE HUMAN RESOURCES DISCUSSION IN THIS ANNUAL REPORT'S BUSINESS SUPPORT FUNCTION CHAPTER.”**



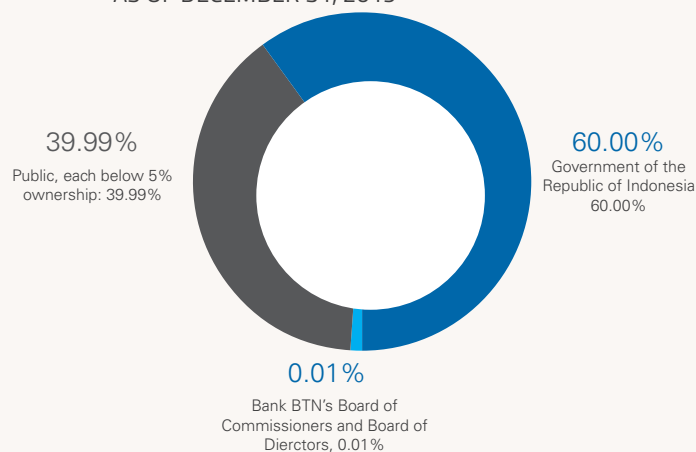
# SHAREHOLDER COMPOSITION

## SHAREHOLDER COMPOSITION OF THE COMPANY

### INFORMATION OF SHARES OWNERSHIP IN THE COMPANY OWNERSHIP OF BANK BTN SHARES AS OF 31 DECEMBER 2019

Shareholder	Number of Shares (unit)	Authorized and Fully Paid Up Capital (Rp-million)	Ownership Percentage (%)
Nominal Value = Rp500/Share			
<b>Shareholders with 5% or More Than 5% Ownership</b>			
• Government of The Republic of Indonesia			
- Series A Dwiwarna Share	1		
- Series B Shares	6,353,999,999		
	6,354,000,000	3,177,000	60.00%
<b>Shareholders with Less Than 5% Ownership (Series B Share)</b>			
• Bank BTN Board of Commissioners and Board of Directors	911,100	456	0.01%
• Public, each less than 5%	4,235,088,900	2,117,544	39.99%
<b>TOTAL</b>	<b>10,590,000,000</b>	<b>5,295,000</b>	<b>100.00%</b>

### COMPOSITION OF BANK BTN SHAREHOLDERS AS OF DECEMBER 31, 2019



The Republic of Indonesia has one Series A Dwiwarna Share. Series A Dwiwarna shares give the holders special privileges that are not owned by other shareholders, namely approving the appointment and dismissal of the Board of Commissioners and Directors, approving amendments to the Articles including amendments to capital, approving mergers, mergers and separations of the Company, submitting requests for The Company to be declared bankrupt and dissolved, and requested reports and explanations regarding certain matters to the Board of Directors and Board of Commissioners of



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the Company with due observance of laws and regulations, especially regulations in the Capital Market sector.

As of December 31, 2019, the State of the Republic of Indonesia had 6,353,999,999 Common Shares and one Dwiwarna Series A Share which has special voting rights, thus the number of share ownership is 6,354,000,000 shares with a composition of 60.00% of the total number of shares issued by the Company.

**INFORMATION ON THE TOP 20 SHAREHOLDERS****LIST OF BANK BTN'S TOP 20 SHAREHOLDERS  
AS OF DECEMBER 31, 2019**

No.	Name	Status	Domicile	Number of Shares (share unit)	Percentage
1.	The Government of The Republic of Indonesia	Government	Indonesia	6,354,000,000	60.00%
2.	DJS Ketenagakerjaan Program JHT	Limited Liability Company	Indonesia	389,275,808	3.68%
3.	Citibank New York S/A Government of Norway - 15	Foreign Company	Norwegia	290,528,400	2.74%
4.	UI Equity Solid	Insurance	Indonesia	131,623,300	1.24%
5.	JPMBLSAS UCITS CLT RE-HANDELSBANKENTILLVAXTMARKNAD Tema	Foreign Company	Swedia	122,000,000	1.15%
6.	PT Taspen (Persero)	Pension Fund	Indonesia	113,794,200	1.07%
7.	NTTST Co S/A Lsv Emerging Markets Equity Fund, LP	Foreign Company	Amerika Serikat	92,008,000	0.87%
8.	Citibank New York S/A Government of Norway - 23	Foreign Company	Norwegia	81,538,600	0.77%
9.	DJS Ketenagakerjaan Program JP	Limited Liability Company	Indonesia	77,756,000	0.73%
10.	Citibank New York S/A Government of Norway - 16	Foreign Company	Norwegia	70,000,000	0.66%
11.	PT Taspen (Asuransi) - Afs	Pension Fund	Indonesia	69,237,600	0.65%
12.	PT Prudential Life Assurance - Ref	Insurance	Indonesia	61,935,400	0.58%
13.	JPMCB Na Re-Vanguard Total International Stock Index Fund	Foreign Company	Amerika Serikat	59,459,999	0.56%
14.	Jpmcb Na Re-Vanguard Emerging Markets Stock Index Fund	Foreign Company	Amerika Serikat	50,760,638	0.48%
15.	Citibank New York S/A Emerging Markets Core Equity Portfolio of Dfa Inv Dimensio	Foreign Company	Amerika Serikat	46,100,835	0.44%
16.	Reksa Dana Batavia Dana Saham - 898544000	Mutual Fund	Indonesia	44,972,300	0.42%
17.	Gic S/A Government of Singapore	Foreign Company	Singapura	40,582,200	0.38%
18.	Ssb 2q27 S/A Ishares Core Msci Emerging Markets Etf	Foreign Company	Amerika Serikat	39,701,876	0.37%
19.	Reksa Dana Ashmore Dana Ekuitas Nusantara	Mutual Fund	Indonesia	33,520,000	0.32%
20.	Citibank New York S/A Dimensional Emerging Markets Value Fund	Foreign Company	Amerika Serikat	31,640,327	0.30%



## INFORMATION ON OWNERSHIP OF COMPANY'S SHARES BY KEY MANAGEMENT

The following is information transparency regarding shares ownership by Key management, including the Company's share ownership by the Board of Commissioners and the Board of Directors.

Name and Position	2019		2018	
	Total shares (share)	% share Ownership	Total share (share)	% share Ownership
Board of Commissioners				
Chandra Hamzah (President Commissioner)	-	-	-	-
Eko D. Heripoerwanto (Commissioner)	-	-	-	-
Heru Budi Hartono (Commissioner)	-	-	-	-
Andin Hadiyanto (Commissioner)	-	-	-	-
Armand B. Arief (Independent Commissioner)	-	-	-	-
Ahdi Jumhari Luddin (Independent Commissioner)	-	-	-	-
Board of Directors				
Pahala Nugraha Mansury (President Director)	453,100	0.0042786%	-	-
Hirwandi Gafar (Director of Consumer and Commercial Lending)	56,000	0.0005288%	-	-
Nixon L.P Napitupulu (Director of Finance, Planning and Treasury)	236,600	0.0022342%	146,400	0.00%
Yossi Istanto (Director of Human Capital, Legal and Compliance)	70,200	0.0006629%	-	-
Elisabeth Novie Riswanti (Director Remedial and Wholesale Risk)	25,000	0.0002361%	-	-
Andi Nirwoto (Director of Operation, IT and Digital Banking)	70,200	0.0006629%	-	-
Jasmin (Direktur Distribution and Retail Funding)	-	-	-	-
Setiyo Wibowo (Director of Enterprise Risk Management, Big Data and Analytics)	-	-	-	-
Total Share Ownership of the Board of Commissioners and the Board of Directors	911,100	0.0086034%	146,400	0.00%



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## SHAREHOLDER COMPOSITION

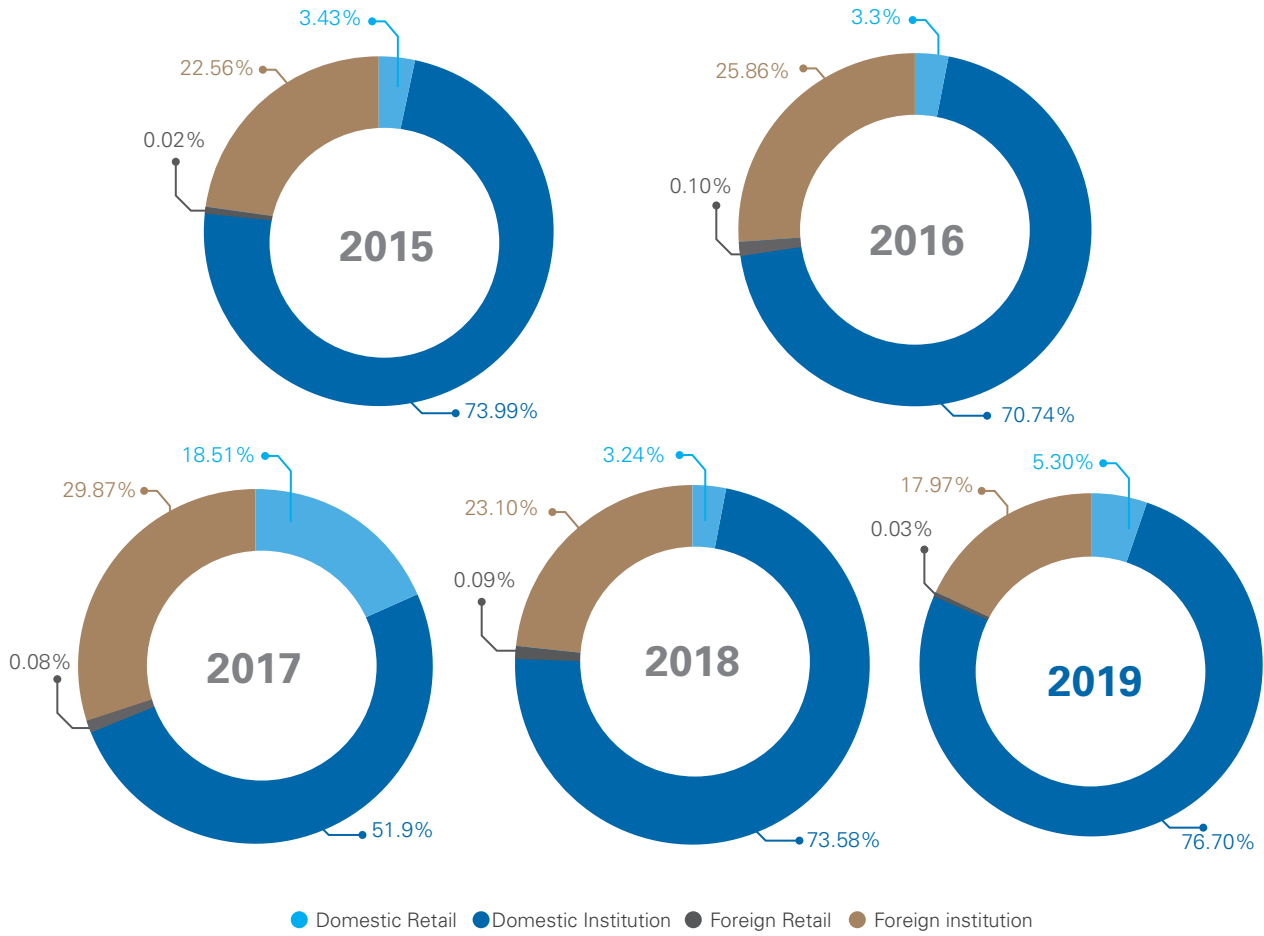
## SHAREHOLDER STATUS INFORMATION

BANK BTN SHAREHOLDER CLASSIFICATION AND COMPOSITION BY STATUS  
AS OF DECEMBER 31, 2019

Shareholder Status	Number of Shareholders	Share (shares)	Percentage
Government of Republic of Indonesia	1	6,354,000,000	60.00%
Public Shareholder Groups with Less Than 5% Ownership			
Local Public			
Local Retail			
• Indonesian Individual	24,003	549,995,719	5.19%
• Bank BTN Employee	926	11,083,000	0.10%
Sub-total Local Retail	24,929	561,078,719	5.30%
Local Institution			
• Cooperative	5	1,172,500	0.01%
• Foundation	16	30,951,947	0.29%
• Pension Fund	112	295,482,685	2.79%
• Insurance	81	453,119,702	4.28%
• Limited Liability Company	80	488,197,438	4.61%
• Mutual Funds	223	499,999,390	4.72%
Sub-total Local Institution	517	1,768,923,662	16.70%
<b>Total Local Public</b>	<b>25,446</b>	<b>2,330,002,381</b>	<b>22.00%</b>
Foreign Public			
Foreign Retail			
Foreign Individual	74	2,822,840	0.03%
Foreign Institution			
Foreign Company	460	1,903,174,779	17.97%
<b>Total Foreign Public</b>	<b>534</b>	<b>1,905,997,619</b>	<b>18.00%</b>
Total Public Shareholder Groups with Less Than 5% Ownership	25,980	4,236,000,000	40.00%
<b>The Number of Shareholders</b>	<b>25,981</b>	<b>10,590,000,000</b>	<b>100.00%</b>



### TREND OF BANK BTN SHAREHOLDER COMPOSITION BASED ON STATUS 2015-2019







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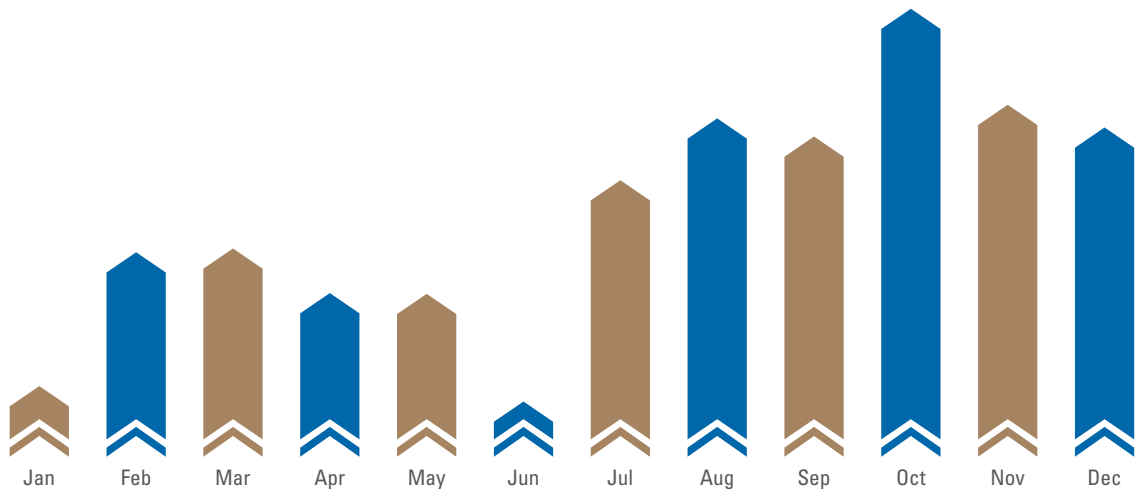


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## SHAREHOLDER COMPOSITION

### PUBLIC SHAREHOLDER GROUPS WITH LESS THAN 5% OWNERSHIP

TREND OF PUBLIC SHAREHOLDER GROUPS WITH LESS THAN 5% OWNERSHIP





## INFORMATION ON ULTIMATE SHAREHOLDER AND/ OR CONTROLLING SHAREHOLDER UNTIL THE NAME OF END OWNER



“The Government of The Republic of Indonesia Company is the Ultimate/Controlling Shareholder of Bank BTN with 60.00% ownership.”

**INFORMATION ON ULTIMATE SHAREHOLDER AND/OR CONTROLLING SHAREHOLDER UNTIL THE NAME OF END OWNER**

The Republic of Indonesia has one Series A Dwiwarna Share. Series A Dwiwarna shares give the holders special privileges that are not owned by other shareholders. The remaining shares, namely Series B shares, are owned by the Board of Commissioners and Board of directors as much as 0,01% and the public each less than 5% as much as 39,99% obtained through stock trading mechanism at the Indonesia Stock Exchange.

Thus, the Company's Ultimate/Controlling Shareholder is the Government of the Republic of Indonesia. The Government of the Republic of Indonesia is also the Company's end owner entity.

In accordance with Government Regulation No. 41 Year 2003 concerning Delegation of Position, Duties and Authorities of the Minister of Finance, in Perusahaan Persero (Persero), Perusahaan Umum (PERUM) dan Perusahaan Jawatan (PERJAN) to the Minister of State-Owned Enterprises, and the Law No. 19 Year 2003 concerning State-Owned Enterprises and the State Gazette of the Republic of Indonesia, the Company's Shareholder Proxy is the Ministry of State-Owned Enterprise.

<p><b>The Government of the Republic of Indonesia</b></p>	<p>National Palace          Jl. Medan Merdeka Utara No.3          RT.2/RW.3, Kel. Gambir          Kec. Gambir, Kota Jakarta Pusat          DKI Jakarta 10110, Indonesia</p> <hr/> <p>Head Office of the Ministry of State Secretariat of the Republic of Indonesia          Jl. Veteran No. 17-18          Jakarta Pusat 10110          DKI Jakarta, Indonesia          Telp. +62 21 3845627  <a href="http://www.setneg.go.id">www.setneg.go.id</a></p>
<p><b>The Ministry of State-Owned Enterprises</b></p>	<p>Head Office of the Ministry of State-Owned Enterprises          Jl. Medan Merdeka Selatan No. 13          Jakarta Pusat 10110          DKI Jakarta, Indonesia          Telp. +62 21 29935678          Fax. +62 21 29935740  <a href="http://www.bumn.go.id">www.bumn.go.id</a></p>



## INFORMATION ABOUT GROUP STRUCTURE AND SUBSIDIARIES, ASSOCIATED ENTITIES AND JOINT VENTURE (JV) AND SPECIAL PURPOSE VEHICLE (SPV) COMPANIES



As of December 31, 2019 or the date on which this data/information is issued, the Company does not have subsidiaries, associated entity, joint venture and special purpose vehicle (SPV) company. Therefore, the Company has no information regarding the group structure and/or associated entities; percentage of share ownership; information that describes subsidiaries and/or associated entities, and operational status of subsidiaries and/or associated entities (operating or not operating).

With regard to the parent entity, as presented in the Share Ownership section, the Company's parent entity is the Government of the Republic of Indonesia as the Ultimate/Controlling Shareholder who also acts as the End Owner Entity with share ownership by 60.00%.



# CHRONOLOGY OF SHARES ISSUE AND LISTING

## INITIAL PUBLIC OFFERING/IPO, DESEMBER 17, 2009

The Company conducted its initial public offerings (IPO) on the Indonesia Stock Exchange on December 17, 2009 by offering 2,360,057,000 shares of Series B shares or 27.08% of the issued capital, with an offering price of Rp800 per share to the public. The success of the Initial Public Offering (IPO) was reflected from a very good response from the public, which was marked by oversubscribi as much as 2.04 times with proceed value of Rp1.88 trillion. This was awarded the "Best IPO in Indonesia 2009" from The Asset magazine and "Mid Cap/IPO Deal of the Year in Southeast Asia 2009" from the Alpha South Asia Publisher (Hong Kong).

Type of Offered	: Penawaran Umum Saham Perdana ( <i>Initial Public Offering/IPO</i> )
Year of Shares Issuance	: December 17, 2009
Number of Shares	: 2,360,057,000 shares Serie B or 27.08% of issued capital
Nominal Value of Shares	: Rp500 per share
Offering Price	: Rp800 per share
Number of Listed Shares Before IPO	: 0 Share
Number of Listed Shares After IPO	: 8,623,285,575 Series B shares
Listing	: Indonesia Stock Exchange

## LIMITED PUBLIC OFFERING I - RIGHTS ISSUE, NOVEMBER 23, 2012

In 2012, the Company carried out corporate actions in the form of Limited Public Offering I (PUT I) to the Company's shareholders in order to issue Preemptive Rights (HMETD) or Rights Issues with the aim of strengthening the capital structure and also to increase the number of public floating shares. This condition will increase the market capitalization and liquidity of BBTN shares in the capital market as well as to support credit growth, so that investors can increase interest in investing more in BBTN shares.

Type of Offer	: Penawaran Umum Terbatas I - Hak Memesan Efek Terlebih Dahulu (HMETD) / <i>Rights Issue</i>
Number of Shares Offered	: 1,512,857,500 Series B shares
Nominal Value	: Rp500
Implementation Price	: Rp1.235
Number of Listed Shares before Rights Issue	: 8,859,291,500 shares
Number of Listed Shares after Rights Issue	: 10,481,074,500 shares
Total Proceeds Received	: Rp1,868,379,012,500
Conversion Ratio	: 555,000 (five hundred fifty five thousand) Old Shares are entitled to 94,943 (ninety four thousand nine hundred and forty three) HMETD
Ownership Dilution	: 14.61% (fourteen point six one percent) before the implementation of MESOP and amounting to 16.49% (sixteen point forty nine percent) after the MESOP implementation
HMETD Trading Period	: November 23 - 29, 2012
HMETD Implementation Period	: November 23 - 29, 2012
Securities Listing Date at Stock	: November 23, 2012
Listing	: Indonesia Stock Exchange
Standby Buyer	: Exchange PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas



# CHRONOLOGY OF BONDS LISTING AND OTHER SECURITIES LISTING

Chronology of listing of other securities which consists of bonds, mortgage securitization, and negotiable certificate of deposits (NCD is, as follows:

## CHRONOLOGY OF BONDS LISTING (Listing Exchange: Indonesia Stock Exchange)

Name of Bonds	Nominal (RP-Million)	Issuance Date	Tempo Maturity Date	Tenor	Coupon	Peringkat		Status
						2019	2018	
Bank BTN Bonds XIV Year 2010	1,650,000	11 June 2010	11 June 2020	10	10.25%	idAA+	idAA+	Not Yet Matured
Bank BTN Bonds XV Year 2011	1,300,000	28 June 2011	28 June 2021	10	9.50%	idAA+	idAA+	Not Yet Matured
Bank BTN Self-Registered Bonds I Phase I Year 2012	2,000,000	5 June 2012	5 June 2022	10	7.90%	idAA+	idAA+	Not Yet Matured
Bank BTN Self-Registered Bonds I Phase II Year 2013	2,000,000	27 March 2013	27 March 2023	10	7.90%	idAA+	idAA+	Not Yet Matured
Bank BTN Self-Registered Bonds II Phase I Year 2015 Series B	500,000	8 July 2015	8 July 2020	5	9.88%	idAA+	idAA+	Not Yet Matured
Bank BTN Self-Registered Bonds II Phase I Year 2015 Series C	800,000	8 July 2015	8 July 2022	7	10.00%	idAA+	idAA+	Not Yet Matured
Bank BTN Self-Registered Bonds II Phase I Year 2015 Series D	800,000	8 July 2015	8 July 2025	10	10.50%	idAA+	idAA+	Not Yet Matured
Bank BTN Self-Registered Bonds II Phase II Year 2016 Series A	1,653,000	30 August 2016	30 August 2021	5	8.75%	idAA+	idAA+	Not Yet Matured
Bank BTN Self-Registered Bonds III Phase I Year 2017 Series A	1,466,000	13 July 2017	13 July 2020	3	8.30%	idAA+	idAA+	Not Yet Matured
Bank BTN Self-Registered Bonds III Phase I Year 2017 Series B	1,295,000	13 July 2017	13 July 2022	5	8.50%	idAA+	idAA+	Not Yet Matured



Name of Bonds	Nominal (Rp-Million)	Issuance Date	Tempo Maturity Date	Tenor	Coupon	Peringkat		Status
						2019	2018	
Bank BTN Self-Registered Bonds III Phase I Year 2017 Series C	853,000	13 July 2017	13 July 2024	7	8.70%	idAA+	idAA+	Not Yet Matured
Bank BTN Self-Registered Bonds III Phase I Year 2017 Series D	1,386,000	13 July 2017	13 July 2027	10	8.90%	idAA+	idAA+	Not Yet Matured
Bank BTN Self-Registered Bonds III Phase II Year 2019 Series A	1,756,500	28 June 2019	8 July 2020	370 days	7.750%	idAA+	-	Not Yet Matured
Bank BTN Self-Registered Bonds III Phase II Year 2019 Series B	1,168,000	28 June 2019	28 June 2022	3	8.750%	idAA+	-	Not Yet Matured
Bank BTN Self-Registered Bonds III Phase II Year 2019 Series C	1,219,500	28 June 2019	28 June 2024	5	9.000%	idAA+	-	Not Yet Matured
<b>Total</b>	<b>19,847,000</b>							

**BONDS ISSUED BY THE COMPANY**  
(Listing Exchange: Indonesia Stock Exchange)

Name of Bond	Nominal (Rp Million)	Tenor	Maturity Date	Interest Rate
Bank BTN Bonds I Year 1989	50,000	5 years	25 July 1994 <sup>1)</sup>	18.75% Fixed
Bank BTN Bonds II Year 1990	50,000	5 years	1 June 1995 <sup>1)</sup>	16.25% Fixed
Bank BTN Bonds III Year 1991	50,000	5 years	11 November 1996 <sup>1)</sup>	20.00% Fixed
Bank BTN Bonds IV Year 1991	100,000	5 years	23 January 1996 <sup>1)</sup>	17.00% Fixed
Bank BTN Bonds V Year 1993	150,000	5 years	31 July 1998 <sup>1)</sup>	15.25% fixed for the first and second years, floating for the next year until maturity
Bank BTN Bonds VI Year 1995	350,000	5 years	21 December 2000 <sup>1)</sup>	17.25% fixed for the first years, floating for the next year until maturity
Bank BTN Bonds VII Year 1996	200,000	5 years	22 July 2001 <sup>1)</sup>	17.25% fixed for the first years, floating for the next year until maturity
Bank BTN Bonds VIII Year 1997	400,000	5 years	18 July 2002 <sup>1)</sup>	14.15% Fixed
Bank BTN Bonds IX Year 2003	750,000	5 years	2 October 2008 <sup>1)</sup>	12.50% Fixed
Bank BTN Bonds X Year 2004	750,000	5 years	25 May 2009 <sup>1)</sup>	12.20% Fixed



Name of Bond	Nominal (Rp Million)	Tenor	Maturity Date	Interest Rate
Bank BTN Bonds XI Year 2005	750,000	5 Years	6 July 2010 <sup>1)</sup>	12.00% Fixed
Bank BTN Bonds XII Year 2006	1,000,000	10 years	19 September 2016 <sup>1)</sup>	12.75% Fixed
Bank BTN Bonds XIII Year 2009 A Series	300,000	3 years	29 May 2012 <sup>1)</sup>	11.75% Fixed
Bank BTN Bonds XIII Year 2009 B Series	300,000	4 years	29 May 2013 <sup>1)</sup>	12.00% Fixed
Bank BTN Bonds XIII Year 2009 C Series	900,000	5 years	29 May 2014 <sup>1)</sup>	12.25% Fixed
Bank BTN Bonds XIV Year 2010	1,650,000	10 years	11 June 2020	10.25% Fixed
Bank BTN Bonds XV Year 2011	1,300,000	10 years	28 June 2021	9.50% Fixed
Bank BTN Self-Registered Bonds I Phase I Year 2012	2,000,000	10 years	5 June 2022	7.90% Fixed
Bank BTN Self-Registered Bonds I Phase II Year 2013	2,000,000	10 Years	27 March 2023	7.90% Fixed
Bank BTN Self-Registered Bonds II Phase I Year 2015 Series A	900,000	3 years	8 July 2018 *)	9.625% Fixed
Bank BTN Self-Registered Bonds II Phase I Year 2015 Series B	500,000	5 years	8 July 2020	9.875% Fixed
Bank BTN Self-Registered Bonds II Phase I Year 2015 Series C	800,000	7 Years	8 July 2022	10.00% Fixed
Bank BTN Self-Registered Bonds II Phase I Year 2015 Series D	800,000	10 Years	8 July 2025	10.50% Fixed
Bank BTN Self-Registered Bonds II Phase II Year 2016 Series A	1,347,000	3 Years	30 August 2019*)	8.20% Fixed
Bank BTN Self-Registered Bonds II Phase II Year 2016 Series B	1,653,000	5 Years	30 August 2021	8.75% Fixed
Bank BTN Self-Registered Bonds III Phase I Year 2017 Series A	1,466,000	3 Years	13 July 2020	8.30% Fixed
Bank BTN Self-Registered Bonds III Phase I Year 2017 Series B	1,295,000	5 Years	13 July 2022	8.50% Fixed
Bank BTN Self-Registered Bonds III Phase I Year 2017 Series C	853,000	7 Years	13 July 2024	8.70% Fixed
Bank BTN Self-Registered Bonds III Phase I Year 2017 Series D	1,386,000	10 Years	13 July 2027	8.90% Fixed



**CHRONOLOGY OF BONDS LISTING AND OTHER SECURITIES LISTING**

Name of Bond	Nominal (Rp Million)	Tenor	Maturity Date	Interest Rate
Bank BTN Self-Registered Bonds III Phase II Year 2019 Series A	1,756,500	370 Days	8 July 2020	7.750% Fixed
Bank BTN Self-Registered Bonds III Phase II Year 2019 Series B	1,168,000	3 Years	28 June 2022	8.750% Fixed
Bank BTN Self-Registered Bonds III Phase II Year 2019 Series C	1,219,500	5 Years	28 June 2024	9.000% Fixed
Bank BTN Subordinated Bonds I Year 2004	250,000	10 Years	25 May 2014 **)	12.60% fixed for the first year until the fifth year, 22.60% fixed for the sixth year to the tenth year if the Bank does not offer a buying option in the fifth year from the date of issue

\*) The Bank has paid off the bonds issued at the maturity date.

\*\*\*) The Bank has made a buy back option on May 25, 2009

**CHRONOLOGY OF NEGOTIABLE CERTIFICATE OF DEPOSIT THAT DUE IN 2019**

Type NCD	Nominal	Transaction	Series	Tenor	Maturity Date	Rate Coupon	Nominal Per Series
NCD Phase IV 2017	540,000,000,000	13 December 2017	C	24 months	13 December 2019	6.60%	60,000,000,000
NCD Phase I 2018	1,440,000,000,000	3 April 2018	B	12 months	2 April 2019	6.20%	610,000,000,000
NCD Phase II 2018	690,000,000,000	18 July 2018	A	6 months	15 January 2019	7.60%	520,000,000,000
			B	12 months	16 July 2019	7.70%	170,000,000,000
NCD Phase III 2018	2,020,000,000,000	5 November 2018	A	6 months	7 May 2019	8.30%	1,340,000,000,000
			B	9 months	2 August 2019	8.40%	170,000,000,000
			C	12 months	5 November 2019	8.50%	510,000,000,000
NCD Phase IV 2018	340,000,000,000	10 December 2018	A	3 months	12 March 2019	8.00%	80,000,000,000
			B	6 months	11 June 2019	8.40%	260,000,000,000
<b>Total</b>	<b>5,030,000,000,000</b>						<b>3,720,000,000,000</b>



## NEGOTIABLE CERTIFICATE OF DEPOSIT (NCD) HAS BEEN PUBLISHED

Type NCD	Nominal	Transaction Date	Series	Tenor	Maturity Date	Rate Coupon	Nominal Per Series
NCD Phase I	625,000,000,000	5 December 2014	A	6 months	4 June 2015	9.00%	280,000,000,000
			B	12 months	27 November 2015	9.25%	45,000,000,000
			C	15 months	26 February 2016	9.50%	300,000,000,000
NCD Phase II	1,005,000,000,000	26 February 2015	A	6 months	26 August 2015	9.00%	470,000,000,000
			B	12 months	18 February 2016	9.25%	85,000,000,000
			C	15 months	19 May 2016	9.50%	10,000,000,000
			D	18 months	18 August 2016	9.70%	440,000,000,000
NCD Phase III	500,000,000,000	17 February 2015	E	5 months	15 July 2015	9.00%	500,000,000,000
NCD Phase IV	1,110,000,000,000	30 April 2015	A	6 months	30 October 2015	8.75%	330,000,000,000
			B	12 months	2 May 2016	9.00%	620,000,000,000
			C	18 months	31 October 2016	9.25%	160,000,000,000
NCD Phase I 2016	740,000,000,000	9 June 2016	A	3 months	9 September 2016	6.85%	740,000,000,000
NCD Phase II 2016	1,115,000,000,000	5 August 2016	A	3 months	3 November 2016	7.19%	440,000,000,000
			B	6 months	1 February 2017	7.47%	275,000,000,000
			C	12 months	10 August 2017	7.80%	400,000,000,000
NCD Phase III 2016	371,000,000,000	30 November 2016	A	3 months	28 February 2017	7.04%	20,000,000,000
			B	6 months	29 May 2017	7.26%	351,000,000,000
NCD Phase IV 2016	500,000,000,000	29 December 2016	A	3 months	29 May 2017	7.75%	315,000,000,000
			B	6 months	3 July 2017	7.74%	185,000,000,000



## CHRONOLOGY OF BONDS LISTING AND OTHER SECURITIES LISTING

Type NCD	Nominal	Transaction Date	Series	Tenor	Maturity Date	Rate Coupon	Nominal Per Series
NCD Phase V 2016	500,000,000,000	30 December 2016		6 months	3 July 2017	7.73%	500,000,000,000
NCD Phase I 2017	1,735,000,000,000	21 February 2017	A	6 months	22 August 2017	7.28%	1,195,000,000,000
			B	12 months	16 February 2018	7.43%	540,000,000,000
NCD Phase III 2017	550,000,000,000	3 October 2017		12 months	2 October 2018	6.50%	550,000,000,000
NCD Phase II 2017	1,050,000,000,000	5 October 2017	A	6 months	3 April 2018	6.00%	230,000,000,000
			B	12 months	5 October 2018	6.25%	820,000,000,000
NCD Phase IV 2017	540,000,000,000	13 December 2017	A	6 months	12 June 2018	5.90%	160,000,000,000
			B	12 months	13 December 2018	6.20%	320,000,000,000
NCD Phase I 2018	1,440,000,000,000	3 April 2018	A	6 months	2 October 2018	5.90%	830,000,000,000
NCD Phase II 2018	690,000,000,000	18 July 2018	A	6 months	15 January 2019	7.60%	520,000,000,000
			B	12 months	16 Juli 2019	7.70%	170,000,000,000
NCD Phase III 2018	2,020,000,000,000	5 November 2018	A	6 months	7 May 2019	8.30%	1,340,000,000,000
			B	9 months	2 August 2019	8.40%	170,000,000,000
			C	12 months	5 November 19	8.50%	510,000,000,000
NCD Phase IV 2018	340,000,000,000	10 December 2018	A	3 months	12 March 2019	8.00%	80,000,000,000
			B	6 months	11 June 2019	8.40%	260,000,000,000
<b>Total</b>	<b>14,831,000,000,000</b>						<b>14,831,000,000,000</b>



# CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONS

## CAPITAL MARKET SUPPORTING INSTITUTION

### BANK KUSTODIAN

<b>Name</b>	: PT. Kustodian Sentral Efek Indonesia
<b>Address</b>	: Gedung Bursa Efek Indonesia, Tower 1, Lantai 5. Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190, Indonesia
<b>Phone</b>	: +6221 515 2855
<b>Fax</b>	: +6221 5299 1199
<b>E-mail</b>	: helpdesk@ksei.co.id
<b>Website</b>	: www.ksei.co.id
<b>Form of Service</b>	: Custodian and Payment Agent
<b>Period Assignment</b>	: Sepanjang umur Efek Bersifat Utang
<b>Fee</b>	: Rp10,000,000 (Annual Fee/Efek Bersifat Utang) dan 0,05% dari Bunga Efek Bersifat Utang (Agen Pembayaran)

### BIRO ADMINISTRASI EFEK

<b>Name</b>	: PT Datindo Entrycom
<b>Address</b>	: Jl. Hayam Wuruk No.28, Lantai 2 Jakarta 10120 - Indonesia
<b>Phone</b>	: (021) 350 8077
<b>Fax</b>	: (021) 350 8078
<b>E-mail</b>	: corporatesecretary@datindo.com
<b>Website</b>	: https://www.datindo.com
<b>Form of Service</b>	: Securities Administration Bureau for Shares
<b>Period Assignment</b>	: December 9, 2009 – current
<b>Fee</b>	: Rp263,692,000

### WALI AMANAT

<b>Name</b>	: PT. Bank Mega Tbk
<b>Address</b>	: Menara Bank Mega, Jl. Kapten P.Tendean No. 12-14A, Jakarta 12790, Indonesia
<b>Phone</b>	: +6221 7917 5000
<b>Fax</b>	: +6221 7918 7100
<b>E-mail</b>	: waliamanat@bankmega.com
<b>Website</b>	: www.bankmega.com
<b>Form of Service</b>	: Bond Trustee
<b>Period Assignment</b>	: Sepanjang Umur Obligasi
<b>Fee</b>	: Rp79,000,000



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## CAPITAL MARKET SUPPORTING

<b>Name</b>	: PT. Bank Mandiri (Persero) Tbk
<b>Address</b>	: Plaza Mandiri Lantai 22, Jl. Jend Gatot Subroto Kav. 36-38, Jakarta 12190 Indonesia
<b>Phone</b>	: +6221 5245161
<b>Fax</b>	: +6221 5268201
<b>E-mail</b>	: rmtrustservices@bankmandiri.co.id
<b>Website</b>	: www.bankmandiri.co.id
<b>Form of Service</b>	: Wali Amanat Obligasi Penawaran Umum Berkelanjutan III Bank BTN Tahap I Tahun 2017
<b>Period Assignment</b>	: Sepanjang Umur Obligasi
<b>Fee</b>	: Rp85,000,000

### PEMERINGKAT EFEK

<b>Name</b>	: PT. Pemeringkat Efek Indonesia
<b>Address</b>	: Panin Tower, Senayan City 17th Floor, Jl. Asia Afrika Lot 19, Jakarta 10270, Indonesia
<b>Phone</b>	: +6221 72782380
<b>Fax</b>	: +6221 7278 2370
<b>E-mail</b>	: -
<b>Website</b>	: www.pefindo.com
<b>Form of Service</b>	: Rating
<b>Period Assignment</b>	: 1 Maret 2019 s.d. 1 Maret 2020
<b>Fee</b>	: Rp192,500,000

<b>Name</b>	: PT. Fitch Ratings Indonesia
<b>Address</b>	: DBS Bank Tower 24th Floor Suite 2403, Jl. Prof. Dr. Satrio Kav. 3-5, Jakarta 12940 Indonesia
<b>Phone</b>	: +6221 2988 6800
<b>Fax</b>	: +6221 29886822
<b>E-mail</b>	: -
<b>Website</b>	: www.fitchratings.com
<b>Form of Service</b>	: Pemeringkat
<b>Period Assignment</b>	: Sepanjang umur Obligasi Penawaran Umum Berkelanjutan I Bank BTN Tahap I Tahun 2012
<b>Fee</b>	: Rp110,000,000



## CAPITAL MARKET SUPPORTING PROFESSIONALS

### AKUNTAN PUBLIK

<b>Name</b>	: KAP Purwantono, Sungkoro & Surja (EY)
<b>Address</b>	: Gedung Indonesia Stock Exchange, Jl. Jendral Sudirman Kav. 52-53, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta
<b>Phone</b>	: 021 52895000
<b>Fax</b>	: 021 52894100
<b>E-mail</b>	: -
<b>Website</b>	: <a href="https://www.ey.com/id">https://www.ey.com/id</a>
<b>Form of Service</b>	: Financial Report Audit
<b>Period Assignment</b>	: December 31, 2019
<b>Fee</b>	: Rp2,650,000,000

### LIST OF PUBLIC ACCOUNTANT OFFICES AND PUBLIC ACCOUNTANTS FOR THE LAST 6 (SIX) YEARS 2014-2019

Fiscal Year	Accountant	Public Accountants Firm	Service Provided	Audit Fee (Rp)
2019	Muhammad Kurniawan Izin No. AP.0240	Purwantono, Sungkoro & Surja Izin No.603/KM.1/2015	Audit of the FY2019 Financial Statements Audit of the FY2018 Partnership Program and Community Development Program (PKBL)	2,650,000,000
2018	Yasir Izin No. AP.0703	Purwantono, Sungkoro & Surja Izin No. 603/KM.1/2015	Audit of FY2018 Financial Statements Audit of the FY2018 Partnership Program and Community Development Program (PKBL)	2,367,000,000
2017	Yasir Izin No. AP.0703	Purwantono, Sungkoro & Surja Izin No. 603/KM.1/2015	Audit of FY2017 Financial Statements Audit of the FY2017 Partnership Program and Community Development Program (PKBL)	2,290,000,000
2016	Danil Setiadi Handaja Izin No. AP.1008	Purwantono, Sungkoro & Surja Izin No. 603/KM.1/2015	Audit of the FY2016 Financial Statements Audit of the FY2016 Partnership Program and Community Development Program (PKBL)	2,175,000,000
2015	Danil Setiadi Handaja Izin No. AP.1008	Purwantono, Sungkoro & Surja Izin No. 603/KM.1/2015	Audit of the FY2015 Financial Statements Audit of the FY2015 Partnership Program and Community Development Program (PKBL)	1,967,000,000
2014	Benyanto Suherman Izin No. AP. 0685	Purwantono, Suherman & Surja Izin No. 381/KM.1.2010	Audit of the FY2014 Financial Statements Audit of the FY2014 Partnership Program and Community Development Program (PKBL)	1,769,000,000



Business Support



Good Corporate Governance



Corporate Social Responsibility



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## CAPITAL MARKET SUPPORTING

### LAW CONSULTANT

<b>Nama</b>	: Assegaf Hamzah & Partners
<b>Alamat</b>	: Capital Place, Level 36 & 37 Jalan Jenderal Gatot Subroto Kav. 18 Jakarta 12710, Indonesia
<b>Telp</b>	: (021) 2555 7800
<b>Fax</b>	: (021) 2555 7899
<b>E-mail</b>	: info@ahp.id
<b>Situs Web</b>	: <a href="https://www.ahp.id">https://www.ahp.id</a>
<b>Bentuk Jasa</b>	: AGMS Supporting Profesion/Institution
<b>Periode Penugasan</b>	: During AGMS and EGMS activity in 2019
<b>Fee</b>	: Rp648.381.613

### PENILAI

<b>Nama</b>	: Ashoya Ratam, SH. M.Kn
<b>Alamat</b>	: Jl. Suryo No.54, Rw. Bar., Kec. Kby. Baru, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta 12180
<b>Telp</b>	: (021) 29236060
<b>Fax</b>	: -
<b>E-mail</b>	: notarisgeneralmail@ashoyaratam.com
<b>Situs Web</b>	: -
<b>Bentuk Jasa</b>	: AGMS Supporting Profesion/Institution
<b>Periode Penugasan</b>	: During AGMS and EGMS activity in 2019
<b>Fee</b>	: Rp32,450,000



# AWARDS AND CERTIFICATIONS



1

**Award/Certification Name**  
4<sup>th</sup> Indonesia Living Legend Companies Award 2019

**Category**  
Living Legend Company Excellence Housing Development Initiative

**Event**  
Indonesia Living Legend Companies Award

**Organizer**  
Warta Ekonomi

**Date**  
18 Januari 2019

2

**Award/Certification Name**  
2<sup>nd</sup> Satisfaction Loyalty Engagement Awards 2019

**Category**  
Peringkat II Satisfaction Bank Umum Konvensional Buku 3

**Event**  
Satisfaction Loyalty Engagement Awards

**Organizer**  
Infobank

**Date**  
14 Maret 2019

3

**Award/Certification Name**  
2<sup>nd</sup> Satisfaction Loyalty Engagement Awards 2019

**Category**  
Peringkat II Satisfaction (Teller) Bank Umum Konvensional Buku 3

**Event**  
Satisfaction Loyalty Engagement Awards

**Organizer**  
Infobank

**Date**  
14 Maret 2019

4

**Award/Certification Name**  
2<sup>nd</sup> Satisfaction Loyalty Engagement Awards 2019

**Category**  
Peringkat II Satisfaction (Satpam) Bank Umum Konvensional Buku 3

**Event**  
Satisfaction Loyalty Engagement Awards

**Organizer**  
Infobank

**Date**  
14 Maret 2019

5

**Award/Certification Name**  
2<sup>nd</sup> Satisfaction Loyalty Engagement Awards 2019

**Category**  
Peringkat I NPS (Net Promoter Score) Bank Umum Konvensional Buku 3

**Event**  
Satisfaction Loyalty Engagement Awards

**Organizer**  
Infobank

**Date**  
14 Maret 2019





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**Award/Certification Name**  
Indonesia WOW Brand 2019

**Category**  
Gold Champion Category Mortgage

**Event**  
Indonesia WOW Brand

**Organizer**  
Markplus, Inc.

**Date**  
14 Maret 2019

7

**Award/Certification Name**  
8<sup>th</sup> Anugerah BUMN 2019

**Category**  
Big Corporate Kategori Hubungan dengan Stakeholder Terbaik I

**Event**  
Anugerah BUMN

**Organizer**  
BUMN Track

**Date**  
28 Maret 2019

8

**Award/Certification Name**  
8<sup>th</sup> Digital Brand Award

**Category**  
2<sup>nd</sup> Best Overall KPR Bank Umum Konvensional

**Event**  
Digital Brand Award

**Organizer**  
Infobank & Isentia

**Date**  
16 Mei 2019

9

**Award/Certification Name**  
8<sup>th</sup> Digital Brand Award

**Category**  
The Best Digital Brand 2014-2018 KPR Bank Umum Konvensional

**Event**  
Digital Brand Award

**Organizer**  
Infobank & Isentia

**Date**  
16 Mei 2019

10

**Award/Certification Name**  
8<sup>th</sup> Digital Brand Award

**Category**  
Peringkat I Deposito Bank Umum Konvensional

**Event**  
Digital Brand Award

**Organizer**  
Infobank & Isentia

**Date**  
16 Mei 2019



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**Award/Certification Name**  
8<sup>th</sup> Digital Brand Award

**Category**  
Peringkat I Tabungan Bank Umum Konvensional

**Event**  
Digital Brand Award

**Organizer**  
Infobank & Isentia

**Date**  
16 Mei 2019

12

**Award/Certification Name**  
8<sup>th</sup> Digital Brand Award

**Category**  
Peringkat I Kartu Debit Bank Umum Konvensional

**Event**  
Digital Brand Award

**Organizer**  
Infobank & Isentia

**Date**  
16 Mei 2019

13

**Award/Certification Name**  
8<sup>th</sup> Digital Brand Award

**Category**  
Peringkat II Wealth Bank Umum Konvensional

**Event**  
Digital Brand Award

**Organizer**  
Infobank & Isentia

**Date**  
16 Mei 2019

14

**Award/Certification Name**  
8<sup>th</sup> Digital Brand Award

**Category**  
Peringkat I Bank Umum Konvensional

**Event**  
Digital Brand Award

**Organizer**  
Infobank & Isentia

**Date**  
16 Mei 2019

15

**Award/Certification Name**  
8<sup>th</sup> Digital Brand Award

**Category**  
Top Kredit KPR 2019 Kategori Perbankan Pilihan Millennial

**Event**  
Digital Brand Award

**Organizer**  
Warta Ekonomi

**Date**  
28 Juni 2019



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**Award/Certification Name**  
7<sup>th</sup> Properti Indonesia  
Award 2019

**Category**

The Biggest Mortgage  
Portfolio

**Event**

Properti Indonesia  
Award

**Organizer**

Properti Indonesia

**Date**

10 Juli 2019

17

**Award/Certification Name**  
Indonesia Enterprise  
Risk Management Award  
- III 2019

**Category**

2<sup>nd</sup> - The Best Risk  
Management - 2019  
Category Bank Company  
(Buku - III)

**Event**

Indonesia Enterprise  
Risk Management Award

**Organizer**

Economic Review

**Date** 2019

18

**Award/Certification Name**  
Indonesia Good  
Corporate Governance  
Award 2019

**Category**

3<sup>rd</sup> The Best Indonesia  
GCG Implementation  
- 2019 Kategori Public  
Bank Company - Buku III  
(Aset > 100T)

**Event**

Indonesia Good  
Corporate Governance  
Award

**Organizer**

Economic Review

**Date**

23 Agustus 2019

19

**Award/Certification Name**  
Top Finance 2019

**Category**

Top Bank 2019 Buku III

**Event**

Top Finance

**Organizer**

Top Business & Asia  
Business Research  
Center

**Date**

28 Agustus 2019

20

**Award/Certification Name**  
Top Finance 2019

**Category**

Top CEO Bank 2019

**Event**

Top Finance

**Organizer**

Top Business & Asia  
Business Research  
Center

**Date**

28 Agustus 2019



21

**Award/Certification Name**  
Indonesia Best Issuers Award 2019

**Category**  
The Best Issuers 2019 in Finance Sector (Asset Between 100 - 800T)

**Event**  
Indonesia Best Issuers Award

**Organizer**  
Pikiran Rakyat

**Date**  
29 Agustus 2019

22

**Award/Certification Name**  
14<sup>th</sup> Annual Indonesia Property & Bank Award 2019

**Category**  
Bank BUMN Penyalur KPR FLPP Terbesar Selama Satu Dekade

**Event**  
Annual Indonesia Property & Bank Award

**Organizer**  
Properti & Bank

**Date**  
26 September 2019

23

**Award/Certification Name**  
BHUN Award

**Category**  
BUMN Koordinator Tanggap Bencana Tahun 2018

**Event**  
BHUN Award

**Organizer**  
Kementerian BUMN

**Date**  
6 Oktober 2019

24

**Award/Certification Name**  
Indonesia Best Brand Award - Best Brand Platinum 2019

**Category**  
Indonesia Best Brand Award for 9 Consecutive Years (2010-2019) Product Category KPR

**Event**  
Indonesia Best Brand Award - Best Brand Platinum

**Organizer**  
Majalah SWA & Mars Indonesia Digital

**Date**  
27 November 2019

25

**Award/Certification Name**  
Iconomics RRI Financial Awards 2019 "Millenials Choice"

**Category**  
Brand Awareness, Brand Image Category Millenial's Admirable Brand in Bank Buku 3

**Event**  
Iconomics RRI Financial Awards

**Organizer**  
RRI & Iconomics

**Date**  
5 Desember 2019

26

**Award/Certification Name**  
Indonesia Best Brand Award - Best Brand Platinum 2019

**Category**  
Most Trusted Company Based on Corporate Governance Perception Index (CGPI)

**Event**  
Indonesia Best Brand Award - Best Brand Platinum

**Organizer**  
Indonesian Institute for Corporate Governance (IICG) & Majalah SWA

**Date**  
11 Desember 2019



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LIST OF REGIONAL OFFICES

# LIST OF REGIONAL OFFICES AND BRANCH OFFICES

## HEAD OFFICE



Menara Bank BTN  
Jl. Gajah Mada No. 1 Jakarta  
10130, Indonesia



+62 21 6336789    [csd@btn.co.id](mailto:csd@btn.co.id)  
+62 21 6346704    [www.btn.co.id](http://www.btn.co.id)



## REGIONAL OFFICE

### REGIONAL OFFICE 1

#### Regional Office Jawa Barat

Jl. Jend. Sudirman No. 19  
Bekasi 17143

Phone : +62 21 88953281, 88953282

Fax : +62 21 8849519

E-mail : [kantorwilayah1@btn.co.id](mailto:kantorwilayah1@btn.co.id)

### REGIONAL OFFICE 2

#### Regional Office DKI Jakarta & Banten

Gedung Yodya Tower Lt. 3  
Jl. Mayjen DI Panjaitan Kav 8, RT 003  
RW 011, Kel. Cipinang Cempedak  
Kec. Jatinegara, Jakarta Timur

Phone : +62 21 2301184, 31901656, 3905775

E-mail : [kantorwilayah2@btn.co.id](mailto:kantorwilayah2@btn.co.id)

### REGIONAL OFFICE 3

#### Regional Office Jawa Timur, Bali, Nusa Tenggara

Jl. Raya Darmo No. 123-125 Surabaya  
Jawa Timur 60241

Phone : +62 31 5661704 , 5661204

Fax : +62 31 5661696

E-mail : [kantorwilayah3@btn.co.id](mailto:kantorwilayah3@btn.co.id)

### REGIONAL OFFICE 4

#### Regional Office Sumatera

Komplek Perkantoran Batam Center  
Jl. Engku Putri No. 1, Kel. Belian,  
Kec. Nongsa Batam Center

Phone : +62 778 7711331, 7711215, 7711661

E-mail : [kantorwilayah4@btn.co.id](mailto:kantorwilayah4@btn.co.id)

### REGIONAL OFFICE 5

#### Regional Office Kalimantan, Sulawesi, Maluku, Papua

Jl. Sultan Hassanudin No. 1 Makassar

Phone : +62 411 5070760

E-mail : [kantorwilayah5@btn.co.id](mailto:kantorwilayah5@btn.co.id)

### REGIONAL OFFICE 6

#### Regional Office Jawa Tengah & DIY

Jl. M.T. Haryono No. 717

Semarang 50242

Phone : +62 24 8455932

E-mail : [kantorwilayah6@btn.co.id](mailto:kantorwilayah6@btn.co.id)



Performance 2019



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Analysis



## BRANCH OFFICE

### BRANCH OFFICE KONVENSIONAL WILAYAH 1

#### Branch Office Bandung

Jl. Jawa No. 7 Bandung 40117  
Phone : +62 22 4232112, 4241036,  
4241034  
Fax : +62 22 4204562  
E-mail : kc.bandung@btn.co.id

#### Branch Office Bogor

Jl. Pengadilan No. 13-15  
Bogor 16121  
Phone : +62 251 8311700  
Fax : +62 251 8323007, 8351432  
E-mail : kc.bogor@btn.co.id

#### Branch Office Bekasi

Jl. Jend. Sudirman No. 19  
Bekasi 17143  
Phone : +62 21 8840649  
Fax : +62 21 8849519  
E-mail : kc.bekasi@btn.co.id

#### Branch Office Depok

Jl. Margonda Raya No. 186  
Depok 16423  
Phone : +62 21 7751236, 7751237  
Fax : +62 21 7772927  
E-mail : kc.depok@btn.co.id

#### Branch Office Karawang

Jl. Kertabumi No. 29 A-D,  
Karawang 41311 Jawa Barat  
Phone : +62 267 412282, 412283  
Fax : +62 267 412247  
E-mail : kc.karawang@btn.co.id

#### Branch Office Cikarang

Pertokoan Cikarang Center City  
Blok B No 2, 3, 5, 6  
Jl. Raya Cikarang - Cibirusah, 17750  
Kabupaten Bekasi  
Phone : +62 21 22180085, 22180086  
Fax : +62 21 8936418  
E-mail : kc.cikarang@btn.co.id

#### Branch Office Cirebon

Jl. Siliwangi No. 16  
Cirebon 45121  
Phone : +62 2 31 209143, 209153  
Fax : +62 2 31 209777  
E-mail : kc.cirebon@btn.co.id

#### Branch Office Purwakarta

Jl. RE. Martadinata No. 1  
Purwakarta 41114  
Phone : +62 264 201024, 210830,  
210831, 206637  
Fax : +62 264 201591  
E-mail : kc.purwakarta@btn.co.id

#### Branch Office Cibubur

Ruko Madison Blok B1 No. 6-8  
Cibubur Time Square  
Jl. Raya Alternatif Transyogi Km. 3  
Cibubur-Bekasi 17435  
Phone : +62 21 84300071, 84300073  
E-mail : kc.cibubur@btn.co.id

#### Branch Office Harapan Indah Bekasi

Ruko Office Park Harapan Indah  
Blok OP Kavling No. OP1-01 & OP1-02  
Harapan Indah - Bekasi 17132  
Phone : +62 21 88386971 (hunting),  
88386972,  
88386974  
Fax : +62 21 88386974  
E-mail : kc.harapanindah@btn.co.id

#### Branch Office Tasikmalaya

Jl. Sutisna Senjaya No. 101  
Tasikmalaya 46112  
Phone : +62 265 334464, 334465  
Fax : +62 265 330884  
E-mail : kc.tasikmalaya@btn.co.id

#### Branch Office Cimahi

Jl. Jend. Amir Machmud/Raya Timur  
No. 475 Cimahi 40524  
Phone : +62 22 6651644, 6651645  
Fax : +62 22 6652586  
E-mail : kc.cimahi@btn.co.id

#### Branch Office Sukabumi

Jl. Jendral Sudirman No. 49,  
Kel. Sriwedari, Kec. Gunung Puyuh  
Sukabumi - Jawa Barat  
Phone : +62 266 223446, 235951  
Fax : +62 266 223447  
E-mail : kc.sukabumi@btn.co.id

#### Branch Office Bandung Timur

Jl. Raya Cinunuk No. 223 A  
Kec. Cileunyi, Kab. Bandung  
Phone : +62 22 7816883  
Fax : +62 22 7838482, 7816876  
E-mail : kc.bandungtimur@btn.co.id

#### Branch Office Cibinong

Ruko Cibinong City Centre Blok B20-  
21 & D20-21 Jl. Tegar Beriman Kel.  
Pakansari  
Kec. Cibinong - Kab. Bogor  
Phone : (021) 83721442  
Fax : -  
E-mail : kc.cibinong@btn.co.id



Business Support



Good Corporate Governance



Corporate Social Responsibility



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**LIST OF REGIONAL OFFICES****CONVENTIONAL BRANCH OFFICE 2****Branch Office Jakarta Kuningan**

Wisma Budi Lt. 1 & 2  
 Jl. H.R. Rasuna Said Kav. C6  
 Jakarta Selatan 12940  
 Phone : +62 21 52964652  
 Fax : +62 21 52964974  
 E-mail : kc.jakartakuningan@btn.co.id

**Branch Office Jakarta Harmoni**

Menara BTN  
 Jl. Gajah Mada No. 1  
 Jakarta Pusat 10130  
 Phone : +62 21 6336789, 6332666,  
 2310490  
 Fax : +62 21 6386593, 6332676,  
 6333021  
 E-mail : kc.jakartaharmoni@btn.co.id

**Branch Office Tangerang**

Jl. Perintis Kemerdekaan No. 01  
 Tangerang 15118  
 Phone : +62 21 5539363  
 Fax : +62 21 5537977, 5581186  
 E-mail : kc.tangerang@btn.co.id

**Branch Office Kelapa Gading Square**

Gedung Emerald Tower  
 Jl. Boulevard Barat Blok XB No. 3 Kelapa  
 Gading - Jakarta Utara 14240  
 Phone : +62 21 45866883, 45866884  
 Fax : +62 21 45866885  
 E-mail : kc.kelapagadingsquare@  
 btn.co.id

**Branch Office Ciputat**

Jl. Dewi Sartika No. 21 Ciputat  
 Tangerang Selatan 15411  
 Phone : +62 21 7445145  
 Fax : +62 21 7490968, 7402731  
 E-mail : kc.ciputat@btn.co.id

**Branch Office Jakarta Kebon Jeruk**

Jl. Anggrek No. 01 Kel. Kelapa Dua  
 Kec. Kebon Jeruk Kebon Jeruk  
 Jakarta Barat 11550  
 Phone : +62 21 53666345  
 Fax : +62 21 59666344  
 E-mail : kc.jakartakebonjeruk@btn.co.id

**Branch Office Jakarta Cawang**

Gedung Yodya Tower Lt. 1-2  
 Jl. Mayjen DI Panjaitan Kav 8, RT 003,  
 RW 011  
 Kel. Cipinang Cempedak  
 Kec. Jatinegara, Jakarta Timur  
 Phone : +62 21 22986826, 22986827  
 Fax : +62 21 21012381  
 E-mail : kc.jakartacawang@btn.co.id

**Branch Office Cilegon**

Jl. Sultan Ageng Tirtayasa No. 49  
 Cilegon 42414  
 Phone : +62 254 391766, 392681,  
 393479  
 Fax : +62 254 393480  
 E-mail : kc.cilegon@btn.co.id

**Branch Office Bumi Serpong Damai**

Kompleks BSD, Ruko Sektor VII E  
 Blok K No. 8  
 Jl. Raya Serpong, Tangerang 15310  
 Phone : +62 21 5372235, 5372237  
 Fax : +62 21 5372238  
 E-mail : kc.bumiserpongdamai@btn.  
 co.id

**Branch Office Karawaci**

Perumnas Karawaci I  
 Jl. Cendrawasih No. 1,  
 Tangerang 15115  
 Phone : +62 21 5517849, 5517850  
 Fax : +62 21 5524367, 5511420  
 E-mail : kc.karawaci@btn.co.id

**Branch Office Jakarta Melawai**

Jl. Melawai Raya No. 19 C-D,  
 Kel. Melawai, Kec. Kebayoran Baru  
 Jakarta Selatan  
 Phone : +62 21 27517843, 27517840  
 Fax : +62 21 27517858  
 E-mail : kc.jakartamelawai@btn.co.id

**Branch Office Jakarta Pluit**

Jl. Pluit Kencana Raya No. 79, Pluit,  
 Penjaringan, Jakarta Utara 14440  
 Phone : +62 21 97115586  
 Fax : +62 21 66601530  
 E-mail : kc.jakartapluit@btn.co.id

**Branch Office Bintaro Jaya**

CBD Bintaro Blok B7 No. A3 - 04A, Kel.  
 Pondok Jaya, Kec. Pondok Aren  
 Tangerang Selatan  
 Phone : +62 21 22215981  
 Fax : +62 21 22215983  
 E-mail : kc.bintarojaya@btn.co.id

**BRANCH OFFICE KONVENSIONAL  
WILAYAH 3****Branch Office Surabaya**

Jl. Pemuda No. 50 Surabaya 60271  
 Phone : +62 31 5353513, 5353519  
 Fax : +62 31 5345073, 5458002  
 E-mail : kc.surabaya@btn.co.id

**Branch Office Denpasar**

Jl. Dewi Sartika No. 2  
 Denpasar 80114  
 Phone : +62 361 243811  
 Fax : +62 361 243815  
 E-mail : kc.denpasar@btn.co.id

**Branch Office Malang**

Jl. Ade Irma Suryani No. 2-4  
 Malang 65119  
 Phone : +62 341 323956  
 Fax : +62 341 323959, 350050  
 E-mail : kc.malang@btn.co.id



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#### Branch Office Sidoarjo

Jl. Ahmad Yani No. 15, Sidoarjo 61212  
Phone : +62 31 8929211, 8957949,  
8957950  
Fax : +62 31 8957951  
E-mail : kc.sidoarjo@btn.co.id

#### Branch Office Mataram

Jl. Pejajnggik No. 99-101 Cakranegara  
Mataram 83121  
Phone : +62 370 631186, 638289  
Fax : +62 370 634542  
E-mail : kc.mataram@btn.co.id

#### Branch Office Kupang

Jl. Jend. Sudirman No. 87 Kupang  
85119  
Phone : +62 380 831004  
Fax : +62 380 833741  
E-mail : kc.kupang@btn.co.id

#### Branch Office Bangkalan

Jl. Teuku Umar No. 16  
Kel. Kemayoran, Kec. Bangkalan 69116  
Phone : +62 31 3098929, 3098831,  
3098930  
Fax : +62 31 3098834  
E-mail : kc.bangkalan@btn.co.id

#### Branch Office Madiun

Jl. Dr. Sutomo No. 38, Madiun 63116  
Phone : +62 351 451460,  
459034, 459034, 457927,  
459500  
Fax : +62 351 463510  
E-mail : kc.madiun@btn.co.id

#### Branch Office Jember

Jl. A. Yani No. 05 Jember 68118  
Phone : +62 3 31 484611, 489292,  
489266  
Fax : +62 3 31 484617  
E-mail : kc.jember@btn.co.id

#### Branch Office Kediri

Jl. Diponegoro No. 22 - 24 Kediri 64121  
Phone : +62 354 691260, 691262  
Fax : +62 354 691265  
E-mail : kc.kediri@btn.co.id

#### Branch Office Gresik

Kompleks Pertokoan Multi Sarana  
Plaza  
Blok C 01 No. 1  
Jl. Gubernur Suryo, Gresik 61118  
Phone : +62 31 3973455  
Fax : +62 31 3973456  
E-mail : kc.gresik@btn.co.id

#### Branch Office Surabaya Bukit Darmo

Jl. Mayjend HR Muhammad Kav. 399  
Kel. Putat Gede, Kec. Sukomanunggal  
Phone : +62 31 7323344, 7322146,  
7322147  
Fax : +62 31 7232899  
E-mail:kc.surabayabukitdarmo@btn.co.id

#### Branch Office Mojokerto

Jl. Majapahit No. 130 - 134 Blok1-2  
Mojokerto 61323  
Phone : +62 321 323850, 323853  
Fax : +62 321 323853

#### Branch Office Banyuwangi

Jl. Brawijaya No. B-1 dan B-2  
Kel. Sobo, Kec. Banyuwangi  
Kab. Banyuwangi 68418  
Phone : +62 333 414490, 415690  
Fax : +62 333 415676  
E-mail : kc.banyuwangi@btn.co.id

#### BRANCH OFFICE KONVENSIONAL WILAYAH 4

#### Branch Office Medan

Jl. Pemuda No. 10A Medan 20151  
Phone : +62 61 4149777  
Fax : +62 61 4158112, 4153203  
E-mail : kc.medan@btn.co.id

#### Branch Office Palembang

Jl. Jend. Sudirman Km. 4,5 No. 125  
Palembang 30128  
Phone : +62 711 411175, 410552  
Fax : +62 711 410854  
E-mail : kc.palembang@btn.co.id

#### Branch Office Batam

Jl. Engku Putri No.1, Kel. Belian  
Nongsa Batam Center  
Phone : +62 778 470630, 470625,  
470628  
Fax : +62 778 457262, 453923  
E-mail : kc.batam@btn.co.id

#### Branch Office Pekanbaru

Jl. Jend. Sudirman No. 393  
Pekanbaru 28116  
Phone : +62 761 40494, 40185,  
40188  
Fax : +62 761 32271, 44776  
E-mail : kc.pekanbaru@btn.co.id

#### Branch Office Padang

Jl. H. R. Rasuna Said No. 3, Jati Baru  
Padang Tim, Kota Padang 25129  
Phone : +62 751 31903, 32094,  
32096  
Fax : +62 751 31900, 34938  
E-mail : kc.padang@btn.co.id

#### Branch Office Jambi

Jl. H. M. Yusuf Singadikane No. 146,  
Jambi  
Phone : +62 741 61793, 61792  
Fax : +62 741 62665  
E-mail : kc.jambi@btn.co.id

#### Branch Office Pematang Siantar

Jl. Sutomo No. 5 G-H, Kel. Proklamasi  
Kec. Pematang Siantar Barat -  
Pematang Siantar  
Phone : +62 622 28887  
Fax : +62 62224020  
E-mail : kc.pematangsiantar@btn.  
co.id





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**LIST OF REGIONAL OFFICES****Branch Office Bandar Lampung**

Jl. Wolter Monginsidi No. 80-88  
Bandar Lampung 35215  
Phone : +62 721 489253, 489255,  
484778, 483256  
Fax : +62 721 489252  
E-mail : kc.bandarlampung@btn.co.id

**Branch Office Bengkulu**

Jl. Soeprpto No. 7 - 8  
Bengkulu 38223  
Phone : +62 736 20875  
Fax : +62 736 20874  
E-mail : kc.bengkulu@btn.co.id

**Branch Office Tanjung Pinang**

Jl. D.I. Panjaitan Km. 9 Komplek Plaza  
Bintan Center Blok Bunga No. 9-12  
Tanjung Pinang  
Phone : +62 771 7447101, 7447088  
Fax : +62 771 7447082  
E-mail : kc.tanjungpinang@btn.co.id

**Branch Office Pangkal Pinang**

Jl. Perniagaan, Mall Bangka Trade  
Center B11 - B14 - Pangkal Pinang  
Phone : +62 717 423748  
Fax : +62 717 488706  
E-mail : kc.pangkalpinang@btn.co.id

**Branch Office Banda Aceh**

Jl. Sri Ratu Afiatuddin No. 19 - 23 ,  
Gampong Peunayong, Banda Aceh  
Phone : +62 651 35756, 35757  
Fax : +62 651 35758  
E-mail : kc.bandaaceh@btn.co.id

**BRANCH OFFICE KONVENSIONAL  
WILAYAH 5****Branch Office Makassar**

Jl. Kajaolalido No. 4 Makassar 90111  
Phone : +62 411 316016, 316011  
Fax : +62 411 316388  
E-mail : kc.makassar@btn.co.id

**Branch Office Banjarmasin**

Jl. R. E. Martadinata No. 4  
Banjarmasin 70111  
Phone : +62 511 4368133, 4366669,  
4366670  
Fax : +62 511 4366492,  
43363964  
E-mail : kc.banjarmasin@btn.co.id

**Branch Office Samarinda**

Jl. RE. Martadinata No. 01  
Samarinda 75127  
Phone : +62 541 736930, 731695,  
731510  
Fax : +62 541 737698  
E-mail : kc.samarinda@btn.co.id

**Branch Office Pontianak**

Jl. Imam Bonjol No. 29  
Pontianak 78122  
Phone : +62 561 740163  
Fax : +62 561 740168  
E-mail : kc.pontianak@btn.co.id

**Branch Office Banjarbaru**

Jl. Ahmad Yani Km 33 RT 01 RW 01  
Loktabak Utara, Banjarbaru  
Kalimantan Selatan 71114  
Phone : +62 511 774116, 774171  
Fax : +62 511 774116  
E-mail : kc.banjarbaru@btn.co.id

**Branch Office Manado**

Jl. Wolter Monginsidi No. 56  
Manado 95115  
Phone : +62 431 868095, 855504,  
855505  
Fax : +62 431 868013, 863416  
E-mail : kc.manado@btn.co.id

**Branch Office Jayapura**

Jl. Koti No. 22 Jayapura 99111  
Phone : +62 967 537970, 537971  
Fax : +62 967 533373  
E-mail : kc.jayapura@btn.co.id

**Branch Office Kendari**

Jl. A. Yani , Komplek A. Yani Square  
Blok. A6-7 Kendari 93117  
Phone : +62 401 322101  
Fax : +62 401 322502  
E-mail : kc.kendari@btn.co.id

**Branch Office Ambon**

Jl. Diponegoro No. 75B Ambon  
Phone : +62 911 355882, 354471,  
348552, 355882  
Fax : +62 911 348559  
E-mail : kc.ambon@btn.co.id

**Branch Office Palu**

Jl. Jend. Sudirman No. 2, Palu 94111  
Phone : +62 451 424555, 428555  
Fax : +62 451 425993  
E-mail : kc.palu@btn.co.id

**Branch Office Palangkaraya**

Jl. Diponegoro No. 23 Palangkaraya  
73111  
Phone : +62 536 3223407, 3222698,  
3224136  
Fax : +62 536 3221020  
E-mail : kc.palangkaraya@btn.co.id

**Branch Office Balikpapan**

Jl. Jend. Sudirman No. 141, Balikpapan  
Phone : +62 542 420333  
Fax : +62 542 420896  
E-mail : kc.balikpapan@btn.co.id

**Branch Office Gorontalo**

Jl. Prof. HB. Yasin No. 55, Kel Limba U2,  
Kota Selatan - Gorontalo  
Phone : +62 435 830490, 829481  
Fax : +62 435 826707, 823943  
E-mail : kc.gorontalo@btn.co.id



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#### Branch Office Ternate

JL. Pahlawan Revolusi (Samping Kantor Pos Ternate)  
Kel. Gamalama, Ternate Tengah - Maluku Utara  
Phone : +62 921 3111330  
Fax : +62 921 3126968  
E-mail : kc.ternate@btn.co.id

#### Branch Office Panakukang

Jl. Hertasing Blok I No. 2 Makassar 90222  
Phone : +62 411 868831, 868833  
Fax : +62 411 868833  
E-mail : kc.panakukang@btn.co.id

#### Branch Office Tarakan

Jl. Mulawarman No.10 RT.73  
Kel. Karang Anyar, Kec. Tarakan Barat, Kota Tarakan  
Phone : (0551) 24322  
Fax : -  
Email : kc.tarakan@btn.co.id

#### BRANCH OFFICE KONVENSIONAL WILAYAH 6

##### Branch Office Semarang

Jl. M.T. Haryono No. 717  
Semarang 50242  
Phone : +62 24 312151, 446166  
Fax : +62 24 312186  
E-mail : kc.semarang@btn.co.id

##### Branch Office Yogyakarta

Jl. Jend. Sudirman No. 71  
Yogyakarta 55223  
Phone : +62 274 589898, 581014, 581016  
Fax : +62 274 561289  
E-mail : kc.yogyakarta@btn.co.id

##### Branch Office Solo

Jl. Slamet Riyadi No. 282 Solo 57141  
Phone : +62 271 726930  
Fax : +62 271 726931  
E-mail : kc.solo@btn.co.id

##### Branch Office Pekalongan

Jl. Merdeka No. 7 Pekalongan 51113  
Phone : +62 285 433883, 433884, 433484, 433917, 413222  
Fax : +62 285 433926, 413902  
E-mail : kc.pekalongan@btn.co.id

#### Branch Office Purwokerto

Jl. Jend. Sudirman No. 431  
Purwokerto 53116  
Phone : +62 281 641114  
Fax : +62 281 638386  
E-mail : kc.purwokerto@btn.co.id

#### Branch Office Tegal

Jl. Gajah Mada No. 33 - Tegal  
Phone : +62 283 343050, 343835, 323038  
Fax : +62 283 357439  
E-mail : kc.tegal@btn.co.id

#### Branch Office Kudus

Jl. Ahmad Yani No. 45 Kel. Panjunan  
Kec. Kota, Kab. Kudus, Jawa Tengah 59312  
Phone : +62 291 438732  
Fax : +62 291 4250112  
E-mail : kc.kudus@btn.co.id

#### Branch Office Magelang

Jl. Tentara Pelajar No. 40, Magelang  
Phone : +62 293 3215983  
Fax : +62 293 3215463  
E-mail : kc.magelang@btn.co.id



#### KANTOR CABANG SYARIAH

#### Branch Office Syariah Bekasi

Jl. Jend. Ahmad Yani Blok A.IV No.5-6 dan  
Blok B No. 1 Kel. Kayuringin Jaya  
Kec. Bekasi Selatan, Kota Bekasi  
Phone : +62 21 8893333  
Fax : +62 21 88956655  
E-mail : kcs.bekasi@btn.co.id

#### Branch Office Syariah Bandung

Jl. Diponegoro No. 8, Bandung  
Kel. Citarum, Kec. Bandung Wetan  
Bandung 40115  
Phone : +62 22 4265472, 4265473, 4265474  
Fax : +62 22 4265385  
E-mail : kcs.bandung@btn.co.id

#### Branch Office Syariah Bogor

Jl. Jendral Sudirman No. 01,  
Kec. Bogor Tengah, Bogor 16121  
Phone : +62 251 8327171, 8327575  
Fax : +62 251 8324567  
E-mail : kcs.bogor@btn.co.id



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## LIST OF REGIONAL OFFICES

### Branch Office Syariah Cirebon

Jl. Dr. Cipto Mangunkusumo  
No. 91 Indramayu Cirebon  
Phone : +62 231 235485, 235486,  
235488  
Fax : +62 231 205790  
E-mail : kcs.cirebon@btn.co.id

### Branch Office Syariah Tasikmalaya

Jl. Yudanegara No. 10  
Kel. Yudanegara Kec. Cihideung  
Kota Tasikmalaya 46112  
Phone : +62 265 310612, 7296566,  
7296567, 7296568  
Fax : +62 265 310613  
E-mail : kcs.tasikmalaya@btn.co.id

### BRANCH OFFICE SYARIAH WILAYAH 2

#### Branch Office Syariah Jakarta Harmoni

Jl. Suryo Pranoto No. 9 B-D  
Kel. Petojo Selatan Kec. Gambir  
Jakarta Pusat 10130  
Phone : +62 21 3860617, 3860620,  
3864265  
Fax : +62 21 3447271, +62 21  
3857706  
E-mail : kcs.jakartaharmoni@btn.  
co.id

#### Branch Office Syariah Jakarta Pasar Minggu

Jl. Ruko Grand Palace Blok G & H,  
Jl. Raya Ps. Minggu Km 16  
Pancoran - Jakarta Selatan  
Phone : +62 21 7993662, 7993015  
Fax : +62 21 7993174  
E-mail : kcs.pasarminggu@btn.co.id

#### Branch Office Syariah Tangerang

Jl. Serpong Raya, Ruko Villa  
Melati Mas Blok. SR-1 No. 23-24  
Serpong - Tangerang 15320  
Phone : +62 21 5370773  
Fax : +62 21 5370744  
E-mail : kcs.tangerang@btn.co.id

### Branch Office Syariah Serang

Jl. Jend Ahmad Yani No. 175, Cipete  
Kel. Sumur Pecung, Kec. Serang, Kota  
Serang - Banten  
Phone : +62 254 7915869  
Fax : +62 254 7915900  
E-mail : kcs.cilegon@btn.co.id

### BRANCH OFFICE SYARIAH WILAYAH 3

#### Branch Office Syariah Surabaya

Jl. Diponegoro No. 29 Surabaya 60271  
Phone : +62 31 5666363, 5610518  
Fax : +62 31 5610519  
E-mail : kcs.surabaya@btn.co.id

#### Branch Office Syariah Malang

Jl. Jaksa Agung Suprpto No. 87  
Kel. Rampal Celaket, Kec. Klojen  
Kota Malang 65112  
Phone : +62 341 3012469  
Fax : +62 341 579777  
E-mail : kcs.malang@btn.co.id

#### Branch Office Syariah Mataram

Jl. Pejangik No. 18-19 Kel.  
Cakranegara Kab. Mataram  
Phone : +62 370 7503646  
E-mail : kcs.mataram@btn.co.id

### BRANCH OFFICE SYARIAH WILAYAH 4

#### Branch Office Syariah Batam

Jl. Sriwijaya Komp. Regency Park Lot  
29  
Pelita - Batam 29432  
Phone : +62 778 421921, 437880  
Fax : +62 778 422126  
E-mail : kcs.batam@btn.co.id

#### Branch Office Syariah Medan

Jl. Ir. H. Juanda No. 48 Medan  
Phone : +62 61 4144554  
Fax : +62 61 4144546  
E-mail : kcs.medan@btn.co.id

### Branch Office Syariah Pekanbaru

Jl. Arifin Ahmad, Kel, Sidomulyo Timur  
Kec. Tampan Pekanbaru  
Telp : +62 761 7891314  
Fax : +62 761 7891313  
E-mail : kcs.pekanbaru@btn.co.id

### Branch Office Syariah Palembang

Jl. Veteran No. 325 - 329,  
Palembang 30114  
Telp : +62 711 355417, 355963  
Fax : +62 711 313366  
E-mail : kcs.palembang@btn.co.id

### Branch Office Syariah Banda Aceh

Jl. Teuku Umar No. 430-432  
Kel. Lamteumen Timur Kec. Jaya Baru  
Banda Aceh 23236  
Telp : +62 651 40330  
Fax : +62 651 40331  
E-mail : kcs.bandaceh@btn.co.id

### BRANCH OFFICE SYARIAH WILAYAH 5

#### Branch Office Syariah Makassar

Jl. Slamet Riyadi No. 7 A  
Kel. Bulogading, Kec. Ujung Pandang  
90111  
Telp : +62 411 3613399, 3613499  
Fax : +62 411 320785  
E-mail : kcs.makassar@btn.co.id

#### Branch Office Syariah Banjarmasin

Jl. Jend Ahmad Yani KM 5,5 No. 456  
Kel. Pemurus Luar, Kec. Banjarmasin  
Timur  
Kota Banjarmasin - Kalimantan Selatan  
Telp : +62 511 3250530, 3250540,  
3250560  
Fax : +62 511 3260900  
E-mail : kcs.banjarmasin@btn.co.id

#### Branch Office Syariah Balikpapan

Jl. Jenderal Sudirman No. 565 - 566  
Balikpapan 76114  
Telp : +62 542 742260, 742258  
Fax : +62 542 742229  
E-mail : kcs.balikpapan@btn.co.id



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#### Branch Office Syariah Kendari

Jl. MT Hariyono Desa/Kelurahan  
Bende, Kecamatan Baruga, Kota  
Kendari, Sulawesi Tenggara.

Telp : -  
Fax : -  
E-mail : [kcs.kendari@btn.co.id](mailto:kcs.kendari@btn.co.id)

#### Branch Office Syariah Semarang

Jl. Achmad Yani No. 181 Kel. Wonodri  
Kec. Semarang Selatan, Kota  
Semarang

Telp : +62 24 8449918, 8449919  
Fax : +62 24 8410825  
E-mail : [kcs.semarang@btn.co.id](mailto:kcs.semarang@btn.co.id)

#### Branch Office Syariah Palembang

Jl. Veteran No. 325 - 329,  
Palembang 30114

Telp : +62 711 355417, 355963  
Fax : +62 711 313366  
E-mail : [kcs.palembang@btn.co.id](mailto:kcs.palembang@btn.co.id)

#### BRANCH OFFICE SYARIAH WILAYAH 6

##### Branch Office Syariah Yogyakarta

Jl. Faridan M Noto No. 10, Kota Baru  
Gondokusuman Yogyakarta 55224

Telp : +62 274 551055, 512467  
Fax : +62 274 551056  
E-mail : [kcs.yogyakarta@btn.co.id](mailto:kcs.yogyakarta@btn.co.id)

##### Branch Office Syariah Tegal

Jl. Gajah Mada No. 107 , Kel.  
Pekauman

Kec. Tegal Barat Kota Tegal  
Jawa Tengah 52113  
Telp : +62 283 342923 ,342933  
Fax : +62 283 342913  
E-mail : [kcs.tegal@btn.co.id](mailto:kcs.tegal@btn.co.id)

##### Branch Office Syariah Banda Aceh

Jl. Teuku Umar No. 430-432  
Kel. Lamteumen Timur Kec. Jaya Baru  
Banda Aceh 23236

Telp : +62 651 40330  
Fax : +62 651 40331  
E-mail : [kcs.bandaaceh@btn.co.id](mailto:kcs.bandaaceh@btn.co.id)

##### Branch Office Syariah Solo

Jl. Brigjen Slamet Riyadi No. 332  
Solo 57141

Telp : +62 271 712127, 7008978,  
7008947  
Fax : +62 271 717276  
E-mail : [kcs.solo@btn.co.id](mailto:kcs.solo@btn.co.id)

##### Branch Office Syariah Pekanbaru

Jl. Arifin Ahmad, Kel, Sidomulyo Timur  
Kec. Tampan Pekanbaru

Telp : +62 761 7891314  
Fax : +62 761 7891313  
E-mail : [kcs.pekanbaru@btn.co.id](mailto:kcs.pekanbaru@btn.co.id)



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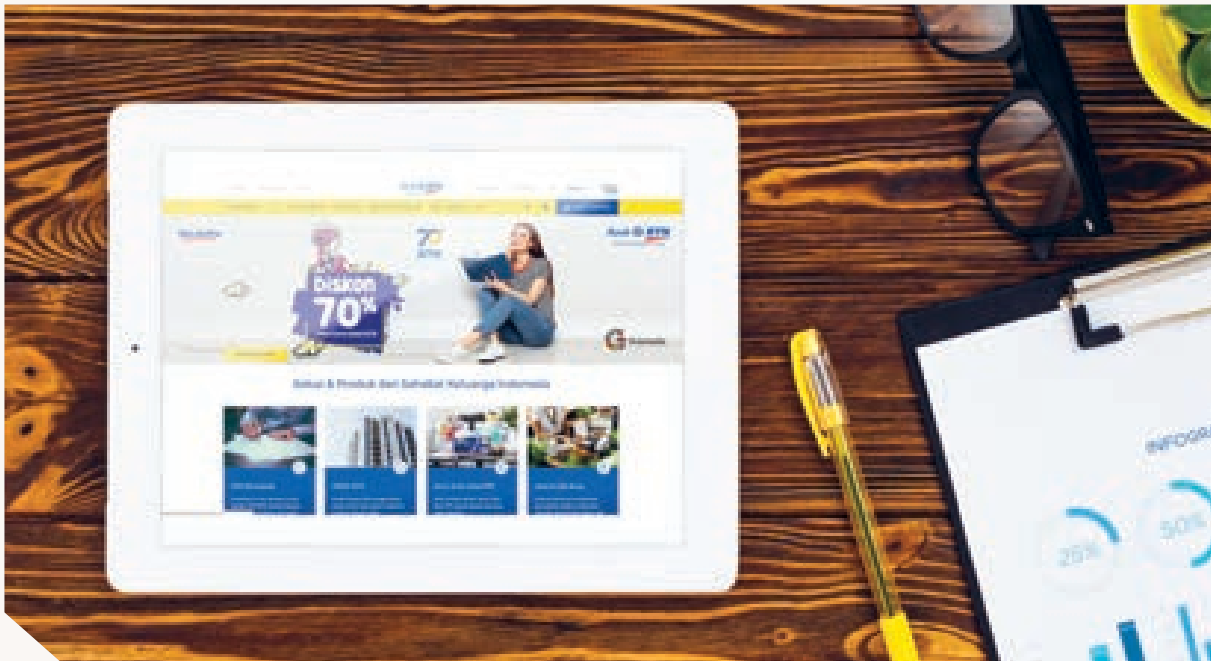
## BUSINESS PARTNER NETWORK

The Company always cooperates with various business partners, with the aim of achieving predetermined targets. The Company also runs various business partnerships in the context of providing banking product services, as well as the convenience of transactions made by customers. The forms of cooperation carried out by the Company with business partners are as follows:

Institution	Description
Pengadilan Negeri Jakarta Selatan	Aplikasi E-Panjar dan Pelayanan Terpadu Satu Pintu (PTSP)
Telkomsel	TCASH-BTN
Komite Olimpiade Indonesia (KOI)	KPR Atlet
PT Rajawali Nusantara Indonesia (Persero)	Konstruksi Properti
PT Angkasa Pura II (Persero)	Kredit Investasi
Blue Bird	Pembiayaan Perumahan
PPDPP	Kredit KPR
PT SMF	Kredit KPR
Grab Indonesia	Kredit KPR
Gojek	Kredit KPR
PNM	Program Kemitraan



## INFORMATION ON THE COMPANY'S WEBSITE



The Company has the official website with the address [www.btn.co.id](http://www.btn.co.id). This website contains the latest information about Bank BTN Corporation, whether it is e-Banking login for customers, information about the Company and its products, profile, organization management and good corporate governance transparency, to the latest news. This website is a publicly accessible portal, with the aim of providing comprehensive information about the Company to the audience.

The Company is committed to continuously developing the website as part of the transparency of information to the public.

Description	Availability	Information
Corporate group structure and shareholder information up to the individual end owner	✓	Table of Company Group Structure, <a href="https://www.btn.co.id/id/Tentang-Kami">https://www.btn.co.id/id/Tentang-Kami</a>
Contents of the Code of Conduct	✓	<a href="https://www.btn.co.id/id/Tata-Kelola">https://www.btn.co.id/id/Tata-Kelola</a> on "Corporate Governance" channel
Information on General Meeting of Shareholders (GMS) covers at least materials discussed in the GMS, GMS minutes summary, and important date information i.e. the the date of GMS announcement, the date of GMS Summon, the date of GMS holding, and the date of GMS Summary publication.	✓	<a href="https://www.btn.co.id/Investor-Relation-Home">https://www.btn.co.id/Investor-Relation-Home</a> on the "GMS" channel
Separate annual financial statements (last 5 years)	✓	<a href="https://www.btn.co.id/Investor-Relation-Home">https://www.btn.co.id/Investor-Relation-Home</a> on the channel "company Report"
Profile of the Board of Commissioners and the Board of Directors	✓	<a href="https://www.btn.co.id/Tentang-Kami">https://www.btn.co.id/Tentang-Kami</a> in "Kepemimpinan" channel
Manuals/Charters of the Board of Commissioners, Board of Directors, Committees, and Internal Audit Unit	✓	<a href="https://www.btn.co.id/id/Tata-Kelola">https://www.btn.co.id/id/Tata-Kelola</a> on "Corporate Governance" channel

✓ = available on the Company's website | ✗ = Not available on the Company's website



## EDUCATION AND/OR TRAINING OF THE BOARD OF COMMISSIONERS, THE BOARD OF DIRECTORS, COMMITTEES, CORPORATE SECRETARY AND INTERNAL AUDIT UNIT

Name and Position	Types of education and training	Education and training materials	Place/Date	Organizers
<b>Board of Commissioners (active period from November 27 to December 31, 2019)</b>				
<b>Chandra Martha Hamzah</b> (President Commissioner/ Independent Commissioner)	In House	Commissioners' UMKR Refreshment Program, Level 1	Jakarta, December 16, 2019	Indonesian Bankers Association
<b>Armand B Arief</b> (Independent Commissioner)	In House	UMKR Refreshment Program, Level 4/"Credit Risk and Operational Risk Management"	Jakarta, December 18, 2019	The Banking Professional Certification Agency (LSPP)
<b>Ahdi Jumhari Luddin</b> (Independent Commissioner)	-	-	-	-
<b>Eko D Heripoerwanto</b> (Commissioner)	Seminar	"60 <sup>th</sup> Komisaris Profesional"	Jakarta, 20-21 November 2019	Intipesan
	In House	Pembekalan UKMR Level 1 Komisaris	Jakarta, 3-4 July 2019	Sandra Chalik (Perorangan)
<b>Heru Budi Hartono</b> (Commissioner)	In House	Program Refreshment UKMR Level 1 Komisaris "Credit Risk Management"	Jakarta, 16 December 2019	Banking Professional Certification Institute
<b>Andin Hadiyanto</b> (Commissioner)	In House	Program Pembekalan UKMR Level 1 Komisaris	Jakarta, 16 December 2019	Indonesian Bankers Association
<b>Board of Commissioners (Serving Period from January 1 to November 26, 2019)</b>				
<b>I Wayan Agus Mertayasa</b> (President Commissioner/ Independent Commissioner)	-	-	-	-
<b>Asmawi Syam</b> (President Commissioner/ Independent Commissioner)	-	-	-	-
<b>Arie Coerniadi</b> (Independent Commissioner)	Seminar	Enterprise Risk Management and Its Challenges in Industrial Revolution 4.0	Barcelona - Milan - Nice, 13-23 July 2019	The Banking Professional Certification Agency (LSPP).
	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September - 4 October 2019	CRMS Indonesia
<b>Garuda Wiko</b> (Komisaris Independen)	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September - 4 October 2019	CRMS Indonesia



Name and Position	Types of education and training	Education and training materials	Place/Date	Organizers
<b>Kamaruddin Sjam</b> (Independent Commissioner)	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September - 4 October 2019	CRMS Indonesia
	Seminar	Conference #ECIIA2019	France - Luxembourg - Brussel, 16-22 September 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors: Embracing The 4IR	Solo, 24-25 July 2019	Institute of Internal Auditors Indonesia
	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, 5-6 December 2019	Enterprise Risk Management Academy
<b>Lucky Fathul Aziz H</b> (Independent Commissioner)	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September - 4 October 2019	CRMS Indonesia
	Seminar	Conference #ECIIA2019	France - Luxembourg - Brussel, 16-22 September 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors: Embracing The 4IR	Solo, 24-25 July 2019	Institute of Internal Auditors Indonesia
	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, 5 – 6 December 2019	Enterprise Risk Management Academy
	Seminar	ASEAN CG Scorecard Plus Quality Reporting System	Jakarta, 31 October 2019	Indonesian Institute for Corporate Director
<b>Iman Sugema</b> (Commissioner)	Seminar	Enterprise Risk Management and Its Challenges in Industrial Revolution 4.0	Barcelona - Milan - Nice, 13-23 July 2019	Lembaga Sertifikasi Profesi Perbankan
	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September - 4 Oktober 2019	CRMS Indonesia
<b>Sumiyati</b> (Commissioner)	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September - 4 Oktober 2019	CRMS Indonesia





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**EDUCATION AND TRAINING OF BOARD OF COMMISSIONERS, BOARD OF DIRECTORS, COMMITTEES, CORPORATE SECRETARY AND INTERNAL AUDITERS, CORPORATE SECRETARY AND INTERNAL AUDIT UNIT**

Name and Position	Types of education and training	Education and training materials	Place/Date	Organizers
<b>Marwanto Harjowiryono</b> (Commissioner)	-	-	-	-
<b>Maurin Sitorus</b> (Commissioner)	-	-	-	-
<b>Parman Nataatmadja</b> (Commissioner)	-	-	-	-
<b>Director (Serving Period from November 27 to December 31, 2019)</b>				
<b>Pahala Nugraha Mansury</b> (President Director)	In House	Program Refreshment UKMR Level 5 "Credit Risk and Operational Risk Management"	Jakarta, 18 December 2019	Lembaga Sertifikasi Profesi Perbankan
<b>Andi Nirwoto</b> (Director of Operation, IT and Digital Banking)	In House	Program Refreshment UKMR Level 5 "Fintech (Operational Risk Management Approach)"	Jakarta, 23 May 2019	Lembaga Sertifikasi Profesi Perbankan
<b>Elisabeth Novie Riswanti</b> (Director of Remedial and Wholesale Risk)	In House	Pembekalan UKMR Level 5	Jakarta, 18 September 2019 & 06 October 2019	Sandra Chalik (Perorangan)
<b>Hirwandi Gafar</b> (Director of Consumer and Commercial Lending)	In House	Pembekalan UKMR Level 5	Jakarta, 11 December 2019	Sandra Chalik (Perorangan)
<b>Jasmin</b> (Director of Distribution and Retail Funding)	In House	Pembekalan UKMR Level 5	Jakarta, 11 December 2019	Sandra Chalik (Perorangan)
<b>Nixon L.P Napitupulu</b> (Direktur Finance Treasury & Strategy)	In House	Program Refreshment UKMR Level 5 "Fintech (Operational Risk Management Approach)"	Jakarta, 23 May 2019	Lembaga Sertifikasi Profesi Perbankan
	Seminar	PSAK 71 Impairment Deep Dive In Risk Management Perspective & CSG-CIMB 13Th Annual Indonesia Conference	Bali, 27-28 June 2019	Bankers Association for Risk Management
	In House	Pembekalan & Sertifikasi Treassury Dealer Level Advance	Jakarta, 24-30 August 2019	ACI FMA Indonesia
	Seminar	The 1 <sup>st</sup> ASEAN CPA Conference 2020	Bali, 16-17 October 2019	Institusi Akuntan Manajemen Indonesia
<b>Setiyo Wibowo</b> (Director of Enterprise Risk Managemen, Big Data and Analytics)	In House	Program Refreshment UKMR Level 5 "Credit Risk and Operational Risk Management"	Jakarta, 18 December 2019	Lembaga Sertifikasi Profesi Perbankan



Name and Position	Types of education and training	Education and training materials	Place/Date	Organizers
<b>Yossi Istanto</b> (Director of Human Capital, Legal and Compliance)	Seminar	Leadership, Entrepreneurship And Innovation In The Global Economy	London, 25-29 March 2019	Asean Global Leadership Program
<b>Director (Serving Period from January 1 to November 26, 2019)</b>				
	Workshop	Program Membangun Bangsa Melalui Penguatan Sinergi dan Solidaritas BUMN	Bandung, 10-12 March 2019	Kementrian BUMN
<b>Maryono</b> (President Director)	Workshop	Rakor CEO BUMN Tahun 2019	Belitung, 2-3 April 2019	Kementrian BUMN
	Workshop	Auditor's Talk Untuk Penguatan Peran Satuan Pengawas Internal (SPI) BUMN	Jakarta, 9 May 2019	Kementrian BUMN
<b>Oni Febriarto Rahardjo</b> (Plt. Direktur Utama, Direktur Commercial Banking)	In House	Program Refreshment UKMR Level 5 "Fintech (Operational Risk Management Approach)"	Jakarta, 23 May 2019	Lembaga Sertifikasi Profesi Perbankan
	Seminar	The 1 st ASEAN CPA Conference 2019	Bali, 16-17 October 2019	Institusi Akuntan Manajemen Indonesia
<b>Budi Satria</b> (Director of Consumer Banking)	In House	Pendidikan Dasar Perbankan Syariah	Jakarta, 14-15 November 2019	Iqtishad
<b>R. Mahelan Prabantarikso</b> (Director of Compliance)		International Risk Management Refreshment and Wealth Management Certification	Moscow, 29 June - 27 July 2019	Lembaga Sertifikasi Profesi Perbankan
		Program Refreshment UKMR Level 5 "Digital Banking And Fintech (Operational Risk Management Approach)"	Bandung, 23 April 2019	Lembaga Sertifikasi Profesi Perbankan
		Seminar Forum Komunikasi Direktur Kepatuhan Perbankan	Jakarta, 27 June 2019	Forum Komunikasi Direktur Kepatuhan Perbankan



**EDUCATION AND/OR TRAINING OF THE BOARD OF COMMISSIONERS, THE BOARD OF DIRECTORS, COMMITTEES,  
CORPORATE SECRETARY AND INTERNAL AUDIT UNIT**

Name and Position	Types of education and training	Education and training materials	Place/Date	Organizers
<b>Audit Committee</b>				
Kamaruddin Sjam	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September – 04 Oktober 2019	CRMS Indonesia
	Seminar	Conference #ECIA2019	France - Luxembourg – Brussel, 16 – 22 September 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors : Embracing The 4IR	Solo, 24 – 25 Juli 2019	Institute of Internal Auditors Indonesia
	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, 5 – 6 Desember 2019	Enterprise Risk Management Academy
Lucky Fathul Aziz H	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September – 04 Oktober 2019	CRMS Indonesia
	Seminar	Conference #ECIA2019	France - Luxembourg – Brussel, 16 – 22 September 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors : Embracing The 4IR	Solo, 24 – 25 Juli 2019	Institute of Internal Auditors Indonesia
	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, 5 – 6 Desember 2019	Enterprise Risk Management Academy
	Seminar	ASEAN CG Scorecard Plus Quality Reporting System	Jakarta, 31 Oktober 2019	Indonesian Institute for Corporate Director
Garuda Wiko	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September – 04 Oktober 2019	CRMS Indonesia
<b>Remuneration and Nomination Committee</b>				
Arie Coerniadi	Seminar	Enterprise Risk Management and Its Challenges in Industrial Revolution 4.0	Barcelona – Milan - Nice, 13 – 23 Juli 2019	Lembaga Sertifikasi Profesi Perbankan
	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September – 04 Oktober 2019	CRMS Indonesia



Name and Position	Types of education and training	Education and training materials	Place/Date	Organizers
Kamaruddin Sjam	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September – 04 October 2019	CRMS Indonesia
	Seminar	Conference #ECIIA2019	France - Luxembourg – Brussel, 16 – 22 September 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors: Embracing The 4IR	Solo, 24 – 25 Juli 2019	Institute of Internal Auditors Indonesia
Lucky Fathul Aziz H	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, 5 – 6 Desember 2019	Enterprise Risk Management Academy
	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September – 04 October 2019	CRMS Indonesia
	Seminar	Conference #ECIIA2019	France - Luxembourg – Brussel, 16 – 22 September 2019	Institute of Internal Auditors Indonesia
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	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, 5 – 6 December 2019	Institute of Internal Auditors Indonesia
	Seminar	ASEAN CG Scorecard Plus Quality Reporting System	Jakarta, 31 October 2019	Indonesian Institute for Corporate Director
	<b>Risk Oversight Committee</b>			
Arie Coerniadi	Seminar	Enterprise Risk Management and Its Challenges in Industrial Revolution 4.0	Barcelona – Milan - Nice, 13 – 23 July 2019	Lembaga Sertifikasi Profesi Perbankan
	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September – 04 Oktober 2019	CRMS Indonesia



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**EDUCATION AND/OR TRAINING OF THE BOARD OF COMMISSIONERS, THE BOARD OF DIRECTORS, COMMITTEES,  
CORPORATE SECRETARY AND INTERNAL AUDIT UNIT**

Name and Position	Types of education and training	Education and training materials	Place/Date	Organizers
Garuda Wiko	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September – 04 October 2019	CRMS Indonesia
<b>Corporate Secretary</b>				
Achmad Chaerul	Seminar	Kehumasan di Era #MO	Jakarta, 11 – 12 September 2019	Rumah Perubahan
	Seminar	Pelatihan Investor Relations Enhancement	Jakarta, 11 – 12 December 2019	TAP Kapital Indonesia
	Seminar	Penegakan Hukum Tindak Pidana Korporasi	Bali, 21 – 22 March 2019	Intrinsics
	Seminar	“Risiko Investasi atau Korupsi?”	Bandung, 31 January – 01 Februari 2019	Asia Anti-Fraud
<b>Audit Committee</b>				
Kamaruddin Sjam	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September - 4 October 2019	CRMS Indonesia
	Seminar	Conference #ECIA2019	France - Luxembourg - Brussel, 16-22 September 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA “Empowering Internal Auditors : Embracing The 4IR	Solo, 24-25 July 2019	Institute of Internal Auditors Indonesia
	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, 5-6 December 2019	Enterprise Risk Management Academy



Name and Position	Types of education and training	Education and training materials	Place/Date	Organizers
Lucky Fathul Aziz H	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September - 4 October 2019	CRMS Indonesia
	Seminar	Conference #ECIIA2019	France - Luxembourg - Brussel, 16-22 September 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors : Embracing The 4IR	Solo, 24-25 July 2019	Institute of Internal Auditors Indonesia
	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, 5 – 6 December 2019	Enterprise Risk Management Academy
	Seminar	ASEAN CG Scorecard Plus Quality Reporting System	Jakarta, 31 October 2019	Indonesian Institute for Corporate Director
Garuda Wiko	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, 29 September – 04 October 2019	CRMS Indonesia



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# MANAGEMENT DISCUSSION AND ANALYSIS ON THE BANK'S PERFORMANCE

As a bank that has a primary focus on lending and housing finance, BTN strives to minimize the negative impacts of changes of external business climate by carrying out risk management on an ongoing basis.





Performance 2019



Management Report



Company Profile



Management Discussion and  
Analysis

# ECONOMIC AND INDUSTRY REVIEW

## GLOBAL ECONOMIC AND POLITICAL CONDITION

2019 was a year filled with challenges. The subsided trade war between the United States (US) and China in 2019 became a major event that gave optimism to the global economy; especially when China decided to trade with the US in the agricultural sector. Optimism can also be seen from financial markets in various countries that tend to be positive. Likewise, the geopolitical conditions in the European Zone which were entangled in the Brexit issue began to show certainty after Britain increasingly showed a tendency to take an unanimous decision to exit from the European Union.

Although conditions at the end of 2019 looked encouraging, the economic situation throughout 2019 still showed uncertainty. At the beginning of January 2020, the World Bank revealed that the global economic projection in 2019 would only reach 2.9%, below the 2018 economic growth of 3%. Not much different, the International Monetary Fund (IMF) in early January 2020 projected the world economic growth of 2.9%, corrected down from the projection released in October 2019 of 3%. The tension of the trade war which affected the weakening of world trade and manufacturing activities, financial market pressures in several large developing countries, and geopolitical conditions in several regions, posed uncertainties to the world economy.

The world economic slowdown, which also happened to the US economy, forced the US Government through the Fed, the American Central Bank, to cut interest rates. Based on data released by the IMF, throughout 2019 the Fed cut the Federal Funds Rate (FFR) policy rate by 75 bps, from 2.50% to 1.75%. In addition, the Fed also implemented an accommodative policy through the purchase of securities to tighten liquidity in the US financial system.

This US policy then impacted foreign capital flows in the financial markets of developing countries. Capital inflows from outside gave some developing countries the opportunity to keep their benchmark interest rates at the expected level, including Indonesia.

## INDONESIAN ECONOMY

In the midst of global economic condition with a tendency to slow down, Indonesia was actually able to keep its economic growth stability. Statistics Indonesia (BPS) in early February 2020 released Indonesia's economic growth rate at 5.02%, slightly below the 2018 growth rate of 5.17%.



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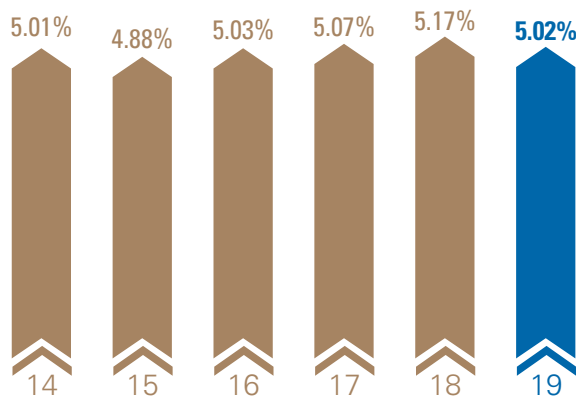


Corporate Social Responsibility

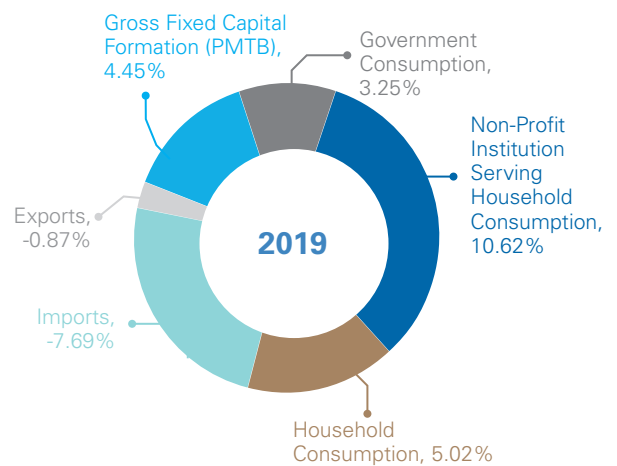


Financial Report

INDONESIA'S ECONOMIC GROWTH 2014-2019



INDONESIA'S ECONOMIC GROWTH COMPOSITION BY EXPENDITURE



The economic growth was relatively good because Indonesia's economic growth posture is based on expenditure that is largely supported by domestic consumption comprising household consumption, the consumption of Non-Profit Institutions Serving Households (LNPRT), and Indonesian Government consumption through absorption of the State Budget. In the import and export spending sector, there was a negative achievement in line with the trade balance deficit due to weakening trade transactions caused by a slowdown in various export and import destination countries.

Considerable consumption in the Indonesia's Gross Domestic Product (GDP) expenditures is mainly due to the success of Bank Indonesia in maintaining the inflation rate. In early January 2020, BPS released an inflation rate throughout 2019 of 2.72%, the lowest since 1999 where the inflation rate at that time was at 2.13%. The Indonesian Government's decision to restrain the increase in the Basic Electricity Tariff (TDL) and Subsidized Fuel Oil (BBM) is a

priority agenda to maintain the ability of public spending. The attractiveness of Rupiah assets is also reflected in the movements of the Rupiah exchange rate which recorded better volatility compared to the previous year. Rupiah exchange rate US Dollar (USD) throughout 2019 was in the range of Rp13,919 to Rp14,525 per USD, compared to Rupiah exchange rate throughout 2018 in the range of Rp13,289 to Rp15,238 per USD.

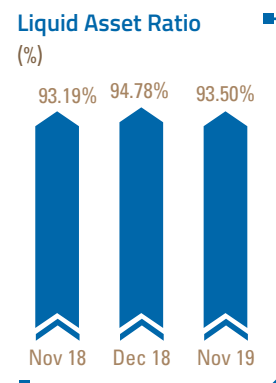
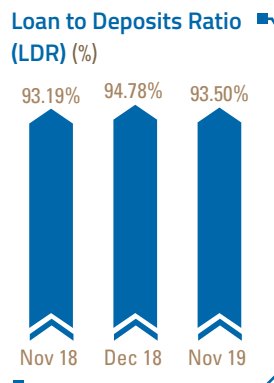
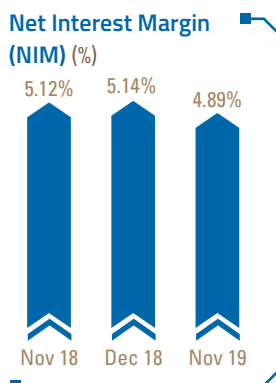
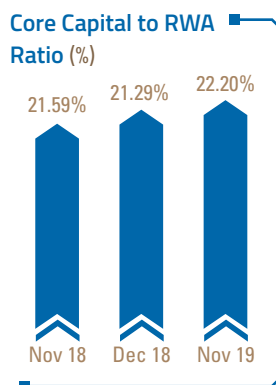
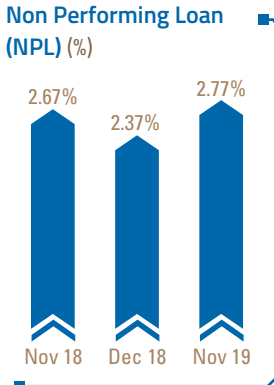
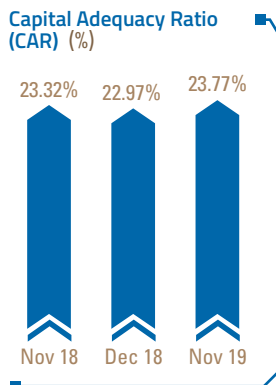
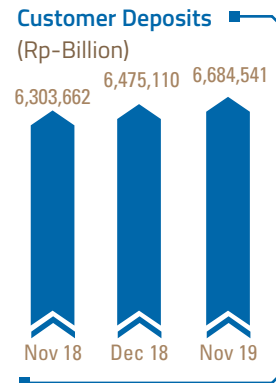
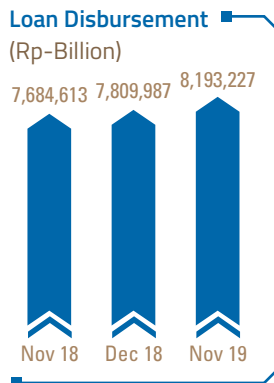
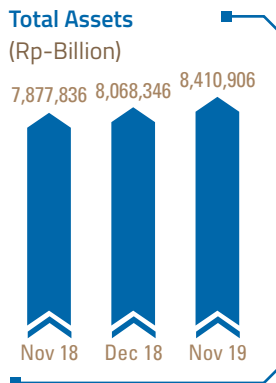
This has provided a sufficient foundation for Bank Indonesia to implement interest rate instrument and macroprudential ratio policy. Throughout 2019, particularly in the second semester, Bank Indonesia cut its benchmark interest rate or BI 7 Days Reverse Repo Rate (BI 7 DRRR) by 100 bps, from 6.0% to 5.0%. In addition, Bank Indonesia adopted a macroprudential policy to encourage bank loan growth by easing the provisions of the LTV/FTV (Loan To Value/ Financing To Value) ratio for home and vehicle ownership, and easing the Macroprudential Intermediation Ratio.



## OVERVIEW OF INDONESIAN BANKING

Based on the November 2019 data released by the Financial Services Authority (OJK), Indonesian banks throughout 2019 have a well-maintained foundation, reflected in the Capital Adequacy Ratio (CAR) at the level of 23.77%, slightly above in the same period in the previous year at the

level of 23.32%. Total assets grew from Rp7,877.84 trillion in November 2018 to Rp8,410.91 trillion in November 2019. Loan disbursement and Customer Deposits from Third Party Funds (DPK) also increased in the same period.



\*) data per November 2018



# STRATEGIC POLICY 2019

In accordance with the 2016-2020 Bank BTN Strategic Transformation Blueprint, the Company is currently entering the Digital Banking Period transformation phase and will soon be heading for the Global Playership Period in 2020. As a form of sustainable growth strategy, reinforcement initiatives which aims for Digital Banking Period remains as focused to strengthen the business positioning in the housing sector and its expansion. For this reason, the pillars of transformation in this stage are (i) Strengthening the housing loan (KPR) market share; (ii) Acting as housing market maker; (iii) and Customer Orientation to increase funding growth based on Current Account Savings Account (CASA).

## TRANSFORMATION PILLARS - STRONGER BUSINESS



Source: Bank BTN Transformation Blueprint 2016-2020

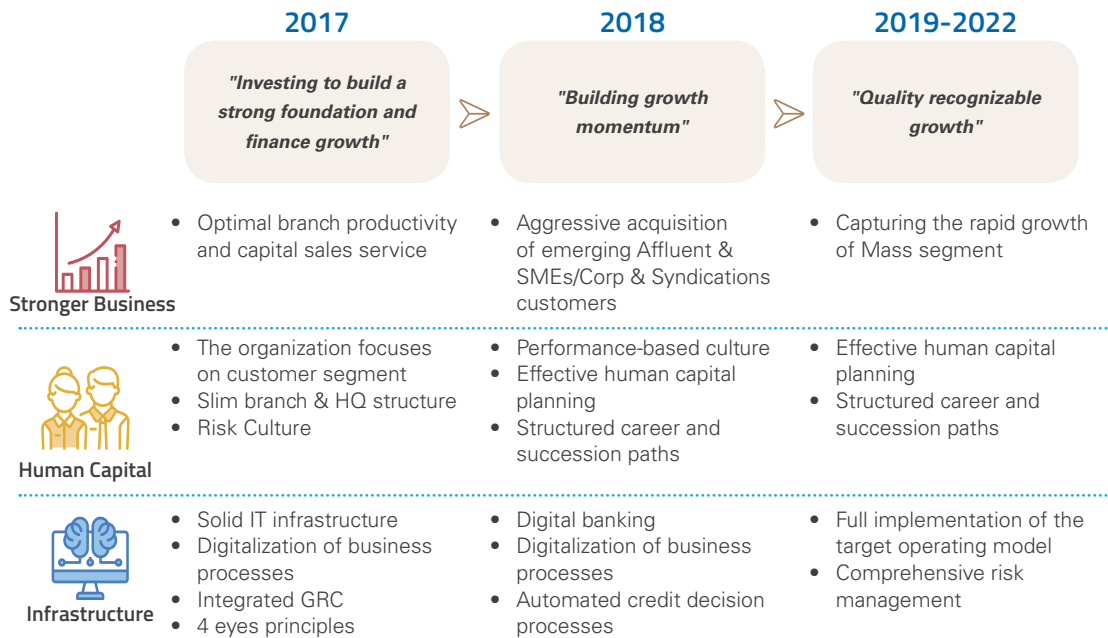
The initiatives on each pillars of business transformation are as follows:

1. Strengthening KPR Business and Construction Value Chain Positioning  
Credit business strengthening continues to focus on the Bank's core business, namely the housing sector and its expansion while remain guided by the main mandate of the government program which is to provide basic needs for MBR. To that end, the initiatives undertaken are as follows:
  - a. Dominating the mass segment KPRs (Subsidized & Non Subsidized);
  - b. Expanding loans in the emerging affluent and affluent segments;
  - c. Encouraging supply by increasing construction loans in the SME and Commercial segments; and
  - d. Developing commercial and corporate segments
2. Acting as an integrator and accelerator in the housing sector  
The Company's efforts to accelerate the Million Houses Program are carried out as initiatives to strengthen the role of the bank as housing market makers, namely as the integrators and accelerators in the housing sector, which are done through:
  - a. Enhancing the role of Bank BTN HFC as the main housing think tank in Indonesia that provides influence and input to stakeholders; and
  - b. Developing initiatives to support the development of subsidized home developers.



3. Customer Orientation to expand CASA-based funding  
 Funding initiatives were focused on obtaining CASA-based third party funds (DPK) by offering digital banking services. The details of the initiatives that will be carried out include:
- Targeting the emerging affluent & affluent segments which include families and young people (millennial generation and digital savvy); and
  - Developing digital banking services to strengthen the image of banks in the upper middle segment.

**TRANSFORMATION INITIATIVES FOR DIGITAL BANKING PERIOD STAGE**



The implementation of the transformation roadmap is still in line with the initial transformation stages of stronger business with focus on strengthening core businesses in two main segments namely the consumer banking and commercial banking segments. In the consumer banking segment, the Company participates in supporting the realization of the million housing program by strengthening the distribution of KPRs (KPR) in the mass segment and expansion in other segments. Meanwhile, in the

commercial banking segment, business development is directed to encourage an increase in housing supply through the realization of construction loans and expansion of the debtor's value chain. In order to support the strengthening of the core business, enabler pillars are also strengthened which includes Human Resources (HR), information technology infrastructure and application of risk management to achieve sustainable business growth.



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## OPERATION OVERVIEW PER BUSINESS SEGMENT

The Company's business segments are reflected in the presentation of operation reporting in accordance with Statement of Financial Accounting Standards (PSAK) 5 (Revised 2015) concerning Operation Segments recorded in audited Financial Statements. Segment reporting information is disclosed in order to evaluate the financial nature and impact of business activities in the economic environment where the Company engages.

The Company has identified and disclosed financial information based on business activities where the Company engages. Income, costs, results, assets and liabilities by segment, including portions that are directly attributed to the segment, and can be allocated on an adequate basis for the segment.

The Company's business segment by type of business covers 2 (two) main segments, namely the Conventional segment and the Sharia segment.

### BANK BTN BUSINESS SEGMENTS BY TYPE OF BUSINESS



Conventional Segment



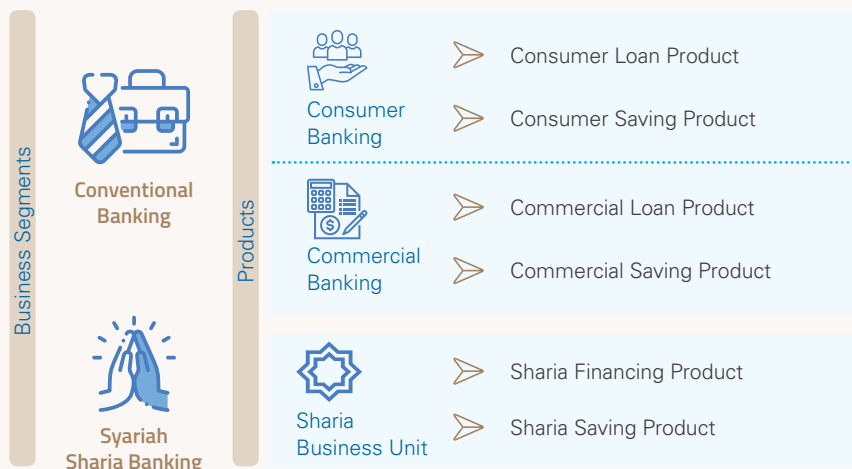
Sharia Segment

The Company's main business segment is conventional banking.

The banking business segment developed using the Sharia model

The Company is a state-owned bank that develops banking products and services, especially in housing loan disbursement. An overview of the Company's products and services which are divided into conventional and sharia banking segments can be seen in the chart below.

### PENGEMBANGAN PORTOFOLIO PRODUK DAN JASA BANK BTN





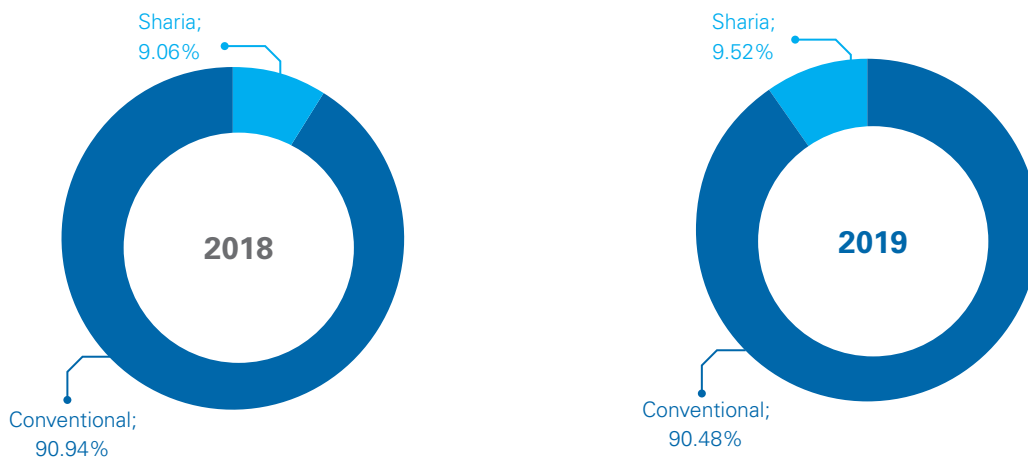
The Conventional Segment as the Company's main business contributes significantly to the Company's income. While the Sharia segment developed by the Sharia Business Unit experiences growth each year which in line with various efforts and initiatives made by the Company.

The big picture of each business segment's contribution to the Company's business is reflected in the performance of the Company's Interest Income and Income from Profit Sharing and Income from Operations which are affected by each segment as shown below.

#### CONTRIBUTION OF BUSINESS SEGMENTS TO BANK BTN INTEREST INCOME AND INCOME FROM PROFIT SHARING

Segments	2019		2018		Decrease	
	Total (Rp-million)	Contribution (%)	Total (Rp-million)	Contribution (%)	Nominal (Rp-million)	Percentage (%)
Conventional	23,271,432	90.48%	20,781,512	90.94%	2,489,920	11.98%
Sharia	2,448,442	9.52%	2,070,246	9.06%	378,196	18.27%
<b>Total Interest Income and Income from Profit Sharing</b>	<b>25,719,874</b>	<b>100.00%</b>	<b>22,851,758</b>	<b>100.00%</b>	<b>2,868,116</b>	<b>12.55%</b>

#### COMPOSITION OF BUSINESS SEGMENT BY BANK BTN INTEREST INCOME AND INCOME FROM PROFIT SHARING



#### CONTRIBUTION OF BUSINESS SEGMENTS TO BANK BTN'S INCOME FROM OPERATIONS

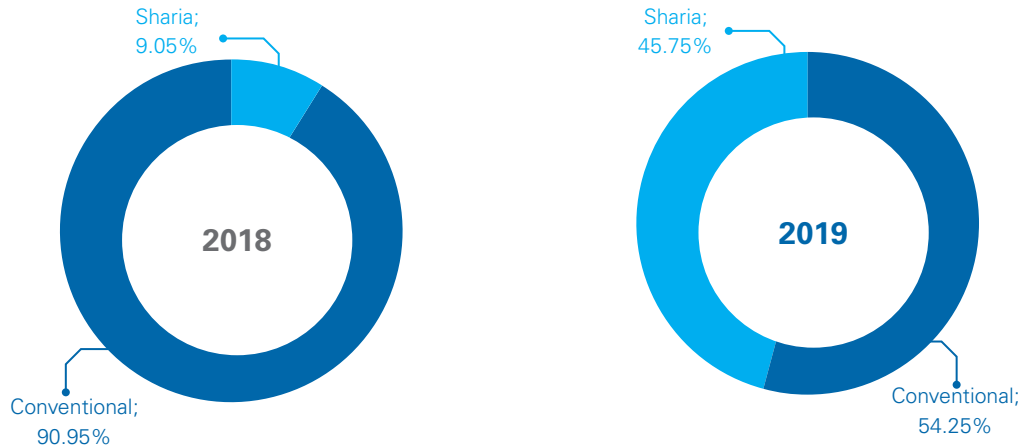
Segments	2019		2018		Decrease	
	Total (Rp-million)	Contribution (%)	Total (Rp-million)	Contribution (%)	Nominal (Rp-million)	Percentage (%)
Conventional	283,063	54.25%	3,268,421	90.95%	(2,985,358)	-91.34%
Sharia	238,710	45.75%	325,379	9.05%	(86,669)	-26.64%
<b>Total Income from Operations</b>	<b>521,773</b>	<b>100.00%</b>	<b>3,593,800</b>	<b>100.00%</b>	<b>(3,072,027)</b>	<b>-85.48%</b>





## OPERATION OVERVIEW PER BUSINESS SEGMENT

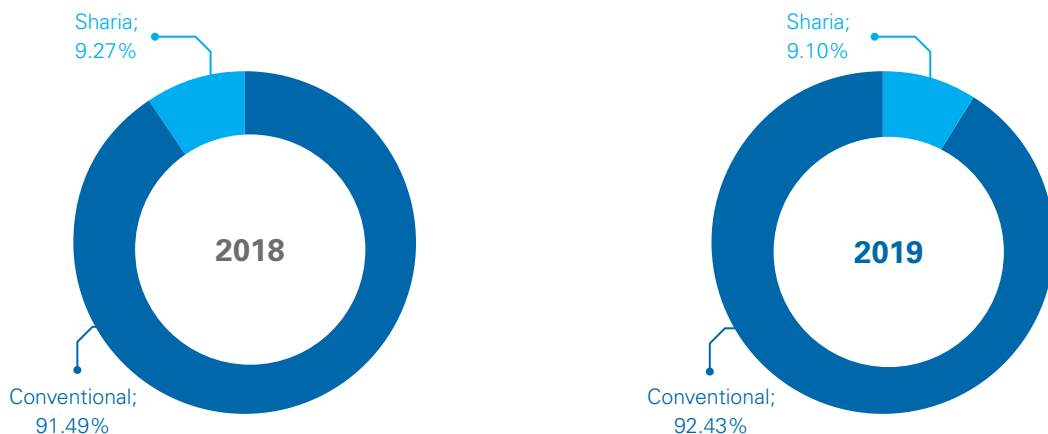
## COMPOSITION OF BUSINESS SEGMENTS' INCOME FROM OPERATIONS TO BANK BTN'S INCOME FROM OPERATIONS



## CONTRIBUTION OF BUSINESS SEGMENTS TO THE TOTAL ASSETS OF BANK BTN

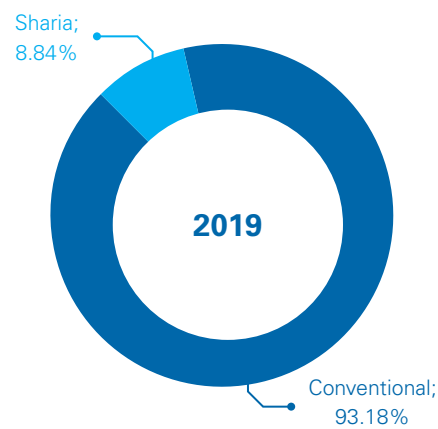
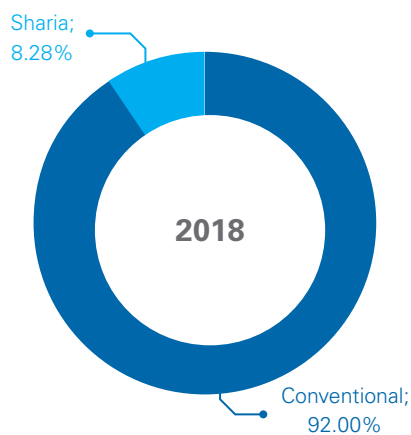
Segments	2019		2018		Decrease	
	Total (Rp-million)	Contribution (%)	Total (Rp-million)	Contribution (%)	Nominal (Rp-million)	Percentage (%)
Conventional	288,173,172	92.43%	280,367,092	91.49%	7,806,079	2.78%
Sharia	28,385,675	9.10%	28,399,275	9.27%	(13,600)	-0.05%
Elimination	(4,782,019)	-1.53%	(2,330,173)	-0.76%	(2,451,846)	105.22%
<b>Total Assets</b>	<b>311,776,828</b>	<b>100.00%</b>	<b>306,436,194</b>	<b>100.76%</b>	<b>5,340,633</b>	<b>1.74%</b>

## COMPOSITION OF BUSINESS SEGMENTS' INCOME FROM OPERATIONS TO BANK BTN'S TOTAL ASSETS



**CONTRIBUTION OF BUSINESS SEGMENTS TO BANK BTN'S TOTAL LIABILITIES AND TEMPORARY SYIRKAH FUND**

Segments	2019		2018		Increase (Decrease)	
	Total (Rp-million)	Contribution (%)	Total (Rp-million)	Contribution (%)	Nominal (Rp-million)	Percentage (%)
Conventional	268,291,413	93.18%	259,995,522	92.00%	8,295,891	3.19%
Sharia	24,431,238	8.48%	24,930,397	8.82%	(499,159)	-2.00%
Elimination	(4,782,019)	-1.66%	(2,330,173)	-0.82%	(2,451,846)	105.22%
<b>Total Liability and Temporary Syirkah Fund</b>	<b>287,940,632</b>	<b>100.00%</b>	<b>282,595,746</b>	<b>100.82%</b>	<b>5,344,886</b>	<b>1.89%</b>

**COMPOSITION OF BUSINESS SEGMENTS' INCOME FROM OPERATIONS TO BANK BTN'S TOTAL LIABILITIES AND TEMPORARY SYIRKAH FUNDS**

The above tables and charts indicate that the Conventional segment is the Company's main segment with contributions reaching 90.94% in 2018 and 90.48% in 2019 to the Company's Total Interest Income and Income from Profit Sharing, and contributions to Total Assets and Liabilities and Temporary Syirkah Funds in 2019, respectively amounting to 92.43% and 93.18%. Income from Operations of the

Conventional segment in 2019 significantly decreased by up to 85.48% compared to that in 2018, which was caused by the adoption of the Statement of Financial Accounting Standards (PSAK) No. 71 concerning Financial Instruments.

Details of the performance of each segment can be seen below.

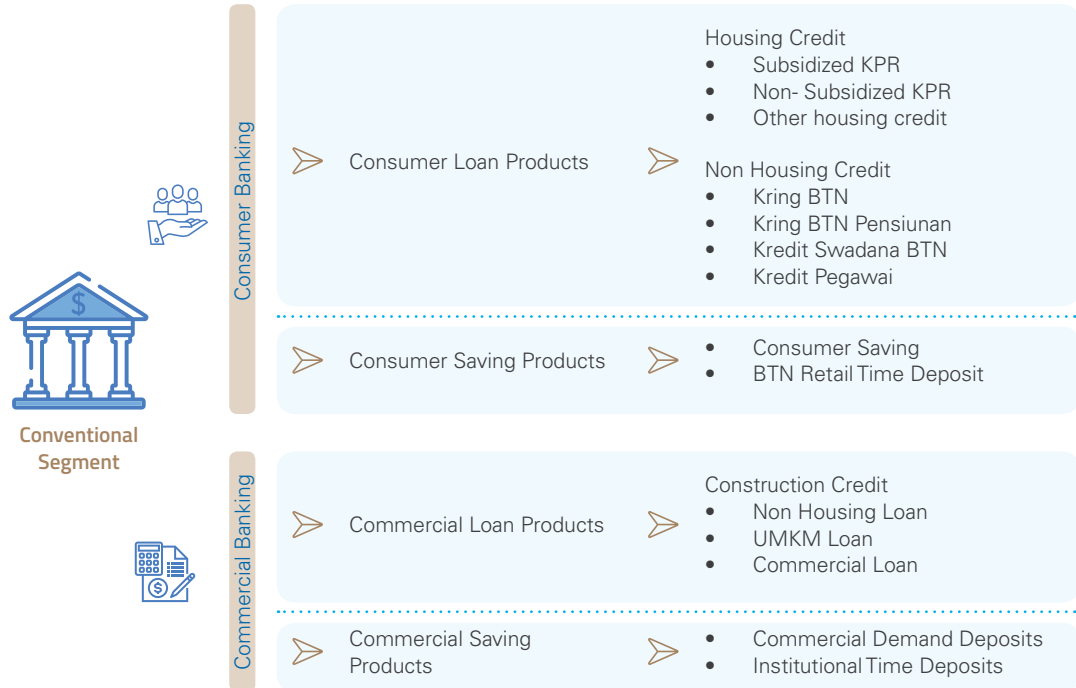
**CONVENTIONAL SEGMENT****PERFORMANCE OF CONVENTIONAL SEGMENT OPERATIONS AND BUSINESS**

As the main business of the Company, the Conventional business segment provides consumer and commercial savings and credit products. Product performance of the Conventional segment is described in 2 (two) products, namely Consumer Banking and Commercial Banking.



## OPERATION OVERVIEW PER BUSINESS SEGMENT

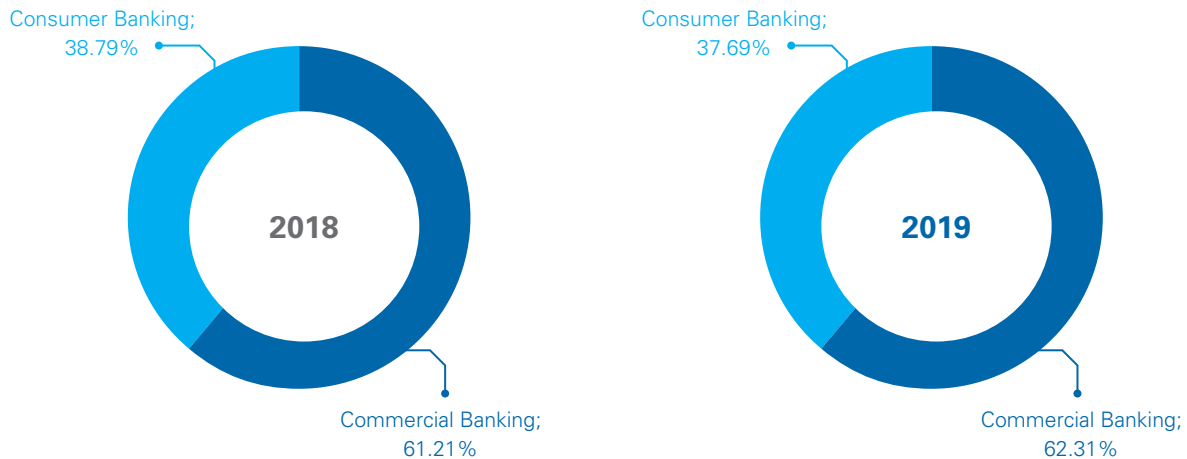
## PRODUCT AND SERVICE DEVELOPMENT IN CONVENTIONAL SEGMENT



Overview of Conventional segment performance is shown in the following tables and charts.

## DEVELOPMENT OF CONVENTIONAL SEGMENT PRODUCTS

Conventional Segment Products	Realization 2019		Realization 2018		Increase (Decrease) 2018-2019
	Total (Rp-million)	Contribution (%)	Total (Rp-million)	Contribution (%)	(%)
	(1)		(2)		$\frac{(1)-(2)}{2}$
Consumer Banking	99,107,827	37.69%	111,163,254	38.79%	-10.84%
Commercial Banking	163,862,173	62.31%	175,399,041	61.21%	-6.58%
<b>Total Loan Disbursement and Savings in Conventional Segment</b>	<b>262,970,000</b>	<b>100.00%</b>	<b>286,562,295</b>	<b>100.00%</b>	<b>-8.23%</b>

**COMPOSITION OF CONVENTIONAL PRODUCT SEGMENT**

The above composition indicates that business activities of the Company's Conventional segment are mostly contributed by Commercial Banking consisting of Commercial Loan, and Commercial Savings including the collection of Third Party Funds in the form of Demand Deposits and Institutional Time Deposits.

Details of the performance of each product of the Conventional segment can be seen below:

**CONSUMER BANKING**

The Company's product portfolio in Consumer Banking is divided into 2 (two), namely Consumer Loan Products and Consumer Savings Products. The value and volume of distribution of Consumer Banking products can be seen below.

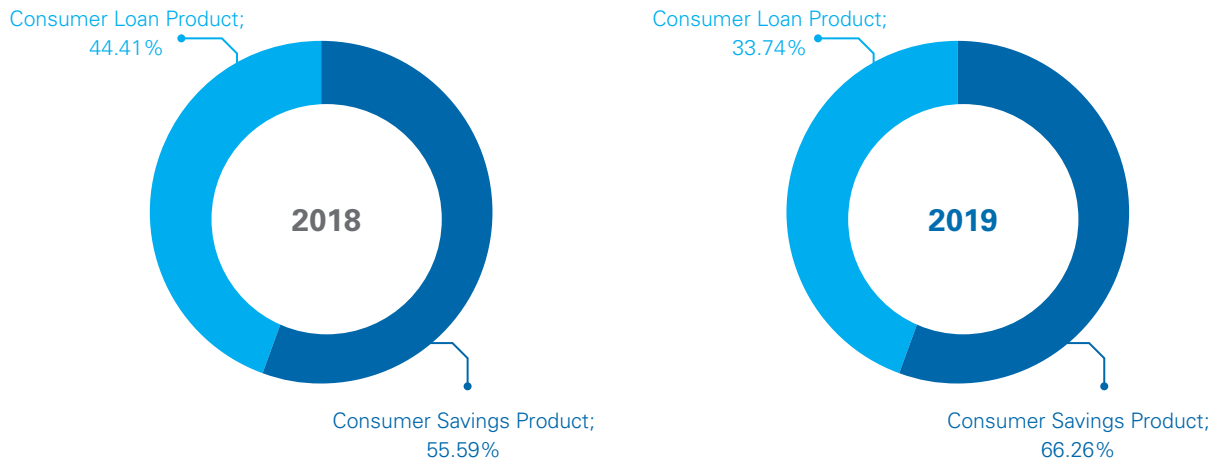
**CONSUMER BANKING PRODUCT DISBURSEMENT VALUE**

Type of Consumer Banking Product	Realization 2019		Realization 2018		Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Achievement 2019 (%)
	Total (Rp-million)	Contribution (%)	Total (Rp-million)	Contribution (%)			
	(1)	(2)	(3)	(4)	((1-2)/2)	(5)	
Consumer Loan Product	33,439,158	33.74%	49,371,119	44.41%	-32.27%	39,117,787	85.48%
Consumer Savings Product	65,668,669	66.26%	61,792,135	55.59%	6.27%	63,714,975	103.07%
<b>Total Value of Consumer Banking Products</b>	<b>99,107,827</b>	<b>100.00%</b>	<b>111,163,254</b>	<b>100.00%</b>	<b>-10.84%</b>	<b>102,832,762</b>	<b>96.38%</b>



## OPERATION OVERVIEW PER BUSINESS SEGMENT

## COMPOSITION OF CONSUMER BANKING PRODUCTS



## CONSUMER BANKING PRODUCT DISTRIBUTION VOLUME

Type of Consumer Banking Product	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	$((1-2)/2)$	(3)	$(1/3)$
Consumer Loan Product (unit)	186,760	269,631	-30.73%	192,382	97.08%
Consumer Saving Product (unit)	8,116,374	8,145,743	-0.36%	-	-

Details of each product are as follows:

**Consumer Loan Products**

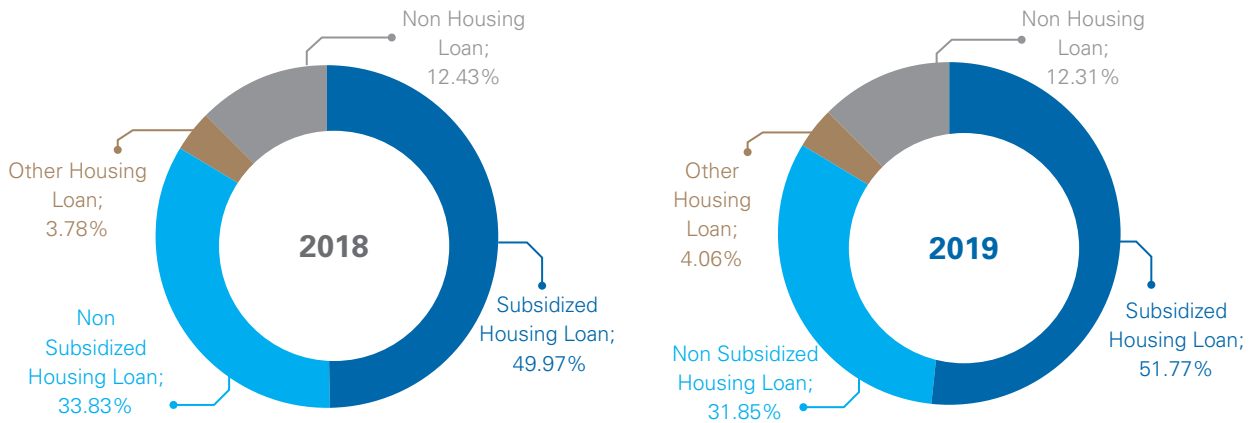
The Company's consumer loan products consist of Housing Loan and Non-Housing Loan. The housing loan product is classified as Subsidized Housing Loan, Non-Subsidized Housing Loan, and Other Housing Loan. Every consumer personal loan is in Rupiah.

## CONSUMER LOAN PRODUCT DISBURSEMENT VALUE

Type of Consumer Loan	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	$((1-2)/2)$	(3)	$(1/3)$
<b>Housing Loan</b>					
Subsidized Housing Loan	17,311,658	24,668,579	-29.82%	16,126,710	107.35%
Non Subsidized Housing Loan	10,651,724	16,700,374	-36.22%	11,197,500	95.13%
Other Housing Loan	1,358,536	1,865,164	-27.16%	2,323,377	58.47%

**CONSUMER LOAN PRODUCT DISBURSEMENT VALUE**

Type of Consumer Loan	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	$((1-2)/2)$	(3)	(1/3)
Housing Loan	29,321,918	43,234,117	-32.18%	29,647,587	98.90%
Non Housing Loan	4,117,240	6,137,002	-32.91%	4,143,200	99.37%
<b>Total Consumer Loan Disbursement</b>	<b>33,439,158</b>	<b>49,371,119</b>	<b>-32.27%</b>	<b>33,790,787</b>	<b>98.96%</b>

**COMPOSITION OF CONSUMER LOAN PRODUCTS DISBURSEMENT**

As seen in the chart above, Subsidized Housing Loan products make a large contribution to the Company's Consumer Loan, with contribution of 49.97% in 2018 and 51.77% in 2019.

In terms of the number of units distributed, in 2019 the Company distributed 186,760 units of consumer loan, a decrease by 30.73% from that in 2018 of 269,631 units, or reached 101.75% of the 2019 target of 183,546 units.

Throughout 2019, the Company successfully disbursed consumer loan amounted to Rp33.44 trillion, an decrease by 32.27% compared to 2018 which was Rp49.37 trillion, or 98.96% of the 2019 target amounting to Rp33.79 trillion.



## OPERATION OVERVIEW PER BUSINESS SEGMENT

## CONSUMER LOAN PRODUCT DISTRIBUTION VOLUME

Type of Consumer Loan	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
<b>Housing Loan</b>					
Subsidized Loan	135,118	197,728	-31.66%	126,140	107.12%
Non- Subsidized Loan	31,103	49,244	-36.84%	30,500	101.98%
Other Housing Loan	6,134	8,283	-25.94%	11,713	52.37%
<b>Total Housing Loan</b>	<b>172,355</b>	<b>255,255</b>	<b>-32.48%</b>	<b>168,353</b>	<b>102.38%</b>
Non Housing Loan	14,405	14,376	0.20%	15,193	94.81%
<b>Total Consumer Loan Disbursement</b>	<b>186,760</b>	<b>269,631</b>	<b>-30.73%</b>	<b>183,546</b>	<b>101.75%</b>

Details of each loan disbursement can be seen below:

**Subsidized Housing Loan**

Since 1976 until today, the scheme of Subsidized Housing Loan disbursement changes, but the Company is consistent with disbursing Subsidized Housing Loan. Subsidized Home Loan is a home ownership program from the Government through Minister of Public Works and Housing for Low-Income Communities (MBR), in the form of low-cost long-term funds and subsidy for the acquisition of houses, issued by the Executing Bank, both conventional and sharia bank. This Subsidized Housing Loan provides low interest rates and lenient installments for purchase of landed house and flat. The Company's Subsidized Housing Loan always provides various facilities and low costs funds for people who want to own a house.

The Company was appointed to give the Subsidized Housing Loan service, in line with the Ministry of Finance Letter No. B-49/MK/IV/I/1974 dated January 29, 1974 with the first realization of Housing Loan is on December 10, 1976. Subsidized Housing Loan disbursement is conducted through partnership with Government, i.e. Ministry of Public Works and Public Housing. The provisions on the Subsidized Housing Loan is stipulated in the Minister of Public Works and Housings Regulation (Permen PUPR) No. 21/PRT/M/2016 dated June 14, 2016, on Facilitation and/or Assistance for Low-Income

Communities to Acquire Houses, and Permen PUPR No. 26/PRT/M/2016 dated July 14, 2016, on the Amendment to the Minister of Public Works and Housing Regulation No. 21/PRT/M/2016 on Facilitation and/or Assistance for Low-Income Communities to Acquire Houses.

Low-Income Communities (MBR) who are first-time home buyers who meet certain requirements may obtain Subsidized Housing Loan at low and fixed interest rates during the term of the Housing Loan. Based on the Government subsidy program, the subsidized housing loan is for customers who do not have a home with a maximum income of Rp4 million per month to purchase a landed house, and a maximum income of Rp7 million per month to purchase a flat. House prices are bound to certain price limits. The Customer must have ID Card and Tax Identification Number when requesting loan.

The Company disbursed subsidized housing loan using the Housing Financing Liquidity Facility (FLPP) scheme and Interest Margin Subsidy (SSB). Under an agreement with the government, the Company distributes Housing Loan with the SSB.



The provision of SSB Tapak and SSB Susun Housing Loan are as follows:

- The housing loan value is at most the selling price of a landed or flat house deducted with the down payment.
- The highest annual rate of Housing Loan per year is the BI rate or other equivalent reference recognized by the Government plus 5% (five percent) as set forth in the Joint Operations agreement between the Implementing Bank and the Officer of Treasury Task Force.
- In the event that the housing loan interest rate as referred to in point (2) is higher than the nonsubsidized housing loan interest rate applicable to the Implementing Bank, the SSB Tapak and SSB Susun Housing Loan interest rate uses the outstanding non-subsidized Housing Loan interest rate applicable to the Implementing Bank.
- The housing loan interest is paid by the debtor at 5% (five percent) annually including the life insurance premium, fire insurance, and loan insurance.
- The interest rate as referred to in point (4) is fixed during the term of loan (fixed-rate mortgage) by the method of annuity or effective interest rate in accordance with the applicable provisions of the Implementing Bank.
- The term of Housing Loan is agreed upon by the Implementing Bank and the target group of SSB Tapak and Susun Housing Loan, which is adjusted to the ability to pay the installment by the target group of SSB Tapak and SSB Susun Housing Loan or at the maximum 20 (twenty) years.
- The subsidized housing loan interest paid by the Government to the Implementing Bank is the highest difference in housing loan interest rate as referred to in point (2) with the mortgage rate paid by the debtor as referred to in point (4).

In 2018 and 2019, the Company successfully disbursed Subsidized Housing Loan at through some channels as follows:

- KPR BTN Sejahtera Tapak
- KPR BTN Sejahtera Susun
- KPR SSA/SSB Tapak
- KPR SSA/SSB Susun
- KPR BTN Mikro
- KPR BP2BT
- KPR BTN MBR R

Subsidized Housing Loan disbursement for each product can be seen in the table below:

#### SUBSIDIZED HOUSING LOAN DISBURSEMENT

Subsidized Housing Loan	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
KPR BTN Sejahtera Tapak	9,563,566	1,983,197	382.23%	-	-
KPR BTN Sejahtera Susun	5,418	12,837	-57.79%	-	-
KPR SSA/SSB Tapak	7,446,324	22,654,342	-67.13%	-	-
KPR SSA/SSB Susun	4,943	15,797	-68.71%	-	-
KPR BTN Mikro	145	2,406	-93.97%	-	-
KPR BP2BT	291,023	-	-	-	-
KPR BTN MBR	238	-	-	-	-
<b>Total of Subsidized Housing Loan</b>	<b>17,311,658</b>	<b>24,668,579</b>	<b>-29.82%</b>	<b>16,126,710</b>	<b>107.35%</b>





## OPERATION OVERVIEW PER BUSINESS SEGMENT

## TOTAL SUBSIDIZED HOUSING LOAN DISBURSEMENT

Subsidized Housing Loan Disbursement	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
KPR BTN Sejahtera Tapak	74,076	15,472	378.77%	-	-
KPR BTN Sejahtera Susun	35	102	-65.69%	-	-
KPR SSA/SSB Tapak	57,908	181,964	-68.18%	-	-
KPR SSA/SSB Susun	33	124	-73.39%	-	-
KPR BTN Mikro	4	66	-93.94%	-	-
KPR BP2BT	3,060	-	-	-	-
KPR BTN MBR	2	-	-	-	-
<b>Total Subsidized Housing Loan Disbursement</b>	<b>135,118</b>	<b>197,728</b>	<b>-31.66%</b>	<b>126,140</b>	<b>107.12%</b>

In 2019, the Company distributed Subsidized Housing Loan Rp17.31 trillion in the volume of 135,118 housing units. The subsidized Housing Loan disbursement value decreased by 29.82% compared to 2018 amounting to Rp24.67 trillion. This was mainly due to increasingly fierce competition and the entry of competitor banks into Bank BTN's segment. When compared to the target, the subsidized Housing Loan disbursement value achievement was recorded at 107.35% compared to the 2019 target of Rp16.13 trillion.

**Non Subsidized KPR**

In addition to Subsidized Housing Loan, the Company also has a variety of non-subsidized Housing Loan services that target middle to upper income customers with floating interest rates. The maximum time period offered is 25

years for Non-Subsidized Housing Loan and a maximum of 15 years for Apartment Ownership Loan and Shop Office Ownership Loan. The Company's Non-Subsidized Housing Loan offers services for the purchase of homes from developers or non-developers, purchase of new or second homes, purchase of ready stock or indent houses, and credit-take-over from other banks. The minimum deposit requirement is 15% or in accordance with Bank Indonesia regulation concerning Loan to Value Ratio.

In 2018 and 2019, the Company has disbursed Non-Subsidized Housing Loan through the following products:

1. KPR BTN Platinum
2. KPA BTN
3. Kredit Ruko BTN

Non-subsidized Housing Loan Disbursement for each product can be seen in the table below:

## TOTAL NON-SUBSIDIZED HOUSING LOAN DISBURSEMENT

Non-Subsidized Housing Loan	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
KPR BTN Platinum	10,118,137	15,699,958	-35.55%	10,237,500	98.83%
KPA BTN	418,577	854,608	-51.02%	600,000	69.76%
Kredit Ruko BTN	115,010	145,808	-21.12%	260,000	44.23%
<b>Total Non-Subsidized Housing Loan Disbursement</b>	<b>10,651,724</b>	<b>16,700,374</b>	<b>-36.22%</b>	<b>11,197,500</b>	<b>95.13%</b>

**TOTAL UNITS OF NON-SUBSIDIZED HOUSING LOAN DISBURSEMENT**

Non-Subsidized Housing Loan Disbursement	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
KPR BTN Platinum	29,859	46,890	-36.32%	28,550	104.58%
KPA BTN	1,098	2,146	-48.84%	1,550	70.84%
Kredit Ruko BTN	146	208	-29.81%	400	36.50%
<b>Total Non-Subsidized Housing Loan Disbursement</b>	<b>31,103</b>	<b>49,244</b>	<b>-36.84%</b>	<b>30,500</b>	<b>101.98%</b>

The Company's Non-Subsidized Housing Loan disbursement in 2019 amounted to Rp10.65 trillion with a volume of 31,103 house units. The Non-Subsidized Housing Loan disbursement decreased by 36.22% compared to 2018 amounting to Rp16.70 trillion. This is due to the fact that the type of non-subsidized loan has not been optimally absorbed by the market, although the focus of Bank BTN's business is still on the housing sector with housing loan disbursement and its supporting sectors. When compared to the target, the Non-Subsidized Housing Loan disbursement value achievement was realized 72.37% compared to the 2019 target of Rp14.72 trillion.

**Other Housing Loans**

The Company also offers other types of housing loans and other consumer loans, which can be used in accordance with consumer needs. This loan is the Company's effort to develop business while also aimed at helping consumers to buy homes with high profits and eases.

In 2018 and 2019, the Company disbursed Other Housing Loans through a number of products as follows:

1. Kredit Agunan Rumah
2. Kredit Bangun Rumah
3. PRR-KB BPJS Ketenagakerjaan
4. TBUM Bapertarum

Other Housing Loan Disbursement for each product is presented in the table below:

**TOTAL OTHER HOUSING LOAN DISBURSEMENT**

Other Housing Loan	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Kredit Agunan Rumah	1,353,008	1,847,158	-26.75%	2,112,795	64.04%
Kredit Bangun Rumah	4,937	15,091	-67.29%	210,000	2.35%
PRR-KB BPJS Ketenagakerjaan	591	2,755	-78.55%	582	101.53%
TBUM Bapertarum	-	160	-	-	-
<b>Total Other Housing Loan Disbursement</b>	<b>1,358,536</b>	<b>1,865,164</b>	<b>-27.16%</b>	<b>2,323,377</b>	<b>58.47%</b>



## OPERATION OVERVIEW PER BUSINESS SEGMENT

## TOTAL UNITS OF OTHER HOUSING LOAN DISBURSEMENT

Other Housing Loan	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Kredit Agunan Rumah	6,094	8,170	-25.41%	11,099	54.91%
Kredit Bangun Rumah	24	44	-45.45%	600	4.00%
PRR-KB BPJS Ketenagakerjaan	16	61	-73.77%	14	114.29%
TBUM Bapertarum	-	8	-100.00%	-	-
<b>Total Other Housing Loan Disbursement</b>	<b>6,134</b>	<b>8,283</b>	<b>-25.94%</b>	<b>11,713</b>	<b>52.37%</b>

In 2019, the Company's Other Housing Loan disbursement amounted Rp1.36 trillion with a volume of 6,134 loan financing. Other Housing Loan disbursement value decreased by 27.16% compared to 2018 amounting to Rp1.86 trillion. This is due to the fact that the type of other housing loan has not been optimally absorbed by the market, although the focus of Bank BTN's business is still on the housing sector with housing loan disbursement and its supporting sectors. When compared to the target, the realization of the Other Housing Loan disbursement value achievement was realized 58.47% compared to the 2019 target of Rp2.32 trillion.

**Non Housing Loan**

The Company provides other consumer loans, excluding housing loans, used for various customers' needs. The Company provides Non-Housing Loan through some products as follows:

1. Kring BTN
2. Kring BTN Pensiunan
3. Kredit Swadana BTN
4. Kredit Pegawai

Disbursement of each Non-Housing Loan product can be seen in the table below:

## TOTAL NON-HOUSING LOAN DISBURSEMENT

Non Housing Loan	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Kring BTN	891,181	776,884	14.71%	900,000	99.02%
Kring BTN Pensiunan	106,565	98,053	8.68%	247,200	43.11%
Kredit Swadana BTN	2,429,292	4,368,982	-44.40%	2,493,000	97.44%
Kredit Pegawai	690,203	893,084	-22.72%	503,000	137.22%
<b>Total of Non Housing Loan Disbursement</b>	<b>4,117,240</b>	<b>6,137,002</b>	<b>-32.91%</b>	<b>4,143,200</b>	<b>99.37%</b>

**TOTAL UNITS OF NON-HOUSING LOAN**

Non Housing Loan	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Kring BTN	9,610	7,842	22.55%	9,000	106.78%
Kring BTN Pensiunan	1,007	1,072	-6.06%	3,080	32.69%
Kredit Swadana BTN	1,597	2,670	-40.19%	1,519	105.13%
Kredit Pegawai	2,191	2,792	-21.53%	1,594	137.45%
<b>Total of Non Housing Loan Disbursement</b>	<b>14,405</b>	<b>14,376</b>	<b>0.20%</b>	<b>15,193</b>	<b>94.81%</b>

The Company's Non-Housing Loan disbursement in 2019 was Rp4.12 trillion with a volume of 14,405 loan financing. This Non-Housing loan disbursement value increased by 0.20% compared to 2018 amounting to Rp14.38 trillion. This is due to the fact that the type of non housing loan has not been optimally absorbed by the market, although the focus of Bank BTN's business is still on the housing sector with housing loan disbursement and its supporting sectors. When compared to the target, the Non-Housing Loan disbursement value achievement was realized 99.37% compared to the 2019 target of Rp4.14 trillion.

**Consumer Savings Products**

Consumer Savings Products The Company provides various saving products to facilitate the customer's needs, which is categorized into 2 (two) products, i.e. Savings and Deposits. Through the provision of these products, the Company strives to maintain a healthy level of liquidity, a low-cost source of funds that is in line with the company's strategy to maintain the competitive and affordable funding composition.

The performance of the Company's Savings products can be seen in the table and chart below.

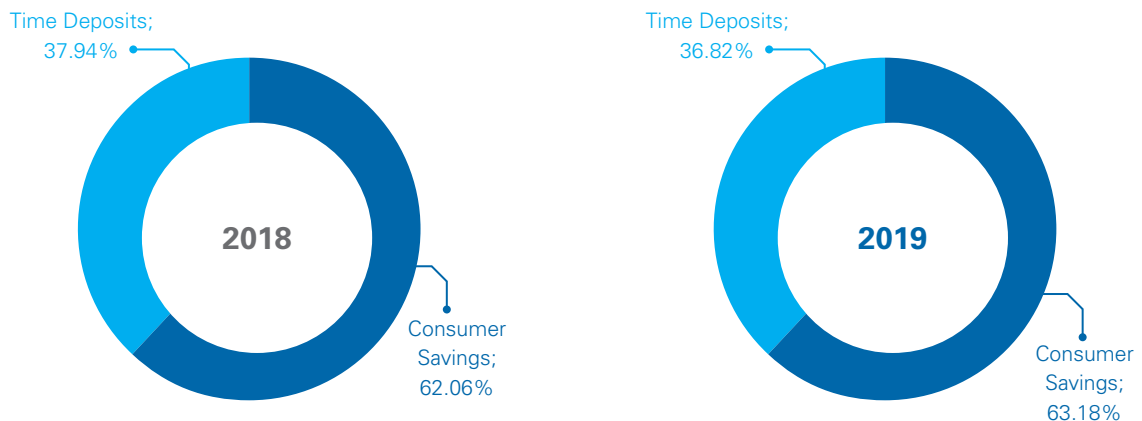
**TOTAL CONSUMER SAVINGS**

Consumer Savings	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Consumer Savings	41,486,867	38,349,313	8.18%	-	-
Time Deposits	24,181,802	23,442,822	3.15%	-	-
<b>Total Consumer Savings</b>	<b>65,668,669</b>	<b>61,792,135</b>	<b>6.27%</b>	<b>-</b>	<b>-</b>



## OPERATION OVERVIEW PER BUSINESS SEGMENT

## COMPOSITION OF CONSUMER SAVING FUNDS



As seen in the chart above, the Company's Consumer Savings contributed significantly to the total Consumer Savings, with a composition of 62.06% in 2018 and 63.18% in 2019.

In 2019, the Third Party Funds collected for the Company's Consumer Savings and Time Deposits products amounted to Rp65.67 trillion, increased 6.27% from 2018 amounted to Rp61.79 trillion.

In terms of the number of accounts, in 2019 the Company collected Third Party Funds from Consumer Savings and Time Deposits as many as 8,114,464 accounts, decreased 0.38% from 2018 as many as 8,145,743 accounts.

Total Third-Party Fund collected did not meet the projection, so it is necessary to increase the collection of Third-Party Fund focusing on fund with low cost funding, i.e. current accounts and savings, while timw deposits as a counterweight will remain marketed.

## TOTAL CONSUMER SAVING ACCOUNTS

Consumer Savings	Realization 2019	Realization 2018	Increase (Decrease) 2018-2019 (%)	Target 2019	Achievement 2019 (%)
	(1)	(2)	$((1-2)/2)$	(3)	$(1/3)$
Consumer Savings	8,025,760	8,071,970	-0.57%	-	-
Time Deposits	88,704	73,773	20.24%	-	-
<b>Total Consumer Savings Accounts</b>	<b>8,114,464</b>	<b>8,145,743</b>	<b>-0.38%</b>	<b>-</b>	<b>-</b>

Details of each Consumer Saving products can be seen below:

**Tabungan Konsumer**

The Company's consumer savings provide solutions for transactional saving with the ease of purchase and payment transactions through Bank BTN's channels to support consumer financial activities. The Company's Consumer Savings are developed through some products

as follows:

1. Tabungan Batara
2. Tabungan BTN Pensiunan
3. Tabungan Batara Pendidik
4. Tabungan Batara Prima



5. Tabungan Batara Tax Amnesty
6. Tabungan BTN Batara RDN
7. Produk Tabungan Lainnya meliputi
  - a. Tabungan BTN Junior
  - b. Tabungan BTN Juara
  - c. TabunganKu
  - d. Tabungan BTN Sempel
  - e. Tabungan Cermat
  - f. Tabungan BTN Perumahan
  - g. Tabungan BTN Haji Reguler
  - h. Tabungan BTN Haji Plus
  - i. Tabungan BTN Siap !
  - j. Tabungan Felas
  - k. Tabungan Simuda Rumahku
8. Tabungan Pos, meliputi beberapa produk yaitu:
  - a. Tabungan Tabanas Batara
  - b. Tabungan eBatara Pos

Performance of each Consumer Savings product can be seen in the table below:

#### TOTAL CONSUMER SAVINGS

Type of Consumer Savings	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	(1-2)/2
Tabungan Batara	17,772,993	15,706,091	13.16%
Tabungan BTN Pensiunan	136,472	138,876	-1.73%
Tabungan Batara Pendidik	125,612	88,646	41.70%
Tabungan Batara Prima	18,525,172	17,374,048	6.63%
Tabungan Batara Tax Amnesty	1,431	1,731	-17.33%
Tabungan KPR Mass	92,013	-	-
Tabungan BTN Batara RDN	2,238	1,279	74.98%
<b>Other Savings Products</b>			
Tabungan BTN Junior	823,278	828,713	-0.66%
Tabungan BTN Juara	643,413	573,165	12.26%
TabunganKu	776,364	766,031	1.35%
Tabungan BTN Sempel	80,441	63,134	27.41%
Tabungan Cermat	66,745	80,725	-17.32%
Tabungan BTN Perumahan	31,662	39,455	-19.75%
Tabungan BTN Haji Reguler	7,022	108,855	-93.55%
Tabungan BTN Haji Plus	1,098	1,374	-20.09%
Tabungan BTN Siap !	24,856	17,684	40.56%
Tabungan Felas	58,648	28,701	104.34%
Tabungan Simuda Rumahku	256	160	60.00%
	2,513,783	2,507,997	0.23%
<b>Tabungan Pos</b>			
Tabungan Tabanas Batara	30,884	41,892	-26.28%



## OPERATION OVERVIEW PER BUSINESS SEGMENT

## TOTAL CONSUMER SAVINGS

Type of Consumer Savings	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	(1-2)/2
Tabungan eBatara Pos	2,287,941	2,488,753	-8.07%
	2,318,825	2,530,645	-8.37%
<b>Total Consumer Savings</b>	<b>41,488,540</b>	<b>38,349,314</b>	<b>8.19%</b>

## TOTAL ACCOUNTS OF CONSUMER SAVINGS

Type of Consumer Savings	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	(1-2)/2
Tabungan Batara	2,085,641	2,122,247	-1.72%
Tabungan BTN Pensiunan	11,855	11,557	2.58%
Tabungan Batara Pendidik	36,587	23,696	54.40%
Tabungan Batara Prima	31,595	36,102	-12.48%
Tabungan Batara Tax Amnesty	30	38	-21.05%
Tabungan KPR Mass	98,874	-	-
Tabungan BTN Batara RDN	2,263	2,045	10.66%
<b>Other Savings Products</b>			
Tabungan BTN Junior	1,095,654	1,085,785	0.91%
Tabungan BTN Juara	804,345	1,175,326	-31.56%
TabunganKu	452,446	394,372	14.73%
Tabungan BTN Simpel	716,369	569,257	25.84%
Tabungan Cermat	1,649,514	1,492,710	10.50%
Tabungan BTN Perumahan	3,651	4,044	-9.72%
Tabungan BTN Haji Reguler	33,678	69,616	-51.62%
Tabungan BTN Haji Plus	306	344	-11.05%
Tabungan BTN Siap !	9,710	8,310	16.85%
Tabungan Felas	222	267	-16.85%
Tabungan Simuda Rumahku	195	510	-61.76%
	4,766,090	4,800,541	-0.72%



## TOTAL ACCOUNTS OF CONSUMER SAVINGS

Type of Consumer Savings	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	(1-2)/2
<b>Tabungan Pos</b>			
Tabungan Tabanas Batara	11,753	24,684	-52.39%
Tabungan eBatara Pos	982,982	1,051,060	-6.48%
	994,735	1,075,744	-7.53%
<b>Total Consumer Savings</b>	<b>8,027,670</b>	<b>8,071,970</b>	<b>-0.55%</b>

In 2019, the Company collected Consumer Savings of Rp41.49 trillion with a total of 8,027,670 accounts. The Third Party Funds from Consumer Savings has decreased 8.19% compared to 2018 amounting to Rp38.35 trillion. In terms of total accounts, in 2019 the Company collected Third Party Funds from Consumer Savings as many as 8,027,670 accounts, decreased 0.55% from 2018 as many as 8,071,970 accounts.

**BTN Retail Time Deposits**

The Company's time deposit products make it easy for consumers or customers to invest in high-benefit futures. Investment in Rupiah with attractive and competitive interest rates. BTN Retail Time Deposit Products are offered with maturities of 1 month, 2 months, 3 months, 6 months, 12 months and 24 months; and On Call Time Deposits.

The performance of each Time Deposit product can be seen in the table below:

## TOTAL TIME DEPOSITS

Type of Time Deposit	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	((1-2)/2)
1 month	10,065,397	9,189,971	9.53%
2 months	416,830	1,910,496	-78.18%
3 months	12,358,227	10,772,359	14.72%
4 months	65,927	-	-
6 months	782,190	1,161,032	-32.63%
12 months	372,752	334,230	11.53%
24 months	25,433	13,818	84.06%
On Call Time Deposits	95,046	60,916	56.03%
<b>Total Time Deposits</b>	<b>24,181,802</b>	<b>23,442,822</b>	<b>3.15%</b>





## OPERATION OVERVIEW PER BUSINESS SEGMENT

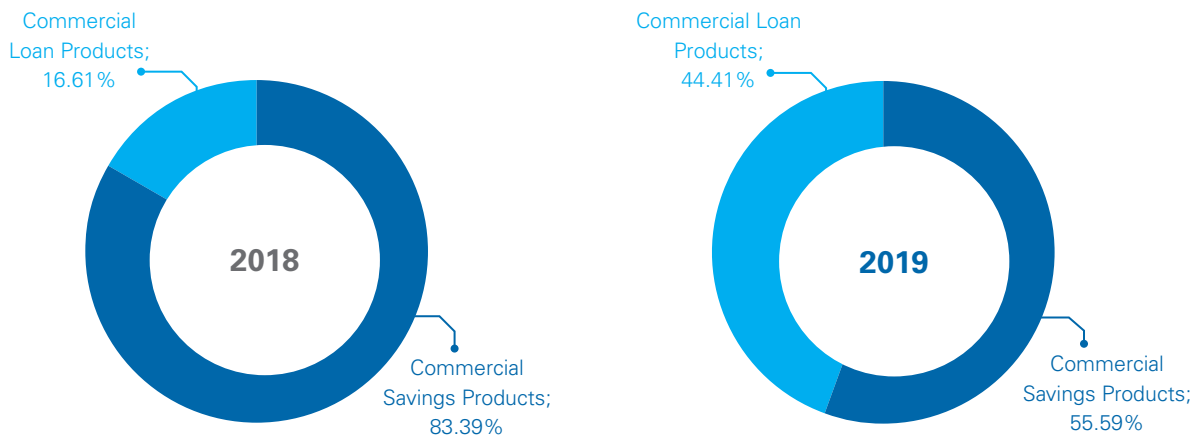
## COMMERCIAL BANKING

The Company's product portfolio in Commercial Banking is divided into 2 (two), namely Commercial Loan Product and Commercial Deposit Product. Disbursement value and volume of Commercial Banking products can be seen below.

## COMMERCIAL BANKING PRODUCT DISBURSEMENT VALUE

Type of Commercial Banking Products	Realization 2019		Realization 2018		Increase (Decrease) 2018-2019 (%)
	Total (Rp-Million)	Contribution (%)	Total (Rp-Million)	Contribution (%)	
	(1)		(2)		$((1-2)/2)$
Commercial Loan Products	25,962,288	15.84%	29,135,261	16.61%	-10.89%
Commercial Savings Products	137,899,885	84.16%	146,263,780	83.39%	-5.72%
<b>Total Commercial Banking Products</b>	<b>163,862,173</b>	<b>100.00%</b>	<b>175,399,041</b>	<b>100.00%</b>	<b>-6.58%</b>

## COMPOSITION OF COMMERCIAL BANKING PRODUCTS



## VOLUME OF COMMERCIAL BANKING PRODUCT DISBURSEMENT

Type of Commercial Banking Products	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	
Commercial Loan Products	10,640	12,136	-12.33%
Commercial Saving Products (accounts)	58,365	55,223	5.69%
<b>Total Commercial Banking Product Volume</b>	<b>69,005</b>	<b>67,359</b>	<b>2.44%</b>



Details of each product are as follows:

### Commercial Loan Products

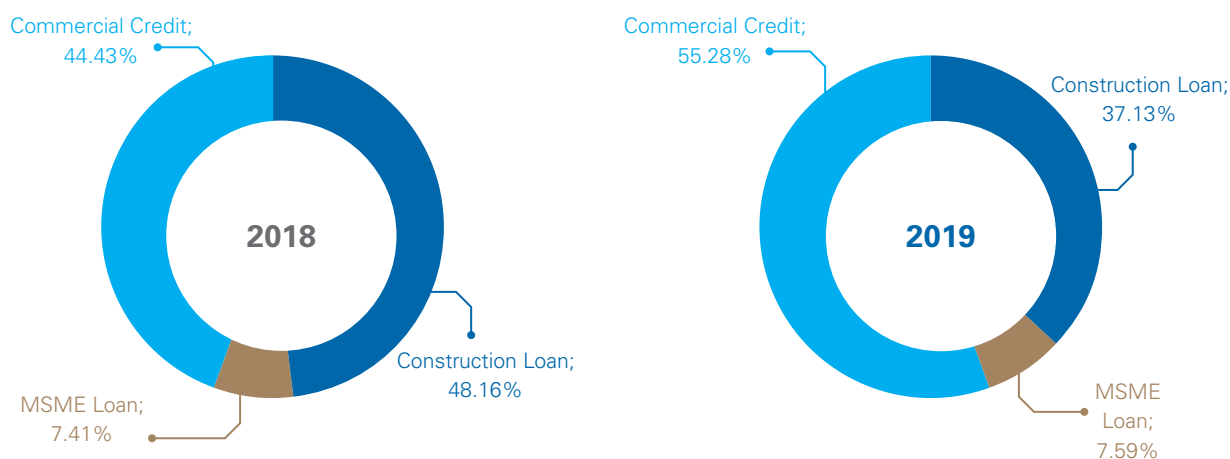
The Company provides commercial banking loan products to give various solutions for consumers with housing credit and non-housing loan products. Housing loan is the construction loan, while non-housing loan is MSME loan and commercial loan.

Details of the Company's Commercial Credit product performance can be seen in the table and chart below:

### TOTAL COMMERCIAL LOAN DISBURSEMENT

Type of Commercial Loan	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Housing Loans					
Construction Loan	9,639,825	14,032,243	-31.30%	13,105,000	73.56%
Non Housing Credit					
MSME Loan	1,969,908	2,157,920	-8.71%	3,625,430	54.34%
Commercial Credit	14,352,555	12,945,098	10.87%	9,643,800	148.83%
<b>Total Commercial Loan Disbursement</b>	<b>25,962,288</b>	<b>29,135,261</b>	<b>-10.89%</b>	<b>26,374,230</b>	<b>98.44%</b>

### COMPOSITION OF COMMERCIAL LOANS



From the chart above we can see changes in the composition of Commercial Loan disbursement. Construction and MSME loans decreased, while Commercial loans grew which resulted in a shift in the composition of Commercial Loan disbursement.



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## OPERATION OVERVIEW PER BUSINESS SEGMENT

From the chart above we can see changes in the composition of Commercial Loan disbursement. Construction and MSME loans decreased, while Commercial loans grew which resulted in a shift in the composition of Commercial Loan disbursement.

The Company's Commercial Loan disbursement in 2019 amounted to Rp25.96 trillion with a volume of 10,640 loan financing. Commercial loan value decreased by 10.89% compared to 2018 of Rp29.13 trillion. This was mainly due to the non-achievement of commercial loans projection due to non-achievement of loans in the Construction and

Real Estate, Leasing and Corporate Services sectors related to Housing Loan facility financing with the real estate housing segment. Considering that Bank BTN's core business is housing loan financing, and the Bank's main income is interest income, then loan expansion in housing loan, real estate and construction will continue to be maintained and continuously improved.

When compared to the target, the Commercial Loan Distribution achievement was realized 98.44% from 2019 target of Rp26.37 trillion.

### COMMERCIAL LOAN DISBURSEMENT VOLUME

Type of Commercial Loan	Realization 2019 (unit)	Realization 2018 (unit)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	((1-2)/2)
<b>Housing Loan</b>			
Construction Loan	5,837	7,245	-19.43%
<b>Non Housing Loan</b>			
MSME Loan	4,423	4,341	1.89%
Commercial Loan	380	550	-30.91%
<b>Total Commercial Loan Disbursement</b>	<b>10,640</b>	<b>12,136</b>	<b>-12.33%</b>

Details of each product of Consumer Savings can be seen below:

#### Construction Loan

The Company provides various solutions for property development with many conveniences and benefits. The Company provides construction loans to housing developers for working capital purposes that can be used to house and apartment constructions. For this type of loan, the Company provides loans up to 80% of the cost of construction with a floating interest rate. Construction credit facilities provide convenience for commercial banking customers to develop in the construction of horizontal buildings and high-rise buildings including facilities and infrastructure.

Construction Loan has a strategic role in supporting the One Million Houses Program because the loan distribution will generate supply of house. In making decision to finance construction loans, the Company considers the maturity period based on estimated construction period.

Construction loan are secured by collateral in the form of land and buildings that will be built on land.

Commercial banking customers who have obtained BTN Construction Loan may also obtain Land Ownership Loan, where the Company provides loan to acquire land to be used for constructing subsidized houses and apartments, in the amount up to 70% of the cost the credit period follows the construction credit period and is secured by collateral in the form of land acquired and the building financed.

The Company disbursed Construction Loan through 2 products as follows:

1. BTN Construction Loan
2. Corporate Construction Loan



Distribution of Construction loan for each product can be seen in the table below.

Performance of each product of Construction Loan can be seen in the table below:

#### TOTAL CONSTRUCTION LOAN DISBURSEMENT

Type of Construction Credit	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
BTN Construction Loan	9,513,505	13,641,333	-30.26%	11,905,000	79.91%
Corporate Construction Loan	126,320	363,000	-65.20%	337,000	37.48%
<b>Total Construction Loan Disbursement</b>	<b>9,639,825</b>	<b>14,004,333</b>	<b>-31.17%</b>	<b>12,242,000</b>	<b>78.74%</b>

#### CONSTRUCTION LOAN DISBURSEMENT VOLUME

Type of Construction Loan	Realization 2019 (unit)	Realization 2018 (unit)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	((1-2)/2)
BTN Construction Loan	5,836	5,234	11.50%
Corporate Construction Loan	1	2	-50.00%
<b>Total Construction Loan Disbursement</b>	<b>5,837</b>	<b>5,236</b>	<b>11.48%</b>

The Company's Construction Loan disbursement in 2019 amounted to Rp9.64 trillion with a volume of 5,837 loan financing. Construction loan disbursement value decreased by 31.17% compared to 2018 of Rp14.03

trillion. When compared to the target, the Construction loan disbursement achievement was realized 78.74% from the 2019 target of Rp12.24 trillion.

#### Non-housing credit/MSME credit

The Company offers MSME loans as a solution for micro, small and medium business and aims to channel productive business financing. The Company channels MSME Loans through some products as follows:

1. Loan for the Poor (KUR)

2. Micro and Small Enterprises Loan (KUMK)
3. Working Capital Loan (KMK)
4. MSME Investment Loan
5. MSME Contractor KMK
6. Linkage Program



## OPERATION OVERVIEW PER BUSINESS SEGMENT

Disbursement of each MSME Loan Product can be seen in the table below:

## TOTAL MSME LOAN DISBURSEMENT

Type of MSME Loan	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
KUR	91,870	111,192	-17.38%	120,000	76.56%
KUMK	1,617,846	1,565,332	3.35%	1,835,830	88.13%
KMK	214,249	408,731	-47.58%	988,400	21.68%
Kredit Investasi UMKM	11,797	17,854	-33.93%	231,000	5.11%
KMK Kontraktor UMKM	31,745	52,388	-39.40%	447,800	7.09%
Linkage Program	2,400	41,300	-94.19%	2,400	100.00%
<b>Total MSME Loan Disbursement</b>	<b>1,969,907</b>	<b>2,196,797</b>	<b>-10.33%</b>	<b>3,625,430</b>	<b>54.34%</b>

## MSME LOAN DISBURSEMENT VOLUME

Type of MSME Loan	Realization 2019 (unit)	Realization 2018 (unit)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	((1-2)/2)
KUR	517	501	3.19%
KUMK	3,639	3,473	4.78%
KMK	229	443	-48.31%
Kredit Investasi UMKM	8	331	-97.58%
KMK Kontraktor UMKM	28	152	-81.58%
Linkage Program	2	91	-97.80%
<b>Total MSME Loan Disbursement</b>	<b>4,423</b>	<b>4,991</b>	<b>-11.38%</b>

The Company's MSME Loan disbursement in 2019 amounted Rp1.97 trillion with a volume of loan financing as many as 4,423. Total MSME Loan disbursement decreased by 10.33% compared to 2018 of Rp2.19 trillion. When compared to the target, the MSME Loan disbursement was realized 54.34% of the 2019 target of Rp3.62 trillion.

## Non Housing Loan/Commercial Loan

The Company markets Non-Housing Loan in the form of Commercial loans not only providing competitive interest but also excellent service. The Commercial Loan is distributed by the Company through the following products:

1. Working Capital Loan or Kredit Modal Kerja (KMK)
2. Investment Loan
3. Contractor KMK



Performance of each product of Commercial Loan can be seen in the table below:

#### TOTAL COMMERCIAL LOAN DISBURSEMENT

Type of Commercial Loan	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement 2019 (%)
	(1)	(2)	$((1-2)/2)$	(3)	(1/3)
KMK	7,015,557	7,982,148	-12.11%	4,928,600	142.34%
Investment Loan	5,238,289	2,489,379	110.43%	1,924,000	272.26%
Contractor KMK	2,098,709	2,493,070	-15.82%	2,791,200	75.19%
<b>Total Commercial Loan Distribution</b>	<b>14,352,555</b>	<b>12,964,598</b>	<b>10.71%</b>	<b>9,643,800</b>	<b>148.83%</b>

#### COMMERCIAL LOAN DISBURSEMENT VOLUME

Type of Commercial Loan	Realization 2019 (unit)	Realization 2018 (unit)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	$((1-2)/2)$
KMK	188	103	82.52%
Investment Loan	67	139	-51.80%
Contractor KMK	125	97	28.87%
<b>Total Commercial Loan Distribution</b>	<b>380</b>	<b>339</b>	<b>12.09%</b>

The Company's Commercial Loan disbursement in 2019 amounted to Rp14.35 trillion with a volume of 380 Loan financing. Commercial Loan disbursement increased by 10.87% compared to 2018 amounting to Rp12.94

trillion. When compared to the target, Commercial Loan disbursement achievement was realized 148.83% of the 2019 target of Rp9.64 trillion

#### Commercial Savings

The Company provides funding products and services for commercial banking segment, which include demand deposits and institutional time deposits. The performance of commercial banking savings products can be seen in the table and chart below:

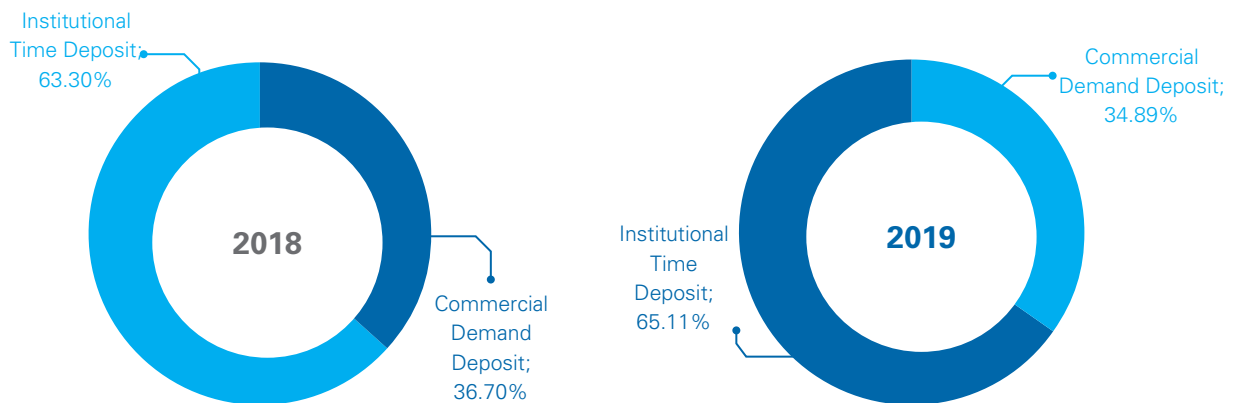
#### TOTAL COMMERCIAL SAVINGS

Type of Commercial Loan	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	$((1-2)/2)$
Commercial Demand Deposit	48,113,096	53,674,097	-10.36%
Institutional Time Deposit	89,787,221	92,589,683	-3.03%
<b>Total Commercial Savings</b>	<b>137,899,885</b>	<b>146,263,780</b>	<b>-5.72%</b>



## OPERATION OVERVIEW PER BUSINESS SEGMENT

## COMMERCIAL SAVING FUND COMPOSITION



Institutional Time Deposits contributed significantly to the total Commercial Deposits, with a composition of 63.30% in 2018 and 65.11% in 2019.

In 2019, the Third Party Funds accumulated in Demand Deposits and Time Deposits amounted to Rp137.89 trillion, increased 5.72% from 2018 of Rp146.26 trillion.

In terms of the number of accounts, in 2019 the Company collected Third Party Funds from Demand Deposits and

Institutional Time Deposits as many as 58,365 accounts, increased 5.69% from 2018 as many as 55,223 accounts.

Overall, total third party fund did not meet the projection, so it is necessary to increase the collection of third party fund that focus on funds with low cost funding, i.e. current accounts and savings, while time deposits as a counterweight remain being marketed. This is in line with the Bank's strategy to increase CASA (Current Account Saving Account).

## TOTAL COMMERCIAL SAVING ACCOUNTS

Type of Commercial Cloan	Realization 2019 (account)	Realization 2018 (account)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	((1-2)/2)
Commercial Demand Deposit	48,669	46,463	4.75%
Institutional Time Deposit	9,696	8,760	10.68%
<b>Institutional Time Deposit</b>	<b>58,365</b>	<b>55,223</b>	<b>5.69%</b>



Details of each product of Commercial Deposits can be seen below:

#### Commercial Demand Deposit

The Company provides fund saving services in the form of Demand Deposits through Non FLPP Demand Deposit and FLPP Demand Deposit. The performance of each product of Commercial Demand Deposit can be seen in the table below:

#### TOTAL COMMERCIAL DEMAND DEPOSITS

Type of Commercial Demand Deposits	Realization 2019 (account)	Realization 2018 (account)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	$((1-2)/2)$
Non FLPP Demand Deposits	26,883,785	33,469,326	-19.68%
FLPP Demand Deposits	21,229,311	20,204,771	5.07%
<b>Total Commercial Demand Deposits</b>	<b>48,113,096</b>	<b>53,674,097</b>	<b>-10.36%</b>

#### TOTAL OF COMMERCIAL DEMAND DEPOSITS ACCOUNTS

Type of Commercial Demand Deposits	Realization 2019 (account)	Realization 2018 (account)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	$((1-2)/2)$
Non FLPP Demand Deposits	48,663	46,457	4.75%
FLPP Demand Deposits	6	5	20.00%
<b>Total Commercial Demand Deposits</b>	<b>48,669</b>	<b>46,463</b>	<b>4.75%</b>

In 2019, the Company accumulated commercial demand deposits of Rp48.11 trillion with a total of 48,669 accounts. Third Party Funds from Commercial Demand Deposits decreased by 10.36% compared to 2018 of Rp53.67 trillion.

In terms of the number of accounts, in 2019 the Company accumulated Third Party Funds from Commercial Demand Deposits as many as 48,669 accounts, increased

4.75% from 2018 of 46,463 accounts.

#### Institutional Time Deposit

The Company also provides fund saving services in the form of Institutional Time Deposits through Institutional Time Deposits product and Institutional On Call Deposits product. The performance of each Institutional Time Deposit products can be seen in the table below:

#### TOTAL INSTITUTIONAL TIME DEPOSITS

Type of Institutional Time Deposits	Realization 2019 (account)	Realization 2018 (account)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	$((1-2)/2)$
Institutional Time Deposits	88,605,059	91,395,169	-3.05%
Institutional On Call Deposits	1,182,162	1,194,513	-1.03%
<b>Total Institutional Time Deposits</b>	<b>89,787,221</b>	<b>92,589,683</b>	<b>-3.03%</b>





## OPERATION OVERVIEW PER BUSINESS SEGMENT

## TOTAL OF COMMERCIAL DEMAND DEPOSITS ACCOUNTS

Type of Commercial Demand Deposits	Realization 2019 (account)	Realization 2018 (account)	Increase (Decrease) 2018-2019 (%)
	(1)	(2)	((1-2)/2)
Institutional Time Deposits	9,569	8,666	10.42%
Institutional On Call Deposits	127	94	35.11%
<b>Total Institutional Time Deposits</b>	<b>9,696</b>	<b>8,760</b>	<b>10.68%</b>

In 2019, the Company collected Institutional Time Deposits of Rp89.78 trillion with a total of 9,696 accounts. The value of Third Party Funds from Institutional Time Deposits decreased 3.03% compared to 2018 of Rp92.59 trillion.

In terms of the number of accounts, in 2019 the Company accumulated Third Party Funds from Institutional Time Deposits of 9,696 accounts, increased 10.68% from 2018 of 8,760 accounts.

**PRIME LENDING RATE**

The FSA Regulation No. 32/POJK.03/2016 concerning Transparency and Publication of Bank Reports requires commercial banks in Indonesia which conducts conventional business activities to report and publish Prime Lending Rate (SBDK) in Rupiah. Other provision related

to transparency of bank product information and use of customer's personal data are regulated more detailed in the FSA Circular No. 34/SEOJK.03/2017.

The Company periodically updates its prime lending rate in accordance with the change of Bank Indonesia's benchmark interest rate as described in the table below. This is in line with the purpose of implementing the prime lending rate transformation to provide clarity and facilitate customers in considering loan benefits, costs and risks. Prime lending rate also improves good governance and encourages healthy competition in the banking industry, among others through the creation of a better market discipline.

## BTN PRIME LENDING RATE 2018-2019

Period	Prime Lending Rate by Loan Segmentation				
	Loan			Consumer Loan	
	Corporate	Retail	Micro	Housing	Non-Housing
Year 2019	11.00%	11.25%	n/a	10.75%	11.50%
Year 2018	11.25%	11.50%	n/a	10.50%	11.50%

**KINERJA KEUANGAN DAN PROFITABILITAS SEGMENT KONVENSIONAL**

Profitability of Conventional segment can be seen in the table below:

**FINANCIAL PERFORMANCE OF CONVENTIONAL SEGMENT (BEFORE ELIMINATION)**

Conventional Segment	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) from 2018 (%)	
			Nominal (Rp-million)	Percentage (%)
	(1)	(2)	$((1-2)/2)$	$(1/3)$
<b>Profit (Loss) and Other Comprehensive Income</b>				
Segments Income	23,271,432	20,781,512	2,489,920	11.98%
Segment expense	(15,325,002)	(11,756,380)	(3,568,622)	30.35%
Segment Income - Net	7,946,430	9,025,132	(1,078,702)	-11.95%
Other Operating Income	2,035,424	1,979,067	56,357	2.85%
Allowance for impairment losses on financial and non-financial assets	(3,099,614)	(1,273,482)	(1,826,132)	143.40%
Other Operating Expenses	(6,599,177)	(6,462,296)	(136,881)	2.12%
Income from Operations	283,063	3,268,421	(2,985,358)	-91.34%
Non-Operating Income (Expenses) – Net	(110,461)	126,086	(236,547)	-187.61%
<b>Financial Position</b>				
Total Assets	288,173,171	280,367,092	7,806,079	2.78%
Total Liabilities and Temporary Syirkah Fund	268,291,413	259,995,522	8,295,891	3.19%

Income from the Conventional segment in the form of Interest Income amounted to Rp23.27 trillion, an increase by 11.98% compared to that in 2018 amounting to Rp20.78 trillion. There was an increase in the segment expenses from Interest Expense of 2.85%, which resulted in a decrease in Segment Income of 11.95% compared to 2018.

In 2019 the Company adopted PSAK 71 concerning Financial Instruments which has an impact on the increase in allowance for impairment losses of financial assets and

non-financial assets up to Rp1.83 trillion, or an increase by 143.40% from 2018. This has an impact on the Income from Operations of the Conventional segment which was down 91.34% from Rp3.27 trillion in 2018 to Rp283.06 billion in 2019.

Total assets of the Conventional segment in 2019 reached Rp288.17 trillion, an increase by 2.78% compared to 2018 amounting to Rp280.37 trillion. While total liabilities and temporary syirkah fund amounted to Rp268.29 trillion, an increase by 3.91% compared to 2018 of Rp259.99 trillion.



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## OPERATION OVERVIEW PER BUSINESS SEGMENT

### SHARIA SEGMENT

#### OPERATION AND BUSINESS PERFORMANCE OF SHARIA SEGMENT

The Company also develops banking model based on Sharia system. The Sharia business segment provides saving and financing products for consumer and commercial. Product performance of the Sharia segment is described through 2 (two) products, i.e. Sharia Financing and Sharia Savings, with description as follows:

#### PRODUCT AND SERVICE DEVELOPMENT IN SHARIA SEGMENT



Sharia  
Banking/  
Sharia  
Business  
Unit



Sharia Financing  
Product

- Consumer Financing
- Commercial Financing



Sharia Savings Product

- Sharia Demand Deposit
- Sharia Savings
- Sharia Time Deposits

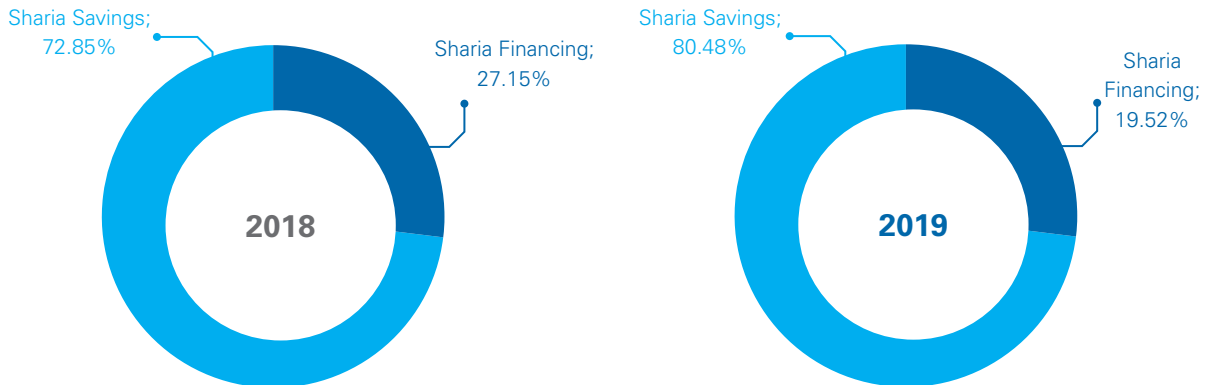
Sharia segment performance can be seen in the following table and chart.

#### SHARIA SEGMENT PRODUCT DEVELOPMENT

Sharia Segment Product	Realization 2019		Realization 2018		Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-Million)	2019 Target Achievement 2019 (%)
	Total (Rp-Million)	Contribution (%)	Total (Rp-Million)	Contribution (%)			
	(1)		(2)				
Sharia Financing	5,302,479	19.52%	8,326,533	27.15%	-36.32%	7,723,475	68.65%
Sharia Savings	21,861,284	80.48%	22,342,676	72.85%	-2.16%	32,048,875	89.87%
<b>Total Sharia Financing and Savings</b>	<b>27,163,615</b>	<b>100.00%</b>	<b>30,669,209</b>	<b>100.00%</b>	<b>-11.42%</b>	<b>32,048,875</b>	<b>84.76%</b>



## SHARIA SEGMENT PRODUCT COMPOSITION



The above composition indicates that the Company's Sharia segment business activities are mostly contributed by Sharia Savings accumulated from Third Party Funds from Sharia Demand Deposits, Savings, and Time Deposits products.

Performance of each product of the Sharia segment can be seen below.

**Sharia Financing Products**

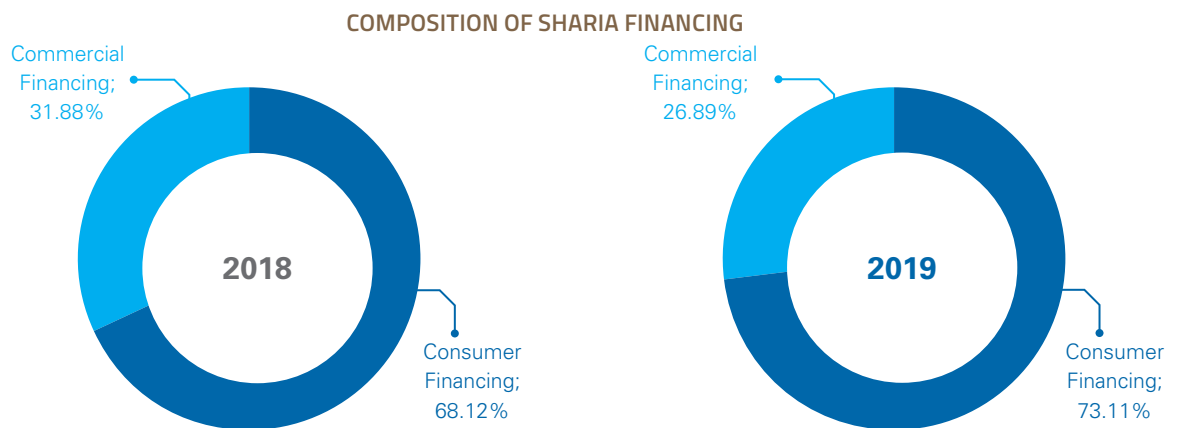
The Company also provides housing and non-housing financing through Sharia mechanism with financing products of Sharia Business Unit classified into consumer financing and commercial financing. Detailed information on the Company's Sharia Financing product performance can be seen in the table and chart below:

## TOTAL SHARIA FINANCING

Types of Sharia Financing	Realization 2019 (Rp-Million)	Realization 2018 (Rp-Million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-Million)	Target Achievement 2019 (%)
	(1)	(2)	$((1-2)/2)$	(3)	(1/3)
Consumer Financing	3,879,900	5,671,816	-31.59%	5,056,050	76.74%
Commercial Financing	1,422,579	2,654,717	-46.41%	2,667,425	53.33%
<b>Total Sharia Financing</b>	<b>5,302,479</b>	<b>8,326,533</b>	<b>-36.32%</b>	<b>7,723,475</b>	<b>68.65%</b>



## OPERATION OVERVIEW PER BUSINESS SEGMENT



The above chart shows that Consumer Sharia Financing contributes significantly to the Total Sharia Financing, contributing 68.12% in 2018 and 73.17% in 2019.

The Company's Consumer Sharia Financing disbursement in 2019 amounted to Rp5.30 trillion with 25,520 financing volume. Consumer Sharia Financing disbursement decreased by 36.32% compared to 2018 of Rp8.33 trillion. This was mainly due to the limited Subsidized Housing Loan Quota which impacted on the decrease in Sharia

Subsidized Housing Loan financing by the Company by Rp1.95 trillion from the previous year. Whereas in Commercial Financing, the decline was influenced by the Sharia Business Unit strategy in 2019 which focused on business processes enhancement, financing portfolio quality improvement. When compared to the target, the realization of the Sharia Consumer Financing recorded 68.65% achievement compared to the 2019 target of Rp7.72 trillion.

## SHARIA FINANCING VOLUME

Types of Sharia Financing	Realisasi 2019 (unit)	Realisasi 2018 (unit)	Kenaikan (Penurunan) 2018-2019 (%)	Target 2019 (unit)	Pencapaian Target 2019 (%)
	(1)	(2)	$((1-2)/2)$	(3)	(1/3)
Consumer Financing	23,271	39,222	-40.67%	29,532	78.80%
Commercial Financing	2,249	3,134	-28.24%	1,073	209.60%
<b>Total Sharia Financing</b>	<b>25,520</b>	<b>42,356</b>	<b>-39.75%</b>	<b>30,605</b>	<b>83.38%</b>

Details of each Sharia Financing product can be seen below:

**Consumer Financing**

Sharia Consumer Financing is channeled by the Company through the following products:

1. Housing Financing, including:

- a. Subsidized KPR distributed through
  - KPR BP2BT iB
  - KPR Sejahtera Tapak iB



- KPR Sejahtera Susun iB
  - KPR SSM Tapak iB
  - KPR SSM Susun iB
- b. Non-Subsidized Housing Loan distributed through
- KPR Platinum iB
  - iB Indent KPR
- c. Non Housing Loan distributed through:
- Pembiayaan Bangun Rumah iB
2. Non-housing Financing, including:
- a. Pembiayaan Kendaraan Bermotor iB
  - b. Pembiayaan Gadai iB
  - c. Pembiayaan Multijasa iB
  - d. Pembiayaan Multimanfaat iB
  - e. Pembiayaan Emasku

Disbursement of each Sharia Consumer Financing product can be seen in the table below:

#### SHARIA CONSUMER FINANCING VOLUME

Type of Sharia Consumer Financing	Realization 2019 (Rp-Million)	Realization 2018 (Rp-Million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-Million)	Target Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
<b>Housing Financing</b>					
<b>Subsidized Housing</b>					
• KPR BP2BT iB	136,662	-	-	-	-
• KPR Sejahtera Tapak iB	698,168	449,915	55.18%	-	-
• KPR Sejahtera Susun iB	-	425	-100.00%	-	-
• KPR SSM Tapak iB	1,117,577	3,446,371	-67.57%	-	-
• KPR SSM Susun iB	7,801	13,076	-40.34%	-	-
	1,960,208	3,909,787	-49.86%	2.376.011	82.50%
<b>Non Subsidized Housing Loan</b>					
• KPR Platinum iB	1,176,171	1,098,929	7.03%	1.846.318	63.70%
• KPR Indent iB	670,493	550,710	21.75%	700.046	95.78%
	1,846,664	1,649,639	11.94%	2.546.364	72.52%
<b>Non-Housing Loan</b>					
• IB House Construction Financing	6,407	10,199	-37.18%	13.075	49.00%
	6,407	10,199	-37.18%	13.075	49.00%
<b>Non Housing Financing</b>					
iB Vehicle Financing	462	3,227	-85.68%	9.000	5.13%
iB Mortgage Financing	1,067	866	23.21%	10.000	10.67%
iB Multiservice Financing	6,507	8,939	-27.21%	20.000	32.54%
iB Multipurpose Financing	58,501	89,158	-34.39%	81.600	71.69%
Emasku Financing	84	-	-	-	-



## OPERATION OVERVIEW PER BUSINESS SEGMENT

## SHARIA CONSUMER FINANCING VOLUME

Type of Sharia Consumer Financing	Realization 2019 (Rp-Million)	Realization 2018 (Rp-Million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-Million)	Target Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
	66,621	102,191	-34.81%	120.600	55.24%
<b>Total of Sharia Consumer Financing</b>	<b>3,879,900</b>	<b>5,671,816</b>	<b>-31.59%</b>	<b>5,056,050</b>	<b>76.74%</b>

## SHARIA CONSUMER FINANCING VOLUME

Type of Sharia Consumer Financing	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
<b>Housing Financing</b>					
<b>Subsidized Housing Loan</b>					
• KPR BP2BT iB	1,515	-	-	-	-
• KPR Sejahtera Tapak iB	5,557	3,649	52.29%	-	-
• KPR Sejahtera Susun iB	-	2	-100.00%	-	-
• KPR SSM Tapak iB	8,943	28,371	-68.48%	-	-
• KPR SSM Susun iB	33	61	-45.90%	-	-
	16,048	32,083	-49.98%	18,585	86.35%
<b>Non Subsidized Housing Loan</b>					
KPR Platinum iB	4,197	3,920	7.07%	1,846,318	63.70%
KPR Indent iB	1,761	1,464	20.29%	700,046	95.78%
	5,958	5,384	10.66%	2,546,364	72.52%
<b>Non KPR</b>					
IB House Construction Financing	44	65	-32.31%	13,075	49.00%
	44	65	-32.31%	-	-
<b>Total of House Financing</b>	<b>22,050</b>	<b>37,532</b>	<b>-41.25%</b>	<b>-</b>	<b>-</b>



## SHARIA CONSUMER FINANCING VOLUME

Type of Sharia Consumer Financing	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement 2019 (%)
	(1)	(2)	$((1-2)/2)$	(3)	(1/3)
<b>Non Housing Financing</b>					
• iB Vehicle Financing	5	20	-75.00%	9,000	5.13%
• iB Mortgage Financing	76	96	-20.83%	10,000	10.67%
• Multiservice Financing	133	172	-22.67%	20,000	32.54%
• iB Multipurpose Financing	1,005	1,402	-28.32%	81,600	71.69%
• Emasku Financing	2	-	-	-	-
<b>Total of Non Housing Financing</b>	<b>1,221</b>	<b>1,690</b>	<b>-27.75%</b>	<b>120,600</b>	<b>55.24%</b>
<b>Total of Sharia Consumer Financing</b>	<b>23,271</b>	<b>39,222</b>	<b>-40.67%</b>	<b>5,056,050</b>	<b>76.74%</b>

The company distributed Sharia Consumer Financing in 2019 of Rp3.88 trillion with a volume of 23,271 credit financing. The distribution of Sharia Consumer Financing has decreased 31.59% compared to 2018 of Rp5.67

trillion. When compared to the target, the realization of Sharia Consumer Financing achieved 76.74% from 2019 target of Rp5.06 trillion.

**Commercial Financing**

Sharia Commercial Financing is distributed by the Company through the following products:

1. Pembiayaan Perumahan
  - Kredit Yasa Griya iB
2. Pembiayaan Non Perumahan
  - UMKM Syariah
  - Pembiayaan Modal Kerja iB
  - Pembiayaan Investasi iB





## OPERATION OVERVIEW PER BUSINESS SEGMENT

Distribution of Sharia Commercial Financing for each type of product can be seen in the table below.

## TOTAL SHARIA COMMERCIAL FINANCING

Type of Sharia Commercial Financing	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement 2019 (%)
	(1)	(2)	$((1-2)/2)$	(3)	(1/3)
<b>Housing Financing</b>					
Kredit Yasa Griya iB	1,341,878	2,259,423	-40.61%	2,052,425	65.38%
	1,341,878	2,259,423	-40.61%	2,052,425	65.38%
<b>Non Housing Financing</b>					
<b>UMKM Syariah</b>					
Pembiayaan Modal Kerja iB	61,450	355,369	-82.71%	505,000	12.17%
Pembiayaan Investasi iB	19,251	39,925	-51.78%	110,000	17.50%
	80,701	395,294	-79.58%	615,000	13.12%
<b>Total Sharia Commercial Financing</b>	<b>1,422,579</b>	<b>2,654,717</b>	<b>-46.41%</b>	<b>2,667,425</b>	<b>53.33%</b>

## SHARIA COMMERCIAL FINANCING VOLUME

Type of Sharia Commercial Financing	Realization 2019 (unit)	Realization 2018 (unit)	Increase (Decrease) 2018-2019 (%)	Target 2019 (unit)	Target Achievement 2019 (%)
	(1)	(2)	$((1-2)/2)$	(3)	(1/3)
<b>Housing Financing</b>					
Kredit Yasa Griya iB	2,210	2,980	-25.84%	872	253.44%
	2,210	2,980	-25.84%		
<b>Non Housing Financing</b>					
<b>Sharia MSME</b>					
• Pembiayaan Modal Kerja iB	18	132	-86.36%	127	14.17%
• Pembiayaan Investasi iB	21	22	-4.55%	74	28.38%
	39	154	-74.68%	201	19.40%
<b>Total Sharia Commercial Financing</b>	<b>2,249</b>	<b>3,134</b>	<b>-28.24%</b>	<b>1,073</b>	<b>209.60%</b>



The Company's Sharia Commercial Financing disbursement in 2019 amounted to Rp1.42 trillion with loan financing volume of 2,249. Sharia Commercial Financing disbursement decreased by 46.41% compared to 2018 of Rp2.65 trillion. This was mainly because the Sharia Business Unit Strategy in 2019 focuses on improving business processes and

improving financing portfolio quality. This can be seen from the decrease in the realization of iB working capital financing which experienced a significant decrease of 82.71%. When compared to the target, Sharia Commercial Financing disbursement achievement was realized 53.33% of the 2019 target of Rp2.67 trillion.

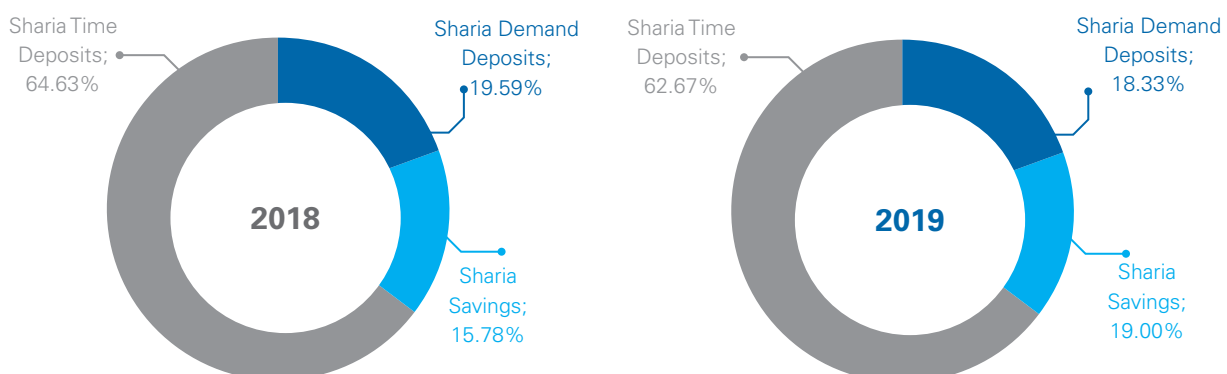
### Sharia Savings Products

The Company also accumulated Third Party Funds through Sharia Business Units with Sharia Demand Deposit, Savings and Time Deposit products. Detailed information on the Company's Sharia Saving products performance can be seen in the table and chart below.

#### TOTAL SHARIA DEPOSITS

Type of Sharia Savings	Realization 2019 (unit)	Realization 2018 (unit)	Increase (Decrease) 2018-2019 (%)	Target 2019 (unit)	Target Achievement 2019 (%)
	(1)	(2)	$((1-2)/2)$	(3)	(1/3)
Sharia Demand Deposits	4,007,722	4,376,126	-8.42%	4,927,910	81.33%
Sharia Savings	4,152,815	3,526,393	17.76%	4,241,482	97.91%
Sharia Time Deposits	13,699,901	14,440,156	-5.13%	15,182,008	90.24%
<b>Total Sharia Savings</b>	<b>21,860,438</b>	<b>22,342,676</b>	<b>-2.16%</b>	<b>24,325,400</b>	<b>89.87%</b>

#### COMPOSITION OF SHARIA SAVINGS FUND



Sharia time deposits contributed significantly to the total Sharia Savings, with a composition of 64.63% in 2018 and 62.67% in 2019.

on reducing Cost of Fund by reducing the volume and concentration of institutional/corporate time deposits that tend to have higher Cost of Fund.

In 2019, Third Party Fund collected in Sharia Deposit products amounted to Rp21.86 trillion, decreased by 2.15% from 2018 of Rp22.34 trillion, or achieved 89.87% from the target for 2019 of Rp24.43 trillion. Current Accounts, Savings and Sharia Time Deposits managed by the Company saw a decrease. This is due to BTN sharia business unit's strategy in 2019 that was focused

In terms of the number of accounts, in 2019 the Company collected Third Party Funds from Sharia Deposits of 773,747 accounts, increased 22.51% from 2018 of 631,584 accounts, or achieved 110.10% from the 2019 target of 702,764 accounts. This was mainly due to an increase in BTN iB Hajj and Umrah savings which converted from conventional Hajj savings to Sharia Hajj savings.



## OPERATION OVERVIEW PER BUSINESS SEGMENT

## TOTAL SHARIA SAVINGS ACCOUNTS

Type of Sharia Saving Products	Realization 2019 (unit)	Realization 2018 (units)	Increase (Decrease) 2018-2019 (%)	Target 2019 (units)	Target Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Sharia Demand Deposits	10,920	9,516	14.75%	10,457	104.42%
Sharia Savings	755,479	616,371	22.57%	685,715	110.17%
Sharia Time Deposits	7,348	5,697	28.98%	6,592	111.47%
<b>Total Sharia Savings</b>	<b>773,747</b>	<b>631,584</b>	<b>22.51%</b>	<b>702,764</b>	<b>110.10%</b>

Details of each Shariah Savings product can be seen below:

## Sharia Demand Deposits

Sharia savings in the form of Demand Deposit is provided through 2 (two) products, i.e: Giro BTN iB and Giro BTN Prima iB. Performance of each Sharia Giro product can be seen in the table below:

## TOTAL SHARIA DEMAND DEPOSITS FUND

Type of Sharia Demand Deposits	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Giro BTN iB	2,593,010	2,781,854	-6.76%	3,451,748	75.15%
Giro BTN Prima iB	1,414,712	1,594,272	-11.26%	1,476,162	95.84%
<b>Total Sharia Demand Deposits</b>	<b>4,007,722</b>	<b>4,376,126</b>	<b>-8.42%</b>	<b>4,927,910</b>	<b>81.33%</b>

## TOTAL SHARIA DEMAND DEPOSIT ACCOUNTS

Type of Sharia Giro	Realization 2019 (account)	Realization 2018 (account)	Increase (Decrease) 2018-2019 (%)	Target 2019 (account)	Target Achievement 2019 (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Giro BTN iB	9,136	7,815	16.90%	8,521	107.22%
Giro BTN Prima iB	1,784	1,701	4.88%	1,936	92.15%
<b>Total Sharia Demand Deposit Accounts</b>	<b>10,920</b>	<b>9,516</b>	<b>14.75%</b>	<b>10,457</b>	<b>104.42%</b>



In 2019, the Company accumulated Sharia Demand Deposits of Rp4.01 trillion with a total of 10,920 accounts. Third Party Fund from Sharia Demand Deposits decreased by 8.42% compared to 2018 of Rp4.38 trillion. This was mainly due to a decrease in BTN iB Current Account which decreased by Rp188 billion. When compared to the target, the realization of Third Party Funds from Sharia Demand Deposits achieved 81.33% from 2019 target of Rp4.93 trillion.

In terms of the number of accounts, in 2019 the Company collected Third Party Funds from Sharia Giro as many as 10,920 accounts, increased by 14.75% from 2018 of 9,516 accounts, or achieved 104.42% of the 2019 target of 10,457 accounts. This was mainly due to an increase in the number of BTN iB Current Accounts, which were retail accounts, by 16.90%.

### Sharia Savings

Sharia Third Party Fund in the form of Savings is provided through the following products:

1. Tabungan BTN Batara iB
2. Tabungan BTN Prima iB
3. Tabungan BTN Haji iB
4. TabunganKu iB
5. Tabungan BTN Qurban iB
6. Tabungan Simpel BTN iB
7. Tabungan Emas BTN iB

Performance of each Syariah Savings product can be seen in the table below:

#### TOTAL SHARIA SAVINGS FUND

Type of Sharia Saving	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement (%)
	(1)	(2)	$((1-2)/2)$	(3)	(1/3)
Tabungan BTN Batara iB	780,388	760,378	2.63%	1,159,406	67.31%
Tabungan BTN Prima iB	3,166,824	2,664,925	18.83%	2,641,601	119.88%
Tabungan BTN Haji iB	191,922	92,296	107.94%	269,174	71.30%
TabunganKu iB	5,967	3,805	56.82%	-	-
Tabungan BTN Qurban iB	2,588	2,147	20.54%	171,301	1.51%
Tabungan Simpel BTN iB	3,535	2,141	65.11%	-	-
Tabungan Emas BTN iB	1,591	701	126.96%	-	-
<b>Total Sharia saving Funds</b>	<b>4,152,815</b>	<b>3,526,393</b>	<b>17.76%</b>	<b>4,241,482</b>	<b>97.91%</b>



## OPERATION OVERVIEW PER BUSINESS SEGMENT

## TOTAL SHARIA SAVING ACCOUNTS

Type of Sharia Saving	Realization 2019 (account)	Realization 2018 (account)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Tabungan BTN Batara iB	435,594	388,194	12.21%	431,800	100.88%
Tabungan BTN Prima iB	127,879	120,787	5.87%	136,125	93.94%
Tabungan BTN Haji iB	116,946	39,627	195.12%	42,299	276.47%
TabunganKu iB	11,375	9,733	16.87%	70,390	16.16%
Tabungan BTN Qurban iB	5,235	4,271	22.57%	5,101	102.63%
Tabungan Simpel BTN iB	57,137	53,057	7.69%	-	-
Tabungan Emas BTN iB	1,313	702	87.04%	-	-
<b>Total Sharia Saving Fund</b>	<b>755,479</b>	<b>616,371</b>	<b>22.57%</b>	<b>685,715</b>	<b>110.17%</b>

In 2019, the Company accumulated Sharia Savings of Rp4.15 trillion with a total of 755,479 accounts. Third Party Fund from Sharia Savings increased 24.49% compared to 2018 of Rp3.53 trillion. This was mainly due to an increase in the amount of BTN iB Hajj and Umrah savings by 110.17%. When compared to the target, the realization of Third Party Funds from Syariah Savings achieved 97.91% from the 2019 target of Rp4.24 trillion.

In terms of the number of accounts, in 2019 the number of Third Party Fund accounts from Sharia Savings was 755,479 accounts, increased by 22.57% from 2018 of 616,371 accounts, or achieved 107.50% from the 2019 target of 702,764 accounts. This was mainly due to an increase in BTN iB Hajj and Umrah savings which had converted from conventional Hajj savings to Sharia Hajj savings.

## Sharia Time Deposit

Sharia Savings in the form of Time Deposit is provided through 2 (two) products, i.e. iB BTN Time Deposits both for individuals and institutions, and iB On Call Deposits. The performance of each Sharia Deposit product can be seen in the table below:

## TOTAL OF SHARIA TIME DEPOSIT FUND

Type of Sharia Saving	Realization 2019 (account)	Realization 2018 (account)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Deposito BTN iB (Individual)	732,712	597,912	22.54%	1,505,214	48.68%
Deposito BTN iB (Institutional)	12,898,957	13,805,244	-6.56%	13,637,077	94.59%



## TOTAL OF SHARIA TIME DEPOSIT FUND

Type of Sharia Saving	Realization 2019 (account)	Realization 2018 (account)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Deposito On Call iB	68,232	37,000	84.41%	39,717	171.79%
<b>Total Sharia Time Deposits</b>	<b>13,669,901</b>	<b>14,440,156</b>	<b>-5.13</b>	<b>15,182,008</b>	<b>90.04%</b>

## TOTAL SHARIA DEMAND DEPOSIT ACCOUNTS

Type of Sharia Saving	Realization 2019 (account)	Realization 2018 (account)	Increase (Decrease) 2018-2019 (%)	Target 2019 (Rp-million)	Target Achievement (%)
	(1)	(2)	((1-2)/2)	(3)	(1/3)
Deposito BTN iB (Individual)	6,184	4,603	34.35%	5,350	115.59%
Deposito BTN iB (Institutional)	1,144	1,075	6.42%	1,231	92.93%
Deposito On Call iB	20	19	5.26%	10	200%
<b>Total Sharia Time Deposits</b>	<b>7,348</b>	<b>5,697</b>	<b>28.98%</b>	<b>6,591</b>	<b>111.49%</b>

In 2019, the Company accumulated Sharia Time Deposits of Rp13.67 trillion with a total of 7,348 accounts. Third Party Fund from Sharia Time Deposits decreased by 5.13% compared to 2018 of Rp14.44 trillion. This was mainly due to the Sharia Business Unit's strategy which focused on reducing Cost of Fund and reducing Institutional/Corporate Time Deposits which tend to have high Cost of Fund. When compared to the target, the realization of Third Party Funds from Sharia Deposits achieved 90.39% from the 2019 target of Rp15.16 trillion.

In terms of the number of accounts, in 2019 the Company collected Third Party Funds from Sharia Time Deposits of 7,348 accounts, decreased 28.98% from 2018 of 5,697 accounts, or achieved 111.49% from the 2019 target of 6,591 accounts. This was mainly due to an increase in BTN iB Time Deposits by 34.35% in the form of individual time deposits.



## OPERATION OVERVIEW PER BUSINESS SEGMENT

## FINANCIAL PERFORMANCE AND PROFITABILITY OF SHARIA SEGMENT

Sharia segment profitability can be seen in the table below:

## SHARIA SEGMENT FINANCIAL PERFORMANCE (BEFORE ELIMINATION)

Sharia Segment	Realization 2019 (Rp-million)	Realization 2018 (Rp-million)	Increase (Decrease) from 2018-2019	
			Nominal (Rp-million)	Percentage (%)
	(1)	(2)	((1-2)/2)	(1/3)
<b>Profit (Loss) and Other Comprehensive Income</b>				
Segments Income	2,448,442	2,070,246	378,196	18.27%
Segment expense	(1,433,071)	(1,006,201)	(426,870)	42.42%
Segment Income - Net	1,015,371	1,064,045	(48,674)	-4.57%
Other Operating Income	74,428	92,527	(18,099)	-19.56%
Allowance for impairment losses on financial and non-financial assets	(387,051)	(440,945)	53,894	-12.22%
Other Operating Expenses	(464,038)	(390,248)	(73,790)	18.91%
Income from Operations	238,710	325,379	(86,669)	-26.64%
Non-Operating Income (Expenses) – Net	(250)	(109,611)	109,361	-99.77%
<b>Financial Position</b>				
Total Assets	28,385,675	28,399,275	(13,600)	-0.05%
Total Liabilities and Temporary Syirkah Fund	24,431,238	24,930,397	(499,159)	-2.00%

Income from Sharia segment in the form of profit sharing and Sharia Unit margins amounted to Rp2.45 trillion, growing 18.27% compared to 2018 amounting to Rp2.07 trillion. There was an increase in segment expenses from the Wadiah Savings Bonus and Third Party Rights on Mudharabah Profit Sharing by 42.42%, which resulted in a 4.57% reduction in the Segment's Income compared to 2018.



# MARKETING ASPECTS

## MARKETING STRATEGY AND EFFORTS

In line with the Bank's business direction, the lending strategy continues to strengthen the business positioning in the housing sector and the success of "One Million Homes Program". For this reason, consumer loan growth is focused expansively in the mass segment and expansion in other segments. While commercial loan growth is directed at increasing housing supply by optimizing construction value chains and construction debtors' pipelines.



Dominating mortgage market in the Mass Segment



Expanding Loans for Emerging Affluent and Affluent Segment



Increasing construction loans by supporting the home supply that focuses on the SME and Commercial segments

Bank BTN is ready to realize "One Million Homes Program" and participate in the welfare of the Indonesian people.

### DOMINATING HOUSING LOAN (KPR) MARKET IN THE MASS SEGMENT

#### Mass subsidized segment

The mass subsidized segment manages subsidized housing loans aimed at supporting "One Million Homes Program" in which 700,000 units are realized in the form of subsidized housing. The government's commitment to accelerate the realization of the One Million Homes Program, TAPERA program and the captive market of Bank BTN which reached 97.00% is a competitive advantage to remain expansive in this segment. The growth of the subsidized KPR business is highly dependent on government allocations, where the allocation of subsidized housing in 2019 (234,000 units) is lower than in 2018 (267,000 units).

#### Non subsidized mass segment

In line with the mass subsidized segment strategy, the non-subsidized mass segment of lending is focused on supporting the realization of the One Million Homes Program for the mass segment community that is not categorized as a subsidy recipient. In this segment, Bank BTN exists as an unbankable community solution, especially for the informal sector community through flexible lending requirements, by offering Bank BTN's proposition as a One Stop Solution for banking needs for under-served populations. In addition, in order to maximize the customer's share of wallet owned, in this segment lending is not limited to mortgage lenders but also through home equity offers and various other personal loans. This segment manages loans with a ceiling limit of Rp350 Million

#### Inisiatif Strategis Pertumbuhan Segmen Mass

Bank BTN has set a series of strategies to guide the strengthening of the mass segment business to achieve the targets set as follows:





Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## MARKETING ASPECTS

### Mass Segment Loan Growth Strategy

1. Strengthening growth contributions (SSB, FLPP, BP2BT and TAPERA)
2. Increasing the growth of Non-Subsidized KPR (Home Ownership Loans) with the "scheme" of KPR in the MBR and ASN segments
3. Strengthening the role of BTN HFC
4. Developing initiatives that support the development of subsidized housing developer businesses
5. Streamlined the process of distributing Subsidized Mortgages
6. Expanding strategic alliances with developers outside of Java
7. Increasing the portion of high margin loans (KAR and Kring) in the payroll and retirement segments
8. Developing business models for informal mass consumers

### Expanding loans in the Emerging Affluent & Affluent segment

In addition to strengthening positioning in the mass segment, Bank BTN also expanded financing to the emerging affluent & affluent segment as a consumer loan growth strategy. Affluent and middle-class population growth which is projected to grow from 121 million to 141 million in 2020 is a potential that must be utilized by banks in expanding retail asset growth in the next three years.

#### 1. Emerging Affluent Segments

The emerging affluent segment is intended for customers with a loan limit of above Rp350 million to Rp 1 billion. Expectations of population growth in the emerging affluent segment which reached 415,000 people in 2020 and a ticket size that is higher than the mass segment, is a potential for banks to expand market share in the emerging segment. The expansion strategy is focused on deepening the share of wallet through product development and developing the mortgage ecosystem.

#### 2. Affluent Segments

Affluent segment growth is expected to grow faster than the previous year. This is inseparable from the development of the tax amnesty program and the affluent segment population growth which reached 6.6 million people in 2020 (from 4.9 million people in 2015). In line with the bank's core business, the strategy pursued by the Bank is to develop housing finance schemes for customers with loan limits above Rp1 billion.

#### 3. Strategic Initiatives for Emerging & Affluent Segment Growth

With the expected growth in the emerging & affluent segment population to be better in the next three years and in line with the business strengthening strategy of 2019 - 2021, the emerging & affluent segment growth initiatives are as follows:

- a. Loan Growth Strategy for Emerging Affluent & Affluent Segment

- Developing a scheme of KPR Suku Bunga Tunggal (Housing Loan with Flat Interest Rate) for the segment of SOEs' employees and their subsidiaries
- Developing new products (relation-based pricing)
- Increasing cross sell capabilities and distribution channels
- Expanding the market to secondary mortgages
- Building a Digital Housing Loan ecosystem
- Developing housing finance schemes to meet the needs of the affluent segment

#### b. Expanding the Market Share of SME, Commercial and Corporate Segments

In supporting the realization of the One Million Homes Program, a commercial loan growth strategy is focused on increasing the housing supply. In this regard, strategic steps are directed at strengthening the construction value chain and pipeline management of construction debtors.

##### • SME Segment

Bank BTN's SME segment manages loan disbursements of up to Rp10 billion for individual customers and group customers. The revenue pool growth of the SME segment which is estimated to reach 15% in the next three years and the scope of SME businesses that almost control 99% of business entities in Indonesia, is a potential to increase commercial housing loans and commercial housing support in the SME segment.

##### • Commercial Segment

In line with the SME segment strategy, commercial segment financing is directed at strengthening the mortgage business by optimizing the construction value chain in the housing construction sector. To support this, the



amount of initiative undertaken is to improve the construction debtor management pipeline and the anchor group value chain for expanding supply. The commercial segment handles loans in excess of Rp10 billion to Rp500 billion for individual and group customers.

- Corporate Segment. The Corporate Segment manages loan disbursements of more than Rp500 billion for individual and group customers in state-owned enterprises (BUMN), large national and multinational companies in Indonesia. Initiatives focused on this segment are:
  - Identifying and acquiring major corporate and SOEs anchors
  - Syndicated business expansion through the focus of government infrastructure financing that includes upstream to downstream
- Strategic Initiatives for SME, Commercial and Corporate Segments Growth.

Bank BTN has set a series of strategies as a guideline to expand the market share of the SME, Commercial and Corporate segments to achieve the targets set as follows:

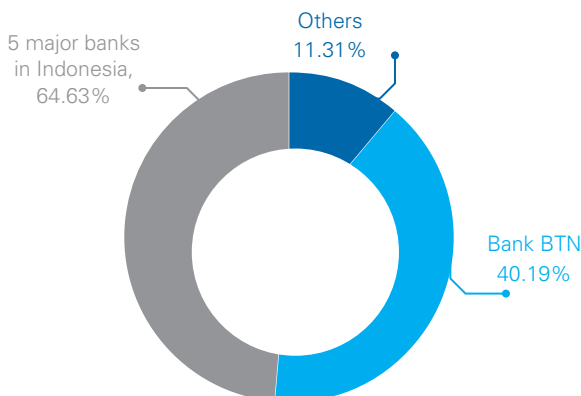
- Strategi Pertumbuhan Kredit Segmen UKM, Komersial dan Korporasi
  - Dominating KYG Subsidies and Non-Subsidies with a selling price of around Rp350 million
  - Using the main anchor to target the entire construction value chain
  - Developing simple bundling packages for the construction industry
  - Developing supply-chain financing products
  - Transforming sales of the Head Office and Branch Offices (strengthening RM hunter model)
  - Focusing on SOEs and syndicated projects sponsored by the government

## MARKET SHARE

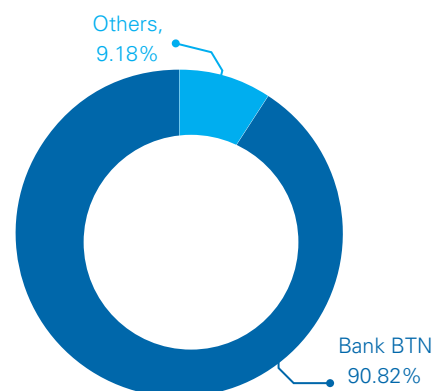
As a bank focusing on Housing Loans, both Subsidized and Non-Subsidized, the Company has a large market share in the distribution of housing loans in Indonesia. Especially with the Government's Million Houses Program agenda through the Ministry of Public Works and Public Housing, the Company is entrusted to get the largest portion in the distribution of subsidized housing loans.

As of December 31, 2019, the Company's market share in the subsidized housing loan sector reached 90.82%; while the Company's market share in overall housing loan as of 31 September 2019 reached 40.19%.

**PANGSA PASAR KPR (PER 31 SEPTEMBER 2019)**



**PANGSA PASAR KPR SUBSIDI (PER 31 DESEMBER 2019)**





# FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

## INFORMATION PRESENTATION STANDARDS AND COMFORMITY WITH FINANCIAL ACCOUNTING STANDARDS

This Annual Report's financial performance discussion and analysis refers to the Company's Financial Statements for the years ended on 31 December 2019 and 31 December 2018 which have been audited by the Public Accountant Office Purwanto, Sungkoro & Surja (EY) The Company's Financial Statements are prepared and presented in accordance with Financial Accounting Standards in Indonesia, which is the Statement of Financial Accounting Standards (PSAK), which includes Statements and Interpretations issued by Financial Accounting Standards Board ("DSAK") of the Indonesian Institute of Accountants and applicable capital market regulations.

## FINANCIAL PERFORMANCE

### STATEMENT OF FINANCIAL POSITION

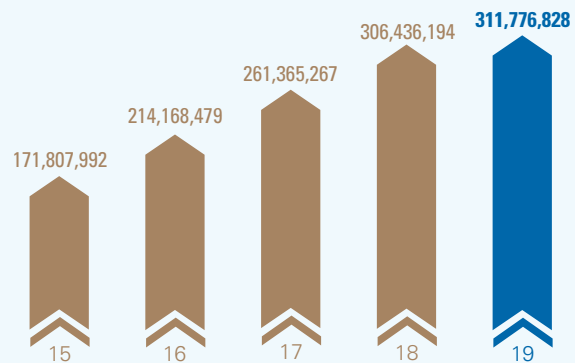
"Financial Position provides a glimpse of business scale and capital strength of Bank BTN. In 2019, the Company's total assets reached Rp311 trillion, liabilities of Rp269 trillion, Temporary Syirkah Fund Rp18.49trillion and Equity of Rp23 trillion. "

Financial Position	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
<b>Assets</b>				
Total Assets	311,776,828	306,436,194	5,340,634	1.74%
<b>Liability, Temporary Syirkah Fund and Equity</b>				
Total Liabilities	269,451,682	263,784,017	5,667,665	2.15%
Total Temporary Syirkah Fund	18,488,951	18,811,729	(322,778)	-1.72%
Total Equity	23,836,195	23,840,448	(4,253)	-0.02%
Total Liabilities, Temporary Syirkah Fund and Equity	311,776,828	306,436,194	5,340,634	1.74%



“The Company’s total assets in 2019 reached Rp311trillion, a increase of 1.74% compared to the total assets in 2018 amounting to Rp306.44 trillion.”

#### TOTAL OF ASSETS 2015-2019 (RP-MILLION)



#### ASSETS 2018-2019

Assets	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Cash	1,369,167	1,243,615	125,552	10.10%
Current Accounts with Bank Indonesia	15,512,329	15,417,862	94,467	0.61%
Current Accounts with Other Banks	747,869	1,587,051	(839,182)	-52.88%
Placements with BI and Other Banks	11,097,193	26,464,760	(15,367,567)	-58.07%
Securities	8,084,671	5,848,485	2,236,186	38.24%
Government Bonds	11,053,601	9,393,138	1,660,463	17.68%
Securities purchased under resale agreements	1,875,221	-	-	-
Loan and Sharia Financing Receivables	249,708,993	234,999,600	14,709,393	6.26%
Interest Rate Spot Receivable	-	167	(167)	-100.00%
Acceptance Receivable	487,052	528,148	(41,096)	-7.78%
Investment in Shares	-	-	-	-
Premises and Equipment	5,400,658	5,017,694	382,964	7.63%
Interest Receivable	3,210,772	2,959,502	251,270	8.49%
Deferred Tax Assets - Net	629,105	260,251	368,854	141.73%
Other Assets	2,600,197	2,715,921	(115,724)	-4.26%
<b>Total Assets</b>	<b>311,776,828</b>	<b>306,436,194</b>	<b>5,340,634</b>	<b>1.74%</b>



Business Support



Good Corporate Governance



Corporate Social Responsibility



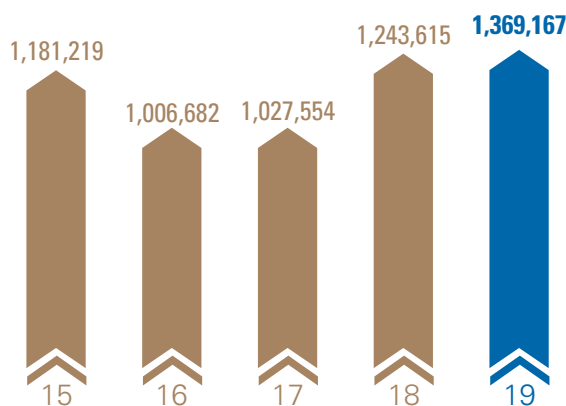
Financial Report

## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

The Company's total assets at the end of 2019 amounted to Rp311.78 trillion, increased by 1.74% or equivalent to Rp5.34 trillion compared to Total Assets in 2018 of Rp306.44 trillion.

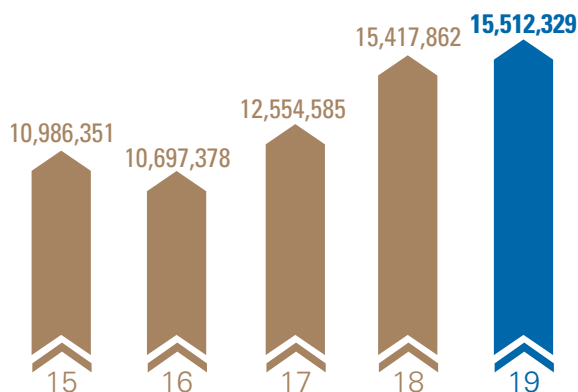
### Cash

The Company's cash in 2019 was Rp1.37 trillion, increased 10,10% or equivalent to Rp125.55 billion compared to 2018 of Rp1.24 trillion. This increase was in line with the increase in rupiah cash by Rp123.25 billion. This increase was due to the Company's policy in strengthening liquidity.



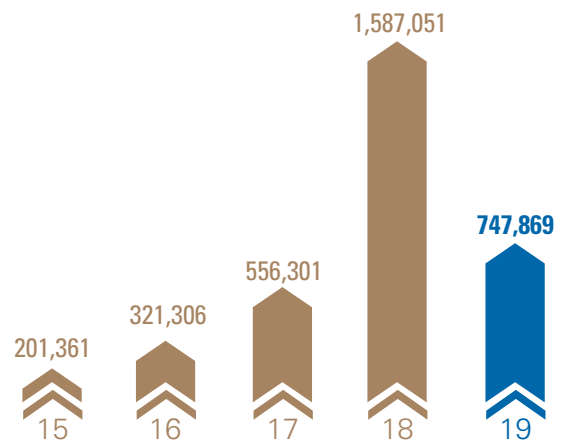
### Current Accounts with Bank Indonesia

Current Accounts with Bank Indonesia in 2019 amounted to Rp15.51 trillion, increased 1.61% or equivalent to Rp94.46 billion compared to Giro with Bank Indonesia in 2018 of Rp15.42 trillion. There was no significant increase in the position of Current Accounts with Bank Indonesia in 2019. The Company has complied with Bank Indonesia's regulation on minimum requirements for Current Accounts with Bank Indonesia.



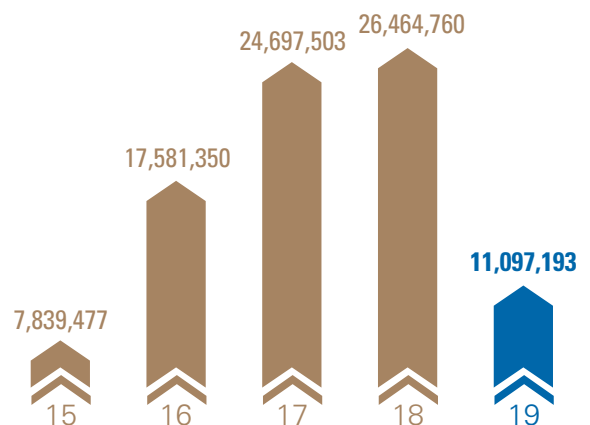
### Current Accounts with Other Banks

Current Accounts with other banks in 2019 amounted to Rp747.87 billion, decreased 52.88% compared to Current Accounts with other banks in 2018 of Rp1.59 trillion. This decrease was due to a decrease in current accounts with other banks in foreign currency amounting to Rp889.51 billion.



### Placements with Bank Indonesia and Other Banks

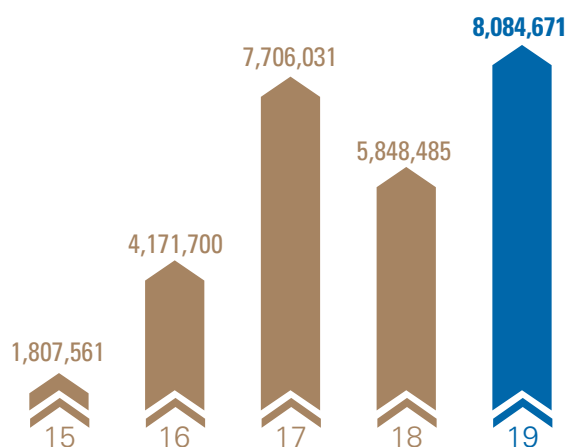
Placements with Bank Indonesia and Other Banks in 2019 were Rp11.09 trillion, decreased 58.07% compared to Placements with Bank Indonesia and Other Banks in 2018 of Rp26.46 trillion. This decrease was due to the maturity of the Term Tme Deposit with Bank Indonesia in 2019 amounting to Rp12.50 trillion, as well as the maturity of the Sharia Time Deposit Facility with Bank Indonesia amounting to Rp2.17 trillion.



**Securities**

	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Fair value through profit loss	4,189,398	4,147,137	42,261	1.02%
Ready to sell	2,629,347	1,511,624	1,117,723	73.94%
Owned to maturity	1,293,304	209,897	1,083,407	516.16%
Subtotal	8,112,049	5,868,658	2,243,391	38.23%
Allowance for impairment losses	(27,378)	(20,173)	(7,205)	35.72%
<b>Total Securities</b>	<b>8,084,671</b>	<b>5,848,485</b>	<b>2,236,186</b>	<b>38.24%</b>

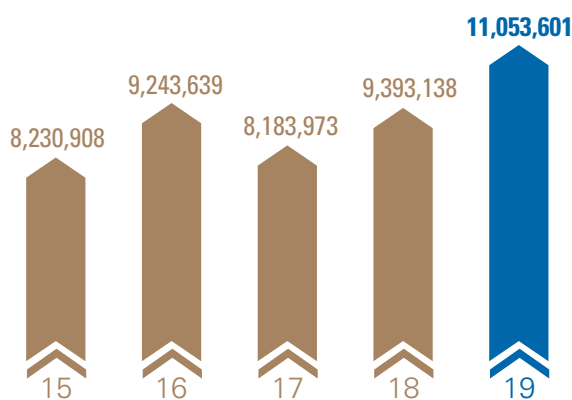
Securities in 2019 amounted to Rp8.08 trillion, increased 38.24% or equivalent to Rp2.24 trillion compared to 2018 securities of Rp 5.85 trillion. The increase in securities especially came from securities available for sale amounting to Rp1.12 trillion and securities held to maturity amounting to Rp1.08 trillion.

**Government Bonds**

	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Fair value through profit loss	1,232,204	2,777,574	(1,545,370)	-55.64%
Available-for-sale	6,147,729	3,904,235	2,243,494	57.46%
Held-to-maturity	3,673,668	2,711,329	962,339	35.49%
<b>Total Government Bonds</b>	<b>11,053,601</b>	<b>9,393,138</b>	<b>1,660,463</b>	<b>17.68%</b>

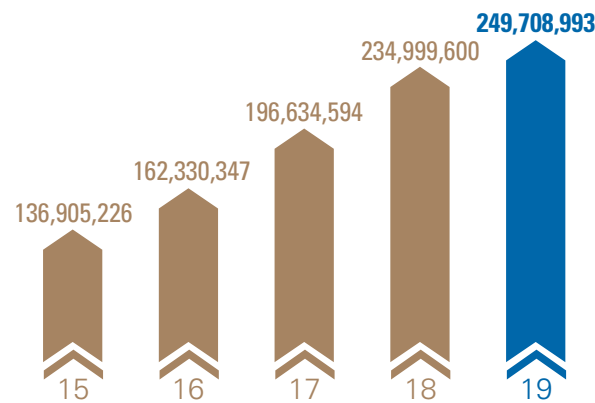
**FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION**

Government Bonds in 2019 were Rp11.05 trillion, increased 17.68% or equivalent to Rp1.66 trillion compared to 2018 Government Bonds of Rp9.39 trillion. The increase in Government Bonds came from Government Bonds available for sale amounting to Rp2.24 trillion and an increase in Government Bonds held to maturity by Rp962.33 billion. On the other hand, the Government Bonds fairly valued through profit or loss decreased by Rp1.55 trillion.

**Loan and Sharia Financing/Receivables**

	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Credit Loan	232,212,539	215,716,247	15,956,234	7.38%
Allowance for impairment losses	(5,425,908)	(2,777,845)	(2,648,063)	95.33%
Total Loans	226,786,631	213,478,460	13,308,171	6.23%
Sharia Financing/Receivable	23,612,620	22,041,427	1,571,193	7.13%
Allowance for impairment losses	(690,258)	(520,287)	(169,971)	32.67%
Total of Sharia Financing/Receivable	22,922,362	21,521,140	1,401,222	6.51%
<b>Total Loans and Sharia Financing/Receivables</b>	<b>249,708,993</b>	<b>234,999,600</b>	<b>14,709,393</b>	<b>6.26%</b>

Loan and Sharia Financing/Receivables in 2019 amounted to Rp249.71 trillion, increased by 6.26% or equivalent to Rp14.71 trillion compared to 2018 Credit and Sharia Financing/Receivables of Rp234.99. This increase was due to the growth of conventional loans, especially Housing Loans (KPR), by Rp13.34 trillion. While sharia financing increased by Rp1.57 trillion.



#### Interest Rate Spot Receivable

In 2019 there was no outstanding balance of Interest Rate Spot Receivable. As for 2018 there was an outstanding balance of Interest Rate Spot Receivable amounting to Rp167 million.

#### Acceptance Receivable

Acceptance Receivable in 2019 were Rp487.05 trillion, decreased 7.78% compared to 2018 Acceptance Receivable of Rp528.15 trillion. The decrease in Acceptance Receivable was mainly derived from Rupiah Acceptance Receivables in the form of Domestic Letters of Credit (SKBDN) amounting to Rp41.01 trillion.

#### Investment in Shares

Investment in Shares Balance as of 31 December 2019 and as of 31 December 2018 remained unchanged.

#### Premises and Equipment

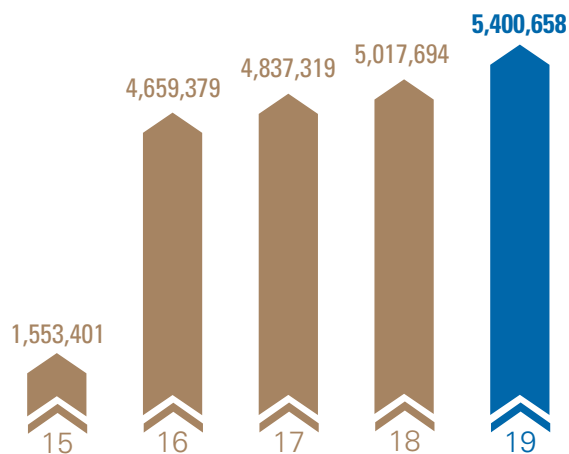
	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Cost/Revaluation value	8,108,086	7,411,526	696,560	9.40%
Accumulated depreciation	(2,707,428)	(2,393,832)	(313,596)	-13.10%
<b>Total Premises and Equipment</b>	<b>5,400,658</b>	<b>5,017,694</b>	<b>382,964</b>	<b>7.63%</b>

Premises and Equipment in 2019 were Rp5.40 trillion, increased 7.63% or equivalent to Rp382.96 compared to 2018 Fixed asset of Rp5.02 trillion. The increase in Premises and Equipment was mainly influenced by the increase in the value of land, buildings, and office equipment and motor vehicles amounting to Rp3.97 trillion, Rp1.51 trillion and Rp2.55 trillion compared to Rp3.63 trillion, Rp1.50 trillion and Rp2.27 trillion respectively in the previous year period.

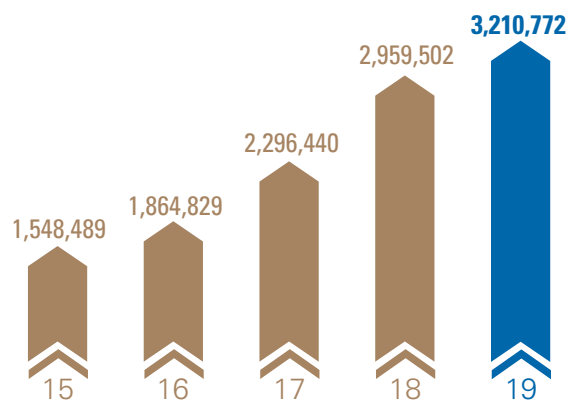




## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

**Interest Receivable**

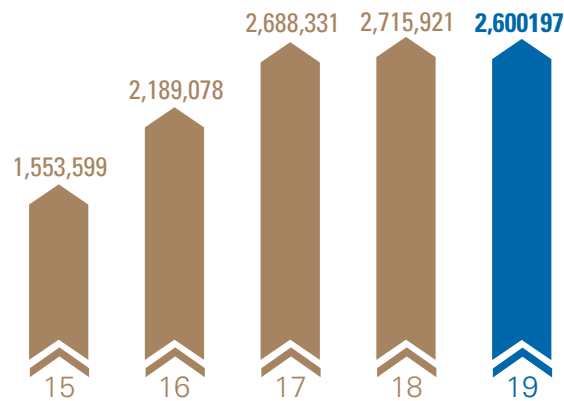
Interest Receivable in 2019 were Rp3.21 trillion, increased 8.49% or equivalent to Rp251.27 billion compared to 2018 Interest Receivable of Rp2.96 trillion. Most of the increase in this account came from the Interest Receivable from Loans amounting to Rp0.22 trillion.

**Deferred Tax Assets - Net**

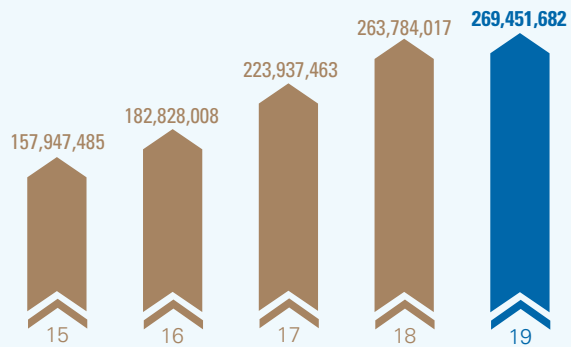
Deferred tax assets – Netto in 2019 were Rp629.11 trillion, increased 141.73% or equivalent to Rp368.85 billion compared to 2018 Deferred tax assets – Net of Rp260.25 million. This increase was mainly due to an increase in deferred tax assets arising from the formation of allowance for impairment losses on financial assets and non-financial assets amounting to Rp387.86 billion.

**Aset Lain-lain**

Other assets in 2019 were Rp2.60 trillion, decreased 4.26% compared to 2018 other assets of Rp2.72 trillion. This decrease was due to a decrease in accounts receivable to third parties amounting to Rp115.73 billion. Accounts receivable to third parties represent receivables to customers and other parties such as claims to the Government of the Republic of Indonesia, claims to PT Pos Indonesia in connection with Tabungan Batara Kantor Pos as well as receivables to third parties related to ATM transactions.



## LIABILITAS

TOTAL OF LIABILITIES 2015-2019  
(RP-MILLION)

“The Company’s Total Liabilities in 2019 reached Rp269.45 trillion, a increase 2.15% compared to the Total Liabilities in 2018 amounting to Rp263.78 trillion. From the total liabilities, as much as Rp206.90 trillion are deposits from customers.”

LIABILITIES  
2018-2019

Liabilities	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Liabilities due Immediately	1,999,183	2,301,930	(302,747)	-13.15%
Deposits from Customer	206,905,692	211,034,488	(4,128,796)	-1.96%
Deposits from Other Banks	4,509,238	2,992,579	1,516,659	50.68%
Securities sold under repurchase agreements	935,000	935,000	-	-
Acceptance Payable	487,052	528,148	(41,096)	-7.78%
Interest Rate Spot Payable	-	152	-	-



## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

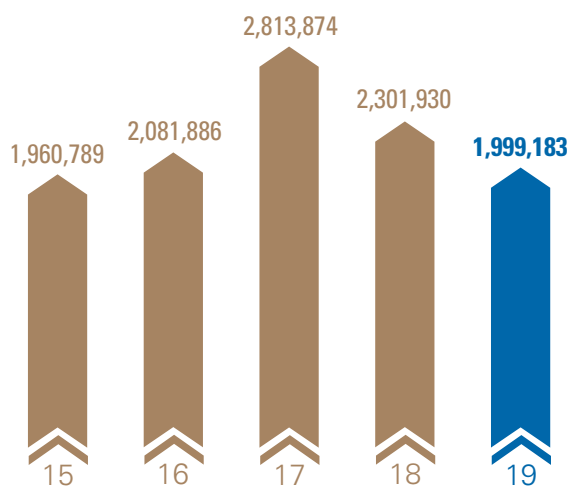
LIABILITIES  
2018-2019

Liabilities	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Securities Issued	19,783,552	20,644,760	(861,208)	-4.17%
Fund Borrowings	22,465,657	15,499,493	6,966,164	44.94%
Interest Payable	630,002	630,134	(132)	-0.02%
Employee benefits and other liabilities	5,736,637	6,217,814	(481,177)	-7.74%
Subordinated Loans	5,999,669	2,999,519	3,000,150	100.02%
<b>Total Liabilities</b>	<b>269,451,682</b>	<b>263,784,017</b>	<b>5,667,665</b>	<b>2.15%</b>

The Company's Total Liabilities at the end of 2019 amounted to Rp269.45 trillion, increased 2.15% or equivalent to Rp5.67 trillion compared to the Total Liabilities in 2018 of Rp263.78 trillion.

**Liabilities Due Immediately**

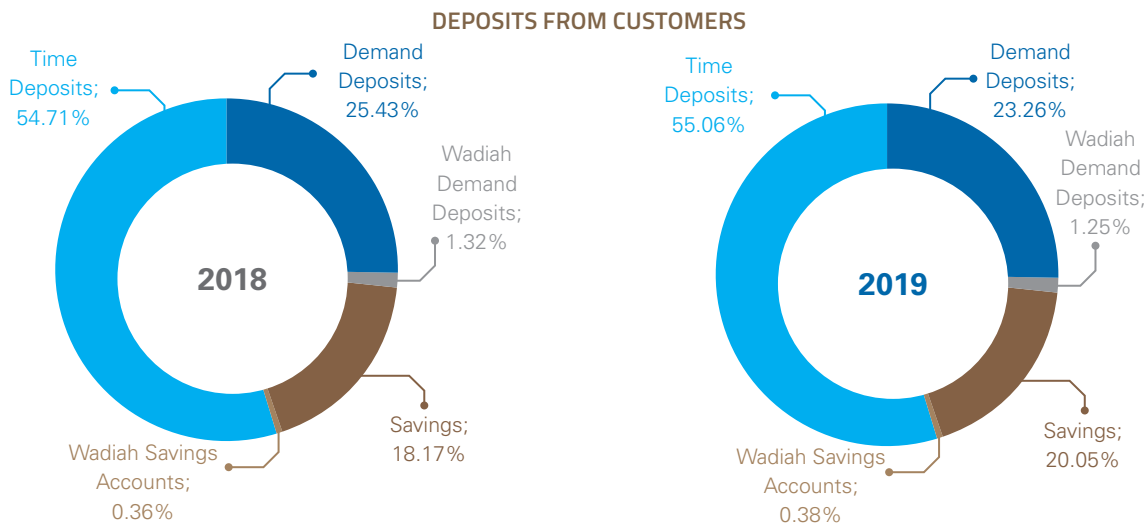
Liabilities Due Immediately in 2019 amounted to Rp1.99 trillion, decreased 13.15% compared to 2018 Liabilities Due Immediately of Rp2.30 trillion. This decrease was largely due to a decrease in liabilities to third party accounts of Rp240.68 billion.





## Deposits from Customers

Deposit from Customers	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
<b>Demand Deposits Saving</b>				
Demand Deposits	48,108,116	53,673,188	(5,565,072)	-10.37%
Wadiah Demand Deposits	2,593,010	2,781,854	(188,844)	-6.79%
<b>Total Giro Saving</b>	<b>50,701,126</b>	<b>56,455,042</b>	<b>(5,753,916)</b>	<b>-10.19%</b>
<b>Savings</b>				
Savings Accounts	41,484,909	38,350,839	3,134,070	8.17%
Wadiah Savings Accounts	789,889	766,324	23,565	3.08%
Total Third Party Fund	42,274,798	39,117,163	3,157,635	8.07%
Time Deposits	113,929,768	115,462,283	-1,532,515	-1.33%
<b>Total deposits from customers</b>	<b>206,905,692</b>	<b>211,034,488</b>	<b>-4,128,796</b>	<b>-1.96%</b>



Deposits from Customers in 2019 amounted to Rp206.90 trillion, decreased 1.96% compared to Deposits from Customers in 2018 of Rp211.03 trillion. This decrease was largely due to a decrease in Third Party Demand Deposits by Rp5.75 trillion and a decrease in Time Deposits by Rp1.53 trillion. While deposits from customers in the form of savings increased by Rp3.16 trillion from the previous year period.



Business Support



Good Corporate Governance

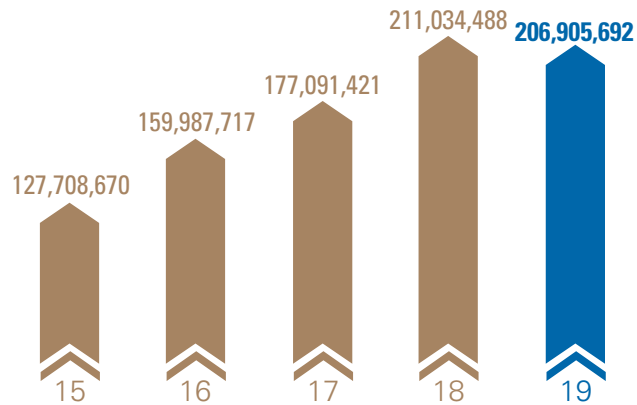


Corporate Social Responsibility



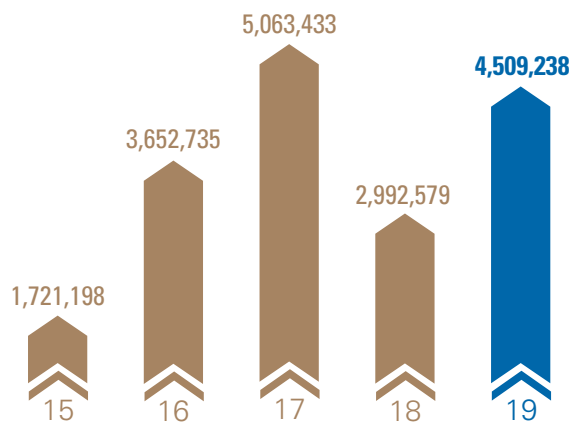
Financial Report

## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION



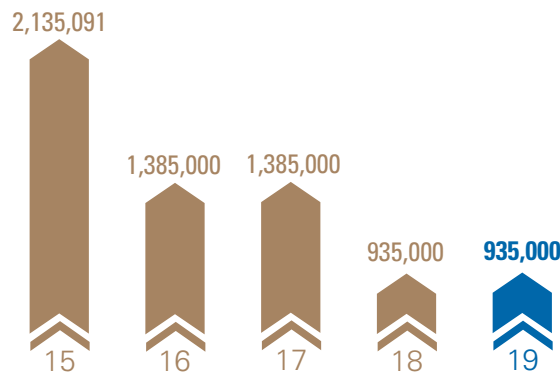
### Deposits from Other Banks

Deposits from Other Banks in 2019 amounted to Rp4.51 trillion, increased 50.68% or equivalent to Rp1.51 trillion compared to Deposits from Other Banks in 2018 of Rp2.99 trillion. This increase was caused by an increase in deposits from other banks in the form of rupiah time deposits amounting to Rp1.53 trillion.



### Securities Sold Under Repurchase Agreements

Total Securities Sold under Repurchase agreements in 2019 was Rp935 billion, the same amount as the Securities Sold under Repurchase agreements in 2018.



**Acceptance Payable**

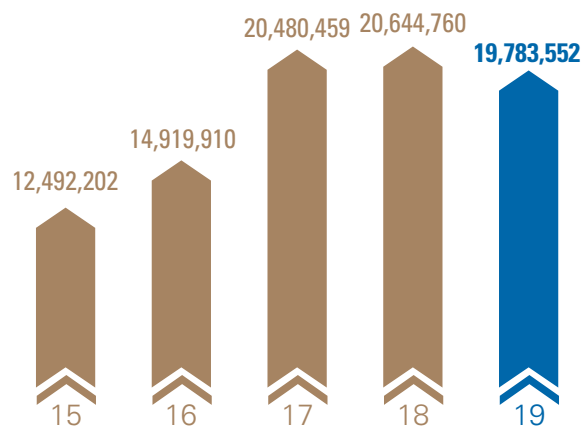
Acceptance payable in 2019 amounted to Rp487.05 billion, decreased 7.78% compared to Acceptance Liabilities in 2018 of Rp528.15 billion. This decrease was due to a decrease in domestic letters of credit (SKBDN) of related parties amounting to Rp41.10 million.

**Interest Rate Spot Payable**

Interest Rate Spot Payable in 2019 amounted to Rp0 million, compared to Interest Rate Spot Payable in 2018 amounted to Rp152 million. This decrease was due to the absence of Interest Rate Spot transactions at the end of 2019.

**Securities Issued**

Securities Issued for 2019 in the amount of Rp19.78 trillion, decreased 4.17% compared to Securities Issued in 2018 of Rp20.64 trillion. This decrease was largely derived from a decrease in Securities Issued to related parties.

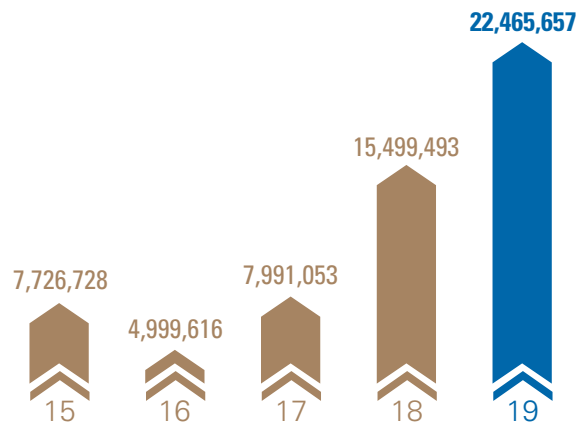


**Fund Borrowings**

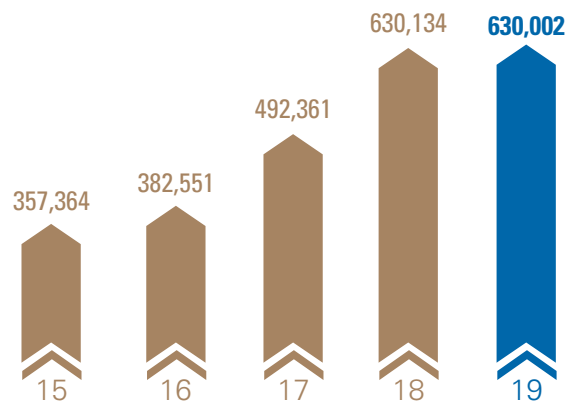
Fund Borrowings in 2019 amounted to Rp22.47 trillion, increased 44.94% or equivalent to Rp6.97 trillion compared to Fund Borrowings in 2018 amounting to Rp15.50 trillion. This increase was due to the Company receiving fund borrowing from PT Sarana Multi Griya Financial (Persero) in 2019 with a net value of Rp4.72 trillion.



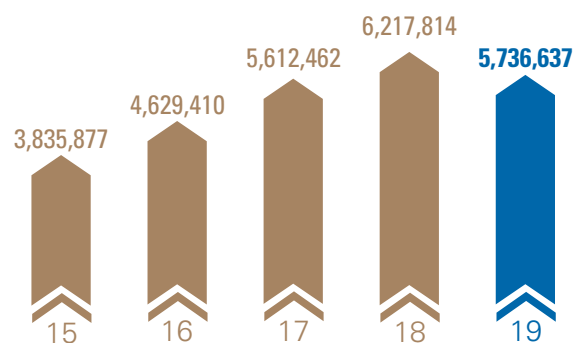
## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

**Interest Payable**

Interest Payable in 2019 amounting to Rp630.00 billion, increasing 0.02% or equivalent to Rp0.13 billion compared to Interest Payable in 2018 amounting to Rp630.13 billion. There was no significant decrease in interest payable account.

**Employee Benefit and Other Liabilities**

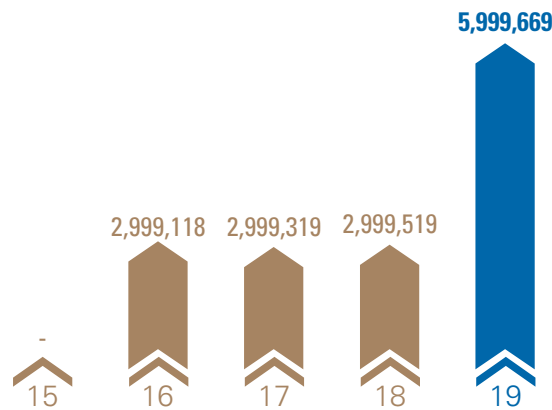
Employee Benefits and Other Liabilities in 2019 amounted to Rp5.74 trillion, decreased 7.74% compared to 2018 for Employee Benefits and Other Benefits Liabilities amounting to Rp6.22 trillion. The decrease was mostly derived from a decrease in other liabilities, developer guarantee funds amounting to Rp775.56 million.





### Subordinated Loan

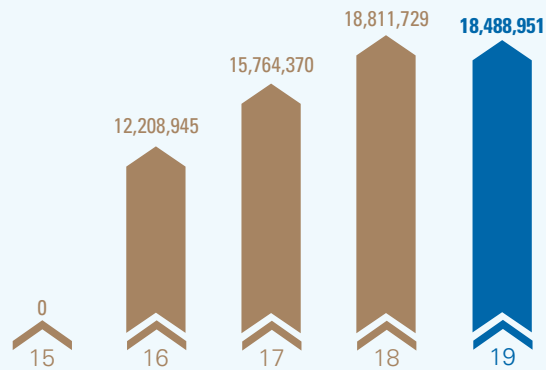
Subordinated Loans in 2019 amounting to Rp6.00 trillion, increasing 100.02% or equivalent to Rp3.00 trillion compared to Subordinated Loans in 2018 amounting to Rp3.00 trillion. This increase was due to the receipt of fund borrowings of Rp3.00 trillion from PT Sarana Multi Griya Financial (Persero) in 2019.



### TEMPORARY SYIRKAH FUND

“Total Temporary Syirkah Fund of the Company in 2019 reached Rp18.49 trillion, an decrease by 1.72% compared to the Total Temporary Syirkah Fund in 2018 of Rp18.81 trillion.”

#### TOTAL OF EMPORARY SYIRKAH FUND 2015-2019 (RP-MILLION)



#### TEMPORARY SYIRKAH FUND 2018-2019

Temporary Syirkah Fund	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Customer Savings	18,477,539	18,794,497	(316,958)	-1.69%
Saving from Other Banks	11,412	17,232	(5,820)	-33.77%
<b>Total of Temporary Syirkah Funds</b>	<b>18,488,951</b>	<b>18,811,729</b>	<b>(322,778)</b>	<b>-1.72%</b>





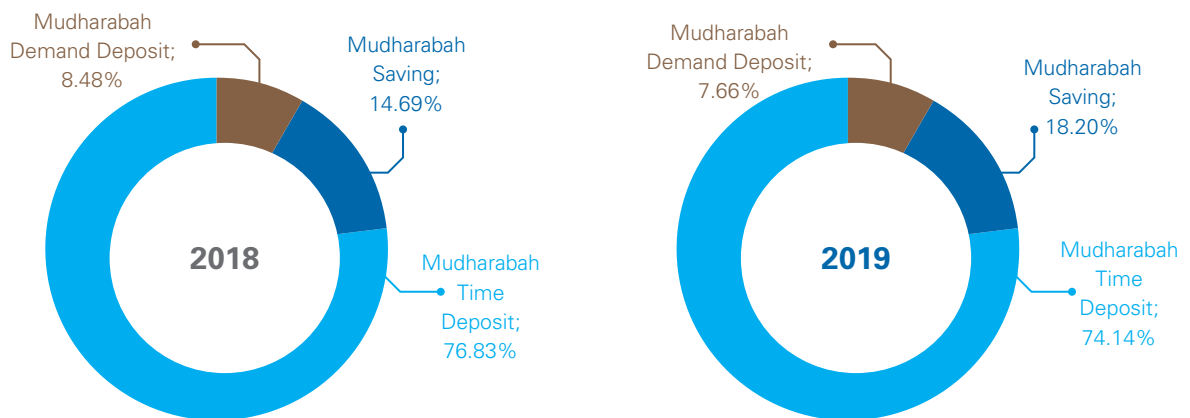
## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

Total Temporary Syirkah Funds of the Company at the end of 2019 amounted to Rp18.49 trillion, decreased 1.72% compared to Total Temporary Syirkah Funds in 2018 amounting to Rp18.81 trillion.

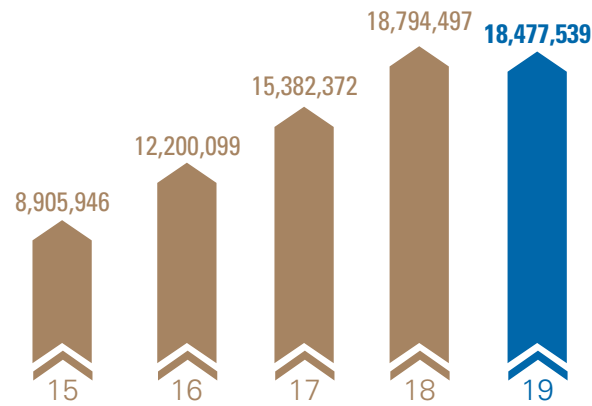
### CUSTOMER SAVING

Customer Saving of Temporary Syirkah Fund	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Mudharabah Demand Deposit	1,414,712	1,594,272	(179,560)	-11.26%
Mudharabah Saving	3,362,926	2,760,069	602,857	21.84%
Mudharabah Time Deposit	13,699,901	14,440,156	(740,255)	-5.13%
<b>Total of Customer Saving of Temporary Syirkah Fund</b>	<b>18,477,539</b>	<b>18,794,497</b>	<b>(316,958)</b>	<b>-1.69%</b>

### COMPOSITION CUSTOMER SAVING OF TEMPORARY SYIRKAH FUND



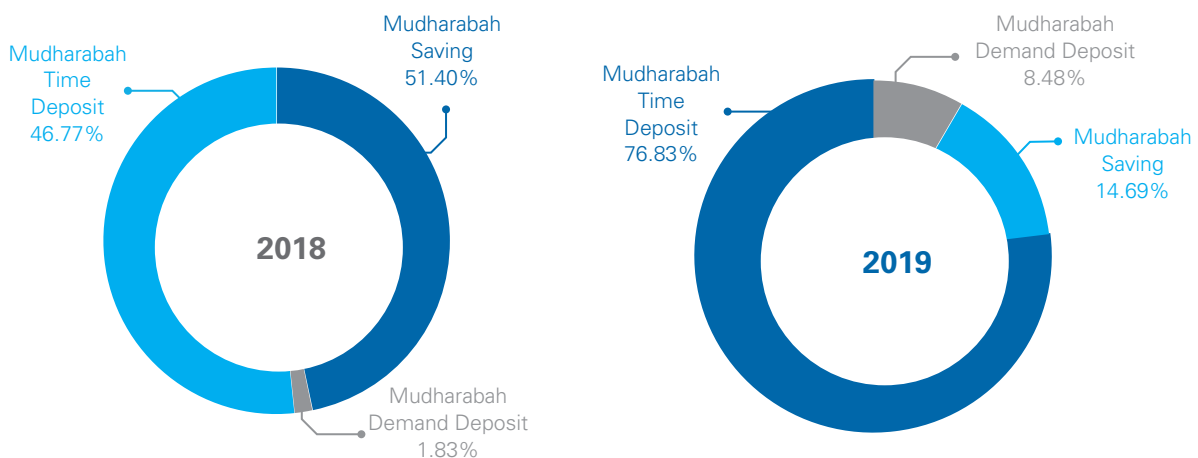
Customer Saving of Temporary Syirkah Fund in 2019 amounted to Rp18.48 trillion, decreased 1.69% compared to 2018 of Customer Saving of Temporary Syirkah Fund of Rp18.79 trillion. This decrease was largely due to a decrease in Mudharabah time deposits by Rp740.26 billion and a decrease in Mudharabah Demand Deposit by Rp179.56 billion, despite an increase in Mudharabah savings amounting to Rp602.86 billion.



### Saving from Other Banks

Saving from Other Banks for Temporary Syirkah Fund	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Mudharabah Demand Deposit	243	315	(72)	-22.86%
Mudharabah Saving	3,299	8,857	(5,558)	-62.75%
Mudharabah Time Deposit	7,870	8,060	(190)	-2.36%
<b>Total of Saving from Other Banks for Temporary Syirkah Fund</b>	<b>11,412</b>	<b>17,232</b>	<b>(5,820)</b>	<b>-33.77%</b>

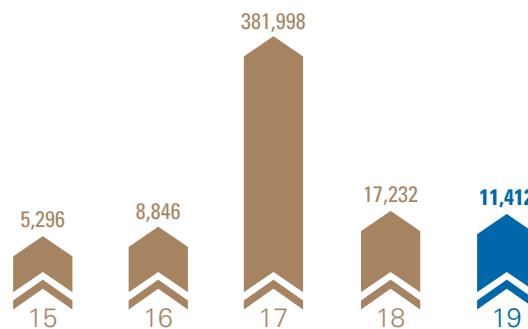
### KOMPOSISI SIMPANAN DARI BANK LAIN UNTUK DANA SYIRKAH TEMPORER





## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

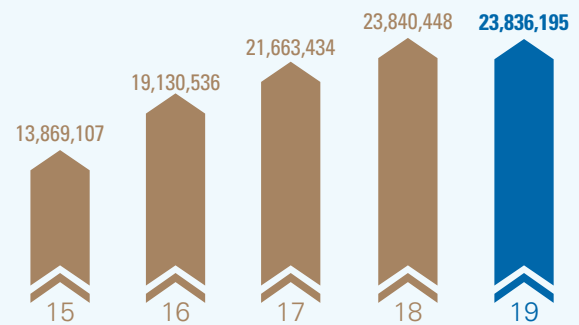
Saving from Other Banks for Temporary Syirkah Fund in 2019 amounted to Rp11.41 billion, decreased 33.77% compared to Saving from Other Banks for Temporary Syirkah Fund in 2018 amounted to Rp17.23 billion. This decrease was due to a decrease in Mudharabah Savings by Rp5.56 billion and Mudharabah time deposits by Rp190 million.



## EQUITY



“The Company’s Total Equity in 2019 reached Rp23.84 trillion, experienced an decrease 0.02%.”

TOTAL EQUITY 2015-2019  
(RP-MILLION)EQUITY  
2018-2019

Equity	2019 (Rp-Million)	2018 (Rp-Million)	Increase (Decrease)	
			Nominal (Rp-Million)	Percentage (%)
Capital Stock	5,295,000	5,295,000	-	-
Additional paid-in capital	2,054,454	2,054,454	-	-
Loss on available-for-sale securities and government bonds, net of deferred tax	11,460	(107,430)	118,890	110.67%



### EQUITY 2018-2019

Equity	2019 (Rp-Million)	2018 (Rp-Million)	Increase (Decrease)	
			Nominal (Rp-Million)	Percentage (%)
Remeasurement for the Definite Rewards Program - After Tax Deferred	(194,707)	(82,886)	(111,821)	134.91%
Revaluation Surplus of Fixed Assets	3,307,991	2,966,991	341,000	11.49%
Retained Earnings <sup>*)</sup>				
Appropriated	12,995,995	10,749,657	2,246,338	20.90%
Unappropriated	366,002	2,964,662	(2,598,660)	-87.65%
<b>Total Equity</b>	<b>23,836,195</b>	<b>23,840,448</b>	<b>(4,253)</b>	<b>-0.02%</b>

<sup>\*)</sup> Deficit balance of Rp14,226,290 is eliminated due to quasi-reorganization on May 31, 2007.

The Company's Total Equity at the end of 2019 was Rp23.84 trillion, decreased 0.02% or equivalent to Rp4.25 compared to the Total Equity of 2018 of IDR 23.84 trillion. This decrease was mainly due to the factors that will be explained below.

#### Capital Stock

Capital Stock in 2019 amounted to Rp5.29 trillion, or equivalent to Capital Stock in 2018 amounting to Rp5.29 trillion

#### Additional paid-in capital

Additional Paid-in Capital in 2019 was Rp2.05 trillion, or the same amount as Additional Paid-in Capital in 2018 of Rp2.05 trillion.

#### Loss On Available-For-Sale Securities And Government Bonds, Net Of Deferred Tax

In 2019, the Bank recorded Loss on available-for-sale securities and government bonds net of Deferred Tax amounting to Rp11.46 billion, an increase by 110.67% or equivalent to Rp118.89 billion compared to Loss on available-for-sale securities and government bonds net of Deferred Tax in 2018 amounting to Rp107.43 billion.

#### Remeasurement for the Definite Rewards Program – Net of Tax Deferred

Remeasurement for the Definite Rewards Program – Net of Tax Deferred amounted to Rp194.71 billion, increased by 134.91% or equivalent to Rp111.82 billion compared to the the previous year's Remeasurement for the Definite Rewards Program – Net of Tax Deferred amounted to Rp82.89 billion.

#### Revaluation Surplus of Fixed Assets

Revaluation Surplus of Fixed Assets in 2019 was Rp3.31 trillion, increased 11.49% or equivalent to Rp341.00 million compared to the Revaluation Surplus of Fixed Assets of IDR 2.97 trillion. This increase was due to an addition to Revaluation Surplus of Land Fixed Assets amounting to Rp334.73 billion recorded in 2019.

#### Retained Earnings

Retained Earnings consist of appropriated retained earnings, which is Rp13.00 trillion, and unappropriated retained earnings, which is Rp366.00 million

Appropriated Retained Earnings in 2019 amounted to Rp13.00 trillion, increased 20.90% or equivalent to Rp2.25 trillion compared to the Appropriate Retained Earnings in 2018 amounted to Rp10.75 trillion. This increase was derived from the portion of last year's earnings which was recorded in the unappropriated retained earnings.

Whereas unappropriated Retained Earnings in 2019 was Rp366.00 billion, decreased 87.65% compared to the unappropriated Retained Earnings in 2018 of Rp2.96 trillion. This decrease was because achievement of income for the year was not as big as the achievement in 2018. This was in line with the Company's policy to strengthen the allowance for impairment losses on financial assets.



Business Support



Good Corporate Governance

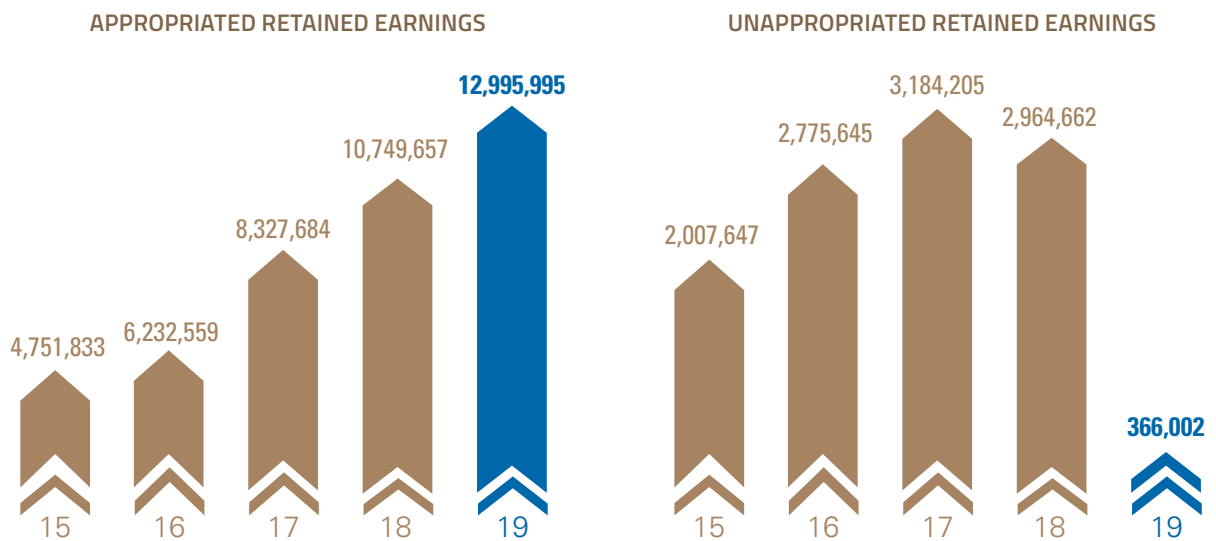


Corporate Social Responsibility



Financial Report

## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION



## PROFIT (LOSS) REPORT AND OTHER COMPREHENSIVE INCOME

Interest Expenses  
and Profit Sharing

12.55%

Current year profit

Rp209.26 M

Total of Current Year  
Comprehensive Profit

Rp557.33 M

Profit (Loss) and Other Comprehensive Income	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
<b>Operating Income and Expenses</b>				
Interest Income and Profit Sharing	25,719,874	22,851,758	2,868,116	12.55%
Interest Expenses, Profit Sharing and Bonuses	(16,758,073)	(12,762,581)	(3,995,492)	31.31%
Interest Income and Profit Sharing – Net	8,961,801	10,089,177	(1,127,376)	-11.17%
Other Operating Income	2,109,852	2,071,594	38,258	1.85%



Profit (Loss) and Other Comprehensive Income	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Allowance for Impairment Losses on Financial and Non-Financial Assets	(3,486,665)	(1,714,427)	(1,772,238)	103.37%
Other Operating Expenses	(7,063,215)	(6,852,544)	(210,671)	3.07%
Operational profit	521,773	3,593,800	(3,072,027)	-85.48%
Non-Operating Income (Expenses) - Net	(110,711)	16,475	(127,186)	-771.99%
Profit Before Tax	411,062	3,610,275	(3,199,213)	-88.61%
Tax expense	(201,799)	(802,352)	600,553	-74.85%
Current year profit	209,263	2,807,923	(2,598,660)	-92.55%
Other Comprehensive Income	348,069	(25,416)	373,485	1,469.49%
Total of Current Year Comprehensive Profit	557,332	2,782,507	(2,225,175)	-79.97%
Earnings per Share - Basic (full Rupiah value)	20	265	(245)	-92.45%

### Interest Income and Profit Sharing

Interest Income and Profit Sharing consist of Interest Income from Conventional business segments, and Sharia Profit Sharing and Margin Units from the Company's business that are developed through Sharia business segments.

Interest Income and Profit Sharing	2019		2018		Increase (Decrease)	
	Jumlah (Rp-million)	Kontribusi (%)	Jumlah (Rp-million)	Kontribusi (%)	Nominal (Rp-million)	Percentage (%)
Interest Income	23,271,432	90.48%	20,781,512	90.94%	2,489,920	11.98%
Sharia Profit Sharing and Margin Units	2,448,442	9.52%	2,070,246	9.06%	378,196	18.27%
<b>Total of Interest Income and Profit Sharing</b>	<b>25,719,874</b>	<b>100.00%</b>	<b>22,851,758</b>	<b>100.00%</b>	<b>2,868,116</b>	<b>12.55%</b>

Interest income and profit sharing of the Company for 2019 amounted to Rp25.72 trillion, decreased 12.55% compared to Interest Income and Profit Sharing in 2018 amounted to Rp22.85 trillion. This decrease was due to the following factors:

#### Interest income

Interest income in 2019 amounted to Rp23.27 trillion, increased 11.98% or equivalent to Rp2.49 trillion compared to 2018 interest income of Rp20.78 trillion. This increase

was due to an increase in loan interest income by Rp2.40 trillion compared to the previous year.

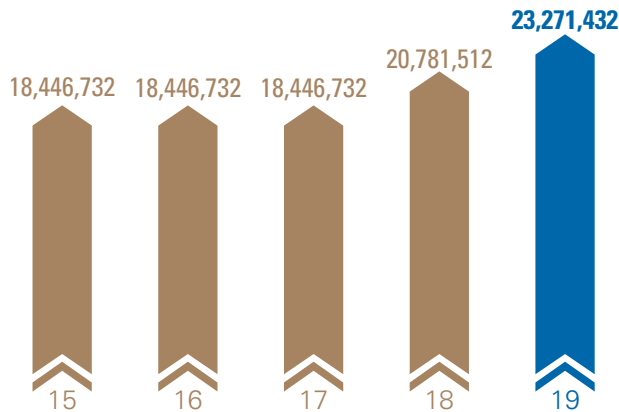
#### Sharia Profit Sharing and Margin Unit

Sharia Profit Sharing and Margin Unit in 2019 amounted to Rp2.45 trillion, increased 18.27% or equivalent to Rp378.20 billion compared to 2018 Sharia Profit Sharing and Margin Unit of Rp2.07 trillion. This increase was due to an increase in Murabaha income by Rp355.78 billion.

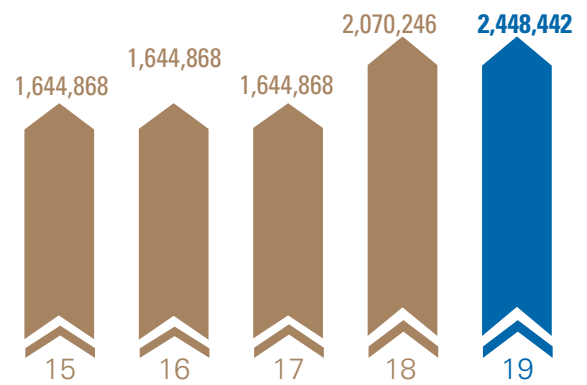


## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

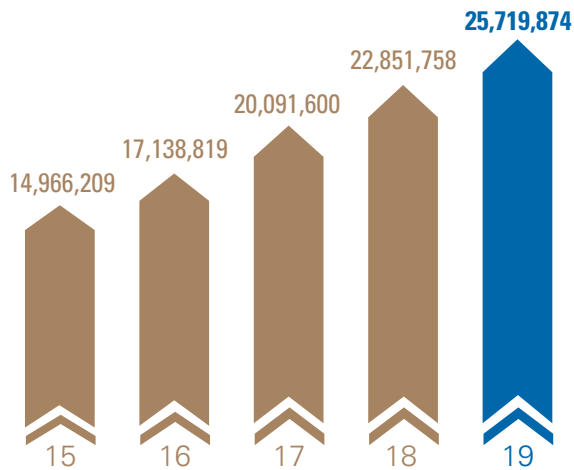
INTEREST INCOME GROWTH  
2015-2019  
(RP-MILLION)



TOTAL OF SHARIA PROFIT SHARING AND MARGIN UNIT  
GROWTH 2015-2019  
(RP-MILLION)



INTEREST INCOME AND PROFIT SHARING GROWTH  
2015-2019  
(RP-MILLION)



#### Interest Expenses, Profit Sharing and Bonuses

Interest Expenses, Profit Sharing and Bonus consists of interest expenses, other funding expenses, bonus wadiah savings, and third party rights over mudharabah profit sharing. The development of the amount of Interest Expense, Profit Sharing and Bonuses per account can be seen in the table below:



Interest Expenses, Profit Sharing and Bonuses	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Interest	15,167,294	11,627,554	3,539,740	30.44%
Other Funding Expenses	157,708	128,826	28,882	22.42%
Other Funding Expenses <sup>*)</sup>	15,641	12,436	3,205	25.77%
Wadiah Saving Bonos <sup>*)</sup>	1,417,430	993,765	423,665	42.63%
<b>Total of Interest Expenses, Profit Sharing and Bonus</b>	<b>16,758,073</b>	<b>12,762,581</b>	<b>3,995,492</b>	<b>31.31%</b>

<sup>\*)</sup>Recassified

Interest Expenses, Profit Sharing and Bonus in 2019 amounted to Rp16.76 trillion, decreased 31.31% or equivalent to Rp3.99 trillion compared to Interest Expenses, Profit Sharing and Bonus in 2018 of Rp12.76 trillion. This increase was due to the following factors as follows:

#### Interest expense

Interest Expense in 2019 amounted to Rp15.17 trillion, increased 30.44% or equivalent to Rp3.54 trillion compared to Interest Expense in 2018 of Rp11.63 trillion. This increase was largely due to an increase in time deposit interest expense by Rp2.65 trillion from Rp6.12 trillion in 2018 to Rp8.77 trillion in 2019.

#### Other Funding Expenses

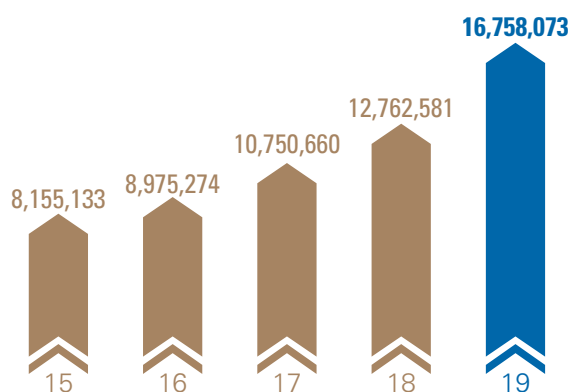
Other Funding Expenses in 2019 amounted to Rp157.71 billion, increased 22.42% or equivalent to Rp28.88 billion compared to Other Funding Expenses in 2018 of Rp 128.83 billion.

#### Wadiah Savings Bonus

Wadiah Savings Bonus in 2019 amounted to Rp15.64 billion, increased 25.77% or equivalent to Rp3.21 billion compared to the Wadiah Savings Bonus in 2018 amounted to Rp12.44 billion.

#### Third Party Rights over Mudharabah Profit Sharing

Third Party Rights over Mudharabah Profit Sharing in 2019 amounted to Rp1.42 billion, increased 42.36% or equivalent to Rp423.67 billion compared to the Third Party Rights over Mudharabah Profit Sharing in 2018 of Rp 993.76 billion

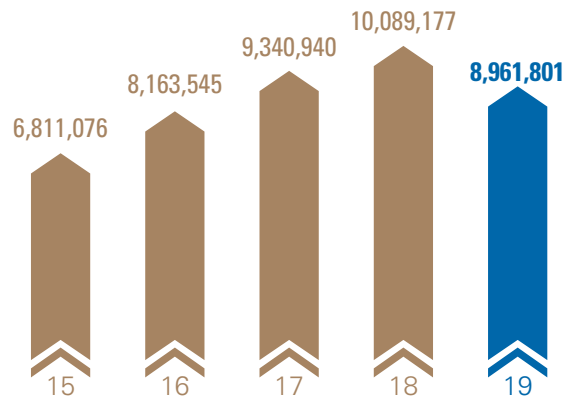




**FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION****Interest Income and Profit Sharing - Net**

Interest Income and Profit Sharing - Net is obtained from the accumulation of Interest Income and Profit Sharing and Interest Expense, Profit Sharing and Bonuses. With bookkeeping on Interest Income and Profit Sharing and

Interest Expense, Profit Sharing and Bonuses as explained above, Interest Income and Profit Sharing - Net in 2019 amounted to Rp8.96 trillion, decreased 11.17% compared to Interest Income and Profit Sharing - Net in 2018 of Rp10.09 trillion

**INTEREST INCOME AND PROFIT SHARING - NET GROWTH 2015-2019****Other Operating Income**

Other Operating Income is obtained from administration fees and fines on deposits and loans, income from written off loans, profits from the sale of securities - net, profits

from the sale of government bonds - net, unrealized profits from changes in the fair value of securities - net, unrealized profits from changes in the fair value of Government bonds - net, and others

The development of Other Operating Income amount per account can be seen in the table below:

Other Operating Income	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Administration fees and fines on deposits and loans	832,556	819,837	12,719	1.55%
Income from written off loans	113,399	130,900	(17,501)	-13.37%
Profits from the sale of securities - net	478,339	437,553	40,786	9.32%
Profits from the sale of government bonds - net	144,553	8,586	135,967	1,583.59%
Unrealized profits from changes in the fair value of securities - net	20,894	30,316	(9,422)	-31.08%
Unrealized profits from changes in the fair value of government bonds - net	1,745	11,999	(10,254)	-85.46%
Others	518,366	632,403	(114,037)	-18.03%
<b>Total of Other Operating Income</b>	<b>2,109,852</b>	<b>2,071,594</b>	<b>38,258</b>	<b>1.85%</b>



Other Operating Income in 2019 amounted to Rp2.11 trillion, increased 1.85% compared to Other Operating Income in 2018 amounted to Rp2.07 trillion. This e was due. as described below:

**Administrative Fees and Fines for Deposits and Credits**

Administrative Fees and Fines for Deposits and Credits in 2019 amounted to Rp832.55 billion, increased 1.55% or equivalent to Rp12.72 compared to Administrative Fees and Fines for Deposits and Credits in 2018 amounted to Rp819.84 billion.

**Income From Written Off Loans**

Income from Written off loans in 2019 was Rp113.40 billion, decreased 13.37% compared to Income from Written off loans in 2018 amounted to Rp130.90 billion.

**Profits From The Sale Of Securities - Net**

profits from the sale of securities - net in 2019 was Rp478.34 billion, increased 9.32% or equivalent to Rp40.79 billion compared to the profits from the sale of securities - net in 2018 amounted to Rp437.55 billion.

**Profits from Sales of Government Bonds - Net**

Profits from Sales of Government Bonds - Net in 2019 amounted to Rp144,55 billion, increased 1,583.59% or equivalent to Rp135.97 compared to Profits from Sales of Government Bonds - Net in 2018 of Rp8.59 billion.

**Unrealized Profits from Changes in Fair Value of Securities - Net**

Unrealized Profits from Changes in Fair Value of Securities - Net in 2019 amounted to Rp20.89 Billion, decreased 31.08% compared to Unrealized Profits from Changes in Fair Value of Securities - Net in 2018 amounted to Rp30.32 billion.

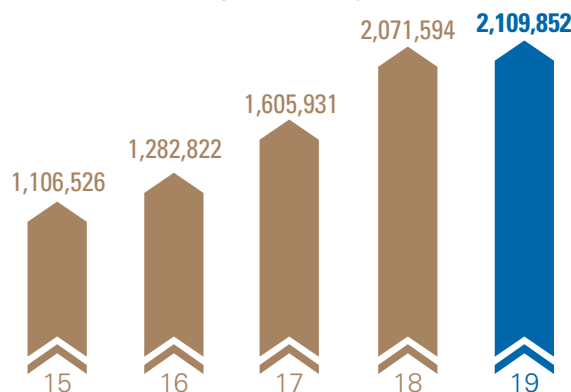
**Unrealized Profits from Changes in Fair Value of Government Bonds - Net**

Unrealized Profits from Changes in Fair Value of Government Bonds - Net in 2019 amounted to Rp1.74 billion, decreased 85.46% compared to Unrealized Profits from Changes in Fair Value of Government Bonds - Net of 2018 of Rp12.00 billion.

**Other**

Other account in 2019 amounted to Rp518.37 billion, decreased 18.03% compared to Other Account in 2018 amounted to Rp632.40 billion.

**OTHER OPERATING INCOME GROWTH  
2015-2019  
(RP-MILLION)**



**FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION****Other Operating Expenses**

Other Operating Expenses are obtained from general and administrative expenses, salaries and employee benefits, unrealized losses from changes in the fair value of Government bonds - net, premiums for the Government insurance program, and others.

The development of Other Operating Expenses amount per account can be seen in the table below:

Other Operating Expenses	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
General and administration	3,425,022	3,225,353	199,669	6.19%
Employee salaries and benefits	2,863,955	2,876,562	(12,607)	-0.44%
Neto unrealized losses from changes in the fair value of government bonds - net	-	-	-	-
Premiums for the Government insurance program	467,791	401,532	66,259	16.50%
Others	306,447	349,097	(42,650)	-12.22%
<b>Total of Other Operating Expenses</b>	<b>7,063,215</b>	<b>6,852,544</b>	<b>210,671</b>	<b>3.07%</b>

Other Operating Expenses in 2019 amounted to Rp7.06 trillion, increased 3.07% or equivalent to Rp210.67 billion compared to Other Operating Expenses in 2018 of Rp6.85 trillion. This increase was due described below:

**General and Administrative Expenses**

General and Administrative Expenses in 2019 amounted to Rp3.42 trillion, increased 6.19% or equivalent to Rp199.67 billion compared to General and Administrative Expenses in 2018 amounted to Rp3.22 trillion.

**Employee Salaries and Benefits**

Employee Salaries and Benefits in 2019 amounted to Rp2.86 trillion, decreased 0.44% compared to Employee Salaries and Benefits in 2018 amounted to Rp2.88 trillion.

**Premiums for the Government insurance program**

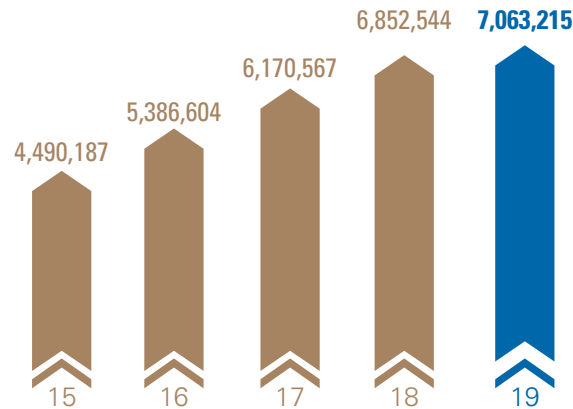
Premiums for the Government insurance program in 2019 amounted to Rp467.79 billion, increased 16.50% or equivalent to Rp66.26 billion compared to Premiums for the Government insurance program in 2018 of Rp401.53 billion.

**Others**

Others in 2019 amounted to Rp306.45 billion, decreased 12.22% compared to Others in 2018 amounted to Rp349.10 billion.



### OTHER OPERATING EXPENSES GROWTH 2015-2019 (RP-MILLION)



#### Operational Profit

Operating profit is obtained from the accumulation of Interest Income and Profit Sharing - Net, Other Operating Income, Allowance for Impairment Losses on Financial and Non-Financial Assets, and Other Operating Expenses

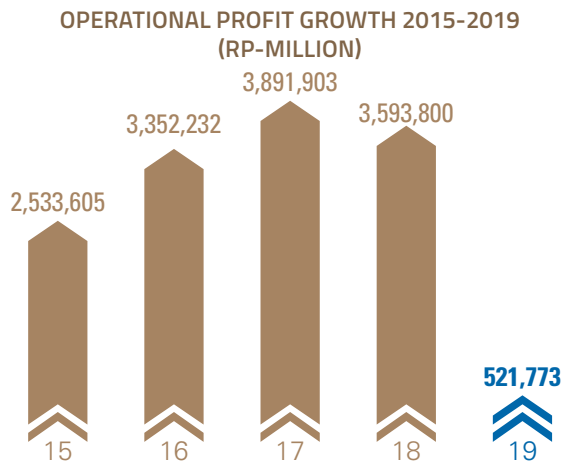
Operating Profit	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Interest Income and Profit Sharing - Net	8,961,801	10,089,177	(1,127,376)	-11.17%
Other Operating Income	2,109,852	2,071,594	38,258	1.85%
Allowance for Impairment Losses on Financial and Non-Financial Assets	(3,486,665)	(1,714,427)	(1,772,238)	103.37%
Other Operating Expenses	(7,063,215)	(6,852,544)	(210,671)	3.07%
<b>Operating Profit</b>	<b>521,773</b>	<b>3,593,800</b>	<b>(3,072,027)</b>	<b>-85.48%</b>

With bookkeeping on Interest Income and Profit Sharing - Net, Other Operating Income, Allowance for Impairment Losses of Financial and Non-Financial Assets, and Other

Operating Expenses as explained above, Operating Profit in 2019 of Rp521.77 billion, decreased 85.48% compared to 2018 Operating Profit of Rp3.59 trillion.



## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

**Non-Operating Income (Expenses) - Net**

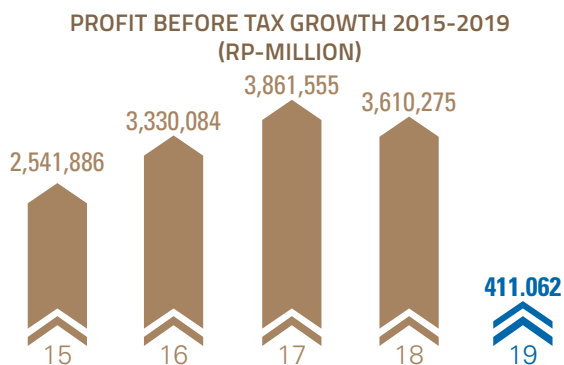
Non-Operating (Expense) Income - Net in 2019 decreased 771.99% or equivalent compared to Non-Operating (Expense) Income - Net in 2018 of Rp82.89 trillion.

**Profit Before Tax**

Profit Before Tax is obtained from the accumulation of Operating Profit and Non-Operating Income (Expense) - Net.

Profit Before Tax	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Operating Profit	521,773	3,593,800	(3,072,027)	-85.48%
Non-Operating Income (Expense) - Net	(110,711)	16,475	(127,186)	-771.99%
Profit Before Tax	411,062	3,610,275	(3,199,213)	-88.61%

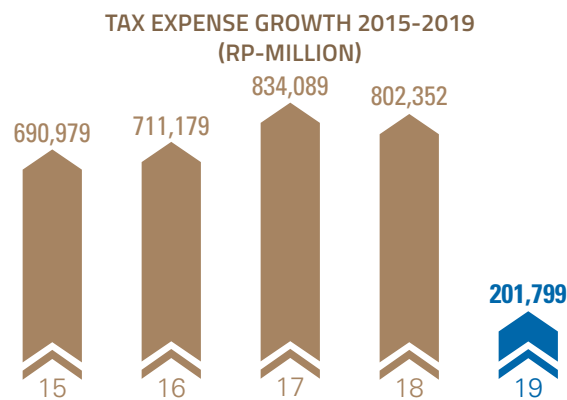
With bookkeeping on Operating Profit and Non-Operating Profit (Expenses) - Net as explained above, Profit Before Tax in 2019 amounted to Rp411.06 billion, decreased 88.61% compared to Profit Before Tax the 2018 of Rp3.61 trillion.





### Tax Expense

Tax expense in 2019 was decreased 74.85% compared to the tax expense in 2018.

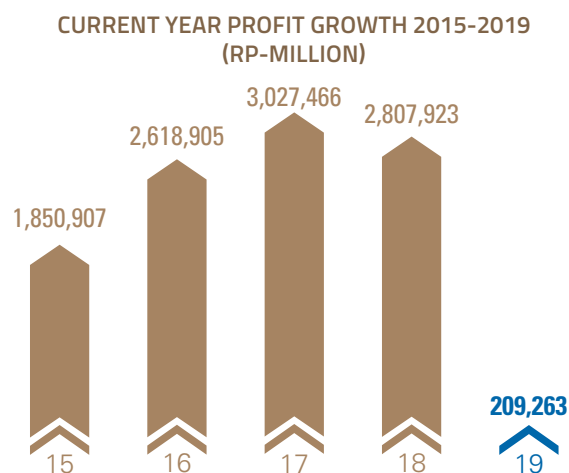


### Current Year Profit

Current Year Profit is the Company's net profit obtained from the accumulation of Profit Before Tax and Tax Expense.

Current Year Profit	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Profit Before Tax	411,062	3,610,275	(3,199,213)	-88.61%
Tax Expense	(201,799)	(802,352)	600,553	-74.85%
Current Year Profit	209,263	2,807,923	(2,598,660)	-92.55%

With bookkeeping on Profit Before Tax and Tax Expense as explained above, Profit for the Year in 2019 amounted to Rp209.26 billion decreased 99.25% compared to Current Year Profit in 2018 of Rp2.81 trillion.



**FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION****Other Comprehensive Income**

Other comprehensive income is obtained from accounts that will not be reclassified into profit and loss, includes re-measurement of defined benefit plan, and income tax related to accounts that will not be reclassified into profit

loss; and accounts that will be reclassified into profit or loss which includes net unrealized profit (loss) on changes in the value of securities and government bonds available for sale, and income tax related to accounts that will be reclassified to profit or loss.

The development of other comprehensive income amount per account can be seen in the table below:

Other Comprehensive Income	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
<b>Accounts that will not be reclassified to profit loss</b>				
Premises and Equipment Revaluation	341,000			
<b>Accounts that will be reclassified to profit loss</b>				
Remeasurement of defined benefit programs	(132,869)	80,363	(213,232)	-265.34%
Income tax related to accounts that will not be reclassified to profit loss	21,048	(20,091)	41,139	-204.76%
Sub Total	229,179	60,272	168,907	280.24%
<b>The accounts to be reclassified to profit loss</b>				
Unrealized net profit (loss) from changes in the value of available-for-sale securities and government bonds	148,613	(114,250)	262,863	230.08%
Income tax related to accounts that will be reclassified to profit loss	(29,723)	28,562	(58,285)	204.06%
Sub Total	118,890	(85,688)	204,578	238.75%
<b>Total of Other Comprehensive Income</b>	<b>348,069</b>	<b>(25,416)</b>	<b>373,485</b>	<b>1,469.49%</b>

Other Comprehensive Income in 2019 was Rp348.07 billion, increased 1,469.49% or equivalent to Rp373.48 billion compared to Other Comprehensive Income in 2018 of Rp25.42 trillion. This increase was the details can be seen below:

**Accounts That Will Not Be Reclassified to Profit and Loss**

- Re-Measurement of defined Rewards Program  
Remeasurement of defined benefit program in 2019 was decreased 265.34% compared to re-measurement of the defined benefit program in 2018.
- Income Tax Related to Accounts That Will Not Be Reclassified to Profit and Loss.  
Income tax related to accounts that will not reclassified to profit and loss in 2019 amounting to Rp21.05 for changes in the value of securities and Government

bonds available for sale in 2018 at deficit Rp114.25 billion.

**Accounts That Will Be Reclassified to Profit and Loss**

- Unrealized Net Profit (Loss) from Changes in Value of Available-for-Sale Securities and Government Bonds.  
Unrealized net profit (loss) from changes in the value of available-for-sale securities and Government bonds are in 2019 was Rp148.61 billion, increased 230.08% or equivalent to Rp262.86 billion compared to Unrealized net profit (loss) from changes in the value of available-for-sale securities and Government bonds are in 2018 of deficit Rp114.25 billion.
- Income Tax Related to Accounts That Will Be Reclassified to Profit and Loss.  
Income Tax Related to Accounts That Will Be Reclassified



to Profit and Loss in 2019 of deficit Rp29.72 billion, decreased 204.06% or equivalent to deficit Rp58.28

billion compared to 2018 of Rp28.56 billion.

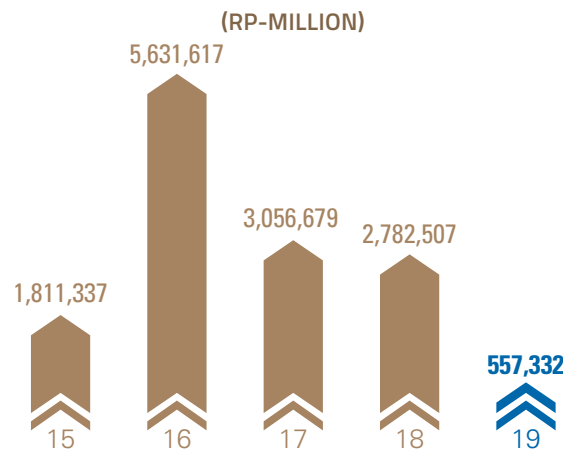
### Total Comprehensive Profit for the Current Year

Total Comprehensive Profit for the Current Year is obtained from the accumulation of current Income and Other Comprehensive Income.

Total Comprehensive Profit for the Current Year	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Profit of Current Year	209,263	2,807,923	(2,598,660)	-92.55%
Other Comprehensive Income	348,069	(25,416)	373,485	1,469.49%
<b>Total of Comprehensive Profit of the Current Year</b>	<b>557,332</b>	<b>2,782,507</b>	<b>(2,225,175)</b>	<b>-79.97%</b>

With the bookkeeping on the Current Year's Profit and Other Comprehensive Income as explained above, the Total Comprehensive Profit for the Year 2019 was Rp557.33 billion decreased 79.97% or equivalent deficit to Rp2.22 trillion compared to 2018 of Rp2.78 trillion.

### TOTAL COMPREHENSIVE PROFIT FOR THE CURRENT YEAR GROWTH 2015-2019



“Bank BTN does not have subsidiaries or associates. Therefore, Bank BTN’s income statement does not present Profit and Total Comprehensive Profit of Current Year that is attributed to both the parent entity owner and non-controlling interests.”

### Basic Earnings per Share

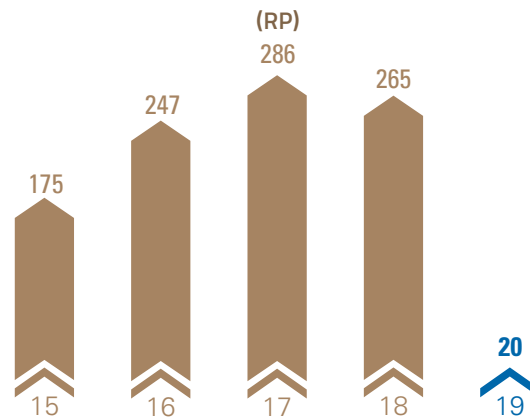
Basic Earnings per Share was Rp20 per share, decreased 92.45% or equivalent deficit to Rp245 compared to Basic Earnings per Share in 2018 of Rp265 per share.





## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

## BASIC EARNINGS PER SHARE GROWTH 2015-2019



## Cash Flow

Cash Flow	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Cash Flow from Operational Activities	(14,828,361)	(2,410,430)	(12,417,931)	-515.17%
Cash Flow from Investment Activities	(7,077,106)	1,689,493	(8,766,599)	-518.89%
Cash Flow from Funding Activities	8,440,369	6,598,304	1,842,065	27.92%
Increase of Cash Net and Cash Equivalent	(13,465,098)	5,877,367	(19,342,465)	-329.10%
Cash and Cash Equivalent at The Beginning of Year	44,715,006	38,837,639	5,877,367	15.13%
Cash and Cash Equivalent at The End of Year	31,249,908	44,715,006	(13,465,098)	-30.11%

## Cash Flow From Operational Activities

CASH FLOW FROM OPERATIONAL ACTIVITIES 2018-2019  
(RP-MILLION)

Cash Flow from Operational Activities	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Interest, Profit Sharing and Margin	25,453,902	22,179,899	3,274,003	14.76%
Recoveries from loan written off debts	153,997	151,188	2,809	1.86%
Interest and bonus, fees and commission paid	(16,646,046)	(12,624,698)	(4,021,348)	31.85%
Payment of corporate income tax	(590,027)	(976,956)	386,929	-39.61%



**CASH FLOW FROM OPERATIONAL ACTIVITIES 2018-2019  
(RP-MILLION)**

Cash Flow from Operational Activities	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Recoveries from tax assessment letter	6,710	3,941	2,769	70.26%
<b>Payment on tax assessment letter</b>		-		
Other operating expenses - net	(4,845,107)	(5,163,188)	318,081	-6.16%
Other operating income (expenses) - net	(110,711)	16,475	(127,186)	-771.99%
Cash receipts before changes in operating assets and liabilities	3,422,718	3,586,661	(163,943)	-4.57%
<b>Changes in operating assets and liabilities</b>				
<b>Decrease (increase) in operating assets:</b>				
• Placement with Other Banks	(351,800)	-	-	-
• Fair Value Through Profit Loss Securities	2,452,777	740,954	1,711,823	231.03%
• Fair Value Through Profit Loss Government Bonds	1,547,115	(2,350,369)	3,897,484	165.82%
• Loans and sharia financing/receivables	(18,229,537)	(39,554,295)	21,324,758	-53.91%
• Other Assets	300,335	10,680	289,655	2.712.13%
<b>Total Changes on Operational Assets</b>	<b>(14,281,110)</b>	<b>(41,153,030)</b>	<b>26,871,920</b>	<b>-65.30%</b>
<b>Increase (decrease) on Operational Liabilities</b>				
• Current Liabilities	(301,002)	(414,568)	113,566	-27.39%
• Saving from Customer				
- Demand Deposit	(5,565,072)	3,653,362	(9,218,434)	-252.33%
- Wadiah Demand Deposit	(188,844)	32,528	(221,372)	-680.56%
- Saving	3,134,070	132,903	3,001,167	2.258.16%
- Wadiah saving	23,565	143,923	(120,358)	-83.63%
- Time Deposit	(1,532,515)	29,980,351	(31,512,866)	-105.11%
• Saving from Other Banks	1,516,659	(2,070,854)	3,587,513	173.24%
• Other Liabilities	(734,052)	650,935	(1,384,987)	-212.77%



## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

CASH FLOW FROM OPERATIONAL ACTIVITIES 2018-2019  
(RP-MILLION)

Cash Flow from Operational Activities	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
• Temporary Syirkah Funds	(322,778)	3,047,359	(3,370,137)	-110.59%
<b>Total Changes on Operating Liabilities</b>	<b>(3,969,969)</b>	<b>35,155,939</b>	<b>(39,125,908)</b>	<b>-111.29%</b>
<b>Total Changes on operational assets and liabilities</b>	<b>(18,251,079)</b>	<b>(5,997,091)</b>	<b>(12,253,988)</b>	<b>204.33%</b>
<b>Net Cash Provided (Used) By Operational Activities</b>	<b>(14,828,361)</b>	<b>(2,410,430)</b>	<b>(12,417,931)</b>	<b>515.17%</b>

Cash Flow from Operating Activities are affected by the interest, profit sharing, and margins; recoveries from loan written off debts; payment of interest and bonuses, fees and commissions; payment of corporate income tax; recoveries from tax assessments; payment of tax assessment letter; other net operating expenses; other non-operational income (expenses) - net; cash receipts before changes in operating assets and liabilities; and changes in operating assets and liabilities.

Net Cash obtained (Used) from Operating Activities in 2019 deficit was Rp14.83 trillion, decreased 515.17% or equivalent deficit to Rp12.42 trillion compared to Net Cash Used for Operating Activities in 2018 of Rp2.41 trillion. This decrease will be explained below.

**Interest, Profit and Margin**

Interest, profit sharing, and margins in 2019 was Rp25.45 trillion, increased 14.76% or equivalent to Rp3.27 trillion compared to 2018 of Rp22.18 trillion.

**Recoveries from loan written off debts**

Recoveries from loan written off debts in 2019 was Rp153.99 billion, increased 1.86% or equivalent to Rp2.81 billion compared to 2018 of Rp151.19 billion.

**Payment of Interest and Bonuses, Fees and Commissions**

Payment of interest and bonuses, fees and commissions in 2019 was Rp16.65 trillion, decreased 31.85% or equivalent deficit to Rp4.02 compared to 2018 deficit of Rp12.62 trillion.

**Payment of Corporate Income Tax**

Payment of corporate income tax in 2019 deficit was Rp590.03 billion, decreased 39.61% or equivalent to deficit of Rp386.93 compared to 2018 deficit of Rp976.96 billion.

**Recoveries from Tax Assessment Letter**

Recoveries from the tax assessment letter in 2019 was Rp6.71 billion, decreased 70.26% or equivalent to Rp2.77 billion compared to 2018 of Rp3.94 billion.

**Other Operating Expenses - Net**

Other operating expenses - net in 2019 deficit was Rp4.85 trillion, decreased 6.16% or equivalent to Rp318.08 billion compared to 2018 deficit of Rp5.16 trillion.

**Other Non-Operational Income (Expenses) - Net**

Other non-operating income (expenses) - net in 2019 was deficit Rp110.71 billion, decreased 771.99% or equivalent to Rp127.19 billion compared to other non-operational income (expenses) in 2018 of Rp16.47 billion.

**Cash Receipts Before Changes in Operating Assets and Liabilities**

Cash receipts before changes in operating assets and liabilities in 2019 was Rp3.42 trillion, decreased 4.57% or equivalent of deficit of Rp163.94 compared to 2018 of Rp3.59 trillion.

**Changes in Operating Assets and Liabilities**

Changes in operating assets and liabilities in 2019 was deficit Rp18.25 trillion, decreased 204.33% or equivalent of deficit of Rp12.25 compared to 2018 of deficit Rp6.00 trillion. This decrease was details are as described below:

## 1. Changes in Operating Assets

Changes in operating assets in 2019 were recorded as an decrease of Rp14.28 trillion, decreased 65.30% or equivalent to Rp26.87 trillion compared to 2018 which

was recorded as an increase deficit of Rp41.15 trillion.

## 2. Changes in Operating Liabilities

Changes in operating liabilities in 2019 were recorded as an decrease of Rp3.97 trillion, decreased 111.29% or equivalent to Rp39.12 compared to 2018 which was recorded as an increase of Rp 35.16 trillion.

**CASH FLOW FROM INVESTMENT ACTIVITIES****CASH FLOW FROM INVESTMENT ACTIVITIES  
(RP-MILLION)**

Cash Flow from Investment Activities	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Proceeds from matured held-to-maturity securities	-	36,889	-	-
Purchase of fixed asset	(366.561)	(526,743)	160,182	-30.41%
Decrease of available-for-sale securities	(718.350)	1,089,818	(1,808,168)	-165.91%
Decrease of available-for-sale government bonds	(2.085.930)	464,873	(2,550,803)	-548.71%
Proceeds from matured held-to-maturity government bonds	-	944,573	-	-
Purchase from matured held-to-maturity government bonds	(947,963)	(319,917)	(628,046)	196.32%
Purchase of Securities Held to Maturity	(1,083,081)	-	-	-
Purchase of Securities Purchased under Agreement to Resell	(1,875,221)	-	-	-
<b>Net Cash Provided from Investment Activities</b>	<b>(7,077,106)</b>	<b>1,689,493</b>	<b>(8,766,599)</b>	<b>-518.89%</b>

Cash Flows from Investment Activities are influenced by the proceeds from matured held-to-maturity securities; purchase of fixed assets; decrease of available for sale securities; decrease of available-for-sale Government bonds; proceeds from matured held-to-maturity government bonds; and the purchase from matured held-to-maturity government bonds.

Net Cash obtained from Investment Activities in 2019 was deficit of Rp7.08 trillion, decreased 518.89% or equivalent deficit of Rp8.77 trillion compared to Net Cash obtained from Investment Activities in 2018 of Rp1.69 trillion.

**Proceeds from matured held-to-maturity securities**

Proceeds from matured held-to-maturity securities in 2019 was Rp0 billion compared to 2018 of Rp36.89 billion.

**Purchase of Fixed Asset**

Purchases of fixed assets in 2019 was deficit of Rp366.56 billion, decreased 30.41% or equivalent to Rp160.18 billion compared to 2018 deficit of Rp526.74 billion.

**Decrease of available-for-sale securities**

Decrease of available-for-sale securities in 2019 was deficit of Rp718.35 billion, decreased 165,91% or equivalent



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deficit of Rp1.80 compared to 2018 of Rp1.09 trillion.

**Decrease of available-for-sale government bonds**

Decrease of available-for-sale government bonds in 2019 deficit of Rp2.09 billion, decreased 548.71% or equivalent deficit of Rp2.55 compared to 2018 of Rp464.87 billion.

**Proceeds from matured held-to-maturity government bonds**

Proceeds from matured held-to-maturity government bonds in 2019 was Rp0 billion compared to 2018 of Rp944.57 billion.

**Purchase from matured held-to-maturity government bonds**

Purchase from matured held-to-maturity government bonds in 2019 was Rp947.96 billion, decreased 169.32% or equivalent to deficit of Rp628.05 compared to 2018 deficit of Rp319.92 billion.

**CASH FLOW FROM FUNDING ACTIVITIES****CASH FLOW FROM FUNDING ACTIVITIES  
(RP-MILLION)**

Cash Flow from Funding Activities	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Proceeds from issuance of securities	4,144,000	3,660,000	484,000	13.22%
Payment of matured securities issued	(5,122,930)	(3,520,000)	(1,602,930)	-45.54%
Payments of matured securities sold under repurchase agreements	-	(450,000)	-	-
Payment of Dividends	(561,585)	(605,493)	43,908	-7.25%
Proceeds from fund borrowing	11,001,654	7,550,287	3,451,367	45.71%
Payment from fund borrowing	(4,020,720)	(36,490)	(3,984,230)	10,918.69%
Proceeds from subordinated loans	2,999,950	-	-	-
<b>Net Cash provided from Funding Activities</b>	<b>8,440,369</b>	<b>6,598,304</b>	<b>1,842,065</b>	<b>27.92%</b>

Cash Flows from Funding Activities are affected by proceeds from issuance of securities; payment of matured securities issued; payments of matured securities sold under repurchase agreements; dividend payment; proceeds from fund borrowing; and payment from fund borrowing.

Net Cash obtained from Funding Activities in 2019 was Rp8.44 trillion, increased 27.92% or equivalent to Rp1.84 trillion compared to Net Cash obtained from Funding Activities in 2018 of Rp6.60 trillion. This decrease was explained below.

**Proceeds from issuance of securities**

Proceeds from issuance of securities in 2019 Rp4.14 trillion, increased 13.22% or equivalent to Rp484 trillion compared to 2018 of Rp3.66 trillion.

**Payment of matured securities issued**

Payment of matured securities issued in 2019 was deficit of Rp5.12 billion, decreased 45.54% or equivalent to deficit of Rp1.60 trillion compared to 2018 deficit of Rp3.52 trillion.

**Payments of matured securities sold under repurchase agreements**

Payments of matured securities sold under repurchase agreements in 2019 was Rp0 billion, compared to 2018 of Rp450.00 billion.

**Dividend Payment**

Dividend payment in 2019 was Rp561.58 billion, decreased 7.25% or equivalent to Rp43.91 compared to 2018 of Rp605.49 billion.

**Proceeds from fund borrowing**

Proceeds from fund borrowing in 2019 was Rp11.00 trillion, decreased 45.71% or equivalent to Rp3.45 trillion compared to 2018 of Rp7.55 trillion.

**Payment from fund borrowing**

Payment from fund borrowing in 2019 was Rp4.02 trillion, increased 10,918.69% or equivalent to deficit of Rp3.98 trillion compared to 2018 of Rp36.49 billion.

**INCREASE (DECREASE) NET CASH AND CASH EQUIVALENT, AS WELL AS CASH AND CASH EQUIVALENT AT THE END OF THE YEAR**

With the accumulation of Cash Flows from Operating Activities, Cash Flows from Investment Activities, and Cash Flows from Funding Activities as described above, Cash and Cash Equivalents in 2019 decreased by Rp13.46

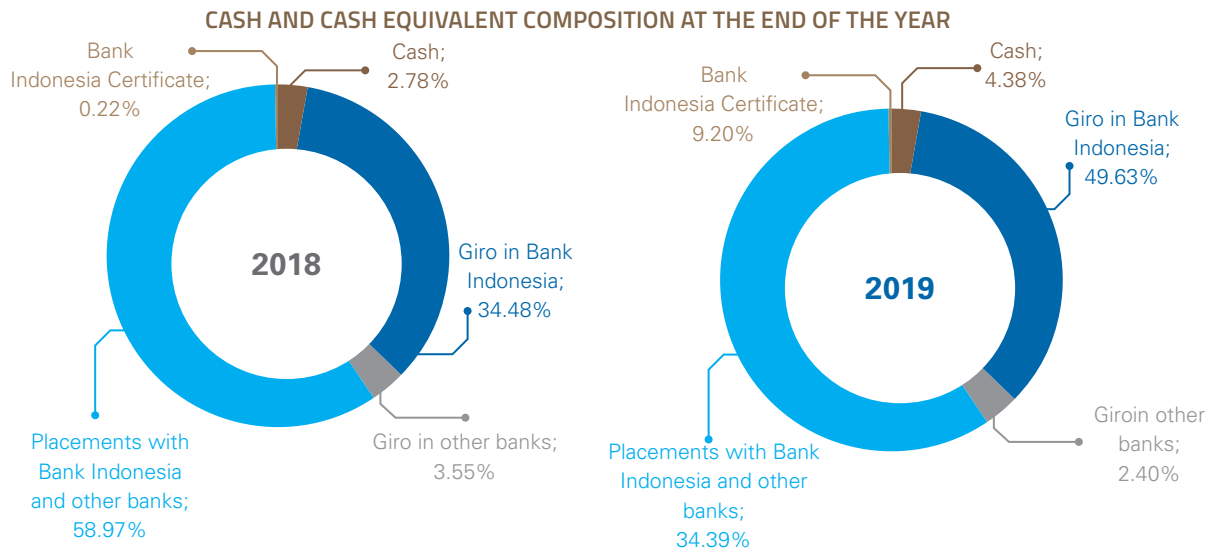
trillion. Thus, Cash and Cash Equivalents at the end of 2019 was Rp31.78 trillion, grew from the end of 2018 or beginning of 2019 of Rp44.71 trillion.

Comparison of details of Cash and Cash Equivalents at the end of 2019 and at the end of 2018 is as follows:

Cash and Cash Equivalent at the end of the year	2019		2018		Increase (Decrease)	
	Total (Rp-million)	Contribution (%)	Total (Rp-million)	Contribution (%)	Nominal (Rp-million)	Percentage (%)
Cash	1,369,167	4.38%	1,243,615	2.78%	125,552	10.10%
Giro in Bank Indonesia	15,512,329	49.64%	15,417,862	34.48%	94,467	0.61%
Giro in Other Banks	749,501	2.40%	1,588,769	3.55%	(839,268)	-52.83%
Placements with Bank Indonesia and other banks - for period of three months or less from the date of acquisition	10,745,393	34.39%	26,364,760	58.96%	(15,619,367)	-59.24%
Certificates - for period of three months or less from the date of acquisition	2,873,518	9.20%	100,000	0.22%	2,773,518	2.773.52%
<b>Total of Cash and Cash Equivalent at the end of the year</b>	<b>31,249,908</b>	<b>100.00%</b>	<b>44,715,006</b>	<b>100.00%</b>	<b>(13,465,098)</b>	<b>-30.11%</b>

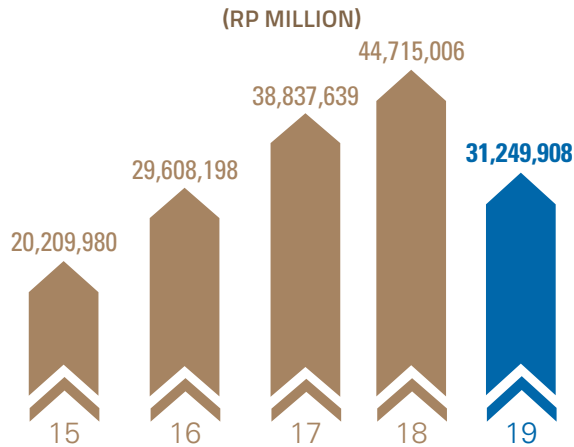


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The development of the Company's End of Year Cash and Cash Equivalents can be seen in the chart below.

#### DEVELOPMENT OF CASH AND CASH EQUIVALENTS AT THE END OF 2015-2019



#### RELEVANT FINANCIAL RATIOS

Besides applying the precautionary principle in conducting banking business in Indonesia, the Company has a strong commitment to comply with various regulations issued by regulators, both Bank Indonesia (BI) and the Financial Services Authority (OJK). In line with the Company's

continued business expansion that continues to run in accordance with various applicable laws and regulations, the Company is able to meet the provisions related to financial ratios set by the regulator.



Ratios	2019	2018	Increase (Decrease)	
			Poin	Percentage (%)
<b>Performance Ratios</b>				
Minimum Capital Requirements	17.32%	18.21%	-0.89%	-4.89%
Productive and non-productive non-performing assets to total of productive and non-productive assets	4.34%	2.50%	1.84%	73.60%
Non Performing Productive Asset to total of productive asset	4.42%	2.65%	1.77%	66.79%
Allowance for impairment losses (CKPN) of financial assets to productive assets	2.21%	1.30%	0.91%	70.00%
NPL gross	4.78%	2.81%	1.97%	70.11%
NPL net	2.96%	1.83%	1.13%	61.75%
Return on Asset (ROA)	0.13%	1.34%	-1.21%	-90.30%
Return on Equity (ROE)	1.00%	14.89%	-13.89%	-93.28%
Net Interest Margin (NIM)	3.32%	4.32%	-1.00%	-23.15%
Operating Expenses to Operating Income (BOPO)	98.12%	85.58%	12.54%	14.65%
Loan to Deposit Ratio (LDR)	113.50%	103.49%	10.01%	9.67%
Net Stable Funding Ratio (NSFR)	108.29%	118.83%	-10.54%	-8.87%
Liquidity Coverage Ratio (LCR)	136.31%			
<b>Kepatuhan</b>				
• Percentage of BMPK Violations				
- Related Parties	0.00%	0.00%	-	-
- Non-related Parties	0.00%	0.00%	-	-
• Percentage of BMPK Exceeding				
- Related Parties	0.00%	0.00%	-	-
- Non-related Parties	0.00%	0.00%	-	-
• Minimum Statutory Reserves				
- Prime Rupiah GWM				
Conventional	6.19%	6.61%	-0.42%	-6.35%
Sharia	4.64%	5.30%	-0.66%	-12.45%
- Foreign Exchange GWM	8.28%	8.69%	-0.41%	-4.72%
• Net Open Position (NOP) as a whole	4.14%	1.55%	2.59%	167.10%

Referring to the Company's financial ratios presented above, the provisions concerning the capital ratio, earning assets, profitability, liquidity and compliance of the Bank can be fulfilled by the Company.





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### SOLVENCY AND RECEIVABLE COLLECTIBILITY RATIO

#### SOLVENCY

The Bank's ability to pay its liabilities (debt) can be measured by using the liquidity ratio, solvency, and profitability ratios. These ratios become the parameters in calculating the Bank's ability to allocate liquidity reserves.

#### Liquidity Ratio: Determine The Company's Ability To Fulfill Its Obligations

The liquidity ratio is used to determine the Company's

ability to fulfill its obligations. One of the main parameters in liquidity ratio is the fulfillment of the Minimum Statutory Reserve (GWM) ratio. The Company maintains the Primary and Secondary Statutory Reserves, which in 2018 have been changed to Macroprudential Liquidity Support (PLM).

The Company has consistently been able to meet this ratio, exceeding the minimum limit set by Bank Indonesia. Company achievements in meeting this ratio are as follows:

Category	Currency	2019	2018	Increase (Decrease)		
				Poin	Percentage (%)	
Conventional	Rupiah	Primary	6.19%	6.61%	-0.42%	-6.35%
		PLM	5.24%	5.45%	-0.21%	-3.85%
	Dolar AS	8.28%	8.69%	-0.41%	-4.72%	
Sharia	Rupiah	4.64%	5.30%	-0.66%	-12.45%	

The next parameter is the LDR and LFR, which have been changed to RIM (Macroprudential Intermediary Ratio) in 2018. This ratio is a comparison between the amount of loans to third parties against third party funds (customer deposits). The Company's LDR in 2019 was 113.50%, increased compared to the 2018 ratio of 103.25%.

The Macroprudential Intermediary Ratio is the ratio of loans to third parties in Rupiah and foreign currencies, not including loans to other banks, added with securities owned, against:

1. third party funds including demand deposits, savings, and time deposits in Rupiah and foreign currencies,

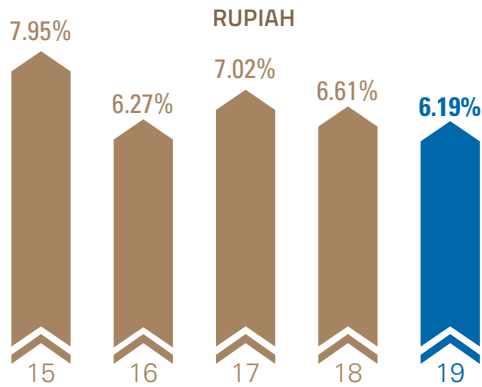
excluding interbank funds; and

2. securities in Rupiah and foreign currencies that meet certain requirements issued by the Bank.

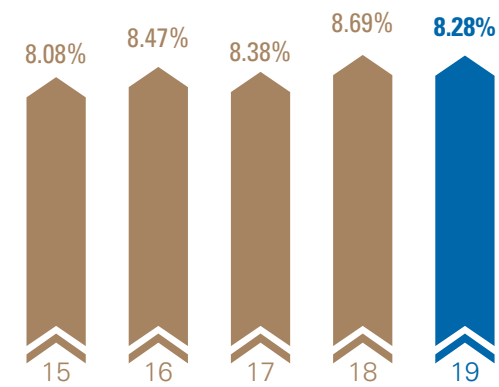
The Company also manages liquidity reserves in the form of secondary reserves, which are also a component of liquidity in the form of High Quality Liquid Assets, which are set in optimal amounts in the range above the daily secondary reserve minimum to support the bank's liquidity requirements and the maintenance of the GWM and PLM that have been established by Bank Indonesia. The Company's secondary reserve is always maintained above the secondary reserve threshold during 2019.



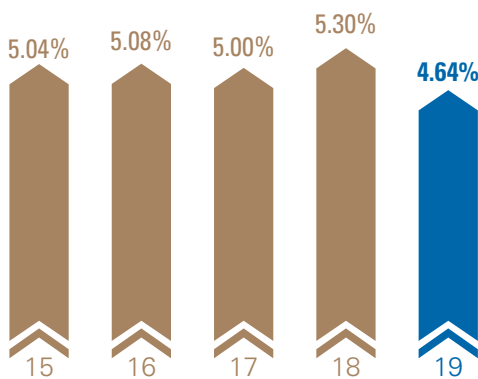
#### CONVENTIONAL RUPIAH STATUTORY RESERVE REQUIREMENT



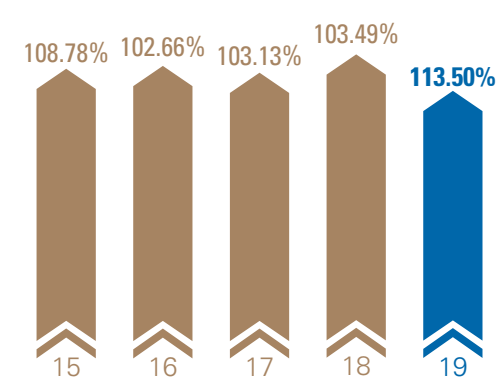
#### CONVENTIONAL FOREX STATUTORY RESERVE REQUIREMENT



#### SHARIA RUPIAH STATUTORY RESERVE REQUIREMENT



#### LOAN TO DEPOSIT RATIO (LDR)



#### Solvency Ratio: Measuring Ability to Pay Short-term and Long-term Debt

Capital ratio is one parameter applied in measuring solvency ratios. In accordance with its commitment to conduct banking business that upholds the precautionary principle and applicable regulations, Bank BTN ensures the Capital Adequacy Ratio (CAR) is maintained to meet credit risk, market risk and operational risk. In accordance with BI regulations, the Minimum Capital Adequacy Ratio (CAR) stipulated by BI for banks with risk profile 2 is 9.18%.

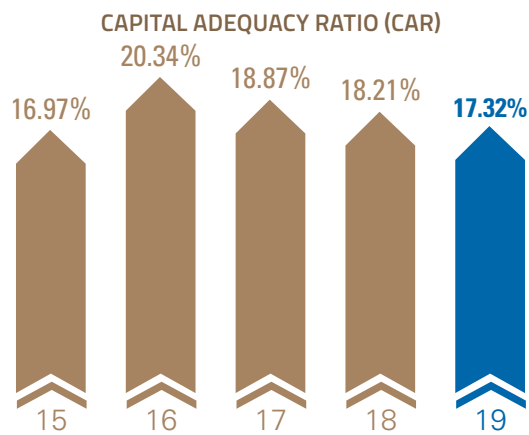
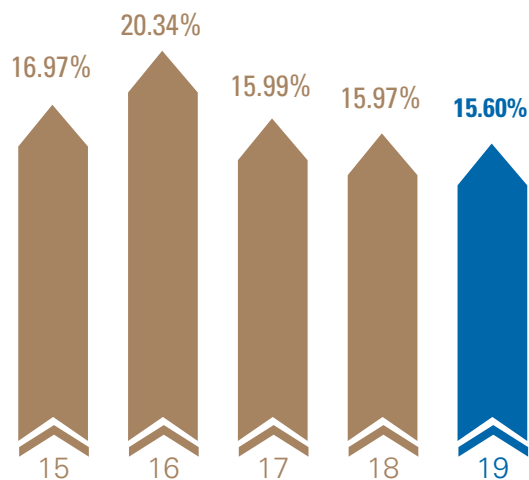
CAR is the ratio of capital to Risk-Weighted Assets (RWA). The amount of capital for credit risk consists of Core Capital ("Tier I") and Supplementary Capital ("Tier II"). In calculating Market Risk, the Bank takes into account the

Additional Supplementary Capital component ("Tier III"), which is a short-term Subordinated Loan that meets certain criteria as a component of capital. Bank BTN's total capital of Rp23.35 trillion consisted of core and complementary capital of Rp21.04 trillion and Rp2.31 trillion respectively in 2019, compared to the previous year's total capital position of Rp23.33 trillion with core and complementary capital worth Rp20.46 trillion and Rp2.87 trillion, respectively.

By comparing the total capital with the Bank's RWA of Rp138.84 trillion in 2019, the CAR ratio was 17.32% lower than the previous CAR ratio of 18.21%. Meanwhile, CAR for core capital amounted to 15.60% in 2019 decreased to 15.97% in 2018.



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**CAPITAL ADEQUACY RATIO (CAR) FOR CORE CAPITAL**

Besides this, the bonds issued by the Company are rated idAA + by the rating agency PT. Pemeringkat Efek Indonesia (Pefindo), with details as follows:

Bank BTN Bonds	Rating	Rating Agency
Bank BTN Phase I Shelf-Registration Bonds III of 2017	idAA+	Indonesian Rating Agency (Pefindo)
Bank BTN Phase II Shelf-Registration Bonds II of 2016	idAA+	Indonesian Rating Agency (Pefindo)
Bank BTN Phase II Shelf-Registration Bonds I of 2015	idAA+	Indonesian Rating Agency (Pefindo)
Bank BTN Phase I Shelf-Registration Bonds II of 2013	idAA+	Indonesian Rating Agency (Pefindo)
Bank BTN Phase I Shelf-Registration Bonds I of 2012	idAA+	Indonesian Rating Agency (Pefindo)
Bank BTN Bonds XV of 2011	idAA+	Indonesian Rating Agency (Pefindo)
Bank BTN Bonds XV of 2010	idAA+	Indonesian Rating Agency (Pefindo)



Besides the bond ratings mentioned above, Bank BTN has an idAAA rating issued by Pefindo, a long-term national rating of AA (idn) and a short-term national rating of AA (idn).

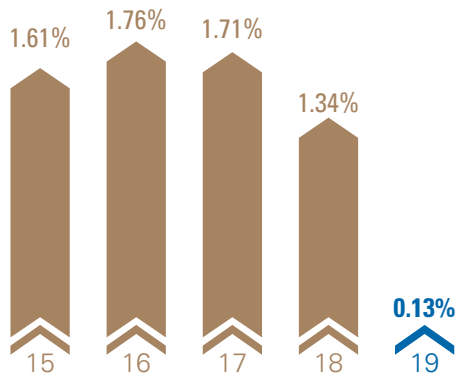
In addition to the performance, the financial ratios employed by banks are Profit to Assets (ROA), Profit to Equity (ROE), Net Interest Margin (NIM), and Operational Expenses to Operating Income (BOPO).

**Profitability Ratios and Efficiency**

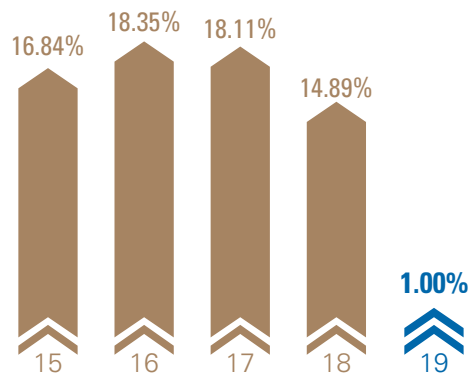
To measure the profitability and efficiency of the Bank's

Description of BOPO, ROA, ROE, and NIM, comparison of increase / decrease in 2018-2019.

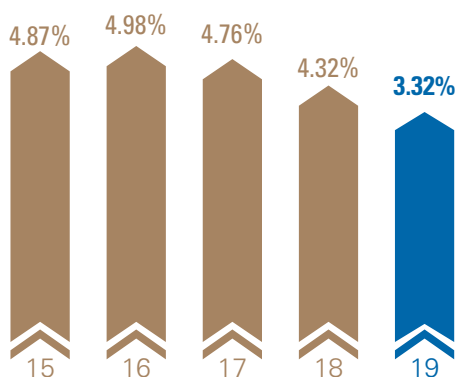
**RETURN ON ASSETS (ROA)**



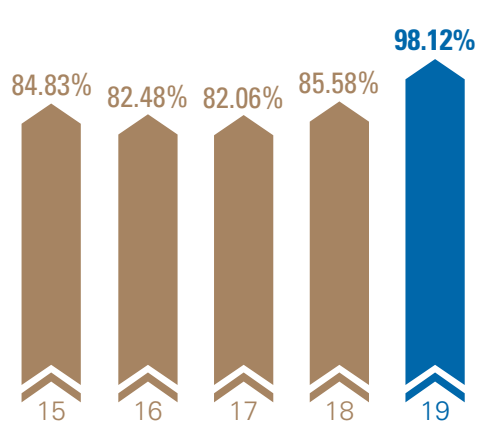
**RETURN ON ENQUITY (ROE)**



**NET INTEREST MARGIN (NIM)**



**OPERATING EXPENSES AGAINST OPERATING INCOME (BOPO)**





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**FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION****CREDIT COLLECTABILITY**

The Company is committed to maintaining the quality of its earning assets in the midst of loan expansion and other banking businesses. As of December 31, 2019, the NPL gross ratio was 4.78% while the NPL net ratio was 2.96%. Both of the Company's ratios in 2018 were 2.81% and 1.83%, respectively. The collectibility of the Company's earning assets at their carrying amounts before the allowance for impairment losses is presented in the table below.

Various efforts undertaken by the Company to minimize the amount of non-performing loans in 2019 include the following: 1. Implement prudential principles in loans disbursement and new loan financing; 2. Fostering and collecting non-performing debtors, including restructuring of debtors who still have business potential, 3. Conduct collateral execution of non-performing debtors by conducting collateral auctions and looking for strategic partners in managing the Company's assets.

**TOTAL EARNING ASSETS COLLECTIBILITY 2018  
(IN RP MILLION)**

	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Placements with Other Bank	1,386,987	-	-	-	1,632	1,388,619
Spot and Derivative Receivables	-	-	-	-	-	-
Securities	17,417,831	60,632	6,070	6,432	64,781	17,555,746
Securities Sold under Repurchase agreements	1,071,864	-	-	-	-	1,071,864
Receivables on securities sold under repurchase agreements (repo)	1,875,221	-	-	-	-	1,875,221
Acceptance receivables	487,052	-	-	-	-	487,052
Loan and Financing	217,344,415	26,250,510	3,087,668	1,395,628	7,746,938	255,825,159
Investment	-	-	-	-	-	-
Temporary Equity Investment	-	-	-	-	270	270
Commitment and Contingencies	15,690,188	1,800,299	250,322	126,791	90,304	17,957,904
Foreclosed assets	-	-	-	77,591	-	77,591

**EARNING ASSETS COLLECTIBILITY 2018  
(IN RP MILLION)**

	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Placements with Other Bank	1,831,609	-	-	-	1,718	1,833,327
Spot and Derivative Receivables	167	-	-	-	-	167
Securities	13,816,260	72,382	6,922	10,952	54,831	13,961,347
Securities Sold under Repurchase agreements	1,059,534	-	-	-	-	1,059,534
Receivables on securities sold under repurchase agreements (repo)	-	-	-	-	-	-
Acceptance receivables	528,148	-	-	-	-	528,148
Loan and Financing	210,776,397	20,282,599	569,932	473,366	5,655,380	237,757,674
Investment	-	-	-	-	-	-
Temporary Equity Investment	-	-	-	-	270	270
Commitment and Contingencies	23,881,178	1,644,480	52,211	14,238	110,778	25,702,885
Foreclosed assets	-	-	77,591	-	-	77,591

**CAPITAL STRUCTURE AND MANAGEMENT POLICY ON CAPITAL STRUCTURE AND BASIS FOR POLICY MAKING****Policies and Determinants of Capital Structure Policy**

The Capital Plan prepared by Bank BTN refers to a review of the latest economic developments in addition to being based on the review and assessment of the required capital adequacy requirements. The Board of Directors prepares a Capital Plan that is part of the Bank's Business Plan and obtains approval from the Board of Commissioners. The Bank regularly plans and reviews capital requirements together with analysis data. In this plan, Bank BTN always connects financial goals and capital adequacy to risks so that the Bank's business is in line with the Bank's capital and liquidity requirements.

The purpose of management's policy on capital is to ensure that the bank's capital is strong and able to create a strong capital structure to support the strategy of developing current business expansion and maintaining the continuity of future development. In addition, the determination of the capital policy is intended to fulfil the capital adequacy provisions set by the regulator and ensure that the Company's capital structure has been efficient.

Based on applicable regulations, the Company's capital consists of:

1. Core capital consisting of: Primary Core Capital (Common Equity Tier – CET 1) and Supplementary



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Core Capital (Additional Tier 1). The primary core capital includes paid-up capital and disclose reserve. Disclose reserve consists of additional factors (agio, general reserves, previous year's profit, profit for the year, and stock options) and the deducting factors (other comprehensive losses and financial asset transactions classified as available for sale, difference of Allowance for Uncollectible Accounts (PPA) on earning assets with Allowance for Impairment Losses and non-earning PPA).

2. Complementary Capital (Maximum 100% of Core Capital) which consists of general reserves of PPA for productive assets that must be calculated with a maximum amount of 1.25% of RWA for Credit Risk and Reserves.

The Company's core capital in 2019 amounted to Rp21.04 trillion, higher than that 2018 of Rp20.46 trillion. While the amount of the Company's supplementary capital in 2019 was Rp2.31 trillion, lower than the complementary capital in 2018 of Rp2.87 trillion.

**Capital Structure**

The Company has strong capital capabilities to support business growth. Core capital (Tier 1) has a vital role in the composition of the the Company's capital with contributions reaching 90.09% or equivalent to Rp21.04 trillion while Bank supplementary capital is Rp2.31 trillion. The following table presents a report on the calculation of the Minimum Capital Requirement (KPMM) in the 2018-2019 period.

	Unit	2019	2018	Increase (Decrease)	
				Nominal	Percentage (%)
Core Capital	Rp-million	21,037,417	20,460,086	577,331	2.82%
1. Common Equity Tier - CET 1	Rp-million	21,037,417	20,460,086	577,331	2.82%
1.1. Paid-up Capital (Net of Treasury Shares)	Rp-million	5,295,000	5,295,000	-	-
1.2. Additional Capital Reserves	Rp-million	16,371,522	16,020,750	350,772	2.19%
1.3. Non-controlling interests that can be calculated	Rp-million	-	-	-	-
1.4. Deduction Factor of Primary Capital	Rp-million	(629,105)	(855,664)	226,559	-26.48%
2. Additional Tier - AT 1	Rp-million	-	-	-	-
2.1. Instruments qualifying as AT-1	Rp-million	-	-	-	-



	Unit	2019	2018	Increase (Decrease)	
				Nominal	Percentage (%)
2.2. Agio/Disagio	Rp-million	-	-	-	-
2.3. Deduction Factor for Additional Core Capital	Rp-million	-	-	-	-
<b>II. Additional Capital (Tier 2)</b>	<b>Rp-million</b>	<b>2,313,208</b>	<b>2,868,360</b>	<b>-555,152</b>	<b>-19.35%</b>
1. Capital instruments in the form of shares or other eligible instruments	Rp-million	999,719	1,499,519	-599,800	-40.00%
2. Agio/Disagio	Rp-million	-	-	-	-
3. General Reserves of statutory PPA for earning assets (max 1.25% of Credit Risk RWA)	Rp-million	1,413,489	1,368,841	44,648	3.26%
4. Deducting Factor of Supplementary Capital	Rp-million	-	-	-	-
<b>Total Capital</b>	<b>Rp-million</b>	<b>23,350,625</b>	<b>23,328,446</b>	<b>22,179</b>	<b>0.10%</b>
<b>Risk-weighted Asset</b>					
• Credit Risk RWA	Rp-million	113,079,144	109,507,283	3,571,861	3.26%
• Market Risk RWA	Rp-million	801,774	1,007,249	-205,475	-20.40%
• Operational Risk RWA	Rp-million	20,963,355	17,623,217	3,340,138	18.95%
<b>Total RWA</b>	<b>Rp-million</b>	<b>134,844,273</b>	<b>128,137,749</b>	<b>6,706,524</b>	<b>5.23%</b>
CAR Ratio based on Risk Profile	%	9.18%	9.16%	0.02%	0.22%
CET 1 Ratio (%)	%	15.60%	15.97%	-0.37%	-2.32%
Tier 1 Ratio (%)	%	15.60%	15.97%	-0.37%	-2.32%
Tier 2 Ratio (%)	%	1.72%	2.24%	-0.52%	-23.21%
CAR Ratio (%)	%	17.32%	18.21%	-0.89%	-4.89%

In addition to core capital, Bank BTN receives Subordinated Loan facilities that are calculated as supplementary capital. This subordinated loan is a Subordinated Loan facility that is obtained from PT SMF (Persero) which is intended to

support the One Million Houses Program. The Subordinated loan of Rp3 trillion with an interest rate of 9.00% was carried out in 2 (two) times the disbursement stage. The 1<sup>st</sup> stage of disbursement on 30 May 2016 amounted





Business Support



Good Corporate Governance



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to Rp1.5 trillion and the second stage on 20 June 2016 amounted to Rp1.5 trillion. The term of the Subordinated Loan is 5 years (60 months) which will mature on May 30, 2021 and June 20, 2021, respectively. This subordinated

loan has been approved by the Financial Services Authority (OJK) through letter No. S-69/PB.31/2016 dated 30 June 2016.

### REALIZATION OF CAPITAL GOODS INVESTMENTS

To support sustainable business expansion, the Company up to 2019 has invested capital goods amounting to Rp8.1 trillion. Capital goods investment in the form of fixed assets such as land, buildings, motor vehicles, office equipment, and assets which are still in the form of buildings.

The following are the details of the investment capital chart of the Company in 2019.

Capital Goods Investment	Objective	Value (Million Rp)
Land	Procurement of land for Office	7,111
Building	Building Construction and/or Renovation	129,068
Office Equipment	Purchase of Office Equipment in the form of Computer Server, Notebook, Printer and others	36,611
Office Furnishings	Purchase Office Furnishings in the form of Furniture, Generators, UPS, AC, etc	89,182
Office House Furnishings	Purchase of Furniture for Office Houses	1,879

Table Capital Goods Investment 2018 VS 2019

	2019 (Rp-million)	2018 (Rp-million)	Increase (Decrease)	
			Nominal (Rp-million)	Percentage (%)
Capital Goods Investment Realization	8,108,086	7,411,526	696,560	9.40%

### MATERIAL INFORMATION AND FACTS HAPPENED AFTER THE ACCOUNTING REPORTING PERIOD

On January 23, 2020, the Company issued subordinated bonds with a total nominal value of USD300 million or the equivalent to Rp4,089,000, with tenor of 5 years and interest of 4.2% per annum and listed in the Singapore Stock Exchange. Until the date of this report, the Company is still waiting for OJK's approval to include this subordinated bonds as component of additional tier 1 of Capital in the Calculation of Required Capital Adequacy Ratio.

The issuance costs of the subordinated bonds amounting to Rp17.65 billion was recorded as deduction to the amount of the subordinated bonds and amortised until the maturity date.

### TARGETS ACHIEVEMENT OF 2019 AND PROJECTION IN 2020

Comparisons of Target and Realization in 2019 and Projection in 2020



## COMPARISONS OF TARGET AND REALIZATION IN 2019 AND PROJECTION IN 2020

	Realization 2018	Realization 2019	Target 2019	Realization VS Target 2019	2020 Projection
Total Asset	306,436	311,777	8% - 10%	1.74%	6% - 8%
Total Loan & Financing	238,298	255,825	8% - 10%	7.36%	8% - 10%
Total Deposits	230,264	225,401	8% - 10%	-2.11%	13% - 15%
Equity	23.84	23,836	2% - 4%	-0.02%	
Net Profit	2,808	209	Rp1.12 T	-92.55%	around Rp3T
Earning per Share (IDR)	265	20		-92.55%	
CAR (Tier 1)	15.97%	15.60%		-0.37%	
CAR (BI)	18.21%	17.32%	17% - 19%	-0.89%	16% - 17%
NPL (Gross)	2.81%	4.78%	3.1% - 3.2%	1.97%	3% - 3.5%
NPL (Nett)	1.83%	2.96%	2.2% - 2.3%	1.13%	1.5% - 1.7%
NIM	4.32%	3.32%	around 3.7%	-1.00%	3.7% - 3.8%
CIR	52.28%	58.08%	56% - 58%	5.80%	54% - 57%
COVERAGE RATIO	49.24%	50.01%	> 70%	0.77%	> 130%
ROE	14.89%	1.00%	5.1% - 5.3%	-13.89%	19% - 20%
ROA	1.34%	0.13%	0.5% - 0.7%	-1.21%	1.2% - 1.5%
LDR	103.49%	113.50%	102% - 104%	10.01%	105% - 107%
LCR	108.99%	136.31%		27.32%	

**KEY PERFORMANCE INDICATORS (KPI) & THE BANK'S SOUNDNESS LEVEL****Key Performance Indicator**

Key Performance Indicator (KPI) is a quantitative performance measure to assess the level of achievement of targets previously approved by Management. KPI achievement reflects the determinants of the success of a company. Bank BTN KPI includes 4 (four) perspectives consisting of financial and non-financial aspects.

**Bank Soundness Level**

The soundness of the Bank reflects the results of the assessment of the Company's condition on the Bank's risks and performance which can be seen from the final rating based on Financial Services Authority Regulation No.4/POJK.03/2016 dated 26 January 2017 concerning Commercial Bank Soundness Rating and Circular

Letter of OJK No.14/SEOJK.03/2017 dated March 17, 2017 concerning Assessment of Soundness Levels of Commercial Banks using a risk-based bank rating that includes 4 (four) factors, namely:

1. Risk Profile,
2. Governance,
3. Earnings,
4. Capital.

The Company's soundness level in December 2019 (Self-Assessment) is in the Composite Rank of 2 which reflects the generally sound condition of the Bank so that it is considered capable of facing significant negative effects from changes in business conditions and other external factors.

**FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION****DIVIDEND POLICY AND DISTRIBUTION****Legal Basis of Divident Distribution**

Based on Law No. 40 of 2007 on Limited Liability Company, the dividend distribution shall be conducted based on the Annual General Meeting of Shareholders (AGMS) or Extraordinary General Meeting of Shareholders (EGMS) decisions. The dividend amount and payment will be determined with regards and consideration to these following factors, among others, the level of financial soundness, the level of capital adequacy, the required capital for further business expansion, without disrupting the rights of the Company's GMS in determining based on the Articles of Association.

The amount of Company dividend will be determined during GMS. The management plans to distribute the dividend if there is surplus cash from the operational activities after the fund is set aside from the reserve fund, funding activities, capital expenditure plan and the Company's working capital.

**Divident Distribution in 2019 and its History**

In agreement with the decision of the GMS Agenda dated May 17, 2019, the Shareholders has approved to use the 2018 net profit of Rp2,807,921,063,074.00 as follows:

1. Dividends of 20% or Rp561,584,212,615.00 stipulated as a Cash Dividend distributed to Shareholders to be paid under the following conditions:
  - a. In particular for Government dividends with 60% ownership of shares in the amount of Rp 336,950,527,569.00 to be deposited to the State General Cash Account in the denomination of Rupiah.
  - b. Granting the authority and power of attorney to the Board of Directors of the Company with substitution rights to determine the schedule and procedure for the distribution of the 2018 Financial Year dividends in accordance with applicable regulations.
2. As much as 80% or Rp2,246,336,850,459.00 will be used as retained earnings.

In accordance with the decision of GMS dated May 17, 2019 where the shareholder has approved and set forth a Cash Dividend for 2018 amounting to Rp561,584,212,615.00 or Rp53,029,671 per share to be disbursed to the Company's Shareholders, therefore the schedule and procedure concerning the payment of the Cash Dividends for the 2018 Financial Year, are as follows

**SCHEDULE AND PROCEDURE OF CASH DIVIDEND DISTRIBUTION FOR THE 2018 FISCAL YEAR**

No	Description	Date
1	End of Stock Trading Period with Dividend Rights (Cum Dividend) <ul style="list-style-type: none"> <li>• Regular Market and Negotiation</li> <li>• Cash Market</li> </ul>	May 27, 2019 May 29, 2019
2	Beginning Stock Trading Period Without Dividend Rights (Ex Dividend) <ul style="list-style-type: none"> <li>• Regular Market and Negotiation</li> <li>• Cash Market</li> </ul>	May 28, 2019 May 31, 2019
3	Date of List of Shareholders entitled to Dividends (Record Date)	May 29, 2019
4	Date of Cash Dividend Payment for the 2018 Fiscal Year	June 12, 2019



The realization of share dividends distribution in 2019 for dividends of 2018 fiscal year is as follows:

Current Year's Profit for fiscal year 2018	Rp2,807,921,063,074
Cash dividends distributed (amount of dividends distributed) (Rp)	Rp561,584,212,615
Ratio of dividend payments (percentage of net income of previous year distributed as dividends) (%)	20%
Value of dividends per share (Rp / share)	Rp53.03
Number of shares entitled to dividends (shares)	10,590,000,000
Announcement Date	May 17, 2019
Payment Date	June 12, 2019

Dividend distribution and payment in 2017 to 2019 can be seen in the table below.

Distribution Year	Fiscal Year Dividend	Announcement Date	Payment Date	Cash Dividends Distributed (Rp)	Dividends per Share (Rp/share)	Dividend Distribution Ratio (%)
2019	2018	May 17, 2019	June 12, 2019	561.58	53.03	20%
2018	2017	March 26, 2018	April 24, 2018	605.49	57.18	20%
2017	2016	March 20, 2017	April 13, 2017	523.78	49.46	20%

#### TAXES AND CONTRIBUTIONS FOR THE COUNTRY

The Company is committed to making its contribution to the state while fulfilling tax-related obligations. The following is the Company's contribution through tax payment in 2019.

#### TAX CONTRIBUTIONS TO THE STATE

Tax	Up to Dec 2019 period (Rp)
Income Tax (Corporate)	590,026,490,800
Article 21 Income Tax (Individual)	264,042,095,496
VAT	17,366,799,311
Sales tax on luxury goods	-
Property Tax (GL 5612510 + GL54773)	12,028,977,874
Other tax	1,655,702,144,770
<b>Total</b>	<b>2,539,166,508,251</b>

**FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION****MANAGEMENT AND/OR EMPLOYEE STOCK OWNERSHIP PROGRAM (ESOP/ MSOP)**

Management Stock Option Program (MSOP) and/or Employee Stock Option Program (ESOP) are the granted of rights to purchase shares for program participants. Program participants are able to purchase new shares to be issued from the Company's portfolio, as much as 4% of the issued and paid-up capital of the Company after the Initial Public Offering. Management and Employee Stock Option Program (MESOP) is carried out by issuing purchase rights in the following 3 stages:

1. Phase I The number of issued option rights amounted to a maximum of 40% of the total shares in the

MESOP program, and distributed to participants of the MESOP program in 2010.

2. Phase II The number of issued option rights amounted to a maximum of 30% of the total shares in the MESOP program, and distributed to participants of the MESOP program in 2011.

3. Phase III The number of option rights issued amounted to a maximum of 30% of the total shares in the MESOP program, and distributed to participants of the MESOP program in 2012.

The requirements for employees and/or management who are entitled to participate in the MESOP program are employees who were 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 of the Board of Commissioners and members of the Audit Committee.

**BANK BTN MESOP**

MESOP	Validity Period	Option Rights Ending Year	Option Amount	Option Price (Rp/Share)
MESOP 1	February 2011 – August 2014	2014	145,234,500	855
MESOP 1	February 2012 – August 2015	2015	108,925,500	1,297.44
MESOP 1	February 2013 – August 2016	2016	108,925,500	1,098.36
<b>Total</b>			<b>363,085,500</b>	

The realization of the three MESOP programs are presented in the following table:

**SHARE OWNERSHIP BASED ON SHARES OPTION IN 2009**

MESOP Phase I						
No.	Name and Position	Number of Shares Owned (Shares)	Number of Options		Option Price (Rp)	Validity
			Granted (Shares)	Executed (Shares)		
<b>Board of Commissioners</b>						
1	Arie Coerniadi	-	-	-	-	-
2	Kamaruddin Sjam	-	-	-	-	-
3	Lucky Fathul Aziz Hadibrata	-	-	-	-	-



## SHARE OWNERSHIP BASED ON SHARES OPTION IN 2009

MESOP Phase I						
No.	Name and Position	Number of Shares Owned (Shares)	Number of Options		Option Price (Rp)	Validity
			Granted (Shares)	Executed (Shares)		
4	Catherinawati Hadiman	-	-	-	-	-
5	Fajar Harry Sampurno	-	-	-	-	-
6	Sumiyati	-	-	-	-	-
<b>Board of Directors</b>						
1	Maryono	-	-	-	-	-
2	Irman Alvian Zahiruddin	3,991,000	1,354,000	1,354,000	855.00	February 2011 - August 2014
3	Mansyur Syamsuri Nasution	-	-	-	-	-
4	Iman Nugroho Soeko	-	-	-	-	-
5	Sis Apik Wijayanto	-	-	-	-	-
6	Adi Setianto	-	-	-	-	-
7	Sulis Usdoko	-	138,500	138,500	855,00	February 2011 - August 2014
8	Oni Febriarto R.	-	65,000	65,000	855,00	February 2011 - August 2014
<b>Executive Officers</b>		<b>7,430,600</b>	<b>6,925,500</b>	<b>6,925,500</b>	<b>855.00</b>	<b>February 2011 - August 2014</b>
<b>Staffs</b>		<b>-</b>	<b>136,751,500</b>	<b>136,751,500</b>	<b>855.00</b>	<b>February 2011 - August 2014</b>



## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

MESOP Stage II						
No.	Name and Position	Number of Shares Owned (Shares)	Number of Options		Option Price (Rp)	Validity
			Granted (Shares)	Executed (Shares)		
<b>Board of Commissioners</b>						
1	Arie Coerniadi	-	-	-	-	-
2	Kamaruddin Sjam	-	-	-	-	-
3	Lucky Fathul Aziz Hadibrata	-	-	-	-	-
4	Catherinawati Hadiman	-	-	-	-	-
5	Fajar Harry Sampurno	-	-	-	-	-
6	Sumiyati	-	-	-	-	-
<b>Board of Directors</b>						
1	Maryono	-	-	-	-	-
2	Irman Alvian Zahiruddin	3,991,000	855,500	855,500	1,297.44	February 2011 - August 2015
3	Mansyur Syamsuri Nasution	-	-	-	-	-
4	Iman Nugroho Soeko	-	-	-	-	-
5	Sis Apik Wijayanto	-	-	-	-	-
6	Adi Setianto	-	-	-	-	-
7	Sulis Usdoko	-	109,000	109,000	1,297.44	February 2011 - August 2015
8	Oni Febriarto R.	-	51,000	51,000	1,297.44	February 2011 - August 2015
<b>Executive Officers</b>		<b>7,430,600</b>	<b>5,467,500</b>	<b>5,467,500</b>	<b>1,297.44</b>	<b>February 2011 - August 2015</b>
<b>Staffs</b>		<b>-</b>	<b>102,442,500</b>	<b>102,442,500</b>	<b>1,297.44</b>	<b>February 2011 - August 2015</b>



MESOP Stage III						
No.	Name and Position	Number of Shares Owned (Shares)	Number of Options		Option Price (Rp)	Validity
			Granted (Shares)	Executed (Shares)		
<b>Board of Commissioners</b>						
1	Arie Coerniadi	-	-	-	-	-
2	Kamaruddin Sjam	-	-	-	-	-
3	Lucky Fathul Aziz Hadibrata	-	-	-	-	-
4	Catherinawati Hadiman	-	-	-	-	-
5	Fajar Harry Sampurno	-	-	-	-	-
6	Sumiyati	-	-	-	-	-
<b>Board of Directors</b>						
1	Maryono	-	-	-	-	-
2	Irman Alvian Zahiruddin	3,991,000	828,500	828,500	1,098.36	February 2011 - August 2016
3	Mansyur Syamsuri Nasution	-	-	-	-	-
4	Iman Nugroho Soeko	-	-	-	-	-
5	Sis Apik Wijayanto	-	-	-	-	-
6	Adi Setianto	-	-	-	-	-
7	Sulis Usdoko	-	108,500	108,500	1,098.36	February 2011 - August 2016
8	Oni Febriarto R.	-	54,500	54,500	1,098.36	February 2011 - August 2016
<b>Executive Officers</b>		<b>7,430,600</b>	<b>5,566,500</b>	<b>5,566,500</b>	<b>1,098.36</b>	<b>February 2011 - August 2016</b>
<b>Staffs</b>		<b>-</b>	<b>102,367,500</b>	<b>102,367,500</b>	<b>1,098.36</b>	<b>February 2011 - August 2016</b>

The three stages of the MESOP Program have been carried out based on the terms and conditions stipulated by the Board of Directors of Bank BTN in accordance with the applicable laws and regulations.

Since then, the Company no longer implemented the Bank's Share Ownership Program for employees and/or management.

#### REALIZATION OF USE OF PUBLIC OFFERING FUNDS

Realization of the use of proceeds from public offering of Bank BTN Shelf-Registration Bonds Phase II Year II 2019 on June 28, 2019 was as follows :

1. Total Proceeds collected

Total Proceeds amounted to Rp4,144,000,000,000 (four trillion one hundred forty four billion rupiah), the total costs incurred for the bonds issue amounted to Rp5,929,932,400 (five billion nine hundred twenty nine million nine hundred thirty two thousand four



**FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION**

hundred rupiah), So that the total proceeds from the Public Offering, net of all issuance costs, amounted to Rp4,138,070,067,600 (Four trillion one hundred thirty eight billion seventy million sixty seven thousand six hundred rupiah).

2. Plan on the use of proceeds  
In accordance with the Prospectus issued by the Company on June 25, 2019, the proceeds obtained from the Public Offering have all been used by the Company as a source of loan financing.
3. Realization of the use of proceeds  
As of July 31, 2019, the Company had used all the proceeds obtained from the Public Offering of Bank BTN Shelf-Registration Bonds III Phase II year 2019 in the amount of Rp4,138,070,067,600 (four trillion one hundred thirty eight billion seventy million sixty seven thousand six hundred rupiah). In accordance with the plan to use the proceeds specified in the prospectus, the proceeds obtained from the bonds issue net of issuance cost have all been used by the Company as a source of loan financing.
4. Balance of Fund  
As of July 2019, the balance of Proceeds from Public Offering (PUB) of the Shelf-registration Bond III is Nil, or in other words 100% of the proceeds have been disbursed.
5. Date of AGM approval for changes in the use of funds  
There was no change in the use of funds from BTN Shelf-Registration Bonds Phase III.

**INFORMATION ON MATERIAL TRANSACTIONS RELATED TO INVESTMENT, EXPANSION, DIVESTMENT, MERGER, ACQUISITIONS, RESTRUCTURING OF DEBT/CAPITAL**

Material information regarding Investment, Expansion, Divestment, Business Merger, Acquisition, and/or Debt/Capital Restructuring occurring in the financial year, especially those affecting the Company's financial statements/ performance.

**Material Information on Investment**

The Company did not undertake investment activities until the period ended December 31, 2019.

**Material Information on Expansion**

The Company did not undertake expansion activities until the period ended December 31, 2019.

**Material Information on Divestment**

The Company did not undertake divestment activities until the period ended December 31, 2019.

**Material Information on Merger**

The Company did not undertake merger activities until the period ended December 31, 2019.

**Material Information on Acquisition**

The Company did not undertake acquisition activities until the period ended December 31, 2019.

**Material Information on Debt and Capital Restructuring**

The Company did not undertake Debt and Capital Restructuring activities until the period ended December 31, 2019.

**COMMITMENT AND CONTINGENCIES**

Perseroan memiliki komitmen dan kontijensi yang dinyatakan dalam nilai sebagai berikut:

	2019 (million Rp)	2018 (million Rp)	Increase (Decrease)	
			Nominal (million Rp)	Percentage (%)
<b>Commitment</b>				
Commitments Liabilities				
- Unused Loan Facility	15,865,327	21,892,927	-6,027,600	-27.53%



	2019 (million Rp)	2018 (million Rp)	Increase (Decrease)	
			Nominal (million Rp)	Percentage (%)
<b>Contingencies</b>				
Contingency Receivables				
- Interest Income Under Settlement	2,793,877	2,818,535	-24,658	-0.87%
Contingency Liabilities				
- Guarantees issued	(2,009,682)	(3,793,965)	1,784,283	-47.03%
Contingencies – Net	784,195	(975,430)	1,759,625	-180.39%

## INFORMATION ON MATERIAL TRANSACTIONS WITH CONFLICT OF INTEREST AND/OR TRANSACTION WITH AFFILIATED OR RELATED PARTIES

### Information on Material Transactions with Conflict of Interest

There were no transactions with conflict of interest in 2019, hence no information is disclosed.

### Transactions with Affiliated or Related Parties: Regulation Based on the Statement of Financial Accounting Standards

In running the business, the Company conducts transactions with related parties as defined in SFAS No. 7 (revised 2010) on "Related Party Disclosures".

A party is considered to have relations with the Company if:

- a party, directly or indirectly, through one or more intermediaries,
  - controls, or is controlled by, or under joint control with the Bank;
  - has significant influence over the Bank; or
  - has joint control over the Bank;
- a party is a member of the same business group as the Bank;
- a party is a joint venture in which the Bank has ventured in;
- a party is a key management personnel of the Bank;
- a party is a close family member of the person as provided in point (a) or (d);
- a party is an entity that is controlled, jointly controlled

or is significantly influenced by several entities directly or indirectly, individual as stated in point (d) or (e);

- a party is a post-employment benefit program for the benefit of employees of either the Bank or an entity related to the Bank.

Transactions with related parties are carried out with the same terms and conditions as transactions with third parties. Transactions conducted by the Bank have complied with the regulations of the Capital Market and Financial Institution Supervisory Agency. IX.E.1 concerning "Affiliated Transactions and Conflicts of Interest of Certain Transactions", at the time these transactions are carried out. All material transactions and balances with related parties are disclosed in the notes to the relevant financial statements and the details have been presented in Note 44 to the financial statements. Furthermore, balances and material transactions between the Bank and the Government of the Republic of Indonesia (RI) and other entities related to the Bank are also disclosed in Note 44.

In normal business activities, the Bank conducts transactions with related parties due to ownership and/or management relationships. All transactions with related parties have been carried out with agreed upon policies and conditions.



## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

### Name of Related Party, Nature of Transaction and Type and Characteristic of Transaction

The table below shows the details of the parties related to the Bank and the nature of the transactions carried out by the Bank up to the period ended December 31, 2019.

Related Party	Nature of Transaction	Type and Characteristic of Transaction
Government of the Republic of Indonesia	Ownership as the main shareholder	Government Bonds
PT Bank Syariah Mandiri	Owned by the central government	Giro with other banks, and placements with Bank Indonesia and other banks
PT Bank Mandiri Taspen Pos	Owned by the central government	Placements with Bank Indonesia and other banks, and Saving from Other Banks
PT BRI Agroniaga Tbk	Owned by the central government	Placements with Bank Indonesia and other banks, Saving from Other Banks, Securities Issued
Lembaga Pembiayaan Ekspor Indonesia	Owned by the central government	Placements with Bank Indonesia and Other Banks, Securities and Deposits from Other Banks
PT Utama Karya (Persero)	Owned by the central government	Loans and Sharia financing/receivables
PT Indonesia Power	Owned by the central government	Securities
PT Kereta Api Indonesia (Persero)	Owned by the central government	Securities
PT Perusahaan Listrik Negara (Persero)	Owned by the central government	Securities and Guarantees issued
PT Pupuk Indonesia (Persero)	Owned by the central government	Guarantees issued
PT Timah (Persero) Tbk	Owned by the central government	Securities
Perum Perumnas	Owned by the central government	Securities, and credit provided and sharia financing/receivables
PT PP Properti Tbk	Owned by the central government	Acceptances and Credit Receivables and Sharia financing/receivables
PT Waskita Beton Precast Tbk	Owned by the central government	Acceptances and Credit Receivables and Sharia financing/receivables
PT Wijaya Karya Bangunan Gedung Tbk	Owned by the central government	Acceptances and Guarantees issued
PT Wijaya Karya Industri Energi	Owned by the central government	Acceptance receivables
PT Wijaya Karya Industri & Konstruksi	Owned by the central government	Acceptances receivable, loans and sharia financing/receivables and Guarantees issued
Perum Percetakan Negara RI (Perum PNRI)	Owned by the central government	Loans and sharia financing/receivables



Related Party	Nature of Transaction	Type and Characteristic of Transaction
PT Adhi Karya (Persero) Tbk	Owned by the central government	Loans and Sharia financing/receivables and Securities Issued
PT Angkasa Pura II (Persero)	Owned by the central government	Loans and Sharia financing/receivables and Securities Issued
PT Asuransi Jiwasraya (Persero)	Owned by the central government	Loans and Sharia financing/receivables and Securities Issued
PT Brantas Abipraya (Persero)	Owned by the central government	Loans and Sharia financing/receivables
PT Dok Dan Perkapalan Surabaya (Persero)	Owned by the central government	Loans and Sharia financing/receivables
PT HK Realtindo	Owned by the central government	Loans and Sharia financing/receivables
PT Indah Karya (Persero)	Owned by the central government	Loans and Sharia financing/receivables
PT Jasamarga Bali Tol	Owned by the central government	Loans and Sharia financing/receivables and securities issued
PT PNM Ventura Syariah	Owned by the central government	Loans and Sharia financing/receivables
PT Pembangunan Perumahan (Persero) Tbk	Owned by the central government	Loans and Sharia financing/receivables
PT Permodalan Nasional Madani	Owned by the central government	Loans and Sharia financing/receivables
PT Peruri Properti	Owned by the central government	Loans and Sharia financing/receivables
PT Perusahaan Pengelola Aset (Persero)	Owned by the central government	Loans and Sharia financing/receivables
PT PP Urban	Owned by the central government	Loans and Sharia financing/receivables
PT Taspen (Persero)	Owned by the central government	Kredit yang diberikan dan pembiayaan/piutang syariah dan Surat Berharga yang Diterbitkan
PT Trans Jawa Paspro Jalan Tol	Owned by the central government	Loans and Sharia financing/receivables
PT Virama Karya (Persero)	Owned by the central government	Loans and Sharia financing/receivables and securities issued
PT Waskita Bumi Wira	Owned by the central government	Loans and Sharia financing/receivables and securities issued
PT Waskita Karya Realty	Owned by the central government	Loans and Sharia financing/receivables and securities issued
PT Wijaya Karya Realty	Owned by the central government	Loans and Sharia financing/receivables and securities issued
PT Wisma Seratus Sejahtera	Owned by the central government	Loans and Sharia financing/receivables



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Related Party	Nature of Transaction	Type and Characteristic of Transaction
PT Yodya Karya (Persero)	Owned by the central government	Loans and Sharia financing/receivables and securities issued
Perum Jaminan Kredit Indonesia	Owned by the central government	Securities Issued
PT Asuransi Kredit Indonesia (Persero)	Owned by the central government	Securities and Guarantees Issued
PT Asuransi Jasa Indonesia (Persero)	Owned by the central government	Securities Issued
PT Asuransi Jiwa Bringin dan Sejahtera	Owned by the central government	Securities Issued
PT Asuransi Jasa Raharja (Persero)	Owned by the central government	Securities Issued
PT AXA Mandiri Financial Services	Owned by the central government	Securities Issued
PT BNI Life Insurance	Owned by the central government	Securities Issued
PT Jasaraharja Putera	Owned by the central government	Securities Issued
PT Penjaminan Infrastruktur Indonesia (Persero)	Owned by the central government	Securities Issued
PT Pertamina Bina Medika	Owned by the central government	Securities Issued
PT Reasuransi Indonesia Utama (Persero)	Owned by the central government	Securities and Guarantess Issued
PT Reasuransi Nasional Indonesia	Owned by the central government	Securities and Guarantess Issued
PT Tugu Pratama Indonesia	Owned by the central government	Securities Issued
PT Sarana Multigriya Finance (Persero)	Owned by the central government	Loans received and Subordinated Loans
Perum Damri	Owned by the central government	Guarantees Issued
Perum Jasa Tirta I	Owned by the central government	Guarantees Issued
PT Asuransi Asei Indonesia	Owned by the central government	Guarantees Issued
PT Barata Indonesia (Persero)	Owned by the central government	Guarantees Issued
PT Jasa Layanan Pemeliharaan	Owned by the central government	Guarantees Issued
PT LEN Railway Systems	Owned by the central government	Guarantees Issued
PT Nindya Karya (Persero)	Owned by the central government	Guarantees Issued
PT Pelabuhan Indonesia III (Persero)	Owned by the central government	Guarantees Issued
PT Patra Trading	Owned by the central government	Guarantees Issued
PT Pos Indonesia (Persero)	Owned by the central government	Guarantees Issued



Related Party	Nature of Transaction	Type and Characteristic of Transaction
PT Peruri Digital Security	Owned by the central government	Guarantees Issued
PT Sucofindo Prima Internasional Konsultan	Owned by the central government	Guarantees Issued
Key Management including Board of Directors, Board of Commissioners, Audit Committee, Division Heads and Branch Heads	Relations in controlling company operations	Loans and Sharia Financing/ receivables, Deposits from Customers, and Temporary Syirkah Funds

#### Purpose of Related Party Transaction

Like transaction with the third party, the transactions with related parties is conducted in line with the need to develop the operational and the business of the Company, and with the principle of mutual need between the Company with related parties.

#### Explanation on Fairness of Related Party Transaction

The fairness of all transactions carried out with related parties are disclosed in the financial statement and in accordance with the SFAS 7 on "Related Party Disclosures". All transactions with related parties are conducted with the same price level, condition and requirement as conducted with the third parties and are disclosed in the financial statement.

#### Realization of Balances and Related Party Transactions

##### Transactions with Related Parties Due to Ownership Relations with the Government of the Republic of Indonesia

Account	2019 (Million Rp)	2018 (Million Rp)
<b>Asset</b>		
Giro in other banks - net	357,624	870,392
Placements with BI & other banks-net	101,078	3,644
Securities	2,126,461	877,112
Government bonds	11,053,601	9,393,138
Securities Purchased under Resale Agreement	200,000	-
Credit given	17,289,222	11,483,694
Acceptance receivables	487,052	528,148
Total assets for related parties	31,615,038	23,156,128
CKPN from related parties	(11,060)	(2,153)
Total assets for related parties – net	31,603,978	23,153,975
The percentage of total related party assets to total assets	10.14%	7.55%



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Account	2019 (Million Rp)	2018 (Million Rp)
<b>Liabilities</b>		
Customer saving	93,053,060	83,098,406
Acceptance Liabilities	487,052	528,148
Securities Issued	5,377,572	6,925,026
Fund Borrowings	13,784,289	8,069,151
Subordinated Loan	5,999,669	2,999,519
Total Liabilities for related parties	118,701,642	101,620,250
Percentage of total liabilities of related parties to total liabilities	44.05%	38.52%
<b>Temporary Syirkah Fund</b>		
Giro Mudharabah	588,030	534,702
Tabungan Mudharabah	134,558	81,973
Deposito Mudharabah	2,034,644	5,623,470
Total of Syirkah fund for related parties	2,757,232	6,240,145
Percentage of syirkah for related parties	14.91%	33.17%
<b>Interest income and profit sharing</b>		
Placement in BI and other banks	18,351	10,154
Securities	151,664	57,921
Government bonds	475,846	413,742
Securities Purchase under Repurchase Agreement	3,347	-
Credit given	1,004,323	461,592
Total interest income for related parties	1,653,531	943,409
Percentage of total interest income and profit sharing	6.43%	4.32%
<b>Interest expense, profit sharing and bonuses</b>		
Customer saving	4,762,165	1,111,531
Securities	1,207,510	588,407
Loan received	860,282	423,810
Subordinated saving	273,167	270,200
Giro Mudharabah	4,978	3,264
Mudharabah saving	3,792	5,625
Mudharabah deposits	49,426	30,364
Total of interest expenses for related parties	7,161,320	2,433,201



Account	2019 (Million Rp)	2018 (Million Rp)
Percentage of total interest expenses and profit sharing	42.73%	19.07%
<b>Commitments and contingencies on administrative accounts</b>		
Guarantess Given	364,059	834,470
Percentage of total commitments and contingencies on administrative accounts	18.12%	22,00%

**Transaction with key management**

Account	2019 (Million Rp)	2018 (Million Rp)
<b>Asset</b>		
Credit Given Loans	119,470	125,193
Allowance for impairment losses from related parties	(18)	(19)
Total assets for related parties	119,452	125,174
Percentage of total related parties assets to total assets	0.04%	0.04%
<b>Liabilities</b>		
Customer savings	68,494	100,338
Key employees compensation	210,427	216,319
Total liabilities of key management	278,921	316,657
Percentage of total liabilities	0.10%	0.12%
<b>Temporary Syirkah Funds</b>		
Tabungan Mudharabah	2,019	2,316
Deposito Mudharabah	3,857	2,483
Total of syirkah funds for related parties	5,876	4,799
Percentage of syirkah for related parties	0.03%	0.03%
<b>Interest income and profit sharing</b>		
Credit given	7,591	6,155
Percentage of total interest income and profit sharing	0.03%	0.03%
<b>Interest expense, profit sharing and bonuses</b>		
Customer Deposit	3,182	2,914
Percentage of total interest expense and profit sharing	0.02%	0.02%
<b>Salaries and Benefits Expenses</b>		





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## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

Account	2019 (Million Rp)	2018 (Million Rp)
Board of Directors	72,567	85,289
Board of Commissioners	32,033	36,673
Key Managements	362,575	145,555
Total	467,175	267,517
Percentage of total employee's salaries and benefits	16.31%	9.30%

### Bank Policy on Review Mechanism for Transaction

The review mechanism for transactions with related parties is done through an audit particularly conducted by the external auditor and then published and this mechanism is set out in SFAS 7 on "Related Party Disclosures"

### Compliance with Regulations and Related Provisions

Compliance with relevant rules and regulations, namely Financial Accounting Standards (SAK) in Indonesia, is carried out through PSAK 7's disclosure of "Related Party Disclosures" in the 2019 Company's financial statements audited by the Public Accountant Office Purwantono, Sungkoro & Surja (EY), as well as compliance with Capital Market and Financial Institution Supervisory Regulations No. IX.E.1 concerning Affiliated Transactions and Conflicts of Interest of Certain Transactions.

### FINANCIAL INFORMATION REGARDING EXTRAORDINARY AND RARE EVENTS

Until the end of the Annual Report preparation, there was no description of extraordinary and rare events occurring after the accountant's reporting date.

### AMENDMENT OF LAWS THAT SIGNIFICANTLY AFFECT THE COMPANY

#### SOE Ministerial Regulation No. PER-8 / MBU / 12/2019 dated December 12, 2019

Explanation on the Regulations/Laws newly enacted	:	SOE Ministerial Regulation No. PER-8 / MBU / 12/2019 dated December 12, 2019 on the General Guidelines for Procurement of Goods and Services in SOEs
Impact on the Company	:	Adjustments to the procurement process and services including revised internal regulations for adjustments

**CHANGES IN ACCOUNTING POLICIES****PSAK 24 (Amendment 2018): "Employee Benefits regarding Amendments, Excursions or Completion of Programs"**

Explanation about the Amendment to Accounting Policies Applied	:	Amendment to PSAK 24 provides clearer guidance for entities in recognizing past service costs, settlement gains and losses, current service costs and net interest after an amendment, curtailment, or program completion for using the latest actuarial assumptions (previously using actuarial assumptions at the beginning of the annual reporting period). In addition, the Amendment to SFAS 24 also clarifies how accounting requirements for amendments, curtailments, or program completion can affect the upper limit requirements of assets which can be seen from the reduction in surpluses.
Impact on the Company	:	The impact of the above accounting standards adoption on the Company's financial statements is not significant.

**PSAK 46 (2018 Adjustment): "Income Tax"**

Explanation about the Amendment to Accounting Policies Applied	:	PSAK No. 46 (Adjustment 2018) "Income Tax", confirms the consequences of income tax on dividends by deleting paragraph 52B and adding paragraph 57A. The consequences of income tax on dividends (as defined in PSAK 71: Financial Instruments) arise when an entity recognizes an obligation to pay dividends. The consequence of the income tax is more directly related to past transactions or events that generate profits that can be distributed rather than distribution to owners. Therefore, the entity recognizes the consequences of income tax in profit or loss, other comprehensive income or equity in accordance with the entity's initial recognition of the transaction or past event.
Impact on the Company	:	The impact of the above accounting standards adoption on the Company's financial statements is not significant.

**ISAK 33: "Foreign Exchange Transactions and Upfront Rewards"**

Explanation about the Amendment to Accounting Policies Applied	:	ISAK 33 clarifies the use of the transaction date to determine the exchange rate used at the initial recognition of asset, expense or related income at the time the entity has received or paid in advance in foreign currency.
Impact on the Company	:	The impact of the above accounting standards adoption on the Company's financial statements is not significant.

**ISAK 34: "Uncertainty in the Treatment of Income Taxes"**

Explanation about the Amendment to Accounting Policies Applied	:	ISAK 34: Uncertainty in the Treatment of Income Taxes. This ISAK aims to clarify and provide guidance in reflecting the uncertainty of income tax treatment in financial statements.
Impact on the Company	:	The impact of the above accounting standards adoption on the Company's financial statements is not significant.



## FINANCIAL REVIEW AND OTHER MATERIAL INFORMATION

The following is an overview of several Statement of Financial Accounting Standards (SFAS or "PSAK") and Interpretation of Financial Accounting Standards (IFAS or "ISAK") issued by the Financial Accounting Standards Board (FASB) - IAI that are relevant for Banks, but not yet effective for the 31 December 2019 financial statements:

1. PSAK 71: Financial Instruments, adopted from IFRS 9, effective January 1, 2020 with early application permitted. This PSAK regulates the classification and measurement of financial instruments based on the characteristics of contractual cash flows and the entity's business model; the expected credit loss method for impairment that produces information that is more timely, relevant and understood by users of financial statements; accounting for hedges that better reflects the entity's risk management by introducing more general requirements based on management considerations.
2. b. PSAK 72: Revenue from Contracts with Customers, adopted from IFRS 15, effective January 1, 2020 with early adoption permitted. This PSAK is the single standard for revenue recognition which is the result of a successful joint project between the International Accounting Standards Board and the Financial Accounting Standards Board, governing the revenue recognition model of contracts with customers, so that entities are expected to be able to do an analysis before recognizing revenue.
3. c. PSAK 73: Leases, adopted from IFRS 16, effective January 1, 2020 with early application is permitted for entities that have also applied PSAK 72: Revenues from Contracts with Customers. This PSAK establishes the principles of recognizing, measuring, presenting and disclosing leases by introducing a single accounting model by requiring recognizing right-of-use assets and rental liabilities. There are 2 optional exceptions to the recognition of leased assets and liabilities, namely: (i) short-term leases and (ii) rents for which underlying assets are low value.
4. Amendment to PSAK 62: Insurance Contracts about Implementing PSAK 71 Financial Instruments with PSAK 62 Insurance Contracts, effective January 1, 2020. These amendment allows insurance items that meet certain criteria to apply a temporary exemption from PSAK 71 (deferral approach) or choose to apply a layered approach (overlay approach) for specified financial assets.
5. Amendments to PSAK 1: Presentation of Financial Statements concerning Material Definitions and Amendment to PSAK 25: Accounting Policies, Changes in Accounting Estimates and Errors regarding Material Definitions, effective January 1, 2020 with early adoption permitted.  
This amendment clarifies the definition of material in order to harmonize the definitions used in the conceptual framework and some relevant PSAKs. The amendment also provides clearer guidance regarding the definition of material in the context of over disclosure due to changes in the threshold of the material definition. In general, the amendments to PSAK 1 and PSAK 25 are as follows:
  - a. Adding the term "obscuring", clarification and examples of the term;
  - b. Changing the term "can influence" to "expected to be sufficient to influence" in the context of decision making by the main user;
  - c. Changing the term "user" to "main user" in the context of users of financial statements and there are additional explanations related to the main user.
6. Amendment to PSAK 22: Business Definition, effective January 1, 2021. This amendment was issued to help the entity determine whether the set of activities and assets acquired are business or not. They clarify minimum requirements for businesses, remove assessments of whether market participants are able to replace missing elements, add guidance to help entities assess whether the process obtained is substantive, narrow business and output definitions, and introduce optional fair value concentration tests. New illustrative examples are given along with amendments.



## INFORMATION ON BUSINESS CONTINUITY

The management conducts an assessment of matters that have the potential to significantly influence business continuity through the method of SWOT or Strengths, Weaknesses, Opportunities and Threats to the Company's condition, as stated in the Bank's Business Plan for the Year 2020-2022. The SWOT analysis and TOWS Matrix compiled in the Bank Business Plan for 2020-2022 are motivated by developments in macroeconomic dynamics that have an impact on changes in macro assumptions, external issues affecting bank business, Bank BTN positioning among the Top 10 National Banks and performance portraits until October 2019. In detail, Bank BTN SWOT analysis and TOWS Matrix on Changes to the Bank Business Plan for 2020-2022 are as follows:

### SWOT ANALYSIS

#### Strength

- Strong positioning in the housing business, especially the Subsidized and Middle Income segments
- The main contributors in the Government's Million Houses Program
- Captive customer opportunities with Housing Loan, KYG and Institutional Funds as the main entry points
- Implementation of Transformation initiatives (Regional Processing Center and Branch Activity)
- Trusted by the Government as a Tink-Tank in developing the housing financing scheme for Low-Income Segment

#### Weakness

- Image of Savings as a transactional and mobile banking penetration is still low
- Limited infrastructure (EDC, Outlet Placement, Features and Merchant Cooperation) to support transactional banking
- Loan is dominant in housing loans, providing not too high yield but risky (NPL)
- The trend of increasing NPLs
- Organization, placement of human resources and selling culture are still dominant in the Asset Side
- IT HR delays, so project completion is dominant in managed services

#### Opportunity

- IT HR delays, so project completion is dominant in managed services
- LTV Relaxation Plan and additional relaxation for residences with sustainability insights
- Demographic bonus in early 2020 (millennial generation dominates the workforce), an opportunity for the first home buyer segment which is the main segment of Bank BTN
- E-commerce Actors and Penetration that has increased significantly are opportunities to improve digital business and e-payment

#### Threat

- Tight banking liquidity continues
- Third Party Fund growth is limited to BUKU 4 and to meet its liquidity, BUKU 4 is becoming more aggressive
- In 2019, BUKU 4 absorbs Third Party Fund growth from Time Deposits, meaning that Third Party Fund in the market is increasingly limited
- Allocation of Government's subsidized housing loans has been increasingly limited

### INTERNAL FACTOR

### EXTERNAL FACTOR

Taking note of the SWOT analysis above, a TOWS analysis has been drawn up which describes Growth Strategy (Strength - Opportunity), Combination Strategy (Strength - Weakness), Stability Strategy (Weakness - Opportunity), and Sustainable Strategy (Weakness - Threat) as follows:



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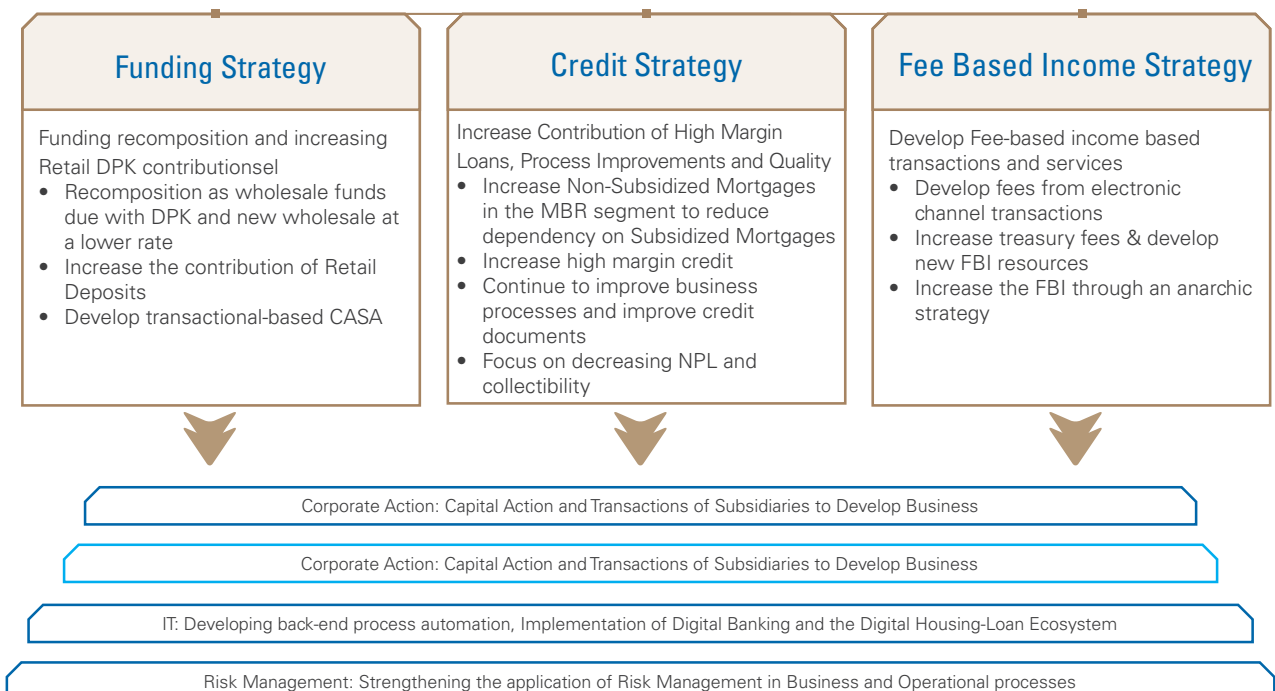
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### TOWS ANALYSIS



Taking into account the SWOT analysis and the development of the domestic economy, the foundation of the Company's business strategy in 2020 is focused on enhancing business quality with 3 (three) top priorities, namely improving profitability, improving loan processes and quality, and improving IT and HR infrastructure.

### FOCUS ON IMPROVING BUSINESS QUALITY



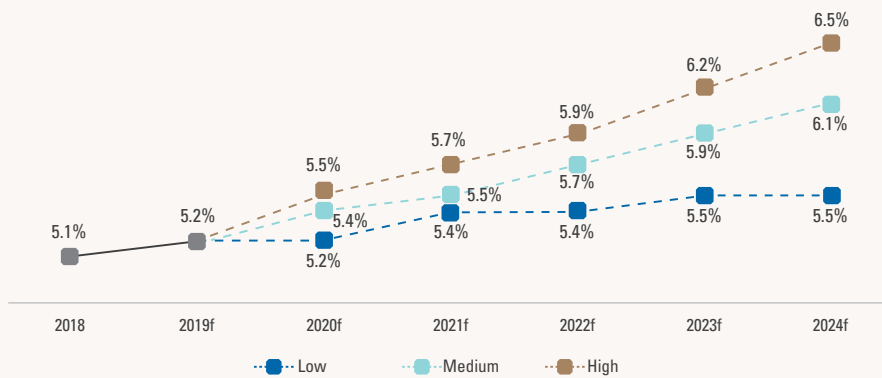


# BUSINESS PROSPECT IN 2020 AND STRATEGIC PLAN

## MACRO DYNAMICS AND TIGHT BANKING LIQUIDITY CHALLENGE STILL CONTINUES

Throughout 2020-2024, global economic growth is projected to stagnate at 3.6% - 3.8% per year, due to the changing global economy. This condition brings impact on the decrease in export volume, decrease in the prices of Indonesia's main commodities (palm oil and coal) and the resilience of the Rupiah's exchange rate, so that Indonesia's economic growth in the next three years will remain in the range of 5%.

**ECONOMIC GROWTH SCENARIO OF THE NATIONAL MEDIUM-TERM DEVELOPMENT PLAN 2020 – 2024**



Source: Ministry of National Development Planning Agency, the National Medium-Term Development Plan 2020 – 2024

“In all three scenarios, Indonesia’s economic growth in 2020 - 2022 is in the range of 5%, which is more due to the global pressure”

To encourage consumption and banking intermediation growth, Bank Indonesia is predicted to cut the BI 7-day repo interest rate. A stable inflation rate of below 4% and continued decline in the Fed Rate are the main considerations for Bank Indonesia to cut the BI 7-day repo interest rate in 2020.

However, BI's efforts to increase loan growth is faced with a challenge of the tightened banking liquidity trend that will continue in 2020. Global uncertainty and absorption of government bonds to fund infrastructure projects shift the placement of funds from Banking Third Party Fund to instruments that are safer and provide higher yields.

This is aimed at increasing securities as a source of funding and the increasing trend of Banking LDR (Loan to Deposit Ratio). As of August 2019, the accumulation of banking funds from securities grew 21.72% (yoy), higher than August 2018 of -2.67% (yoy). Meanwhile, Third Party Fund grew 7.62% (yoy) and LDR ratio increased to 94.66% from August 2018 of 93.81%.



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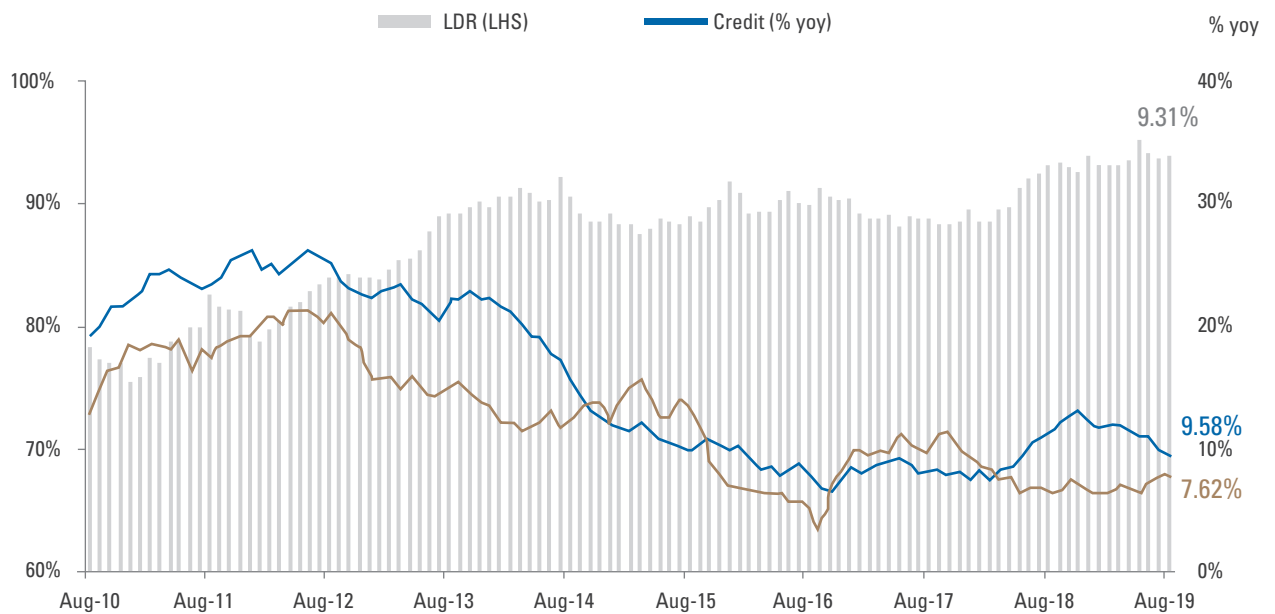
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## BUSINESS PROSPECT IN 2020

### NATIONAL BANKING LDR DEVELOPMENT



Source: FSA's Indonesia Banking Survey, August 2019

Based on the macro dynamics and prospects for the banking performance, BTN's focus in the medium term is to control loan growth and develop capacity to raise funding to support business plans.

### HOUSING SECTOR PROSPECT AND GROWTH OPPORTUNITIES FOR EMERGING AFFLUENT SEGMENT

The housing sector has a large contribution to the country's economy. In 2018, the ratio of housing loans to GDP of Indonesia was 3.0%, still lower than other Southeast Asian countries such as the Philippines (3.8%), Thailand (22.3%), Malaysia (38.4%) and Singapore (44.8%), which means that Indonesia's housing sector is still far from being saturated and has the opportunity to be developed.

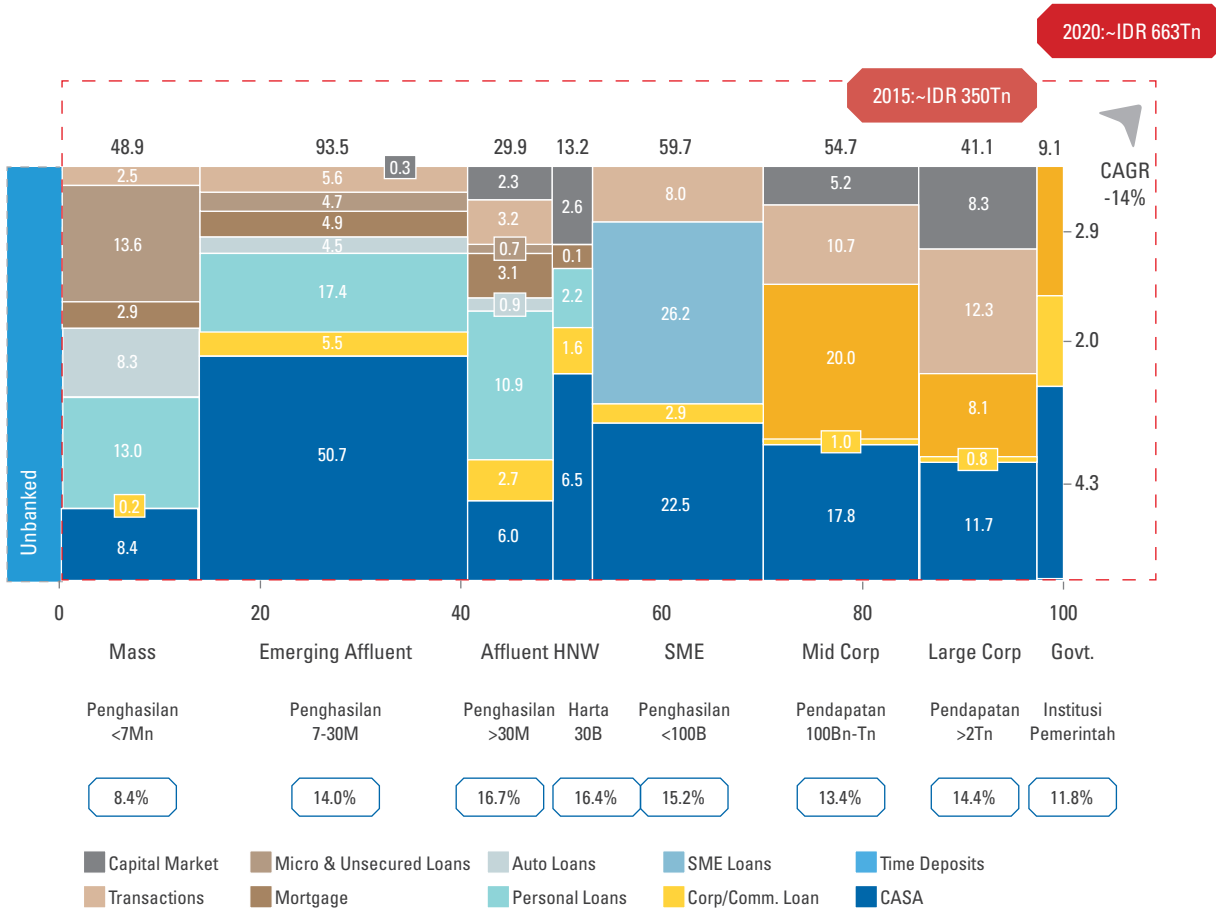
The Government's One Million Housing Program to settle the high number of housing backlog is an opportunity for Bank BTN to strengthen its housing business positioning in the Subsidized and Low Income Community segment.

In addition, the support of LTV (loan to value) policy and demographic bonus in the form of growth in the emerging affluent segment, namely the middle class aged 25 to 45 years, earning Rp7 million - Rp30 million per month, is an opportunity for Bank BTN to develop business in the middle segment. During 2012 to 2018, the emerging affluent segment was the fastest growing segment of 178% and is projected to continue to grow to ± 125 million in 2020.

As a segment dominated by professionals, students and young families, this segment has the largest revenue pool in the banking sector. This is inseparable from the criteria of this segment which are people who need financial planning, have high mobility, and are digital savvy.



### BANKING REVENUE POOL 2020



Source: Transformation 2016-2020 Blueprint

To win competition in this segment, Bank BTN must continuously innovate to develop its services. The competition is not limited to the Bank but also with the actors of sharing economy (e-economy) who adopt technology in operating their business, which requires the Bank to change the pattern of services to more adopt digital-based financial services.

Considering the above matter, in order to win the emerging affluent competition, Bank BTN will build a digital proposition by developing digital banking and the digital housing loan ecosystem as a business development strategy in the medium to long term.

#### Becoming a Housing Market Maker

Since being implemented in 2015, the Government's Million Houses Program has gradually succeeded in reducing the housing backlog. However, there are still some challenges, one of which is the limited Government funding to channel the Subsidized Housing Loan Program. Meanwhile, alternative funding through the scheme of Public Housing Savings or Tabungan Perumahan Rakyat (TAPERA) and non-State Budget MBR Housing Loan such as KPR BP2BT (Savings-Based Housing Financing Assistance) still requires time in its implementation.

This can be seen from the declining trend in subsidized Housing Loan allocation in the State Budget (APBN). In the





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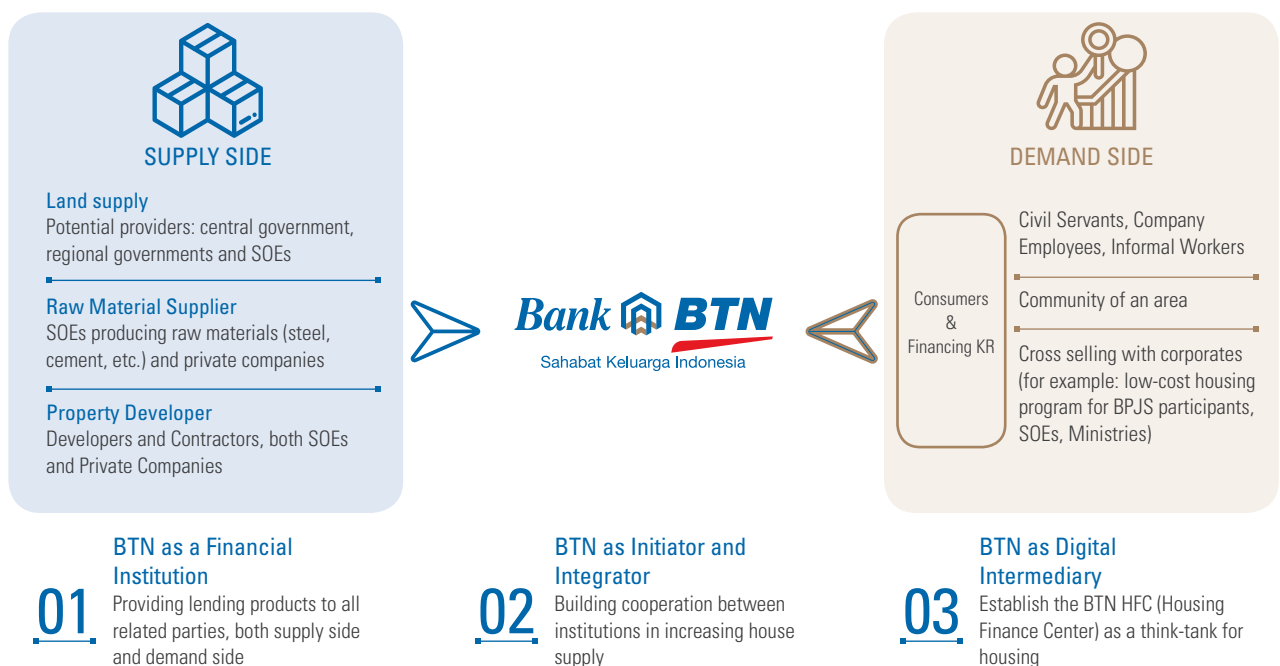
## BUSINESS PROSPECT IN 2020

2017 State Budget, the Government allocated a Subsidized Housing Loan Program of 279 thousand housing units and then decreased in 2018 to 267 thousand units, 234 thousand units in 2019 and 110 thousand units in 2020.

Taking note of this condition, as the Focus Bank which has the main mandate of the Million Houses Program, in the Bank Business Plan 2020-2022, Bank BTN will expand the Non-Subsidized Housing Loan financing scheme to target the MBR segment and develop a long-term funding scheme to fund housing loans.

In addition, to strengthen its role in the Housing sector, Bank BTN has also carried out a business transformation to develop a role that is not limited in housing finance, but also as a housing market maker, an institution that acts as an integrator between the demand side and the supply side, which is realized through enhancing the Bank's capability as a Government tink-tank institution in formulating housing backlog settlement policies.

### ROLE OF BANK BTN AS HOUSING MARKET MAKER



Source: Transformation Blueprint 2016-2020

In a big picture, BTN's Bank strategy as housing market maker is as follows:

1. Acting as a Financing Institution that provides lending products both supply side and demand side.
2. Acting as an Initiator and Integrator in establishing inter-institutions cooperation in increasing housing supply.
3. Information and Expertise Center through Digital Intermediary to develop capabilities as a housing finance institution as a leading source of research, learning, and advisory regarding the housing sector in Indonesia



# RISK MANAGEMENT

As the Bank with a main focus on providing credit and housing finance, the Company strives to minimize the negative impact of changes in the external business climate by managing risk in a sustainable manner. The Company also continuously bases every business activity by holding a strong capital structure and promoting the principle of prudence in lending to ensure that the Bank will continue to grow. Therefore, the capital structure and implementation of risk management play a role in identifying, measuring, monitoring and controlling risk exposures throughout the Bank's business processes.

## CAPITAL STRUCTURE

The Company constantly connects financial goals and capital adequacy to risk through the capital planning process. Likewise with businesses that are based on the capital and liquidity requirements of the Company. The capital requirements are planned and discussed regularly with the support of analytical data. The Company has a Capital Plan prepared based on the review and assessment of the required capital adequacy requirements and a review of the latest economic developments. The Board of Directors prepares a Capital Plan as part of the Company's Business Plan and approved by the Board of Commissioners.

The aim of the management policy on capital management is to ensure the Bank's capital is strong and able to create a strong capital structure to support the strategy for present business expansion and maintain future continuity of business development. The implementation of management policies related to capital aims to ensure that the Company has a strong capital and capital structure to support the strategy of developing business expansion and maintaining the continuity of the Company's business development in the future. In addition, the capital policy is set to meet the capital adequacy requirements set by the regulator and ensure that the Company's capital structure is efficient.

In line with Bank Indonesia Regulations, the Company's capital consists of core capital and supplementary capital with each explanation as follows:

1. Core Capital  
Core capital refers to the bank's capital consisting of Primary Core Capital (Common Equity Tier – CET 1) and Supplementary Core Capital (Additional Tier 1). The primary core capital includes paid-up capital and disclose reserve. Disclose reserve consists of additional factors (agio, general reserves, previous year's profit, profit for the year, and stock options) and the deducting factors (other comprehensive losses and financial asset transactions classified as available for sale, difference of Allowance for Uncollectible Accounts (PPA) on earning assets with Allowance for Impairment Losses and non-earning PPA).
2. Supplementary Capital (Maximum 100% of Core Capital)  
The supplementary capital includes PPA general reserves on earning assets which shall be calculated by a maximum of 1.25% of RWA Credit Risk and Appropriated Reserves. In 2019, the Company's core capital and supplementary capital amounted to Rp23.35 trillion, higher than the core capital and supplementary capital in 2018 amounting to Rp23.33 trillion.

## RISK MANAGEMENT IMPLEMENTATION BASIS FOR DETERMINING RISK MANAGEMENT

The Company manages its capital to maintain the Bank's capital adequacy in accordance with the overall risk profile and strategy for maintaining capital levels. The amount of capital managed by the Company should be able to cover risks arising from the Company's activities but not limited



to business expansion plans and other activities. The capital adequacy calculation refers to the Regulators' applicable regulations. The Company has consistently reported capital adequacy to regulators and the public through the KPMM report and lists the KPMM ratio in the Bank Publication Report. The KPMM ratio shows that Bank Capital (CAR 18.21 %) can cover risks (potential losses) arising from current and future activities of the Company.

## RISK MANAGEMENT GENERAL IMPLEMENTATION

1. The Board of Commissioners and the Board of Directors active supervision ensure that Risk Management has been implemented adequately in accordance with the characteristics, complexity, and profile of the Company's risks.
2. The Board of Commissioners and the Board of Directors have a good understanding of the type and level of risks inherent in the Company's business activities.
3. The Board of Directors has conducted supervision by:
  - a. Approving risk management policies, including the determined risk management strategies and framework.
  - b. Evaluating the Risk Management Policy and Strategies at least once a year or more frequently if there are changes in the factors significantly affecting the Bank's business activities.
  - c. Evaluating and deciding the Board of Directors' request in respect of transactions requiring the Board of Commissioners' approval.
  - d. Evaluating the accountability of the Board of Directors and periodically providing direction for the enhancement of risk management policy implementation.
4. The Board of Directors has conducted supervision by:
  - a. Formulating policies, strategies, and Risk Management framework in writing and comprehensively including the Risk limits as an overall and by Risk type.
  - b. Developing, establishing, and updating procedures as a tool to identify, measure, monitor, and control risks.
  - c. Preparing and establishing the mechanism of transaction approval including those that exceed limits and authority for each hierarchy.
  - d. Evaluating and updating Risk Management policy, strategy, and framework at least once a year or more frequently in the event of changes in the factors significantly affecting the Company's business activities, Risk exposure, and/or Risk profile.
  - e. Establishing organizational structure including clear authority and responsibility of every position level related to the implementation of Risk Management.
  - f. Being responsible for the implementation of Risk Management policies, strategies, and framework as well as evaluating and providing guidance based on the reports submitted by the Enterprise Risk Management Division (RMD), including reports on risk profile.
  - g. Ensuring that all material Risks with adverse effects have been followed-up and reported to the Board of Commissioners on a regular basis.
  - h. Ensuring the implementation of remedial measures for problems or irregularities in the Company's business activities discovered by the Internal Audit Division (IAD).
  - i. Developing risk awareness culture including anti-fraud culture at all levels of the organization.
  - j. Ensuring adequate financial support and infrastructure for managing and controlling risk.
  - k. Ensuring that the Risk Management function has been implemented independently among others, the segregation of functions between the RMD with the work units conducting and completing transactions.

## ADEQUACY OF POLICIES, PROCEDURES AND LIMIT SET

The Company has policies, procedures, and limits in place for implementing Risk Management policies. The procedures and processes are set forth in the

implementation guidelines reviewed and updated periodically to accommodate the occurring changes. In setting these policies, procedures, and limits, the



Company considers risk management strategies, the level of risk taken and risk tolerance, as well as the limit with

due regard to the ability of the Company's capital to absorb risk exposures.

## RISK MANAGEMENT POLICIES AND PROCEDURES

The implementation of risk management is supported by a framework that includes risk management policies and procedures as well as risk limits set in line with the Bank's vision, mission and business strategy. Risk management policies and procedures are implemented by taking into account the characteristics and complexity of business activities, Risk Appetite and Risk Tolerance, risk profiles and regulations stipulated by authorities and/or sound banking practices.

The Bank has procedures and processes for implementing risk management policies. The risk management policies and procedures are outlined in the implementation guidelines that are reviewed and updated periodically to accommodate changes that occur. In establishing a risk management framework including policies, procedures and limits, Bank BTN considers the level of Risk Appetite and Risk Tolerance, the Bank's strategy and business objectives, as well as the Bank's ability for risk bearing capacity.

## LIMIT DETERMINATION

Risk limits are determined by referring to the level of risk appetite, risk tolerance, and the overall strategy of the Bank by taking into account the ability of the Bank's capital to be able to absorb risk or loss exposures, experience past losses, human resource capabilities and compliance with provisions external applicable. Procedures and limit determination include accountability and clear levels

of delegation of authority, adequate documentation of procedures and limits, as well as implementation of periodic reviews of procedures and limits. Determination of limits is carried out comprehensively on all aspects related to risk, which includes the overall limit, limit per risk, and limit per business activity of the bank that has risk exposure.

## RISK IDENTIFICATION, MEASUREMENT, MONITORING AND CONTROL PROCESS, AS WELL AS RISK MANAGEMENT INFORMATION SYSTEM

The Company also continues to ensure that the Bank has adequate risk identification, measurement, monitoring and control processes, as well as risk management information system.

### 1. Identification

The risk identification process is done by analyzing all sources of Risks, Risk events and Risk impacts the least on the risk of the Company's products and activities and ensures that the Risks of new products and activities have gone through a proper Risk Management process before being introduced or executed.

### 2. Measurement

The Risk measurement system is used to measure the Risk exposures inherent in the Company's activity compared with the Company's risk appetite so the

Company can take risk mitigation actions and measure the Company's capital adequacy to cover the residual risk. Risk Measurement is done periodically both for product and portfolio as well as all business activities of the Company.

### 3. Monitoring

The monitoring system and procedures include monitoring of the risk exposure magnitude, risk tolerance, adherence to the internal limit, and results of stress testing and the consistent implementation of the established policies and procedures. The monitoring is carried out either by the executing unit or by RMD.

### 4. Risk Control

The risk control processes applied by the Company



## RISK MANAGEMENT

are tailored in accordance with the risk exposure, risk level, and risk tolerance. Risk control may be done, among others, by hedging mechanism and other risk mitigation methods such as the issuance of guarantees, asset securitization, and loan derivatives, as well as the Company's capital increase to absorb potential losses.

5. Risk Management Information System  
The Risk Management Information System is developed according to the needs of the Company in order to implement effective Risk Management.

The Risk Management Information System and the resulting information are tailored to the characteristics and complexity of the Company's business activities and are adaptive to changes. In developing information system technology and new software, the Company makes sure that the implementation of the information system and new technologies will not disrupt the continuity of the Company's information system.

## A COMPREHENSIVE INTERNAL CONTROL SYSTEM

1. Effective implementation of Risk Management is equipped with a reliable internal control system. Reliable and effective implementation of the Company's internal control system is the responsibility of all operational and supporting units and also IAD. Effective implementation of the internal control system in the implementation of the Company's Risk Management refers to the set policies and procedures.
2. The Company implements the four eyes principle (segregation of functions) between the loan units and risk management unit, especially in terms of decision making in lending by the Credit Risk Desk unit.
3. The internal control system in the application of Risk Management at least includes: :
  - a. Correspondence between the internal control system with the type and level of Risks inherent in the Bank's business activities;
  - b. Establishment of authority and responsibility for monitoring the compliance with policies, procedures, and limits;
  - c. Determination of reporting lines and a clear segregation of functions of the operating units with the unit performing control function;
  - d. Organization structure that clearly illustrates the duties and responsibilities of each unit and individual;
  - e. Accurate and timely financial and operational reporting;
  - f. Adequate procedures to ensure the Bank's compliance with the legislation in force;
  - g. An effective, independent, and objective review of the Bank's policies, frameworks, and operating procedures;
  - h. Adequate testing and review of the management information system;
  - i. Complete and adequate documentation of the audit scope, operational procedures, audit findings, as well as the Bank management's response to the audit results;
  - j. Periodic and continuous verification and review of handling the Company's weaknesses that are material and the bank management's actions to fix occurring deviations.
4. Periodic Review of the Risk Management implementation at least every year by the RMD and IAD.



## RISK MANAGEMENT IMPLEMENTATION

The Company applies risk management that includes 8 (eight) Risks, namely Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk



## CREDIT RISK CREDIT RISK MANAGEMENT

As part of credit risk management, the Bank regularly reviews and updates the Risk Management Policy Guidelines and the Credit and Financing Policy Guidelines for Bank loans and financing as part of the risk assessment process. Credit Risk exposures are monitored from the process of granting credit to the maturity of the credit. Monitoring and controlling credit risk includes evaluating credit risk exposure to the Risk Appetite & Risk Tolerance. The Bank is reviewing Internal Credit Rating policies between business units and the Credit Risk Division (CRD) for commercial credit in analyzing risk credit. CRD consists of CRD at Head Office, RCRH (Regional Credit Risk Head) in Regional Offices and BCRH (Branch Credit Risk Head) and BCRA (Branch Credit Risk Analyst) at Branch Offices and currently the Bank has implemented the Four Eyes Principle. In addition, a Monitoring Department in the Commercial Lending Division (CMLD) was formed specifically to monitor credit exposures of large debtors (50 core debtors). In contrast to commercial credit, the

credit risk control process for consumer credit is carried out through the Consumer Banking system, which complements the application with the Credit Scoring Model (CSM). Management of Kol-2 consumer credit and NPL debtors is carried out by the Consumer Collection and Remedial Division (CCD) equipped with the Desk Call unit and the Consumer Collection and Remedial Unit (CCRU) unit at the Branch Office. Collection of debtors in arrears > 360 days (Consumer & Commercial loans), transfer of debtors (Novation, Receipt) and auctions managed by Asset Management Division (AMD).

As a follow-up to the implementation of Pillar 1 Basel II, the Bank has implemented the measurement of credit risk using the Standardized Approach in accordance with FSA Circular No. 42/SEOJK.03/2016 dated September 28, 2016 on Guidelines for Calculating Risk Weighted Assets (RWA) for Credit Risk using the Standard Approach.



## RISK MANAGEMENT

The disclosures of Net Receivables by Region, Net Receivables by Contractual Maturity, Net Receivables by Economic Sector, Receivables and Reserves by Region, Receivables and Reserves by Economic Sector, as well as Movement of the Allowance for Impairment Loss (CKPN) are described in the following tables:

**TABLE OF DISCLOSURE OF NET RECEIVABLES BY REGION AS OF DECEMBER 31, 2018 AND DECEMBER 31, 2019 (RPMILLION)**

No	Portfolio Category	December 31, 2019				
		Net Receivables by Region				
		Jabodetabek	Java Non Jabodetabek	Sumatera	Others <sup>1)</sup>	Total
1	Receivables to Government	38,958,285	-	-	-	38,958,285
2	Receivables to Public Sector Entities	3,339,189	250,140	-	-	3,589,329
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-
4	Receivables to the Bank	2,790,167	19,943	340	27	2,810,477
5	Loans Secured by Residential Property	80,152,465	49,882,191	32,628,363	32,872,192	195,535,211
6	Loans Secured by Commercial Real Estate	12,234,661	6,505,065	2,442,192	2,083,431	23,265,349
7	Employee/Retired Loans	678,704	469,099	238,079	247,271	1,633,153
8	Receivables to Micro, Small Business and Retail Portfolio	1,640,195	1,230,662	597,989	1,340,471	4,809,317
9	Receivables to Corporations	17,358,013	2,831,219	1,038,499	761,397	21,989,128
10	Past Due Receivables	1,845,938	1,668,021	791,117	1,124,163	5,429,239
11	Other Assets	6,686,348	2,602,220	964,821	1,437,288	11,690,677
	<b>Total</b>	<b>165,683,965</b>	<b>65,458,560</b>	<b>38,701,400</b>	<b>39,866,240</b>	<b>309,710,165</b>

<sup>1)</sup> Others consist of Kalimantan, Sulawesi, Bali, Maluku and Papua

No	Portfolio Category	December 31, 2019				
		Net Receivables by Region				
		Jabodetabek	Java Non Jabodetabek	Sumatera	Others <sup>1)</sup>	Total
1	Receivables to Government	48,436,894	-	-	-	48,436,894
2	Receivables to Public Sector Entities	4,396,793	32,721	-	-	4,429,514



No	Portfolio Category	December 31, 2019				
		Net Receivables by Region				
		Jabodetabek	Java Non Jabodetabek	Sumatera	Others <sup>1)</sup>	Total
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-
4	Receivables to the Bank	2,289,693	36,566	231	26	2,326,516
5	Loans Secured by Residential Property	73,888,564	46,489,642	29,496,132	30,608,861	180,483,199
6	Loans Secured by Commercial Real Estate	12,762,100	7,025,289	2,731,995	2,706,805	25,226,189
7	Employee/Retired Loans	635,411	441,782	227,676	240,080	1,544,949
8	Receivables to Micro, Small Business and Retail Portfolio	1,593,127	1,438,857	687,896	1,366,592	5,086,472
9	Receivables to Corporations	14,843,223	4,612,722	1,116,771	1,304,477	21,877,193
10	Past Due Receivables	1,179,554	1,010,470	662,954	1,091,326	3,944,304
11	Other Assets	6,815,693	2,322,784	697,224	1,137,669	10,973,370
	<b>Total</b>	<b>166,841,052</b>	<b>63,410,833</b>	<b>35,620,879</b>	<b>38,455,836</b>	<b>304,328,600</b>

<sup>1)</sup>Others consist of Kalimantan, Sulawesi, Bali, Maluku and Papua

**TABLE OF DISCLOSURE OF NET RECEIVABLES BY CONTRACTUAL MATURITY PER DECEMBER 31ST 2018 AND DECEMBER 31<sup>ST</sup> 2019  
(IN MILLION RP)**

No	Portfolio Category	December 31, 2019					
		Net Receivables by Contractual Maturity					
		< 1 Year	> 1 Year - 3 Years	> 3 Year - 5 Years	> 5 year	Non Contractual	Total
1	Receivables to Government	34,956,151	1,078,463	635,960	2,287,711	-	38,958,285
2	Receivables to Public Sector Entities	1,469,443	1,331,159	657,427	131,300	-	3,589,329
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to the Bank	2,577,608	94,849	138,020	-	-	2,810,477





## RISK MANAGEMENT

TABLE OF DISCLOSURE OF NET RECEIVABLES BY CONTRACTUAL MATURITY PER DECEMBER 31ST 2018 AND DECEMBER 31<sup>ST</sup> 2019  
(IN MILLION RP)

No	Portfolio Category	December 31, 2019					
		Net Receivables by Contractual Maturity					
		<1 Year	> 1 Year - 3 Years	> 3 Year – 5 Years	> 5 year	Non Contractual	Total
5	Loans Secured by Residential Property	388,191	2,615,800	6,615,737	185,915,483	-	195,535,211
6	Loans Secured by Commercial Real Estate	4,251,239	10,620,005	7,767,197	626,908	-	23,265,349
7	Employee/Retired Loans	3,619	40,402	115,438	1,473,694	-	1,633,153
8	Receivables to Micro, Small Business and Retail Portfolio	543,237	678,550	650,407	2,937,123	-	4,809,317
9	Receivables to Corporations	6,618,928	3,885,836	1,573,627	9,910,737	-	21,989,128
10	Past Due Receivables	1,566,503	748,209	289,408	2,825,119	-	5,429,239
11	Other Assets	-	-	-	-	11,690,677	11,690,677
	<b>Total</b>	<b>52,374,919</b>	<b>21,093,273</b>	<b>18,443,221</b>	<b>206,108,075</b>	<b>11,690,677</b>	<b>309,710,165</b>

No	Portfolio Category	December 31, 2019					
		Net Receivables by Contractual Maturity					
		<1 Year	> 1 Year - 3 Years	> 3 Year – 5 Years	> 5 year	Non Contractual	Total
1	Receivables to Government	43,610,741	3,011,337	363,665	1,451,151	-	48,436,894
2	Receivables to Public Sector Entities	2,673,335	1,107,124	600,887	48,168	-	4,429,514
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Loans Secured by Residential Property	1,832,091	494,425	-	-	-	2,326,516
5	Loans Secured by Residential Property	155,711,328	2,435,328	6,259,200	16,077,343	-	180,483,199



No	Portfolio Category	December 31, 2019					
		Net Receivables by Contractual Maturity					
		<1 Year	> 1 Year - 3 Years	> 3 Year – 5 Years	> 5 year	Non Contractual	Total
6	Loans Secured by Commercial Real Estate	5,793,389	11,086,660	8,346,140	-	-	25,226,189
7	Employee/Retired Loans	1,417,185	40,634	87,130	-	-	1,544,949
8	Receivables to Micro, Small Business and Retail Portfolio	3,628,566	778,525	611,415	67,966	-	5,086,472
9	Receivables to Corporations	15,691,460	4,349,719	1,736,503	99,511	-	21,877,193
10	Past Due Receivables	3,072,487	530,199	235,455	106,163	-	3,944,304
11	Other Assets	-	-	-	-	10,973,370	10,973,370
	<b>Total</b>	<b>233,430,582</b>	<b>23,833,951</b>	<b>18,240,395</b>	<b>17,850,302</b>	<b>10,973,370</b>	<b>304,328,600</b>

**DISCLOSURE OF NET RECEIVABLES BY ECONOMIC SECTORS PER 31ST DECEMBER 2018 AND 31<sup>ST</sup> DECEMBER 2019  
(RP-MILLION)**

No	Economy Sectors	Receivables to Government	Receivables to Public Sector Entities	Receivables to Multilateral Development Banks and International Institutions	Receivables to the Bank
(1)	(2)	(3)	(4)	(5)	(6)
<b>December 31, 2019</b>					
1	Agriculture, Hunting, Forestry	-	-	-	-
2	Fishery	-	-	-	-
3	Mining and Quarrying	-	-	-	-
4	Manufacturing	-	166,169	-	-
5	Electricity, Gas and Water	-	79,419	-	-
6	Construction	-	2,560,745	-	-
7	Wholesale and Retail Trading	-	591,667	-	392,388
8	Hotel and Food and Beverage	-	-	-	-
9	Transportation, Warehousing and Communication	-	30,743	-	-
10	Financial Intermediary	29,435,517	-	-	2,418,089



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	Loans Secured by Residential Property	Loans Secured by Commercial Real Estate	Employee/ Retired Loans	Receivables to Micro, Small Business and Retail Portfolio	Receivables to Corporations	Past Due Receivables	Other Assets
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	-	-	-	2,658	2,689	6,286	-
	-	-	-	421	3,582	2,805	-
	-	-	-	334	17,989	24,746	-
	-	-	-	12,338	40,320	32,523	-
	-	-	-	6,693	1,552,782	4,062	-
	-	22,080,950	-	447,919	7,261,377	1,647,061	-
	-	7,123	-	130,302	2,896,820	151,252	-
	-	-	-	16,429	396,387	24,388	-
	-	-	-	7,280	4,405,329	5,275	-
	-	-	-	12,623	350,785	22,405	-

**DISCLOSURE OF NET RECEIVABLES BY ECONOMIC SECTORS PER 31ST DECEMBER 2018 AND 31<sup>ST</sup> DECEMBER 2019  
(RP-MILLION)**

No	Economy Sectors	Receivables to Government	Receivables to Public Sector Entities	Receivables to Multilateral Development Banks and International Institutions	Receivables to the Bank
11	Real Estate, Rental and Business Services	-	127,863	-	-
12	Public Administration, Defense and Compulsory Social Security	-	-	-	-
13	Education Services	-	-	-	-
14	Health Services and Social Activities	-	-	-	-
15	Community Service, Socio-Culture, Entertainment and Other Individual Services	-	-	-	-
16	Individual Services for Households	-	-	-	-
17	International Agency and Other Extra-International Bodies	-	-	-	-
18	Undefined Activities	-	-	-	-
19	Non Business Field	-	32,723	-	-
20	Others	9,522,768	-	-	-
	<b>Total</b>	<b>38,958,285</b>	<b>3,589,329</b>	<b>-</b>	<b>2,810,477</b>
<b>December 31, 2018</b>					
1	Agriculture, Hunting, Forestry	-	-	-	-
2	Fishery	-	-	-	-
3	Mining and Quarrying	-	-	-	-
4	Manufacturing	-	8,337	-	-



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	Loans Secured by Residential Property	Loans Secured by Commercial Real Estate	Employee/ Retired Loans	Receivables to Micro, Small Business and Retail Portfolio	Receivables to Corporations	Past Due Receivables	Other Assets
	-	1,176,626	-	26,157	1,855,367	148,604	-
	-	-	-	-	-	-	-
	-	-	-	14,126	220,821	21,927	-
	-	-	-	9,562	371,679	4,425	-
	-	650	-	8,258	1,425,128	127,230	-
	-	-	-	5,386	3,216	-	-
	-	-	-	-	-	-	-
	-	-	-	17,924	173,198	28,380	-
	195,535,211	-	1,633,153	4,068,588	1,011,659	3,177,870	-
	-	-	-	22,319	-	-	11,690,677
	195,535,211	23,265,349	1,633,153	4,809,317	21,989,128	5,429,239	11,690,677
	-	-	-	2,373	4,644	14,355	-
	-	-	-	1,420	1,538	2,650	-
	-	-	-	9,055	68,538	8,933	-
	-	-	-	17,123	93,632	32,161	-



**DISCLOSURE OF NET RECEIVABLES BY ECONOMIC SECTORS PER 31ST DECEMBER 2018 AND 31<sup>ST</sup> DECEMBER 2019  
(RP-MILLION)**

No	Economy Sectors	Receivables to Government	Receivables to Public Sector Entities	Receivables to Multilateral Development Banks and International Institutions	Receivables to the Bank	
5	Electricity, Gas and Water	-	186,573	-	-	
6	Construction	-	1,775,413	-	-	
7	Wholesale and Retail Trading	-	1,251,608	-	-	
8	Hotel and Food and Beverage	-	-	-	-	
9	Transportation, Warehousing and Communicationi	-	538,945	-	-	
10	Financial Intermediary	43,581,917	54,707	-	2,326,516	
11	Real Estate, Rental and Business Services	-	581,210	-	-	
12	Public Administration, Defense and Compulsory Social Security	-	-	-	-	
13	Education Services	-	-	-	-	
14	Health Services and Social Activities	-	-	-	-	
15	Community Service, Socio-Culture, Entertainment and Other Individual Services	-	-	-	-	
16	Individual Services for Households	-	-	-	-	



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	Loans Secured by Residential Property	Loans Secured by Commercial Real Estate	Employee/ Retired Loans	Receivables to Micro, Small Business and Retail Portfolio	Receivables to Corporations	Past Due Receivables	Other Assets
	-	-	-	7,796	81,213	1,204	-
	-	23,082,548	-	433,781	10,386,550	1,175,779	-
	-	-	-	152,595	2,414,204	144,807	-
	-	-	-	16,048	699,269	22,040	-
	-	-	-	9,379	687,628	9,061	-
	-	-	-	23,311	877,773	20,575	-
	-	2,143,641	-	29,445	2,276,819	17,691	-
	-	-	-	-	-	-	-
	-	-	-	17,730	282,937	12,496	-
	-	-	-	12,496	383,508	17,646	-
	-	-	-	46,117	337,748	139,789	-
	-	-	-	4,037	7,120	-	-

**DISCLOSURE OF NET RECEIVABLES BY ECONOMIC SECTORS PER 31ST DECEMBER 2018 AND 31<sup>ST</sup> DECEMBER 2019  
(RP-MILLION)**

No	Economy Sectors	Receivables to Government	Receivables to Public Sector Entities	Receivables to Multilateral Development Banks and International Institutions	Receivables to the Bank
17	International Agency and Other Extra-International Bodies	-	-	-	-
18	Undefined Activities	-	-	-	-
19	Non Business Field	-	32.721	-	-
20	Other	4.854.977	-	-	-
	<b>Total</b>	<b>48.436.894</b>	<b>4.429.514</b>	<b>-</b>	<b>2.326.516</b>

**TABLE: DISCLOSURE OF RECEIVABLES AND RESERVES BY REGION  
PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019  
(RP-MILLION)**

No	Portfolio Category	December 31, 2019				
		Receivables by Region				
		Jabodetabek	Jawa Non Jabodetabek	Sumatera	Others	Total
1	Receivables	158,074,117	64,674,544	38,606,653	40,451,343	301,806,657
2	Impaired Receivables	7,000,721	2,476,519	575,704	1,748,126	11,801,070
	a. Non Past Due	6,217,850	2,080,736	300,763	694,937	9,294,286
	b. Past due	782,871	395,783	274,941	1,053,189	2,506,784
3	Allowances for Impairment Losses - Individual	1,593,542	711,297	347,167	1,330,368	3,982,374
4	Allowances for Impairment Losses - Collective	780,133	624,529	336,400	422,010	2,163,072
5	Written Off Receivable	127,472	215,272	174,743	184,623	702,110





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	Loans Secured by Residential Property	Loans Secured by Commercial Real Estate	Employee/ Retired Loans	Receivables to Micro, Small Business and Retail Portfolio	Receivables to Corporations	Past Due Receivables	Other Assets
	-	-	-	-	-	-	-
	-	-	-	22.730	475.526	33.649	-
	180.483.199	-	1.544.949	4.268.710	2.798.546	2.291.468	-
	-	-	-	12.326	-	-	10.973.370
	180.483.199	25.226.189	1.544.949	5.086.472	21.877.193	3.944.304	10.973.370



No	Portfolio Category	December 31, 2019				
		Receivables by Region				
		Jabodetabek	Jawa Non Jabodetabek	Sumatera	Others	Total
1	Receivables	158,310,825	62,004,555	35,538,043	38,344,849	294,198,272
2	Impaired Receivables	2,820,702	912,494	312,185	924,055	4,969,436
	a. Non Past Due	2,669,054	808,535	227,556	858,123	4,563,268
	b. Past due	151,648	103,959	84,629	65,932	406,168
3	Allowances for Impairment Losses - Individual	584,175	268,557	117,900	374,875	1,345,507
4	Allowances for Impairment Losses - Collective	721,854	420,703	344,860	487,369	1,974,786
5	Written Off Receivable	230,846	199,721	176,736	179,898	787,201



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**TABLE: DISCLOSURE OF RECEIVABLES AND RESERVES BY ECONOMIC SECTORS PER DECEMBER 31ST 2018 AND DECEMBER 31ST 2019 (RP-MILLION)**

No	Economic Sector	Receivables	Impaired Receivables		Allowances for Impairment Losses Individuals	Allowances for Impairment Losses - Collective	Written Off Receivable
			Non Past Receivable Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>December 31, 2019</b>							
1	Agriculture, Hunting, Forestry	16,417	-	1,111	1,111	3,732	9,404
2	Fishery	8,806	-	-	-	2,000	-
3	Mining and Quarrying	54,306	10,947	5,959	6,855	4,383	3,161
4	Manufacturing	294,456	765	43,300	31,202	12,125	24,773
5	Electricity, Gas and Water	1,652,650	2,900	6,281	9,292	894	-
6	Construction	35,277,545	7,392,607	1,386,853	2,730,464	800,810	332,267
7	Wholesales and Retail Trading	4,377,730	82,985	186,191	163,681	81,881	214,124
8	Hotel and Food and Beverage	727,889	509,849	32,240	177,055	2,807	31,590
9	Transportation, Warehousing and Communication	4,486,130	16,482	29,198	34,736	4,191	269
10	Financial Intermediary	32,281,561	-	27,607	24,406	43,327	2,356
11	Real Estate, Rental and Business Services	3,726,329	1,170,185	332,969	319,194	30,214	11,855
12	Public Administration, Defense and Compulsory Social Security	-	-	-	-	-	-
13	Education Services	273,056	10,621	4,004	6,706	9,754	1,535



**TABLE: DISCLOSURE OF RECEIVABLES AND RESERVES BY ECONOMIC SECTORS PER DECEMBER 31ST 2018 AND DECEMBER 31ST 2019 (RP-MILLION)**

No	Economic Sector	Receivables	Impaired Receivables		Allowances for Impairment Losses Individuals	Allowances for Impairment Losses - Collective	Written Off Receivable
			Non Past Receivable Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
14	Health Services and Social Activities	412,765	35,400	2,004	15,979	11,464	-
15	Community Service, Socio-Culture, Entertainment and Other Individual Services	1,669,350	-	22,460	9,400	100,101	-
16	Individual Services for Households	14,423	5,020	-	5,821	1	-
17	International Agency and Other ExtraInternational Bodies	-	-	-	-	-	-
18	Undefined Activities	227,229	-	120	120	8,139	-
19	Non Business Field	206,940,840	56,525	426,487	446,352	1,047,249	70,776
20	Other	9,365,175	-	-	-	-	-
	<b>Total</b>	<b>301,806,657</b>	<b>9,294,286</b>	<b>2,506,784</b>	<b>3,982,374</b>	<b>2,163,072</b>	<b>702,110</b>

#### December 31, 2018

1	Agriculture, Hunting, Forestry	32,443	-	9,377	5,098	6,051	28,036
2	Fishery	7,218	-	-	-	1,616	-
3	Mining and Quarrying	93,175	9,402	-	1,418	5,243	11,019
4	Manufacturing	193,356	4,577	24,720	26,032	17,654	2,205
5	Electricity, Gas and Water	279,069	2,900	-	2,212	96	-
6	Construction	34,557,960	3,267,293	268,419	949,160	732,745	328,596
7	Wholesale and Retail Trading	4,165,798	112,606	26,504	104,474	110,171	196,252



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**TABLE: DISCLOSURE OF RECEIVABLES AND RESERVES BY ECONOMIC SECTORS PER DECEMBER 31ST 2018 AND DECEMBER 31ST 2019 (RP-MILLION)**

No	Economic Sector	Receivables	Impaired Receivables		Allowances for Impairment LossesIndividuals	Allowances for Impairment Losses - Collective	Written Off Receivable
			Non Past Receivable Due	Past Due			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
8	Hotel and Food and Beverage	797,715	437,799	31,793	54,527	6,067	72,058
9	Transportation, Warehousing and Communication	1,274,581	25,013	270	21,737	8,646	15,915
10	Financial Intermediary	46,924,317	10,802	4,111	12,980	47,258	10,518
11	Real Estate, Rental and Business Services	5,132,235	590,970	15,735	79,007	19,628	18,946
12	Public Administration, Defense and Compulsory Social Security	-	-	-	-	-	-
13	Education Services	322,062	4,712	1,535	3,354	5,775	17
14	Health Services and Social Activities	433,539	35,900	-	12,282	8,288	31,449
15	Community Service, Socio-Culture, Entertainment and Other Individual Services	570,212	-	-	-	88,583	7
16	Individual Services for Households	12,826	5,380	-	1,670	1	-
17	International Agency and Other ExtralInternational Bodies	-	-	-	-	-	-
18	Undefined Activities	540,872	-	-	-	10,878	-
19	Non Business	192,375,750	55,913	23,704	71,556	906,086	72,183
20	Other	6,485,144	1	-	-	-	-
	<b>Total</b>	<b>294,198,272</b>	<b>4,563,268</b>	<b>406,168</b>	<b>1,345,507</b>	<b>1,974,786</b>	<b>787,201</b>



**TABLE OF DISCLOSURE OF THE MOVEMENT OF ALLOWANCE FOR IMPAIRMENT LOSSES (CKPN)  
PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019  
(MILLION RP)**

No	Description	December 31, 2019	
		Individual CKPN	Collective CKPN
1	Starting Balance of CKPN	1,347,507	1,972,786
2	Additional (reversal) allowance for impairment losses during the year (Net)	3,032,089	495,174
	• Additional allowance for impairment losses during the year	3,032,089	495,174
	• Reversal allowance for impairment losses during the year	-	-
3	Allowance for impairment losses used for written off receivables during the year	(397,222)	(304,888)
4	Other additional (reversal) of allowance during the year	-	-
	<b>Ending Balance of CKPN</b>	<b>3,982,374</b>	<b>2,163,072</b>

No	Description	December 31, 2018	
		Individual CKPN	Collective CKPN
1	Starting Balance of CKPN	347,902	2,024,974
2	Additional (reversal) allowance for impairment losses during the year (Net)	1,244,838	489,781
	• Additional allowance for impairment losses during the year	1,244,838	489,781
	• Reversal allowance for impairment losses during the year	-	-
3	Allowance for impairment losses used for written off receivables during the year	-247,233	-539,969
4	Other additional (reversal) of allowance during the year	-	-
	<b>Ending Balance of CKPN</b>	<b>1,345,507</b>	<b>1,974,786</b>

Disclosure of Net Receivables Based on Portfolio Categories and Rating Scale and Counterparty Credit Risk are described as follows:



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**TABLE OF DISCLOSURE OF NET RECEIVABLES BY PORTFOLIO AND RATING CATEGORY  
PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019**

December 31, 2019						
No	Category	Rating Agency	Long-term Rating			
		Standards and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Fitch Rating	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)
		PT ICRA Indonesia	[Idr] AAA	[Idr]AA+ to [Idr] AA	[Idr]A+ to [Idr] A-	[Idr]BBB+ to [Idr]BBB-
		PT Pemeringkat Efek Indonesia	idAAA		idA+ to id A-	id BBB+ to id BBB-
1	Receivables to Government		80,157	-	-	8,744,289
2	Receivables to Public Sector Entities		209,438	-	54,675	212,568
3	Receivables to Multilateral Development Banks and International Institutions		-	-	-	-
4	Receivables to Bank		717,525	66,319	52,512	116,008
5	Loans Secured by Residential Property		-	-	-	-
6	Loans Secured by Commercial Real Estate		-	-	-	-
7	Employee/Retired Loans		-	-	-	-
8	Receivables to Micro, Small Business and Retail Portfolio		-	-	-	-
9	Receivables to Corporations		-	-	-	-
10	Past Due Receivables		-	-	-	-
11	Other Assets		-	-	-	-





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				Short-term Rating				Without Rating	Total	
	BB+ to BB-	B+ to B-	Less than B-	A-1	A-2	A-3	Less than A-3			
	BB+ to BB-	B+ to B-	Less than B-	F1+ to F1	F2	F3	Less than F3			
	Ba1 to Ba3	B1 to B3	Less than B3	P-1	P-2	P-3	Less than P-3			
	BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Less than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)			
	[Idr]BB+ to [Idr]BB-	[Idr]B+ to [Idr]B-	Less than [Idr] B-	[Idr]A1+ to [Idr] A1	[Idr] A2+ to [Idr]A2	[Idr]A3+ to [Idr] A3	Less than [Idr] A3			
	id BB+ to id BB-	id B+ to id B-	Less than idB-	idA1	idA2	idA3 to id A4	Less than idA4			
	-	-	-	-	-	-	-	-	30,133,839	38,958,285
	-	-	-	-	-	-	-	-	3,112,648	3,589,329
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	1,858,113	2,810,477
	-	-	-	-	-	-	-	-	195,535,211	195,535,211
	-	-	-	-	-	-	-	-	23,265,349	23,265,349
	-	-	-	-	-	-	-	-	1,633,153	1,633,153
	-	-	-	-	-	-	-	-	4,809,317	4,809,317
	-	-	-	-	-	-	-	-	21,989,128	21,989,128
	-	-	-	-	-	-	-	-	5,429,239	5,429,239
	-	-	-	-	-	-	-	-	11,690,677	11,690,677



December 31, 2018

No	Category	Rating Agency	Long-term Rating			
		Standards and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Fitch Rating	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)
		PT ICRA Indonesia	[Idr] AAA	[Idr]AA+ to [Idr]AA	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-
		PT Pemeringkat Efek Indonesia	idAAA		idA+ to id A-	id BBB+ to id BBB-
1	Receivables to Government		-	-	-	42,419,586
2	Receivables to Public Sector Entities		282,634	-	4,884	101,709
3	Receivables to Multilateral Development Banks and International Institutions		-	-	-	-
4	Receivables to Bank		1,212,506	-	51,057	-
5	Loans Secured by Residential Property		-	-	-	-
6	Loans Secured by Commercial Real Estate		-	-	-	-
7	Employee/Retired Loans		-	-	-	-
8	Receivables to Micro, Small Business and Retail Portfolio		-	-	-	-
9	Receivables to Corporations		-	-	-	-
10	Past Due Receivables		-	-	-	-
11	Other Assets		-	-	-	-



## RISK MANAGEMENT

				Short-term Rating				Without Rating	Total	
	BB+ to BB-	B+ to B-	Less than B-	A-1	A-2	A-3	Less than A-3			
	BB+ to BB-	B+ to B-	Less than B-	F1+ s.d F1	F2	F3	Less than F3			
	Ba1 to Ba3	B1 to B3	Less than B3	P-1	P-2	P-3	Less than P-3			
	BB+(idn) s.d BB-(idn)	B+(idn) s.d B-(idn)	Less than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)			
	[Idr]BB+ s.d [Idr]BB-	[Idr]B+ s.d [Idr]B-	Less than [Idr] B-	[Idr]A1+ to [Idr] A1	[Idr]A2+ s.d [Idr] A2	[Idr] A3+ s.d [Idr] A3	Less than [Idr]A3			
	id BB+ s.d id BB-	id B+ s.d id B-	Less than idB-	idA1	idA2	idA3 to id A4	Less than idA4			
	-	-	-	-	-	-	-	-	6,017,308	48,436,894
	-	-	-	-	-	-	-	-	4,040,287	4,429,514
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	1,062,953	2,326,516
	-	-	-	-	-	-	-	-	180,483,199	180,483,199
	-	-	-	-	-	-	-	-	25,226,189	25,226,189
	-	-	-	-	-	-	-	-	1,544,949	1,544,949
	-	-	-	-	-	-	-	-	5,086,472	5,086,472
	-	-	-	-	-	-	-	-	21,877,193	21,877,193
	-	-	-	-	-	-	-	-	3,944,304	3,944,304
	-	-	-	-	-	-	-	-	10,973,370	10,973,370



Whereas the Counterparty Credit Risk is divided into 2, namely:

1. Derivatif Over the Counter Transactions

The Company does not have any derivative transactions as of December 31, 2019 and December 31, 2018.

2. Repo Transactions

The description related to the Repo Transaction is described in the following table:

**TABLE OF REPO TRANSACTIONS PER DECEMBER 31ST 2018 AND DECEMBER 31ST 2019  
(MILLION RP)**

No	Portofolio Category	December 31, 2019			
		SB Repo Fair Value	Repo Liabilities	Net Receivables	RWA
1	Receivables to Government	2,947,820	(946,852)	2,000,968	1,000,484
2	Receivables to Public Sector Entities	-	-	-	-
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables to Bank	-	-	-	-
5	Receivables to Micro, Small Business and Retail Portfolio	-	-	-	-
6	Receivables to Corporations	-	-	-	-
	<b>Total</b>	<b>2,947,820</b>	<b>(946,852)</b>	<b>2,000,968</b>	<b>1,000,484</b>

No	Portofolio Category	December 31, 2019			
		SB Repo Fair Value	Repo Liabilities	Net Receivables	RWA
1	Receivables to Government	1,059,534	947,579	111,955	-
2	Receivables to Public Sector Entities	-	-	-	-



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No	Portofolio Category	December 31, 2019			
		SB Repo Fair Value	Repo Liabilities	Net Receivables	RWA
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables to Bank				
5	Receivables to Micro, Small Business and Retail Portfolio	-	-	-	-
6	Receivables to Corporations	-	-	-	-
	<b>Total</b>	<b>1,059,534</b>	<b>947,579</b>	<b>111,955</b>	<b>-</b>

**3. Reverse Repo Transaction**

The Company does not have any Reverse Repo transactions as of December 31, 2019 and December 31, 2018. In order to reduce credit risk exposure, the Company conducts pre-screening of debtors, requires debtors to fulfill required collateral, analyzes and evaluates credit worthiness, and legally engages in credit. The Company has allocated credit exposures based on the geographical area/region where they operate and allocated credit exposures based on the industrial sector to see the concentration of credit risk. The description regarding Disclosure of Net Receivables Based on Risk Weight after Calculating the Impact of Credit Risk Mitigation and Disclosure of Net Receivables and Credit Risk Mitigation Techniques are described as follows:

**TABLE OF NET RECEIVABLES BASED ON RISK WEIGHTING AFTER CONSIDERING THE IMPACT OF CREDIT RISK MITIGATION PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019 (MILLION RP)**

No	Portofolio Category	Per December 31, 2019					
		Net Receivables after Considering the Impact of Credit Risk Mitigation					
		0%	20%	25%	35%	40%	
<b>A</b>	<b>Balance Sheet Exposures</b>						
1	Receivables to Government	36,957,317	-	-	-	-	
2	Receivables to Public Sector Entities	378,916	131,664	-	-	-	
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	
4	Receivables to Bank	-	2,258,749	-	-	-	
5	Loans Secured by Residential Property	-	120,004,447	33,535,873	41,994,891	-	
6	Loans Secured by Commercial Real Estate	-	-	-	-	-	
7	Employee/Retired Loans	-	-	-	-	-	
8	Receivables to Micro, Small Business and Retail Portfolio	165,018	221,980	-	-	-	
9	Receivables to Corporations	2,504,883	-	-	-	-	
10	Past Due Receivables	-	664,590	-	-	-	
11	Other Assets	1,369,168	-	-	-	-	
	<b>Total Exposures - Balance Sheet</b>	<b>41,375,302</b>	<b>123,281,430</b>	<b>33,535,873</b>	<b>41,994,891</b>	<b>-</b>	
<b>B</b>	<b>Commitment Liability Exposure/Contingencies in Administrative Account Transactions</b>						
1	Receivables to Government	-	-	-	-	-	
2	Receivables to Public Sector Entities	-	-	-	-	-	
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	
4	Receivables to Bank	-	-	-	-	-	
5	Loans Secured by Residential Property	-	-	-	-	-	
6	Loans Secured by Residential Property	-	-	-	-	-	
7	Loans Secured by Residential Property	-	-	-	-	-	
8	Receivables to Micro, Small Business and Retail Portfolio	-	-	-	-	-	
9	Receivables to Corporations	-	-	-	-	-	



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							RWA	Capital Expenses
45%	50%	75%	100%	150%	Lainnya			
-	-	-	-	-	-	-	-	-
-	3,078,594	-	-	-	-	-	1,565,630	143,412
-	-	-	-	-	-	-	-	-
-	551,728	-	-	-	-	-	727,614	66,649
-	-	-	-	-	-	-	47,083,070	4,312,809
-	-	-	23,237,603	-	-	-	23,237,601	2,128,564
-	1,633,153	-	-	-	-	-	816,577	74,798
-	-	4,398,577	-	-	-	-	3,343,329	306,249
-	-	-	17,302,393	-	-	-	17,302,393	1,584,899
-	-	-	2,343,688	2,420,961	-	-	6,108,047	559,497
-	-	-	10,243,918	77,591	-	-	10,360,304	949,004
-	5,263,475	4,398,577	53,127,602	2,498,552	-	-	110,544,565	10,125,881
-	-	-	-	-	-	-	-	-
-	156	-	-	-	-	-	78	7
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	27,746	-	-	-	27,746	2,542
-	-	-	-	-	-	-	-	-
-	-	23,742	-	-	-	-	17,806	1,631
-	-	-	2,181,852	-	-	-	2,181,852	199,858

**TABLE OF NET RECEIVABLES BASED ON RISK WEIGHTING AFTER CONSIDERING THE IMPACT OF CREDIT RISK MITIGATION PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019 (MILLION RP)**

No	Portofolio Category	Per December 31, 2019					
		Net Receivables after Considering the Impact of Credit Risk Mitigation					
		0%	20%	25%	35%	40%	
10	Past Due Receivables	-	-	-	-	-	-
	<b>Total TRA Exposure</b>	-	-	-	-	-	-
<b>C</b>	<b>Exposures due to Counterparty Credit Risk</b>						
1	Receivables to Government	2,000,968	-	-	-	-	-
2	Receivables to Public Sector Entities	-	-	-	-	-	-
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
5	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
6	Receivables to Corporations	-	-	-	-	-	-
	<b>Total Eksposur Counterparty Credit Risk</b>	<b>2,000,968</b>	-	-	-	-	-

No	Portofolio Category	Per December 31, 2018					
		Net Receivables after Considering the Impact of Credit Risk Mitigation					
		0%	20%	25%	35%	40%	
<b>A</b>	<b>Balance Sheet Exposures</b>						
1	Receivables to Government	48,324,939	-	-	-	-	-
2	Receivables to Public Sector Entities	32,680	282,634	-	-	-	-
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to Bank	-	2,239,641	-	-	-	-
5	Loans Secured by Residential Property	-	105,241,996	37,676,914	37,564,289	-	-
6	Loans Secured by Commercial Real Estate	-	-	-	-	-	-
7	Employee/Retired Loans	-	-	-	-	-	-







No	Portofolio Category	Per December 31, 2018					
		Net Receivables after Considering the Impact of Credit Risk Mitigation					
		0%	20%	25%	35%	40%	
8	Receivables to Micro, Small Business and Retail Portfolio	334,967	150,199	-	-	-	
9	Tagihan Kepada Korporasi Receivables to Corporations	2,335,427	3,194	-	-	-	
10	Past Due Receivables	-	372,405	-	-	-	
11	Other Assets	1,243,616	-	-	-	-	
	<b>Total Exposures - Balance Sheet</b>	<b>52,271,629</b>	<b>108,290,069</b>	<b>37,676,914</b>	<b>37,564,289</b>	<b>-</b>	
<b>B</b>	<b>Commitment Liability Exposure / Contingencies in Administrative Account Transactions</b>						
1	Receivables to Government	-	-	-	-	-	
2	Receivables to Public Sector Entities	-	-	-	-	-	
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	
4	Receivables to Bank	-	-	-	-	-	
5	Loans Secured by Residential Property	-	-	-	-	-	
6	Loans Secured by Commercial Real Estate	-	-	-	-	-	
7	Employee/Retired Loans	-	-	-	-	-	
8	Receivables to Micro, Small Business and Retail Portfolio	-	-	-	-	-	
9	Receivables to Corporations	-	-	-	-	-	
10	Past Due Receivables	-	-	-	-	-	
	<b>Total TRA Exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>C</b>	<b>Exposures due to Counterparty Credit Risk</b>						
1	Receivables to Government	111,955	-	-	-	-	
2	Receivables to Public Sector Entities	-	-	-	-	-	
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	
4	Receivables to Bank	-	-	-	-	-	
5	Receivables to Micro, Small Business and Retail Portfolio	-	-	-	-	-	
6	Receivables to Corporations	-	-	-	-	-	
	<b>Total Counterparty Credit Risk</b>	<b>111,955</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	



## RISK MANAGEMENT

							RWA	Capital Expenses
45%	50%	75%	100%	150%	Lainnya			
-	-	4,579,978	-	-	-	-	3,465,024	317,396
-	-	-	15,739,311	-	-	-	15,739,950	1,441,779
-	-	-	1,865,224	1,706,675	-	-	4,499,718	412,174
-	-	-	9,652,163	77,591	-	-	9,768,548	894,799
-	5,745,888	4,579,978	52,447,688	1,784,266	-	-	105,656,758	9,678,159
-	-	-	-	-	-	-	-	-
-	137	-	-	-	-	-	68	6
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	35,199	-	-	-	35,199	3,224
-	-	-	-	-	-	-	-	-
-	-	21,329	-	-	-	-	15,997	1,465
-	-	-	3,799,261	-	-	-	3,799,261	348,012
-	-	-	-	-	-	-	-	-
-	137	21,329	3,834,460	-	-	-	3,850,525	352,707
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-



**TABLE OF NET RECEIVABLES AND CREDIT RISK MITIGATION TECHNIQUES  
PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019**

No	Portfolio Category	31 December, 2019					Unsecured Portion
		Net Receivables	Secured Portion				
			Collateral	Guarantee	35%		
<b>A</b>	<b>Balance Sheet Exposures</b>						
1	Receivables to Government	36,957,317	-	-	-	-	36,957,317
2	Receivables to Public Sector Entities	3,589,174	378,915	-	-	-	3,210,259
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to Bank	2,810,477	-	-	-	-	2,810,477
5	Loans Secured by Residential Property	195,535,211	-	-	103,829,588	-	91,705,623
6	Loans Secured by Commercial Real Estate	23,237,603	-	-	-	-	23,237,603
7	Employee/Retired Loans	1,633,153	-	-	-	-	1,633,153
8	Receivables to Micro, Small Business and Retail Portfolio	4,785,575	165,018	-	221,980	-	4,398,577
9	Receivables to Corporations	19,807,276	2,504,883	-	-	-	17,302,393
10	Past Due Receivables	5,429,239	-	-	664,590	-	4,764,649
11	Other Assets	11,690,677	-	-	-	-	11,690,677
	<b>Total Exposures - Balance Sheet</b>	<b>305,475,702</b>	<b>3,048,816</b>	<b>-</b>	<b>104,716,158</b>	<b>-</b>	<b>197,710,728</b>
<b>B</b>	<b>Commitment Liability Exposure/Contingencies in Administrative Account Transactions</b>						
1	Receivables to Government	-	-	-	-	-	-
2	Receivables to Public Sector Entities	156	-	-	-	-	156
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to Bank	-	-	-	-	-	-



## RISK MANAGEMENT

TABLE OF NET RECEIVABLES AND CREDIT RISK MITIGATION TECHNIQUES  
PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019

No	Portofolio Category	31 December, 2019					
		Net Receivables	Secured Portion				Unsecured Portion
			Collateral	Guarantee	35%	Loan Insurance	
5	Loans Secured by Residential Property	-	-	-	-	-	-
6	Loans Secured by Commercial Real Estate	27,746	-	-	-	-	27,746
7	Employee/Retired Loans	-	-	-	-	-	-
8	Receivables to Micro, Small Business and Retail Portfolio	23,742	-	-	-	-	23,742
9	Receivables to Corporations	2,181,852	-	-	-	-	2,181,852
10	Past Due Receivables	-	-	-	-	-	-
	<b>Total TRA Exposure</b>	<b>2,233,496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,233,496</b>
<b>C</b>	<b>Exposures due to Counterparty Credit Risk</b>						
1	Receivables to Government	2,000,968	-	-	-	-	2,000,968
2	Receivables to Public Sector Entities	-	-	-	-	-	-
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to Bank	-	-	-	-	-	-
5	Receivables to Micro, Small Business and Retail Portfolio	-	-	-	-	-	-
6	Receivables to Corporations	-	-	-	-	-	-
	<b>Total Counterparty Credit Risk</b>	<b>2,000,968</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,968</b>



No	Portofolio Category	December 31, 2018					Unsecured Portion
		Net Receivables	Secured Portion				
			Collateral	Guarantee	35%		
<b>A Balance Sheet Exposures</b>							
1	Receivables to Government	48,324,939	-	-	-	-	48,324,939
2	Receivables to Public Sector Entities	4,429,378	32,680	-	-	-	4,396,698
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to Bank	2,326,516	-	-	-	-	2,326,516
5	Loans Secured by Residential Property	180,483,199	-	-	88,636,110	-	91,847,089
6	Loans Secured by Commercial Real Estate	25,190,990	-	-	-	-	25,190,990
7	Employee/Retired Loans	1,544,949	-	-	-	-	1,544,949
8	Receivables to Micro, Small Business and Retail Portfolio	5,065,144	334,966	-	150,200	-	4,579,978
9	Receivables to Corporations	18,077,932	2,335,428	-	3,193	-	15,739,311
10	Past Due Receivables	3,944,304	-	-	372,405	-	3,571,899
11	Other Assets	10,973,370	-	-	-	-	10,973,370
	<b>Total Exposures - Balance Sheet</b>	<b>300,360,721</b>	<b>2,703,074</b>	<b>-</b>	<b>89,161,908</b>	<b>-</b>	<b>208,495,739</b>
<b>B Commitment Liability Exposure / Contingencies in Administrative Account Transactions</b>							
1	Receivables to Government	-	-	-	-	-	-
2	Receivables to Public Sector Entities	137	-	-	-	-	137
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to Bank	-	-	-	-	-	-
5	Loans Secured by Residential Property	-	-	-	-	-	-



Business Support



Good Corporate Governance



Corporate Social Responsibility



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**RISK MANAGEMENT**

No	Portfolio Category	December 31, 2018					
		Net Receivables	Secured Portion				Unsecured Portion
			Collateral	Guarantee	35%	Loan Insurance	
6	Loans Secured by Commercial Real Estate	35,199	-	-	-	-	35,199
7	Employee/Retired Loans	-	-	-	-	-	-
8	Receivables to Micro, Small Business and Retail Portfolio	21,329	-	-	-	-	21,329
9	Receivables to Corporations	3,799,261	-	-	-	-	3,799,261
10	Past Due Receivables	-	-	-	-	-	-
	<b>Total TRA Exposure</b>	<b>3,855,926</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,855,926</b>
<b>C</b>	<b>Exposures due to Counterparty Credit Risk</b>						
1	Receivables to Government	111,955	-	-	-	-	111,955
2	Receivables to Public Sector Entities	-	-	-	-	-	-
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to Bank	-	-	-	-	-	-
5	Receivables to Micro, Small Business and Retail Portfolio	-	-	-	-	-	-
6	Receivables to Corporations	-	-	-	-	-	-
	<b>Total Counterparty Credit Risk</b>	<b>111,955</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,955</b>



## CREDIT RISK : ASSET SECURITIZATION

The Company's objective in conducting securitization is to transform illiquid assets into liquid assets in the form of securities/marketable securities (referred to as Asset Backed Securities (ABS)). The Bank conducts KPR Asset Securitization for the purpose of, among others, mitigating maturity mismatch, as alternative sources of KPR financing, and increasing lending capacity. The Company's functions in securitization transactions are as Originator, Servicer, and Investor.

In the securitization of receivables on KPR ("collective receivables"), the Bank has been selling the collective receivables to third parties (KPR securitization).

The Company recognizes the securitization of housing loans (Asset-Backed Securities) as the sale on the KPR receivable because the Company has transferred the risks and benefit of the ownership to the counter party. Therefore, the effective date of the Company's securitization derecognizes the mortgage collective receivables including in the securitization.

The description regarding the calculation of RWA for Credit Risk by using the standard approach is as follows:

**TABLE OF ASSET SECURITIZATION, RATING, AND RATING AGENCY  
(RP MILLION)**

No	Year of Securitization	Securities Series	Amount of Securitization	Senior Class	Junior Class	Rating - Senior Class	Rating Agency
1	2019	SP BTN 05	2,000,000	17,160,000 24,000 (M Class)	260,000	idAAA id A M (Class)	PT Pemeringkat Efek Indonesia
2	2018	SP BTN 04	2,000,000	1,824,000	176,000	idAAA	PT Pemeringkat Efek Indonesia
3	2017	SP BTN 03	1,000,000	913,000	87,000	idAAA	PT Pemeringkat Efek Indonesia
4	2016	SP BTN 02	1,000,000	913,000	87,000	idAAA	PT Pemeringkat Efek Indonesia
5	2015	SP BTN 01	200,000	181,600	18,400	idAAA	PT Pemeringkat Efek Indonesia
6	2014	KIK DBTN 05	1,500,000	1,371,000	129,000	idAAA	PT Pemeringkat Efek Indonesia
7	2013	KIK DBTN 04	1,000,000	928,000	72,000	idAAA	PT Pemeringkat Efek Indonesia
8	2012	KIK DBTN 03	1,000,000	925,000	75,000	idAAA	PT Pemeringkat Efek Indonesia
9	2011	KIK DBTN 02	703,450	645,000	58,450	idAAA	PT Pemeringkat Efek Indonesia
10	2010	KIK DBTN 01	750,000	688,500	61,500	idAAA	PT Pemeringkat Efek Indonesia





## RISK MANAGEMENT

TABLE OF ASSET SECURITIZATION, RATING, AND RATING AGENCY  
(RP MILLION)

No	Year of Securitization	Securities Series	Amount of Securitization	Senior Class	Junior Class	Rating - Senior Class	Rating Agency
11	2009	KIK DSMF II	391,305	360,000	31,305	idAAA	PT Pemeringkat Efek Indonesia
12	2009	KIK DSMF I	111,111	100,000	11,111	AAA	PT Moody's Indonesia
			11,655,866				

Description of Securitization Transactions and Summary of securitization transaction activities - The Company acts as the original creditor described as follows:

TABLE OF SECURITIZATION TRANSACTIONS PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019  
(RP MILLION)

December 31, 2019							
No	Securitization Exposure	Value of Securitized Assets	Impaired Value of Securitized Assets		Profit/Loss from Securitization	RWA	Asset Deduction
			Past Due	Not Yet Due			
1	Bank acts as the Originator - Receivables secured by Residential Property	11,655,866	-	-	-	307,096	-
2	Bank acts as Supporting Credit Facility						
	a. First loss facility	-	-	-	-	-	-
	b. Second loss facility	-	-	-	-	-	-
3	Banks act as the Liquidity Facility Provider	-	-	-	-	-	-
4	Banks act as the Service Provider	11,655,866	-	-	-	-	-
5	Banks act as the Custodian Bank	-	-	-	-	-	-



**TABLE OF SECURITIZATION TRANSACTIONS PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019  
(RP MILLION)**

December 31, 2019							
No	Securitization Exposure	Value of Securitized Assets	Impaired Value of Securitized Assets		Profit/Loss from Securitization	RWA	Asset Deduction
			Past Due	Not Yet Due			
6	Banks act as the Investor						
	a. <i>Senior tranche</i>						
	• Receivables secured by Residential Property	-	-	-	-	-	-
	b. <i>Junior tranche</i>						
	• Receivables secured by Residential Property	-	-	-	-	-	-
December 31, 2019							
No	Securitization Exposure	Value of Securitized Assets	Impaired Value of Securitized Assets		Profit/Loss from Securitization	RWA	Asset Deduction
			Past Due	Not Yet Due			
1	Bank acts as the Originator - Receivables secured by Residential Property	9,655,866	-	-	-	-	-
2	Bank acts as Supporting Credit Facility						
	• First loss facility	-	-	-	-	-	-
	• Second loss facility	-	-	-	-	-	-
3	Banks act as the Liquidity Facility Provider	-	-	-	-	-	-
4	Banks act as the Service Provider	9,655,866	-	-	-	-	-
5	Banks act as the Custodian Bank	-	-	-	-	-	-



## RISK MANAGEMENT

December 31, 2019							
No	Securitization Exposure	Value of Securitized Assets	Impaired Value of Securitized Assets		Profit/Loss from Securitization	RWA	Asset Deduction
			Past Due	Not Yet Due			
6	Banks act as the Investor						
	a. Senior tranche						
	• Banks act as the Investor	-	-	-	-	-	-
	b. Junior tranche						
	• Receivables secured by Residential Property	-	-	-	-	-	595.415

**TABLE – SUMMARY OF SECURITIZATION ACTIVITIES – THE COMPANY ACTS AS AN INITIATOR  
PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019**

No	Underlying Asset	December 31, 2019		December 31, 2019	
		Value of Securitized Assets	Value of Securitized Assets	Value of Securitized Assets	Profit/Loss from Sales
1	Receivables to Government	-	-	-	-
2	Receivables to Public Sector Entities	-	-	-	-
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables to Bank	-	-	-	-
5	Receivables to Bank	11,655,866	-	-	-
6	Loans Secured by Commercial Real Estate	-	-	9,655,866	-
7	Employee/Retired Loans	-	-	-	-
8	Receivables to Micro, Small Business and Retail Portfolio	-	-	-	-
9	Receivables to Corporations	-	-	-	-
10	Other Assets	-	-	-	-
	<b>Total</b>	<b>11,655,866</b>	<b>-</b>	<b>9,655,866</b>	<b>-</b>



The description regarding the calculation of RWA for Credit Risk using the standard approach is as follows:

#### On-Balance Sheet Asset Exposure

**TABLE: ON-BALANCE SHEET ASSET EXPOSURE  
(RP MILLION)**

No	Portfolio Category	December 31, 2019			December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM	Net Receivables	RWA before CRM	RWA after CRM
1	Receivables to Government	36,957,317	-	-	48,324,939	-	-
2	Receivables to Public Sector Entities	3,589,174	1,755,087	1,565,630	4,429,378	2,129,899	2,113,559
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to Bank	2,810,477	727,614	727,614	2,326,516	491,366	491,366
5	Loans Secured by Residential Property	195,535,211	59,812,420	47,083,070	180,483,199	54,955,803	43,615,129
6	Loans Secured by Commercial Real Estate	23,237,603	23,237,603	23,237,601	25,190,990	25,190,990	25,190,990
7	Employee/Retired Loans	1,633,153	816,577	816,577	1,544,949	772,474	772,474
8	Receivables to Micro, Small Business and Retail Portfolio	4,785,575	3,589,182	3,343,329	5,065,144	3,798,858	3,465,024
9	Receivables to Corporations	19,807,276	19,807,276	17,302,393	18,077,932	18,077,932	15,739,950
10	Past Due Receivables	5,429,239	6,642,657	6,108,047	3,944,304	4,800,402	4,499,718
11	Other Assets	11,690,677	10,360,304	10,360,304	10,973,370	9,768,548	9,768,548
	<b>Total</b>	<b>305,475,702</b>	<b>126,748,719</b>	<b>110,544,565</b>	<b>300,360,721</b>	<b>119,986,271</b>	<b>105,656,758</b>

#### Commitment Liability Exposure/Contingencies in Administrative Account Transactions

**TABLE OF COMMITMENT LIABILITY EXPOSURE/CONTINGENCIES IN ADMINISTRATIVE ACCOUNT TRANSACTIONS  
(RP MILLION)**

No	Portfolio Category	December 31, 2019			December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM	Net Receivables	RWA before CRM	RWA after CRM
1	Receivables to Government	-	-	-	-	-	-
2	Receivables to Public Sector Entities	156	78	78	137	68	68



## RISK MANAGEMENT

TABLE OF COMMITMENT LIABILITY EXPOSURE/CONTINGENCIES IN ADMINISTRATIVE ACCOUNT TRANSACTIONS  
(RP MILLION)

No	Portfolio Category	December 31, 2019			December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM	Net Receivables	RWA before CRM	RWA after CRM
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to Bank	-	-	-	-	-	-
5	Loans Secured by Residential Property	-	-	-	-	-	-
6	Loans Secured by Commercial Real Estate	27,746	27,746	27,746	35,199	35,199	35,199
7	Employee/Retired Loans	-	-	-	-	-	-
8	Receivables to Micro, Small Business and Retail Portfolio	23,742	17,806	17,806	21,329	15,997	15,997
9	Receivables to Corporations	2,181,852	2,181,852	2,181,852	3,799,261	3,799,261	3,799,261
10	Past Due Receivables	-	-	-	-	-	-
	<b>Total</b>	<b>2,233,496</b>	<b>2,227,483</b>	<b>2,227,483</b>	<b>3,855,926</b>	<b>3,850,525</b>	<b>3,850,525</b>

## Exposures Causing Counterparty Credit Risk

TABLE OF EXPOSURES CAUSING COUNTERPARTY CREDIT RISK  
(RP MILLION)

No	Portfolio Category	December 31, 2019			December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM	Net Receivables	RWA before CRM	RWA after CRM
1	Receivables to Government	2,000,968	-	-	111,955	-	-
2	Receivables to Public Sector Entities	-	-	-	-	-	-
3	Receivables to Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables to Bank	-	-	-	-	-	-

**TABLE OF EXPOSURES CAUSING COUNTERPARTY CREDIT RISK  
(RP MILLION)**

No	Portfolio Category	December 31, 2019			December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM	Net Receivables	RWA before CRM	RWA after CRM
5	Receivables to Micro, Small Business and Retail Portfolio	-	-	-	-	-	-
6	Receivables to Corporations	-	-	-	-	-	-
	<b>Total</b>	<b>2,000,968</b>	<b>-</b>	<b>-</b>	<b>111,955</b>	<b>-</b>	<b>-</b>

Exposures causing Credit Risk due to Settlement Risk The Company has not been exposed to credit risk due to settlement risk as of 31 December 2019 and 2018

**TABLE OF EXPOSURES CAUSING CREDIT RISK DUE TO SETTLEMENT RISK  
(RP MILLION)**

No	Portfolio Category	December 31, 2019			December 31, 2018		
		Net Receivables	RWA before CRM	RWA after CRM	Net Receivables	RWA before CRM	RWA after CRM
1	Delivery versus payment	-	-	-	-	-	-
	a. Capital Expenses (5-15 days)	-	-	-	-	-	-
	b. Capital Expenses (16-30 days)	-	-	-	-	-	-
	c. Capital Expenses (31-45 days)	-	-	-	-	-	-
	d. Capital Expenses (more than 45 days)	-	-	-	-	-	-
2	Non-Delivery versus payment	-	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Business Support



Good Corporate Governance



Corporate Social Responsibility



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**RISK MANAGEMENT**

## Securitization Exposure

**TABLE OF SECURITIZATION EXPOSURE  
(RP MILLION)**

No	Type of Transaction	December 31, 2019		December 31, 2018	
		Value of Securitized Assets	Profit/Loss from Sales	Value of Securitized Assets	Profit/Loss from Sales
1	Eligible Supporting Loan Facility	-	307,096	-	-
2	Ineligible Supporting Loan Facility	-	-	-	-
3	Eligible Supporting Liquidity Facility	-	-	-	-
4	Ineligible Supporting Liquidity Facility	-	-	-	-
5	Eligible Purchase of Assets Collateralized Securities	-	-	-	-
6	Ineligible Purchase of Assets Collateralized Securities	-	-	-	-
7	Exposure to Securitizations not Included in Bank Indonesia Regulation on the Principle of Prudence in Securitization Activities for Commercial Banks	-	-	-	-
	<b>Total</b>	-	<b>307,096</b>	-	-

## Total of Credit Risk Measurement

**TABLE OF CREDIT RISK MEASUREMENT  
(RP MILLION)**

No		December 31, 2019	December 31, 2018
1.	Total RWA Credit Risk	113,079,144	101,494,102
2.	Total Capital Deducting Factor	-	467,227



### MARKET RISK

Market risk is the risk on statement of financial position and administrative accounts, due to changes in overall market conditions. In measuring market risk, the Company uses the Standardized Method in calculating CAR for market risk. Exchange rate risk arises from fluctuations in exchange rates maintained by keeping the net open position in accordance with Bank Indonesia regulations. External shocks are also being considered by stress testing, which is done to measure the extent to which the Bank can survive some scenario changes in external conditions, particularly changes in market interest rates.

All the foreign exchange transactions conducted by the Company are spot transactions. At present, the Company has no derivative foreign currency transaction. The Company uses standard methods to calculate CAR as stipulated in OJK Circular Letter No. 38/SEOJK.03/2016 dated 8 September 2016 on the Guidelines for Using a Standardized Method for Calculating the Minimum Capital Adequacy Requirement for Commercial Banks by Considering Market Risks.

A description of the Market Risk using standard method is as follows:

**TABEL RISIKO PASAR MENGGUNAKAN METODE STANDAR  
(RP-MILLION)**

No	Risk Type	December 31, 2019		December 31, 2018	
		Bank		Bank	
		Capital Expenses	RWA	Capital Expenses	RWA
1	Interest Rate Risk	30,070	375,874	33,503	418,790
	a. Specific Risk			-	-
	b. General Risk	30,070	375,874	33,503	418,790
2	Exchange Rate Risk	34,072	425,900	47,077	588,459
3	Equity Risk	-	-	-	-
4	Commodity Risk	-	-	-	-
5	Option Risk	-	-	-	-
	<b>Total</b>	<b>64,142</b>	<b>801,774</b>	<b>80,580</b>	<b>1,007,249</b>

### OPTION RISK

Liquidity risk is the risk arising from the inability of the Bank to meet the maturing obligations from cash flow funding sources and/or from high-quality liquid assets that can be pledged, without disturbing the activities and financial condition of the Bank.

The inability to obtain funding for cash flows resulting

toliquidity risk can be contributed, among others, by:

1. Inability to generate cash flows from productive assets as well as from the sale of assets, including liquid assets; and/or
2. Inability to generate cash flows from funding, interbank transactions and fund borrowings.



**RISK MANAGEMENT****OPERATIONAL RISK**

Operational risk is a risk arising from the inadequacy and/or failure of internal processes, human error, system failure, and/or the presence of external events that can affect the operations of the Bank. Operational Risk can be caused by, among others, HR, Internal Processes, Systems and Infrastructure, and External Events.

These Risks can cause events that have a detrimental impact to the Bank's operations. The capability to circumvent these undesirable Operational Risks is the key factor to measure the success or failure of Risk

Management. The types of Operational Risks can be classified into several types of events, which includes Internal Fraud, External Fraud, Employment Practices and Safety of the Work Environment, Customers, Products and Business Practices, Physical Asset Damage, Disruption of Business Activities and System Failures, and Process and Execution errors, including Fraud arising from Money Laundering and Terrorism Financing Activities.

A description of the Operational Risk is provided below:

**TABLE OF OPERATIONAL RISK  
(RP MILLION)**

No	Approach	December 31, 2019			December 31, 2018		
		Gross Revenue (Average for the Last 3 Years)	Capital Expenses	RWA	Gross Revenue (Average for the Last 3 Years)	Capital Expenses	RWA
1	Basic Indicator Approach	11,180,456	1,677,068	20,963,355	11,180,456	1,677,068	20,963,355

A description of Maturity Profile in Rupiah and Foreign Currency is elaborated as follows:

**TABLE OF RUPIAH MATURITY PROFILE PER DECEMBER 31, 2018 AND DECEMBER 31, 2019**

No	Accounts	Balance	December 31, 2019				
			Past Due				
			≤ 1 Month	> 1 Month - 3 Months	> 3 Months - 6 Months	> 6 Months - 12 Months	> 12 Months
<b>I</b>	<b>Balance Sheet</b>						
	A. Assets						
1.	Cash	1,363,762	1,363,762	-	-	-	-
2.	Placement to Bank Indonesia	21,520,714	21,168,914	236,800	-	115,000	-
3.	Interbank Placement	800,100	579,150	76,984	-	143,966	-



TABLE OF RUPIAH MATURITY PROFILE PER DECEMBER 31, 2018 AND DECEMBER 31, 2019

No	Accounts	December 31, 2019					
		Balance	Past Due				
			≤ 1 Month	> 1 Month - 3 Months	> 3 Months - 6 Months	> 6 Months - 12 Months	> 12 Months
4.	Securities	16,462,233	13,258,911	279,106	248,779	1,534,185	1,141,252
5.	Loans granted	255,825,159	4,895,096	3,097,664	2,181,395	6,088,075	239,562,929
6.	Other receivables	2,362,543	2,362,543	-	-	-	-
7.	Others	5,695,286	5,695,286	-	-	-	-
	<b>Total Asset</b>	<b>304,029,797</b>	<b>49,323,662</b>	<b>3,690,554</b>	<b>2,430,174</b>	<b>7,881,226</b>	<b>240,704,181</b>
	<b>B. Liabilities</b>						
1.	Third Party Funds	201,519,876	159,879,613	25,087,533	2,133,063	10,965,305	3,454,362
2.	Liabilities to Bank Indonesia	-	-	-	-	-	-
3.	Interbank Liabilities	4,509,238	4,503,938	5,300	-	-	-
4.	Issues Securities	19,783,552	-	-	2,134,416	3,184,556	14,464,580
5.	Loans Received	12,797,246	-	-	5,000,000	1,797,577	5,999,669
6.	Loans Received	1,422,052	142,780	65,159	161,253	1,052,860	-
7.	Others	42,505,569	42,505,569	-	-	-	-
	<b>Total Liabilities</b>	<b>282,537,533</b>	<b>207,031,900</b>	<b>25,157,992</b>	<b>9,428,732</b>	<b>17,000,298</b>	<b>23,918,611</b>
	Difference between Balance Sheet Asset and Liabilities	21,492,264	(157,708,238)	(21,467,438)	(6,998,558)	(9,119,072)	216,785,570
<b>II Off-Balance Sheet</b>							
	<b>A. Off-Balance Sheet Receivables</b>						
1.	Commitment	-	-	-	-	-	-
2.	Contingency	10,844,287	10,844,287	-	-	-	-
	<b>Total Off-Balance Sheet Receivables</b>	<b>10,844,287</b>	<b>10,844,287</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>B. Off-Balance Sheet Liabilities</b>						



## RISK MANAGEMENT

TABLE OF RUPIAH MATURITY PROFILE PER DECEMBER 31, 2018 AND DECEMBER 31, 2019

No	Accounts	December 31, 2019					
		Balance	Past Due				
			≤ 1 Month	> 1 Month - 3 Months	> 3 Months - 6 Months	> 6 Months - 12 Months	> 12 Months
	1. Commitment	15,948,221	15,948,221	-	-	-	-
	2. Contingency	1,969,793	1,969,793	-	-	-	-
	<b>Total Off-Balance Sheet Receivables</b>	<b>17,918,014</b>	<b>17,918,014</b>	-	-	-	-
	Difference between Off-Balance Sheet Assets and Liabilities	(7,073,727)	(7,073,727)	-	-	-	-
	Difference [(IA-IB)+(IIA-IIB)]	14,418,537	(164,781,965)	(21,467,438)	(6,998,558)	(9,119,072)	216,785,570
	Cummulative Difference	14,418,537	(164,781,965)	(21,467,438)	(6,998,558)	(9,119,072)	216,785,570

No	Accounts	December 31, 2018					
		Balance	Past Due				
			≤ 1 Month	> 1 Month - 3 Months	> 3 Months - 6 Months	> 6 Months - 12 Months	> 12 Months
I	<b>Balance Sheet</b>						
	A. Asset						
	1. Assets	1,240,510	1,240,510	-	-	-	-
	2. Placement to Bank Indonesia	38,951,379	38,851,379	25,000	-	-	75,000
	3. Interbank Placement	258,234	258,234	-	-	-	-
	4. Securities	12,402,226	9,218,508	559	35,594	856,962	2,290,603
	5. Loans granted	237,757,674	5,969,746	2,246,973	3,142,422	6,521,652	219,876,881
	6. Other receivables	528,418	270	362,388	165,760	-	-
	7. Others	10,716,645	10,716,645	-	-	-	-
	<b>Total Asset</b>	<b>301,855,086</b>	<b>66,255,292</b>	<b>2,634,920</b>	<b>3,343,776</b>	<b>7,378,614</b>	<b>222,242,484</b>



No	Accounts	December 31, 2018					
		Balance	Past Due				
			≤ 1 Month	> 1 Month - 3 Months	> 3 Months - 6 Months	> 6 Months - 12 Months	> 12 Months
<b>B. Liabilities</b>							
1.	Third Party Funds	226,861,029	175,382,370	35,325,012	5,087,263	1,412,801	9,653,583
2.	Liabilities to Bank Indonesia	-	-	-	-	-	-
3.	Interbank Liabilities	3,514,194	3,514,194	-	-	-	-
4.	Issues Securities	20,140,377	-	2,221,227	4,227,380	13,691,770	-
5.	Loans Received	18,499,012	-	-	7,799,922	3,312,372	7,386,718
6.	Loans Received	1,463,148	-	-	528,148	-	935,000
7.	Others	9,087,156	9,087,156	-	-	-	-
	<b>Total Liabilities</b>	<b>279,564,916</b>	<b>187,983,720</b>	<b>37,546,239</b>	<b>17,642,713</b>	<b>18,416,943</b>	<b>17,975,301</b>
	Difference between Balance Sheet Asset and Liabilities	22,290,170	(121,728,428)	(34,911,319)	(14,298,937)	(11,038,329)	204,267,183
<b>II Off-Balance Sheet</b>							
<b>A. Off-Balance Sheet Receivables</b>							
1.	Commitment	57,687	57,687	-	-	-	-
2.	Contingency	10,108,195	10,108,195	-	-	-	-
	<b>Total Off-Balance Sheet Receivables</b>	<b>10,165,882</b>	<b>10,165,882</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Total Off-Balance Sheet Receivables</b>							
1.	Commitment	21,908,920	21,908,920	-	-	-	-
2.	Contingency	3,712,682	3,712,682	-	-	-	-
	<b>Total Off-Balance Sheet Liabilities</b>	<b>25,621,602</b>	<b>25,621,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## RISK MANAGEMENT

No	Accounts	December 31, 2018					
		Balance	Past Due				
			≤ 1 Month	> 1 Month - 3 Months	> 3 Months - 6 Months	> 6 Months - 12 Months	> 12 Months
	Difference between Off-Balance Sheet Assets and Liabilities	(15,455,720)	(15,455,720)	-	-	-	-
	Difference [(IA-IB)+(IIA-IIB)]	6,834,450	(137,184,148)	(34,911,319)	(14,298,937)	(11,038,329)	204,267,183
	Cummulative Difference	6,834,450	(137,184,148)	(34,911,319)	(14,298,937)	(11,038,329)	204,267,183

TABLE OF FOREIGN CURRENCY MATURITY PROFILE PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019  
(RP MILLION)

No	Accounts	December 31, 2019				
		Balance	Past Due			
			≤ 1 Month	> 1 Month - 3 Months	> 3 Months - 6 Months	> 6 Months - 12 Months
I	<b>Balance Sheet</b>					
	A. Assets					
	1. Cash	5,405	5,405	-	-	-
	2. Placement to Bank Indonesia	4,987,730	4,987,730	-	-	-
	3. Placement to Bank Indonesia	588,517	588,517	-	-	-
	4. Securities	2,165,379	1,490,180	267,897	-	407,302
	5. Loans granted	-	-	-	-	-
	6. Other receivables	-	-	-	-	-
	7. Others	-	-	-	-	-
	<b>Total Asset</b>	<b>7,747,031</b>	<b>7,071,832</b>	<b>267,897</b>	<b>-</b>	<b>407,302</b>
	B. Liabilities					
	1. Third Party Funds	5,403,100	5,067,705	323,905	11,371	119
	2. Liabilities to Bank Indonesia	-	-	-	-	-
	3. Interbank Liabilities	-	-	-	-	-



**TABLE OF FOREIGN CURRENCY MATURITY PROFILE PER DECEMBER 31<sup>ST</sup> 2018 AND DECEMBER 31<sup>ST</sup> 2019  
(RP MILLION)**

No	Accounts	December 31, 2019					
		Balance	Past Due				
			≤ 1 Month	> 1 Month - 3 Months	> 3 Months - 6 Months	> 6 Months - 12 Months	> 12 Months
4.	Issues Securities	-	-	-	-	-	-
5.	Loans Received	-	-	-	-	-	-
6.	Other Liabilities	-	-	-	-	-	-
7.	Others	-	-	-	-	-	-
	<b>Total Liabilities</b>	<b>5,403,100</b>	<b>5,067,705</b>	<b>323,905</b>	<b>11,371</b>	<b>119</b>	<b>-</b>
	Difference between Balance Sheet Asset and Liabilities	2,343,931	2,004,127	(56,008)	(11,371)	(119)	407,302
<b>II</b>	<b>Off-Balance Sheet</b>						
	A. Off-Balance Sheet Receivables						
1.	Commitment	-	-	-	-	-	-
2.	Contingency	15,756	15,756	-	-	-	-
	Off-Balance Sheet Liabilities	15,756	15,756	-	-	-	-
	B. Off-Balance Sheet Liabilities						
1.	Commitment	-	-	-	-	-	-
2.	Contingency	39,890	39,890	-	-	-	-
	<b>Total Off-Balance Sheet Liabilities</b>	<b>39,890</b>	<b>39,890</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Difference between Off-Balance Sheet Assets and Liabilities	(24,134)	(24,134)	-	-	-	-
	Difference [(IA-IB)+(IIA-IIIB)]	2,319,797	1,979,993	(56,008)	(11,371)	(119)	407,302
	Cummulative Difference	2,319,797	1,979,993	(56,008)	(11,371)	(119)	407,302



## RISK MANAGEMENT

No	Pos - pos	December 31, 2018				
		Saldo	Past Due			
			<= 1 Month	> 1 Month - 3 Months	> 3 Months - 6 Months	> 6 Months - 12 Months
<b>I</b>	<b>Balance Sheet</b>					
	A. Assets					
1.	Cash	3,105	3,105	-	-	-
2.	Placement to Bank Indonesia	2,927,599	2,927,599	-	-	-
3.	Placement to Bank Indonesia	1,478,034	1,478,034	-	-	-
4.	Securities	700,788	549,561	-	-	27,674
5.	Loans granted	-	-	-	-	-
6.	Other receivables	-	-	-	-	-
7.	Others	-	-	-	-	-
	<b>Total Asset</b>	<b>5,109,526</b>	<b>4,958,299</b>	<b>-</b>	<b>-</b>	<b>27,674</b>
	B. Liabilities					
1.	Third Party Funds	3,030,830	2,643,307	375,896	-	11,627
2.	Liabilities to Bank Indonesia	-	-	-	-	-
3.	Interbank Liabilities	-	-	-	-	-
4.	Issues Securities	-	-	-	-	-
5.	Loans Received	-	-	-	-	-
6.	Other Liabilities	-	-	-	-	-
7.	Others	-	-	-	-	-
	<b>Total Liabilities</b>	<b>3,030,830</b>	<b>2,643,307</b>	<b>375,896</b>	<b>-</b>	<b>11,627</b>
	Difference between Balance Sheet Asset and Liabilities	2,078,696	2,314,992	(375,896)	-	16,047
						123,553



No	Pos - pos	December 31, 2018					
		Saldo	Past Due				
			<= 1 Month	> 1 Month - 3 Months	> 3 Months - 6 Months	> 6 Months - 12 Months	> 12 Months
<b>II Off-Balance Sheet</b>							
A. Off-Balance Sheet Receivables							
1.	Commitment	-	-	-	-	-	
2.	Contingency	130,569	130,569	-	-	-	
<b>Total Off-Balance Sheet Receivables</b>		<b>130,569</b>	<b>130,569</b>	-	-	-	
B. Off-Balance Sheet Liabilities							
1.	Commitment	-	-	-	-	-	
2.	Contingency	81,283	81,283	-	-	-	
<b>Total Off-Balance Sheet Liabilities</b>		<b>81,283</b>	<b>81,283</b>	-	-	-	
Difference between Off-Balance Sheet Assets and Liabilities		49,286	49,286	-	-	-	
Difference [(IA-IB)+(IIA-IIB)]		2,127,982	2,364,278	(375,896)	-	16,047	123,553
Cumulative Difference		2,127,982	2,364,278	(375,896)	-	16,047	123,553

**LEGAL RISK**

Legal risks are jointly measured by the Risk Management Division (RMD) and the Legal Division based on the analysis and evaluation report on individual legal cases against the contingency liability arising from the lawsuits. Legal Risks are monitored by the Risk Management Division by evaluating the effectiveness of policies, procedures,

and compliance with policies, regulations and bank limits. Monitoring is routinely carried out for Legal Risk positions. The provides legal input and recommendation for all divisions and units and conducts a periodical review on the agreements and partnership contracts with counterparties to control Legal Risks.





Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## RISK MANAGEMENT

### STRATEGIC RISK

Strategic risk is the risk arising from the inaccuracies in the decision making and/or the execution of a strategic decision and failure to anticipate changes in the business environment.

Strategic Risk can be triggered from weaknesses in weak strategy formulation and inaccuracies in strategy formulation, inadequate management information systems, inadequate analysis of internal and external circumstances, overly aggressive strategic objectives, inaccuracies in strategy implementation, and failure to anticipate changes in business situations.

### COMPLIANCE RISK

Compliance Risk is a risk due to the Bank not complying with and/or not implementing the laws and regulations. Compliance Risk can be sourced from, among other things, legal behavior, which is behavior or activities of the Bank that deviates or violates the provisions and/or legislation and organizational behavior, which is the Bank's behavior or the Bank's activities that deviate from generally accepted standards.

### REPUTATION RISK

Reputation Risk is a risk due to a decrease in the level of trust of stakeholders (stakeholders) originating from negative perceptions of the Bank. Reputation Risk can be sourced from the following various Bank activities:

1. Events that have harmed the Bank, such as negative reporting in the mass media, violating business ethics and debt complaints; or
2. Other things that can cause Reputation Risk, for example weaknesses in governance, corporate culture, and business practices of the Bank.



Bank  **BTN**

Sahabat Keluarga Indonesia

# BUSINESS SUPPORT

BTN has a high commitment to continue to cultivate integrity as an inseparable part of the Human Capital competency and capacity development. BTN believes that with integrity, the Company's organization will be able to achieve its vision, and become a leading banking industry player in Indonesia.





## HUMAN CAPITAL : BANK BTN HUMAN CAPITAL MANAGEMENT



The Company views Human Capital (HC) as the most important factor in achieving a competitive advantage while playing a strategic role as the front-line in the Company's business activities. The banking industry is closely related to trust and exemplary service, requiring HC competency, integrity, and professionalism in all business elements. Sound HC management is the driving force behind the Company's performance in achieving the desired results.

Therefore, the Company is dedicated to position HC as a strategic partner in conducting business activities. The Company undertakes its HC management strategy by mobilizing all its capabilities in response to challenges and adjusts to the dynamic demands of banking industry, including being at the forefront of digital banking. In addition, the Company sustainably manages HC in accordance with the policies and strategies that have been drawn up, which refer to the Labor Laws.

Through the Strategic Human Capital Directorate, the Company has developed an effective and efficient organization by taking into account several factors, ranging from planning, recruitment, competency development, performance management systems, job and career design, remuneration and benefits, productivity analysis, and other matters. The directorate is headed by the Director of Strategic Human Capital as stipulated in Directors Decision No. 04/DIR/KD/TMO/2018, dated April 30, 2018. In conducting its management duties and responsibilities, the Strategic Human Capital Directorate operates three Divisions, namely Human Capital Management, Human Capital Strategy and Learning Center Division.



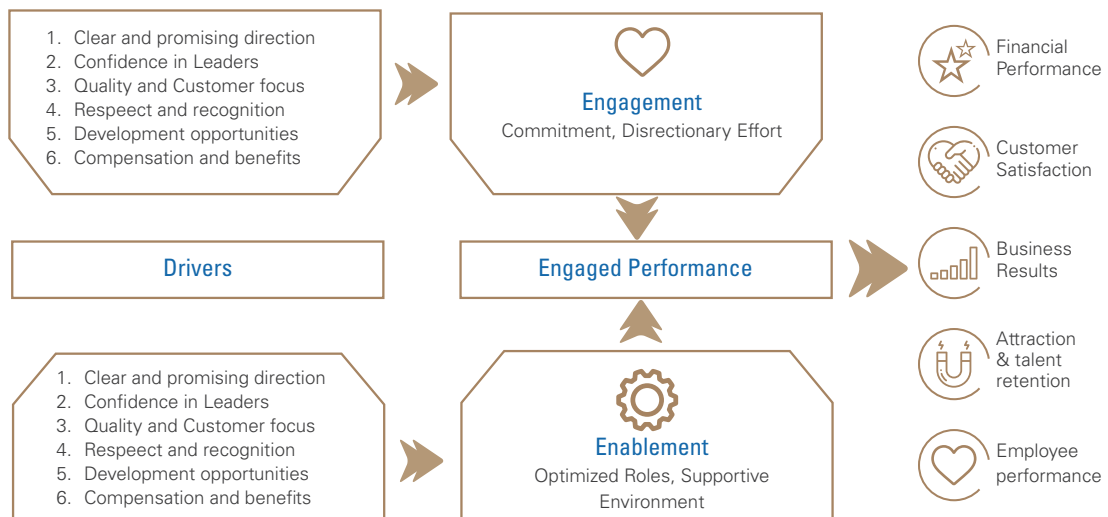
HUMAN CAPITAL : BANK BTN HUMAN CAPITAL MANAGEMENT

“Bank BTN profile and demographics are presented in the Company Profile chapter in this annual report.”

HUMAN CAPITAL POLICY AND STRATEGY

In 2019 the Company undertook Human Capital strategic policies as follows:

1. Implementation of Organization Structure Transformation
2. Career acceleration and succession planning to build employee competencies aligning with industry 4.0
3. Digital Workforce Planning
4. Performance Management Development that encourages Talent Management System
5. Running the Remuneration System Management in Accordance with Best Practice
6. Strengthening Corporate Culture Towards an Era of Global Playership
7. Optimization of Employee Communication & Social Media Network to increase the Bank’s EVP
8. Improving Human Capital Governance and Alignment of Talent Mobility with Subsidiaries & Affiliated Companies
9. Integration of Human Capital Information System to strengthen people analytics
10. Learning & Development that focuses on the Development of an Integrated Talent Management System.



In addition to implementing strategic policies, the Company also conducted initiatives in Human Capital in 2019, namely improving the quality and productivity of employees. The achievements of the initiatives that have been conducted are:

1. Developing employee competencies in the business field
2. Developing employee competencies in the field of operations and support
3. TNA Implementation to improve employee competency
4. Developing leadership programs for top talent (Star and Potential)
5. Virtual Learning Implementation



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis

## MANPOWER PLANNING

The Company has implemented an effective and efficient organizational design, featuring a relevant number of employees in order to be aligned with the strategies, as well as the short-term and long-term business objectives while taking into account the risk management aspects through the annual preparation of ManPower Planning. ManPower Planning involves all work units to identify the number and needs of employee recruitment, competency development, and performance management

in accordance with formation standards in supporting the implementation of the Company's business strategy. This process is reviewed periodically to ensure compliance with the Company's business growth and conditions.

In 2019, the Manpower Planning implementation was able to give impact on the Company's recruitment performance achievement in reaching 100% of the 410 new employees targeted to be recruited.

## REKRUTMEN HUMAN CAPITAL

The Company implements employee recruitment by upholding the principles of openness, fairness and equality. The recruitment process is based on business needs, and the quality and competencies of each candidate. Therefore, the Company implements a recruitment strategy and system by ensuring that it will only get the best talents as HC assets, through both internal and external channels. Internal recruitment is carried out to fill vacant positions in a work unit through the promotion process and employee rotation. The Company provides opportunities for employees to work in other work units as an effort to improve career experience and development in accordance with the requirements and qualifications needed.

or seminars, job fairs, talent scouting or job searching in collaboration with several universities. External recruitment is conducted directly by the Company, and through outsourcing, using third parties. The outsourcing method is used to recruit employees with non-organic positions for non-core work. The web-based recruitment system (e-recruitment) and cooperation with professional recruitment sites related to the employee branding program have been used by the Company so that the recruitment process becomes more efficient.

In 2019, the recruitment process was managed accordingly and resulted in personnel that are capable of providing a competitive advantage for the Company. In terms of quantity, the Company organized recruitment of 410 new employees in 2019.

The Company recruits external candidates using a variety of recruitment channels, such as ad announcements in various print and electronic media, public lectures and/

## EQUALITY AND JOB OPPORTUNITIES

The Company is committed to opening employment opportunities to the best candidates to join and build careers based on principles and values of equality without distinguishing aspects of gender, ethnicity, race, and religion in line with the provisions that apply both internally and externally. Each employee is given the same opportunity to contribute in order to improve the Company's performance

without individual discrimination. The manifestation of the implementation of equality principles has been carried out since the process of recruitment, selection and work placement including matters relating to wages, welfare, labor social security, working environment, training, and others.



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## HUMAN CAPITAL : BANK BTN HUMAN CAPITAL MANAGEMENT

### HUMAN CAPITAL EDUCATION AND TRAINING

The Company believes that every employee has the same opportunity to progress and develop according to the potential, expertise and opportunities available. Therefore, the Company develops HC capabilities and competencies using an integrated approach, designed to pay attention to the needs of employees, organizations and business objectives. Employee education and training are also aligned with HC strategies and policies efficiently and effectively, in order to support the improvement of the Human Capital performance.

The Company delegates responsibility to the Learning Center Division to develop the capabilities and competencies of employees through the learning & development program. The program is focused on three schools, namely:

1. School of Leadership  
This School focuses on leadership development, including Supervisory Development Program, Officer Development Program, Management Development Program, Senior Management Development Program, Vice President Development Program, and Executive Development Program.
2. School of Business Banking  
This School focuses on developing training on the Company's products and services, namely Public Housing Loans, funding, treasury, collection, sales and service and others.
3. School of Operational Banking  
This School focuses on developing training for operational activities to support business units, namely Information Technology, Finance, Risk, Human Capital, Legal and others.

The Company implements employee education and training programs with reference to management policies and strategies and the results of the Training Need Analysis (TNA). Through these two aspects, the Company may identify every employee who meets the requirements to be given the opportunity to attend training. Post-training evaluation is conducted through the Post Training Evaluation Form to measure Return of Training Investment, which reflects the effectiveness of education and training programs implementation. The evaluation results will be used as basis for career path and level of need for further employee training. This evaluation is not only done for participants, but also for instructors and organizers.

In 2019, the Company organized education and training programs attended by 56,258 employees. From that number, 12,632 employees attended the school of business, 5,936 employees attended the school of leadership, and 37,690 participants attended the school of operational banking. The investment or costs incurred by the Company in employee education and training programs throughout 2019 reached Rp95,71 billion, while in 2018 it amounted to Rp138.27 billion. The realization of education costs in 2019 was lower than in 2018 because the Company establishes a blended learning delivery method that combines online learning and classroom so that the implementation of education and training becomes more efficient without reducing the effectiveness of each education and training program.



## TYPES, OBJECTIVES, AND PARTICIPANTS/JOB POSITION

Jenis Pelatihan	Tujuan Pelatihan	Level Jabatan	Jumlah Peserta	
			2019	2018
Leadership	Focus on developing leadership to create quality talent	<ul style="list-style-type: none"> <li>• Junior Staff</li> <li>• Staff</li> <li>• Senior Staff</li> <li>• Assistant Manager</li> <li>• Manager</li> <li>• Senior Manager</li> <li>• Ass. Vice President</li> <li>• Vice President</li> <li>• Sr. Vice President</li> <li>• Exec. Vice President</li> <li>• Directors &amp; Commissioners</li> </ul>	5,936	4,893
Business	Focus on developing employee competencies in quality credit/ financing and service & sales	<ul style="list-style-type: none"> <li>• Junior Staff</li> <li>• Staff</li> <li>• Senior Staff</li> <li>• Assistant Manager</li> <li>• Manager</li> <li>• Senior Manager</li> <li>• Ass. Vice President</li> <li>• Vice President</li> <li>• Sr. Vice President</li> <li>• Exec. Vice President</li> <li>• Director &amp; Commissioner</li> </ul>	12,632	10,153
Operational Banking	Focus on developing employee competencies in operations and support to build a supervisory culture	<ul style="list-style-type: none"> <li>• Junior Staff</li> <li>• Staff</li> <li>• Senior Staff</li> <li>• Assistant Manager</li> <li>• Manager</li> <li>• Senior Manager</li> <li>• Ass. Vice President</li> <li>• Vice President</li> <li>• Sr. Vice President</li> <li>• Exec. Vice President</li> <li>• Director &amp; Commissioner</li> </ul>	37,690	13,781

## DOMESTIC SCHOLARSHIP

University	Number of Recipients	Academic Degree
Universitas Islam Kalimantan Muhammad Arsyad Albanjari	1	Bachelor's Degree
STMIK Bina Sarana Global	1	Bachelor's Degree
Universitas Swadaya Gunung Jati	1	Bachelor's Degree
Binus University	1	Bachelor's Degree
STIE Atma Bhakti	1	Bachelor's Degree
STIE Indonesia	1	Bachelor's Degree





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**HUMAN CAPITAL : BANK BTN HUMAN CAPITAL MANAGEMENT****DOMESTIC SCHOLARSHIP**

University	Number of Recipients	Academic Degree
STIE Kusuma Negara	1	Bachelor's Degree
STIE Persada Bunda	1	Bachelor's Degree
STIE Urip Sumoharjo	1	Bachelor's Degree
Universitas 17 Agustus 1945 Cirebon	1	Bachelor's Degree
Universitas Balikpapan	2	Bachelor's Degree
Universitas Batam	2	Bachelor's Degree
Universitas Esa Unggul	1	Bachelor's Degree
Universitas Kuningan	2	Bachelor's Degree
Universitas Mercu Buana	1	Bachelor's Degree
Universitas Muhammadiyah Gresik	1	Bachelor's Degree
Universitas Muhammadiyah Mataram	1	Bachelor's Degree
Universitas Pasundan	1	Bachelor's Degree
Universitas PGRI Adi Buana Surabaya	3	Bachelor's Degree
Universitas Widyatama	2	Bachelor's Degree
Universitas Gadjah Mada	10	Bachelor's Degree
Institut Teknologi Bandung	10	Bachelor's Degree

**OVERSEAS SCHOLARSHIP**

University	Number of Recipient	Academic Degree
Malaya University	1	Master's Degree
Cardiff University	2	Master's Degree
Monash University	2	Master's Degree
Ihs. Erasmus Rotterdam	1	Master's Degree
Birmingham University	1	Master's Degree
Melbourne University	1	Master's Degree
Salford University	1	Master's Degree
Greenwich University	1	Master's Degree



## CAREER MANAGEMENT

The Company realizes that the implementation of a clear career path may affect the employees satisfaction and engagement index. For this reason, the Company has implemented a career management system for employees in an effort to ensure the availability of capable officers in key positions. The application of this system has been stipulated in Directors Circular Letter No. 26/DIR/HCD/2014 Concerning Employee Career Planning. The implementation of employee career management is done to place the best employees in vacant positions, to identify potential employees, and to ensure that all employees have equal opportunities to develop their careers.

The Company has implemented a career pattern for all employees as follows:

1. **Fast Track**  
The Fast Track career pattern is a highly accelerated career progression, where employees can be recommended for promotion after a working period of 1 to 2 years after occupying their last Personal Grade. The employees who get an opportunity through this Career Path are those included in the "Star" category based on the results of Talent Mapping.
2. **Middle Track**  
The Middle Track career pattern is an accelerated career progression, where employees can be recommended for promotion after a working period of 2 to 3 years after occupying their last Personal Grade. The employees who get an opportunity through this Career Path are those who are included in the "Potentials" category based on the results of Talent Mapping.
3. **Normal Track**  
The Normal Track Career Pattern is a career progression that follows general rules, where employees can be recommended for promotion after a work period of 3 to 4 years after occupying their last Personal Grade. The employees who get an opportunity through this Career Path are those who are included in the "Average and Need to Develop Group" in Talent Group 7, based on the results of Talent Mapping.

4. **Slow Track**  
The Slow Track career pattern is a career progression where employees can be recommended for promotion after a work period of 4 to 5 years after occupying their last Personal Grade. The employees who get an opportunity through this Career Path are those who are included in the category of "Need to Develop" in Talent Group 3 and "Slow Starter" in Talent Group 4, based on the results of Talent Mapping.
5. **Non Track**  
Employees who enter this career pattern cannot be recommended for promotion. The employees who are included in the Non-Track category are employees who are included in the "Slow Starter" category in Talent Group 2 and "Unfit" based on the results of Talent Mapping.

The career patterns are carried out through several channels by considering aspects including the needs and development of the organization and the assessment of the performance management system in the last three years. Employee career paths include:

1. **Promotion**  
The career path towards a higher position group and regulated by a promotion mechanism. Employees who are entitled to become candidates for promotion are those who are included in the career pattern of fast track, middle track, normal track and slow starter as explained in the company's career pattern.
2. **Rotation**  
The career path to the same position group and arranged in rotation. Rotation is carried out if there is a vacant position due to rotation or promotion from an equivalent position or if an officer is unable to remain in his/her current position.
3. **Career Path to a Position in the lower Position Group**  
Career paths to a lower position occur because of requests from employees themselves, for several reasons, namely, to pursue careers in different



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## HUMAN CAPITAL : BANK BTN HUMAN CAPITAL MANAGEMENT

occupations or family positions, but must start from a lower position, or the desire to move to a different work location where the position available is lower than the current position. In addition, the movement to a lower position can be caused by sanctions as stipulated in the demotion scheme in the policy concerning Discipline Regulations and Sanctions.

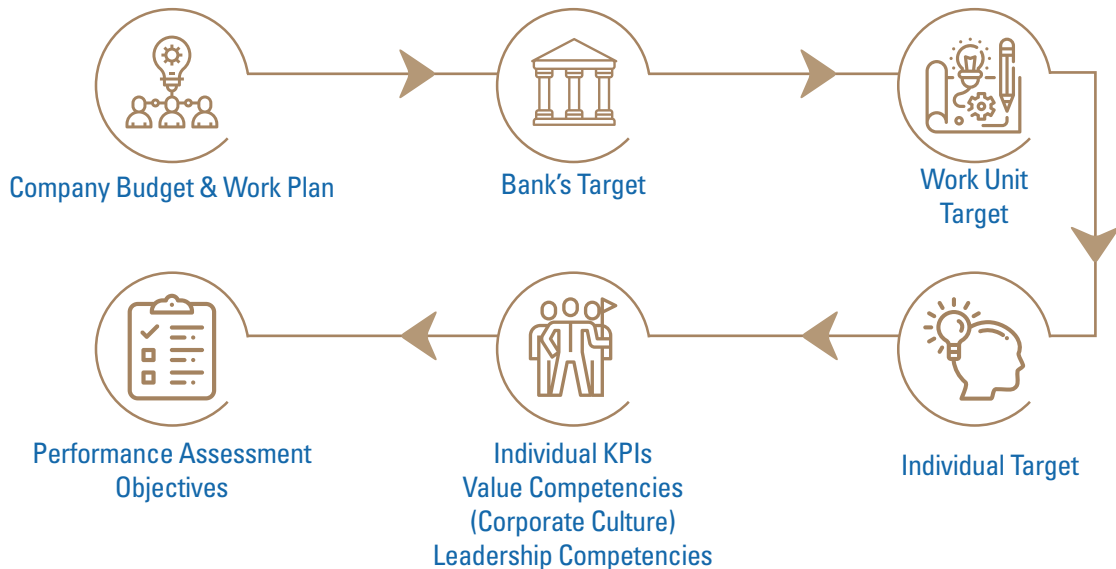
Employee career determination is based on clear and non-discriminatory mechanisms. The Company has implemented such career management practices based on mechanisms that have been clearly regulated in accordance with applicable policies. In 2018, promotional programs were conducted for 1.081 employees and rotations were conducted on 6.555 employees.

## PERFORMANCE MANAGEMENT SYSTEM

The Company implements a performance management system that may encourage employee productivity and motivate employees to conduct their duties optimally, increase employee loyalty and drive work climates that are open, positive and progressive. Each year, the Company

prepares and sets targets that are distributed to all Work Units to be further delegated to each individual based on the potential and capability of employees. Every employee has a KPI as a work target derived from the KPI Work Unit.

### SCHEME FOR DETERMINING INDIVIDUAL KPIS



At the end of the performance management system flow, the Company assesses employee performance for the period of January 1 to December 31 of the 2019 financial year. Individual performance is planned, determined, reviewed and assessed using a Performance Management

Form that includes 3 performance assessment objectives, including Individual Work Goals in the year of ongoing performance assessment, Competence Value (corporate culture) that includes the implementation of corporate cultural behavior, and Leadership Competency, that



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includes the level of leadership competence which is required for the individual positions that are assessed and indicated.

In addition, the Company's Performance Management System is implemented with the 4DX (Four Disciplines of Execution) Method as the basis for setting targets, performance planning and monitoring implementation. Using this method, the Corporate KPI is set as the most important target and becomes a component of the individual performance management system, while the

Work Unit KPI is defined as the Lag KPI that becomes the responsibility of the position and encourages the achievement of Corporate KPI. Furthermore, the Individual KPI is determined as the Lead KPI, an activity which is a Lead Measurement to encourage the achievement of the Work Unit KPI. Moreover, for the implementation of monitoring, the Company uses Scoreboard and the implementation of Wig Session on an ongoing basis, as well as the implementation of coaching & mentoring to ensure the achievement of each individual goals.

## REWARDS AND PENALTIES

The Company applies rewards as a form of appreciation given to employees to continue to develop and create various innovations through the provision of several types of awards, including:

1. **Appreciation for outstanding work achievements**  
This award is given to employees who show their thoughts and work that may benefit the Bank. It is granted in a cash reward amounted to 3 times the employee's basic salary, and additional paid leave of 5 working days.
2. **Working Period Award**  
Employees with a work history of 15, 20, 25, 30 and 35 years are entitled to receive the Satya Bakti Award, and cash reward based on the years of work, and additional paid leave of 5 (five) working days.
3. **Post Employment Award**  
This award consists of three types, namely Karya Purna Bakti, Karya Satya Abadi, and end of service award. Retired employees receive Karya Purna Bakti Award. Meanwhile, employees who have passed away during their service receive Satya Abadi award, a charter given to their heirs and for funeral assistance, in order to maintain the good name, security, and integrity of assets and the Company interests. End of service award is given to permanent employees

who are honorably dismissed and pass away before retiring.

4. **Special Appreciation**  
This award is given by the Board of Directors specifically to the Company's former employees or TNI/POLRI institutions at the Central and Regional levels, international and private institutions that are deemed to be meritorious or have made a major contribution to the Company.
5. **Assignment Abroad Award**  
This award is given to a Division, Desk, Regional Office, or Branch Office that reaches certain targets.

The Company offers rewards to employees both financially and non-financially in accordance with the Company's ability; its implementation refers to Board of Directors' Circular Letter SE No. 44/DIR/HCOD/2018. Every year the financial reward is evaluated and improved to maintain the Company's competitiveness.

The Company also imposes penalties to employees who violate the code of conducts and other related provisions. Penalties are imposed to instill behavior in accordance with the Company's values and culture. Several types of penalties are imposed as follows:



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### LIGHT CATEGORY SANCTIONS

1. Oral Reprimand (TL)
2. Written Reprimand (TT)
3. Dissatisfaction Statement (PTP)

### MEDIUM CATEGORY SANCTIONS

1. Withholding paid leave (TMUC)
2. Withholding periodic salary adjustments (TMPGB)
3. Downgrading by 1 grade (base salary adjustment) (PG1)

### HEAVY CATEGORY SANCTIONS

1. Downgrading by at least 2 grades (basic salary adjustment) (PG2)
2. Termination of employment (PHK)
3. Termination of Employment and Reported to Authorities (PHKPYB)

## HUMAN CAPITAL WELFARE: REMUNERATION

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.

The Company is committed to applying a competitive, fair and balanced remuneration system, risk-based, and always ensures that no employee receives remuneration below the level set by the government.

## 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. In 2018, 104 employees continue to attend MPP training programs, namely:

Batch	Date	Participants (employee)
1	February 11-15, 2019	24
2	April 8-12, 2019	15
3	July 8-12, 2019	26
4	November 4-8, 2019	27
<b>Total</b>		<b>92</b>

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).



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## INDUSTRIAL RELATIONS

The Company is committed to build and maintain industrial relations as a system of healthy and constructive working relationships with its employees. Harmonious relationships are needed to ensure the realization of employee productivity and protection fulfillment of the interests, rights and obligations of all parties in accordance with applicable laws and regulations.

In industrial relations, the Company places Trade Unions as strategic partners in building and maintaining harmonious industrial relations in the work environment through regular and sustainable communication. This condition encourages the Company to manage industrial relations because productive workers will contribute greatly to the Company's performance.

The key factor for the realization of harmonious industrial relations is good communication between Management and employees. Therefore, the Company has formed a Bipartite Cooperation Institution (LKS Bipartit), namely a forum for communication and consultation on matters relating to industrial relations, whose members consist of Position Holders and Bank BTN Workers' Unions (SP-BTN). The

Company together with SP-BTN has compiled a Collective Labor Agreement (PKB) that was agreed upon by both parties.

The Company and the Workers' Union periodically conduct formal and informal meetings to discuss the fulfillment of employee rights and obligations as well as the formulation of disciplinary sanctions if violations existed. The meeting also aims to build and maintain sustainable communication. Up to the end of 2019, there was 1 Workers Union in the Company.

Throughout 2019, the Company and the Trade Union convened 2 (two) formal meetings through initial discussion between the Company and BTN Trade Union on collective labor agreement (CLB), which was planned to be registered with the Manpower Office on April 2, 2019; and through Hospitality meeting between the Company and the Trade Union on May 15, 2019. Through the series of meetings, it is hoped that harmonious industrial relations will be created so that a safe and comfortable working environment can be developed to support smooth operational activities to achieve more productivity.

## EMPLOYEE ENGAGEMENT SURVEY (EES)

The Company conducts surveys on the employees' satisfaction and engagement index on a regular basis with the Employee Engagement Survey (EES). The survey involves all employees at all organization levels to determine the employee engagement index with the Company. In conducting this survey, employees may express their opinions honestly regarding matters that have gone well or need to be improved in the Company. Through the results of the EES survey, the Company may obtain an overview of the Company's strength and aspects that need to be improved; the results may then be used as a basis for developing improvement measures to support the achievement of better Company performance,

and other aspects needed to create a comfortable and conducive work environment to encourage employee productivity.

In 2019, the Company implemented EES through collaboration with an independent consultant. The method used in conducting this survey was issuing on-line questionnaires to all permanent employees of the Company. The questionnaire consisted of questions covering two aspects, namely Engagement Questions and Driver Questions. In general the method of formulating employee engagement is shown in the following scheme:



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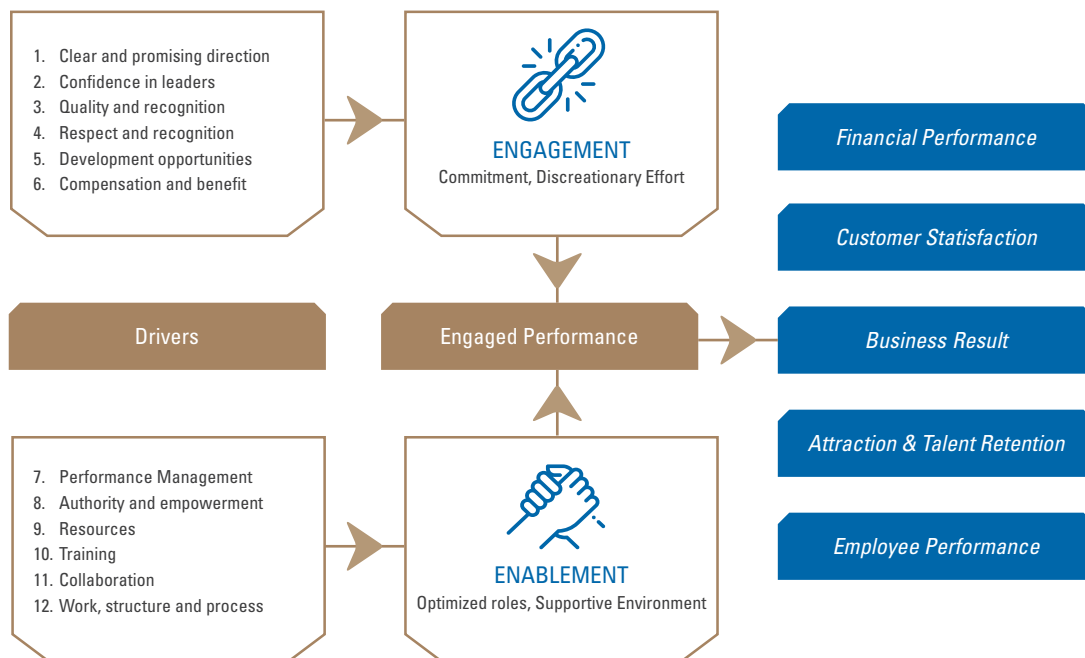


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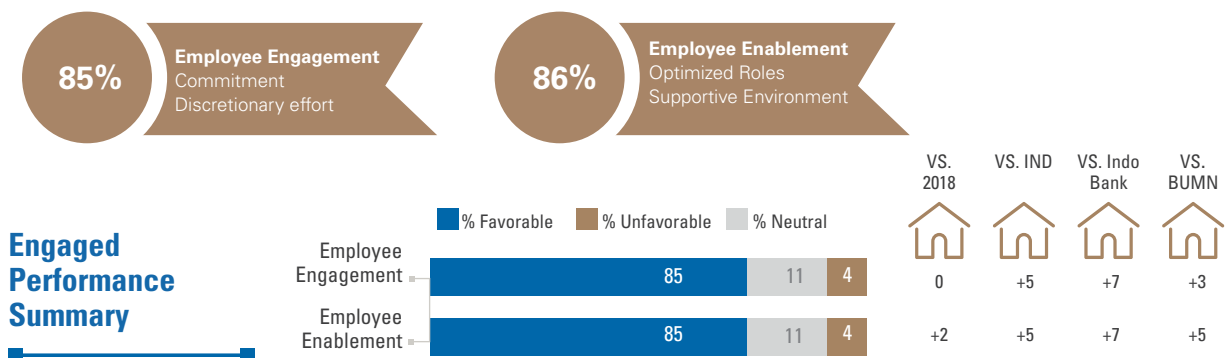
### HUMAN CAPITAL : BANK BTN HUMAN CAPITAL MANAGEMENT



The Company's EES score showed an increase in 2019 compared to the previous year of 85.5%. The EES results indicate that the level of employee engagement with the Company experienced enhancement.

The Company follows up on the results of the survey by conducting socialization and impact plans to design improvements for the organization. The proposed improvements were then streamed into the preparation of the Corporate Work Plan and Budget (RKAP) in the following year.

The Company's EES results in 2019 indicated that the employees' engagement index was quite high as shown in the following scheme:





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## MANAGEMENT OF EMPLOYEES' INFORMAL ACTIVITIES

In order to provide a platform for informal activities of employees outside office hours, the Company provides a facility for employees to channel their hobbies and creativity in sports, arts, social and spirituality. This informal activity is also a form of the Company's concern to create a work-life balance for employees, which includes:

1. Religious activities  
Religious activities are conducted and are properly coordinated through religious organizations.
2. Sports activities  
Sports activities are conducted and are properly

coordinated through sports communities, which include:

- a. Cycling, through BCC (Batara Cycle Community)
- b. Running, through BTN Runners
- c. Futsal and football, through PS Batara
- d. Golf, through Batara Golf
- e. Bowling, through the BTN Bowling Society
3. Art activities
  - a. Photography, through BTN Photography
  - b. Dance, through Lenggang Harmony
  - c. Music, through Batara Music Club

## HUMAN CAPITAL DEVELOPMENT ROADMAP

An optimal business growth of the Company can be achieved by aligning strategic development in all business elements, including human capital development. Looking ahead, the Company has compiled the Human Capital Development Roadmap, valid until 2020, as the basis for HC management in line with the Company's transformation roadmap in the Digital Banking stage. The HC Development Roadmap focuses on 7 main initiatives as follows:

1. Implementing a succession plan and clear career management to identify the risk of employees' availability in key positions.
2. Developing strategic manpower planning to determine the long-term gap and prepare for future needs.

3. Developing employer value proposition and recruitment campaign to attract the best talent to the Company.
4. Improving and applying the Company's performance management to build desired behavior and improve employee engagement.
5. Developing a top talent program for employees with an outstanding work performance to ensure precise succession.
6. Encouraging changes through top management's support.
7. Implementing a performance and risk-based culture to maintain sustainable success.





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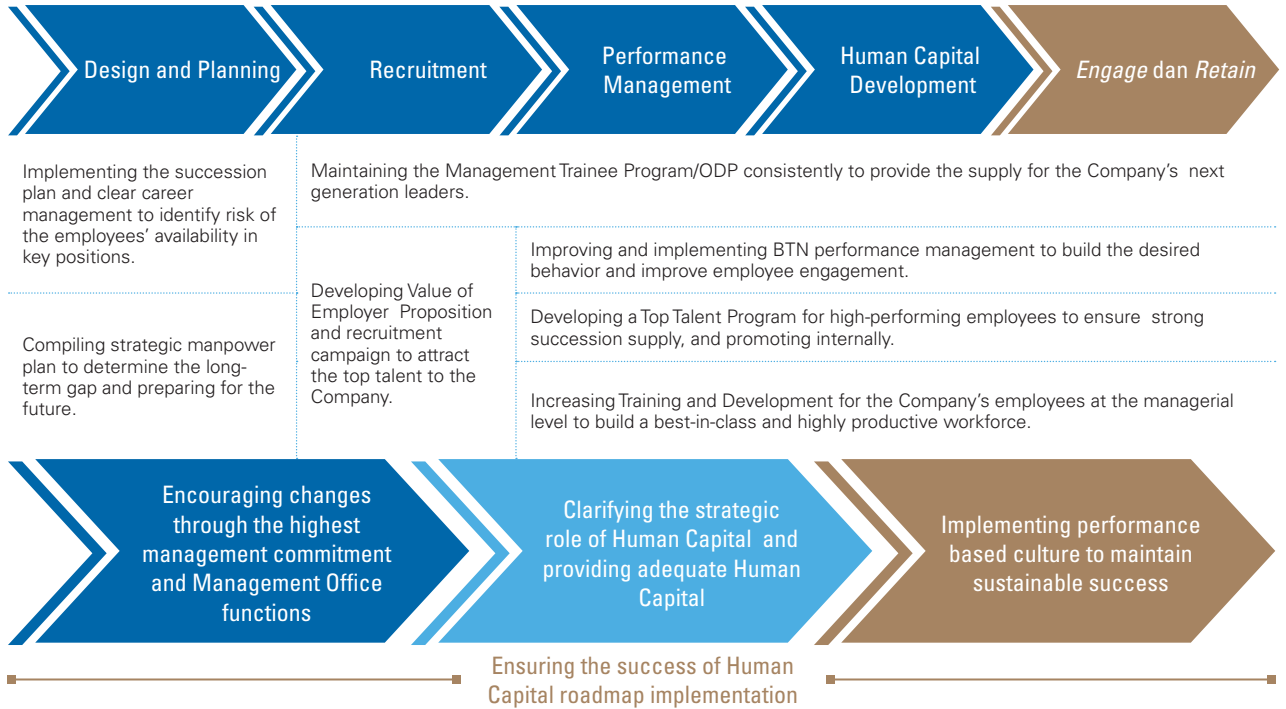
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## HUMAN CAPITAL : BANK BTN HUMAN CAPITAL MANAGEMENT

### HUMAN CAPITAL DEVELOPMENT ROADMAP 2016-2020





# INFORMATION TECHNOLOGY GOVERNANCE



The Company acknowledges that Information Technology management plays a significant role in supporting the operation and security of processing data and information. In addition, sound management of Information Technology may provide increased efficiency in operational activities and the quality of digital banking services. Recognizing this matter, the Company utilizes Information Technology to provide optimal services and minimize operational business risks that may be encountered. On the other hand, the sustainable development of Information Technology may also build the Company's risk management system run effectively.

## INFORMATION TECHNOLOGY VISION AND MISSION



### VISION

“To synergize Business Strategy and Information Technology by Providing a World Class Information Technology Service to Achieve Victory in the Digital Age”



### MISSION

“To be a reliable business partner who provides responsive and accurate services through cuttingedge technology and a leading integration system.”



## INFORMATION TECHNOLOGY GOVERNANCE

### INFORMATION TECHNOLOGY MANAGEMENT POLICIES AND STRATEGIES

The Company has implemented Information Technology management policies and strategies in order to support Digital Based Services stipulated by the Board of Directors' Decision. Periodically, the Company reviews the set up policies to strengthen Information Technology infrastructure so that it is able to provide solutions to financial services that are increasingly accessible to, and efficient for, customers. The Company's policies in managing Information Technology are as follows:

1. Information Technology Management System (PMS) Guidelines on the Board of Directors' Regulation No.01/PD/DIR/PPD/2019 concerning Information Technology Policy Guidelines.
2. Board of Directors' Circular Letter No.64/DIR/ITPD/2017 concerning Information Security Guidelines.
3. Board of Directors' Circular Letter No.59/DIR/ITPD/2017 concerning Information Technology Standardization.
4. Board of Directors' Circular Letter No.26/DIR/ICTD/2017 concerning Non-Disclosure Agreement.
5. IT Business Continuity Plan Policy includes the Board of Directors Circular No.01/DIR/DTI/2006 concerning the Guidelines for the Implementation of Operating Procedure Disaster Recovery Center (DRC), Board of Directors Circular No.23/DIR/ICTD/2011 concerning Guidelines for Implementing Business Continuity Plans, and Board of Directors' Circular No. 35/DIR/ICTD/2013 concerning the Guidelines for Implementing the Disaster Recovery Plan (DRP) and the Board of Directors' Circular No.18/DIR/RMD/2017 regarding Business Continuity Management (BCM) and Business Continuity Plan (BCP) Standard Operating Procedure (SOP).
6. Board of Directors' Circular Letter No.02/DIR/ICTD/2014 concerning Operational Instructions in Completing the Master Error Report.
7. Board of Directors Circular No.41/DIR/ICTD/2011 concerning Guidelines for the Implementation of IT Risk Management.
8. Board of Directors Circular No.33/DIR/ICTD/2011 concerning Information Technology Standard Operating Procedure (SOP).
9. Board of Directors' Circular Letter No.23/DIR/ICTD/2011 concerning Guidelines for Implementing Business Continuity Plan.
10. Board of Directors Circular Letter No.17/DIRDTI/2007 concerning Guidelines for Managing Password/Cryptographic Key/Personal Characteristics Management (Fingerprint, Retina, Voice)/PIN.
11. Board of Directors Circular No.01/DIR/DTI/2006 concerning Guidelines for Implementing Operating Procedure Disaster Recovery Center (DRC).
12. Board of Directors Circular No.05/DIR/DTI/1999 concerning Data Backup Operations Guidelines.
13. Board of Directors Circular No.04/DIR/DTI/1999 concerning Guidelines for Operating Housing Loan Applications (KPR).
14. Board of Directors Decree No.01/SK/DIR/ITPD/2019 concerning the Information Technology Steering Committee.
15. Board of Directors Regulation No. 12/PD/ICTD/2016 concerning Information and Communication Technology Strategic Plan 2016-2018.

In order to support the policy and achieve the targets of the established Information Technology roadmap, the Company applies several Information Technology management strategies as follows:

1. End-to-end Process Digitalisation and Automation
  - a. Bank services are conducted using digital channel;
  - b. Automation in end-to-end business processes;
  - c. Procurement and development of internal and external open API integration that facilitates connectivity.
2. Customer 360°
  - a. Retail and corporate customer information is centrally available for all parts of business operations (front, middle, back office).
  - b. Retail and corporate customer portfolio planning strategies are presented thoroughly so they are able to provide accurate customer behavior analytics.
3. IT Service Excellence
  - a. IT organizations are able to operate and support the transformation of the Bank through well-defined processes, procedures and compliance models;
  - b. Implementation of optimal IT service management;
  - c. Partnership between IT and collaborative business.



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## INFORMATION TECHNOLOGY INVESTMENT WORK PROGRAM AND INITIATIVE IN 2019

In supporting the achievement of the 3 (three) focus strategies above, BTN Information Technology is conducted by setting 4 (four) program, including:

1. Digital and Experience Enablement, how the Bank may improve business services to customers through digital experiences more easily and quickly.
2. Customer Profiling & Data Analytics, how the Bank may analyze segmented integrated customer data to find out the behavior and aspirations of customer needs, so as to increase product profitability and customer satisfaction.
3. Process Improvement & Automation, how the Bank may accelerate governance and work processes more efficiently and effectively through system automation.
4. Distribution Channel & Open Banking, how banks may increase the utility and connectivity of channels, especially transaction-based, to customers more reliably and quickly.

The IT development and acceleration program is supported by several main sub-programs or initiatives which will be conducted in 2019-2021:

1. Digital and Experience Enablement: Digital Platform Implementation Initiative. In 2019, a BTN Cloud-based

Property Development System has been conducted, which is expected to continue to evolve following business needs in 2020-2021.

2. Customer Profiling & Data Analytics:
  - a. Implementation of CRM (Customer Relationship Management), since 2019 has been developed through the BTN Smart application, as a Lead Management System that helps assess salesforce performance in Branch Offices. BTN Smart is expected to continue through a series of developments following the business needs going forward.
  - b. Wealth Management System Enhancement: In 2019, an iWealth enhancement system has been conducted, functioning in monitoring portfolio and priority customer transactions.
  - c. EDW & Analytics Platform Assessment and Implementation: By 2019, many lists of sub-initiatives are included in the EDW category and will be operational in 2020-2021.
  - d. Master Data Management Enhancement
  - e. Big Data Capability

## COMMUNICATION INFORMATION TECHNOLOGY (RSTIK) ROADMAP AND STRATEGIC PLAN

Tabel berikut merupakan Roadmap Implementasi IT tahun 2019-2021 yang tercantum pada dokumen RSTI 2019-2021. *Roadmap* inisiatif dilengkapi *timeline* yang direncanakan dengan asumsi ideal pelaksanaan proyek

### IT IMPLEMENTATION ROADMAP

List of Initiatives	PPT			2019		2020				2021			
	People	Process	Tech	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Digital Capability &amp; Customer Focus</b>													
DC01- Digital Platform Implementation	○	○	○	■									
DC02- Transaction Channel Optimization			○	■									
DC03- CRM Implementation		○	○	■									
<b>Funding</b>													
FD01-Loan Origination Enhancement		○	○	■									



## INFORMATION TECHNOLOGY GOVERNANCE

## IT IMPLEMENTATION ROADMAP

List of Initiatives	PPT			2019		2020				2021			
	People	Process	Tech	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FD02-E-money Implementation		○	○			██████████							
<b>Lending</b>													
LD01-Loan Origination Enhancement		○	○	██████████									
LD02-Credit Card System Implementation		○	○			██████████							
LD03- RPA Capability Establishment		○	○			██████████							
<b>Transaction Banking</b>													
TB01-Treasury System Enhancement			○	██████████									
TB02-Branch System Re-alignment		○	○			██							
TB03-Cash Management System Enhancement			○			██████████							
TB04-Supply Chain Finance Implementation		○	○									██████████	
TB05-Trade Finance System Implementation		○	○							██████████			
<b>Operations and Enablers - People</b>													
OE01-IT People Workload Analysis	○			██████████									
OE02- Agile & DevSecOps Assessment and Implementation	○	○	○	██									
OE03-HC System Enhancement			○			██							
<b>Operations and Enablers - People</b>													
OE04- IT People Capability Development	○			██████████									
OE05-IT Sourcing Strategy Optimization	○	○		██									
OE06-IT Organization Function Effectiveness Enhancement	○	○		██									
OE07-Succession Planning	○			██████████									



## IT IMPLEMENTATION ROADMAP

List of Initiatives	PPT			2019		2020				2021				
	People	Process	Tech	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Operations and Enablers - IT Accelerators</b>														
OE08- PMO Assistance Implementation	○			■										
OE09- Project Management Optimization		○		■										
OE10- SDLC Process Optimization		○		■										
OE11- Enterprise Integration & Open API			○	■										
OE12- Core Banking Enhancement		○	○	■										
OE13- Data Centers Assesment	○	○	○	■										
OE14- Server & Storage Enhancement and Modernisation			○	■										
OE15- Integrated IT Monitoring Implementation			○	■										
OE16- ITSM Assessment and Implementation	○	○	○	■										
OE17- IT EA Assessment and Implementation	○	○	○	■										
OE18- Enterprise Data Warehouse (EDW) & Analytics Platform Assessment	○	○	○	■										
OE19- Master Data Management Enhancement			○	■										
OE20- Advanced Big Data Capability			○							■				
OE21- Network & Security Assessment and Implementation	○	○	○	■										



## INFORMATION TECHNOLOGY GOVERNANCE

## IT IMPLEMENTATION ROADMAP

List of Initiatives	PPT			2019		2020				2021				
	People	Process	Tech	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Operations and Enablers - Risk &amp; Compliance</b>														
OE22- Enterprise Risk Management & Legal Application Enhancement			○	■										
OE23- Anti-Fraud System Enhancement		○	○	■										
OE24- Integrated IT Risk Assessment		○		■										
OE25- IT Procedure Development		○		■										
OE26- Identity & Access Management Enhancement	○	○	○	■										
<b>Operations and Enablers - Procurement &amp; Finance</b>														
OE27- Payment System Intergration and Automation	○	○	○	■										
OE28- BPC System Implementation	○	○	○							■				
OE29- Procurement & Asset System Enhancement			○							■				
<b>Operations and Enablers - Others</b>														
OE30- Document Management System Enhancement			○			■								
OE31- Content Management System Implementation	○	○	○			■								
OE32- Syariah Spin Off Assessment	○	○	○	■										

■ Transform/New Capability   ■ Enhancement   ■ Operational Support (System N/A)



Performance 2019



Management Report



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## INFORMATION TECHNOLOGY HUMAN CAPITAL

The Company continues to develop IT infrastructure aligned with its business needs, accompanied by competency support for Human Capital (HC) in IT.

In 2019, the Company recruited and developed internal HC competencies in IT through various education and training programs both internally and externally according to prevailing needs, as follows:

### IT EDUCATION AND TRAINING

Education and Training Subject	Number of Participants	Organizer
Seminar "Cyber Crime: Threats and Countermeasure"	1	LPPI (Lembaga Pengembangan Perbankan Indonesia)
Business Analysis Body of Knowledge	3	PT Inixindo Persada Rekayasa Komputer
Certified Information Security Manager (CISM)	1	PT Integrasindo Mitra Infotama
Certified Information Systems Security Professional (CISSP)	1	PT Duta Kuningan
Certified Information Systems Auditor (CISA)	1	PT Integrasindo Mitra Infotama
Certified International Project Manager (IAPM)	1	Expertindo Training & Consulting
Cisco CCNP Security SIMOS	1	PT Integrasindo Mitra Infotama
COBIT 5 Foundation	8	PT Integrasindo Mitra Infotama
Training IT IL Foundation	10	PT Global Edu International
Training IT IL Foundation	14	PT Inixindo Persada Rekayasa Komputer
Training AIX Administrator (AN12)	3	PT Global Edu International
Training Certified in Governance of Enterprise IT (CGEIT)	1	PT Integrasindo Mitra Infotama
Training DevOps Practitioner	9	PT Inixindo Persada Rekayasa Komputer
Training IT PM Based on PMBOK	4	PT Integrasindo Mitra Infotama
Training NodeJS	2	PT Inixindo Persada Rekayasa Komputer
Training Prince 2 Foundation	5	PT Smartindo Manajemen Informatika
Vmware Vsphere (V6.7)	2	PT Tech Data Advanced Solutions Indonesia

## INFORMATION TECHNOLOGY GOVERNANCE

In addition to leading to business operations, the development and management of Information Technology within the Company leads to the fulfillment of applicable regulations, in this case the governance of information technology. The Company applies Information Technology Governance throughout work processes. The implementation of the Company's Information Technology Governance continues to be improved in terms of Policy and Procedure by adopting Financial Services Authority and Central Bank Regulations, Government Regulations, International Best Practices, and mitigating new risks and threats based on technological developments.





Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## INFORMATION TECHNOLOGY GOVERNANCE

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Performance 2019



Management Report



Company Profile



Management Discussion and Analysis

The IT Strategic Planning Development Division (ITPD) constantly ensures that Information Technology is on the right track and complies with applicable regulations based on the Information Technology Governance framework as follows:

POJK 38/POJK.03/2016 Regarding Implementation of Risk Management in the Use of Information Technology by Commercial Banks				
SEOJK No. 21/SEOJK.30/2017 Regarding Implementation of Risk Management in the Use of Information Technology by Commercial Banks				
PKTKP 01/DIR/KD/PPD/2018 Regarding Corporate Governance Guidelines (PKTKP)				
MANAGEMENT	DEVELOPMENT AND PROCUREMENT	INFORMATION TECHNOLOGY OPERATIONS	COMMUNICATION NETWORK	
<b>PMS TI 01/PD/DIR/PPD/2019</b> Regarding Information Technology Policy Guidelines				
Board of Directors Regulation No. 12/PD/ICTD/2016 on the Information and Communication Technology Strategic Plan 2016-2018.				
Board of Directors Circular Letter No.41/DIR/ICTD/2011 on Implementation Policy of IT Risk Management and Attachment		<b>SE No. 59/DIR/ITPD/2017 Regarding Information Technology System Standardization</b>		
		SE No. 02/DIR/ ICTD/2014 Regarding Master Error Report Settlement Operational Instructions		
		SE No. 05/DIR/ DTI/1999 Regarding PT Bank Tabungan Negara (Persero) Tbk Data Backup Operational Guidelines		
		SE No. 04/DIR/ DTI/1999 Regarding Mortgage (KPR) Application Operational Guidelines		
<b>Board of Directors Letter No. 33 / DIR / ICTD / 2011</b> Regarding Information Technology Standard Operating Procedure (SOP) of PT Bank Tabungan Negara (Persero) Tbk				
SK DIR No.01/SK/DIR/ ITPD/2019 Regarding IT Steering Committee				

DOMAIN



Business Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## INFORMATION TECHNOLOGY GOVERNANCE

	INFORMATION SECURITY	DISASTER RECOVERY PLAN	ELECTRONIC BANKING SERVICES	USE OF IT SERVICE PROVIDERS	PROVISION OF IT SERVICES BY BANKS
		Board of Directors Circular Letter No. 18 / DIR / RMD / 2017 Regarding Business Continuity Management (BCM) and Business Continuity Plan (BCP) Standard Operating Procedure			
	Board of Directors Circular Letter No. 64 / DIR / ITPD / 2017 Regarding Information Security Guidelines	Board of Directors Circular Letter No. 35 / DIR / ICTD / 2013 Regarding Implementation Guidelines for Disaster Recovery Plans (DRP) of PT Bank Tabungan Negara (Persero) Tbk			
	Board of Directors Circular Letter No. 26 / DIR / ICTD / 2017 Regarding Information Confidentiality Agreement (non Disclosure Agreement)	Board of Directors Circular Letter No. 23 / DIR / ICTD / 2011 Regarding Guidelines for Implementing the Business Continuity Plan of PT Bank Tabungan Negara (Persero) Tbk			
	Board of Directors Circular Letter No.17 / DIR / DTI / 2007 concerning Implementation Guidelines for Security Management of Password / Cryptographic Key / Personal Characteristics (Fingerprint, Retina, Sound) / PIN	Board of Directors Circular Letter No. 01 / DIR / DTI / 2006 Concerning Disaster Recovery Center (DRC) Operating Procedure			



# GOOD CORPORATE GOVERNANCE

BTN continues to increase investors' confidence and security in investment in the current global economic era by carrying out an effective and reliable governance process.





Being a bank with a status as State-Owned Enterprise (SOE) and Public Company, the Company implements all the principles of Good Corporate Governance (GCG) not only to merely carry out its obligations, but also as a necessity to maintain transparency and accountability in managing the Company to all shareholders and other stakeholders. The Company's commitment in implementing GCG is visible from the internalization of governance principles into the governance framework consisting of an effective governance structure and governance process, so as to produce a satisfactory governance outcome, in line with the expectations of all stakeholders.

In the process of governance structure, the Board of Commissioners continually performs supervisory function to ensure that the Bank is managed by the Board of Directors in accordance with applicable laws and regulations and provides advice/opinions needed for each strategic action/activity, so as to achieve the Company's goals. The Board of Directors carries out management and stewardship functions of the Bank in a trustful and professional manner and avoids potential conflicts of interest.

In addition, the Company also continues to increase investors' confidence and peace of mind in their investments in the current global economic era by running an effective and reliable governance process. The overall effort has been able to bring the Company to achieving good governance outcomes and is reflected in satisfying financial and operational performance results, give the

Company a good reputation, and to meet the expectations of all stakeholders.

The implementation of GCG within the Company has become a necessity to achieve the goal of Moving Beyond Corporate Governance to True Business Value; i.e: making the Company a pride SOE Bank and participating in realizing the progress and prosperity of the nation. For this reason, the Company always manages every business activity professionally and upholds the principles of GCG. This starts with the availability of reliable, professional human resources with integrity, good character and moral. Furthermore, the consistent implementation of GCG coupled with continuous innovation both in terms of products and services will guarantee the trust of all stakeholders and foster a work culture that can produce best performance results.

The recognition of GCG implementation is also reflected in the form of several GCG awards from several independent institutions and GCG expertise. For 8 consecutive years, the Company has been participating in the Corporate Governance Perception Index (CGPI) rating and survey assessed by The Indonesian Institute for Corporate Governance (IICG) and SWA Magazine as a research and rating agency for corporate governance quality. In the CGPI 2019 event, the Company regained its success as the Most Trusted Company Based on the Corporate Governance Perception Index (CGPI). In addition, the Company also obtained the 3rd Best Indonesia GCG Implementation 2019 in the Banking Public Company Book III (Assets > 100T) category organized by the Economic Review.



# ASIS, PURPOSES, AND COMMITMENT OF IMPLEMENTATION

## BASIS OF GCG IMPLEMENTATION

GCG implementation in the Company refers to various relevant provisions, regulations and laws and refers to GCG guidelines issued by national and international institutions. The basic references for implementing GCG in the Company are as follows:

1. Law of the Republic of Indonesia No. 10 Year 1998 concerning Amendments to Law No. 7 Year 1992 concerning Banking.
2. Law of the Republic of Indonesia No. 40 Year 2007 concerning Limited Liability Companies.
3. Financial Services Authority Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks.
4. SOE State Ministerial Regulation No. PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises as amended by SOE State Ministerial Regulation No. PER-09/MBU/2012 concerning Amendments to SOE Ministerial Regulation No. PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises.
5. Bank Indonesia Regulation No. 11/33/PBI/ 2009 concerning Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.
6. Financial Services Authority Regulation No. 17/POJK.03/2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates.
7. Financial Services Authority Regulation No. 8/POJK.04/2015 concerning Issuers' or Public Companies' Websites.
8. Financial Services Authority Regulation No. 31/POJK.04/2015 concerning Transparency of Material Information or Facts by Issuers or Public Companies.
9. Financial Services Authority Regulation No. 29/POJK.04/2016 concerning Annual Reports of Issuers or Public Companies.
10. Circular of the Financial Services Authority No. 13/SEOJK.03/2017 concerning the Implementation of Governance in Commercial Banks.
11. Financial Services Authority Circular No. 32/ SEOJK.04/2015 concerning Governance of Public Companies.

Additionally, the Company adopts various best governance standards applied both regionally and internationally and expands the scope of GCG implementation to include, among others:

1. Corporate Governance Principles developed by the Organization for Economic Cooperation and Development (OECD).
2. ASEAN Corporate Governance (CG) Scorecard issued by the ASEAN Capital Market Forum (ACMF).
3. Indonesian Code of GCG developed by the National Committee on Governance Policy (KNKG).
4. Code of GCG for Indonesian Banking developed by the National Committee on Governance Policy (KNKG).
5. Principles for Enhancing Corporate Governance published by the Basel Committee on Banking Supervision.



## THE PURPOSE OF GCG PRINCIPLES IMPLEMENTATION

The Company realizes that business continuity of a business entity is not merely measured by financial performance and increased profit, but also through internal management of the Company including effective implementation of GCG. This will ensure the creation of a comprehensive business balance so that all forms of interests, both business and social, individuals with groups, internal and external, short and long term and the interests of shareholders and stakeholders will go to the point of balance.

The implementation of GCG principles is needed in order to make the Company a more resilient bank and able to survive in the face of more stringent competition. The Company is developing GCG structure which includes GCG structure and GCG infrastructure in order to implement

GCG mechanism in accordance with prevailing laws and best practices.

The Company always keeps abreast of the development of relevant GCG best practices at national, regional and international levels to be adapted according to the needs. The implementation of GCG principles in all of the Company's business activities is expected to encourage the management of the Company in a professional, efficient, and effective manner, as well as empower functions and increasing the independence of the Company's organs; generate business sustainability in the long run; increase the Company's contribution to the national economy; and increase investor confidence in the Company.

## IMPLEMENTATION OF GCG PRINCIPLES IN THE SCOPE OF BANK BTN

In implementing GCG, the Company refers to the 5 (five) basic principles of GCG comprising Transparency, Accountability, Responsibility, Independence and Fairness, as specified in the General Code of GCG issued by the National Committee on Governance Policy (KNKG) and also contained in the FSA Regulation No. 55 / POJK.03 / 2016 concerning Implementation of Governance for Commercial Banks.





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## ASIS, PURPOSES, AND COMMITMENT OF IMPLEMENTATION

### 5 PRINCIPLES OF GCG



TRANSPARENCY

#### EXPLANATION

The Company discloses information in a timely, adequate, clear, accurate and comparable manner and accessible by stakeholders.

#### IMPLEMENTATION IN BANK BTN

- The Company discloses information that includes but is not limited to the vision, mission, business goals, strategy, financial and non-financial conditions, composition of the Board of Directors and the Board of Commissioners, controlling shareholders, risk management, supervision and internal control system, implementation of compliance function, system and implementation of corporate governance, as well as material facts and information that can influence shareholders' decisions.
- The Company's policies are arranged in writing and communicated to the entitled stakeholders.
- The transparency principle takes into account the provisions of the Bank's Code of Conduct, confidentiality of position and personal rights in accordance with applicable regulations.
- Use of the website for transparency to public by referring to the Asean Corporate Governance Scorecard.



ACCOUNTABILITY

#### EXPLANATION

The Company establishes clear duties and responsibilities for each organ, namely the Board of Commissioners and the Board of Directors, as well as all levels below that are in line with the vision, mission, corporate values, business goals and strategy of the Bank.

#### IMPLEMENTATION IN BANK BTN

- The targets set by the Company are part of the accountability to stakeholders.
- The Company uses risk management and internal audit methods and public auditors in management and supervision.
- The Company sets performance measures for all ranks with measures that are consistently agreed upon along with the Company's Corporate Culture Values called "SIIPS" with the tagline "BTN Terdepan, GCG Rumahku", business goals and strategies, and have a rewards and punishment system.
- The Company emphasizes the importance of anti-corruption culture, which is socialized to all stakeholders. One of them is an effort to cooperate with the Corruption Eradication Commission (KPK).



RESPONSIBILITY

#### EXPLANATION

The Company establishes clear duties and responsibilities for each organ of the Company with due observance of the principle of prudential banking practices and ensures compliance with applicable regulations.

#### IMPLEMENTATION IN BANK BTN

- The Company sets a clear definition of duties and responsibilities of each organ in line with the Company's vision, mission, values, business objectives and strategy.
- The Company adheres to the principle of prudential banking practices and ensures compliance with applicable regulations.
- The Company as a good corporate citizen develops environmental awareness and carries out social responsibilities appropriately.



INDEPENDENCY

#### EXPLANATION

The Company avoids the occurrence of unfair domination by any stakeholder and is not influenced by unilateral interests and is free from conflicts of interest.

#### IMPLEMENTATION IN BANK BTN

The Company has a number of compliance tools that are applied with the aim of providing reasonable limits to any unfair domination by any stakeholder and conflict of interest.



FAIRNESS

#### EXPLANATION

The Company pays attention to the interests of all stakeholders based on equality and fairness (equal treatment).

#### IMPLEMENTATION IN BANK BTN

The Company provides opportunities for all stakeholders to provide inputs and express opinions for the interests of the Company and make available access to information in accordance with the principle of transparency.



## COMMITMENT TO GCG IMPLEMENTATION

In its journey, the Company develops and implements the principles of good corporate governance to create added value and maintain a high level of trust for stakeholders to achieve the vision and sustainability of the business. For the Company, the implementation of GCG is a tool used by the Company to improve business success and accountability so as to realize shareholder value in the long term while still taking into account the interests of other stakeholders, in line with laws and business ethics.

The Company also realizes that business journey from time to time is faced with increasingly complex risks that also increase the need for best practices in GCG implementation by the Company. Therefore, the Company continues to improve bank governance implementation along with the development of regulations, among others related to the FSA Regulation No. 55/POJK.03/2016 concerning Application of Governance for Commercial Banks, FSA Circular Letter No. 13/ SEOJK.03/2017 concerning the Implementation of Governance for Commercial Banks and FSA Regulation No. 51 / POJK.03 / 2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies.

Efforts to implement sustainable GCG are also needed in order to achieve the goal of Moving Beyond Corporate Governance to True Business Value, the Company's efforts to make the Company a pride SOE Bank and participate in realizing the progress and prosperity of the nation. For this reason, the Company is committed to carrying out business activities professionally and upholding the principles of good corporate governance starting with the provision of reliable, professional human resources with integrity, good character and moral. Furthermore, the Company's commitment to consistent and sustainable implementation of GCG is coupled with ceaseless innovation both in terms of products and services to ensure the confidence of each stakeholder. Until the end

of the financial year period, GCG implementation in the Company has some great benefits, so that the Bank has in place guidelines in running its business in order to always be in line with the goals and needs of each stakeholder. The belief that enhanced GCG implementation is directly parallel with the improvement in overall performance has produced tangible results. This is evidenced by various important achievements of the Company throughout 2019, i.e. satisfactory performance both in terms of financial and operational performance as well as the awards obtained. The Company is able to maintain the growth rate of third party funds and maintain its position as a market leader in housing finance.

The recognition of GCG implementation is also reflected in the form of several GCG awards from several independent institutions and GCG expertise. For 8 consecutive years, the Company has been participating in the Corporate Governance Perception Index (CGPI) rating and survey assessed by The Indonesian Institute for Corporate Governance (IICG) and SWA Magazine as a research and rating agency for corporate governance quality. In the CGPI 2019 event, the Company regained its success as the Most Trusted Company Based on the Corporate Governance Perception Index (CGPI). In addition, the Company also obtained the 3rd Best Indonesia GCG Implementation 2019 in the Banking Public Company Book III (Assets > 100T) category organized by the Economic Review.

The harmony between stakeholders and the Company will foster mutual trust and conducive attitude in the Company which leads to the creation and improvement of excellent work traits and professionalism in all People of the Company. This encouraging performance will further strengthen the Company's position in global competition, and will certainly give way to the development of the Company in the coming years.



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# SUSTAINABLE GCG IMPLEMENTATION IN BANK BTN

## BANK BTN GOVERNANCE ROADMAP

The Company is committed to continuously making improvements to GCG implementation, not only based on prevailing standards Indonesia, but also international best practices, such as the ASEAN Corporate Governance Scorecard (ACGS). The Company has compiled a GCG Roadmap to strengthen GCG from time to time which includes 4 (four) GCG pillars, namely Commitment on Governance, Governance Structure, Governance Mechanism and Governance Outcome. The implementation of the 4 pillars of GCG aims to create a harmony of interests and objectives between the Company and stakeholders and will further encourage the creation of the Company's long-term sustainability.

### GCG PILLARS OF BANK BTN



The Company has prepared Bank Governance Roadmap for 2019-2022 Period in line with the Company's long-term transformation plan, which considers the implementation of the Integrated Governance Risk & Compliance (iGRC) initiative, the plans for implementing financial conglomerates through the establishment of subsidiaries and sustainable financial action plans. Ultimately, the Governance Roadmap will further guide the achievement of the Company's goals, with the ultimate goal being one of the companies with best governance practices in the future.

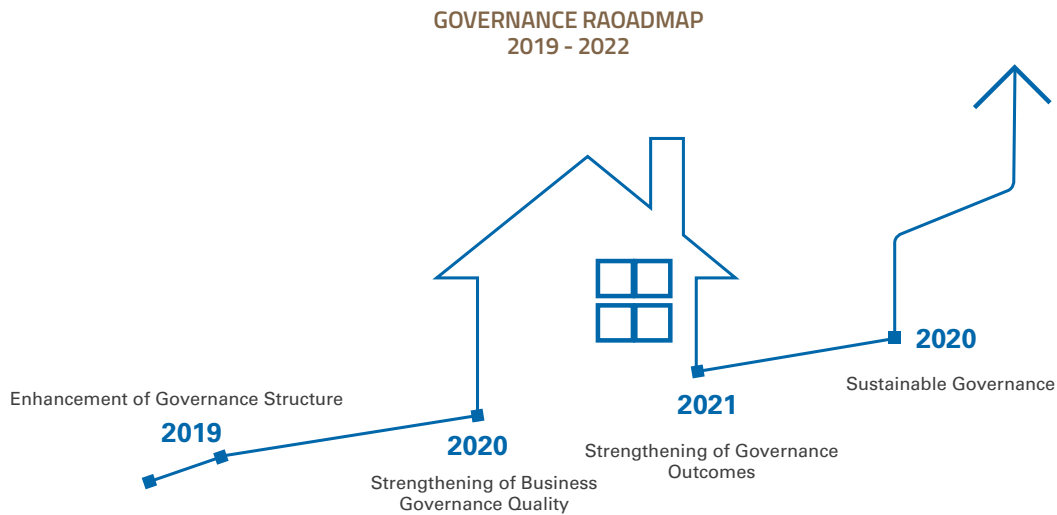
The Governance Roadmap was initiated in 2019 through improvement of governance structure and infrastructure. The Company enhanced the policies at the main organ level in the form of the Board of Commissioners Manual. Throughout 2019, there was revision and enhancement made to Audit Committee Charter, Remuneration and Nomination Committee Charter and Risk Monitoring Committee Charter. In addition, the Company also made a mapping of human resources, recruitment, education and training, adjusted organizational structure, formulated new policies, systems and procedures to implement governance, risk and compliance in a comprehensive and integrated manner.

The next stage is business processes optimization through the implementation of Integrated Governance Risk Compliance (iGRC) in each work unit of the Company covering GCG components, Risk Management, Compliance, Corporate Culture, Business Ethics (Code of Conduct), and Anti-Fraud, so that the Bank can operate effectively and efficiently, which in turn will strengthen performance.



The Roadmap's ultimate goal is effective and sustainable governance to support the achievement of prudent business transformation goals through smart and measured risk management. The system effectiveness and governance of the Company is expected to be able to create value for stakeholders in order to realize sustainable company growth in accordance with the principles of governance.

The Corporate Governance Roadmap 2019-2022 is as shown in the chart below:



## GCG IMPLEMENTATION FOCUS 2019

In 2019, the Company focused on improving governance structure and infrastructure as well as adjusting organizational structure, formulating new policies, systems and procedures to implement governance, risk and compliance in a comprehensive and integrated manner.

GCG implementation in 2019 that is in line with the Company's GCG Roadmap was carried out through the implementation of the 3 GCG Pillars as follows:

### Governance Structure

Policy Review and Enhancement:

1. Enhancement of policies for Key Organs (Audit Committee Charter, Remuneration and Nomination Committee Charter and Risk Monitoring Committee Charter);
2. Organizational development that separates policy, operation and sales functions;
3. Development of New Operations Models such as BPI, Network & Distribution Design and Organization Design.

### Governance Process

1. Building People Capability which includes:
  - Employee Engagement especially for Millennial employees;
  - Strong Leadership & Capability for top and middle management levels (L1 and L2);
  - Empower the Core for middle management and subordinate employees (L3)
2. Excellent Process which includes: Business Process Improvement (BPI); Compliance checklist application; GRC Index implementation; corporate culture program implementation; and provision of Management Information Systems in PPU APU
3. Product Competitiveness which includes: Customer centric: Mass, Emerging Affluent, UKM & Corp & Syndications and Simplification of savings products.



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## SUSTAINABLE GCG IMPLEMENTATION IN BANK BTN

### Governance Outcome

1. Review of the new governance organizational structure;
2. Governance Training Program;
3. Governance Self Assessment results based on OJK standards with rank 2 results (good category);
4. Governance assessment based on Third Party Assessment:
  - CGPI -> Indonesian Most Trusted Company;
  - Economic Review -> 3rd Best Indonesia GCG Implementation 2019 ASEAN Risk Award.

## CODE OF CORPORATE GOVERNANCE ENHANCEMENT

The Company continues to make enhancements on the policies at both main organ and supporting organ levels. The policies at the main organ level include the Board of Commissioners' Committee Charter comprising Audit Committee Charter, Remuneration and Nomination Committee, and Risk Monitoring Committee Charter. In addition, the Company is also in the process of preparing Sharia Supervisory Board Manual.

In terms of the governance policy concerning supporting organs, the Company has made enhancements to corporate governance guidelines in the form of Corporate Governance Policy Guidelines as the main reference in implementing corporate governance policy practices covering 21 chapters of all bank business process policies.

## STRENGTHENING THE IMPLEMENTATION OF THE FSA CODE OF CORPORATE GOVERNANCE AND THE ASEAN CG SCORECARD

The Company has implemented a big part of the FSA recommendations consisting of 25 recommendations in 5 (five) aspects and 8 (eight) corporate governance principles in the framework of strengthening the implementation of the Indonesian Corporate Governance Roadmap and the Code of Corporate Governance for Public Companies and

the ASEAN CG Scorecard principles. The Company has also leveraged its information disclosure quality among others through the delivery of important information regarding the General Meeting of Shareholders (GMS) on the Company's website, so that shareholders and investors can easily access the information needed.

## ZERO TOLERANCE TO FRAUD & ZERO DEFECT PROGRAM

To ensure that all efforts to mitigate the risk of fraud can be done effectively, the Company continuously increase the awareness of BITNIZ People of compliance aspects through continuous dissemination of the anti-fraud program and establishment of Anti-Fraud Team. The Anti Fraud Strategy is supported by the implementation of 4 (four) pillars, namely:

1. Prevention
2. Detection

3. Investigation, Reporting and Sanctions
4. Monitoring, Evaluation and Follow-up

Furthermore, the anti-fraud commitment is also demonstrated by the submission of the Clean Commitment Declaration letter to all stakeholders of the Company. "Clean Commitment" includes clean of bribery, corruption, collusion and nepotism, and extortion, mark ups, and all other actions that lead to the acts of corruption, collusion and nepotism.

## INTEGRATED GOVERNANCE, RISK AND COMPLIANCE (IGRC) IMPLEMENTATION INITIATIVE

In order to create stronger Infrastructure business and Human Resources (HR), since 2018 the Company has implemented Integrated Governance Risk Compliance (iGRC), a collaboration between several work units. The Company optimizes Integrated Governance Risk

Compliance (iGRC) in each work unit encompassing GCG components, Risk Management, Compliance, Corporate Culture, Business Ethics (Code of Conduct) and Anti Fraud, so that the Company can operate effectively and efficiently which in turn will create excellent performance.



In an effort to implement iGRC, the Company is faced with some challenges:

1. Optimization of comprehensive understanding of SOPs in integrating iGRC for all work units.
2. Optimization of supervisory role in integrating GRC functions for all work units.
3. Enhance the effectiveness and efficiency of GRC for all work units.

By implementing iGRC, the Company is expected to obtain the following benefits:

1. Increase the potential for achieving excellent performance with good governance and risk management.
2. Eliminate silos between work units and thus increase productivity and efficiency in the use of resources with adequate controls.
3. Eliminate data redundancy and similar activities with the aim of optimizing activities to be more efficient.
4. Encouragement to be more advanced in providing excellent services in housing finance and industry.
5. Implement good banking management to be in line with the principles of prudence and good corporate governance to improve Shareholders' Value.

The Company implements iGRC by measuring various parameters resulting from the challenges in integrating GRC functions to elevate excellent performance/quality.

## COLLABORATION WITH THE CORRUPTION ERADICATION COMMISSION (KPK) IN THE PROFESSIONAL WITH INTEGRITY PROGRAM (PROFIT)

The spirit to implement GCG more seriously has encouraged the Bank to embrace the Corruption Eradication Commission ("Komisi Pemberantasan Tindak Pidana Korupsi" or "KPK") in controlling the practice of Gratification and bribery in the Bank. This is testament to the Bank's seriousness in supporting Indonesia clean from Corruption and making the Company the first SOE Bank

The integrated parameters comprises good governance management, compliance with regulations, internal policies and procedures, support for the Zero Fraud program, Culture Assessment Index, and effective risk management in carrying out business activities resting on honest, disciplined behavior and innovation.

In order to measure the success of work units in implementing iGRC, the targets and indicators of the work units will be assessed consisting of financial performance, increase in KPKU scores, frequency and significance of fraud, and the significance and completion of audit findings. In this case, the work units will be assessed based on governance, risk profile and profitability assessment parameters as follows:

1. Regional Offices/Branch Offices/Sharia Branch Offices: Governance, Profile and Profitability, Branch Activity and BPI Indicators
2. Division: KPI Division, the success rate of Division initiation in the Culture Assessment Index, and completion of audit findings.

The role of iGRC is very important in ensuring that head office, regional and branch offices can carry out their functions in proper and integrated manner. iGRC is also very important to ensure that business processes and risk management are running properly and supported by human capital with sufficient competence.

to initiate Gratification Control commitment with the KPK. As a form of commitment to Gratification Control within the Bank, the Bank shall implement a gratification control system within its working environment. This system will maintain the integrity of all employees from the practice of receiving and giving gratuities that are considered as bribes.



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## SUSTAINABLE GCG IMPLEMENTATION IN BANK BTN



**“Bank BTN is the first SOE Bank adopting and implementing the Corruption Prevention Guide (“Panduan Cegah Korupsi” or “CEK”) and the Professional with Integrity or Profesional Berintegritas (“PROFIT”) program from KPK. This is testament to the Bank’s seriousness in supporting Indonesia Clean of Corruption.”**

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Coinciding with the commemoration of the World Anti-Corruption Day organized by KPK, the Company received an award as a BUMN/BUMD with the Best Gratification Control System in 2018. The assessment criteria include completeness of the Gratification Control System including commitment, rules and Gratuity Control Units; internal and external dissemination innovation, reporting processes, management quality; as well as gratuity reports frequency and quality.

The Company has applied a systematic framework for preventing corruption, collusion and nepotism by adopting the Corruption Prevention Guide (“Panduan Cegah Korupsi” or “CEK”) issued by KPK. To support this, the Company also collaborates with KPK on corruption prevention programs through the Professional with Integrity or Profesional Berintegritas (“PROFIT”) program, which includes the support of human resources (HR) who are competent in building integrity in guarding corruption prevention in the Company through participation in training as Integrity Builder and the participation in collaboration in campaigns with KPK on combating corruption through various communication media channels.



In regards to Anti-Corruption and Gratification, the Company cooperates with KPK through a number of programs as follows:

1. Participation in training as Integrity Builder (API) to oversee corruption prevention efforts;
2. Participation in Anti-Corruption and Gratification campaign collaboration program with KPK through various communication media channels.
3. Self Assessment of adequate checklist of Corruption Prevention Procedure for corporate ('CEK' and 'PROFIT' Program)

The benefit obtained by the Company with this "CEK PROFIT" is realization of a business that is clean of corruption in the Company, with a view to avoid negative impacts that can harm the company both financially, legal risk and reputational risk.

Additionally, the Company is the first banking institution, especially HIMBARA members, to adopt KPK's corruption prevention guide and to collaborate with KPK in the PROFIT movement.

## SUSTAINABLE FINANCE IMPLEMENTATION INITIATIVE

In line with the FSA Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies, the Company also implements various supporting policies to comply with the sustainable finance principles consisting of: (1) Responsible Investment Principle; (2) Sustainable Business Strategy Principle and Practice; (3) Social and Environmental Risks Management Principle; (4) Governance principles; (5) Informative Communication Principle; (6) Inclusive principles; (7) Priority Flagship Sectors Development Principle; and (8) Coordination and Collaboration Principle.

The Company's approach to sustainable finance implementation has been reflected in one of the Company's missions, namely "To care for public, social and environment interest with sustainable approach". The Company has

prepared Sustainable Financial Action Plan to create long-term value creation not only in the form of sustainable competitive advantage for the Company, but also for the community and wider society and strengthening resilience since the Company has managed all risks (economic, social and environmental) more precisely.

The Company has formulated a Sustainable Financial Action Plan into the Sustainable Finance Implementation Roadmap including the targeted time period within the period of 1 (one) to 5 (five) years (period 2019-2023). The program formulated in the Bank BTN Sustainable Financial Implementation Roadmap includes the design and preparation of Sustainability Policy & Strategy (policies and adjustments to the organizational structure and role), the adjustment and launch of the Green Finance Product & Index, and the implementation of various sustainability programs and other initiatives.





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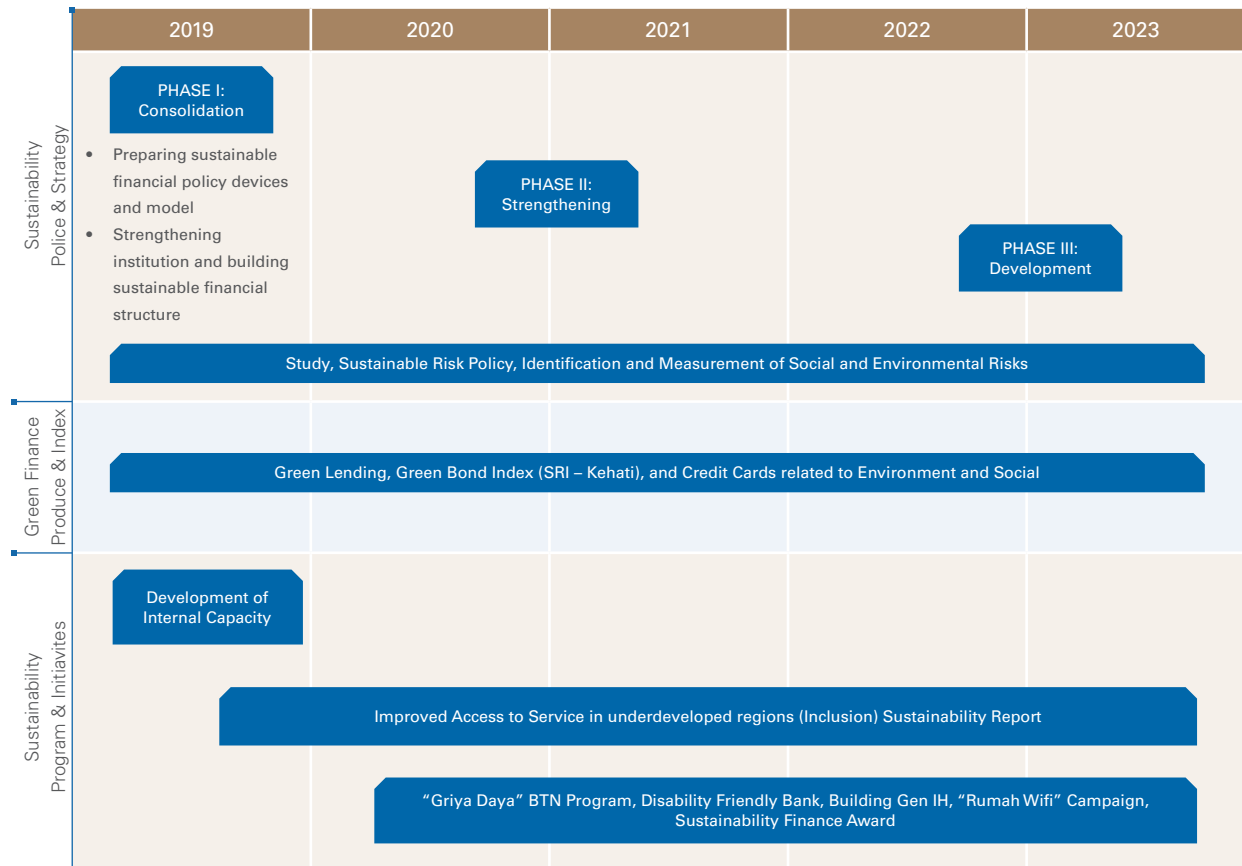
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## SUSTAINABLE GCG IMPLEMENTATION IN BANK BTN

### BANK BTN SUSTAINABLE FINANCE IMPLEMENTATION ROADMAP 2019-2023



## IMPLEMENTATION OF OTHER ASPECTS, PRINCIPLES AND BEST PRACTICES OF CORPORATE GOVERNANCE

Another effort undertaken by the Company in the context of sustainable GCG implementation is to implement governance aspects and principles that apply internationally. Some of these principles include the Guidelines of Corporate Governance Principles for Banks

published by the Basel Committee in Banking Supervision covering 12 corporate governance principles, the ASEAN CG Scorecard, CGPI, OECD, the ASEAN Risk Award, and other best practices.

## IMPLEMENTATION OF CODE OF CORPORATE GOVERNANCE FOR PUBLIC COMPANIES

The Company continuously implements GCG in accordance with applicable regulations, including the code of corporate governance provided in the FSA Regulation No. 21 / POJK.04 / 2015 and OJK Circular No. 32/SEOJK.04/2015 concerning Code of Corporate Governance for Public

Companies. The FSA Regulation stipulates 5 (five) aspects, 8 (eight) principles, and 25 (twenty-five) recommendations on the GCG aspects and principles implementation. Until the end of 2019, the Company has implemented all the recommendations in the regulation with details as follows:



No	Recommendation	Status	Bank BTN Compliance
<b>Aspect 1. Relationship of Public Company with Shareholders in Guaranteeing the Rights of Shareholders</b>			
<b>Principle 1 Increase the Value of GMS Holding</b>			
1	Public Company has technical procedures for voting either open or closed that promote independence and the interests of shareholders.	Complied	<p>1. Procedure for voting in making decisions on a GMS agenda is carried out by voting in a closed manner as stated in the GMS Rules which are disclosed to the public through the Company's website.</p> <p>2. The voting procedure has maintained the independence or freedom of shareholders.</p> <p>In 2019, the Company held an Annual General Meeting of Shareholders on May 17, 2019. All decisions were made based on deliberations for consensus. In the event that a decision based on deliberation to reach consensus is not reached, then a vote will be held. The decision is taken if agreed by more than ½ (one half) of the total number of shares with valid voting rights present at the meeting.</p> <p>Voting was executed by means of the following procedures:</p> <ol style="list-style-type: none"> <li>Shareholders or their proxies who casted abstention or those who did not agree were asked to raise their hands and submit their ballots to the officers.</li> <li>The Meeting Officer collected ballots from the shareholders, or their proxies then submitted all ballots to the Notary to be counted.</li> <li>The number of votes that abstained and did not agree were calculated by the valid votes issued at the Meeting and the difference was the number of votes agreed.</li> <li>Shareholders with valid voting rights but who did not vote (abstained) were considered to have cast the same vote as the votes of the majority of shareholders who cast votes.</li> <li>The notary counted and submitted the voting results regarding the proposed decision.</li> </ol>
2	All members of the Board of Directors and Board of Commissioners of Public Company participate in the AGMS.	Complied	In the execution of the GMS, the Company complied with all applicable regulations. Throughout the Annual General Meeting of Shareholders held on May 17, 2019, all members of the Board of Directors and Board of Commissioners, including members of the Audit Committee, were present.
3	Summary of GMS minutes is available in the website of the Public Company for at least one (1) year.	Complied	The Company submitted a summary of the GMS Minutes both in Indonesian and English through the Company's website <a href="http://www.btn.co.id">www.btn.co.id</a> under the Investor Relations menu, in print media, as well as on the IDXnet Electronic Reporting System and FSA E-Reporting System on May 17, 2019 for the FY2018 Annual GMS.
<b>Principle 2. Improve the quality of communication between Public Companies and Shareholders or Investors</b>			
4	Public Company possesses a communication policy with Shareholders or Investors	Complied	The Company has in place a communication policy with Shareholders or Investors referring to the Investor Relations Policy, which includes analyst meetings, public expose, investor meetings, Annual Reports and so forth.
5	The Public Company discloses the communication policy of the Public Company with Shareholders or Investors on the Company's Website.	Complied	The Company has disclosed communication policies to Shareholders or Investors on the Company's website ( <a href="http://www.btn.co.id">www.btn.co.id</a> ) Investor Relations menu - Policy Guidelines under the Investor Relations menu.



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## SUSTAINABLE GCG IMPLEMENTATION IN BANK BTN

No	Recommendation	Status	Bank BTN Compliance
<b>Aspect 2: Board of Commissioners Function and Role</b>			
<b>Principle 3 Strengthening membership and composition of the Board of Commissioners</b>			
6	Determination of the number of members of the Board of Commissioners by considering the Public Company's condition	Complied	Determination of the number of members of the Board of Commissioners has considered the condition of the Company including characteristics, capacity and size, as well as the means of fulfilling the bank's business requirements and goals in accordance with the provisions of the Regulator. The current number of members of the Board of Commissioners is considered sufficient and in accordance with FSA Regulation Number 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies or equal to the number of members of the Board of Directors
7	Determination of the composition of members of the Board of Commissioners considering the diversity of expertise, knowledge, and experience required.	Complied	The Company has considered the composition of the members of the Board of Commissioners based on the diversity of expertise, knowledge, and experience required as disclosed in the Diversity Composition section of the Board of Commissioners in this Annual Report.
<b>Prinsip 4. Meningkatkan Kualitas Pelaksanaan Tugas dan Tanggung Jawab Dewan Komisaris.</b>			
8	The Board of Commissioners has in place a Self-Assessment policy that assesses the performance of the Board of Commissioners.	Complied	The Board of Commissioners has in place a Self-Assessment policy listed in the Joint Decree (SKB) concerning the Work Relationship between the Board of Commissioners and the Board of Directors of the Company on November 24, 2017 Chapter IV where Performance Evaluation is described in the performance evaluation section of the Board of Commissioners in this Annual Report and on the Company's website.
9	Self-Assessment policies to assess the performance of the Board of Commissioners to be disclosed through the Annual Report of the Public Company.	Complied	The performance of the Board of Commissioners to be disclosed through the Annual Report of the Public Company. Complied The Self-Assessment policy to assess the performance of the Board of Commissioners was disclosed in the performance evaluation section of the Board of Commissioners in this Annual Report.
10	The Board of Commissioners has a policy regarding the resignation of members of the Board of Commissioners if involved in financial crimes.	Complied	The Company has a policy under the Board of Commissioners Guidelines and Work Rules in Decision of the Board of Commissioners No. 01/DEKOM-BTN/2017 regarding the Resignation and Dismissal of members of the Board of Commissioners should any of the board members be involved in any deed that is considered harmful to the Company and/ or the State and if the person concerned is found guilty in a court of law having permanent legal force.
11	The Board of Commissioners or the Committee that performs the Nomination and Remuneration function composed a Nomination succession policy for members of the Board of Directors.	Complied	The appointment and dismissal of the Company's Directors is based on the principles of professionalism and GCG. The Company is a State-Owned Enterprise (BUMN), therefore the succession policy of the Board of Directors refers to Minister of State-Owned Enterprises Regulation No. PER-03/MBU/02/2015 concerning the Requirements, Procedures for Appointment and Dismissal of Directors of State-Owned Enterprises. In addition, as a Public Company, the Company's policy also refers to the Financial Services Authority regulation Number 33/POJK.04/2014 concerning Directors and Commissioners of Issuers or Public Companies. The description of the succession policy in the Nomination process of the members of the Company's Board of Directors has been disclosed in the Policy section of the Board of Directors' Annual Report Succession.



No	Recommendation	Status	Bank BTN Compliance
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### Aspect 3: Functions and Roles of the Board of Directors

#### Principle 5. Strengthening the Membership and Composition of the Board of Directors.

12	Public Company has a policy to communicate with shareholders or investors.	Complied	Determination of the number of members of the Board of Directors has taken into consideration the condition of the Company, including characteristics, capacity and size, as well as the means of achieving objectives and fulfilling the Bank's business requirements in accordance with Regulatory provisions. The number of members of the Board of Directors has fulfilled the provisions of FSA Regulation No. 33/ POJK.04/2014 concerning the Board of Directors and Commissioners of Issuers or Public Companies.
13	Public Company discloses the Public Company's policy to communicate with shareholders or investors on the Website.	Complied	The composition of the members of the Board of Directors has taken into consideration the diversity of expertise, knowledge and experience required as disclosed in the Diversity Composition section of the Board of Directors in this Annual Report.
14	Members of the Board of Directors in charge of Accounting or Finance have the required expertise and/or knowledge in Accounting.	Complied	<p>Throughout 2019, the Director in charge of Accounting or Finance possesses an educational background and work experience in the financial field with the following information:</p> <ol style="list-style-type: none"> <li>Education <ul style="list-style-type: none"> <li>Bachelor of Mechanical Engineering ITB</li> <li>Master's in Accounting and Finance from the University of Birmingham, UK.</li> </ul> </li> <li>Work Experience <ul style="list-style-type: none"> <li>Hong Kong Treasury Manager PT Bank Pembangunan Indonesia (Persero) (1992 - 1995)</li> <li>Hong Kong Deputy General Manager PT Bank Pembangunan Indonesia (Persero). (1995 - 1996)</li> <li>General Manager (CE) of the Hong Kong Branch of PT Bank Pembangunan Indonesia (Persero). (1996 - 1997)</li> <li>Deputy Head of Financial and Service Affairs at Bank PT Bank Pembangunan Indonesia (Persero). (1998 - 1999)</li> <li>General Manager (CEO) Singapore Branch PT Bank Mandiri (Persero) Tbk. (1999 - 2001)</li> <li>UP3 Financial Institution &amp; Overseas Network (FION) Group Head of PT Bank Mandiri (Persero) Tbk. (2001 - 2002)</li> <li>Correspondent Banking Department Head of PT Bank Mandiri (Persero) Tbk. (2002 - 2003)</li> <li>FI Department Head PT Bank Mandiri (Persero) Tbk. (2003 - 2006)</li> <li>Head of Credit Recovery II group and Senior Recovery Manager Asset Management and Disposal Department of PT Bank Mandiri (Persero) Tbk (in 2006)</li> <li>The Authority of Credit Termination (PKMK) at the level of Group Head for PT Bank Mandiri (Persero) Tbk International Banking and Capital Market Services (2009 - 2010)</li> <li>Group Head of PT Bank Mandiri (Persero) Tbk IBCMS Group (2009 - 2010)</li> <li>Bank Mandiri Europe Ltd. (BMEL) PT Bank Mandiri (Persero) Tbk (2010 - 2013)</li> </ul> </li> </ol> <p>The certification held by the Director in charge of Finance/Accounting can be found in the Competency Development section of the Board of Directors of this Annual Report.</p>

#### Principle 6. Enhancing the Quality of the Board of Directors' Duties and Responsibilities



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## SUSTAINABLE GCG IMPLEMENTATION IN BANK BTN

No	Recommendation	Status	Bank BTN Compliance
15	The Board of Directors has in place a Self-Assessment policy used to assess the performance of the Board of Directors.	Complied	The Board of Directors has in place a Self-Assessment policy, which is stated in the Joint Decree regarding the Working Relationship between the Board of Commissioners and the Board of Directors of the Company dated November 24 , 2017 under the Chapter IV Performance Evaluation and the Valuation System that are summarized as Key Performance Indicators (KPI) as described regarding the Performance Evaluation section of the Board of Directors of this Annual Report and the Company's website (www.btn.co.id) under the Investor Relations-GCG menu - Crossreference ASEAN CG Scorecard-SKB.
16	Self-Assessment policies in order to assess the performance of the Board of Directors are disclosed through the Annual Report of the Public Company.	Complied	The Self-Assessment policy in order to assess the performance of the Board of Directors has been disclosed in the Performance Evaluation section of the Board of Directors in this Annual Report.
17	The Board of Directors has a policy related to the resignation of members of the Board of Directors when involved in financial crimes.	Complied	The Company has in place a policy in the Board of Commissioners Charter under the Decree of the Board of Directors Number 07/DIR/KD/CMPD/2017 regarding the Resignation and Dismissal of members of the Board of Directors if involved in actions considered to harm the Company and/or the State and if the individual involved is found guilty in a court of law having permanent legal force.

### Aspect 4: Stakeholder Participation

#### Principle 7. Upgrading corporate governance aspects through stakeholder participations.

18	The Public Company has in place policies to prevent Insider Trading.	Complied	The Company has in place a policy to prevent Insider Trading as stipulated in the Regulation of the Board of Directors No. 39/PD/CSD/2011 concerning the Investor Relations Activity Policy Guidelines as can be seen on the Company's website (www.btn.co.id) under the Investor Relations menu - Investor Relations Policy Guidelines.
19	The Public Company has in place an Anti-Corruption and Anti-Fraud policy.	Complied	The Company's Fraud Prevention System has been regulated on the basis of the Board of Directors' Circular Number 22/DIR/IAD/2014 concerning the Company's Standard Operating Procedure regarding its Anti-Fraud Strategy. As a guideline in Gratification Control and as an initiative of the national Anti-Corruption Program, the Company has issued guidelines related to Gratification Control implementation based on the Board of Directors' Circular Number 68/DIR/CMPD/2017.
20	The Public Company has a policy in place regarding the selection and improvement of suppliers or vendor ability.	Complied	<p>The Company has policies in place regarding vendor management as stipulated in the Regulation of the Board of Directors Number 13/PD/PGSD/2015 and Circular of the Board of Directors No. 47/DIR/PGSD/2015. Broadly speaking, the scope of this policy includes in the vendor selection criteria, transparent procurement mechanisms, vendor performance evaluation, and vendor track records.</p> <p>Enhancing suppliers or vendors ability is performed through providing guidance to vendors by means of co-ordination meetings, monitoring and a vendor performance assessment.</p> <p>The implementation of vendor selection policies is implemented based on the Bank's Preferred List of Vendors, which can be utilized as a vendor database for direct vendor appointment. The Board of Directors' Regulations and Circular above also regulates a Transparent Standard Operating Procedure (SOP) regarding procurement through tender/direct appointment methods and provisions regarding work contracts with vendors. Through enforcing this policy, the continuity of supply required by the Company can be better guaranteed.</p>



No	Recommendation	Status	Bank BTN Compliance
21	The Public Company has a policy on fulfilling the rights of creditors.	Complied	<p>The policy regarding fulfilling creditor rights is utilized as a guideline for providing loans to creditors. The purpose of the policy is to maintain the fulfillment of creditor rights and to maintain creditor trust in the Public Company. The policy includes consideration for making agreements, and follow-up procedures in fulfilling the obligations of the Public Company to creditors. The creditors' basic rights policies include:</p> <ol style="list-style-type: none"> <li>1. To receive the repayment of Principal and Interest payments at the agreed time.</li> <li>2. To secure the rights to any penalties regarding the repayment of Principal and Interest payments.</li> <li>3. To request for explanation, information, documents and inspect the Company's books.</li> </ol> <p>In 2018, there were two forms of Company creditors: Bilateral Loan Lender and Lender of Bonds.</p>
22	The Public Company has a WhistleBlowing System policy.	Complied	<p>The Company has a Whistle-Blowing System policy, which is regulated in Circular Letter Number 21/DIR/IAD/2014 regarding Bank BTN's Standard Operating Procedure regarding the Whistle-Blowing System, which includes types of violations that can be reported through the Whistle Blowing system, methods of filing complaints, protection of and guaranteeing reporters' confidentiality, complaint handling, parties managing complaints, and the results of handling and the follow-up of complaints in accordance with FSA regulations. Disclosure of the 2018 Whistle-Blowing System policy is outlined in the Whistle Blowing System section of this Annual Report.</p>
23	The Public Company has a policy for awarding long-term incentives to the Board of Directors and employees.	Complied	<p>Long-term incentives for the Board of Directors and the Board of Commissioners are regulated under the Board of Directors Regulation No.02/PD/HCD/2017 regarding the Income of the Board of Directors and Board of Commissioners and Board of Directors' Circular Letter Number 57/DIR/HCD/2016 concerning the Implementation of Governance for Remuneration, as disclosed in the section regarding the Implementation of Corporate Governance for Remuneration of the Company in this Annual Report. The Board of Directors regulation includes deferred variable-based remuneration and Risk Taker Materials as the Ministry of State-Owned Enterprises Regulation Number PER-04/MBU/2014 concerning Guidelines for Determining Remuneration for the Board of Directors, Board of Commissioners and Supervisory Board of State-Owned Enterprises and Financial Supervisory Authority Number 45 /POJK.03/2015 concerning the Implementation of Governance and Provision of Remuneration for Commercial Banks.</p> <p>Since 2009, the Company has implemented long-term incentives in the form of MESOP for the Board of Directors and Employees as outlined in the Share Option section of this Annual Report. In 2018, the Company implemented Performance and Risk-Based Remuneration.</p>



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## SUSTAINABLE GCG IMPLEMENTATION IN BANK BTN

No	Recommendation	Status	Bank BTN Compliance
<b>Aspect 5: Disclosure of Information</b>			
<b>Principle 8. Enhancing the Implementation of Information Disclosure</b>			
24	The Public Companies utilize Information Technology more broadly other than just the Website as a medium of information disclosure.	Complied	<p>The Company strives to improve the quality of information disclosure to stakeholders through the use of Information Technology, in addition to the Company's website including through various forms of Social Media such as: Youtube Bank BTN Facebook BankBTNcoid Twitter @BankBTNcoid Instagram @bankbtn LinkedIn PT Bank Tabungan Negara</p> <p>The Company also delivers the latest information to shareholders through e-mail, conference calls and the Indonesian Stock Exchange, IBCM Channel, Capital Market TV, in addition to mentoring site visits by Investors to Bank BTN Branch Offices, Non-Deal Roadshows, one-on-one meetings, Public Analyst Meeting Expose.</p>
25	The Annual Report of the Public Company discloses the ultimate benefit of the Ownership of the Public Company of at least 5%, in addition to the disclosure of the ultimate beneficial owner of the share ownership of the Public Company through the main and controlling shareholders.	Complied	<p>The Company also provides information updates to shareholders via e-mail, conference calls and the Capital Market TV IBCM Channel of Indonesia Stock Exchange, in addition to mentoring site visits by investors to Bank BTN branch offices, Non-Deal Roadshows, one-on-one meetings, Analysts Public Expose Meeting. The Company has disclosed information regarding shareholders who own 5% (five percent) or more than 5% (five percent) of the Company's shares to regulators i.e. FSA and IDX. In this Annual Report, the subject has been disclosed in the Information to Investors section.</p>

## GCG QUALITY IMPROVEMENT PLAN FOR 2020

In 2020, the effort to enhance GCG implementation entered the phase of strengthening governance business processes. In this phase, the Company will optimize the implementation of Integrated Governance Risk Compliance (iGRC) which includes good governance management, compliance with regulations, internal policies and procedures, supporting the Zero Fraud program, Culture Assessment Index, and effective risk management in carrying out business activities based on honest behavior, discipline and innovation. By optimizing the role of iGRC, the Company will able to operate effectively and efficiently, which in turn will leverage the excellent performance.



# BANK BTN'S GCG ASSESSMENT

## BANK GOVERNANCE SELF-ASSESSMENT

The Company implements Self-Assessment periodically at end of June and December. Governance Standard other than referring to FSA Regulation Number 55/POJK.03/2016 concerning the Implementation of Governance for Commercial Banks, has also adhered to the FSA Circular Letter Number 13/POJK.03/2017 concerning the Implementation of Governance for Commercial Banks.

### CRITERIA USED

Indicators for Self-Assessment implementation standard includes 11 (eleven) parameters, which consist of the following:

1. Implementation of the duties and responsibilities of the Board of Directors;
2. Implementation of the duties and responsibilities of the Board of Commissioners;
3. Comprehensiveness and execution of the duties of the Committees;
4. Handling of any Conflicts of Interest;
5. Implementation of Compliance function;
6. Implementation of Internal Audit function;
7. Implementation of External Audit function;
8. Implementation of Risk Management including the Internal Control System;
9. Provision of funds to related parties and large exposure;
10. The Bank's Financial and Non-Financial Transparency, Corporate Governance implementation and Internal Reporting;
11. The Bank's Strategic Plan.

### PARTIES CONDUCTING ASSESSMENT

The Company conducts Governance Self-Assessment by involving all members of the Board of Commissioners, Board of Directors and work units inter-related to the proposed Governance assessment aspects.

### ASSESSMENT RESULTS

Figures regarding the progress of Corporate Governance Self-Assessment results within the last 5 (five) years are as follows:

#### RESULT OF GOVERNANCE SELF-ASSESSMENT IMPLEMENTATION 2015-2019

Description	2015	2016	2017	2018	2019
Company's Governance Self-Assessment Result	2	2	2	2	2





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In the Corporate Governance assessment conducted in June 2019, the results of Corporate Governance Self Assessment are as follows:

**RESULT OF SELF-ASSESSMENT REGARDING THE IMPLEMENTATION OF GOVERNANCE SEMESTER I 2019**

	Rating	Definition of Rating
(Individual)	2	The Bank's management has implemented Good Corporate Governance well in general. This was reflected through the adequate fulfilment of Governance principles. In the event that there were weaknesses in the application of Governance principles, in general these weaknesses were not significant and could be resolved by the Bank's Standard Operating Procedures.

In December 2019, the Company conducted a Self-Assessment regarding the implementation of Corporate Governance with the following result:

**RESULT OF SELF-ASSESSMENT REGARDING THE IMPLEMENTATION OF GOVERNANCE SEMESTER II 2019**

	Rating	Definition of Rating
(Individual)	2	The Bank's management has implemented Good Corporate Governance well in general. This was reflected through the adequate fulfilment of Governance principles. In the event that there were weaknesses in the application of Governance principles, in general these weaknesses were not significant and could be resolved by Bank's Standard Operating Procedures.

From the results of the two assessments, in 2019 the Company's implementation of Governance can be summarized as follows:

**RESULT OF SELF-ASSESSMENT REGARDING THE IMPLEMENTATION OF GOVERNANCE**

	Rating	Definition of Rating
(Individual)	2	The Bank's management has implemented Good Corporate Governance well in general. This was reflected through the adequate fulfilment of Governance principles. In the event that there were weaknesses in the application of Governance principles, in general these weaknesses were not significant and could be resolved by Bank's Standard Operating Procedures.



## Analysis

Based on the Governance Self-Assessment Analysis consisting of Governance Structure, Governance Process, and Governance Outcome on each of the Governance assessment factors, it can be concluded that:

### 1. Governance Structure

In general, the Company's governance structure is adequate, as explained in the summary as follows:

#### a. Positive Factors

- The number, domicile, integrity and provisions of concurrent positions of the Board of Commissioners and the Board of Directors are in accordance with the stipulation.
- Bank BTN already has governance structure and infrastructure that are complete and comply with the Financial Services Authority (OJK) regulation.
- The complete governance structure consists of the Board of Commissioners, the Board of Directors, Committees and Work Units with an appropriate number of members and adequate competencies.
- The Bank already has a Director overseeing the Compliance Function (Director of Compliance), although he is still in the Fit and Proper Test process.
- The Bank has a Compliance & Governance Division that is separate and independent from the strategic planning work unit.
- The Risk Management, Compliance and Internal Audit Work Units are in a separate organization and are independent from the Operational Work Units.
- Bank BTN has made improvements to the policy regulations regarding the work guidelines for the Board of Commissioners and the Board of Directors, in accordance with the latest FSA regulations.
- Bank BTN has in place policies & procedures for Bank activities that are sufficient to support the implementation of Bank Governance, such as manual for the Board of Commissioners and the Board of Directors, anti-fraud policy, risk management policies, compliance policy, Bank governance policy, and treasury policy. The internal policies and procedures have been updated / enhanced in line with the issuance of the relevant FSA and BI regulations in 2018 and 2019.
- Bank BTN has policies, systems, and procedures on the provision of funds to related parties, the provision of large funds, and the transparency of financial and non-financial conditions.
- Bank BTN has prepared a strategic plan in the form of Corporate Plan and Business Plan that are in line with the Company's vision and mission.

#### b. Negative Factors

- On November 27, 2019 an EGMS was held where there was a change in the composition of the Board of Commissioners and the Board of Directors who could not immediately work effectively because they should obtain approval from the FSA. The position as of December 31, 2019 is as follows:
  - There was only 1 (one) new member of the Board of Commissioner had undergone Fit and Proper Test, while 5 (five) others are still waiting for the Fit and Proper Test process.
  - There were 3 (three) new members of the Board of Directors who had undergone Fit and Proper Test while 5 (five) others were still waiting for the Fit and Proper Test process.
- Based on the Extraordinary General Meeting of Shareholders on November 27, 2019, a new member of the Board of Commissioners has been appointed. To ensure smooth execution of supervisory function, Person in Charge for the Audit Committee, the Risk Monitoring Committee and the Remuneration and Nomination Committee have been appointed verbally. However, there was still no written decision until the receipt of approval on the Fit & Proper Test results from the FSA.

#### c. Identification of Problems and Root Cause

There are 5 (five) members of the Board of Commissioners and 5 (five) members of the Board of Directors who will be effective upon obtaining the FSA's approval of the fit and proper test.

#### d. Strength

Bank BTN Board of Commissioners and Board of Directors are committed to meeting and improving Governance structure and infrastructure so that they always comply with the provisions of regulators, supervisors and keep abreast of the dynamics of business needs.



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## BANK BTN'S GCG ASSESSMENT

### 2. Governance Process

The Governance Process is generally adequate, which can be seen from the summary as follows:

#### a. Positive Factors

- Strategic decision making is taken through Directors' Meetings. Each Board of Directors meeting has been completed with minutes of the meeting and is well documented. Position Data December 31, 2019 The Board of Directors held 281 Internal Meetings of the Board of Directors and 51 Board of Commissioners Internal Meetings.
- Decisions of the Board of Directors' meeting have been implemented by generating the Board of Directors' Decrees and Circular Letters covering credit, funding, risk management, operational and employment policies to support the Bank's business activities in accordance with the strategies set by the Board of Directors as many as 93 provisions.
- Improving employee competency and skills through conducting training / dissemination / seminars both internal and external. One concern for improving employee competency is related to credit rescue analysis (cash flow analysis), through providing employee education / refreshment and periodic evaluations of credit restructuring and innovation processes implementation. As of December 31, 2019 learning methods with Classroom totaling 28,171 employees, E-Learning methods totaling 50,780 employees and UKMR certification totaling 2073.
- Board of Commissioners has carried out its supervisory function and provided advice to the Board of Directors with the Committees' assistance in accordance with their respective duties and responsibilities.
- Board of Directors is committed to running the Company's management by implementing the principles of Good Corporate Governance in each line of business. For 2019, strengthening the work culture program will emphasize the internalization of Integrity behavior (honest, consistent and disciplined in working), Innovation (creative and value added enhancements) and Leadership (role models, culture of supervision and coaching).
- Internal Audit Work Unit always performs its functions in accordance with the applicable regulations. The Internal Audit Work Unit has made improvements through:
  - General Audit on problems of increasing low-quality credit, repetitive restructuring, ballon payment restructuring, FLPP debtor process, Credit Novation, problems with installment mismatches or lack of installment receipts and high LAT.
  - Conducting rootcause analysis, Thematic Audit (priority scale), preliminary review and investigation (Special Audit).
  - Increased intensity of critical areas inspection.
  - Conducting thematic audits in 2019 with a focus on credit quality, Islamic financing, IT, Human Capital, Funding, CASA and Fee Based Income.
  - Providing recommendations for sanctions to the Disciplinary Committee.
- External audits are conducted professionally, without intervention, and are conducted by public accountants and public accounting firms registered and licensed by the FSA.
- Provision of funds to related parties and large funds has been conducted in accordance with the precautionary principle. One of the concerns is strengthening to related parties through FSA Regulations provision mechanism.
- Based on FSA's findings, the Board of Directors has followed up with improvements in the process of credit management including managing bank credit portfolios, efforts to settle problem loans, renewing the provisions for repetitive restructuring authority, innovation, refinement of accounting instructions for deferred interest treatment, policies on establishing CKPN adequacy, number of principal documents being passed tolerance threshold (LAT) and resolution of Internal and External Fraud problems, Closing Menu 32 for restructuring, enhancement and launching BDS application activities.
- Bank commitments related to audits by the Financial Services Authority and Bank Indonesia have been followed up in accordance with agreed deadlines and have been reported to the Financial Services Authority and Bank Indonesia.

#### b. Negative Factors

Internal Control needs to improve supervision functions as well as risk awareness, to reduce audit findings with high risk and fraud. Identification of Problems and Causes (Root Cause)

#### c. Identification of Problems and Causes (Root Cause)

- The risk culture and compliance culture in all aspects of the Bank's operations still need to be improved.
- It is necessary to fulfill the quantity of human capital according to the needs of the organization today and in the future according to the Bank's business plan.
- There is a need to improve the quality of human capital including through improving operational technical competence and supervision functions in each of the Bank's operational management activities.
- It is necessary to optimize the Risk Management, Compliance and Internal Audit functions.
- Improving understanding of the provisions / SOPs and the weakness of the superior's supervision and the low risk awareness and compliance culture.




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d. Strength

- Bank BTN is committed to create a risk and compliance culture through corporate culture programs that have been implemented.
  - Bank BTN is committed to sustainably improve the management of bank operations, both through meeting the needs of the number, competence, ability to supervise human capital and improve bank business processes (Business Process Improvement).
  - Bank BTN is committed to the Governance Risk and Compliance (iGRC) framework by optimizing the Three Lines of Defense function.
  - The Bank continues to strive to improve internal control, through: Training / dissemination, sanctions for coaching, implementation of rotation and HC mutations. Perfecting Corporate Governance, one of which is through integrated implementation.
- 

3. Governance Outcomes

The results of Governance generally Adequate, can be seen from the summary as follows:

a. Positive Factors

- Board of Commissioners and Directors have conducted their duties and held meetings in accordance with the provisions in which the results of the meeting were well administered.
- The Bank has disclosed transparently financial and non-financial conditions in accordance with applicable regulations.
- The Bank has made transparency of customer complaints and evaluated the follow-up.
- The Bank has conducted an objective assessment / audit.
- The Bank has implemented the precautionary principle, Capital Market Regulation, Taxation, Anti-Money Laundering, Prevention of Terrorism Funding and other legislation.
- The Bank has implemented consumer protection provisions.

b. Negative Factors

- There are still fines, related to external reports at the Branch Office and Head Office to BI / FSA where the value is increasing due to late reporting, reporting errors and not doing external reporting, position data for December 2019 is Rp. 291,830,600, - an increase of 382.97% from 2018 amounting to Rp. 60,423,548.-
- There are cases of fraud that require comprehensive attention and improvement. In 2019 there was an increase in the number of fraud by 39 cases compared to 2018 by 24 cases.
- Legal issues in 2019 were 568 cases consisting of 358 civil cases, 206 criminal cases and 4 industrial relations cases.
- Performance in general has not met the target.

c. Identification of Problems and Causes (Root Cause)

- Data quality and support of the Bank's information system management technology that still needs to be improved.
- It is necessary to optimize the anti-fraud strategy through the synergy of three lines of defense, especially in the pillars of prevention in the form of anti-fraud awareness, identification of vulnerabilities and know your employee.
- It is necessary to evaluate the implementation and improvement as well as refining business strategies and processes to ensure the Bank's performance in accordance with the Bank's business plan.

d. Strength

- Strengthening the business growth and profitability.
  - Strengthening the mortgage business positioning in the mass segment, in 2019 the distribution of mortgages will be Rp. 27,964 billion was achieved by 97.71% of the December 2019 RKAP of Rp. 27,325 billion.
  - Maximizing the business potential of existing customers.
  - CASA growth of 43.37% was reached 98.33% against the December 2019 RKAP of 44.11% and FBI of Rp. 2,125 billion was achieved 86.57% of the December 2019 RKAP of Rp. 2,455 M.
  - Supporting the development of digital banking and digitizing processes for more efficient processes.
    - Funding: BTN Mobile Banking, BTN Internet Banking, BTN Cash Management System, BTN E-retribution market, QR Pay feature.
    - Lending: BTN Properti ([www.btn.co.id](http://www.btn.co.id)), Cheap Houses ([www.rumahmurahbtn.co.id](http://www.rumahmurahbtn.co.id)), Smart Collection.
  - Prioritizing GCG principles in business processes.
  - Structured Human Capital (HR) planning and culture building is facing disruptive innovation.
    - Building top talent management and succession.
    - Developing strategic man power planning with the Pareto allocation strategy.
    - Strengthening employer branding through targeted recruitment programs to get top talent.
    - Strengthening management.
  - Bank BTN has prepared a strategic plan in the form of Corporate Plan and Business Plan that are in line with the Company's vision and mission.
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## BANK BTN'S GCG ASSESSMENT

### ASSESSMENT BY EXTERNAL PARTIES

In addition to Self-Assessment, the Company has also consistently conducted Third Party assessment to gain a second opinion regarding the quality of GCG implementation in order to unceasingly refine the quality of implementation of GCG, this includes the Corporate Governance Perception Index survey, hereinafter

abbreviated as CGPI, which is organized every year by the Indonesian Institute for Corporate Governance (IICG) and GCG Assessment based on the ASEAN Corporate Governance Scorecard standards conducted by the FSA and the Indonesian Institute for Corporate Directorship (IICD).

#### 2019 GCG RATING – CGPI AWARD

The Company constantly takes part in ratings and the Corporate Governance Perception Index, survey hereinafter abbreviated as CGPI, every year, which is organized by the Indonesian Institute for Corporate Governance (IICG). CGPI is a research program and rating of the quality of Corporate Governance assessment with the following assessment stages:

1. Instruments and Document Analysis Stages are implemented through the following activities:
  - a. Self Assessment;
  - b. Document Assessment.
2. Observation Stage  
Observation stage is performed through the classification of assessment instruments and Company documents extensiveness, executive exposure, and internal discussions.

#### Criteria Used

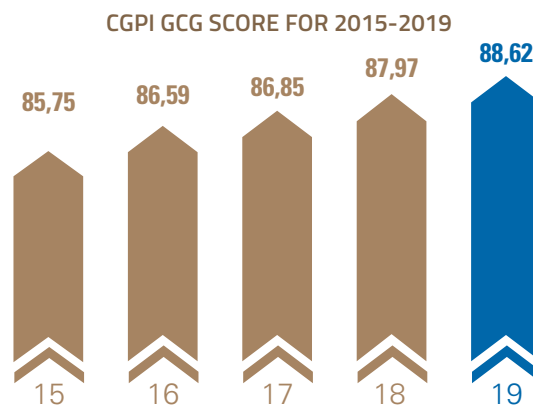
Assessment aspects in CGPI include Governance Structure, Governance Process, and Governance Outcome.

#### Parties Conducting the Assessment

The Indonesian Institute of Corporate Governance (IICG) conducted the Company's CGPI assessment.

#### Rating Score

In 2019, the Company scored 88,62 on the CGPI assessment with the title "Very Trusted." The result of the Company's CGPI assessment for the past 5 consecutive years is as follows:



### RECOMMENDATIONS AND FOLLOW-UPS ASSESSMENT RESULTS

IICG presented several recommendations to the Company regarding its Governance. The recommendation was of material improvement in nature and its implementation to be followed-up within the Company's Governance.



## IICG RECOMMENDATIONS AND FOLLOW-UPS

Recommendation	Follow Up
<b>Governance Structure</b>	
It is recommended that the Company pays attention and manages the rights of minority Shareholders by accommodating the aspirations of Minority Shareholders in the selection of Independent Commissioners.	In the GMS, all shareholders present are entitled to vote on the selection agenda.
It is recommended that the Company needs to consider and respond to gender diversity within the membership structure of Board of Commissioners and Board of Directors	The determination of composition of Board of Commissioners and Board of Directors refers to the diversity policy based on the provisions of Shareholders and the provisions set forth in the Board of Commissioners' Code of Conduct, as a reference for consideration in the nomination and succession process of the Company's Board of Commissioners and Board of Directors by taking into account diversity in terms of independence, expertise/education, work experience, age and gender as well as the needs and complexity of the Company.
It is recommended that the Company develops and updates the guidelines for the implementation of duties, functions and authorities of the Supporting Organs of Board of Commissioners in accordance with the development of applicable regulations and guidelines and business dynamics.	The Company continues to develop and improve the working guidelines of Board of Commissioners and Board of Directors, including regulating the implementation of duties, functions and authorities of Board of Commissioners and Board of Directors.
It is recommended that the Company develops the design of organizational structure tailored to the needs of the Company and meet the vacant functional structure formation under the Board of Directors' responsibility.	The Company has prepared a transformation that is supported by the development of new operating model that includes: <ol style="list-style-type: none"> <li>1. Business Process Improvement</li> <li>2. Network &amp; Distribution Design</li> <li>3. Improvement of organizational design such as increasing the role of risk management and increasing the capacity of human capital.</li> </ol>
Direkomendasikan Perseroan perlu menetapkan pembagian tugas Dewan Komisaris berdasarkan fungsi pengawasan dan pemberian nasihat terkait pada pembagian tugas Direksi sesuai kebutuhan secara komprehensif dan efektif.	Perseroan senantiasa mengembangkan dan menyempurnakan pedoman tata tertib kerja Dewan Komisaris dan Direksi termasuk di dalamnya mengatur terkait fungsi pengawasan dan pemberian nasihat terkait pada pembagian tugas Direksi.
<b>Governance Process</b>	
It is recommended that the Company develops and updates policies and guidelines for GMS implementation and decision-making in the GMS that gives added value to the Company's Shareholders.	The Company has always refined the Standard Operating Procedure of Corporate Secretary, which among others regulates the implementation of GMS and the decision making in GMS.
It is recommended that the Company develops and updates the guidelines for the implementation of duties of Board of Directors and Board of Commissioners, particularly with regard to the resignation of members of Board of Commissioners and Board of Directors	The Company has constantly perfected the development of guidelines for the implementation of duties of Board of Directors and Board of Commissioners, particularly in relation to the resignation of members of Board of Commissioners and Board of Directors.
It is recommended that the Company develops a comprehensive system and mechanism for the Company's internal control, evaluate its effectiveness and report it periodically.	The evaluation on the effectiveness of Company's internal control system (Risk Control) is carried out on all units of Head Office and Branch Offices. Every issue related to adequate internal control has been reported directly to the Board of Directors through the President Director and to the Board of Commissioners through the Audit Committee.



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## BANK BTN'S GCG ASSESSMENT

### IICG RECOMMENDATIONS AND FOLLOW-UPS

Recommendation	Follow Up
It is recommended the Company needs to develop and improve an integrated human capital information system so that able to support the Company's business growth	The Company continues to develop and perfect human capital information system in an integrated way through IBES.
It is recommended that the Company needs to optimize the application of risk management in all company's activities as well as periodically evaluate the risk management system including measurement of the level of maturity of the company's risk management	The Company continuously evaluates and optimizes the implementation of risk management in all company's activities on a regular basis.
It is recommended that the Company develops standards for products/services and management/work systems based on national standards (such as SNI) and global (such as ISO) and sectoral (Basel).	The Company has developed standards such as ISO 90001: 2015
It is recommended that the Company needs to increase the creation of innovations that add value not only individually but also at corporate level such as quantum leap/breakthrough innovations for the Company	The Company strives to have more innovation from bitniz people, thatn can be developed at the corporate level.
It is recommended that the Company considers the analysis and evaluation of the mapping over all stakeholders in preparing the Company's business strategy planning	The Company has conducted an analysis and evaluation over the mapping of Company's strategic business planning to stakeholders.
It is recommended that the Company needs to develop sustainable banking financing policies, systems and programs.	The Company continues to draft policies, procedures and systems and implement sustainable financing programs. In addition, Bank BTN has prepared a 2019 Sustainable Financial Action Plan (RAKB) which will be the basis and guideline for the implementation of Sustainable Financing.
It is recommended that the Company develops a system and mechanism for strengthening corporate culture and evaluating the measurement of corporate culture implementation.	The Company continues to develop the work culture of the Company in 2019 by preparing Bank BTN's cultural work program and conduct monthly evaluation.

### Governance Result

The trend of Bank BTN's financial performance over the past 5 years was found to have increased and decreased, therefore Bank BTN needs to make continuous performance improvements by constantly maintaining the prudential principles and the implementation of structured and systematic risk management.	The Company constantly improves the quality of risk management and conducts periodic reviews to ensure the effectiveness and adequacy of the Risk Management Function and the principle of prudence as a form of compliance with applicable regulations to support the performance growth strategy.
It is recommended that the Company develops follow-up to the handling and resolution of legal issues being faced by the Company	The Company always maintains the principle of prudence in business processes to avoid legal problems. Bank BTN also has a special unit for handling legal issues at both the Head Office and Branch Offices.
It is recommended that the Company improves employee communication and understanding on ethical guidelines to reduce ethical violations	The Company consistently organizes socialization to all employees regarding ethical guidelines.

**GCG ASSESSMENT BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD (ACGS)**

Another GCG assessment that the Company participates in is the ASEAN Corporate Governance Scorecard, a standard for measuring Governance practices agreed upon by the ASEAN Capital Market Forum (ACMF). The parameters of assessment are based on the OECD Principles with the aim of raising investor confidence in listed companies in the ASEAN region.

**Criteria Used**

The assessment component of the ASEAN Corporate Governance Scorecard includes:

1. Shareholders' Rights
2. Equal Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Board Responsibilities

**Party Conducting Assessment**

Governance Practices conducted by the Company is based on the ASEAN Corporate Governance Scorecard obtained through Third Party Assessment. One of the independent institutions assessing the ASEAN CG Scorecard is the ASEAN Capital Market Forum (ACMF).

**Score Ratings**

The results of the ASEAN Corporate Governance Scorecard assessment for 2019 until the preparation of this Annual Report have not been published by the ACMF. As for the results of the assessment in 2018, the Company won the TOP 50 ASEAN Public Listed Companies (PLCs) and TOP 3 Indonesian PLCs at the 2018 Corporate Governance Awards event from the ASEAN Corporate Governance and ACMF.

Description of the Company's Compliance Statement regarding the Guidelines for Corporate Governance based on the ASEAN CG Scorecard as follows:

Level/No. Item	Corporate Governance Standard Criteria	Status	Description
<b>Level 1</b>			
<b>Part A The Rights of Shareholders</b>			
A.1	Basic Rights of Shareholders.	Complied	-
A.2	The right to participate in decisions regarding fundamental corporate changes.	Complied	-
A.3	The right to participate effectively and cast votes in the GMS and the right to obtain information regarding the rules that apply at the GMS.	Complied	-
A.4	Markets for corporate control must be permitted to function efficiently and transparently	Complied	-
A.5	The exercise of ownership rights by all shareholders, including institutional investors, must be facilitated.	Complied	-





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**BANK BTN'S GCG ASSESSMENT**

Level/No. Item	Corporate Governance Standard Criteria	Status	Description
<b>Part B Equitable Treatment of Shareholders</b>			
B.1	Shares and voting rights.	Complied	-
B.2	GMS notification.	-	The profile disclosure of candidates for the Board of Commissioners and Directors is not yet available at the GMS Summons.
B.3	Prevent Insider Trading and personal gain abuse.	Complied	-
B.4	Related Party Transactions by the Board of Commissioners and Board of Directors.	Complied	-
B.5	Protect minority shareholders from abuse.	Complied	-
<b>Part C Role of Stakeholders</b>			
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.	Complied	-
C.2	Where the interests of stakeholders are protected by law, stakeholders must receive effective compensation for any violation of their rights.	Complied	-
C.3	Mechanisms for employee participation should be permitted to develop.	Complied	-
C.4	Stakeholders including individual employees and their representative bodies, should be able to freely communicate their concerns regarding illegal or unethical practices to the Board of Commissioners and their rights should not be compromised for doing this.	Complied	-
<b>Part D Transparency and Disclosure</b>			
D.1	Transparent Ownership Structure	Complied	-
D.2	Quality of Annual Report	-	The Company has not disclosed the remuneration of each member of the Board of Directors and Board of Commissioners
D.3	Disclosure of Related Party Transactions	Complied	-
D.4	The Board of Directors and Board of Commissioners dealings with the Company's shares	Complied	-
D.5	External Auditor and Auditor Report	Complied	-
D.6	Media Communications	Complied	-
D.7	Timely Filing/Release of Annual Financial/ Report	Complied	-
D.8	The Company website	Complied	-
D.9	Investor Relations	Complied	-



Level/No. Item	Corporate Governance Standard Criteria	Status	Description
<b>Part E Responsibility of the Board</b>			
E.1	The Board's Duties and Responsibilities	Complied	-
E.2	The Board's Structure	Complied	-
E.3	The Board's Process	Complied	-
E.4	The Board's Position	Complied	-
E.5	The Board's Performance	-	The Company has not disclosed assessment, individual assessment and performance of the Board of Commissioners.

On the assessment of bonuses, some of the items that can be met by the Company are as follows:

Level/No. Item	Corporate Governance Standard Criteria	Status	Description
<b>Level 2</b>			
(B)C.1.1.	The Company has adopted an international based Sustainability Report framework (such as the GRI, Integrated Reporting, SASB).	<i>Comply</i>	-
(B)D.1.1.	The issuance period of the Audited Financial Statements is within 60 days from the end of the Financial Year.	<i>Comply</i>	-
(B)E.2.2.	The Company has aligned its nomination process with the existing strategy map.	<i>Comply</i>	-
(B)E.6.1.	The Company has in place a Risk Oversight Committee that is separate from the Board of Commissioners.	<i>Comply</i>	-



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## BANK BTN'S GCG ASSESSMENT

### RECOMMENDATIONS AND FOLLOW UP

From the results of the ASEAN Corporate Governance Scorecard assessment in 2018, there are a number of recommendations from the assessors regarding the implementation of the Company's governance that have been followed up, including:

Table of Recommendations and Follow-up

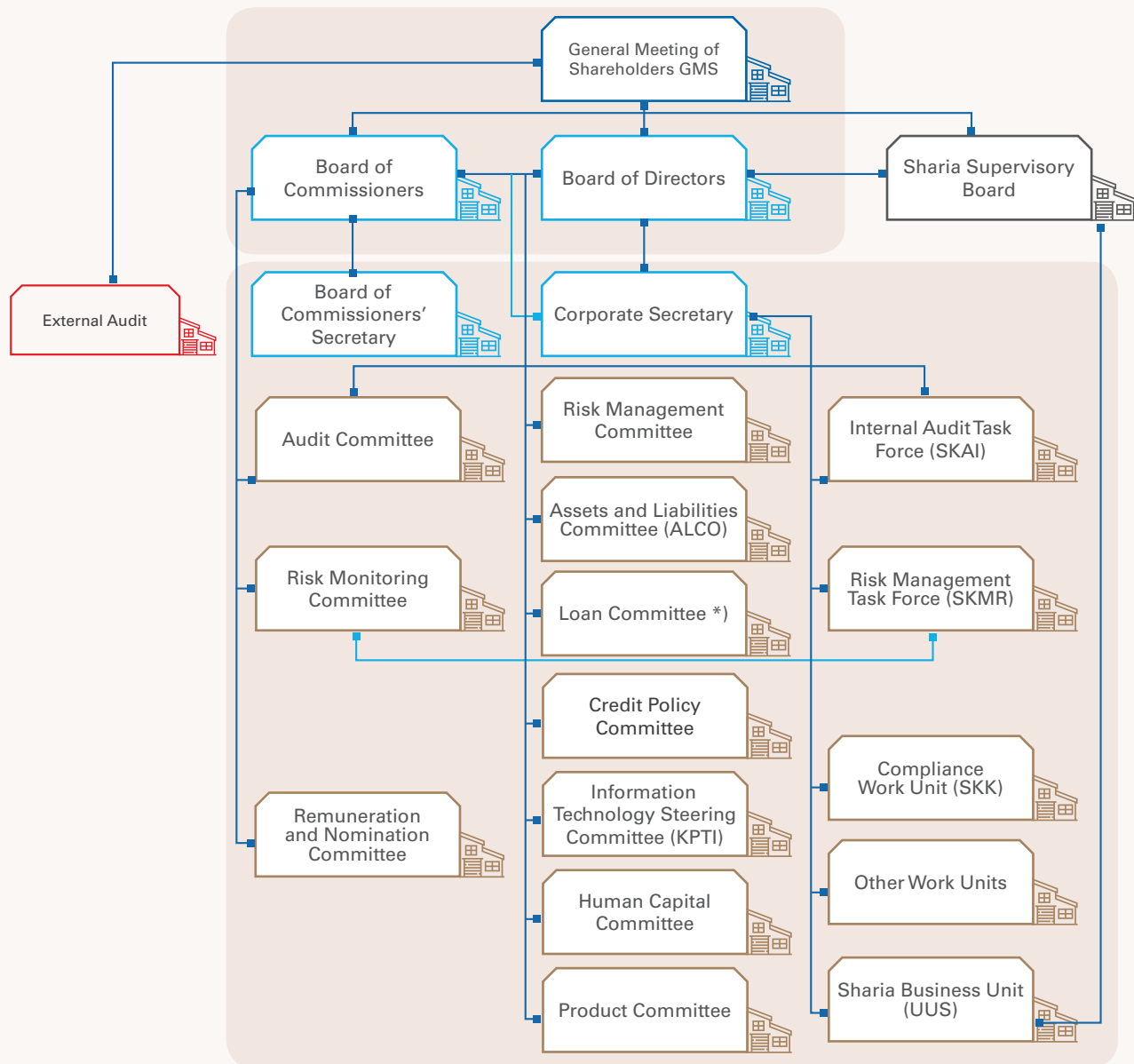
No.	Recommendation	Follow-up
1.	The Company is required to disclose information of the external Auditor who will be appointed at the GMS	At the 2019 Annual GMS, the Company has disclosed information regarding the external auditor at the Annual GMS Summons.
2.	The Company is expected to have a policy that regulates the duties of the Committee under the Board of Commissioners to conduct reviews of related party transactions.	The Company has reviewed the Committee Charter policy regarding these provisions.
3.	Total Independent Commissioners in the Board of Commissioners membership composition > 50%	In 2018 fiscal year, the Company had a composition of Independent Commissioners with a total of 5 members out of 9 members of the Board of Commissioners.



# STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## GOVERNANCE ORGAN STRUCTURE

In accordance with Law No. 40 of 2017 regarding Limited Liability Company, it is stated that the Company's Organs consist of General Meeting of Shareholders (GMS), Board of Directors, and Board of Commissioners. The GMS, Board of Directors, and Board of Commissioners must respect their duties, responsibilities, and authorities in accordance with all rules and legislation and Articles of Association. The Company's Organs are established in order to ensure that the implementation of the Company's Governance shall be conducted effectively with clear roles and responsibilities as to create a checks and balance control mechanism.



\*) Loan Committee is established in the Company's organizational structure based on the Board of Director's Circular Letter No. 03/KD/DIR/SIPD/2017 dated April 20, 2017, regarding Head Office Organizational Structure. The Policies related to Loan Committee are currently under approval by the Board of Directors. At the operational level, the Loan Committee functions under the implementation of Board of Director's Meetings in charge of loan.



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## GOVERNANCE POLICY AND INFRASTRUCTURE

In order to improve the quality and scope of governance implementation sustainably, the Company sets rules designed to implement GCG, which governs the relationship between the organs inside the Company so that the duties, responsibilities and authorities are clear and in accordance with all prevailing rules and regulations, GCG principles, healthy business ethics, and best practices. The Company implements the Governance Mechanism that is reflected through the main policies of GCG principles (soft structure of GCG). This mechanism shall be the living document for all and every part of organization of the Bank.

The design of the Company's Governance policy is an arrangement of policies as a basic framework for Governance through the formulation of policies and the Company's activities, which are as follows:

1. The GCG Guidelines adopted in the Regulation of the Board of Directors No. 11/PD/DIR/PPD/2018 concerning Guidelines for Good Corporate Governance;
2. The Board of Commissioners Work Guidelines and Rules adopted in the Joint Decree of the Board of

Commissioners No. 01/KOM-BTN/2017 as a renewal of the Board Manual which became the guideline of the previous work guidelines;

3. The Board of Directors Guidelines and Rules adopted in the Board of Directors Decree No. 07/DIR/KD/CMPD/2017 as a renewal of the Board Manual that has become the work guideline of the prior;
4. The working relationship of the Board of Directors and Board of Commissioners ratified through the Joint Decree of the Board of Commissioners No.02/DEKOM-BTN/2017 and Board of Directors No. 01/DIR-BTN/2017;
5. The Guidelines for Business Ethics and Behavior (Code of Conduct) ratified through the Board of Directors Regulation No. 16/PD/CMPD/2015;
6. Implementation of Gratification Control ratified through Circular Letter No. 68/DIR/CMPD/2017;
7. Whistle-Blowing (WBS) and Anti-Fraud Systems, which have been ratified through the Circular Letter of the Board of Directors SE No. 21/DIR/IAD/2014.

## RELATIONSHIP BETWEEN STRUCTURE, MECHANISM AND GOVERNANCE RESULT



### Governance Structure

- The number and composition of the Board of Directors, Board of Commissioners, committees and task forces are sufficient and in accordance with the Company's requirements.
- Duties, responsibilities, and functions of the Company's organs are adequate and established in the available Policies, Guidelines, Code of Conducts, Procedures and Information System in order to support the operation.



### Governance Process

- Implementation of function, duties, and responsibilities of the Company's organs are adequate in order to optimize the supervisory and monitoring function.
- Disclosure of affiliate transactions and any Conflict of Interests are performed through the Directors and Board of Commissioners.
- Provisions of Funds and large funds to Related Parties shall be conducted through loan approval at arm's length.
- Risk Management is well implemented so that the risk that may arise may be managed.



### Governance Outcome

- The Company's performance is positive, including Profitability, Efficiency, and Capital.
- Disclosure of financial and non-financial condition as well as other important information is supported by the Company's informative and easily accessible website for the Stakeholders.
- Sufficient Compliance and Risk Management as well as followup regarding the Audit result.
- The Bank's Business Plan shows the Bank's sustainable growth.



## GOVERNANCE MECHANISM

The GCG mechanism is defined as a process of applying the fundamentals that are dependent on the adequacy of the Company's Governance Structure and its Infrastructure, to yield results to meet the expectations of stakeholders. The process of implementation is inherent within the Governance Structure of an organization, which includes the GMS, Board

of Commissioners, Board of Directors, Committees under the Board of Commissioners, Committees under the Board of Directors, Corporate Secretary, Compliance Function, Internal Audit Function, External Audit Function and Risk Management Function.

## SHAREHOLDERS AND GENERAL MEETING OF SHAREHOLDERS

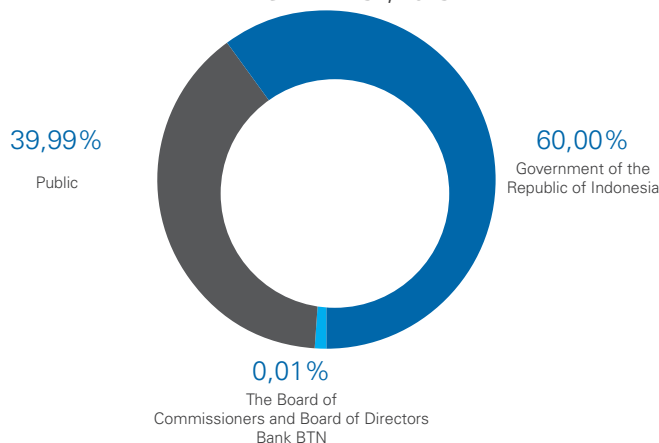
### DEFINITION OF SHAREHOLDERS AND INFORMATION ABOUT THE MAIN SHAREHOLDERS/CONTROLLER OF BANK BTN

Shareholders are individuals or legal entities that are legally registered as shareholders in the Company's Register of Shareholders. As the owner of capital, shareholders exercise their rights and responsibilities on the basis of the principle of fairness in accordance with the Articles of Association and legislation while taking into account the Company's business continuity.

Indonesia as much as 60%, which places the Republic of Indonesia as the Controlling Shareholder. In addition, the Republic of Indonesia also has 1 (one) Dwiwarna A Series Share which gives its holders special rights not owned by other shareholders and at the same time as a Controlling Shareholder. Beyond that, 40% of the Company's shares are owned by the public. The Register of Shareholders as of December 31, 2018 was 10,590,000,000 shares consisting of 1 (one) Series A Dwiwarna share and 10,589,999,999 Series B shares.

As a state-owned bank with a public company status, the Company's largest share ownership is the Republic of

COMPOSITION OF SHAREHOLDERS OF BANK BTN  
PER DECEMBER 31, 2019



### GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders (GMS) is the highest body in the Governance of the Company that functions as a forum for shareholders to make decisions. Decisions taken

at the GMS are based on the interests of the Bank and are implemented fairly and transparently.



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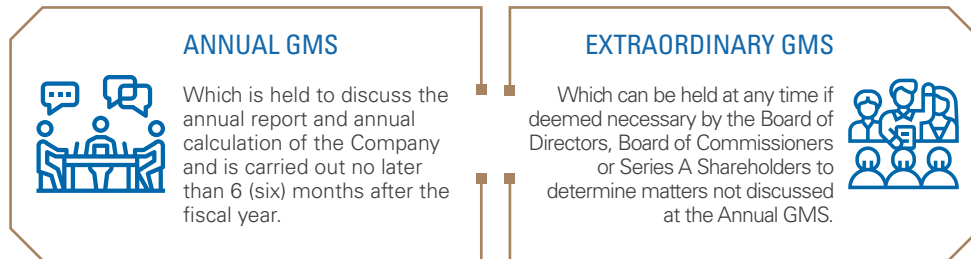
## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### LEGAL BASIS, DEFINITION AND TYPES OF GMS

The GMS is the Company's body, which has authority not granted to the Board of Directors or the Board of Commissioners within the limits specified in Law No. 40 of 2007 concerning Limited Liability Companies and/or

Articles of Association. Based on the Company's Articles of Association the GMS consists of Annual GMS and Extraordinary GMS (EGMS), which can be held at anytime based on the needs.

### TYPES OF GMS BASED ON BANK BTN'S ARTICLES OF ASSOCIATION



### POLICY RELATIONS WITH SHAREHOLDERS

In Article 5 of FSA Regulation Number 35/ POJK.04/2014 concerning the Corporate Secretary of Issuers or Public Companies, one of the functions of the Corporate Secretary is as a liaison between Issuers and Shareholders, FSA and other stakeholders. By the end of 2019, communication

with shareholders was managed through Corporate Secretary with reference to the Company's internal policies that regulate the relationship between the Company and shareholders. The policy includes the management of external and internal communication strategies openly.

### RIGHTS, PRIVILEGES AND RESPONSIBILITIES OF SHAREHOLDERS AT THE GMS

The Company has 2 (two) types of shares, which are Series A Dwiwarna Shares and Series B Shares, with a nominal value of Rp500 (five hundred Rupiahs) per share. Series A Dwiwarna Shareholders are controlling shareholders and have privileges with the following rights and authorities:

#### THE RIGHTS AND PRIVILEGES OF DWIWARNA SERIES A SHAREHOLDERS

- The right of consent at the GMS are the following:
  - Approval of amendments to the Articles of Association;
  - Approval of changes in Capital;
  - Approval of the Appointment and Dismissal of members of the Board of Directors and Board of Commissioners;
  - Approval related to mergers, consolidation, expropriation, separation and dissolution;
  - Approval of remuneration of members of the Board of Directors and Board of Commissioners;
  - Approval of the transfer of assets based on the Articles of Association, which is required to be approved by the GMS;
  - Approval regarding the participation and reduction in the percentage of capital participation in other companies, which based on the Articles of Association must be approved by the GMS;
  - Approval of the use of profit;
  - Approval of investment and long-term financing that is not operational in nature based on the Articles of Association, which requires the approval of the GMS.
- Right to propose candidates as members of the Board of Directors and prospective members of the Board of Commissioners;
- The right to propose GMS agendas;
- The right to request and access Company data and documents.

Apart from the Series A Dwiwarna Share privileges, insofar as it is not determined otherwise by the Articles of Association of the Company, the Series A Dwiwarna Shareholders and Series B Shareholders have the same rights, among others, including the following:




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## EQUAL RIGHTS OF SERIES A DWIWARNA SHAREHOLDERS AND SERIES B SHAREHOLDERS

1. The right to attend, express opinions, and vote in a GMS based on one share, provides the holder the right to cast one vote;
  2. The right to obtain information regarding the Company in a timely, correct and orderly manner, except for confidential matters;
  3. The right to receive a portion of the Company's profits intended for the Shareholders in the form of dividends and other profit sharing, proportional to the number of shares held;
  4. The right to obtain a full explanation and accurate information regarding the procedures that must be fulfilled with regard to the implementation of the GMS;
  5. In the event that there is more than one type and classification of shares in the Company, each shareholder has the right to cast votes in accordance with the type, classification and number of shares in possession, and each shareholder has the right to be treated equally based on the type and classification of shares owned;
  6. The right to transfer, release rights or make a debt guarantee on all or a large portion of the Company's assets more than 50% (fifty percent) of the total value of the Company's net assets in one transaction or several transactions that are independent or related to each other, the Board of
  7. Directors must obtain the approval of the GMS.
- 

Referring to Article 11 and Article 26 of the Company's Articles of Association, the Board of Directors' actions that require the GMS' approval are as follows:

1. Set the limit for offsetting accounts receivables balance;
2. Enter into a cooperation with other business entities or parties in the form of joint operations cooperation, business cooperation, licensing cooperation, Build-Operate and Transfer (BOT), Build, Transfer and Operate (BTO), Build, Operate and Own (BOO), and other agreements of the same nature of which the term period or total value exceeding the limit determined by the Board of Commissioners, which is not conducted for the purpose of operating main business activities commonly carried out in its business line with due observance of prevailing legislation.
3. Transfer the Company's assets or underwrite the Company's assets constituting more than 50% (fifty percent) of the Company's net assets in 1 (one) or more transactions either related or not.
4. Approve actions categorized as material transactions by legislation in the Capital Market with a value of more than 50% of the Company's equity, unless those actions are categorized as material transactions that are excluded by applicable laws and regulations in the Capital market;
5. Approve transactions bearing conflicts of interest as specified in the capital market laws and regulations;
6. Approve to carry out other transactions in order to comply with laws and regulations on the Capital Market;
7. Made changes to the composition of the Board of Directors and the Board of Commissioners, issue Equity Securities and/or increase in issued and paid-up capital;
8. Amend the Articles of Association;
9. Make decision on merger, consolidation, acquisition, separation or submission of an application so that the Company is declared bankrupt and liquidation..

The duties and responsibilities of Shareholders include:

1. Comply with the provisions of the Articles of Association and all laws and regulations;
2. Not be involved in any of the Bank's supervision and management performed by the Board of Commissioners and the Board of Directors;
3. Not utilizing the Company for personal, family, Company or business group interests with intentions and manners that contradict prevailing laws and best practices in the banking industry;
4. Evaluate the performance of the Board of Commissioners and Board of Directors through a GMS mechanism.





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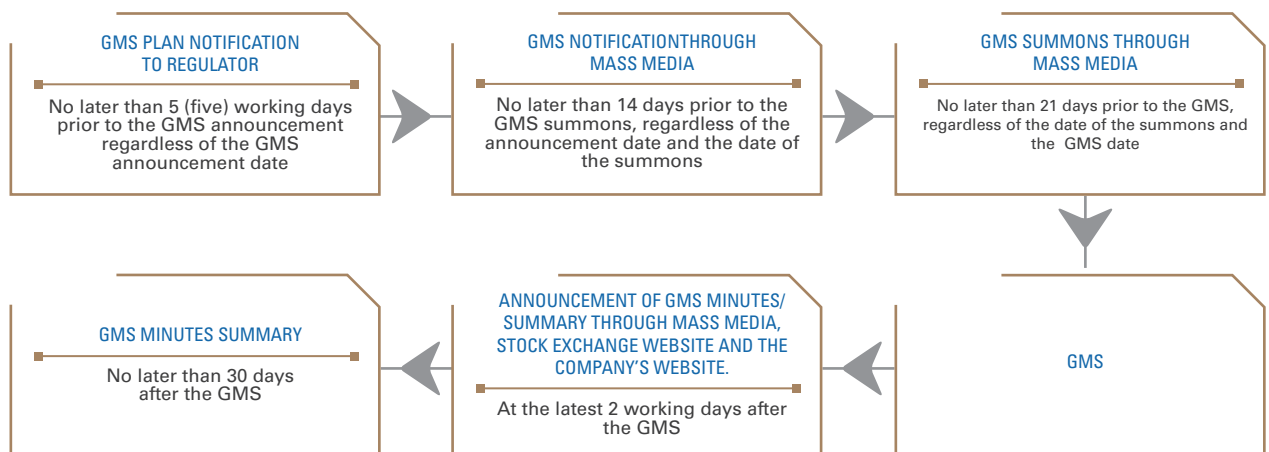
## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### COMPLIANCE WITH THE GMS FOR PUBLIC COMPANIES

The organization of the Company's GMS refers to the Limited Liability Company Law, Financial Services Authority Regulation (POJK) No. 32/POJK.04/2014 concerning the Plan and Organization of GMS of Public Company and the amendments to the regulation through POJK No. 10/POJK.04/2017 concerning amendments to POJK No. 32/

POJK.04/2014. GMS stages are carried out in accordance with POJK No. 32/POJK.04/2014 concerning the Plan and Organization of GMS of Public Company and the amendments to the regulation through POJK No. 10/POJK.04/2017 concerning amendments to POJK No. 32/POJK.04/2014 as follows:

### GMS STAGES FOR PUBLIC COMPANY



In presenting individuals and institutions the opportunity to voice their rights as shareholders, the Company announces and calls for the GMS with each term, at least through 1 (one) nationally circulated Indonesian newspaper, the Indonesian Stock Exchange website and the Company's website both in Indonesian and English.

Subsequent to the execution of the GMS, the Company announces the summary of the minutes of the GMS no later than 2 (two) working days after the GMS is held, in at least 1 (one) Indonesian language newspaper with national circulation, the Indonesian Stock Exchange website and the Company's website in Indonesian and English.

### GMS QUORUM

Attendance quorum and GMS resolutions regarding the decisions made in the GMS shall be performed if the GMS is attended by the Dwiwarna Series A shareholders and other shareholders, and/or their legitimate representatives that represent more than 1/2 (one half) of the total shares with voting rights, and the decision is approved by more than 1/2 (one half) of the total number of shares with voting

rights present at the meeting unless the Law and/or Articles of Association determine a larger quorum number. The GMS is held fairly and transparently, as stipulated in the Financial Services Authority Regulation (POJK) No. 10/POJK.04/2017 regarding the amendment to POJK No. 32/POJK.04/2014 and the Company's Articles of Association.



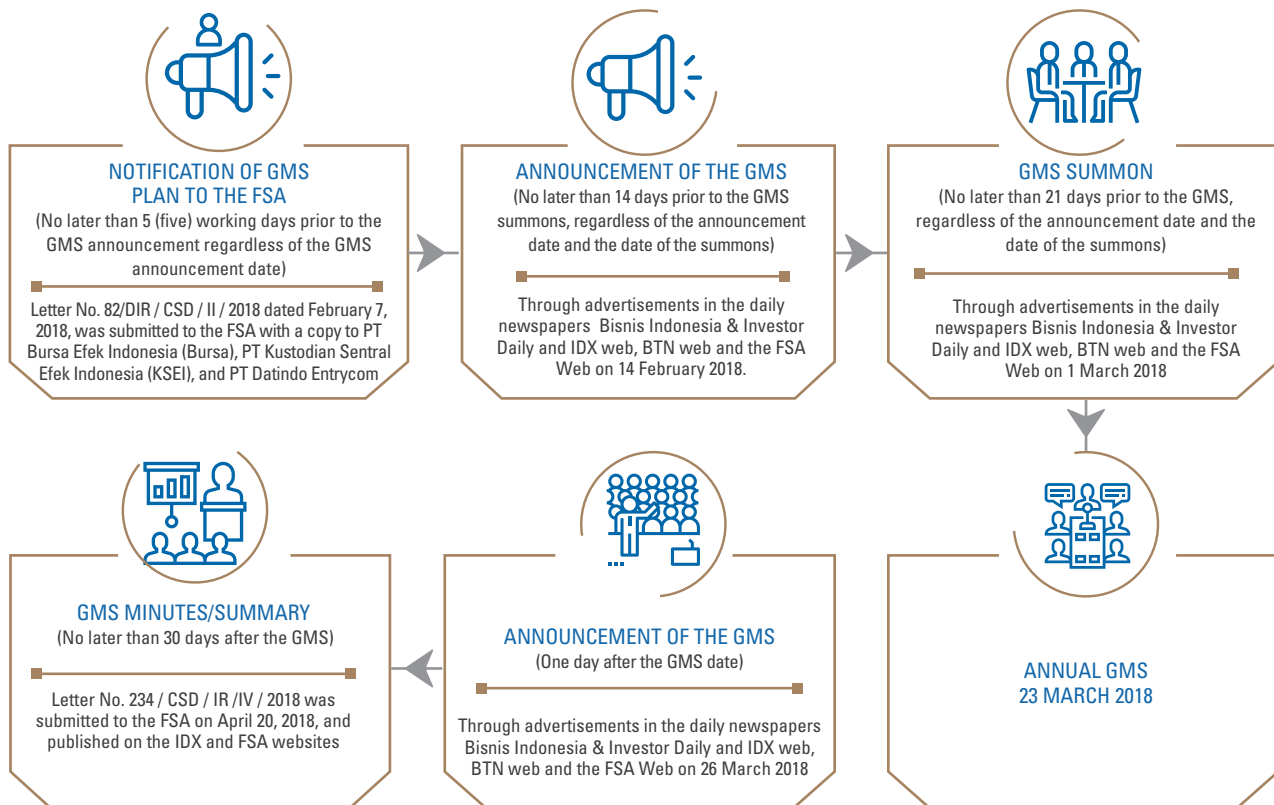
### 2018 GMS AND FOLLOW-UP TO THE RESULTS OF THE 2018 GMS

Throughout 2018, the Company held 1 (one) Annual GMS for accountability for the Fiscal Year 2017 on March 23, 2018.

#### 2018 Annual GMS

<b>Day/Date</b>	: Friday, March 23, 2018
<b>Time</b>	: 14:51 WIB – 17:37 WIB
<b>Place</b>	: Gedung Menara BTN, lantai 6 Jl. Gajah Mada No. 1 Jakarta Pusat 10130

#### 2018 ANNUAL GMS STAGES



The 2018 Annual General Meeting of Shareholders can be submitted as follows:

1. Based on the decision of the Board of Commissioners meeting on March 13, 2018 delivered through a letter by the Company's Board of Commissioners Number 42/KOM/BTN/III/2018 dated March 13, 2018 concerning the Chairman of the 2018 Annual GMS PT Bank Tabungan Negara (Persero) Tbk, and attended by all Board members the Commissioners, Directors and members of the Company's Audit Committee are as follows:



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**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****TABLE ATTENDANCE OF THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND  
AUDIT COMMITTEE IN THE 2018 ANNUAL GMS**

Name	Position	Attended/Absence
I Wayan Agus Mertayasa	President Commissioner/Independent	✓
Kamaruddin Sjam	Independent Commissioner	✓
Arie Coerniadi	Independent Commissioner	✓
Lucky Fathul Aziz Hadibrata	Independent Commissioner	✓
Garuda Wiko	Independent Commissioner	✓
Sumiyati	Commissioner	✓
Maurin Sitorus	Commissioner	✓
Iman Sugema	Commissioner	✓
Maryono	President Director	✓
Iman Nugroho Soeko	Director of Finance & Treasury	✓
Adi Setianto	Director of IT & Operation	✓
Oni Febriarto Rahardjo	Director of Commercial Banking	✓
Budi Satria	Director of Consumer Banking	✓
R. Mahelan Prabantarikso	Director of Strategy, Compliance & Risk	✓
Nixon L.P Napitupulu	Director of Collection, Asset Management & Legal	✓
Dasuki Amsir	Director of Distribution & Network	✓
Kamaruddin Sjam	Chairman of the Audit Committee	✓
I Wayan Agus Mertayasa	Audit Committee Member	✓
Lucky Fathul Aziz Hadibrata	Audit Committee Member	✓
Garuda Wiko	Audit Committee Member	✓
Sondang Gayatri	Audit Committee Member	✓
Rachmat Supratman	Audit Committee Member	✓
Adi Prakoso	Audit Committee Member	✓

✓ = attended | ✗ = absence

## 2. Shareholders Attendance

The meeting was attended by shareholders and/or power of attorney of the shareholders who all had 8,985,474,653 shares including Series A Dwiwarna shares or constituting 84.85% of the total shares with valid voting rights that have been issued by the Company until the Meeting Day, totaling

10,590,000,000 shares consisting of:

- (one) Series A Dwiwarna stock; and
- 10,589,999,999 Series B shares; by observing the Register of Shareholders of the Company on February 28, 2018 until 16:15 Western Indonesia Time.



3. Opportunities to submit questions and/or provide opinions and Decision-Making Mechanism in the Meeting

Shareholders or their proxies were provided with the opportunity to raise questions and/or share opinions. The question and answer session was conducted after the completion of the presentation of the agenda and before the onset of decision making.

Meeting decisions were made by deliberation to reach a consensus. Should the deliberation and consensus be not reached, the decision making in the Meeting was conducted by voting. The first agenda meeting through to the eighth agenda of the meeting was performed openly wherein the Shareholders or their proxies who cast in abstention or those who did not agree were asked to raise their hands and submit their ballots to the officers. Whereas in the the tenth and eleventh Meeting agendas, a closed vote was held in which the Shareholders or their proxies voted by by casting

their ballots provided at the time of registration and submitted to the officers for electronic vote counting. The ninth Meeting agenda was a reporting agenda, hence there was no casting of votes.

4. Independent Voting Counter

The results of the decision-making were calculated by PT Datindo Entrycom as the Securities Administration Bureau and subsequently validated by Notary Ashoya Ratam SH., MKn.

5. Deed of GMS Decision

The results of the 2018 Annual General Meeting Decision have been stated in the Deed "Summary of Minutes of the Annual General Meeting of Shareholders of the Company (Persero) of PT Bank Tabungan Negara Tbk or abbreviated as PT Bank Tabungan Negara (Persero) Tbk", No. 91/III/2018 dated March 23, 2018, made by Notary Ashoya Ratam SH, MKn., Notary in Jakarta.

**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM**

The results of the 2018 Annual GMS decision and the realization or follow-up to the results of the decision can be seen below.

**DECISION AND REALIZATION OF 2018 ANNUAL GMS RESULTS**

Agenda	Decision of 2018 Annual GMS	Follow-up on Results of GMS Decision
1	<p>a. To approve the Company's Annual Report including the Supervisory Task Report that was implemented by the Board of Commissioners for the Financial Year ending December 31, 2017, and to ratify the Company's Financial Report for the Financial Year</p> <p>ending December 31, 2017, which was audited by KAP Purwantono, Sungkoro &amp; Surja - Ernst &amp; Young according to Report No. RPC-5666/PSS/2018 dated February 14, 2018 with reasonable opinions in all material matters.</p> <p>b. To ratify the Annual Report including the Financial Report concerning the implementation of the Partnership and Community Development Program for the Financial Year ending on December 31, 2017, which was audited by KAP Purwantono, Sungkoro &amp; Surja - Ernst &amp; Young in accordance with Report No. RPC-5817 / PSS / 2018 March 9, 2018 with reasonable opinions in all material matters.</p> <p>c. With the approval of the Company's Annual Report including the Supervisory Task Report implemented by the Board of Commissioners and the ratification of the Company's Financial Report for the Financial Year ended December 31, 2017 and approval of the Annual Report including the Financial Report for the implementation of the Partnership Program for the Financial Year, which ends on December 31, 2017, the GMS granted the release of responsibility (acquite at de charge) to the members of the Board of Directors and Board of Commissioners for the management and supervision that was conducted throughout the Fiscal Year that ended on December 31, 2017, insofar as these actions did not constitute a criminal offense, and these actions are reflected in the Annual Report, the Company's Financial Report and Annual Report and Financial Report pertaining to the implementation of the Partnership and Community Development Program for the Financial Year ending on 31 December 2017.</p>	Realized
2	<p>To approve the use of the 2017 net income of Rp3,027,466,149,252.00 as follows:</p> <p>a. Dividends of 20% or Rp605,493,229,850.40 stipulated as a Cash Dividend distributed to Shareholders to be paid under the following conditions:</p> <ul style="list-style-type: none"> <li>• In particular for Government dividends with 60% ownership of shares in the amount of IDR 363,295,937,910.24 to be deposited to the State General Cash Account Number: 502.000000980 at Bank Indonesia in the denomination of Rupiah</li> <li>• Granting the authority and power of attorney to the Board of Directors of the Company with substitution rights to determine the schedule and procedure for the distribution of the 2017 Financial Year dividends in accordance with applicable regulations.</li> </ul> <p>b. As much as 80% or Rp2,421,972,919,401.60 will be used as retained earnings.</p>	Realized



## DECISION AND REALIZATION OF 2018 ANNUAL GMS RESULTS

Agenda	Decision of 2018 Annual GMS	Follow-up on Results of GMS Decision
3	<p>a. To appoint the Purwantono, Sungkoro &amp; Surja - Ernst &amp; Young Public Accounting Firm, as the Public Accountant Office to audit the Company's Financial Statements and Financial Report concerning the implementation of the Partnership and Community Development Program for the 2018 Fiscal Year.</p> <p>b. To authorize the Board of Commissioners of the Company to determine the honorarium and other requirements for the Public Accountant Office, and establish a substitute Public Accountant Office in the case of Purwantono, Sungkoro &amp; Surja - Ernst &amp; Young Public Accountants, for any reason were unable to complete the Audit Report of the Company's Finance and Financial Report regarding the implementation of the Partnership and Community Development Program for the 2018 Fiscal Year, including determining the honorarium and other requirements for the substitute Public Accountant Office.</p>	Realized
4	<p>a. To grant authority and power to the holders of Series A Dwiwarna Shares to determine the amount of bonus for the 2017 Fiscal Year, and determine the salary/honorarium, allowances, facilities and other incentives for members of the Board of Commissioners for 2018.</p> <p>b. To grant authority and power to the Board of Commissioners by first obtaining written approval from the Dwiwarna Series A Shareholder to determine the amount of bonus for the 2017 Financial Year, and determine the salary/honorarium, allowances, facilities and other incentives for members of the Board of Directors for 2018.</p>	Realized
5	To approve the Company's Recovery Plan document in fulfilling the provisions of the Financial Services Authority Regulation (POJK) No. 14/POJK.03/2017 dated April 4, 2017 concerning the Recovery Plans for Systemic Banks.	Realized
6	<p>a. To approve the Funding Adequacy Ratio (RKD) of Company's Pension Fund at a minimum of 107% (one hundred and seven percent).</p> <p>b. To delegate authority to the Board of Commissioners of the Company to make decisions regarding a raise in pension benefits and/or the provision of other benefits on the basis of and by taking into account the proposals of the Board of Directors of the Company, with the following conditions:</p> <ul style="list-style-type: none"> <li>• Fund Adequacy Ratio (RKD) after the increase in pension benefits and/or Other Retirement Benefits provisions referred to in number 1.</li> <li>• Does not create an additional obligation in fees and expenses/liabilities IAS 24 accounting for the Company.</li> </ul>	Realized
7	<p>a. To confirm the enactment of the State-Owned Enterprises Minister Regulation Number: PER-02/MBU/7/2017 concerning the Second Amendment to SOE Minister Regulation Number: PER-09/MBU/07/2015 concerning the State-Owned Enterprise Partnership Program and Community Development Program and its changes.</p> <p>b. To authorize the Board of Commissioners by first obtaining written approval from the Dwiwarna Series A Shareholders regarding the authority of the GMS as stipulated in the Minister of State-Owned Enterprises Regulation Number: PER-09/MBU/07/2015 as previously amended by the Minister of State-Owned Enterprises Number: PER-02/MBU/7/2017 and its changes.</p>	Realized



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### DECISION AND REALIZATION OF 2018 ANNUAL GMS RESULTS

Agenda	Decision of 2018 Annual GMS	Follow-up on Results of GMS Decision
8	<p>a. To approve the amendments of the Company's Articles of Association as stated in the Meeting explanation.</p> <p>b. To approve the re-arrangement of all provisions in the Articles of Association in connection with the changes referred to in item 1 of the above decision.</p> <p>c. To grant power and authority to the Board of Directors of the Company with the right of substitution to take all necessary actions relating to the decisions of the agenda of this Meeting, including drafting and restating the Company's Articles of Association in a Notary Deed and submitting to the competent authority for approval and/or signs of receipt of notification of changes to the Articles of Association of the Company, perform everything deemed necessary and useful for this purpose with none excluded, including to make additions and/or amendments to the Articles of Association if required by the authorized agency.</p>	Realized
9	The Ninth Meeting agenda was a reporting agenda, hence, no decision making involved.	Realized
10	<p>a. To agree to honorably to dismiss these individuals as members of the Company's Sharia Supervisory Board:</p> <ul style="list-style-type: none"> <li>• Mr. Ahmad Nazri Adlani as Chairman</li> <li>• Mr. Mohamad Hidayat as member Anggota</li> <li>• Mr. Muhammad Syakir Sula as member</li> </ul> <p>Dismissal of members of the Sharia Supervisory Board is effective from the closing of this Meeting.</p> <p>b. To appoint the individuals mentioned below as members of the Sharia Supervisory Board:</p> <ul style="list-style-type: none"> <li>• Mr. M. Quraish Shihab as Chairman</li> <li>• Mr. Mohamad Hidayat as a Member</li> <li>• Mr. Muhammad Gunawan Yasni as a Member</li> </ul> <p>under the condition that the appointment of these members, except for Mr. Mohamad Hidayat, be effective after obtaining approval from the Financial Services Authority.</p> <p>c. .The expiration of the Term of Office of the members of the appointed Sharia Supervisory Board of the Company is valid until the closing of the 5th Annual GMS in 2023, with due observance of all laws and regulations without reducing the right of the GMS to terminate them at any time.</p> <p>d. To ratify the delegation of authority to the Board of Commissioners to determine the remuneration of the Company's Sharia Supervisory Board in the context of implementing business activities based on Sharia principles.</p> <p>e. To grant power and authority to the Directors of the Company with the right of substitution to take all necessary actions relating to the decision of this agenda in accordance with all applicable laws and regulations, including to declare it in a separate Notary Deed and notify the Company's Sharia Supervisory Board to the Ministry of Law and Human Rights.</p>	Realized



## DECISION AND REALIZATION OF 2018 ANNUAL GMS RESULTS

Agenda	Decision of 2018 Annual GMS	Follow-up on Results of GMS Decision
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- 11
- a. To honorably dismiss Mr. Adi Setianto as Director of IT & Operation, as of the closing of the Meeting with gratitude for the valuable contribution of energy and thought provided while serving as a member of the Company's Board of Directors.
  - b. To amend the nomenclature of the position of members of the Company's Board of Directors as follows:

Previous Position	New Position
Director of Collection, Asset Management & Legal	Director of Collection & Asset Management
	Director of Strategic Human Capital

- c. To transfer the assignment of Mr. Nixon L.P. Napitupulu who previously served as the Director of Collection, Asset Management & Legal to become the Director of Collection & Asset Management with a Term of Office to continue with the remaining Term of Office since the appointment at the GMS.
- d. To appoint the following people as members of the Company's Board of Directors:
  - Mr. Andi Nirwoto as the Director of IT & Operation;
  - Mr. Yossi Istanto as the Director of Strategic Human Capital.
- e. To appoint Mr. Parman Nataatmadja as a Commissioner of the Company.
- f. The Term of Office of the appointed members of the Board of Directors and the Board of Commissioners of the Company as referred to in number 4 and number 5 is until the closing of the 5th Annual GMS in the 2022 Fiscal Year, with due regard to the Capital Market regulations and without prejudice to the right of the GMS to dismiss at any time.
- g. With the amendments of the Company's Management as referred to in points 1,2,3,4 and 5, the composition of the Company's Board of Directors and Board of Commissioners is presently as follows:

**Board Of Directors**

Jabatan	Nama
President Director	Mr. Maryono
Director of Finance & Treasury	Mr. Iman Nugroho Soeko
Director of IT & Operation	Mr. Andi Nirwoto
Director of Commercial Banking	Mr. Oni Febriarto Rahardjo
Director of Consumer Banking	Mr. Budi Satria
Director of Strategy, Compliance & Risk	Mr. R. Mahelan Prabantarikso
Director of Collection & Asset Management	Mr. Nixon L.P. Napitupulu
Director of Distribution & Network	Mr. Dasuki Amsir
Director of Strategic Human Capital	Mr. Yossi Istanto





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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## DECISION AND REALIZATION OF 2018 ANNUAL GMS RESULTS

Agenda	Decision of 2018 Annual GMS	Follow-up on Results of GMS Decision																				
	<p><b>Board Of Commissioners</b></p> <table border="1"> <thead> <tr> <th style="background-color: #005696; color: white;">Jabatan</th> <th style="background-color: #8B4513; color: white;">Nama</th> </tr> </thead> <tbody> <tr> <td>President Commissioner / Independent</td> <td>Mr. I Wayan Agus Mertayasa</td> </tr> <tr> <td>Commissioner</td> <td>Mr. Iman Sugema</td> </tr> <tr> <td>Non Independent Commissioner</td> <td>Mr. Maurin Sitorus</td> </tr> <tr> <td>Non Independent Commissioner</td> <td>Ms. Sumiyati</td> </tr> <tr> <td>Non Independent Commissioner</td> <td>Mr. Parman Nataatmadja</td> </tr> <tr> <td>Independent Commissioner</td> <td>Mr. Arie Coerniadi</td> </tr> <tr> <td>Independent Commissioner</td> <td>Mr. Lucky Fathul Aziz Hadibrata</td> </tr> <tr> <td>Independent Commissioner</td> <td>Mr. Kamaruddin Sjam</td> </tr> <tr> <td>Independent Commissioner</td> <td>Mr. Garuda Wiko</td> </tr> </tbody> </table>	Jabatan	Nama	President Commissioner / Independent	Mr. I Wayan Agus Mertayasa	Commissioner	Mr. Iman Sugema	Non Independent Commissioner	Mr. Maurin Sitorus	Non Independent Commissioner	Ms. Sumiyati	Non Independent Commissioner	Mr. Parman Nataatmadja	Independent Commissioner	Mr. Arie Coerniadi	Independent Commissioner	Mr. Lucky Fathul Aziz Hadibrata	Independent Commissioner	Mr. Kamaruddin Sjam	Independent Commissioner	Mr. Garuda Wiko	Realized
Jabatan	Nama																					
President Commissioner / Independent	Mr. I Wayan Agus Mertayasa																					
Commissioner	Mr. Iman Sugema																					
Non Independent Commissioner	Mr. Maurin Sitorus																					
Non Independent Commissioner	Ms. Sumiyati																					
Non Independent Commissioner	Mr. Parman Nataatmadja																					
Independent Commissioner	Mr. Arie Coerniadi																					
Independent Commissioner	Mr. Lucky Fathul Aziz Hadibrata																					
Independent Commissioner	Mr. Kamaruddin Sjam																					
Independent Commissioner	Mr. Garuda Wiko																					
	<p>h. To grant power and authority to the Board of Directors of the Company with the right of substitution to take all necessary actions with the decision of this agenda in accordance with all applicable laws and regulations, including to state in a separate notary deed and notify the composition of the Company's Board of Directors and Board of Commissioners to the Ministry of Law and Human Rights, and request the Financial Services Authority to conduct a Capability and Compliance Assessment (fit &amp; proper test) for candidates for the Board of Directors and the Board of Commissioners in accordance with applicable regulations.</p>																					

In agreement with the decision of the GMS Agenda of the Second Meeting as mentioned above, the Meeting has approved and set forth a Cash Dividend for 2017 amounting to Rp605,493,229,850.40 or Rp57.175942 per share to be disbursed to the Company's Shareholders, therefore the schedule and procedure concerning the payment of the Cash Dividends for the 2017 Financial Year, are as follows.

**SCHEDULE AND PROCEDURE FOR PAYING CASH DIVIDENDS FOR THE 2017 FINANCIAL YEAR**  
(REALIZATION OF THE RESULTS OF THE 2ND AGENDA MEETING OF THE 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS, MARCH 23, 2018)

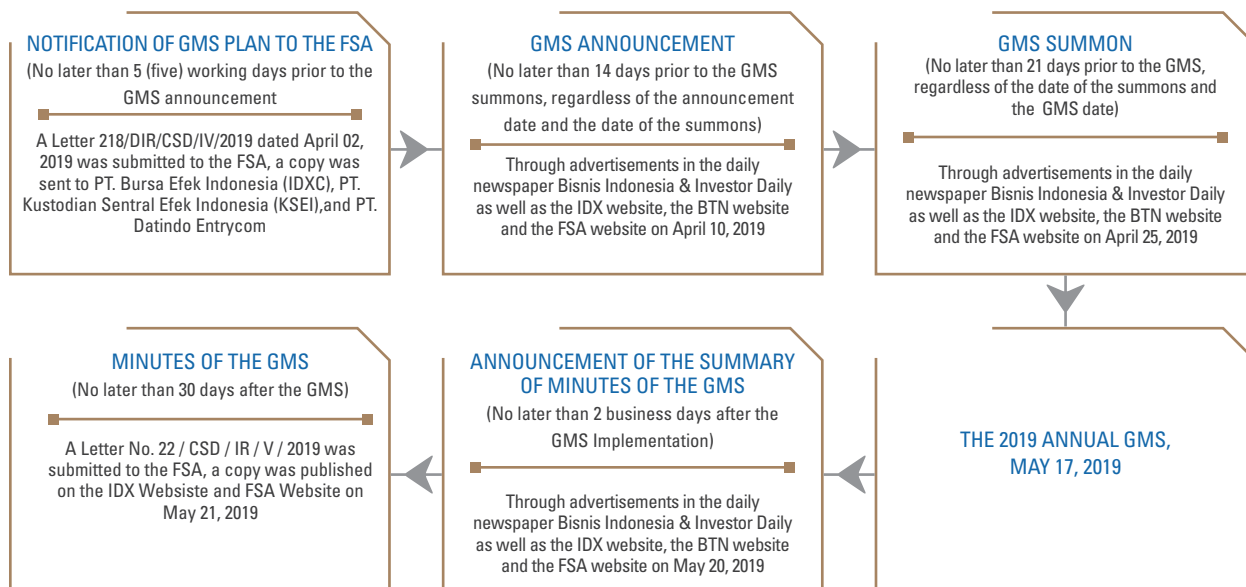
No	Description	Date
1	End of Stock Trading Period with Dividend Rights (Cum Dividend) <ul style="list-style-type: none"> <li>• Regular Market and Negotiation</li> <li>• Cash Market</li> </ul>	April 2, 2018 April 5, 2018
2	Beginning Stock Trading Period Without Dividend Rights (Ex Dividend) <ul style="list-style-type: none"> <li>• Regular Market and Negotiation</li> <li>• Cash Market</li> </ul>	April 3, 2018 April 6, 2018
3	Date of List of Shareholders entitled to Dividends (Record Date)	April 5, 2018
4	Date of Cash Dividend Payment for the 2017 Fiscal Year	April 24, 2018

**IMPLEMENTATION OF THE 2019 GMS AND FOLLOW-UP ON THE RESULTS OF THE 2019 GMS**

In 2019, the Company held 3 (three) GMS, namely the Annual GMS for accountability for the 2018 Fiscal Year which was held on May 17, 2019, and 2 (two) Extraordinary GMS each on August 29, 2019 and November 27, 2019.

**Organizing the 2019 Annual GMS, May 17, 2019**

<b>Day/Date</b>	: Friday, May 17, 2019
<b>Time</b>	: 14.30 – 16.56
<b>Place</b>	: Gedung Menara BTN, lantai 6 Jl. Gajah Mada No. 1 Jakarta Pusat 10130

**THE 2019 ANNUAL GMS STAGES**

The 2019 Annual General Meeting of Shareholders can be submitted as follows:

1. The presence of the Board of Commissioners and Board of Directors and the Audit Committee  
The meeting was chaired by I Wayan Agus Mertayasa as President Commissioner/Independent Commissioner, based on the decision of the Board of Commissioners meeting on May 7, 2019 delivered through a letter by the Company's Board of Commissioners Number 58/KOM/BTN/V/2019 dated May 7, 2019 concerning the Chairman of the 2019 Annual GMS PT Bank Tabungan Negara (Persero) Tbk, and attended by all Board members the Commissioners, Directors and members of the Company's Audit Committee.

**TABLE ATTENDANCE OF THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND AUDIT COMMITTEE IN THE 2019 ANNUAL GMS**

Nama	Jabatan	Hadir/Tidak Hadir
I Wayan Agus Mertayasa	President Commissioner/Independent Commissioner	✓
Kamaruddin Sjam	Independent Commissioner	✓



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**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****TABLE ATTENDANCE OF THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND AUDIT COMMITTEE IN THE 2019 ANNUAL GMS**

Nama	Jabatan	Hadir/Tidak Hadir
Arie Coerniadi	Independent Commissioner	✓
Lucky Fathul Aziz Hadibrata	Independent Commissioner	✓
Garuda Wiko	Independent Commissioner	✓
Sumiyati	Commissioner	✓
Maurin Sitorus	Commissioner	✓
Iman Sugema	Commissioner	✓
Maryono	President Director	✓
Iman Nugroho Soeko	Director of Finance & Treasury	✓
Andi Nirwoto	Director of IT & Operation	✓
Oni Febriarto Rahardjo	Director of Commercial Banking	✓
Budi Satria	Director of Consumer Banking	✓
R. Mahelan Prabantarikso	Director of Strategy, Compliance & Risk	✓
Nixon L.P Napitupulu	Director of Collection & Asset Management	✓
Dasuki Amsir	Director of Distribution & Network	✓
Yossi Istanto	Director of Strategic Human Capital	✓
Kamaruddin Sjam	Chairman of the Audit Committee	✓
I Wayan Agus Mertayasa	Audit Committee Member	✓
Lucky Fathul Aziz Hadibrata	Audit Committee Member	✓
Garuda Wiko	Audit Committee Member	✓
Rachmat Supratman	Audit Committee Member	✓
Adi Prakoso	Audit Committee Member	✓

✓ = attended | ✗ = absence

Of the 9 (nine) members of the Board of Commissioners, there is 1 (one) member of the Board of Commissioners who was absent, namely Parman Nataatmadja because he was appointed as President Commissioner of PT Bank BRI Syariah Tbk based on the decision of the Annual General Meeting of Shareholders of PT BRI Syariah Tbk on April 29, 2019 so that there were 8 (eight) members of the Board of Commissioners present at the Company Meeting.

## 2. Presence of Shareholders

The meeting was attended by shareholders and/or representative attorney of shareholders who all owned 8,651,824,525 shares including Series A Dwiwarna shares or constituted 81.70% of the total shares with valid voting rights issued by the Company until the day of the Meeting, namely a total of 10,590,000,000 shares consisting of:



- a. 1 (one) Series A Dwiwarna share; and
  - b. 10,589,999,999 Series B shares; by taking into account the Company's Register of Shareholders as of April 24, 2019 until 16:15 Western Indonesia Time.
3. Opportunities to submit questions and/or provide opinions and Decision-Making Mechanism in the Meeting.  
Shareholders or their proxies were provided with the opportunity to raise questions and/or share opinions. The question and answer session was conducted after the completion of the presentation of the agenda and before the onset of decision making, except for the agenda of the fifth meeting, no question and answer session and decision making.
  4. Decision Making Mechanism in Meetings  
Meeting decisions were made by deliberation to reach a consensus. Should the deliberation and consensus be not reached, the decision making in the Meeting was conducted by voting. The first agenda meeting through to the fourth and sixth agenda of the meeting was performed openly wherein the Shareholders or their proxies who cast in abstention or those who did not agree were asked to raise their hands and submit their ballots to the officers. Whereas in the seventh Meeting agendas, a closed vote was held in which the Shareholders or their proxies voted by casting their ballots provided at the time of registration and submitted to the officers for electronic vote counting.
  5. Independent Voting Counter  
The results of the decision-making were calculated by PT Datindo Entrycom as the Securities Administration Bureau and subsequently validated by Notary Ashoya Ratam SH., MKn.
  6. Deed of GMS Resolution  
The results of the 2019 Annual General Meeting decision, May 17, 2019, have been stated in the Deed "Summary of Minutes of the Annual General Meeting of Shareholders of the Company (Persero) of PT Bank Tabungan Negara Tbk or abbreviated as PT Bank Tabungan Negara (Persero) Tbk", No. 91 dated May 17, 2019, made by Notary Ashoya Ratam SH, MKn., Notary in Jakarta.

The FY2019 Annual GMS resolutions and realization or follow-up to the resolution can be seen below:

### RESOLUTION AND REALIZATION OF THE ANNUAL GMS DATED MAY 17, 2019

#### Meeting Agenda and Resolutions and Follow-up on the Meeting Resolutions

##### Agenda 1

Approval of the Annual Report and Ratification of the Company's Financial Statements for Fiscal Year 2018 and Approval of the Board of Commissioners' Supervisory Report in 2018 and Ratification of the Financial Statements for the Implementation of Partnership and Community Development Program in 2018 as well as Granting Full Payment and Releasing Responsibility (volledig acquit et decharge) to the Board of Directors for Managing the Company and the Board of Commissioners for Supervising the Company during Fiscal Year 2018.



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### RESOLUTION AND REALIZATION OF THE ANNUAL GMS DATED MAY 17, 2019

#### Meeting Agenda and Resolutions and Follow-up on the Meeting Resolutions

**Number of Questioner:**

1 (one) person

**Voting Results:**

Agree :8.632.763.529 (99,78%)  
Disagree :Zero  
Abstention :19.060.996 (0,22%)

**Resolutions:**

1. a. To approve the Company's Annual Report including the Supervisory Task Report that was implemented by the Board of Commissioners for the Financial Year 2018, and to ratify the Company's Financial Report for the Financial Year 2018, which was audited by KAP Purwantono, Sungkoro & Surja - Ernst & Young according to Report No. 00354/2.1032/AU.1/07/07032/1/III/2019 dated March 28, 2019 with reasonable opinions in all material matters.
- b. To ratify the Annual Report including the Financial Report concerning the implementation of the Partnership and Community Development Program for the Financial Year 2018, which was audited by KAP Purwantono, Sungkoro & Surja - Ernst & Young in accordance with Report No. 00654/2.1032/AU.2/10/0703-2/1/III/2019 March 28, 2019 with reasonable opinions in all material matters.
2. With the approval of the Company's Annual Report including the Supervisory Task Report implemented by the Board of Commissioners and the ratification of the Company's Financial Report for the Financial Year 2018 and approval of the Annual Report including the Financial Report for the implementation of the Partnership Program for the Financial Year 2018, the GMS granted release of responsibility (acquite at de charge) to the members of the Board of Directors and Board of Commissioners for the management and supervision that was conducted throughout the Fiscal Year 2018, insofar as these actions did not constitute a criminal offense, and these actions are reflected in the Annual Report, the Company's Financial Report and Annual Report and Financial Report pertaining to the implementation of the Partnership and Community Development Program for the Financial Year 2018.

**Follow-up of the Resolutions:**

Realized.

**Agenda 2:**

Determination of the Use of the Company's Net Profit for Fiscal Year 2018.

**Number of Questioners:**

None.

**Voting Results:**

Agree : 8.643.826.120 (99,91%)  
Disagree : 7.621.100 (0,09%)  
Abstention : 377.305 (0,00%)

**Resolutions:**

Approved the use of net income for 2018 of Rp2.807.921.063.074,00 as follows:

1. Dividend of 20% or Rp561.584.212.615,00 set forth as Cash Dividends and distributed to Shareholders, which will be paid under the following conditions:
  - a. Particularly for dividends of the Government portion of Share ownership with 60% amounting to Rp336.950.527.569,00, which will be deposited to the State General Cash Account in Rupiah.
  - b. Granted the authority and power to the Board of Directors of the Company with substitution rights to determine the schedule and procedures for the distribution of the 2018 Financial Year dividends in accordance with all applicable regulations.
2. As much as 80% or Rp2.246.336.850.459,00 will be used as retained earnings.

**RESOLUTION AND REALIZATION OF THE ANNUAL GMS DATED MAY 17, 2019****Meeting Agenda and Resolutions and Follow-up on the Meeting Resolutions****Follow-up of the Meeting Resolutions:**

In accordance with the decision of the 2nd Meeting Agenda as mentioned above where the Meeting has approved and determined a cash dividend for the fiscal year 2018 of Rp561,584,212,615.00 or Rp.53,029671 per share to be distributed to the Shareholders of the Company, The following is information on the follow-up on the Company regarding the schedule and procedure for payment of cash dividends for the 2018 fiscal year.

**Schedule and Procedure for FY2018 Cash Dividends Payout**

No	Description	Date
1	End of Stock Trading Period with Dividend Rights (Cum Dividend) <ul style="list-style-type: none"> <li>Regular Market and Negotiation</li> <li>Cash Market</li> </ul>	May 27, 2019 May 29, 2019
2	Beginning Stock Trading Period Without Dividend Rights (Ex Dividend) <ul style="list-style-type: none"> <li>Regular Market and Negotiation</li> <li>Cash Market</li> </ul>	May 28, 2019 May 31, 2019
3	Date of List of Shareholders entitled to Dividends (Record Date)	May 29, 2019
4	Date of Cash Dividend Payment for the 2018 Fiscal Year	June 12, 2019

**Agenda 3:**

Determination of Remuneration/earnings for the Board of Directors and Board of Commissioners for 2019 and Tantiem for Fiscal Year 2018 for the Board of Directors and Board of Commissioners of the Company.

**Number of Questioners:**

None

**Voting Results:**

Agree : 8.610.196.157 (99,52%)  
Disagree : 40.648.463 (0,47%)  
Abstention : 979.905 (0,01%)

**Resolutions:**

- Granted the authority and power to the holders of Series A Dwiwarna Shares to determine the amount of bonus for the 2018 Financial Year, and determine the salary/honorarium, allowances, facilities and other incentives for members of the Board of Commissioners for 2019.
- Granted authority and power to the Board of Commissioners by first obtaining written approval from the Series A Dwiwarna Shareholder to determine the amount of bonus for the 2018 Financial Year, and determining the salary/honorarium, allowances, facilities and other incentives for the Board of Directors for 2019.

**Follow-up of the Meeting Resolutions:**

Board of Commissioners Letter No. 083/KOM/BTN/2019 dated May 31, 2019 concerning the Determination of the Remuneration of the Board of Directors and Board of Commissioners in 2019.



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### RESOLUTION AND REALIZATION OF THE ANNUAL GMS DATED MAY 17, 2019

#### Meeting Agenda and Resolutions and Follow-up on the Meeting Resolutions

##### Agenda 4:

Determination of Public Accounting Firm to audit the Company's Financial Statements for Fiscal Year 2019 and the Financial Statements for the Implementation of the Partnership and Community Development Program for 2019.

##### Number of Questioners:

None

##### Voting Results:

Agree	: 8.189.716.596 (94,66%)
Disagree	: 385.321.593 (4,45%)
Abstention	: 76.786.336 (0,89%)

##### Resolutions:

1. Appointed the Purwantono, Sungkoro & Surja (Ernst & Young Global Limited) Public Accountant Office, as the Public Accountant Office that will conduct the External Audit of the Company's Financial Statements and the Financial Report regarding the implementation of the Partnership and Community Development Program for the 2019 Fiscal Year.
2. Granted power to the Board of Commissioners of the Company to determine the honorarium and other requirements for the Public Accountant Office, and to determine the substitute Public Accountant Office in the case of Purwantono, Sungkoro & Surja (Ernst & Young Global Limited) Public Accountants for any reason were unable to complete the External Audit of the Company's Financial Statements and Financial Statements regarding the implementation of the Partnership Program and Community Development Program for the 2019 Financial Year, including determining the honorarium and other requirements for the substitute Public Accountant Office.

##### Follow-up of the Meeting Resolutions:

Public Accountants Firm Purwantono, Sungkoro & Surja (Ernst & Young Global Limited) has been appointed to audit the Company's Financial Statements and Financial Statements for the Implementation of the Partnership and Community Development Program for Fiscal Year 2019 through Cooperation Agreement Number 24 / SPP / PGSD / VIII / 2019 dated August 30, 2019.

##### Agenda 5:

Establishment of the Company's Employer Pension Fund - Fixed Premium Pension Plan.

##### Resolution:

With due regard to the Financial Services Authority Regulation No. 13/POJK.05/2016 dated March 1, 2016 concerning Procedures for Requests for Ratification of Establishment of Employer Pension Fund and Ratification of Changes in the Pension Fund Regulation of Employer Pension Fund and considering the need for approval from the Regulator, for that the Company will review the planned establishment of the Company's Employer Pension Fund – Fixed Premium Pension Plan, accordingly, the Fifth Agenda of the Meeting no question and answer session and decision-making were conducted.

##### Follow-up on the Meeting Resolution:

The Company is considering the SOE Ministry's strategic plan to unite the Pension Funds managed by each SOE company so that the Establishment of the Company's Retirement Pension Funds for Defined Contribution Pension Program is not followed up.

**RESOLUTION AND REALIZATION OF THE ANNUAL GMS DATED MAY 17, 2019****Meeting Agenda and Resolutions and Follow-up on the Meeting Resolutions****Agenda 6:**

Takeover of Shares of PT Permodalan Nasional Madani Investment Management.

**Number of Questioners:**

None.

**Voting Results:**

Agree : 6.887.596.349 (79,61%)  
 Disagree : 1.550.036.176 (17,92%)  
 Abstention : 214.192.000 (2,47%)

**Resolutions:**

1. Approved the plan to acquire shares of PT Permodalan Nasional Madani (Persero) ("PNM") in PT PNM Investment Management ("PNMIM"), in a maximum amount of 85% or equivalent to 93,500 shares which will be carried out in stages.
2. Authorized the Board of Directors of the Company to carry out the acquisition of PNM shares in PNMIM, and to take all necessary actions with due regard to the provisions in the Articles of Association and applicable laws and regulations..

**Follow-up on the Meeting Resolutions:**

The plan for Phase I Purchase of PNM's shares in PT. PNMIM is still in the process of awaiting the FSA's approval.

**Agenda 7:**

Changes in the composition of the Company's Management.

**Number of Questioners:**

None.

**Voting Results:**

Agree : 7.081.219.844 (81,85%)  
 Disagree : 1.550.490.976 (17,92%)  
 Abstention : 20.113.705 (0,23%)

**Resolutions:**

Changes in the composition of the Company's members of Board of Directors are as follows:

1. Honorably dismissed Mr. Iman Nugroho Soeko as Director of Finance & Treasury, as of the closing of this Meeting, with gratitude for the contribution of energy and thoughts given during his tenure as Member of the Company's Board of Directors.
2. Changed the nomenclature of the position of the Company's Board of Directors, as follows:

Previously	At Present
Director of Strategy, Compliance & Risk	Director of Compliance
Director of Finance & Treasury	Director of Finance, Treasury & Strategy





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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### RESOLUTION AND REALIZATION OF THE ANNUAL GMS DATED MAY 17, 2019

#### Meeting Agenda and Resolutions and Follow-up on the Meeting Resolutions

3. Transferred the assignments of Mr. R. Mahelan Prabantarikso who was appointed based on the decision of the Annual GMS for Fiscal Year 2016 from previously serving as Director of Strategy, Compliance & Risk to serve as Director of Compliance, continuing the remaining term of office in accordance with the GMS decision on the appointment concerned, as well as assigning Mr. Nixon L.P Napitupulu to carry out his duties as Director of Finance, Treasury & Strategy in addition to carrying out his duties as Director of Collection & Asset Management until the appointment of the definitive Director of Finance, Treasury & Strategy.
4. With the dismissal, changed nomenclature of positions and the transfer of duties of members of Board of Directors as referred to in number 1, number 2 and number 3, the composition of members of the Board of Directors of the Company shall be as follows:  
President Director: Maryono  
Director of Commercial Banking: Oni Febriarto R.  
Director of Consumer Banking: Budi Satria  
Director of Compliance: R. Mahelan Prabantarikso  
Director of Collection & Asset Management and concurrent as Acting Director of Finance, Treasury & Strategy: Nixon L.P Napitupulu  
Director of Distribution & Network: Dasuki Amsir  
Director of Strategic Human Capital: Yossi Istanto  
Director of IT & Operation: Andi Nirwoto
5. Granted power of attorney with the right of substitution to the Directors of the Company to state the decisions of this Meeting in the form of Notary Deed and appear before the Notary or the authorized official and make any necessary adjustments or corrections if required by the competent authorities for the implementation of the Meeting's decision.

Changes in the composition of the Company's Board of Commissioners are as follows:

1. Honorably dismissed these names below as Members of the Company's Board of Commissioners:
  - a. I Wayan Agus Mertayasa as President/Independent Commissioner
  - b. Parman Nataatmadja as Commissioner
  - c. Maurin Sitorus as Commissioner

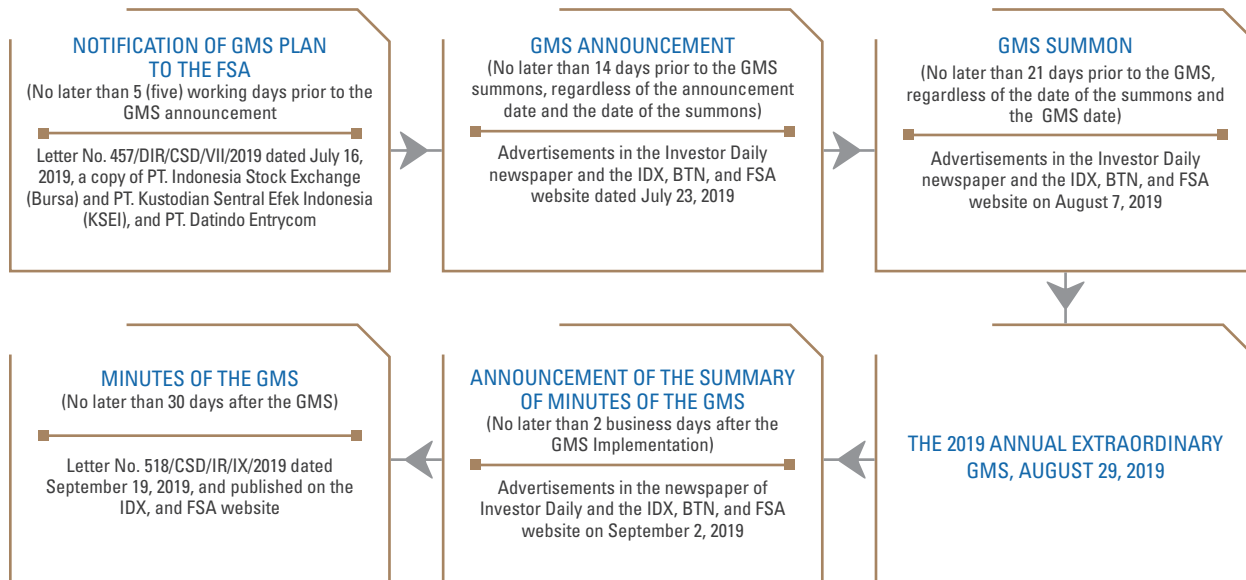
As of the closing of this Meeting, with gratitude for the valuable contributions and opinions provided while serving as members of the Board of Commissioners of the Company.
2. Appointed the names below as Members of the Company's Board of Commissioners:
  - a. Asmawi Syam as President Commissioner
  - b. Eko D. Heripoerwanto as Commissioner
3. The term of office of Members of the Board of Commissioners appointed as referred to in number 2, in accordance with the provisions of the Company's Articles of Association, with due regard to the laws and regulations in the Capital Market and without prejudice to the right of the GMS to dismiss at any time.
4. With the dismissal and appointment of the Members of the Board of Commissioners as referred to in number 1 and number 2, the composition of the Company's Board of Commissioners becomes as follows:
  - a. President Commissioner : Asmawi Syam
  - b. Commissioner : Iman Sugema
  - c. Commissioner : Eko D. Heripoerwanto
  - d. Commissioner : Sumiyati
  - e. Independent Commissioner : Garuda Wiko
  - f. Independent Commissioner : Lucky Fathul Aziz Hadibrata
  - g. Independent Commissioner : Kamaruddin Sjam
  - h. Independent Commissioner : Arie Coerniadi
5. Members of the Board of Commissioners who are appointed as referred to in number 2 who still hold positions other than as Members of the Board of Commissioners of a State-Owned Enterprise, then they must resign or be dismissed from their positions.
6. Granted power of attorney with the right of substitution to the Board of Directors of the Company to state the decisions of this Meeting in the form of Notary Deed and appear before the Notary or authorized officer and make any necessary adjustments or corrections if required by the competent authorities for the implementation of the Meeting's decision.

Follow-up of the Meeting Resolutions:

Has been realized.

**Extraordinary GMS August 29, 2019**

<b>Day/Date</b>	: Thursday, August 29, 2019
<b>Time</b>	: 15:35 WIB – 17:04 WIB
<b>Place</b>	: Gedung Menara BTN, lantai 6 Jl. Gajah Mada No. 1 Jakarta Pusat 10130

**EXTRAORDINARY GMS AUGUST 29, 2019 STAGES**

The implementation of the Extraordinary General Meeting of Shareholders on August 29, 2019 can be submitted as follows:  
The meeting was chaired by Kamaruddin Sjam as an Independent Commissioner delivered through the Board of Commissioners' letter No. 113/KOM/BTN/VIII/2019 dated August 13, 2019 regarding the Chairperson of the Extraordinary General Meeting of Shareholders of 2019 PT Bank Tabungan Negara (Persero) Tbk, and was attended by members of the Board of Commissioners, all members of the Board of Directors and all members of the Company's Audit Committee.

**ATTENDANCE OF THE BOARD OF COMMISSIONERS, DIRECTORS AND AUDIT COMMITTEE AT THE EXTRAORDINARY GMS ON AUGUST 29, 2019**

Nama	Jabatan	Hadir/Tidak Hadir
Asmawi Syam	President/Independent Commissioner	✓
Kamaruddin Sjam	Independent Commissioner	✓
Arie Coerniadi	Independent Commissioner	✓
Lucky Fathul Aziz Hadibrata	Independent Commissioner	✓



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### ATTENDANCE OF THE BOARD OF COMMISSIONERS, DIRECTORS AND AUDIT COMMITTEE AT THE EXTRAORDINARY GMS ON AUGUST 29, 2019

Nama	Jabatan	Hadir/Tidak Hadir
Garuda Wiko	Independent Commissioner	✓
Sumiyati	Commissioner	✓
Iman Sugema	Commissioner	✓
Eko D. Heripoerwanto	Commissioner	✓
Maryono	President Director	✓
Andi Nirwoto	Director of IT & Operation	✓
Oni Febriarto Rahardjo	Director of Commercial Banking	✓
Budi Satria	Director of Consumer Banking	✓
R. Mahelan Prabantarikso	Director of Compliance	✓
Nixon L.P Napitupulu	Director of Collection & Asset Management concurrent as Acting Director of Finance, Treasury & Strategy	✓
Dasuki Amsir	Director of Distribution & Network	✓
Yossi Istanto	Director of Strategic Human Capital	✓
Kamaruddin Sjam	Chairman of Audit Committee	✓
Lucky Fathul Aziz Hadibrata	Member of Audit Committee	✓
Garuda Wiko	Member of Audit Committee	✓
Rachmat Supratman	Member of Audit Committee	✓
Adi Prakoso	Member of Audit Committee	✓

#### 7. Presence of Shareholders

The meeting was attended by shareholders and/or representative attorney of shareholders who all owned 8.725.174.686 shares including Series A Dwiwarna shares or constituted 82.39% of the total shares with valid voting rights issued by the Company until the day of the Meeting, namely a total of 10,590,000,000 shares consisting of:

- a. - 1 (one) Series A Dwiwarna share; and
- b. - 10,589,999,999 Series B shares; by taking into account the Company's Register of Shareholders as of August 6, 2019 until 16:15 Western Indonesian Time.

Opportunities to submit questions and/or provide opinions and Decision-Making Mechanism in the Meeting

In every Meeting, the Chairperson gives the opportunity to the Shareholders or their Proxies to submit questions and/or opinions in writing after the discussion of the agenda of the Meeting and before the voting, except for the first meeting agenda there was no question and answer session, only reports.

Meeting decisions were made by deliberation to reach a consensus. Should the deliberation and consensus be not reached, the decision making in the Meeting was conducted by voting. For the agenda of the first meeting no decision was made because it was only a report. For the agenda of the second meeting the voting was held openly, wherein the Shareholders or their proxies who cast in abstention or those who did not agree were asked to raise their hands and submit their



ballots to the officers. In the third Meeting agendas, a closed vote was held in which the Shareholders or their proxies voted by casting their ballots provided at the time of registration and submitted to the officers for electronic vote counting.

#### 8. Independent Voting Counter

The results of the decision-making were calculated by PT Datindo Entrycom as the Securities Administration Bureau and subsequently validated by Notary Ashoya Ratam SH., MKn.

#### 9. Deed of GMS Resolutions

Resolutions of the FY2019 Extraordinary General Meeting dated May 17, 2019, have been stated in the Deed "Summary of Minutes of the Extraordinary General Meeting of Shareholders of the Company (Persero) of PT Bank Tabungan Negara Tbk or abbreviated as PT Bank Tabungan Negara (Persero) Tbk", No. 457/VIII/2019 dated August 29, 2019, made by Notary Ashoya Ratam SH, MKn., Notary in Jakarta.

The FY2019 Extraordinary GMS resolution and realization or follow-up of the resolutions can be seen below.

### EXTRAORDINARY GMS, AUGUST 29, 2019 RESOLUTIONS AND REALIZATION

#### Meeting Agenda and Resolution

##### Agenda 1:

Company Performance Evaluation up to Semester I of 2019.

Number of Questioners, Voting Results and Decisions:

No question and answer session, voting and decision making were conducted because they were reports.

Follow-up of the Resolution:

Not required.

##### Agenda 2:

Planned Purchase of Venture Capital Company Shares in Stages.

Number of Questioners:

There are 5 (five) questioners.

Voting Results:

Agree : 7.112.342.637 (81,51%)

Disagree : 1.594.711.649 (18,28%)

Abstention : 18.120.400 (0,21%)

Resolutions:

1. Approved the plan to acquire PT Sarana Papua Ventura ("SPV") shares, in the maximum amount of 90% which will be carried out in stages.
2. Authorized the Board of Directors of the Company to carry out the acquisition of SPV shares, and to carry out all necessary actions by taking into account the provisions in the Articles of Association and applicable laws and regulations.

Follow-up of the Resolutions:

Still in the process of negotiation with PT Bahana Arta Ventura as a shareholder of PT SPV.



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### EXTRAORDINARY GMS, AUGUST 29, 2019 RESOLUTIONS AND REALIZATION

#### Meeting Agenda and Resolution

##### Agenda 3:

Changes in the composition of the Company's Management.

##### Number of Questioners:

1 (one) questioner.

##### Voting Results:

Agree : 7.110.989.746 (81,50%)  
Disagree : 1.595.911.930 (18,29%)  
Abstention : 18.273.010 (0,21%)

##### Resolutions:

Changes in the composition of the Company's Board of Commissioners are as follows:

1. Honorably dismissed Sumiyati as member of the Company's Board of Commissioners.  
The dismissal of the member of the Board of Commissioners counts since the closing of the Meeting with gratitude for the valuable contributions and opinions provided while serving as a member of the Board of Commissioners.
2. Appointed Marwanto as member of the Company's Board of Commissioners.  
The appointment of the aforementioned Commissioner shall be effective after obtaining approval from the Financial Services Authority on the fit and proper test and in compliance with applicable laws and regulations. The term of office of the appointed member of the Board of Commissioners expires until the closing of the 5th (fifth) Annual GMS since the appointment of the relevant member without prejudice to the right of the GMS to dismiss at any time.
3. The changes in the composition of the Board of Commissioners are as follows:
 

President Commissioner	: Asmawi Syam
Commissioner	: Iman Sugema
Commissioner	: Eko D. Heripoerwanto
Commissioner	: Marwanto
Independent Commissioner	: Garuda Wiko
Independent Commissioner	: Lucky Fathul Aziz Hadibrata
Independent Commissioner	: Kamaruddin Sjam
Independent Commissioner	: Arie Coerniadi

Granted power and authority to the Directors of the Company with the right of substitution to take all necessary actions related to the decision of this agenda in accordance with applicable laws and regulations, including to state in a separate Notary Deed and notify the composition of the Board of Commissioners to the Ministry of Law and Human Rights.

Changes in the composition of the Company's Board of Directors are as follows:

1. Honorably dismissed Maryono as Managing Director as of the closing of the Meeting, with gratitude for the valuable contributions, energy and opinions provided while serving as member of the Company's Board of Directors.
2. Transferred the assignment of Nixon L.P Napitupulu who was appointed based on the decision of the 2017 Financial Year GMS which was originally as the Director of Collection & Asset Management became Director of Finance, Treasury & Strategy, continuing the remaining term of office, in accordance with the GMS Decree of the relevant appointment.
3. Appointed the names below as members of the Company's Board of Directors:
  - a. Suprajarto as President Director
  - b. Elisabeth Novie Riswanti as Director of Collection & Asset Management.

**EXTRAORDINARY GMS, AUGUST 29, 2019 RESOLUTIONS AND REALIZATION****Meeting Agenda and Resolution**

4. With the dismissal, assignment and appointment of members of the Board of Directors as referred to in number 1, number 2 and number 3, the composition of the Company's Board of Directors membership shall be as follows:
  - a. President Director: Suprajarto
  - b. Director of Strategic Human Capital: Yossi Istanto
  - c. Director of Consumer Banking: Budi Satria
  - d. Director of Commercial Banking: Oni Febriarto R.
  - e. Director of Collection & Asset Management: Elisabeth Novie Riswanti
  - f. Director of IT & Operation: Andi Nirwoto
  - g. Director of Distribution & Network: Dasuki Amsir
  - h. Director of Finance, Treasury & Strategy: Nixon L.P Napitupulu
  - i. Director of Compliance: R. Mahelan Prabantarikso
5. Appointed members of the Board of Directors as referred to in number 3 can only carry out their duties as members of the Board of Directors after obtaining approval from the Financial Services Authority.
6. Members of the Board of Directors appointed as referred to in number 3 who still hold positions other than as members of the Board of Directors of a State-Owned Enterprise, which is prohibited by the legislation, must resign or be dismissed from their position.
7. Granted power of attorney with the right of substitution to the Board of Directors of the Company to state the resolutions of the Meeting in the form of Notary Deed and appear before the Notary or the authorized official, and make necessary adjustments or corrections if required by the competent authorities for the implementation of the Meeting's decision.

**Follow-up of the Resolutions:**

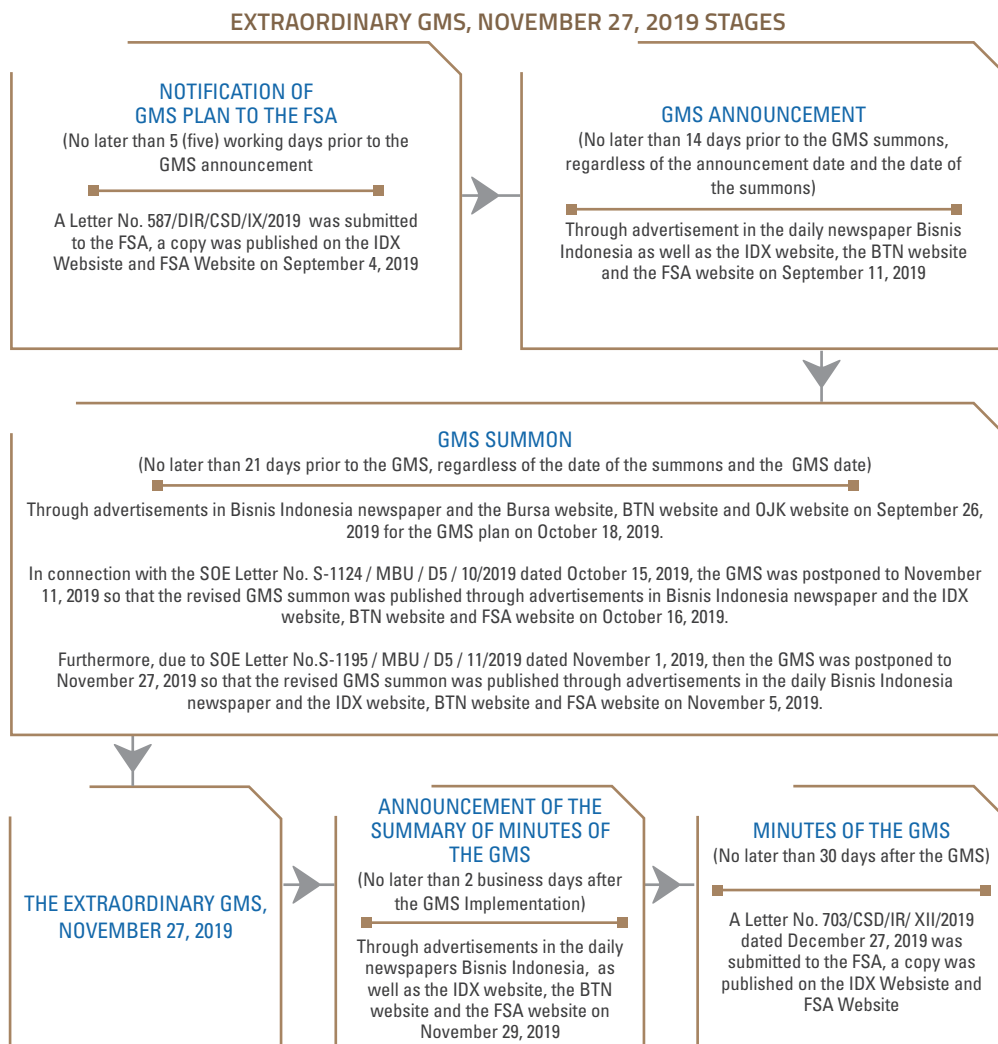
On August 30, 2019, the Company's Board of Directors received a letter of resignation from Suprajarto as President Director of the Company dated August 29, 2019. Accordingly, referring to Article 12 of the Company's Articles of Association, the Company's Board of Directors appointed Oni Febriarto R, Director of Commercial Banking, who would carry out on behalf of the Board of Directors the duties of the President Director of the Company. Referring to Article 11 Paragraph (22) Letter a, the Company has held General Meeting of Shareholders on November 27, 2019 to decide upon the resignation of Mr. Suprajarto.

**Extraordinary GMS, November 27, 2019**

<b>Day/Date</b>	: Wednesday, November 27, 2019
<b>Time</b>	: 15:18 – 16:07 WIB
<b>Tempat</b>	: Gedung Menara BTN, lantai 6 Jl. Gajah Mada No. 1 Jakarta Pusat 10130



## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM



Pelaksanaan RUPS Luar Biasa 27 November 2019 dapat disampaikan sebagai berikut The implementation of the Extraordinary GMS on November 27, 2019 can be submitted as follows:

1. The presence of the Board of Commissioners, Board of Directors and Audit Committee  
The meeting was chaired by Asmawi Sjam as an Independent Commissioner appointed based the Board of Commissioners' letter No. 166/KOM/BTN/XI/2019 dated November 20, 2019 regarding the Chairperson of the Extraordinary General Meeting of Shareholders of 2019 PT Bank Tabungan Negara (Persero) Tbk, and was attended by members of the Board of Commissioners, all members of the Board of Directors and all members of the Company's Audit Committee.



**ATTENDANCE OF THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND AUDIT COMMITTEE AT  
THE EXTRAORDINARY GMS ON NOVEMBER 27, 2019**

Name	Position	Attended/Absence
Asmawi Syam	President/Independent Commissioner	✓
Kamaruddin Sjam	Independent Commissioner	✓
Arie Coerniadi	Independent Commissioner	✓
Lucky Fathul Aziz Hadibrata	Independent Commissioner	✓
Garuda Wiko	Independent Commissioner	✓
Iman Sugema	Commissioner	✓
Eko D. Heripoerwanto	Commissioner	✓
Marwanto Harjowiryo	Commissioner	✓
Oni Febriarto Rahardjo	Acting as President Director, Director of Commercial Banking	✓
Andi Nirwoto	Director of IT & Operation	✓
Budi Satria	Director of Consumer Banking	✓
R. Mahelan Prabantarikso	Director of Compliance	✓
Nixon L.P Napitupulu	Director of Finance, Treasury & Strategy	✓
Dasuki Amsir	Director of Distribution & Network	✓
Yossi Istanto	Director of Strategic Human Capital	✓
Elisabeth Novie Riswanti	Director of Collection & Asset Management	✓
Kamaruddin Sjam	Chairman of Audit Committee	✓
Lucky Fathul Aziz Hadibrata	Member of Audit Committee	✓
Garuda Wiko	Member of Audit Committee	✓
Adi Prakoso	Member of Audit Committee	✓
Peter Eko Budi Darwito	Member of Audit Committee	✓

✓ = attended | ✗ = absence

2. Presence of Shareholders

The meeting was attended by shareholders and/or representative attorney of shareholders who all owned 7.547.248.173 shares including Series A Dwiwarna shares or constituted 71.27% of the total shares with valid voting rights issued by the Company until the day of the Meeting, namely a total of 10,590,000,000 shares consisting of:

- 1 (one) Series A Dwiwarna share; and
- 10,589,999,999 Series B shares; by taking into account the Company's Register of Shareholders as of November 4, 2019 until 16:15 Western Indonesia Time.

3. Opportunities to submit questions and/or provide opinions and Decision-Making Mechanism in the Meeting  
Shareholders or their proxies were provided with the opportunity to raise questions and/or share opinions. The question and answer session was conducted after the completion of the presentation of the agenda and before the onset of decision making.





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Meeting decisions were made by deliberation to reach a consensus. Should the deliberation and consensus be not reached, the decision making in the Meeting was conducted by voting, by a closed vote by casting their ballots and submitted to the officers for electronic vote counting.

#### 4. Independent Voting Counter

The results of the decision-making were calculated by PT Datindo Entrycom as the Securities Administration Bureau and subsequently validated by Notary Utiek Rochmuljati Abdurachman, SH., MLI, MKn.

#### 5. Deed of GMS Resolutions

Resolutions of the FY2019 Extraordinary General Meeting dated November 27, 2019 have been stated in the Deed "Summary of Minutes of the Extraordinary General Meeting of Shareholders of the Company (Persero) of PT Bank Tabungan Negara Tbk or abbreviated as PT Bank Tabungan Negara (Persero) Tbk", No. 97 dated November 27, 2019, made by Utiek Rochmuljati Abdurachman, SH., MLI, MKn. Notary in Jakarta.

Resolutions of the FY2019 Extraordinary GMS and realization or follow-up on the resolutions can be seen below:

### EXTRAORDINARY GMS DATED NOVEMBER 27, 2019 RESOLUTIONS AND REALIZATION OF THE RESOLUTIONS

#### Meeting Agenda and its Decision

##### Agenda:

##### Changes in the composition of the Company's Management

##### Number of Questioners:

2 (two) questioners.

##### Voting Count Results:

Agree	: 7.544.433.283 (99,96%)
Disagree	: 2.421.000 (0,03%)
Abstention	: 393.890 (0,01%)
Total Agree	: 7.544.827.173 (99,97%)

##### Resolutions:

1. Dismissed Suprajarto as the Company's President Director who was appointed based on the Decision of the 2019 GMS on August 29, 2019, since the closing of the Meeting.
2. Honorably dismissed the names below as Management of the Company:
  - a. Budi Satria as Director of Consumer Banking;
  - b. Oni Febriarto R. as Director of Commercial Banking;
  - c. Dasuki Amsir as Director of Distribution & Network;
  - d. R. Mahelan Prabantarikso as Director of Compliance;
  - e. Asmawi Syam as President Commissioner;
  - f. Iman Sugema as Commissioner;
  - g. Marwanto Harjowiryono as Commissioner;
  - h. Garuda Wiko as Independent Commissioner;
  - i. Lucky Fathul Aziz Hadibrata as Independent Commissioner;
  - j. Kamaruddin Sjam as Independent Commissioner;
  - k. Arie Coerniadi as Independent Commissioner.



3. Changed the nomenclature of the positions of members of the Company's Board of Directors as follows:

No	Previously	Became
1	Director of Consumer Banking	Director of Consumer and Commercial Lending
2	Director of Commercial Banking	-
3	Director of Finance, Treasury & Strategy	Director of Finance, Planning and Treasury
4	Director of Strategic Human Capital	Director of Human Capital, Legal and Compliance
5	Director of Compliance	-
6	Director of Collection & Asset Management	Director of Remedial and Wholesale Risk
7	Director of IT & Operation	Director of Operation, IT and Digital Banking
8	Director of Distribution & Network	Director of Distribution and Retail Funding
9	-	Director of Enterprise Risk Management, Big Data and Analytics

4. Transferred the assignment of the names below as the Company's Members of Board of Directors:

No	Name	Previously	Became
1	Nixon L.P Napitupulu	Director of Finance, Treasury & Strategy	Director of Finance, Planning and Treasury
2	Yossi Istanto	Director of Strategic Human Capital	Director of Human Capital, Legal and Compliance
3	Elisabeth Novie Riswanti	Director of Collection & Asset Management	Director of Remedial and Wholesale Risk
4	Andi Nirwoto	Director of IT & Operation	Director of Operation, IT and Digital Banking

which are appointed respectively based on the decisions of the 2016 Fiscal Year GMS, the 2017 Fiscal Year GMS, and the 2019 EGMS, continuing the rest of their respective terms of office, in accordance with the GMS decision.

5. Appointed the names below as Management of the Company:

- Pahala Nugraha Mansury as President Director;
- Hirwandi Gafar as Director of Consumer and Commercial Lending;
- Jasmin as Director of Distribution and Retail Funding;
- Setiyo Wibowo as Director of Enterprise Risk Management, Big Data and Analytics;
- Chandra Hamzah as President/Independent Commissioner;
- Heru Budi Hartono as Commissioner;
- Andin Hadiyanto as Commissioner;
- Armand B. Arief as Independent Commissioner;
- Ahdi Jumhari Luddin as Independent Commissioner.

6. The term of office of the members of the Board of Directors and the Board of Commissioners appointed as referred to in number 5, in accordance with the provisions of the Company's Articles of Association, with due regard to the laws and regulations in the Capital Market and without prejudice to the right of the GMS to dismiss at any time.



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7. With the dismissal, changes of nomenclature of position, assignment of duties, and appointment of members of the Board of Directors as referred to in numbers 1, 2, 3, 4 and 5, and dismissal, and appointment of Members of the Board of Commissioners as referred to in numbers 2 and 5, then the composition of the Company's Board of Directors and Board of Commissioners membership is as follows:
  - a. Board of Directors
    - President Director: Pahala Nugraha Mansury
    - Director of Consumer and Commercial Lending: Hirwandi Gafar
    - Director of Finance, Planning and Treasury: Nixon L.P Napitupulu
    - Director of Human Capital, Legal and Compliance: Yossi Istanto
    - Director of Remedial and Wholesale Risk: Elisabeth Novie Riswanti
    - Director of Operation, IT and Digital Banking: Andi Nirwoto
    - Director of Distribution and Retail Funding: Jasmin
    - Director of Enterprise Risk Management, Big Data and Analytics: Setiyo Wibowo
  - b. Board of Commissioners
    - President/Independent Commissioner: Chandra Hamzah
    - Commissioner: Eko D. Heripoerwanto
    - Commissioner: Heru Budi Hartono
    - Commissioner: Andin Hadiyanto
    - Independent Commissioner: Armand B. Arief
    - Independent Commissioner: Ahdi Jumhari Luddin
8. Appointed members of the Board of Directors and Board of Commissioners as referred to in number 5 can only carry out their duties as members of the Board of Directors and Board of Commissioners after obtaining approval from the Financial Services Authority.
9. Appointed members of the Board of Directors and Board of Commissioners as referred to in number 5 who are still in other positions prohibited by statutory regulations to be concurrent with members of the Board of Directors or Board of Commissioners of a State-Owned Enterprise, they must resign or dismissed from their position.
10. Granted power of attorney with the right of substitution to the Directors of the Company to state the decisions of this Meeting in the form of Notary Deed and appear before the Notary or the authorized official, and make necessary adjustments or corrections if required by the competent authorities for the implementation of the Meeting's decision.

**Follow-up of the Meeting Resolutions:**  
Realized.



## BOARD OF COMMISSIONERS

The Board of Commissioners is a Corporate Governance body that performs the supervisory function of the Company's management to ensure the Bank's operation of its business is in accordance with its stipulated objectives. The Board of Commissioners supervises and provides advice regarding the implementation of the duties and responsibilities of the Board of Directors and other functions stipulated in the Articles of Association and legislation. In fulfilling its duties and responsibilities, the Board of Commissioners acts independently.

### LEGAL BASIS

Law No. 40 of 2007 concerning Limited Liability Companies and Financial Services Authority Regulation No. 33/POJK.04/2014 concerning Directors and Commissioners of Issuers or Public Companies, requiring all companies in Indonesia to have a Board of Commissioners tasked with the oversight of management policies, management processes within the Company, as well as supervising and providing recommendations/advice to the Board of Directors. Other legal references that form the basis of the formation of the Board of Commissioners are as follows:

1. Law No. 7 of 1992 concerning Banking as amended by Law No. 10 of 1998.
2. Bank Indonesia Regulation (PBI) No. 11/1/PBI/2009 dated January 27, 2009 concerning Commercial Banks.
3. Bank Indonesia Regulation PBI No. 13/27/PBI/2011 dated December 28, 2011 concerning Amendments to PBI No. 11/1/PBI/2009 concerning Commercial Banks.
4. Regulation of the Financial Services Authority (POJK) No. 33/POJK.04/2014 concerning Directors and Commissioners of Issuers or Public Companies.
5. Regulation of the Financial Services Authority (POJK)

No. 27/POJK.03/2016 dated July 22, 2016 concerning Capability and Compliance Assessment for the Main Parties of Financial Service Institutions.

6. Financial Services Authority Circular Letter (SEOJK) No. 39/SEOJK.03/2016 dated September 13, 2016 concerning the Capability and Compliance Assessment for Prospective Controlling Shareholders, Candidates for Members of the Board of Directors and Candidates for Members of the Board of Commissioners of the Bank.
7. Regulation of Financial Services Authority (POJK) No. 18/POJK.03/2016 dated March 16, 2016 concerning Application of Risk Management for Commercial Banks.
8. Regulation of the Financial Services Authority (POJK) No. 37/POJK.03/2017 dated July 12, 2017 concerning the Utilization of Foreign Workers and Knowledge Transfer Programs in the Banking Sector.
9. The Bank's Articles of Association.

### NUMBERS AND COMPOSITION OF THE BOARD OF COMMISSIONERS

The Company has in place various policies regarding the composition of the Board of Commissioners, which is regulated in a manner designed to perform the supervisory function effectively, objectively and independently, tolerating no Conflicts of Interest that will interfere with its ability to implement its duties and responsibilities.

Throughout 2019, the numbers and composition of membership of the Company's Board of Commissioners have changed in line with the decision of GMS, with a chronology that can be seen below.

### CHRONOLOGY OF CHANGES IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS THROUGHOUT 2019

January 1 – May 17 2019 Period	May 17 – August 29, 2019 Period	August 29 – November 27, 2019 Period	November 27 – December 31, 2019	Description
I Wayan Agus Mertayasa (President/ Independent Commissioner)	-	-	-	I Wayan Agus Mertayasa is no longer serving since the 2019 Annual General Meeting on May 17, 2019.



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## CHRONOLOGY OF CHANGES IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS THROUGHOUT 2019

January 1 – May 17 2019 Period	May 17 – August 29, 2019 Period	August 29 – November 27, 2019 Period	November 27 – December 31, 2019	Description
Kamaruddin Sjam (Independent Commissioner)	Kamaruddin Sjam (Independent Commissioner)	Kamaruddin Sjam (Independent Commissioner)	-	Kamaruddin Sjam is no longer serving since the Extraordinary General Meeting of Shareholders' Decision on November 27, 2019.
Arie Coerniadi (Independent Commissioner)	Arie Coerniadi (Independent Commissioner)	Arie Coerniadi (Independent Commissioner)	-	Arie Coerniadi is no longer serving since the Extraordinary GMS Decision on November 27, 2019.
Lucky Fathul Aziz Hadibrata (Independent Commissioner)	Lucky Fathul Aziz Hadibrata (Independent Commissioner)	Lucky Fathul Aziz Hadibrata (Independent Commissioner)	-	Lucky Fathul Aziz Hadibrata is no longer serving since the Extraordinary GMS Decision on November 27, 2019.
Garuda Wiko (Independent Commissioner)	Garuda Wiko (Independent Commissioner)	Garuda Wiko (Independent Commissioner)	-	Garuda Wiko is no longer serving since the Extraordinary GMS Decision on November 27, 2019.
Sumiyati (Commissioner)	Sumiyati (Commissioner)	-	-	Sumiyati is no longer serving since the 2019 Annual GMS Decision on August 29, 2019.
Maurin Sitorus (Commissioner)	-	-	-	Maurin Sitorus is no longer serving since the 2019 Annual GMS Decision on May 17, 2019.
Iman Sugema (Commissioner)	Iman Sugema (Commissioner)	Iman Sugema (Commissioner)	-	Iman Sugema is no longer serving since the Extraordinary GMS Decision on November 27, 2019.
Parman Nataatmadja (Commissioner)	-	-	-	Parman Nataatmadja is no longer serving since the 2019 Annual GMS Decision on May 17, 2019.
-	Asmawi Syam (President/ Independent Commissioner)	Asmawi Syam (President/ Independent Commissioner)	-	Asmawi Syam was appointed through the 2019 Annual GMS Decision on May 17, 2019, but has not held office since the Extraordinary GMS Decision on November 27, 2019.
-	Eko D. Heripoerwanto (Commissioner)	Eko D. Heripoerwanto (Commissioner)	Eko D. Heripoerwanto (Commissioner)	Eko D. Heripoerwanto was appointed through 2019 Annual GMS Decision on May 17, 2019.

**CHRONOLOGY OF CHANGES IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS THROUGHOUT 2019**

January 1 – May 17 2019 Period	May 17 – August 29, 2019 Period	August 29 – November 27, 2019 Period	November 27 – December 31, 2019	Description
-	-	Marwanto Harjowiryo (Commissioner)	-	Marwanto Harjowiryo was appointed through the Extraordinary GMS Decision on August 29, 2019.
-	-	-	<b>Chandra Hamzah<sup>*)</sup></b> (President/ Independent Commissioner)	Chandra Hamzah was appointed through the Extraordinary GPS Decision on November 27, 2019.
-	-	-	<b>Armand B. Arief<sup>*)</sup></b> (Independent Commissioner)	Armand B. Arief was appointed through the Extraordinary GMS Decision on November 27, 2019.
-	-	-	<b>Ahdi Jumhari Luddin<sup>*)</sup></b> (Independent Commissioner)	Ahdi Jumhari Luddin was appointed through the Extraordinary GMS Decision on November 27, 2019.
-	-	-	<b>Heru Budi Hartono<sup>*)</sup></b> (Commissioner)	Heru Budi Hartono was appointed through the Extraordinary GMS Decision on November 27, 2019.
-	-	-	<b>Andin Hadiyanto<sup>*)</sup></b> (Commissioner)	Andin Hadiyanto was appointed through the Extraordinary GMS Decision on November 27, 2019.

<sup>\*)</sup>Effective upon the FSA's approval on the appointment

Until the end of December 31, 2019 period, the Company has 6 (six) members of the Board of Commissioners consisting of 3 (three) Independent Commissioners, one of whom was appointed as President Commissioner and 3 (three) Commissioners. These numbers are different

compared to the beginning of 2019, where the Company has 9 (nine) members of the Board of Commissioners consisting of 5 (five) Independent Commissioners, one of whom was appointed as President Commissioner and 4 (four) Commissioners.



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The following is the composition of the Board of Commissioners who served at the end of 2019:

### COMPOSITION OF BOARD OF COMMISSIONERS PER DECEMBER 31, 2019

Name	Position	Appointment Basis	Term of Office*	Serving Period
Chandra M.Hamzah <sup>*)</sup>	President/Independent Commissioner	Decision of Extraordinary GMS, November 27, 2019	2019 GMS – 2024 GMS	First
Armand B. Arief <sup>*)</sup>	Independent Commissioner	Decision of Extraordinary GMS, November 27, 2019	2019 GMS – 2024 GMS	First
Ahdi Jumhari Luddin <sup>*)</sup>	Independent Commissioner	Decision of Extraordinary GMS, November 27, 2019	2019 GMS – 2024 GMS	First
Eko D. Heripoerwanto	Commissioner	Decision of 2019 Annual GMS, May 17, 2019	2019 GMS – 2024 GMS	First
Heru Budi Hartono <sup>*)</sup>	Commissioner	November 2019 Decision of Extraordinary GMS, November 27, 2019	2019 GMS – 2024 GMS	First
Andin Hadiyanto <sup>*)</sup>	Commissioner	November 2019 Decision of Extraordinary GMS, November 27, 2019	2019 GMS – 2024 GMS	First

<sup>\*)</sup>Effective upon the FSA's approval on the appointment

### FIT AND PROPER TEST

The appointment of all members of the Board of Commissioners is based on the Fit and Proper Test which refers to FSA Regulation No.27/POJK.03/2016 concerning the Fit and Proper Test for the Main Parties of the Financial Services Institution stating that the prospective member of the Board of Commissioners must pass the Fit and Proper Test and obtain approval from the FSA before performing

their duties and responsibilities in their positions. The capability and propriety assessment that must be performed indicates that each member of the Board of Commissioners has integrity, a good financial reputation and competence and is relevant to his position to perform his duties and responsibilities.

**LIST OF BOARD OF COMMISSIONERS' FIT AND PROPER TEST AS OF DECEMBER 31, 2019**

Name	Position	Competence/ Expertise	Fit and Proper Test Organizer	Effective Date in Office	Term of Office	Status
Chandra M.Hamzah <sup>*)</sup>	President/ Independent Commissioner	Law	Financial Services Authority	-	EGMS November 27, 2019 – GMS 2024	Not yet received the FSA's approval.
Armand B. Arief <sup>*)</sup>	Independent Commissioner	Banking, Finance, Economy	Financial Services Authority	-	2019 GMS – 2024 GMS	Not yet received the FSA's approval.
Ahdi Jumhari Luddin <sup>*)</sup>	Independent Commissioner	Banking, Finance, Law, Compliance	Financial Services Authority	-	2019 GMS – 2024 GMS	Not yet received the FSA's approval.
Eko D. Heripoerwanto	Commissioner	Planologi, Perumahan, Pengelolaan Sumber Daya Alam dan Lingkungan	Financial Services Authority	20 December 2019	Annual GMS May 17, 2019 – GMS 2024	Has received the FSA's approval
Heru Budi Hartono <sup>*)</sup>	Commissioner	Keuangan, Ekonomi	Financial Services Authority	-	EGMS November 27, 2019 – GMS 2024	Not yet received the FSA's approval.
Andin Hadiyanto <sup>*)</sup>	Commissioner	Keuangan, Makro Ekonomi	Financial Services Authority	-	EGMS November 27, 2019 – GMS 2024	Not yet received the FSA's approval.

<sup>\*)</sup>Effective upon the FSA's approval on the appointment

Until the end of 2019 and the annual report preparation period, there are 5 (five) members of the Board of Commissioners who have not received approval from the FSA on fit and proper test conducted by each member of the Board of Commissioners.

**BOARD OF COMMISSIONERS' WORK GUIDELINES AND MANUAL (BOARD MANUAL)**

The Board of Commissioners possesses work guidelines and Manual (Board Manual) which cover work ethics, working times and meetings, stipulated separately in the Board of Commissioners' Regulation No. 01/DEKOMBTN/2017 regarding Work Guidelines and Manual of the Board of Commissioners of PT Bank Tabungan Negara (Persero) Tbk. dated August 10, 2017. The Board Manual is based on the principles of Corporate Governance, Articles of Association

provisions and prevailing rules and legislation, the directive of Shareholders, and Good Corporate Governance best practices.

The BOC's Board Manual shall ensure the Board of Commissioners performs their duties effectively and it shall also be used as a performance assessment tool for the Board of Commissioners. The Board Manual has stipulated various aspects, as follows:





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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### SCOPE OF BOARD OF COMMISSIONERS' GUIDELINES AND BOARD MANUAL

<b>Chapter I</b>	Introduction	
<b>Chapter II</b>	Legal Basis	
<b>Chapter III</b>	Vision, Mission and Corporate Cultural Value	
<b>Chapter IV</b>	Pedoman dan Tata Tertib Kerja Dewan Komisaris berisikan:	<ul style="list-style-type: none"> <li>• The Mechanism of Segregation of Duties and Authorities of the Board of Commissioners;</li> <li>• Prohibition;</li> <li>• Work Ethics;</li> <li>• Working Time;</li> <li>• Meeting Arrangements;</li> <li>• Leadership;</li> <li>• Performance Evaluation;</li> <li>• Reporting and Accountability; and</li> <li>• Secretary of the Board of Commissioners and Committees under the Board of Commissioners</li> </ul>
<b>Chapter V</b>	Work Relations of the Board of Commissioners and the Board of Directors which contains:	<ul style="list-style-type: none"> <li>• Board of Commissioners Advice to the Board of Directors;</li> <li>• Board of Directors Actions requiring Board of Commissioners' Approval;</li> <li>• Board of Directors Actions Requiring Consultation of the Board of Commissioners; and</li> <li>• Board of Commissioners and the Board of Directors Joint Meetings</li> </ul>
<b>Chapter VI</b>	Relations with Stakeholders	
<b>Chapter VII</b>	Mechanism of Change	
<b>Chapter VIII</b>	Closing	

The full disclosure of the Board of Commissioners Guidelines and Board Manual can be accessed on the Company's website with the address [www.btn.co.id](http://www.btn.co.id) (Investor Relations menu - governance policy).

### APPOINTMENT AND DISMISSAL OF THE BOARD OF COMMISSIONERS

The Company appoints members of the Board of Commissioners based on FSA Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies, FSA Regulation No. 27/POJK.03/2016 concerning the Fit and Proper Test for the Main Parties of Financial Services Institutions, FSA Circular Letter No. 39/SEOJK.03/2016 concerning Fit and Proper Test for Prospective Controlling Shareholders, Prospective members of the Board of Directors, and Prospective Members of the Board of Commissioners of the Bank.

By means of the GMS, the Company appoints members of the Board of Commissioners and to be effective subsequent to attaining approval from FSA regarding the Fit and Proper Test which refers to BI Regulation Number 12/23/PBI/2010 concerning Capability and Compliance Test (fit and proper test) Article 17, which states that the Board of Commissioners must have integrity, competence and a good financial reputation. In agreement with the Company's Articles of Association, dismissal of Board of Commissioners Members can be performed should the Board of Commissioners fail to implement their duties properly; do not implement the provisions of legislation



and provisions of the Articles of Association; are involved in actions that cause harm to the Company and are found guilty in court of law. In addition, the GMS can also dismiss members of the Board of Commissioners with

#### TERM OF OFFICE

Members of the Board of Commissioners are appointed for the period commencing from the date determined by the GMS that appoints them and ends at the closing of the 5th (fifth) Annual GMS after the date of appointment, provided that the tenures do not exceed 5 (five) years, with due observance of all regulations and legislation in the Capital

#### BOARD OF COMMISSIONERS INDEPENDENCY

The Company's Board of Commissioners upholds the principle of independency in performing its duties, by

#### CONFLICT OF INTEREST OF THE BOARD OF COMMISSIONERS

Conflict of interest is a circumstance where the financial interests of the Company clash with personal monetary interests. In the event of a Conflict of Interest, members of the Board of Commissioners, Board of Directors and Executive Officers of the Company are barred from taking any actions that could damage the Company or reduce the Company's profits and must disclose the matter of any Conflict of Interest referred to in each decision.

In the event of the Board of Commissioners' conflict of interest as set out in the Board of Commissioners' Work Guidelines and Manual, the Board of Commissioners shall:

1. Prioritize the interests of the Company and not diminishing the Company's financial interest in the event of a Conflict of Interest

#### DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

In accordance with the Articles of Association and the authority granted by the GMS, set forth in the Code of Conduct of the Board of Commissioners, the Board of Commissioners duties and responsibilities are as follows:

##### Duties of President Commissioner

1. To ensure the Board of Commissioners functions well;
2. To lead meetings of the Board of Commissioners;
3. To co-ordinate and establish meeting agendas of

justifiable reasons regarding the interests and objectives of the Company in accordance with Article 71 of the FSA Regulation No.55/POJK.03/2016.

Market, but without prejudice for the right of the GMS to at any time be able to dismiss members of the Board of Commissioners before their Term of Office ends. At end of tenure, members of the Board of Commissioners may be re-appointed by the GMS for another term of office.

prioritizing the Bank's interests above its own interests and to be free of any undue influence from any party.

2. Avoid any decision making in situations and conditions in conflict with Executive interests in 1 (one) non-financial institution/company and Board of Commissioners, Board of Directors or Executive Officers who perform the supervisory function in 1 (one) non-bank subsidiary company controlled by the Company.
3. Disclose any family relationships, financial relationships, management relations, ownership relations with other Members of the Board of Commissioners and/or members of the Board of Directors and/or the Bank's controlling shareholders and/or other parties within the Company's business network.
4. Conduct disclosures in the event that permanent decision making must be taken in the event of a Conflict of Interest.

3. the Board of Commissioners effectively, including policies and strategic matters;
4. To create a culture of transparency and to facilitate constructive discussion;
5. To ensure accurate and appropriate information delivery between the Board of Commissioners with the Board of Directors;
6. To present suggestions and maintain an effective and healthy relationship with the Board of Directors.



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### Main duties and responsibilities of the Board of Commissioners, are

- To supervise the Company's management policy and implementation by the Board of Directors, including supervision regarding the implementation of the Long-Term Plan (RJP), the Company's Work Budget and Plan (CBP), Articles of Association, and GMS Resolutions, rules and legislation, in the best interest of the Bank and in accordance with the Company's Vision and Mission; to perform special duties granted in the Articles of Association, rules and legislation, and/or GMS Resolutions;
  - To compile the segregation of duties of the members of Board of Commissioners in accordance with the expertise and experience of each member;
  - To compile the work program and performance targets each year for the Board of Commissioners as well as the peer review mechanism regarding the Board of Commissioners performance;
  - To compile the information delivery mechanism between the Board of Commissioners with the Stakeholders;
  - To account for the execution of duties of the Board of Commissioners regarding the GMS;
  - Related to the GCG Improvement Action Plan, the Board of Commissioners performs supervision regarding the implementation of healthy loan management and the implementation of GCG across every activity of the Company at every level of the organization;
  - Related to the implementation of the GCG Improvement Action Plan, the Board of Commissioners performs active supervision through Board of Commissioners' meetings and/or the Board of Commissioners' meetings with the Board of Directors, regarding the matter of GCG Implementation.
- directly to the Directors regarding all issues related to the Company's management;
- To know every policy and action that has been conducted and will be conducted by the Board of Directors;
  - To request the Board of Directors to attend the Board of Commissioners' meeting;
  - To request information and/or explanations from the officer reporting directly to the Board of Directors regarding issues related to the Company's management, pertaining to the implementation of duties and the authorities of the Board of Commissioners, without prior knowledge of the Board of Directors;
  - To appoint and dismiss a Secretary of the Board of Commissioners, upon the suggestion from Dwiwarna Series A Shareholder;
  - To establish an Audit Committee, Remuneration and Nomination Committee, Risk Monitoring Committee, and other committees as deemed necessary taking into account the demands of the Company;
  - To manage the Company's management in certain circumstances for a period of time in accordance with the Company's Articles of Association;
  - To attend the Board of Directors' meeting and provide opinions regarding the matters discussed.
  - To perform other supervision authority if it is not contradictory to rules and legislation, Articles of Association, and/or GMS Decision.

### Assignment of the Board of Commissioners

#### Supervisory Duties

The focus or assignment of the supervisory duties of each member of the Board of Commissioners is determined based on the division of roles as Chairperson and Deputy Chairperson of the Board of Commissioners' Committee, which is adjusted to their competencies and experience. Following are the supervisory duties of the Board of Commissioners.

### Authorities of the Board of Commissioners

- To request information and/or explanation from the Board of Directors and/or Bank Officers reporting

## SUPERVISORY ASSIGNMENT OF BOARD OF COMMISSIONERS

Dewan Komisaris	Fokus Pengawasan
Chandra Hamzah (President/Independent Commissioner)	Remuneration and Nomination
Armand B. Arief (Independent Commissioner)	Risk Management and Compliance

**SUPERVISORY ASSIGNMENT OF BOARD OF COMMISSIONERS**

Dewan Komisaris	Fokus Pengawasan
Ahdi Jumhari Luddin (Independent Commissioner)	Internal Audit and External Audit
Eko D. Heripoerwanto (Commissioner)	Risk Management and Compliance
Heru Budi Hartono (Commissioner)	Remuneration and Nomination
Andin Hadiyanto (Commissioner)	Internal Audit and External Audit

**Induction Program of Newly Appointed Members of the Board of Commissioners**

The Company continually holds an Orientation Program for newly appointed members of the Board of Commissioners in order to be acquainted with one another and establish co-operation as a solid, comprehensive, effective team. The orientation program also aims to provide knowledge regarding the condition of the Company in general.

Provisions related to the Board of Commissioners' introduction program are regulated by the Board of Commissioners Charter, including:

1. Application of the principles of Good Corporate Governance and Business Ethics in the Company.
2. Description regarding the duties and responsibilities of the Board of Commissioners and Board of Directors and other matters that are not permitted.
3. Overview of the Company relating to the objectives,

nature and scope of the Company's activities, financial performance, strategies, the Company's short and long-term plans, risks, Internal Control and other strategic issues.

4. Information relating to delegated authority, Internal and External Audits, systems and Internal Control policies and the Audit Committee.

On December 4, 2019, the Company through the Corporate Secretary organized an introduction program for the Board of Commissioners concerning the following subject material:

1. Overview of the roles, duties and responsibilities of the Board of Directors and the Board of Commissioners
2. Implementation of Compliance and GCG and Risk Management
3. The Company's Audit results
4. Application of Corporate Culture
5. The Company's business overview

**BOARD OF COMMISSIONERS SUPERVISORY DUTIES IMPLEMENTATION IN 2019****Supervisory Duties Implementation**

Throughout 2019, the Board of Commissioners directed, monitored, and evaluated the strategic Policy implementation as part of the supervisory duty of the Board of Commissioners, which includes:

1. To supervise the management policy, the management of the Company by the Board of Directors, which includes supervision concerning:
  - a. The Bank's Business Plans for 2018-2021 and the realization
  - b. The Company's Annual Work Budget and Plan (CBP) and the realization
  - c. Monthly Performance Evaluation
  - d. The Company's Transformation Blueprint
  - e. Legislation, in the interest of the Bank and in

accordance with the Bank's business objectives and strategy.

2. To perform the tasks specifically granted to them based on the Articles of Association, legislation, the provisions of Bank Indonesia and/or GMS Resolutions, as follows:
  - a. To supervise and advise the Board of Directors in conducting the Bank's business activities (the Board of Directors' management policies).
  - b. To supervise the effectiveness of Governance across every level of the Bank's organization.
  - c. To supervise the Risk Management, Compliance, and Internal Audit.
  - d. To monitor and evaluate the Board of Director's performance.
  - e. To supervise the Bank's compliance with the Bank



## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

- Indonesia regulations and all prevailing legislation, and the commitment to Bank Indonesia and other parties.
- f. To direct, monitor, and evaluate the implementation of RJP, RBB, and Company's Work Budget and Plan (CPB).
  - g. To review the development and utilization of Information Technology.
3. To provide opinions and suggestions in writing to the GMS regarding the Company's Long-Term Plan (RJP), Bank Business Plan (RBB), and Company's Work Budget and Plan (CBP) proposed by the Board of Directors;
  4. To provide opinions to the GMS related to important strategic issues, including opinions regarding the adequacy of the Bank's Vision and Mission.
  5. To examine and review the periodic reports and Annual Reports prepared by the Board of Directors, including the Bank's Internal Audit report.
  6. To ensure that the Board of Directors has followed up on Audit findings and recommendations from the Internal Audit Task Force, External Auditors, Bank Indonesia supervisory results, and/or other authorities' supervision results.
  7. To ensure that the established committees perform their duties effectively.
  8. To review the Organizational Structure
  9. To review the Corporate Work Culture
  10. To direct and provide advice to the Board of Directors regarding the lending that is consulted to the Board of Commissioners through the Board of Directors.

### BOARD OF COMMISSIONERS' FUNCTION IN WRITING

For the purpose of the Board of Commissioners' active supervision to the Board of Directors, during 2019 the Board of Commissioners delivered 144 letters to the Board of Directors containing decisions, loan consultations, suggestions and advice, among others as follows:

1. Draft of Publication of Financial Statements
2. Preparation of the 2020 RKAP
3. Adjustment of the Bank's Business Plan (RBB) for 2019-2021
4. Monthly Performance Review
5. Risk Management Policy Guidelines (PKMR)
6. Bank BTN's participation in the Process of Exploiting Lotus Putra's Share Ownership
7. Initial Internal Audit Review of Indications of Fraud by Employees
8. Board of Commissioners' suggestions for Pro Hire Employees
9. Credit consulting
10. Limits of Authority to Disconnect Credit
11. Handling and Clarification of External Party Complaints
12. Suitability of Debtor Collectibility
13. Restructuring and Novation Credit Education Program
14. Bank's Prudential Principles
15. Commercial Credit Monitoring
16. Limits of Authority to Disconnect on Commercial Credit Restructuring including Restructuring of Commercial Credit through Novasi Debtor
17. Bank Risk Profile Reporting
18. Proposal of Company's Management Candidates
19. Data Talent Pool
20. Assessment of Board of Directors' Key Performance Indicators (KPI) for fiscal year 2018
21. Realization of BTN QR Payment Mechant
22. Changes in the Director's Task Field
23. Safari Ramadhan Activities in 2019
24. Imposition of Obligatory Payments for Violations of Commercial Bank Headquarters (LKPBU) Reports
25. Determination of the Remuneration of the Board of Directors and Board of Commissioners of 2019
26. Capital Participation Plan at PT Permodalan Nasional Madani Investment Management
27. Direction of Information Technology Strategic Plan
28. Strategy and Follow-Up to Periodically Decrease NPLs
29. Examination of the Financial Services Authority
30. Capital Investment Plan at PT Asuransi Jiwasraya Putra (Lotus Putra)

### Board of Commissioners' Recommendations, Approval, and Advice

In every decision of the Board of Commissioners' and the Board of Directors' meetings are documented in the Minutes of Meeting, and the follow-ups will be reported on at the next meeting. Throughout 2019, the Board of Commissioners provided various recommendations, approvals, and advice to the Shareholders. The recommendations, approvals, and advice are as follows:

1. Board of Commissioner's Recommendations
  - a. KAP Appointment to perform the Financial
  - b. Statement Audit Report
  - c. Plan of Equity Participation in the subsidiaries



- d. Boundaries and Criteria of the Board of
- e. Directors' actions that do not require the
- f. Approval of the Board of Commissioners and Shareholders.
- g. Recommendations and Assessments of Prospective Management of the Company
- h. Recommendations for Changes to the Director's Assignment
- i. Recommendations for Restructuring Education Program and Credit Novation
- 2. Board of Commissioners' Approvals
  - a. The 2019 Education Activity Plan
  - b. Establishment of KAP Ranking I for Fiscal Year 2019
  - c. Limitation and Criteria for Corporations that must obtain Written Approval from the Board of Commissioners
  - d. Proposed Appointment of Head of Internal Audit
  - e. The 2019 Annual Audit Plan
  - f. Provision of Other Benefits for Retirement Benefit Pension Programs
  - g. Winner of Procurement of the Public Accountant Office (KAP) Implementing General Audit Services for the Financial Report 2019 Financial Year and Financial Report for the Implementation of the Community Development Partnership Program (PKBL)
  - h. Adjustment of Bank Business Plans for 2019 - 2021
  - i. the Annual Plan and 2019 Internal Audit Division Budget
  - j. Internal Audit Charter
  - k. Provision of Funds of related parties
  - l. IRRBB Implementation of PT Bank Tabungan Negara (Persero) Tbk
  - m. Establishment of SEVP Funding & Retail Transaction
  - n. the 2019 Recovery Plan Document

#### **Board of Commissioners' Competence Training and Development Program**

The Board of Commissioners attend training and seminars in order to improve their banking knowledge and receive development updates in banking and other fields in order to support their duties and responsibilities. Various training and competency development programs for the Board of Commissioners during 2019 will be discussed further in a separate section entitled The Training and Competency Development Programs of the Board of Commissioners and Board of Directors in the Corporate Governance chapter in this Annual Report.

#### **Board of Commissioners Meeting**

Meetings are important part of the Board of Commissioners in carrying out its supervisory function to Board of the Directors. The Board of Commissioners' meetings throughout 2019 based on the frequency, agenda, and participants of the meetings are further discussed in a separate chapter entitled Meetings of the Board of Commissioners and Board of Directors in the Corporate Governance Chapter in this Annual Report.

#### **PERFORMANCE ASSESSMENT**

The Board of Commissioners assesses performance of the Board of Commissioners and the Board of Directors both individually and collegially and all committees as the supporting bodies of the Board of Commissioners. The performance assessment is conducted in order to carry out an effective supervisory and advisory functions.

#### **Performance Assessment of the Board of Commissioners**

The assessment of the performance of the Board of Commissioners is carried out by the shareholders through the GMS. In addition, the Board of Commissioners also has an assessment mechanism that refers to the POJK and the Ministry of SOE Regulations, namely Self Assessment in accordance with SEOJK No. 32/SEOJK.04/2015, GCG Self Assessment mechanism based on POJK regulation No.55/

POJK.03/2016, as well as third party Assessment using international standards, namely the ASEAN CG Scorecard.

The details of the performance evaluation of the Board of Commissioners are discussed further in a separate section entitled The Performance Assessment of the Board of Commissioners and Board of Directors in the Corporate Governance chapter in this Annual Report

#### **Board of Commissioners' Assessment on the Performance of the Board of Directors**

The performance assessment of the Board of Directors is determined based on the duties and responsibilities of the Board of Directors, which are listed in the Board of Directors Charter, Articles of Association and Mandate of



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Shareholders as outlined in the criteria for performance assessment of the Board of Directors and each individual Director, then the report performance appraisal of the Board of Directors and each member of the Board of Directors are evaluated by the Board of Commissioners to be submitted to the Shareholders. The performance evaluation of the Board of Directors is performed at the GMS. Moreover, throughout 2019, the Board of Commissioners who have performed the duties of supervision of the Company have assessed that the Board of Directors performed the management of the Company very well and in line with the Vision, Mission and objectives of the Company.

Details of the achievement of the KPI of Board of Directors are discussed further in a separate section entitled Assessment of the Performance of the Board of Commissioners and Board of Directors in the Corporate Governance chapter in this Annual Report.

### **Board of Commissioners' Assessment on the Committee's Performance**

The Board of Commissioners dutyfully supervises and evaluates the performance of committees under the Board of Commissioners, which includes Audit Committee, Risk Monitoring Committee and Nomination and Remuneration Committee.

The assessment is based on the accomplishment and completion of the work program listed in the Committee's Work Plan and Budget and reported to the Board of Commissioners in the reports of each committee. The basis of the Committee's performance assessment includes (1) the realization of reports regarding the implementation of the Committee's duties in accordance with their respective responsibilities, (2) recommendations provided and (3) the frequency of meetings conducted by the Committee so that they can assist supervisory and advisory functions of the Board of Commissioners.

The duties and responsibilities of the Audit Committee are to oversee matters related to Financial Information, Internal Control Systems, effectiveness of Audits by External and Internal Auditors, effectiveness of implementation of Risk Management and Compliance with all applicable laws and regulations. Throughout 2019, the Audit Committee monitored and evaluated the planning and implementation

of Audits and the follow-up of Audit results in assessing the adequacy of Internal Controls. The Risk Monitoring Committee has the duties and responsibilities to provide recommendations to the Board of Commissioners by evaluating the Bank's risk management policy manual (Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk), evaluating the conformity of the Bank's risk management policy manual and its implementation, and monitoring as well as evaluating the implementation of the Risk Management Committee's duties. In the implementation of its duties and responsibilities, the Risk Monitoring Committee regularly organizes meetings with the Enterprise Risk Management Division to discuss the latest issues and Bank BTN's Quarterly Risk Profile, the Bank's soundness level, and other matters related to Bank BTN's risk management, including reviewing the Risk Management Policy Manual, which includes the Bank's Risk Appetite and Risk Tolerance.

The Remuneration and Nomination Committee has the duty and responsibility to assist the Board of Commissioners in carrying out their functions and duties in the fields related to the nomination and remuneration of members of the Board of Directors and Board of Commissioners. During 2019, the Remuneration and Nomination Committee helped the Board of Commissioners analyze the data of prospective members of the Board of Directors and identify candidates for members of the Board of Commissioners who meet the requirements and propose an appropriate remuneration system for Directors and Commissioners in the form of a remuneration/honorarium system, facilities/ benefits, bonuses.

In 2019, the Board of Commissioners assessed the effectiveness of the performance of committees under the Board of Commissioners. The Board of Commissioners considers that throughout the Fiscal Year, the committees have effectively performed their duties and responsibilities well based on the achievements as reflected in the Key Performance Indicators (KPI) of each committee.

Details of KPI achievement of each committee can be seen in the discussion of each committee in the Corporate Governance chapter in this Annual Report.



## INDEPENDENT COMMISSIONER

### CRITERIA FOR INDEPENDENT COMMISSIONERS

The appointment of Independent Commissioners is to create a more objective and independent business, and similarly to maintain "fairness" and to be able to create a balance between the interests of the majority shareholders and protecting the minority shareholders interests including other stakeholders. The fulfillment of the independency criteria of each of the Company's Independent Commissioners can be observed in the following table:

Criteria for Independent	Independent Commissioner		
	Chandra M.Hamzah	Armand B. Arief	Ahdi Jumhari Luddin
Not a person who works or has the authority and responsibility to plan, lead, control, or supervise the activities of the Issuer or Public Company within the last 6 (six) months, except for reappointment as an Independent Commissioner of the Issuer or Public Company in the next period	✓	✓	✓
Not having shares directly or indirectly with the Issuer or Public Company	✓	✓	✓
Does not have an affiliate relationship with the Issuer or Public Company, members of the Board of Commissioners, members of the Board of Directors, or the majority shareholders of the Issuer or Public Company;	✓	✓	✓
Does not have a business relationship, either directly or indirectly, related to the business activity of the Issuer or Public Company.	✓	✓	✓

✓ = appropriate | ✗ = not appropriate

### INDEPENDENT COMMISSIONERS COMPOSITION

The Company has several effective Independent Commissioners as of December 31, 201, as many as 3 (three) persons, or 50% of the total members of the Board of Commissioners, so the minimum composition requirement of the Independent Commissioners has been achieved as set forth by the Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Governance for Commercial Banks.

### INDEPENDENT COMMISSIONERS STATEMENT OF INDEPENDENCE

The Company's Independent Commissioners have prepared and signed an Independent Statement and submitted to the FSA, with respectively the following statements:

1. Has no financial, management, ownership, and/ or family relationship with the Bank, that may affect our ability to act independently as stipulated in the Financial Services Authority Regulation that regulates the Implementation of Governance for Commercial Banks;
2. In the event that on a later date we have been found to have a relationship as referred to in number 1, we are willing to surrender our Independent Commissioner

position and willing to be replaced.

In addition to the independence statement, members of the Board of Commissioners shall also report any changes to the status that may affect its independence as well as ensuring that this practice has been implemented in accordance with the GCG principles.

In details, the independence statement letter referred to as stated below:





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**BUKTI PERNYATAAN INDEPENDENSI**  
**PT BANK TABUNGAN NEGARA (PERSERO) Tbk**

Revisi yang terhormat kepada di bawah ini


Nama	: Mr. James Luthi
Tempat tanggal lahir	: Bandung, 23 April 1984
Alamat domisili (domisili & KTP / SIM kendaraan)	: Jl. Raya Padiraja No. 43, Jakarta Timur, 12111
Nomor rekening bank	: (021) 4780128
Agama	: Kristen Indonesia
Nama perusahaan	: PT Bank Tabungan Negara (Persero) Tbk
Nomor rekening perusahaan	: (021) 471 4791


Dengan ini menyatakan bahwa saya

- Tidak memiliki hubungan kerabat, hubungan keperguruan, hubungan keperwakilan, dan/atau hubungan lainnya dengan anggota Direksi, anggota Dewan Komisaris lain, dan/atau pemegang saham pengendali atau lembaga dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Otoritas Jasa Keuangan yang mengatur mengenai Peraturan Tata Kelola Bagi Bank Umum.
- Apabila kemudian hari ditemukan bahwa saya memiliki hubungan sebagaimana dimaksud pada ayat 1 maka saya bersedia melaporkan kepada Komisaris Independen saya dan keluarga untuk dipertimbangkan.

Ditandatangani perserta independensi saya, yang sah dan benar dengan alamat di atasnya.

Jakarta, 01 Januari 2019

  
 Nama: J.P. Supriatna  
 Direktur PT Bank Tabungan Negara (Persero) Tbk



**BUKTI PERNYATAAN INDEPENDENSI**  
**PT BANK TABUNGAN NEGARA (PERSERO) Tbk**

Revisi yang terhormat kepada di bawah ini

Nama	: Ahmad Rezaul Karif
Tempat tanggal lahir	: Tanjung Pinang, 24 April 1991
Alamat domisili (domisili & KTP / SIM kendaraan)	: Komplek Harapan Asri, Jl. Harapan No. 1, Bontor - Jakarta Selatan 12130
Nomor rekening bank	: 0811422894
Agama	: Kristen Indonesia
Nama perusahaan	: PT Bank Tabungan Negara (Persero) Tbk
Nomor rekening perusahaan	: (021) 471 4791

Dengan ini menyatakan bahwa saya

- Tidak memiliki hubungan kerabat, hubungan keperguruan, hubungan keperwakilan, dan/atau hubungan lainnya dengan anggota Direksi, anggota Dewan Komisaris lain, dan/atau pemegang saham pengendali atau lembaga dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Otoritas Jasa Keuangan yang mengatur mengenai Peraturan Tata Kelola Bagi Bank Umum.
- Apabila kemudian hari ditemukan bahwa saya memiliki hubungan sebagaimana dimaksud pada ayat 1 maka saya bersedia melaporkan kepada Komisaris Independen saya dan keluarga untuk dipertimbangkan.

Ditandatangani perserta independensi saya, yang sah dan benar dengan alamat di atasnya.

Jakarta, 01 Januari 2019

  
 Nama: A.P. Supriatna  
 Direktur PT Bank Tabungan Negara (Persero) Tbk



**BUKTI PERNYATAAN INDEPENDENSI**  
**PT BANK TABUNGAN NEGARA (PERSERO) Tbk**

Revisi yang terhormat kepada di bawah ini

Nama	: Y. Yanda M. Firmali
Tempat tanggal lahir	: Jakarta, 27 Februari 1987
Alamat domisili (domisili & KTP / SIM kendaraan)	: D. Mangrove, Jakarta 12141 01 010 BPN 001 Bank (Persero) Jakarta Selatan
Nomor rekening bank	: (021) 831 0442
Agama	: Kristen Indonesia
Nama perusahaan	: PT Bank Tabungan Negara (Persero) Tbk
Nomor rekening perusahaan	: (021) 471 4791

Dengan ini menyatakan bahwa saya

- Tidak memiliki hubungan kerabat, hubungan keperguruan, hubungan keperwakilan, dan/atau hubungan lainnya dengan anggota Direksi, anggota Dewan Komisaris lain, dan/atau pemegang saham pengendali atau lembaga dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Otoritas Jasa Keuangan yang mengatur mengenai Peraturan Tata Kelola Bagi Bank Umum.
- Apabila kemudian hari ditemukan bahwa saya memiliki hubungan sebagaimana dimaksud pada ayat 1 maka saya bersedia melaporkan kepada Komisaris Independen saya dan keluarga untuk dipertimbangkan.

Ditandatangani perserta independensi saya, yang sah dan benar dengan alamat di atasnya.

Jakarta, 1 Februari 2019

  
 Nama: Y. Yanda M. Firmali  
 Direktur PT Bank Tabungan Negara (Persero) Tbk





## BOARD OF DIRECTORS

The Board of Directors is an organ in Corporate Governance implementation who is fully responsible for the management of the Company for the interests and objectives of the Company. The Board of Directors is responsible for managing and determining the Company's strategic direction, utilizing and maintaining the Company's assets for the purposes and interests of the Company. Henceforth, the Board of Directors reports the implementation of its duties and responsibilities to the Board of Commissioners.

### LEGAL BASIS

The Board of Directors appointment refers to some legal grounds, to name a few:

1. Law No. 40 Year 2007 concerning Limited Liability Companies.
2. Law No. 7 Year 1992 concerning Banking as amended by Law No. 10 Year 1998.
3. Bank Indonesia Regulation ("Peraturan Bank Indonesia" or "PBI") No. 11/1/PBI/2009 dated 27 January 2009 concerning Commercial Banks.
4. PBI No. 11/1/PBI/2009 dated January 27, 2009 concerning Commercial Banks.
5. Financial Services Authority Regulation ("Peraturan OJK" or "POJK") No. 33/POJK.04/2014 dated December 8, 2014 concerning Board of Directors and Board of Commissioners of Issuers or Public Companies.
6. POJK No. 27/POJK.03/2016 dated July 22, 2016 concerning Fit and Proper test for Main Parties of Financial Services Institutions.
7. FSA Circular ("Surat Edaran OJK" or "SEOJK") No. 39/SEOJK.03/2016 dated September 13, 2016 concerning Fit and Proper Test for Prospective Controlling Shareholders, Prospective Members of the Board of Directors and Prospective Members of the Board of Commissioners of Banks.
8. POJK No. 55/POJK.03/2016 dated December 7, 2016 concerning the Implementation of Governance for Commercial Banks.
9. POJK No. 18/POJK.03/2016 dated March 16, 2016 concerning the Implementation of Risk Management for Commercial Banks.
10. POJK No. 37/POJK.03/2017 dated July 12, 2017 concerning Use of Foreign Workers and Transfer of Knowledge Transfer Program in the Banking Sector.
11. POJK No. 46/POJK.03/2017 dated July 12, 2017 concerning the Implementation of the Compliance Function for Commercial Banks.
12. Articles of Association of the Bank.

### NUMBER, COMPOSITION, MEMBERSHIP OF THE BOARD OF DIRECTORS IN 2019

In 2019, there was a change in the number, composition and membership of the Company's Board of Directors in line with the resolutions of the GMS, with the chronology as shown below.

#### CHRONOLOGY OF CHANGE TO THE BOARD OF DIRECTORS COMPOSITION IN 2019

Period 1 January – 17 May 2019	Period May 17 – August 29, 2019	Period August 29 – November 27, 2019	Period November 27 – December 31, 2019	Remarks
Maryono (President Director)	Maryono (President Director)	-	-	Maryono has no longer served pursuant to the Resolution of the Extraordinary GMS dated August 29, 2019
Iman Nugroho Soeko (Director of Finance & Treasury)	-	-	-	Iman Nugroho Soeko has no longer served pursuant to the Resolution of the FY2019 Annual GMS Resolution dated May 17, 2019.



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## CHRONOLOGY OF CHANGE TO THE BOARD OF DIRECTORS COMPOSITION IN 2019

Period 1 January – 17 May 2019	Period May 17 – August 29, 2019	Period August 29 – November 27, 2019	Period November 27 – December 31, 2019	Remarks
Andi Nirwoto (Director of IT & Operation)	Andi Nirwoto (Director of IT & Operation)	Andi Nirwoto (Director of IT & Operation)	Andi Nirwoto (Director of Operation, IT and Digital Banking)	-
Oni Febriarto Rahardjo (Director of Commercial Banking)	Oni Febriarto Rahardjo (Director of Commercial Banking)	Oni Febriarto Rahardjo (Acting President Director, Director of Commercial Banking)	-	<ul style="list-style-type: none"> <li>On 2 September, the Directors appointed Oni Febriarto Rahardjo to serve as Acting President Director</li> <li>Oni Febriarto Rahardjo has no longer served pursuant to the Resolution of the Extraordinary GMS Resolution dated November 27, 2019.</li> </ul>
Budi Satria (Director of Consumer Banking)	Budi Satria (Director of Consumer Banking)	Budi Satria (Director of Consumer Banking)	-	Budi Satria has no longer served pursuant to the Resolution of the Extraordinary GMS Resolution dated November 27, 2019.
R. Mahelan Prabantarikso (Director of Strategy, Compliance & Risk)	R. Mahelan Prabantarikso (Director of Compliance)	R. Mahelan Prabantarikso (Director of Compliance)	-	R. Mahelan Prabantarikso has no longer served pursuant to the Resolution of the Extraordinary GMS Resolution dated November 27, 2019.
Nixon L.P Napitupulu (Director Collection & Asset Management)	Nixon L.P Napitupulu (Director of Collection & Asset Management concurrently serves as Acting Director of Finance, Treasury & Strategy)	Nixon L.P Napitupulu (Director Finance, Treasury & Strategy)	Nixon L.P Napitupulu (Director Finance, Treasury & Strategy)	-
Dasuki Amsir (Director of Distribution & Network)	Dasuki Amsir (Director of Distribution & Network)	Dasuki Amsir (Director of Distribution & Network)	-	Dasuki Amsir has no longer served pursuant to the Resolution of the Extraordinary GMS Resolution dated November 27, 2019.
Yossi Istanto (Director of Strategic Human Capital)	Yossi Istanto (Director of Strategic Human Capital)	Yossi Istanto (Director of Strategic Human Capital)	Yossi Istanto (Director of Human Capital, Legal and Compliance)	-
		Suprajarto (President Director)		Suprajarto was appointed pursuant to the Resolution of the Extraordinary General Meeting of Shareholders dated August 29, 2019, and then tendered his resignation

**CHRONOLOGY OF CHANGE TO THE BOARD OF DIRECTORS COMPOSITION IN 2019**

Period 1 January – 17 May 2019	Period May 17 - August 29, 2019	Period August 29 - November 27, 2019	Period November 27 – December 31, 2019	Remarks
-	-	<b>Elisabeth Novie Riswanti</b> (Director of Collection & Asset Management)	<b>Elisabeth Novie Riswanti</b> (Director of Remedial and Wholesale Risk)	Elisabeth Novie Riswanti was appointed based on the Extraordinary GMS Resolution dated August 29, 2019
-	-	-	<b>Pahala Nugraha Mansury</b> (President Director)	Pahala Nugraha Mansury was appointed based on the Extraordinary GMS Resolution dated November 27, 2019
-	-	-	<b>Hirwandi Gafar</b> (Director of Consumer and Commercial Lending)	Hirwandi Gafar was appointed based on the Extraordinary GMS Resolution dated November 27, 2019
-	-	-	<b>Jasmin</b> (Director of Distribution and Retail Funding)	Jasmin was appointed based on the Extraordinary GMS Resolution dated November 27, 2019
-	-	-	<b>Setiyo Wibowo</b> (Director of Enterprise Risk Management, Big Data and Analytic)	Setiyo Wibowo was appointed based on the Extraordinary GMS Resolution dated November 27, 2019

At the end of the period, on December 31, 2019, the Company had 8 (eight) Directors, one of whom acted as President Director. This number is different compared to the beginning of 2019, where the Company has 9 (nine) Directors, one of whom served as President Director. This change was in line with the change in the nomenclature of the Company's Board of Directors position pursuant to the Extraordinary GMS Resolution dated November 27, 2019.

The following is composition of the Board of Directors serving at the end of 2019.

**BOARD OF DIRECTORS COMPOSITION  
AS OF 31 DECEMBER 2019**

Name	Position	Legal Basis for Appointment	Effective Date in Office	Term of Office Period
Pahala Nugraha Mansury	President Director	Extraordinary GMS Resolution dated 27 November 2019	AGMS 2019 - AGMS 2024	First
Andi Nirwoto	Director of Operation, IT and Digital Banking	Annual GMS 2018 Resolution dated March 23, 2018	AGMS 2018 - AGMS 2023	First
Nixon L.P Napitupulu	Director of Finance, Planning and Treasury	Annual GMS 2017 Resolution dated March 17, 2017	AGMS 2017 - AGMS 2022	First
Yossi Istanto**)	Director of Human Capital, Legal and Compliance	Annual GMS 2018 Resolution dated March 23, 2018	AGMS 2018 - AGMS 2023	First



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**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****BOARD OF DIRECTORS COMPOSITION  
AS OF 31 DECEMBER 2019**

Name	Position	Legal Basis for Appointment	Effective Date in Office	Term of Office Period
Elisabeth Novie Riswanti <sup>*)</sup>	Director of Remedial and Wholesale Risk	Extraordinary GMS 2019 Resolution dated August 29, 2019	AGMS 2019 - AGMS 2024	First
Hirwandi Gafar <sup>*)</sup>	Director of Consumer and Commercial Lending	Extraordinary GMS Resolution dated November 27, 2019	AGMS 2019 - AGMS 2024	First
Jasmin <sup>*)</sup>	Director of Distribution and Retail Funding	Extraordinary GMS Resolution dated November 27, 2019	AGMS 2019 - AGMS 2024	First
Setiyo Wibowo <sup>*)</sup>	Director of Enterprise Risk Management, Big Data and Analytics	Extraordinary GMS Resolution dated November 27, 2019	AGMS 2019 – AGMS 2024	First

<sup>\*)</sup> Effective after his/her appointment is approved by the Financial Services Authority

<sup>\*\*)</sup> Effective as a member of the Board of Directors since September 10, 2018, but perform duties regarding compliance function after obtaining approval by the Financial Services Authority as Director in charge of the compliance function.

**FIT AND PROPER TEST**

The appointment of the Board of Directors is based on the qualifications of personnel as regulated by FSA Regulation No.27/POJK.03/2016 concerning the Fit and Proper Test for the Main Parties of Financial Services Institution providing that a candidate for the Board of Directors shall pass Fit and Proper Test and obtain approval from the FSA prior to

carrying out his/her duties and responsibilities as Director. The fit and proper test conducted indicates that all members of the Board of Directors have integrity, good financial reputation and competence, and are relevant to their position to carry out their duties and responsibilities.

**LIST OF BOD FIT & PROPER  
AS OF 31 DECEMBER 2019**

Nama	Jabatan	Kompetensi/ Expertise	Penyelenggara Uji Kemampuan dan Kepatutan	Tanggal Menjabat Efektif	Masa Jabatan	Status
Pahala Nugraha Mansury	President Director	Finance	Financial Services Authority	February, 10 2020	Extraordinary GMS dated November 27, 2019 – GMS 2024	Has received the FSA's approval
Andi Nirwoto	Director of Operation, IT and Digital Banking	Operation IT	Financial Services Authority	September 10, 2018	AGMS dated March 23, 2018 – AGMS 2023	Has received the FSA's approval
Nixon L.P Napitupulu	Director of Finance, Planning and Treasury	<ul style="list-style-type: none"> <li>• Lending</li> <li>• Collection</li> <li>• Asset Management</li> </ul>	Financial Services Authority	July 25, 2017	AGMS dated March 17, 2017 – AGMS 2022	Has received the FSA's approval

**LIST OF BOD FIT & PROPER  
AS OF 31 DECEMBER 2019**

Nama	Jabatan	Kompetensi/ Expertise	Penyelenggara Uji Kemampuan dan Kepatutan	Tanggal Menjabat Efektif	Masa Jabatan	Status
Yossi Istanto**)	Director of Human Capital, Legal and Compliance	<ul style="list-style-type: none"> <li>• Law</li> <li>• Lending</li> </ul>	Financial Services Authority	September 10, 2018*	AGMS dated March 23, 2018 – AGMS 2023	Has received the FSA's approval
Elisabeth Novie Riswanti <sup>1)</sup>	Director of Remedial and Wholesale Risk	Assets Management	Financial Services Authority	-	Extraordinary GMS dated August 29, 2019 – GMS 2024	Has received the FSA's approval
Hirwandi Gafar <sup>1)</sup>	Director of Consumer and Commercial Lending	Lending	Financial Services Authority	-	Extraordinary GMS November 27, 2019 – GMS 2024	Has received the FSA's approval
Jasmin <sup>1)</sup>	Director of Distribution and Retail Funding	Business	Financial Services Authority	-	Extraordinary GMS November 27, 2019 – GMS 2024	Has not yet received the FSA's approval
Setiyo Wibowo <sup>1)</sup>	Director of Enterprise Risk Management, Big Data and Analytics	Credit Risk & Analytics Data	Financial Services Authority	-	Extraordinary GMS November 27, 2019 – GMS 2024	Has not yet received the FSA's approval

<sup>1)</sup> Effective after his/her appointment is approved by the Financial Services Authority

<sup>\*\*)</sup> Effective as a member of the Board of Directors since September 10, 2018, but perform duties regarding compliance function after obtaining approval by the Financial Services Authority as Director in charge of the compliance function.

**BOARD OF DIRECTORS WORK GUIDELINES AND PROCEDURES (BOD MANUAL)**

The Board of Directors has in place guidelines and work procedures (manual) covering the provisions on work ethics, working time and meetings, as provided in:

1. Board of Directors Decree No. 07/DIR/KD/ CMPD/2017 concerning the Board of Directors Manual as an amendment to the Joint Decree of the Board of Commissioners No. 01-DEKOM-BTN/2016 and the Board of Directors No. SKB01/DIRBTN/2016 concerning Guidelines and Work Procedures of the Board of Commissioners and the Board of Directors (Board Manual)
2. Board of Directors Regulation No. 16/PD/ CMPD/2015 dated December 31, 2015 concerning the Code of Conduct.

The BOD Manual aims to facilitate the Board of Directors in performing their duties in more directed and effective manner and as a performance assessment instrument for the Board of Directors. The BOD Work Guidelines and Procedures in BOD Chapter stipulates various aspects covering the following:



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### SCOPE OF BOD WORK GUIDELINES AND PROCEDURES IN BOD CHAPTER

<b>Chapter I</b>	Introduction
<b>Chapter II</b>	Values
<b>Chapter III</b>	<p>Work Guidelines and Procedures of the Board of Directors covering:</p> <ul style="list-style-type: none"> <li>• Structure and Composition of the Board of Directors</li> <li>• Requirements for Board of Directors Membership</li> <li>• Criteria for the Director Overseeing Compliance Function</li> <li>• BOD Concurrent Position</li> <li>• Appointment and Dismissal of the Board of Directors</li> <li>• Term of Office of the Board of Directors</li> <li>• Duties and Responsibilities of the Board of Directors</li> <li>• Obligations of the Board of Directors</li> <li>• Rights and Authorities of the Board of Directors</li> <li>• Actions of the Board of Directors that Require the Board of Commissioners' Approval</li> <li>• Segregation of Duties and Authorities of the Board of Directors</li> <li>• Prohibition</li> <li>• Transparency</li> <li>• Work Ethics</li> <li>• Working Time</li> <li>• Meeting Arrangements</li> <li>• Leadership</li> <li>• Performance Evaluation of the Board of Directors</li> <li>• Reporting and Accountability</li> <li>• Committees</li> </ul>

The full disclosure of the Board of Directors' Work Guidelines and Procedures is accessible on the Company's website at address [www.btn.co.id](http://www.btn.co.id) (Investor Relations menu - Governance Policy).

#### APPOINTMENT AND DISMISSAL OF THE DIRECTORS

The replacement and/or appointment of members of the Company's Board of Directors always take into account the recommendations of the Remuneration and Nomination Committee, where the Remuneration and Nomination Committee recommends candidates for members of the Board of Directors to the SOE Minister as the Controlling Shareholder to be submitted to the GMS. Appointment and dismissal of the Company's Board of Directors members are carried out by the GMS after going through the fit and proper test process which refers to the FSA Regulation No. 27/POJK.03/2016 dated July 22, 2016 and the FSA Circular

Letter No. 39/SEOJK.03/2016 dated September 13, 2016.

Based on the Company's Articles of Association, dismissal of a BOD member can be done if he/she is unable to carry out his/her duties properly; in compliance with legislation and the Articles of Association; involved in actions adversely impacting the Company, and found guilty by court decisions. In addition to the afore-mentioned reasons, the GMS can also dismiss a member of the Board of Directors with the right reasons for the interests and objectives of the Company.

#### TERM OF OFFICE

The Board of Directors members are appointed for a term of office from the close of the GMS or other date stipulated by the GMS appointing the Board of Directors until the close of the 5th Annual GMS after the date of appointment, provided that the term is not more than 5 (five) years, with due

observance legislation including the prevailing regulations in the Capital Market, without prejudice to the rights of the GMS to terminate the Board of Directors members at any time.

#### BOARD OF DIRECTORS INDEPENDENCY

Independence is an important quality required from the Board of Directors, especially in relation to decision making and actions taken in order to be in line with the objectives of the Company and solely for the interest of the Company.

of Commissioners, Board of Directors, and/or Controlling Shareholders or relationships with the Company, as well as managerial and/or shareholding relationships, in order to perform their duties and responsibilities independently.

The Board of Directors are obliged not to have financial and/or family affiliation with fellow members of the Board

In addition, the reigning Board of Directors are prohibited



from holding concurrent position as President Director or other Director position in a State-Owned Enterprise, Regional Government Owned Enterprise and the Private sector or other positions related to the management of the Company, as well as structural positions, and other

### CONFLICT OF INTEREST

In the event of a Conflict of Interest, i.e. a certain condition in which the economic interest of the Company conflicts with personal economic interest, the Board of Directors members shall always:

1. Prioritize the Company's interest and not prejudice the Company's economic interest in the event of any conflict of interest;
2. Avoid making decisions in any situation and conditions where there is a conflict of interest;
3. Disclose any decision required to be taken in the event of conflict of interest.
4. In the event granting loans to the Board of Directors

### BOARD OF DIRECTORS' DUTIES AND RESPONSIBILITIES

1. The Board of Directors is responsible for implementing all actions related to the operations and responsibility of the Company's management for the Company's benefit in accordance with the Company's purposes and objectives and to represent the Company, both inside and outside of Court regarding all matters and all occurrences with limitations as regulated in the legislation, Articles of Association, and/or the GMS resolutions.
2. The President Director serves as Coordinator of the Board of Directors' Coordinator. His/her duties are as follows:
  - a. To lead the Board of Directors' meetings;
  - b. To create a Culture of Transparency and to facilitate constructive discussion;
  - c. To provide advice to members of the Board the of Directors' related to the effectiveness of the management.
  - d. To nurture good relations and harmony between the Board of Directors regarding the management duties.
  - e. To maintain an effective and healthy relationship

functional positions in central and/or local government agencies/institutions as well as other positions that could potentially result in a Conflict of Interest in accordance with the provisions of the Articles of Association and legislation in force.

- members, the loans shall be based on the reasonable limits in accordance with the Bank's provisions without discriminating other customers (arm's length basis).
5. Report the Company's share transactions within 3 (three) workdays.
6. The Board of Directors, either individually or jointly, is prohibited from owning more than 25% of the paid-up capital of another company,
7. Members of the Board of Directors are prohibited from granting power of attorney to any other party that may result in the transfer of the Board of Directors' duties and responsibilities.

- with the Board of Commissioners..
3. . Each member of the Board of Directors is fully liable for any loss of the Company caused by inaccuracies or omissions from the members of the Board of Directors in performing their duties. A member of the Board of Directors is not to be held accountable for the loss as mentioned above, if proven that:
  - a. The loss is not caused by his/her fault or negligence;
  - b. The Director has conducted managerial undertakings in good faith and with prudence that is consistent with the Company's goals and objectives;
  - c. The Director has no conflict of interest, be it directly or indirectly regarding the managements action that resulted in this loss;
  - d. The Director has taken necessary measures to prevent this loss from arising or continuing.
4. Duties and Responsibilities of the Director Overseeing Compliance Function include:
  - a. Formulating strategies to empower the Culture of Compliance;
  - b. Recommending Compliance policies or other Compliance principles that shall be set forth by the





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- Board of Directors;
- c. Establishing the Compliance System and procedures that shall be used to compile the Bank's internal guidelines and regulations;
  - d. Ensuring every policy, regulation, system, and procedures, as well as business activities conducted by the Bank, which are in accordance with the Bank Indonesia Regulations, Financial Services Authority, and all prevailing regulations and legislation, including Sharia Principles for Sharia Commercial Banks and Sharia Business Units;
  - e. Minimizing the Bank's Compliance Risks;
  - f. Taking preventive actions to have the policies and/or decisions made by the Bank's Board of Directors aligned with the provisions of Bank Indonesia and all prevailing laws and regulations;
  - g. Performing other tasks related to the Compliance Function.
  - h. Reporting the implementation of duties and responsibilities to the President Director, with a copy to the Board of Commissioners at least quarterly.

### SEGREGATION OF THE BOARD OF DIRECTORS' DUTIES

The Company's Board of Directors always execute company management according to the authority and responsibilities stipulated in the Articles of association, prevailing regulations, BOD Manual, and BOD Decree on the Job Description of the Board of Directors. Segregation of the Board of Directors' duties shall refer to the Extraordinary GMS Resolution on November 27, 2019.



President Director  
Pahala Nugraha Mansury



Director of Operation, IT  
and Digital Banking  
Andi Nirwoto



Director of Finance,  
Planning and Treasury  
Nixon L.P Napitupulu



Director of Human Capital,  
Legal and Compliance  
Yossi Istanto



Director of Remedial and  
Wholesale Risk  
Elisabeth Novie Riswant



Director of Consumer and  
Commercial Lending  
Hirwandi Gafar



Director of Distribution and  
Retail Funding  
Jasmin



Director of Enterprise Risk  
Management, Big Data and  
Analytics  
Setiyo Wibowo



Explanation of each task of the Board of Directors is as follows:

Name	Position	Field of Duties and Responsibilities
Pahala Nugraha Mansury	President Director	Conduct supervision on Internal Audit (IAD), Corporate Secretary (CSD) and Marketing Communication (MCD).
Andi Nirwoto	Director of Operation, IT and Digital Banking	Conduct supervision on Digital Channel (DCD), Credit Operation (COD), Operation & Business Support (OBSD), IT Strategic Planning & Development (ITPD) and IT Opeation (ITOD).
Nixon L.P Napitulupulu	Director of Finance, Planning and Treasury	Conduct supervision on Treasury Division (TRSD), Institutional Banking (IBD), Corporate Strategy & Planning (CSPD), Finance & Accounting (FAD), Procurement & Fixed Asset Management (PFAD) dan Investor Relations & Research (IRRD).
Yossi Istanto**	Direktur Human Capital, Legal and Compliance	Conduct supervision on Human Capital Strategy (HCSD), Human Capital Management (HCMD), Learning Center (LCD), Legal (LGD) and Compliance and Governance (CMGD).
Elisabeth Novie Riswanti*	Director of Remedial and Wholesale Risk	Conduct supervision on Commercial Credit Risk (CRD), Retail Risk (RRD), Commercial Asset Management 1 (CAMD1), Commercial Asset Management 2 (CAMD 2) and Consumer Collection, Recovery & Asset Sales (CRSD).
Hirwandi Gafar*	Director of Consumer and Commercial Lending	Conduct supervision on Corporate Syndication & Transaction Banking (CSTD), Commercial Banking (CMBD), SME Banking (SMBD), Non Subsidized Mortgage & Personal Lending (NSLD), Subsidized Mortgage Lending (SMD) and Sharia Business (SHAD)
Jasmin*	Director of Distribution and Retail Funding	Conduct supervision on Corporate & Commercial Funding (CMFD), Wealth Management (WMD), Retail Funding & Services (RFSD), Service Quality & Distribution (SQND) and Regional Officer (RO)
Setiyo Wibowo*	Director of Enterprise Risk Management, Big Data and Analytics Distribution and Retail Funding	Conduct supervision on Enterprise Risk Management (ERMD), Transformation & Partnership Management (TPMD), Policy, Procedurs & Bussines Process Reengineering (PPBD) and Data Managemengt & Analytics (DMD).

\*) Effective after his/her appointment is approved by the Financial Services Authority

\*\*) Effective as a member of the Board of Directors since September 10, 2018, but perform duties regarding compliance function after obtaining approval by the Financial Services Authority as Director in charge of the compliance function.



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### INDUCTION PROGRAM FOR NEW MEMBERS OF THE BOARD OF DIRECTORS

Following the appointment of new members of the Board of Directors, the Corporate Secretary has conducted an induction program on November 28, 2019. The purpose of this induction program is to provide a general introduction to the Company's conditions so that the Board of Directors members can work together as a solid team, despite their different backgrounds. The materials presented in the orientation program are as follows:

1. Overview of the role, duties, and responsibilities of the Board of Directors
2. Compliance, GCG implementation and Risk Management
3. Results of Audit on the Company
4. Corporate Culture implementation
5. Overview of the Company's business

### REPORT OF THE BOARD OF DIRECTORS' DUTY IMPLEMENTATION IN 2019

#### Implementation of Managerial Duties and Accountability Reporting

Throughout 2019, all members of the Board of Directors have performed their stewardship and reporting responsibilities, which have been submitted to the Board of Commissioners in the form of:

1. Performance Review Report
2. The Bank's Health Level Report
3. Compliance Function Report
4. Corporate Governance Implementation Report
5. Audit Findings Follow-Up report

#### Implementation of GCG Principles

Throughout 2019 the Board of Directors have also implemented GCG principles in all of the Bank's activities across all levels of the organization, with details as follows:

1. Implementation of Corporate Governance criteria pursuant to the FSA Regulations;
2. Implementation of Corporate Governance criteria pursuant to the Asean CG Scorecard.
3. Dissemination and implementation of the Code of Conduct.
4. Reporting Gratification to the Corruption Eradication Agency (KPK)
5. GCG Self-Assessment in accordance with the FSA Regulation
6. Preparation and Submission of Annual Report & Sustainability Report.

#### Board of Directors Training and Competence Development Program

Periodically, the Company provides an opportunity for the Board of Directors to attend education/training/workshops/seminars, both at home and abroad, with a view to increase knowledge regarding banking and the latest developments related to finance and other fields that support the implementation of duties and responsibilities.

The implementation of training and competency development program for the Board of Directors in 2019 discussed further separately in "Training and Competence Development Programs for the Board of Commissioners and the Board of Director in this Annual Report's Corporate Governance Chapter.

#### Board of Directors Meetings

Meeting is an important part of the Board of Directors, especially in making strategic policies and others that require mutual consent, both between the Board of Directors and the Board of Commissioners. The implementation of BOD meeting in 2019 related to frequency, agenda, and participants of the meeting is discussed further iseparately in the Board of Commissioners and Board of Directors Meeting in this Annual Report's Corporate Governance.

#### Decisions Made By The Board of Directors

Besides the scheduled BOD meetings which have produced some decisions, throughout 2018 the Board of Directors also issued some decisions as follows:



No.	Subject	Decision
1.	Lending	Loan approval and loan restructuring according to the Board of Directors' authority
2.	Funding	New Product, Service and Activity Launches
3.	Transformation	Pilot Project Transformation, National Strategic Transformation Roll Out
4.	Network	Addition of Regional Office outlets, Branch Offices, Sub-Branch Offices, Conventional and Sharia Cash Offices and ATM machine networks
5.	Human Resources	Promotion and Mutation of Employees
6.	Risk management	Preparation of Recovery Plan, Business Continuity Management
7.	Strategic Plan	RKAP 2020 and RBB 2020-2022

#### BOD COMMITTEES' PERFORMANCE ASSESSMENT

Assessment of the Committees under the Board of Directors is done by referring to the committees' work plans related to the Company's work plan. Implementation of the Committees' work is reflected in the Committees' work meetings and the decisions produced in the said meetings.

In general, the BOD Committee meetings throughout 2019 are considered effective. The Criteria and basic considerations for evaluating the BOD Committees' performance are based on several aspects, including

1. The number of meetings held
2. The presence of Directors
3. Minutes of Meetings
4. Decisions made in the Meetings

Performance assessment of the committees under the directors are as follows:

#### Risk Management Committee

The Risk Management Committee (KMR) is a committee that has a role in providing recommendations to the President Director regarding the risks inherent in the policies to be determined by the Board of Directors as well as evaluating the provisions that are considered not in accordance with the latest developments and need to be adjusted. KMR is actively involved in assessing risks inherent in each new product and / or service / activity so that the Bank can take the necessary mitigation measures and also evaluate the Risk Management Policy Guidelines (PKMR). During 2019,

the Risk Management Committee has conducted 5 (five) meetings and has performed its duties well.

#### Asset and Liability Committee (ALCO)

The Assets and Liabilities Committee (alco) is a committee that plays a role in the formulation of policies, strategies and targets as well as facilities in monitoring and making decisions related to the implementation of the Company's Asset Liability Management (ALMA). During 2019, ALCO has held 17 (seventeen) meetings and has conducted its duties well.

#### Lending or Financing Policy Committee

The Lending or Financing Policy Committee is a committee that has a role in policy formulation, oversees the implementation of policies, monitors the development and condition of the lending portfolio and provides recommendations for corrective measures in the lending sector. During 2019 the Lending or Financing Policy Committee has held 2 (two) meetings and has conducted its duties well.

#### Credit Committee

The Credit Committee is a committee that is tasked with providing recommendations and deciding on granting credit (new credit and credit restructuring) for the commercial and consumer credit segments according to the highest authority based on the Credit Termination Authority (BWMK). During 2019 the Credit Committee conducted 70 (seventy) meetings of the agenda, and has performed its duties well.



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### Product Committee

The Product Committee has a duty to assist the Directors who are responsible for determining the direction and development of the products in the Company and accountable to the Directors and periodically provide input and direction to the Division that manages the products. During 2019 the Product Committee has conducted 3 (three) meetings of the agenda, and has performed its duties well.

### Personnel Committee

The Personnel Committee has a role in the formulation of policies, oversees the implementation of policies, monitors developments and conditions of Manpower and provides recommendations for corrective measures in accordance with the Company's Employment regulations and the Employment Act in force in Indonesia. During 2019 the Personnel Committee has held 10 (ten) meetings of the agenda, and has performed its duties well.

### Information Technology Steering Committee

The Information Technology Steering Committee has a role in the formulation of policies, strategies and targets as well as facilities in monitoring and making decisions related to the implementation of the Company's Information Technology management. During 2019, the Information Technology Steering Committee has held 2 (two) meetings and has performed its duties well.

### Corporate Secretary Performance Assessment

Corporate Secretary functions as a liaison between the Company and shareholders and other stakeholders to ensure the Company's compliance with laws and regulations in the Capital Market and other duties and responsibilities as stated in the Financial Services Authority Regulation Number 35/POJK.04/2014 concerning Corporate Secretary of Issuers or Public Companies.

Throughout 2019, Corporate Secretary demonstrated a good performance and managed to meet the fulfillment of information needed by the Board of Directors and the Board of Commissioners. The Corporate Secretary has also fulfilled compliance with the Capital Market regulations and disclosed material and relevant information to stakeholders.

### Performance Assessment of Compliance Function

The Company has in place Compliance Task Force in strengthening the implementation of compliance function within the Company pursuant to the FSA Regulation No. 46 / POJK.03 / 2017 concerning the Implementation of the Compliance Function in Commercial Banks. The implementation of Compliance Function in the Company has performed well in order to strengthen the compliance culture at all levels of the Bank's organization and business activities.

In 2019, Compliance Task Force launched a management information system namely the Compliance Regulatory Management System (CRMS) with a view to monitor the commitments made by the Company to the Financial Services Authority and/or other authorized regulatory authorities. In addition, compliance risk management which aims to improve compliance culture in all business activities of the Bank, and at every level of the Company's organization, has also been running well. This effort is at the same time a means to mitigate the Bank's compliance risk on an ongoing basis.

### Performance Assessment of Risk management function

Risk management in the Company carried out by the Enterprise Risk Management Division has run well. Throughout 2019, the Enterprise Risk Management Division carried out various initiatives and programs and activities in order to foster risk culture and encourage effective risk management at all levels of the Company's organization and business activities in accordance with applicable regulations.

The success of the Enterprise Risk Management Division in applying risk management within the Company was manifested by various awards achieved throughout 2019, one of which was the ASEAN Public Risk category winner in the ASEAN Risk Awards by the Enterprise Risk Management Academy (ERMA) in 2019.

### Internal Audit Performance Assessment

The internal audit function carried out by the Internal Audit Division, which is a strategic business partner for management in optimizing the implementation of GCG within the Company, has run quite well. In 2019, the Internal Audit Division has followed up on audit findings from both



the 2018 and 2019 audit results, with the completion status of each finding reaching 100%. Throughout 2019, the Company considered that the implementation of IAD activities was very effective as evidenced by the added value generated and enhanced quality of the Company's

management as evidenced by various achievements in the Company's performance and awards obtained by the Company throughout 2019.

## PERFORMANCE, ACHIEVEMENT AND TRANSPARENCY OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS IN 2019

### WORKING RELATIONSHIP BETWEEN THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

One of the efforts to achieve GCG implementation effectiveness is through the working mechanism arrangements between Governance organs, specifically the working relations between the Board of Commissioners and the Board of Directors. The implementation of these two functions is indicated by the presence of the working relations pattern between the Board of Commissioners and the Board of Directors that requires integrated, sustainable and accountable systems and policies.

In creating a sustainable and accountable working relationship between the Board of Commissioners and the Board of Directors, there is a demand for equal perception and communication between the Board of Commissioners and the Board of Directors. Therefore, the Board of Commissioners and the Board of Directors determine and agree on the basic principles in the working relationship of the Board of Commissioners and the Board of Directors as stipulated in the Joint Decree of the Board of Commissioners No.02/DEKOMBTN/2017 and the Board of Directors No.01/DIRBTN/2017 concerning the Working Relationship of the Board of Commissioners and the Board of Directors of the Company.

Working Relationship of the Board of Commissioners with the Board of Directors is a working procedure for the Board of Commissioners and the Board of Directors and explains the stages of activities in a structured, systematic, easy to understand and consistent manner, which becomes a reference for the Board of Commissioners and the Board of Directors in performing their respective tasks in order to achieve the Company's Vision and Mission in line with the GCG principles.

The scope of the Working Relationship between the Board of Commissioners and the Board of Directors includes:

1. General Provisions
2. Report of the Board of Directors to the Board of Commissioners
3. The Board of Commissioners Inspection to the Company's premises
4. Provision of Advice by the Board of Commissioners to the Board of Directors
5. The Board of Directors' actions that require the Board of Commissioners' Approval
6. Mechanism of Request for BOC Approval Submission
7. Actions of the Board of Directors requiring the approval of the GMS with prior written consent from the Board of Commissioners
8. Submission for Requesting a Response Mechanism to the Board of Commissioners
9. The Board of Directors Actions requiring Consultation with the Board of Commissioners
10. Joint meetings consisting of Board of Directors Meeting together with Board of Commissioners Members and Joint Meetings of Board of Commissioners Meetings with Board of Directors Members
11. Performance Evaluation, consisting of:
  - a. Performance Evaluation of the Board of Commissioners and the Board of Directors
  - b. Assessment regarding the performance of the Board of Commissioners and the Board of Directors members
  - c. Performance evaluation of the Board of Commissioners and the Board of Directors

Working relationship between the Company's Board of Commissioners and Board of Directors is established with the spirit of respecting and understanding each other's duties, responsibilities and authorities in accordance with



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the prevailing legislation. The Board of Commissioners and the Board of Directors always co-ordinate and work together in order to achieve the goals and sustainability of the Company's business in the long-term and become role models for the ranks below.

The Board of Commissioners and the Board of Directors convene regularly in the BOC-BOD meetings share common insights and decide important issues concerning the Company's business continuity and operations. This periodic meeting is held to discuss various agenda regarding work plans, operations, business opportunities, and strategic issues that require the approval of the Board of Commissioners. This meeting is a form of co-ordination in order to discuss the Board of Directors' periodic reports and provide responses, notes and advice as outlined in the Minutes of Meeting.

Decisions in the meetings are made based on the principle of deliberation to reach a consensus or be taken based on the majority of votes and are binding to the implementation of the follow-up. In voting, if a member of the Board of Commissioners has conflict of interest, he/she may not vote and the clarification regarding this matter shall be recorded in the Minutes of Meeting.

### **DIVERSITY IN BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS COMPOSITION**

The majority of members of the Company's Board of Commissioners and Board of Directors have banking background and also varying competencies and experience. The diversity in the composition of the Board of Commissioners and the Board of Directors is important in ensuring a strong decision-making process and effective management of the Company, which is in accordance with the requirements and consistent with the strategies, vision and mission of the Company. Determination of the Board of Commissioners and the Board of Directors composition refers to the diversity policy based on the provisions of

Shareholders and the provisions set forth in the Board's Charter of the Board of Commissioners, which is a reference for consideration in the process of the nomination and succession of the Company's Board of Commissioners and the Board of Directors, with due regard to knowledge, expertise, and experience that is in line with the Company's requirements, thus obtaining the optimal composition of the Board of Commissioners and the Board of Directors.

Diversity policies relating to the composition of members of the Board of Commissioners and the Board of Directors includes the following:

1. Having at least 1 (one) Female member in the composition of the Board of Commissioners and the Board of Directors.
2. Possessing an Educational background and expertise including Accounting, Finance, Law and Business.
3. Having at least 1 (one) member of the Board of Commissioners who is a Foreign Citizen to enrich the knowledge and experience of the Board of Commissioners towards the banking industry development both inside and outside of Indonesia

In addition, the scope and the balance of knowledge, skills, and experience is also considered in achieving the optimal composition of the Board of Commissioners and the Board of Directors who are expected to optimize the decision-making process and improve the Company's performance.

In 2019, the Board of Commissioners and the Board of Directors composition has fulfilled the elements of diversity, including the combination of Independency, Expertise/Education, Work Experience, Age and Gender, by considering the Company's demands and complexity. All members of the Company's Board of Commissioners and Board of Directors possess Integrity, competence and good financial reputation. This is proved with the receipt of the Financial Services Authority's approval on the fit and proper test of the Company's Board of Commissioners.



## DIVERSITY OF BOC AND BOD COMPOSITION

Name and Position	Gender	Age	Last Education	Work Experience	Expertise
<b>The Board of Commissioners</b>					
<b>Chandra M. Hamzah</b> (President Commissioner/ Independent Commissioner)	Male	Aged 52	Bachelor of Law, University of Indonesia (1995).	<ol style="list-style-type: none"> <li>Partner of Assegaf Hamzah &amp; Partners Law Firm (2012-present)</li> <li>President Commissioner of PT Perusahaan Listrik Negara Tbk,</li> <li>Commissioner of the Corruption Eradication Agency (KPK)</li> </ol>	Law
<b>Armand B. Arief</b> (Independent Commissioner)	Male	Aged 67	Master of Business Administration, Curry College, Massachusetts, Amerika Serikat (1982)	<ol style="list-style-type: none"> <li>Commissioner and Senior Consultant of Dunamis Organization Services (2016-present)</li> <li>Independent Commissioner PT Bank Royal Indonesia</li> <li>President Director PT Bank UOB Buana</li> <li>Deputy CEO PT Bank International Indonesia</li> </ol>	Banking, Finance. Economics
<b>Ahdi Jumhari Luddin</b> (Independent Commissioner)	Male	Aged 65	Master of Science Policy Economics, University of Illinois, Chicago, Amerika Serikat (1989)	<ol style="list-style-type: none"> <li>Commissioner of PT BRI Agroniaga Tbk (2019-present)</li> <li>Independent Commissioner of PT Bank DKI</li> <li>Director of Law and Compliance of PT Bank Negara Indonesia (Persero) Tbk</li> <li>Director of Compliance and Risk Management of PT Bank Negara Indonesia (Persero) Tbk</li> </ol>	Banking, Finance. Economics Compliance
<b>Eko D. Heripoerwanto</b> (Commissioner)	Male	Aged 58	PhD in Natural Resources and Environment Management, Institut Pertanian Bogor (2009)	<ol style="list-style-type: none"> <li>General Director of Infrastructure Financing of Public Works and Housing, the Ministry of Public Works and Housing (2019-present)</li> <li>Secretary General of the Provision of Housing, the Ministry of Public Works and Housing</li> <li>Asdep Evaluation of Independent Housing, the Ministry of Public Works and Housing</li> </ol>	Planology, Housing, Natural Resource and Environment Management





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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## DIVERSITY OF BOC AND BOD COMPOSITION

Name and Position	Gender	Age	Last Education	Work Experience	Expertise
<b>Heru Budi Hartono</b> (Commissioner)	Male	Aged 54	Magister Manajemen Universitas Krisna Dwipayana (1998)	<ol style="list-style-type: none"> <li>1. Head of the Presidential Secretariat (2017-present)</li> <li>2. Head of Financial Management Agency of DKI Jakarta</li> <li>3. Mayor of North Jakarta</li> <li>4. Head of Bureau KDH and KLN of DKI Jakarta</li> </ol>	Finance, Economics
<b>Andin Hadiyanto</b> (Commissioner)	Male	Aged 55	Doctor of Philosophy Nagoya University, Jepang (2000)	<ol style="list-style-type: none"> <li>1. Director General of Treasury of the Ministry of Finance (2019-present)</li> <li>2. Expert Staff of the Finance Minister for Macroeconomics and Finance</li> </ol>	Finance, Macroeconomics
<b>The Board of Director</b>					
<b>Pahala Nugraha Mansury</b> (President Director)	Male	Aged 49	MBA Finance Leonard N. Stern School of Business New York, USA (1999)	<ol style="list-style-type: none"> <li>1. Director of Finance of PT Pertamina (Persero)</li> <li>2. President Director of PT Garuda Indonesia (Persero) Tbk</li> <li>3. Director of Treasury &amp; Market of PT Bank Mandiri (Persero) Tbk</li> </ol>	Finance
<b>Andi Nirwoto</b> (Director of Operation, IT and Digital Banking)	Male	Aged 56	Master of Finance, Universitas Gadjah Mada/University of Lexington Kentucky, USA (1997)	<ol style="list-style-type: none"> <li>1. General Manager Operational Information Technology of PT Bank Negara Indonesia (Persero) Tbk</li> <li>2. General Manager of Information Technology Solutions and Security Division &amp; of PT Bank Negara Indonesia (Persero) Tbk</li> <li>3. General Manager of Information Technology Division of PT Bank Negara Indonesia (Persero) Tbk</li> <li>4. Deputy General Manager of Information Technology Division of PT Bank Negara Indonesia (Persero) Tbk</li> </ol>	IT Operations



## DIVERSITY OF BOC AND BOD COMPOSITION

Name and Position	Gender	Age	Last Education	Work Experience	Expertise
<b>Nixon L.P Napitupulu</b> (Director of Finance, Planning and Treasury)	Male	Aged 50	Bachelor of Economics from University of North Sumatra, Medan (1994).	<ol style="list-style-type: none"> <li>1. President Director of PT Bank Mandiri Taspen Pos</li> <li>2. Head of the Transitional Team of PT Bank Mandiri (Persero) Tbk Joint Venture</li> <li>3. Head of Priority Project Bank Joint Venture PT Bank Mandiri (Persero) Tbk</li> <li>4. Group Head of Corporate Secretary Group of PT Bank Mandiri (Persero) Tbk</li> <li>5. Acting Group Head of Strategy &amp; Performance Management Group of PT Bank Mandiri (Persero) Tbk</li> <li>6. Group Head Micro Network Development Group of PT Bank Mandiri (Persero) Tbk</li> <li>7. Acting Group Head of Micro Network Development Group of PT Bank Mandiri (Persero) TBK</li> </ol>	<ul style="list-style-type: none"> <li>• Lending</li> <li>• Collection</li> <li>• Asset</li> <li>• Management</li> </ul>
<b>Yossi Istanto</b> (Director of Human Capital, Legal and Compliance)	Male	Aged 46	Master of Business Law from Universitas Katholik Parahyangan, Bandung (2004)	<ol style="list-style-type: none"> <li>1. Head of Legal Division of Bank BTN</li> <li>2. Head of Legal &amp; Loan Document Desk of Bank BTN</li> </ol>	Director of Human Capital, Legal and Compliance
<b>Elisabeth Novie Riswanti</b> (Director of Remedial and Wholesale Risk)	Female	Aged 52	Bachelor of Law Major in Civil Law from Gadjah Mada University, Yogyakarta (1991)	<ol style="list-style-type: none"> <li>1. Asset Management Division Head of Bank BTN</li> <li>2. Small &amp; Medium Lending Division Head of Bank BTN</li> <li>3. Commercial Housing Loan Department Head of Bank BTN</li> </ol>	Asset Management
<b>Hirwandi Gafar</b> (Director of Consumer and Commercial Lending)	Male	Aged 51	Bachelor's degree from Institut Teknologi Bandung (1992)	<ol style="list-style-type: none"> <li>1. Head of Subsidized Mortgage Lending Division of Bank BTN</li> <li>2. Head of Subsidized Mortgage Division of Bank BTN</li> <li>3. Head of Business Development Subsidized Mortgage Department of Bank BTN</li> </ol>	Lending



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**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****DIVERSITY OF BOC AND BOD COMPOSITION**

Name and Position	Gender	Age	Last Education	Work Experience	Expertise
Jasmin (Director of Distribution and Retail Funding)	Male	Aged 54	Master 's Degree from Gajah Mada University, Yogyakarta (1998)	<ol style="list-style-type: none"> <li>SEVP Consumer &amp; Transaction of PT Bank Mandiri (Persero) Tbk</li> <li>Regional CEO IV/JKT 2 of PT Bank Mandiri (Persero) Tbk</li> <li>Regional Manager IV-JKT of PT Bank Mandiri (Persero) Tbk</li> </ol>	Business
Setiyo Wibowo (Director of Enterprise Risk Management, Big Data and Analytics)	Male	Aged 43	Master 's degree from KDI School of Public Policy and Management, South Selatan (2009)	<ol style="list-style-type: none"> <li>Group Head Consumer Credit Risk &amp; Analytics of PT Bank Mandiri (Persero) Tbk</li> <li>Group Head Credit Portofolio Risk of PT Bank Mandiri (Persero) Tbk</li> <li>Group Head Consumer Deposits of PT Bank Mandiri (Persero) Tbk</li> </ol>	Credit Risk & Analytics Data

**ASSESSMENT OF THE BOARD OF COMMISSIONERS' AND THE BOARD OF DIRECTORS' PERFORMANCE**

As SOE Bank with a status as public company, the Company has performance assessment mechanism for the Board of Commissioners and the Board of Directors, both the performance assessment referring to the SOE Ministry regulation and the assessment referring to the banking regulations and other compliance. The following is information on the assessment of the Board of Commissioners' and Board of Directors' performance.

**Assessment of the Board of Commissioners' Performance**

General Policy regarding the assessment of the Board of Commissioners' performance refers to the Board of Commissioners Manual. The assessment of the Board of Commissioners performance shall be conducted based on the criteria pertaining the execution of duties and responsibilities of the Board of Commissioners, and submission of the Board of Commissioners' performance report, which will be evaluated by the Shareholders.

**Procedures of the Board of Commissioners' Performance Assessment**

Procedure of the Board of Commissioners' performance assessment is reported to the Shareholders in the GMS forum. The GMS is a meeting attended by shareholders meeting the quorum requirements and organized by the Board of Directors at the request of the Board of Commissioners. The Board of Commissioners or shareholders representing 1/10 of the

total number of shares for the purpose of decision-making and/or for decision making on the matters where authorities are not granted to the Board of Directors or the Board of Commissioners.

In addition, the Board of Commissioners has in place assessment mechanism which refers to FSA Regulation and State-Owned Enterprises Ministry Regulation as follows:

- Self-Assessment in line with SEOJK No. 32/SEOJK.04/2015 t  
The Board of Commissioners has formulated Key Performance Indicators (KPI) based on 3 (three) aspects, i.e. Supervisory and Guidance aspect, Reporting aspect, and Dynamic aspect (other than those related to the duties and responsibilities of the Board of Commissioners).
- The Board of Commissioners is also assessed by the GCG Self-Assessment mechanism based on the FSA Regulation No.55/POJK.03/2016, and
- Third-Party Assessment with international standards, i.e. ASEAN CG Scorecard. Further explanation on the Bank's GCG Self-Assessment results based on the BI/FSA regulations and ASEAN CG Scorecard are provided in the section 'Commitment to Sustainable GCG Implementation' in the Annual Report of the Company.

**Board of Commissioners' Performance Assessment Criteria**

The implementation of the BOC performance assessment shall be based on the assessment criteria related to the implementation of the Board of Commissioners' supervisory and advisory function to the Board of Directors on behalf of the Company and the shareholders, in particular, the stakeholders, which further will be evaluated by the Shareholders.

The assessment is based on the evaluation criteria of the duties and responsibilities of the Board of Commissioners in the implementation of the GCG Self-Assessment as stipulated in the Financial Services Authority Circular No. 13/SEOJK.03/2017 dated March 17, 2017 concerning the

Implementation of Governance for Commercial Banks.

**Parties Conducting Assessment on the Board of Commissioners**

The party conducting an assessment of the performance of the Board of Commissioners is the shareholders in the GMS.

**The party conducting an assessment of the performance of the Board of Commissioners is the shareholders in the GMS**

The performance assessment of the Board of Commissioners is based on the Performance Indicator, which shows that overall the Board of Commissioners has successfully achieved the pre-determined targets

**BOARD OF COMMISSIONERS' 2019 KPI AND ITS REALIZATION**

No	Board of Commissioners Work Program	2019			Score		Weighted Value Range (6) (3)x(5)	Explanation
		Explanation of KPI Target (1)	KPI Realization (2)	Weight (3)	% (4) (21):(1)	Score (5) *) Score Calculation		
<b>Supervision and Direction Aspects</b>				75	265			
1.	Review and Response of RBB and RKAP Implementation	6 times	6	10	100%	3	30	<ul style="list-style-type: none"> <li>Through a written letter to the Directors</li> <li>Internal Meeting of the Board of Commissioners Discussion of RBB &amp; RKAP</li> <li>Joint Meeting of the Board of Commissioners and Directors of RBB &amp; RKAP</li> </ul>
2.	Review and Evaluation of the Bank's Performance and GCG	12 times	12	20	100%	3	60	Conducted every month in a Joint Meeting of the Board of Commissioners and Directors with a specific agenda of Performance Review
3.	Review of Follow-up on Internal/ External Audit results/findings	6 times	8	5	133%	3	15	<ul style="list-style-type: none"> <li>Through a written letter to the Directors</li> <li>Internal Meeting of the Board of Commissioners Discussion of Internal Audit, Special Audit, External Audit</li> <li>Joint Meetings of the Board of Commissioners and Directors Discussion of Internal Audit, Special Audit, External Audit</li> </ul>
4.	Board of Commissioners' Meeting	12 times	91	20	758%	4	80	<ul style="list-style-type: none"> <li>Internal Board of Commissioners Meeting 51 times</li> <li>Joint Meetings of the Board of Commissioners and Directors 41 times</li> </ul>
5.	Give Response/ Advice/Approval/ Suggestion/ Direction to Board of Directors	6 times	145	20	2417%	4	80	Through written channel to Board of Directors



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## BOARD OF COMMISSIONERS' 2019 KPI AND ITS REALIZATION

No	Board of Commissioners Work Program	2019			Score		Weighted Value Range (6) (3)x(5)	Explanation
		Explanation of KPI Target (1)	KPI Realization (2)	Weight (3)	% (4) (21):(1)	Score (5) *) Score Calculation		
<b>Reporting Aspect</b>				20			60	
	1. Develop and deliver Annual Work Program	1 time	1	5	100%	3	15	The Work Program of the Board of Commissioners which was prepared by the Committee with Koreno as PIC and approved by the Board of Commissioners at the beginning of the year
<b>II</b>	2. Submitting Reports/opinions to Shareholders/GMS	4 times	4	10	100%	3	30	<ul style="list-style-type: none"> <li>Semi-annual Supervision Report to OJK</li> <li>Quarterly Supervision Report to the Ministry of SOEs</li> </ul>
	3. Submitting Reports on Supervision (Regulator)	2 times	2	5	100%	3	15	
<b>Dynamic/Other Aspects</b>				5			15	
<b>III</b>	1. Improvement on Bank Supervision Competencies	2 times	2	5	100%	3	15	Each Board of Commissioners has participated in Training/Workshop both at home and abroad
<b>Total Result</b>				100			340	
				<b>RESULT</b>		Very Good		

\*) Score Calculation

Result	Score	Range Of Performance Weighted Score	Category
>110%	4	351 – 400	Excellent
> 95% – < 110%	3	281 – 350	Very Good
> 85% – < 95%	2	101 – 280	Good
> 75% – < 85%	1	0 – 100	Enough

## BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

The Annual General Meeting of Shareholders is a forum where the Board of Directors reports and accounts for the Company's performance to shareholders based on Managements Performance Contracts, i.e. to evaluate the performance of the Board of Directors individually and the performance of each committee as a supporting body of the Board of Directors.

General Policy regarding the performance evaluation of the Board of Directors refers to the Board of Directors Charter. The performance evaluation of the Board of Directors is performed based on the benchmarks for evaluating the performance of each member of the Board of Directors.

**BOARD OF DIRECTORS' PERFORMANCE ASSESSMENT**

Procedures The procedure for evaluating the Board of Directors' performance is discussed in the GMS forum. The GMS is a meeting that is attended by the Shareholders who meet the quorum criteria and is organized by the Board of Directors at the request of Board of Commissioners. The Board of Directors, or shareholders who represent 1/10 of all the shares; in order to make decisions and/or to decide matters where the authority has not been granted to the Board of Directors' or Board of Commissioners'.

The result of the evaluation regarding the Board of Directors' collective performance and individual performance of each member of the Board of Directors, which is an integral part of the compensation scheme and provision of incentives for the members of the Board of Directors.

**The Board of Directors' Performance Assessment Criteria**

The assessment of Directors is conducted with several criteria and measuring instruments including:

1. The Board of Directors' Key Performance Indicators (KPI) The performance of the Board of Directors and each member of the Board of Directors is evaluated by the Board of Commissioners. The KPI outcome of each member of the Board of Directors is reported to the Board of Commissioners and further reviewed by the Remuneration and Nomination Committee as consideration in determining the remuneration of each member of the Board of Directors

The individual performance of the Board of Directors can be seen specifically in individual KPIs consisting of the Joint KPI and the Directorate KPI. The individual KPIs of each Director in 2019 can be seen below:

Perspective	Corporate KPI				
		President Director	Commercial Banking	Consumer Banking	
Financial	Rp (Profit) million	●	●	●	
	Corporate Financial Ratio	●	●	●	
	Rp Growth asset				
	Rp Growth kredit	●	●		
	Rp Growth DPK	●	●		
	% CASA	●	●		
	Rp Wholesale funding				
	Rp Fee based income (billion)	●	●	●	
	% NPL Consumer		●		
	% NPL Commercial	●			
	% NPL National			●	



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

Board of Directors						
	Distribution & Network	Collection & Asset Man.	IT & Operation	Finance, Treasury & Strategy	Compliance	Strategic Human Capital
	●	●	●	●	●	●
	●	●	●	●	●	●
			●			●
			●			
			●			
				●		
	●			●		
	●	●	●	●	●	●



Perspective	Corporate KPI				
		President Director	Commercial Banking	Consumer Banking	
Customer	*% Δ Market share KPR	⬮		⬮	
	*MRI			⬮	
	% Collectability 1				
	Settlement of problem loans				
Business Process	A/Growth of KPR/A debtor savings				
	Card transaction amount		⬮		
	Development of product and service networks		⬮	⬮	
	KPKU Score		⬮	⬮	
	Bank Health Level				
	ASEAN GCG Scorecard				
	Implementation of compliance in accordance with the regulator	⬮	⬮	⬮	
	% PKBL Realization	⬮			
	% DRBM via CSM				
	Learning & Growth	Rp Profir per employee (million)			
Employee Engagement Index					
Formation Completion					
IT Development					
% ICT Himbara Implementation					
Agent of Development	Agent of Development & Supervision of Division	⬮	⬮	⬮	
	Synergies between SOEs		⬮	⬮	
	Integrated Regional Economic Development				
	Financial independence and value creation	⬮			
	Government Assignments	⬮			
Transformation Program	Structure Rollout	⬮	⬮	⬮	





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### STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

Board of Directors						
	Distribution & Network	Collection & Asset Man.	IT & Operation	Finance, Treasury & Strategy	Compliance	Strategic Human Capital
	●	●	●	●	●	●
	●					
		●				
		●				
		●				
	●			●		
	●			●		
					●	
					●	
	●	●	●	●	●	●
					●	
						●
						●
			●			●
			●			●
	●	●	●	●	●	●
	●		●			
			●	●		
				●		
	●	●	●	●	●	●



Perspective	Corporate KPI				
		President Director	Commercial Banking	Consumer Banking	
Sum		12	14	14	
<b>Total</b>		<b>100</b>	<b>100</b>	<b>100</b>	

 Collegial KPI

 Unit KPI

## 2. Board of Directors' Work Plans

The Board of Directors has prepared the 2019 Work Plan as the Company's target or focus. This was done for the purpose of developing the Company and carrying out the assignment of Shareholders as well as meeting the predetermined KPI targets which consist of:

No	Bidang	Kegiatan
1	Lending	Strengthening business positioning in the housing sector and bringing the Sejuta Rumah (Million Houses) Program a success.
2	Credit Quality and PSAK 71 implementation	Credit quality refinement is focused on improving the lending process and increasing collection effectiveness.
3	Funding	Increasing the DPK Low Cost as an effort to support the target of growth and profitability refinement.
4	Fee Based Income and Formation of Subsidiaries	Increasing the NOA and expanding corporate banking and treasury activities by developing targeted transactions for commercial customers and institutions.
5	Sharia Business	Optimizing the leveraging model, one of which is mirroring the features of BTN Sharia services with the BTN Parent service and optimizing the parent network in selling sharia products.
6	Capital	Increasing the bank profitability and performing loans / bonds
7	Human Capital	Increasing the Employee Productivity to Support Sustainable Growth to be harmonized and based on the development of the digitalization era to strengthen and improve the business process of human capital.
8	IT infrastructure	Preparing an Information Technology architecture that supports the bank's business strategy in increasing low-cost funding based on transactions, effectiveness and operational efficiency
9	Good Corporate Governance (GCG), Risk Management, and Compliance	Implementing banking management in accordance with the principles of prudence and Good Corporate Governance to increase shareholder value
10	Network Development (Delivery Channel)	Strengthening the organization structure and business processes that are based on GCG principles consistently.



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

Board of Directors						
	Distribution & Network	Collection & Asset Man.	IT & Operation	Finance, Treasury & Strategy	Compliance	Strategic Human Capital
	13	10	14	13	10	12
	100	100	100	100	100	100



### 3. Board of Directors' GCG Assessment

The assessment is carried out based on the parameters of the Board of Directors' Duties and Responsibilities Assessment criteria in the GCG Self-Assessment stipulated in the FSA Circular No. 13/SEOJK.03/2017 concerning the Implementation of Governance for Commercial Banks. In addition, the Board of Directors has an assessment mechanism that refers to FSA Regulation and SOE Ministerial Regulation with the following criteria: a) Excellent Performance Assessment Criteria or Kriteria Penilaian Kinerja Unggul (KPKU) for SOEs; b) GCG Self-Assessment for Banking, and; c) ASEAN CG Scorecard.

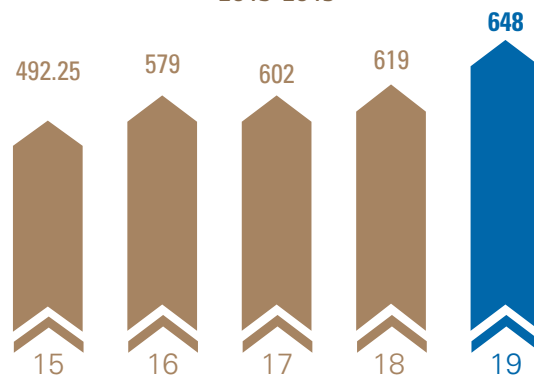
#### a. Performance Evaluation of the Board of Directors using KPKU

The evaluation system of the SOE Performance Evaluation is based on the SOE Ministerial Letter No. S-153/S-MBU/2012 dated July 19, 2012 concerning Reporting of Performance Based on the SOE's KPKU and SOE Ministerial Secretary Letter No.S-08 / S.MBU/2013 dated January 16, 2013 concerning Submission of Determination Guidelines of Key Performance Indicator (KPI) and KPKU for BUMN; who adopted and adapted the "Malcolm Baldrige Criteria for Performance Excellence". The Company evaluates the Board of Directors performance using KPKU Assessment Procedure with details as follows:

- The Ministry of SOE has formed the "Forum Ekselen BUMN (FEB)" or "SOE Excellent Forum" with duty to carry out the Assessment.
- The SOE Ministry assigns the FEB Team in the Company as the personnel carrying out the Assessment in the Company.
- The Board of Directors appoints the Corporate Strategic & Performance Management Division (CSPD) Work Unit as a Liason Officer and coordinates all work units to carry out the Assessment.
- The FEB team conducts the Assessment and makes conclusions or the results of the Assessment.
- The FEB team submits the Assessment results to the SOE Ministry for approval.
- The SOE Ministry determines results of the Assessment.

The KPKU evaluation criteria consist of 7 (seven) categories consisting of Leadership, Strategic Planning, Customer Focus, Measurement Analysis and Knowledge Management, Workforce Focus, Operations Focus and Results. Apart from those 7 (seven) categories, the SOE performance evaluation is also based on two dimensions of evaluation; namely (1) Process Dimension, through Approach, Deployment, Learning, and Integration (ADLI) factors and (2) Outcome Dimensions, through Level, Trend, Comparison and Integration (LeTCl) factors.

**PENCAPAIAN SKOR KPKU BANK BTN 5 TAHUN TERAKHIR**  
2015-2019



Bank BTN continues to improve its performance shown by consistently increasing KPKU scores in the past 5 years. In 2019, the KPKU score is at 648, indicating that Bank BTN is in the position of an emerging industry leader (score range 576-675).



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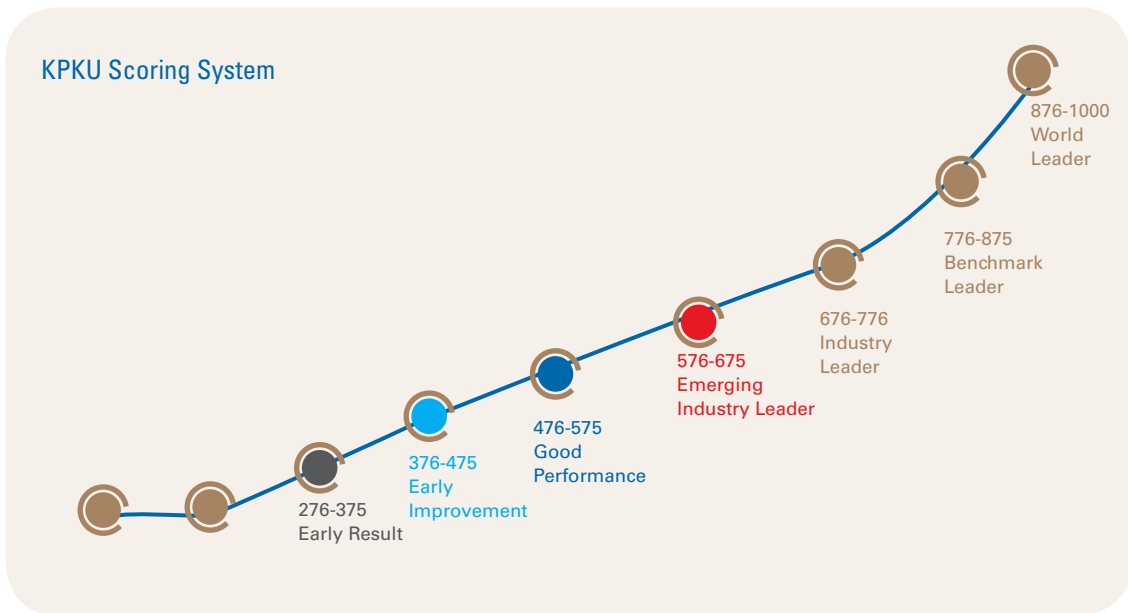


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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM



### b. Banking GCG Self-Assessment

In evaluating the Board of Directors' GCG Self Assessment, the Board of Directors' performance evaluation refers to the Company Work and Budget targets set at the beginning of the period and set forth as the Board of Directors' Key Performance Indicators (KPI) based on their responsibilities in the aspects of supervision, risk mitigation and compliance with all applicable laws and regulations.

Further explanation regarding the results of the Company's GCG Self Assessment of the Board of Directors aspect based on Bank Indonesia/FSA provisions is described in the Company's GCG Assessment section in this Annual Report.

### c. ASEAN CG Scorecard

The Board of Directors' performance evaluation also includes Third Party Assessment using international standards of the ASEAN CG Scorecard. Further explanation regarding the ASEAN CG Scorecard assessment is described in the section Building Commitments for GCG Implementation of the Bank.

### The Party Evaluating BOD Performance

The parties evaluating the Board of Directors' performance are the Board of Commissioners and the GMS. In evaluating the Board of Directors' performance, the Board of Commissioners refers to KPI indicators. Then, the Board of Commissioners and the Board of Directors shall be responsible for the Company's performance achievement in the 2019 period, including the Board of Commissioners' and the Board of Directors' duties and responsibilities performance in the GMS to be held in 2020.

In addition to the evaluation through the GMS, the Board of Directors' performance assessment is also carried out through the GCG Self-Assessment mechanism based on the BI/FSA regulations, KPKU, and Third Party Assessment using international standards of the ASEAN CG Scorecard. Further explanation on the results of the Bank's GCG Self Assessment based on the BI/ FSA Regulation, and the ASEAN CG Scorecard is presented in the section Building Commitments for the Bank's GCG Implementation.



Ikhtisar Utama 2019



Laporan Manajemen



Profil Perusahaan



Analisis dan Pembahasan  
Manajemen

### **BOARD OF COMMISSIONERS' AND BOARD OF DIRECTORS' REMUNERATION TRANSPARENCY AND GOVERNANCE**

The Company has remuneration governance policy for the Board of Commissioners, the Board of Directors and employees both mandatory and additional that is carried out based on the applicable laws and regulations. The remuneration governance is an important aspect in attracting, motivating, and maintaining quality of the human capital. The remuneration management of the Company is inseparable from the Company's ability to always carry out policies that are competitive, fair and risk-based principles that are in line with the directions and policies of FSA. In preparing the remuneration policy, the Company uses the service of external consultant to keep the remuneration competitive.

#### **Procedures and Mechanisms for The Establishment of The Remuneration Policy**

The Company's remuneration policy has been adjusted to OJK Regulation No. 45 / POJK.03/2015 and SEOJK No. 40/SEOJK.03/2016 concerning the Implementation of Governance for the Provision of Remuneration for Commercial Banks. The Company always pays close attention to the precautionary principle in providing risk-based remuneration as well as the implementation of variable forms of remuneration that are in accordance with the regulator's provisions regarding the implementation of Remuneration for Commercial Banks.

#### **Remuneration Policy Organizational Procedure for the Board of Commissioners and the Board of Directors**

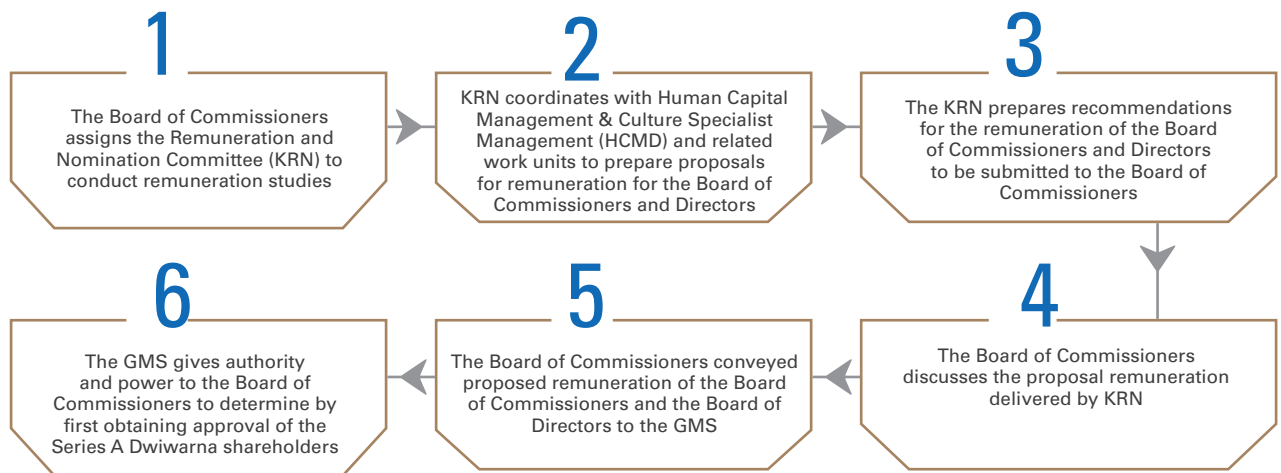
The Company has issued the Board of Directors' Circular Letter 16/SE/DIR/HCS/2019 concerning the Implementation of Governance in the Provision of

Remuneration by considering aspects, including the Bank's financial stability, the creation of Risk Management, Short-Term and Long-Term Liquidity requirements and future Revenue potential. Through the Circular Letter, the Company implements a competitive, fair and balanced remuneration system, that is risk-based and always ensures that no employee receives benefits below the stipulated conditions.

The coverage aspects of the policy include the objectives of implementing Governance in the provision of remuneration, variable remuneration and material risk takers. The Company determines the remuneration for the Board of Commissioners and Directors in reference to the provisions of the Minister of State-Owned Enterprises, which is the amount of income of the Board of Commissioners and the Board of Directors, which is determined at the General Meeting of Shareholders (GMS). The policy stipulated at the GMS is to provide authority and power to the holder of the Series A Dwiwarna Share to determine the amount of the bonuses in the 2018 Financial Year, and determine the salary/honorarium, allowances, facilities and other incentives for the Board of Commissioners and provide authority and power to the Board of Commissioners first to obtain written approval from the Series A Dwiwarna Share Holder to determine the amount of tantiem, salary/honorarium, allowances, facilities and other incentives for the Board of Directors.

**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****Procedure for Determining Remuneration**

The procedure to set out the remuneration of the Board of Commissioners and the Board of Directors is as follows:



The scope of the Company's remuneration policy, which has been adjusted to the FSA Regulation No. 45/POJK.03/2015 and FSA Circular Letter (SEOJK) No. 40/SEOJK.03/2016 regarding Governance Implementation concerning Commercial Bank's Remuneration includes the following:

1. The principle of prudence in Remuneration is based on performance and risk.
2. The Material Risk Taker (MRT) is categorized as follows:
  - a. Material Risk Takers (MRT) can be determined by using qualitative methods in accordance with the portion of responsibilities affecting the main risk profile to be determined in accordance with the evaluation of the risk profile specified by the Bank annually.
  - b. The MRT category can be determined quantitatively through a comparison of the variable Remuneration between MRT and nonMRT employees, by taking into consideration the performance and position risk of the employees.
3. The application of variable Remuneration is in accordance with regulatory provisions related to the Remuneration for Commercial Banks.

Improvement of the Remuneration strategy includes reviewing the performance and risk-based Remuneration policies, empowerment through the implementation of a Remuneration System and improving policies and procedures for implementing benefit programs. Assessment

of the Remuneration System and employee welfare is performed both periodically and continuously, taking into account matters, which includes the Bank's financial performance, employee competency and performance, and Remuneration practices that apply in the market.

**The Board of Commissioners' and The Board of Directors' Indicators for Determining Remuneration**

In setting the indicator the Board of Commissioners and the Board of Directors, the Company refers to the State Ministry for State-Owned Enterprises Regulation Number: PER01/MBU/06/2017 regarding the Forth Amendment to the Minister of State-Owned Enterprises Regulation No. PER-04/MBU/2014 regarding the Guidelines for Stipulation of the Board of Directors, Board of Commissioners of State-Owned Enterprises. The Salary/Honorarium of members of the Board of Directors, Board of Commissioners shall be determined based on the following factors:

1. Business scale factor;
2. Business complexity factor;
3. Inflation rate;
4. The Company's financial condition and capability;
5. Other relevant factors, which must not conflict with any laws and regulations;
6. The composition of Salary/Honorarium of the Board of Directors and the Board of Commissioners is stipulated as follows:
  - a. The salary of the President Director is determined



- using internal guidance stipulated by the Minister;
- The salary of the Directors in human resources department is 90% of the President Director
  - Salaries of the other members of the Board of Directors is 85% of the President Director's salary;
  - The President Commissioner's Honorarium is 45% of the President Director's salary;
  - The members of the Board of Commissioners' honorarium is 40.5% of the President Commissioner.

#### Scope of the Remuneration Policy and its Implementation per Business Unit, per Area, and in Subsidiary or Branch Offices Located Abroad

The Company's Remuneration Policy has considered the geographical area of the said Branch Office. The Company has policies related to the terms of providing regional support for certain regions.

#### The Board of Commissioners and Board of Directors Remuneration Structure

The remuneration structure of the Board of Commissioners and the Board of Directors which divided into short term, long term and post employment types are as follows:

- Short term remunerations consist of: honorarium, allowances (religious holiday allowance, transportation), Facilities (Medical, and legal support) and Tantiem.
- Long term and/or post employment remunerations consist of: Post Employment Insurance and long term incentive (LTI).

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



Based on the Board of Directors' Circular Letter No. 57/DIR/HCD/2016 concerning the Implementation of Governance in the Provision of Remuneration, there are fixed and variable remuneration components of the Board of Commissioners and the Board of Directors, which are as follows:

- Fixed Remuneration is provided in the form of cash, which may be accompanied with the provision of a noncash benefit.
- Variable Remuneration is provided in the form of cash or shares or share-based instruments issued by the Company.

#### Share Options in Possession by Members of The Board of Directors, Board of Commissioners, Executive Officers and Employees

The Company has Management Stock Option Program (MSOP) and Employee Stock Option Program (ESOP) as appreciation to the Management and all the employees. The Extraordinary General Meeting of Shareholders (EGMS) held on October 6, 2009 approved the issuance of new shares in the portfolio of PT Bank Tabungan Negara (Persero) Tbk as much as 30% (thirty percent) or totaling 2,723,142,857

shares of the total shares that were issued and fully paid after the issuance of new shares so that the ownership of the Republic of Indonesia changed to 70% (seventy percent) or 6,354,000,000 shares of the total shares issued and fully paid after the issuance of the new shares. The issuance of the new shares in the portfolio referred to as offered to the public through an IPO (Initial Public Offering), which included all shares including Management and Employee Stock Allocation/MESA and the Management and Employee Stock Options Plan/ MESOP.





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**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM**

Participants for the MESA and MESOP programs are employees who were registered as of September 30, 2009, and the members of the Board of Directors', Board of Commissioners', Sharia Supervisory Board, Secretary of the Board of Commissioners, and Audit Committee members:

**SHARE OWNERSHIP BASED ON SHARE OPTIONS IN 2009****First Stage MESOP**

No.	Name and Position	Number of Shares Owned	Jumlah Opsi		Option Price (Rp)	Duration
			Number of Shares Given	Number of Shares Executed		
<b>Board of Commissioners</b>						
1	Arie Coerniadi	-	-	-	-	-
2	Kamaruddin Sjam	-	-	-	-	-
3	Lucky Fathul Aziz Hadibrata	-	-	-	-	-
4	Catherinawati Hadiman	-	-	-	-	-
5	Fajar Harry Sampurno	-	-	-	-	-
6	Sumiyati	-	-	-	-	-
<b>Board of Directors</b>						
1	Maryono	-	-	-	-	-
2	Irman Alvian Zahiruddin	3.991.000	1.354.000	1.354.000	855,00	Feb 2011 - Ags 2014
3	Mansyur Syamsuri Nasution	-	-	-	-	-
4	Iman Nugroho Soeko	-	-	-	-	-
5	Sis Apik Wijayanto	-	-	-	-	-
6	Adi Setianto	-	-	-	-	-
7	Sulis Usdoko	-	138.500	138.500	855,00	Feb 2011 - Ags 2014
8	Oni Febriarto R.	-	65.000	65.000	855,00	Feb 2011 - Ags 2014
Executive Officers		7.430.600	6.925.500	6.925.500	855,00	Feb 2011 - Ags 2014
Staffs		-	136.751.500	136.751.500	855,00	Feb 2011 - Ags 2014



## SHARE OWNERSHIP BASED ON SHARE OPTIONS IN 2009

## Second Stage MESOP

No.	Name and Position	Number of Shares Owned	Jumlah Opsi		Option Price (Rp)	Duration
			Number of Shares Given	Number of Shares Executed		
<b>Board of Commissioners</b>						
1	Arie Coerniadi	-	-	-	-	-
2	Kamaruddin Sjam	-	-	-	-	-
3	Lucky Fathul Aziz Hadibrata	-	-	-	-	-
4	Catherinawati Hadiman	-	-	-	-	-
5	Fajar Harry Sampurno	-	-	-	-	-
6	Sumiyati	-	-	-	-	-
<b>Board of Directors</b>						
1	Maryono	-	-	-	-	-
2	Irman Alvian Zahiruddin	3.991.000	855.500	855.500	1.297,44	Feb 2011 - Ags 2015
3	Mansyur Syamsuri Nasution	-	-	-	-	-
4	Iman Nugroho Soeko	-	-	-	-	-
5	Sis Apik Wijayanto	-	-	-	-	-
6	Adi Setianto	-	-	-	-	-
7	Sulis Usdoko	-	109.000	109.000	1.297,44	Feb 2011 - Ags 2015
8	Oni Febriarto R.	-	51.000	51.000	1.297,44	Feb 2011 - Ags 2015
Executive Officers		7.430.600	5.467.500	5.467.500	1.297,44	Feb 2011 - Ags 2015
Staffs		-	102.442.500	102.442.500	1.297,44	Feb 2011 - Ags 2015

## SHARE OWNERSHIP BASED ON SHARE OPTIONS IN 2009

## Third Stage MESOP

No.	Name and Position	Number of Shares Owned	Jumlah Opsi		Option Price (Rp)	Duration
			Number of Shares Given	Number of Shares Executed		
<b>Board of Commissioners</b>						
1	Arie Coerniadi	-	-	-	-	-
2	Kamaruddin Sjam	-	-	-	-	-
3	Lucky Fathul Aziz Hadibrata	-	-	-	-	-



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**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****SHARE OWNERSHIP BASED ON SHARE OPTIONS IN 2009****Third Stage MESOP**

No.	Name and Position	Number of Shares Owned	Jumlah Opsi		Option Price (Rp)	Duration
			Number of Shares Given	Number of Shares Executed		
4	Catherinawati Hadiman	-	-	-	-	-
5	Fajar Harry Sampurno	-	-	-	-	-
6	Sumiyati	-	-	-	-	-
<b>Board of Directors</b>						
1	Maryono	-	-	-	-	-
2	Irman Alvian Zahiruddin	3.991.000	828.500	828.500	1.098,36	Feb 2011 - Ags 2016
3	Mansyur Syamsuri Nasution	-	-	-	-	-
4	Iman Nugroho Soeko	-	-	-	-	-
5	Sis Apik Wijayanto	-	-	-	-	-
6	Adi Setianto	-	-	-	-	-
7	Sulis Usdoko	-	108.500	108.500	1.098,36	Feb 2011 - Ags 2016
8	Oni Febriarto R.	-	54.500	54.500	1.098,36	Feb 2011 - Ags 2016
Executive Officers		7.430.600	5.566.500	5.566.500	1.098,36	Feb 2011 - Ags 2016
Staffs		-	102.367.500	102.367.500	1.098,36	Feb 2011 - Ags 2016

The MESA and MESOP programs were completed in the 2016 period. Since then, there was no further Share Option program for the Board of Directors, Board of Commissioners, Executive Officers, and Employees. In 2018, the Company no longer implemented the Bank's Share Ownership Program for employees and/or management.

**FACTOR AND INDICATOR AFFECTING THE BOARD OF COMMISSIONER AND THE BOARD OF DIRECTOR REMUNERATION****Remuneration Based Performance and Risk**

The Company may postpone the variable Remuneration payment that is suspended (Malus) or retract the variable Remuneration payment, which has already been paid (Claw back) to an officer that has been categorized as a Material Risk Taker (MRT), with the following provisions:

1. Loss or damage to the Company's reputation
2. Employee's involvement directly or indirectly related to the act or transaction conducted

An officer who is categorized as an MRT, with the following criteria:

1. Causing any significant damage to the Company's Reputation or negative impacts on the Company's Finances or potential Business Opportunities.
2. Causing any significant Financial Loss.
3. Conducted any Fraud, Unethical Actions, and/or Falsification of Records.
4. Causing any Material Risk or providing any False Financial Statements.



5. Conducted any Violation of Policies, Rules, and Procedures Deliberately.
6. Causing any significant Loss to the Related Work Unit because the Risk Management Function was not conducted properly.
7. Causing any significant negative impact on the Bank's Capital, which was not caused through Climate Change, Economics, or Industrial.
8. The Deliberate Disclosure of any Confidential Information to External Parties

#### Performance Measurement Associated with Remuneration

1. Remuneration policy linked to the Performance Assessment  
The Company has policies regarding the Performance Management System that stipulates the increase of Remuneration concerning payment for performance, which is regulated in a separate policy regarding the Basic Salary Policy.
2. Method to Calculate Remuneration linked to the Company's Performance, Work Unit Performance, Individual Performance. Policy regarding the Company's Performance Management System stipulates the Performance Target Assessment, which includes the Company's Work Target (SKP), Task Force Target (SKU), and Individual Work Target (SKI). The Work Target Assessment is conducted by comparing the Actual Work Achievement with the Respective Work Target. In the Performance Management System Policy, the Company also regulates the assessment of the Corporate Culture Competence and Leadership Competence for employees who have subordinates.
3. Descriptions of the methods used by the Company to state that the specific performance is not achieved; thus, the requirement to adjust the Remuneration and Remuneration Value if the condition occurs.

The Remuneration Adjustment Method is related to the performance achievement. The adjustment is conducted by the Company through the policy of increasing the basic salary every year based on the value determined by the Performance Management System of the previous year and Comparatio.

Comparatio is a percentage calculated from the basic salary of a Permanent Employee to the midpoint of the basic salary range, in the category of Permanent Employee. In order to maintain qualified employees, the Company provides Production Services as a form of Remuneration directly related to the employees' Performance Assessment, as reflected in the Performance Management System (SMK).

#### Connection between Remuneration with Public Performance of a Public Company

In the Board of Directors' Decree No. 02/PD/HDC/2017 regarding the Board of Directors' and the Board of Commissioners' Income, it is stated that the Remuneration type, which is accepted by the Board of Directors and the Board of Commissioners is *tantiem*/ work incentive, which is a reward for the improvement of the Company's performance and ensuring it does not accumulate any losses.

#### External Consultants Regarding Remuneration

To ensure that the remuneration for the Board of Commissioners and the Board of Director in accordance with the following factors: the business scale, complexity of the business, inflation rate, and financial condition of the Company and in compliance with the applicable laws and regulations, the Company hire the third party as an external consultant.

**Consultant's Name** : Korn Ferry Indonesia

**Scope of Work** :

- Salary Review of the Board of Directors and Board of Commissioners for 2019 compared to Market Standards
- Review of the *tantiem* of the Board of Directors and Board of Commissioners for the 2018 Fiscal Year.
- Assessment of the Long-Term Incentive (LTI) of The Board of Directors and the Board of Commissioners for the financial year 2018 and according POJK No. 45/POJK.03/2015 concerning Governance Practices in Providing Remuneration of Commercial Bank.



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**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****REMUNERATION FOR THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS IN 2019****Legal Basis for the Remuneration of Board of Commissioners and Board of Directors in 2019**

Written approval from the Series A Dwiwarna Shareholder determined the tantiem for the 2018 Fiscal Year, and the salary/honorarium, allowances, and facilities for the Board of Directors and the Board of Commissioners in 2019.

**Transparency of the Remuneration of the Board of Commissioners and the Board of Directors in 2019**

Types and other facilities received by the Board of Commissioners and the Board of Directors in 2019 are as follows.

**BOARD OF DIRECTORS' REMUNERATION IN 2019**

Type of Remuneration and Other Benefits	Number of BOC (Person)	Amount Received in 1 year (In million Rupiah)
<b>Remuneration</b>		
• Honorarium	17 <sup>1)</sup>	11.249
• Routine Allowances (Clothing Allowance and Income Tax Allowance)	17 <sup>1)</sup>	5.253
• Religious Holiday Allowance	7 <sup>**)</sup>	864
• Bonus	9 <sup>**)</sup>	12.842
<b>Other Benefits in nature</b>		
• Retained		
- Post-Service Insurance	7 <sup>**)</sup>	1.826
• Not Retained		
- Housing Allowance	-	-
- Health Allowance	-	-
- Transportation Allowance	17 <sup>1)</sup>	2.438
- Communication Allowance	-	-
<b>Total</b>		<b>34.472</b>

Explanation:

<sup>1)</sup> Consists of:

- 1 (one) member of the Board of Commissioners appointed at the AGMS on 17 May 2019.
- 5 (five) new members of the Board of Commissioners who were appointed at the Extraordinary General Meeting of Shareholders on 27 November 2019.
- 11 (eleven) members of the Board of Commissioners who no longer hold positions after the AGMS on 17 May 2019; EGMS on 29 August 2019 and EGMS on 27 November 2019.

<sup>\*\*)</sup> Consists of: members of the Board of Commissioners who no longer hold positions after the AGMS on 17 May 2019, the EGMS on 29 August 2019 and the EGMS on 27 November 2019.

**BOARD OF DIRECTORS' REMUNERATION IN 2019**

Type of Remuneration and Other Benefits	Number of Directors (Person)	Amount Received in 1 Year (In Million Rupiah)
<b>Remuneration</b>		
• Salary	14 <sup>*)</sup>	25.763
• Routine Allowances (Clothing Allowance and Income Tax Allowance)	14 <sup>*)</sup>	11.183
• Religious Holiday Allowance	9 <sup>**)</sup>	2.355
• Bonus	10 <sup>***)</sup>	27.158
<b>Other Benefits in nature</b>		
• Retained		
- Post-Service Insurance	9 <sup>**)</sup>	6.362
• Not Retained		
- Housing Allowance	9 <sup>**)</sup>	684
- Health Allowance	-	-
- Transportation Allowance	14 <sup>*)</sup>	2.073
- Communication Allowance	14 <sup>*)</sup>	356
<b>Total</b>		<b>75.935</b>

## Remarks:

\*) consists of:

- 3 (three) existing members of the Board of Directors.
- 6 (six) members of the Board of Directors some of whom have no longer served after the AGMS on May 17, 2019, EGMS on August 29, 2019 and EGMS on November 27, 2019.
- 1 (one) member of the Board of Directors appointed at the EGMS on August 29, 2019.
- 4 (four) new members of the Board of Directors appointed at the EGMS on November 27, 2019.

\*\*) Consists of:

- 3 (three) existing members of the Board of Directors.
- 6 (six) members of the Board of Directors some of whom have no longer served after the AGMS on May 17, 2019, EGMS on August 29, 2019 and EGMS on November 27, 2019.

\*\*\*) consists of:

- 3 (three) existing members of the Board of Directors.
- 6 (six) members of the Board of Directors some of whom have no longer served after the AGMS on May 17, 2019, EGMS on August 29, 2019 and EGMS on November 27, 2019.
- 1 (one) member of the Board of Directors who has served in the 2017 period but no longer served after the 2018 AGM on March 23, 2018.



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The Board of Directors, The Board of Commissioners, and Employees who received Variable Remuneration for 1 (one) year and the nominal rate is stated in the table below.

**VARIABLE REMUNERATION (TOTAL)**

Amount Received in 2019					
BoD		BoC		Employees *)	
Person	in Million Rupiah	Person	in Million Rupiah	Person	in Million Rupiah
10	27.158	9	12.842	11.803	214.144

Amount Received in 2018					
BoD		BoC		Employees *)	
Person	in Million Rupiah	Person	in Million Rupiah	Person	in Million Rupiah
12	42.389	8	17.816	10.478	407.616

Note: \*) composed of employees who received the Production and Individual Incentives

**TOTAL REMUNERATION OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS PER PERSON IN 1 YEAR**

Remuneration per Person in 1 year *)	2019		2018	
	Total Members of BoD	Total Members of BoC	Total Members of BoD	Total Members of BoC
> Rp2 billion	9	9	11	8
> Rp1 billion s.d Rp2 billion	1	2	3	1
> Rp500 million s.d Rp1 billion	1	-	-	-
< Rp500 million	4	6	-	-

Remarks: \*) received in cash

**Information on Stock Option for the Board of Commissioners and Directors in 2019**

Regarding Stock Option that was granted to the Board of Commissioners and Directors, as explained above, for both the MESA and MESOP programs have been completed in 2016 and since 2017 there was no Share Option program for Board of Directors, Board of Commissioners, Executive Officers and Employees. Throughout 2019, the Company did not have a share ownership program issued by the Company for the employees and/or management.

**Highest and Lowest Salary Ratio**

The Company strives to avoid any extreme disparities in remuneration. The ratio of the highest to the Lowest salaries for 2019 are as follows.

**THE RATIO OF THE HIGHEST AND LOWEST SALARY IN 2019**

Description	Ratio in 2019	Ratio in 2018	Ratio in 2017
Highest and lowest salary of the employees	21,82 : 1	20,96 : 1	18,64 : 1
Highest and lowest salary of the board of directors	1,18 : 1	1,18 : 1	1,1 : 1

**THE RATIO OF THE HIGHEST AND LOWEST SALARY IN 2019**

Description	Ratio in 2019	Ratio in 2018	Ratio in 2017
Highest and lowest salary of the board of commissioners	1,11 : 1	1,11 : 1	1,1 : 1
Highest salary of the directors and employees	3,09 : 1	2,95 : 1	2,99 : 1

**NUMBER OF EMPLOYEES AFFECTED BY EMPLOYMENT TERMINATION AND TOTAL NOMINAL SEVERANCE PAID**

Total Nominal of severance paid per person in 1 (one) year	2019 (Person)	2018 (Person)
Above Rp1 Billion	3	-
Above Rp500 million to Rp 1 billion	7	14
Below Rp500 million	5	-

**AMOUNT OF VARIABLE REMUNERATION SUSPENDED**

	Year 2019 (Rp – million)		Year 2018 (Rp – million)
Cash	517	Tunai	1.059
Stock	2.289	Saham	4.961

The suspended variable remuneration policy which will be paid for 3 years will only be implemented for 2017 financial year performance (payment in 2018), in which will be paid out in 3 years starting in 2019.

**Quantitative Information regarding Other Remuneration**

The number of recipients and the total amount of Variable Remuneration guaranteed without conditions will be provided by the Company to prospective Directors, candidates for the Board of Commissioners, and/or prospective Employees for the first 1 (one) working year.

The Company does not have a Variable Remuneration (RBV) and unconditional policy, as the policy regarding RBV is applied uniformly without considering the length of the working period.

The Company is committed to implementing a competitive, fair, and balanced Remuneration System, and always ensures that no employee receives compensation below the terms set forth by the Government. The Company reviews and updates the remuneration policies to be relevant to industry developments and business strategies. The Company also adopts compliance aspects of the prevailing banking regulations regarding gradual remuneration.

**MEETING OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS**

The Board of Commissioners and the Board of Directors regularly convene Board of Commissioners-Directors meetings to unite the views and decide on important issues concerning the Company's business continuity.

**Board of Commissioners Meetings**

The internal meeting of the Board of Commissioners refers to the Board of Commissioners Decree No. 01/DEKOMBTN/2017 regarding the Board of Commissioners Charter and Rules of Conduct dated August 10, 2017. Meanwhile the Board of Commissioners and the Board of

Directors meetings are referred to in the Joint Decree of the Board of Commissioners No. 02/DECOM -BTN/2017 and the Board of Directors No. 01/DIR-BTN/2017 concerning the Working Relationship between the Board of Commissioners and the Board of Directors on November 24, 2017.





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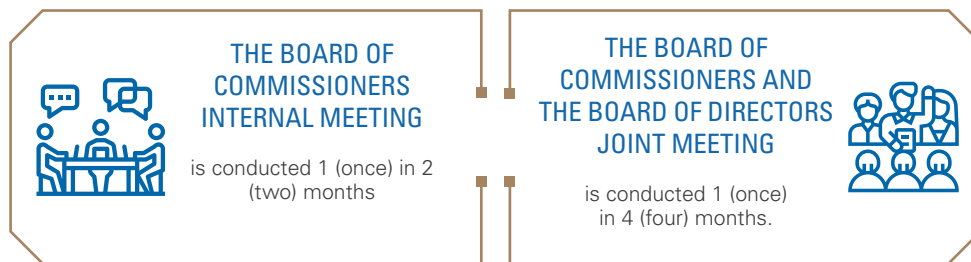
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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

In accordance with the guidelines, the Company's Board of Commissioners meetings consist of:

- The Board of Commissioners Internal Meeting is a meeting conducted at least 1 (one) time in 2 (two) months with the meeting material being delivered to participants before the meeting is held, but if necessary, the Board of Commissioners' meeting may be held at any time upon the request of a member of the Board of Commissioners or at the written request of the Board of Directors.
- Joint meetings of the Board of Commissioners and Board of Directors periodically at least 1 (one) in four (4) months to at least discuss the agenda include:
  - Bank Business Plan (RBB) and the Work Plan Budget (CBP);
  - Performance Review (including discussion of APU PPT);
  - GCG Implementation and the Follow-up regarding Internal and External Audit findings.

### MEETINGS OF THE BOARD OF COMMISSIONERS



Decision making mechanism for the Board of Commissioners and the Board of Directors Joint Meetings conducted at Scheduled Meetings of the Board of Commissioners and must be attended by a minimum of  $(1/2) + 1$  of the total members of the effective members of the meeting.

of the Board of Directors and members of the Board of Commissioners and related parties if necessary. Differences of opinion (dissenting opinion) that occurred in the meeting is to be recorded in the Minutes of Meeting along with the reasons outlining the differences of opinion.

Decisions taken in Board of Commissioners meetings and Joint Meetings of the Company's Board of Commissioners and Board of Directors have been registered and well documented in the minutes of the Board of Commissioners meetings. Minutes of Meetings are signed by members of the Board of Commissioners and members of the Board of Directors present and submitted to all members

In 2019, the Board of Commissioners has conducted 51 internal meetings and 41 joint meetings with the Board of Directors.

The agendas of meetings, minutes and meeting participants at the internal and Joint Meeting of the Board of Commissioners and the Board of Directors are as follows.

### BOARD OF COMMISSIONERS LEVEL OF ATTENDANCE AT THE MEETING

Board of Commissioners	Serving time in 2019	Meeting of Board Commissioners			Joint Meeting of Board of Commissioners and Directors		
		Meetings	Attendance	%	Meetings	Attendance	%
I Wayan Agus Mertayasa (President Commissioner/ Independent)	January 1 – August 29, 2019	20	20	100.00	17	17	100.00
Asmawi Syam (President Commissioner/ Independent)	May 17 - November 27, 2019	27	25	92.59	23	22	95.65

**BOARD OF COMMISSIONERS LEVEL OF ATTENDANCE AT THE MEETING**

Board of Commissioners	Serving time in 2019	Meeting of Board Commissioners			Joint Meeting of Board of Commissioners and Directors		
		Meetings	Attendance	%	Meetings	Attendance	%
<b>Chandra M.Hamzah</b> (President Commissioner/ Independent)	November 27 - end of year 2019	4	4	100.00	1	1	100.00
<b>Kamaruddin Sjam</b> (Independent Commissioner)	January 1 - November 27, 2019	47	44	93.62	40	36	90.00
<b>Arie Coerniadi</b> (Independent Commissioner)	January 1 - November 27, 2019	47	44	93.62	40	36	90.00
<b>Lucky Fathul Aziz Hadibrata</b> (Independent Commissioner)	January 1 - November 27, 2019	47	43	91.49	40	36	90.00
<b>Garuda Wiko</b> (Independent Commissioner)	January 1 - November 27, 2019	47	27	57.45	40	19	47.50
<b>Armand B. Arief</b> (Independent Commissioner)	November 27 - end of year 2019	4	4	100.00	1	1	100.00
<b>Ahdi Jumhari Luddin</b> (Independent Commissioner)	November 27 - end of year 2019	4	4	100.00	1	1	100.00
<b>Maurin Sitorus</b> (Commissioner)	January 1 - November 27, 2019	20	19	95.00	17	17	100.00
<b>Sumiyati</b> (Commissioner)	January 1 - August 29, 2019	35	22	62.86	29	16	55.17
<b>Iman Sugema</b> (Commissioner)	January 1 - May 17, 2019	47	25	53.19	40	22	55.00
<b>Parman Nataatmadja</b> (Commissioner)	January 1 - May 17, 2019	20	6	30.00	17	4	23.53
<b>Eko D. Heripoerwanto</b> (Commissioner)	May 17 - end of year 2019	31	16	51.61	24	13	54.17
<b>Marwanto Harjowiryono</b> (Commissioner)	August 29 - November 27, 2019	12	12	100.00	11	11	100.00
<b>Heru Budi Hartono</b> (Commissioner)	November 27 - end of year 2019	4	4	100.00	1	1	100.00
<b>Andin Hadiyanto</b> (Commissioner)	November 27 - end of year 2019	4	4	100.00	1	1	100.00
<b>Average Board of Commissioners' Attendance in Meeting</b>				<b>83.01%</b>			



Pendukung Bisnis



Tata Kelola Perusahaan

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Laporan Keuangan Audited

**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****MINUTES AND ATTENDANCE LIST OF THE BOARD OF COMMISSIONERS MEETING**

Date	Agenda	Participant	
Tuesday, January 08, 2019	<ol style="list-style-type: none"> <li>Board of Commissioners' Incoming Letters</li> <li>Current Issues</li> <li>Board of Commissioners' Performance Review 2018</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz Hadibrata</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Maurin Sitorus</li> </ol>
Tuesday, January 15, 2019	<ol style="list-style-type: none"> <li>Board of Commissioners' Incoming Letters</li> <li>Current Issues</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz Hadibrata</li> <li>Iman Sugema</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Maurin Sitorus</li> <li>Parman Nataatmadja</li> </ol>
Tuesday, January 22, 2019	<ol style="list-style-type: none"> <li>Board of Commissioners' Incoming Letters</li> <li>Current Issues</li> <li>Exposure of Non-Board of Commissioners Audit Committee to Audit Findings Quarter IV 2018</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz Hadibrata</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Maurin Sitorus</li> <li>Parman Nataatmadja</li> <li>Sumiyati</li> </ol>
Wednesday, January 30, 2019	<ol style="list-style-type: none"> <li>Board of Commissioners' Incoming Letters</li> <li>Current Issues</li> <li>Discussion of Performance Review in December 2019</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz Hadibrata</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Maurin Sitorus</li> </ol>
Wednesday, January 30, 2019	<ol style="list-style-type: none"> <li>Incoming letters of the Board of Commissioners.</li> <li>Current issues: Legal review of the end term of Finance and Treasury Director, Mr. Iman Nugroho Soeko</li> <li>Appointment of Public Accounting Firm for 2019 fiscal year</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Maurin Sitorus</li> </ol>
Tuesday, February 12, 2019	<ol style="list-style-type: none"> <li>Incoming letters of the Board of Commissioners.</li> <li>Current issues</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Kamaruddin Sjam</li> <li>Garuda Wiko</li> </ol>	<ol style="list-style-type: none"> <li>Iman Sugema</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>
Tuesday, February 19, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current issues</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>
Tuesday, February 26, 2019	<ol style="list-style-type: none"> <li>Incoming letters of the Board of Commissioners</li> <li>Current issues</li> <li>Audit Committee review on Performance Review of January 2019</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Iman Sugema</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>
Tuesday, March 5, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues</li> <li>Audit Committee review regarding preliminary finding on Fraud Indication Case</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>
Tuesday, March 12, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues</li> <li>Credit Consultation</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Maurin Sitorus</li> <li>Parman Nataatmadja</li> </ol>



## MINUTES AND ATTENDANCE LIST OF THE BOARD OF COMMISSIONERS MEETING

Date	Agenda	Participant	
Tuesday, March 19, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues: Complaint of Koperasi Karya Griya Nusantara regarding Subsidized KPR BTN</li> <li>Review of Non-Dekom Committee on 2017 – 2018 BTN Promotion fee</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>
Tuesday, March 26, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues</li> <li>Review of Non Dekom on 2017 – 2018 BTN promotion fee</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Iman Sugema</li> <li>Sumiyati</li> <li>Parman Nataatmadja</li> </ol>
Tuesday, April 2, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues</li> <li>Audit Committee Exposure on POJK No.1/ POJK/03/2019 regarding Internal Audit Function on General Bank</li> <li>Credit Consultation</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Maurin Sitorus</li> </ol>
Tuesday, April 9, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues: Status of the Board of Commissioners</li> <li>Kareno Explanation on remuneration of the Company's Management, ITMS</li> <li>Introduction of Internal Audit Division</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>
Tuesday, April 16, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues</li> <li>Risk Monitoring Exposure on Credit Consultation</li> <li>Audit Committee Exposure: <ol style="list-style-type: none"> <li>Implementasi POJK No. 1/ Implementation on POJK No 1/ POJK/03/2019 on Audit Intern Function on General Bank.</li> <li>Review Result on Internal and External Audit findings and the follow-up</li> </ol> </li> <li>Remuneration and Nomination Committee Exposure on a plan to establish Dana Pensiun Pemberi Kerja Program Pensiun Pemberi Kerja Program Pensiun Iuran Pasti (DPPK - PPIP) at Bank BTN in 2019</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Garuda Wiko</li> <li>Iman Sugema</li> <li>Maurin Sitorus</li> <li>Parman Nataatmadja</li> </ol>	



## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## MINUTES AND ATTENDANCE LIST OF THE BOARD OF COMMISSIONERS MEETING

Date	Agenda	Participant	
Tuesday, April 23, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues</li> <li>Risk Monitoring Committee exposure on Credit Consultation</li> <li>Audit Committee Exposure:               <ol style="list-style-type: none"> <li>Publication of Unaudited Company's Financial Report of March 2019</li> <li>Appointment of KAP for the 2019 fiscal year</li> </ol> </li> <li>Discussion on the adjustment of RBB</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>	
Tuesday, April 30, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues</li> <li>Committee First Quarterly Report as supporting material for First Quarterly Supervision Report of the Board of Commissioners to the SOEs Ministry</li> <li>Discussion on the 2019 GMS</li> <li>Discussion on the nominees of Company's Management</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>	
Tuesday, May 7, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues</li> <li>Audit Committee Exposure on the implementation of POJK No. 01/POJK/03/2019 regarding Function Preparation of Internal Audit on the Commercial Bank</li> <li>Credit Consultation</li> <li>Discussion on BTN Transformation Implementation and its problems</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>	
Tuesday, May 14, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues</li> <li>Participating in 2019 GMS rehearsal (at 14.00 WIB)</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Iman Sugema</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>
Friday, May 17, 2019	<ol style="list-style-type: none"> <li>Replacement of the Public Accounting Firm</li> <li>Current Issues</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Iman Sugema</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>
Tuesday, May 21, 2019	<ol style="list-style-type: none"> <li>Introduction to the new President and new members of the Board of Commissioners</li> <li>Current Issues</li> <li>Incoming Letters</li> <li>Reports from every new Committees of the Board of Commissioners</li> <li>President Commissioner's Direction</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Sumiyati</li> </ol>	



## MINUTES AND ATTENDANCE LIST OF THE BOARD OF COMMISSIONERS MEETING

Date	Agenda	Participant	
Tuesday, May 28, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>Audit Committee Exposure               <ol style="list-style-type: none"> <li>2019 Performance Review in April 2019</li> <li>Internal Audit Charter Review</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Sumiyati</li> </ol>
Tuesday, June 18, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>Audit Committee Exposure: Audit Committee Evaluation on 2018 Audited Financial Report</li> </ol>	<ol style="list-style-type: none"> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> </ol>	
Thursday, June 20, 2019	Discussion on revision proposal of 2019 – 2021 RKAP and 2019 RKAP	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> </ol>	<ol style="list-style-type: none"> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> </ol>
Tuesday, June 25, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>Risk Monitoring Committee Exposure: Credit Consultation</li> <li>Risk Monitoring Committee Exposure: 2018 Performance Review in May 2018</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Sumiyati</li> </ol>	
Tuesday, July 2, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Iman Sugema</li> <li>Sumiyati</li> </ol>
Tuesday, July 9, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> </ol>
Tuesday, July 16, 2019	2019 Performance Review in May 2019 and RBB revision of 2019 - 2021	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Sumiyati</li> </ol>
Tuesday, July 23, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>Mechanism and Criteria of the candidates of the Management</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> </ol>	<ol style="list-style-type: none"> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> </ol>
Friday, July 26, 2019	Discussion on Publication Draft of Financial Statement as of June 30, 2019 of PT Bank Tabungan Negara (Persero) Tbk	<ol style="list-style-type: none"> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Sumiyati</li> </ol>



Pendukung Bisnis



Tata Kelola Perusahaan

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**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****MINUTES AND ATTENDANCE LIST OF THE BOARD OF COMMISSIONERS MEETING**

Date	Agenda	Participant	
Tuesday, July 30, 2019	<ol style="list-style-type: none"> <li>1. Current Issues</li> <li>2. Incoming Letters</li> <li>3. Risk Profile of first semester of 2019</li> <li>4. Mechanism and Determination of candidates of the Company's Management.</li> <li>5. Organizational Structure Discussion</li> </ol>	<ol style="list-style-type: none"> <li>1. Asmawi Syam</li> <li>2. Eko D. Heripoerwanto</li> <li>3. Arie Coerniadi</li> <li>4. Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>5. Garuda Wiko</li> <li>6. Kamaruddin Sjam</li> <li>7. Sumiyati</li> </ol>
Tuesday, August 6, 2019	<ol style="list-style-type: none"> <li>1. Incoming Letter</li> <li>2. Current Issues</li> <li>3. Audit Committee's Exposure to FSA Audit Findings</li> <li>4. Determination of the Company's Management Candidates</li> </ol>	<ol style="list-style-type: none"> <li>1. Asmawi Syam</li> <li>2. Arie Coerniadi</li> <li>3. Lucky Fathul Aziz</li> <li>4. Garuda Wiko</li> </ol>	<ol style="list-style-type: none"> <li>5. Kamaruddin Sjam</li> <li>6. Iman Sugema</li> <li>7. Sumiyati</li> </ol>
Tuesday, August 13, 2019	Discussion on Candidates of the Company's Management	<ol style="list-style-type: none"> <li>1. Asmawi Syam</li> <li>2. Arie Coerniadi</li> <li>3. Lucky Fathul Aziz</li> <li>4. Garuda Wiko</li> </ol>	<ol style="list-style-type: none"> <li>5. Kamaruddin Sjam</li> <li>6. Iman Sugema</li> <li>7. Sumiyati</li> </ol>
Tuesday, August 20, 2019	<ol style="list-style-type: none"> <li>1. Incoming Letters</li> <li>2. Current Issues</li> <li>3. Audit Committee Exposure on 2019 Performance Review in July 2019</li> </ol>	<ol style="list-style-type: none"> <li>1. Asmawi Syam</li> <li>2. Arie Coerniadi</li> <li>3. Lucky Fathul Aziz</li> <li>4. Kamaruddin Sjam</li> <li>5. Iman Sugema</li> </ol>	
Tuesday, August 27, 2019	<ol style="list-style-type: none"> <li>1. Incoming Letters</li> <li>2. Current Issues</li> <li>3. Audit Committee Exposure on Audit findings</li> </ol>	<ol style="list-style-type: none"> <li>1. Asmawi Syam</li> <li>2. Eko D. Heripoerwanto</li> <li>3. Arie Coerniadi</li> <li>4. Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>5. Iman Sugema</li> <li>6. Sumiyati</li> </ol>
Tuesday, September 3, 2019	<ol style="list-style-type: none"> <li>1. Incoming Letter</li> <li>2. Current Issues</li> <li>3. Resignation letter of Mr. Suprajarto as the President Director</li> <li>4. EY's PSS Kick Off Meeting on the Implementation of Limited Review and Financial Statements for the 2019 Fiscal Year</li> <li>5. Letter of Directors to Conduct BSP Credit Special Audit</li> <li>6. Discussion on Changes in Organization Structure</li> <li>7. Changes in the Composition of the Board of Commissioners' Committees</li> </ol>	<ol style="list-style-type: none"> <li>1. Asmawi Syam</li> <li>2. Eko D. Heripoerwanto</li> <li>3. Arie Coerniadi</li> <li>4. Lucky Fathul Aziz</li> <li>5. Garuda Wiko</li> <li>6. Kamaruddin Sjam</li> <li>7. Iman Sugema</li> <li>8. Marwanto Harjowiryono</li> </ol>	
Tuesday, September 10, 2019	<ol style="list-style-type: none"> <li>1. Incoming Letters</li> <li>2. Current Issues</li> </ol>	<ol style="list-style-type: none"> <li>1. Asmawi Syam</li> <li>2. Arie Coerniadi</li> <li>3. Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>4. Kamaruddin Sjam</li> <li>5. Iman Sugema</li> <li>6. Marwanto Harjowiryono</li> </ol>



## MINUTES AND ATTENDANCE LIST OF THE BOARD OF COMMISSIONERS MEETING

Date	Agenda	Participant	
Tuesday, September 17, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>Audit Committee Exposure on the second quarterly Internal Audit findings</li> <li>Agreement proposal from the Board of Commissioners for the appointment of UUS Director</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Marwanto Harjowiryo</li> </ol>	
Tuesday, September 24, 2019	<ol style="list-style-type: none"> <li>Board of Commissioners' Incoming Letter</li> <li>Current Issues</li> <li>Audit Committee exposure on a case of Internal Audit Findings of Quarter II 2019</li> <li>Audit Committee exposure on a case of BTN Performance Review up to August 2019</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Marwanto Harjowiryo</li> </ol>	
Tuesday, October 9, 2019	<ol style="list-style-type: none"> <li>BOD Incoming Letter</li> <li>Current Issues</li> <li>The Appointment of BTN EGMS Chairman dated October 18, 2019</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Iman Sugema</li> <li>Marwanto Harjowiryo</li> </ol>
Tuesday, October 9, 2019	<ol style="list-style-type: none"> <li>Monitoring of NPL Progress, Adequacy in Fulfillment of CKPN and Liquidity Strategies in Achieving the 2019-2021 RBB Revision Target</li> <li>Development of Capital Investment Plans on Lotus Putra</li> <li>FLPP Quota Update</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Marwanto Harjowiryo</li> </ol>	
Tuesday, October 15, 2019	<ol style="list-style-type: none"> <li>Incoming Letters of the Board of Commissioners</li> <li>Current Issues</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Marwanto Harjowiryo</li> </ol>
Tuesday, October 22, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>the Board of Commissioners term of service</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Marwanto Harjowiryo</li> </ol>
Tuesday, October 29, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>The Board of Commissioners Term of service</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Marwanto Harjowiryo</li> </ol>
Tuesday, November 5, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>Committees Exposure on the draft of the Board of Commissioners' Committee Charter</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Marwanto Harjowiryo</li> </ol>
Tuesday, November 12, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>Interview the candidates of the Board of Commissioners' Committees</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Marwanto Harjowiryo</li> </ol>





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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## MINUTES AND ATTENDANCE LIST OF THE BOARD OF COMMISSIONERS MEETING

Date	Agenda	Participant	
Tuesday, November 19, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>Exposure of EY limited review on Financial and Profit and Loss Statement as of September 2019</li> <li>Presentation and Approval for Committees Charter of PT Bank Tabungan Negara (Persero) Tbk</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Marwanto Harjowiryono</li> </ol>	
Tuesday, November 26, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>BTN Performance Report up to October 2019</li> <li>2019 PT Bank Tabungan Negara (Persero) Tbk Recovery Plan Documentation</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Marwanto Harjowiryono</li> </ol>
Tuesday, December 3, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>Introduction of the Board of Commissioners, the Board of Commissioners' Committee and Secretariat</li> <li>Board of Commissioners Composition Based on the EGMS Resolution on November 27, 2019</li> </ol>	<ol style="list-style-type: none"> <li>Chandra M.Hamzah</li> <li>Eko D. Heripoerwanto</li> <li>Armand B. Arief</li> <li>Ahdi Jumhari Luddin</li> <li>Heru Budi Hartono</li> <li>Andin Hadiyanto</li> </ol>	
Tuesday, December 11, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Issues</li> <li>Coordination among the Board of Commissioners' Committees</li> </ol>	<ol style="list-style-type: none"> <li>Chandra M.Hamzah</li> <li>Armand B. Arief</li> <li>Ahdi Jumhari Luddin</li> </ol>	<ol style="list-style-type: none"> <li>Heru Budi Hartono</li> <li>Andin Hadiyanto</li> </ol>
Tuesday, December 18, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Information</li> <li>Audit Committee Resume on OJK findings</li> </ol>	<ol style="list-style-type: none"> <li>Chandra M.Hamzah</li> <li>Eko D. Heripoerwanto</li> <li>Armand B. Arief</li> </ol>	<ol style="list-style-type: none"> <li>Ahdi Jumhari Luddin</li> <li>Heru Budi Hartono</li> <li>Andin Hadiyanto</li> </ol>
Monday, December 23, 2019	<ol style="list-style-type: none"> <li>Incoming Letters</li> <li>Current Information</li> <li>Case</li> </ol>	<ol style="list-style-type: none"> <li>Chandra M.Hamzah</li> <li>Eko D. Heripoerwanto</li> <li>Armand B. Arief</li> </ol>	<ol style="list-style-type: none"> <li>Ahdi Jumhari Luddin</li> <li>Heru Budi Hartono</li> <li>Andin Hadiyanto</li> </ol>

## MINUTES AND ATTENDANCE LEVEL OF ATTENDANCE OF THE BOARD OF COMMISSIONERS IN THE JOINT MEETINGS WITH THE BOARD OF DIRECTORS

Tanggal Rapat	Agenda Rapat	Peserta Rapat	
Wednesday, January 30, 2019	December 2018 Performance Review	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz Hadibrata</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Maurin Sitorus</li> </ol>
Tuesday, February 12, 2019	Audit Financial Report 2018	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Kamaruddin Sjam</li> <li>Garuda Wiko</li> </ol>	<ol style="list-style-type: none"> <li>Iman Sugema</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>



**MINUTES AND ATTENDANCE LEVEL OF ATTENDANCE OF THE BOARD OF COMMISSIONERS  
IN THE JOINT MEETINGS WITH THE BOARD OF DIRECTORS**

Tanggal Rapat	Agenda Rapat	Peserta Rapat	
Wednesday, February 13, 2019	Audit Financial Report 2018	1. I Wayan Agus Mertayasa 2. Arie Coerniadi 3. Kamaruddin Sjam	4. Garuda Wiko 5. Maurin Sitorus 6. Sumiyati
Tuesday, February 19, 2019	1. Procurement Process of Goods and Services, especially the Scope of Duties in a Contract of a Public Accounting Firm 2. Progress of the 2018 Audited Financial Statements	1. I Wayan Agus Mertayasa 2. Arie Coerniadi 3. Lucky Fathul Aziz 4. Kamaruddin Sjam 5. Garuda Wiko 6. Maurin Sitorus 7. Sumiyati	
Friday, February 22, 2019	Discussion of the 2018 Audit Financial Statements with EY (follow-up). The meeting which was originally scheduled for February 19, 2019 at the request of KAP EY was withdrawn to become February 22, 2019	1. I Wayan Agus Mertayasa 2. Arie Coerniadi 3. Lucky Fathul Aziz Hadibrata 4. Kamaruddin Sjam 5. Garuda Wiko 6. Maurin Sitorus	
Tuesday, February 26, 2019	January 2019 Performance Review	1. I Wayan Agus Mertayasa 2. Arie Coerniadi 3. Lucky Fathul Aziz 4. Kamaruddin Sjam	5. Iman Sugema 6. Maurin Sitorus 7. Sumiyati
Tuesday, March 12, 2019	Progress of 2018 Audited Financial Statements	1. I Wayan Agus Mertayasa 2. Arie Coerniadi 3. Lucky Fathul Aziz 4. Kamaruddin Sjam	5. Garuda Wiko 6. Maurin Sitorus 7. Parman Nataatmadja
Wednesday, March 13, 2019	Progress of 2018 Audit Reports	1. I Wayan Agus Mertayasa 2. Lucky Fathul Aziz	3. Kamaruddin Sjam 4. Maurin Sitorus
Tuesday, March 19, 2019	1. Board of Directors' Exposure on the Follow-Up of FSA Findings in Sharia Business Unit Process Improvement 2. Evaluation, Planning and Implementation of Education in 2019	1. I Wayan Agus Mertayasa 2. Arie Coerniadi 3. Lucky Fathul Aziz 4. Kamaruddin Sjam 5. Garuda Wiko 6. Maurin Sitorus 7. Sumiyati	
Tuesday, March 26, 2019	February 2019 Performance Review (including UUS Performance Separately)	1. I Wayan Agus Mertayasa 2. Arie Coerniadi 3. Lucky Fathul Aziz 4. Kamaruddin Sjam	5. Iman Sugema 6. Sumiyati 7. Parman Nataatmadja
Tuesday, April 02, 2019	Sharia Business Development and Prospects In terms of Direction of Organization Policy, Systems, Information Technology and Human Capital	1. I Wayan Agus Mertayasa 2. Arie Coerniadi 3. Lucky Fathul Aziz 4. Kamaruddin Sjam 5. Maurin Sitorus	



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MINUTES AND ATTENDANCE LEVEL OF ATTENDANCE OF THE BOARD OF COMMISSIONERS  
IN THE JOINT MEETINGS WITH THE BOARD OF DIRECTORS

Tanggal Rapat	Agenda Rapat	Peserta Rapat	
Tuesday, April 09, 2019	<ol style="list-style-type: none"> <li>Board of Commissioners Members' Status</li> <li>Company Management Remuneration</li> <li>Board of Directors' Exposure on Binakarya Group Credit</li> <li>Comprehensive Strategy Related to Fraud Mitigation</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>	
Tuesday, April 16, 2019	Directors' Exposure on the Development of BTN's Capital Participation Plan at PT Permodalan Nasional Madani Investment Management	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Iman Sugema</li> <li>Maurin Sitorus</li> <li>Parman Nataatmadja</li> </ol>
Tuesday, April 23, 2019	Adjustment of Bank BTN RBB 2019 - 2021	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>
Thursday, April 25, 2019	<ol style="list-style-type: none"> <li>Further discussion on the adjustment of the Bank's business plan for 2019-2021</li> <li>Further discussion of the 2018 Annual Report Draft</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>	
Tuesday, April 30, 2019	<ol style="list-style-type: none"> <li>Discussion on the 2019 AGMS Preparation</li> <li>Discussion on the Candidates for the Company's Management</li> </ol>	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Iman Sugema</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>
Tuesday, May 07, 2019	Discussion on the Implementation of BTN Transformation and Its Problems	<ol style="list-style-type: none"> <li>I Wayan Agus Mertayasa</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Maurin Sitorus</li> <li>Sumiyati</li> </ol>
Tuesday, May 28, 2019	<ol style="list-style-type: none"> <li>April 2019 Performance Review</li> <li>2018 CKPN Report and 2019 CKPN Formation Plan</li> <li>Internal Audit Charter</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> </ol>	<ol style="list-style-type: none"> <li>Iman Sugema</li> <li>Kamaruddin Sjam</li> <li>Sumiyati</li> </ol>
Tuesday, June 18, 2019	<ol style="list-style-type: none"> <li>FSA Audit Findings Follow-Up Program</li> <li>2018 CKPN Report and 2019 CKPN Formation Plan</li> </ol>	<ol style="list-style-type: none"> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> </ol>	
Friday, June 21, 2019	Approval of Proposed Revision of RBB 2029-2021 and RKAP 2019	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> </ol>



**MINUTES AND ATTENDANCE LEVEL OF ATTENDANCE OF THE BOARD OF COMMISSIONERS  
IN THE JOINT MEETINGS WITH THE BOARD OF DIRECTORS**

Tanggal Rapat	Agenda Rapat	Peserta Rapat	
Tuesday, June 25, 2019	<ol style="list-style-type: none"> <li>FSA Audit Findings Settlement Follow-Up Report</li> <li>May 2019 Performance Review</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Sumiyati</li> </ol>
Tuesday, July 02, 2019	<ol style="list-style-type: none"> <li>Strategic Plan: Information Technology</li> <li>BTN Transformation Initiative</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Iman Sugema</li> <li>Sumiyati</li> </ol>
Tuesday, July 09, 2019	<ol style="list-style-type: none"> <li>Bank BTN Organization Structure Changes</li> <li>PNMIM Equity Participation</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> </ol>
Tuesday, July 16, 2019	May 2019 Performance Review and 2019 -2021 RBB Revision	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Sumiyati</li> </ol>
Tuesday, July 23, 2019	Monitoring of Credit Quality, Outstanding NPL and Adequacy of CKPN Fulfillment in Reaching the 2019 - 2021 RBB Revision Target	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> </ol>	<ol style="list-style-type: none"> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> </ol>
Tuesday, July 30, 2019	<ol style="list-style-type: none"> <li>2019 First Semester Risk Profile</li> <li>Mechanism and Determination of Prospective Company Management</li> <li>Organization Structure Discussion</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> </ol>	<ol style="list-style-type: none"> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Sumiyati</li> </ol>
Tuesday, August 06, 2019	<ol style="list-style-type: none"> <li>Progress on the Strategic Cooperation and Equity Participation Plan on PT Asuransi Jiwasraya Putra (Lotus)</li> <li>Monitoring NPL Progress and Adequacy of CKPN Fulfillment in Achieving the 2019-2021 RBB Revision Target</li> <li>Consumer and Commercial Funding Strategies in Order to Maintain Liquidity</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Sumiyati</li> </ol>	
Tuesday, August 20, 2019	<ol style="list-style-type: none"> <li>July 2019 Performance Review</li> <li>Monitoring NPL Progress, Adequacy of CKPN Fulfillment, and Strategic Liquidity in Reaching the 2019-2021 RBB Revision Target</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Sumiyati</li> </ol>	



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Tanggal Rapat	Agenda Rapat	Peserta Rapat	
Tuesday, August 27, 2019	Monitoring NPL Progress, Adequacy of CKPN Fulfillment, and Strategic Liquidity in Reaching the 2019-2021 RBB Revision Target	1. Asmawi Syam 2. Eko D. Heripoerwanto 3. Arie Coerniadi 4. Kamaruddin Sjam 5. Iman Sugema 6. Sumiyati	
Tuesday, September 03, 2019	Monitoring NPL Progress, Adequacy of CKPN Fulfillment, Third Party Fund Strategy, and Liquidity in Achieving the 2019-2021 RBB Revision Target	1. Asmawi Syam 2. Eko D. Heripoerwanto 3. Arie Coerniadi 4. Lucky Fathul Aziz	5. Garuda Wiko 6. Kamaruddin Sjam 7. Iman Sugema 8. Marwanto Harjowiryono
Tuesday, September 10, 2019	1. EGMS Preparation on October 18, 2019 2. Monitoring NPL Program for Adequacy of CKPN, Strategic Third Party Funds and Liquidity in Achieving the 2019-2021 RBB Revision Target 3. Development of Legal Aspects in Managing BTN Cases	1. Asmawi Syam 2. Eko D. Heripoerwanto 3. Arie Coerniadi 4. Lucky Fathul Aziz 5. Kamaruddin Sjam 6. Iman Sugema 7. Marwanto Harjowiryono	
Tuesday, September 17, 2019	Monitoring NPL Progress, Adequacy of CKPN, Strategic Third Party Funds and Liquidity in Achieving the 2019-2021 RBB Revision Target	1. Asmawi Syam 2. Eko D. Heripoerwanto 3. Arie Coerniadi 4. Lucky Fathul Aziz 5. Kamaruddin Sjam 6. Iman Sugema 7. Marwanto Harjowiryono	
Tuesday, September 24, 2019	1. BTN Performance Review up to August 2019 2. Monitoring NPL Progress, Adequacy of CKPN, Strategic Liquidity in Achieving the 2019-2021 RBB Revision Target	1. Asmawi Syam 2. Eko D. Heripoerwanto 3. Arie Coerniadi 4. Lucky Fathul Aziz 5. Garuda Wiko 6. Kamaruddin Sjam 7. Iman Sugema 8. Marwanto Harjowiryono	
Tuesday, October 09, 2019	1. Monitoring NPL Progress, Adequacy of CKPN, Strategic Liquidity in Achieving the 2019-2021 RBB Revision Target 2. Development of Capital Investment Plans on Lotus Putra 3. FLPP Quota Update	1. Asmawi Syam 2. Lucky Fathul Aziz 3. Kamaruddin Sjam 4. Iman Sugema 5. Marwanto Harjowiryono	



**MINUTES AND ATTENDANCE LEVEL OF ATTENDANCE OF THE BOARD OF COMMISSIONERS  
IN THE JOINT MEETINGS WITH THE BOARD OF DIRECTORS**

Tanggal Rapat	Agenda Rapat	Peserta Rapat
Tuesday, October 22, 2019	<ol style="list-style-type: none"> <li>September 2019 Performance Review</li> <li>Monitoring NPL Progress, Adequacy of CKPN, Strategic Third Party Funds and Liquidity in Achieving the 2019-2021 RBB Revision Target</li> <li>Strengthening Performance and Activities of Sharia Business Units</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Marwanto Harjowiryo</li> </ol>
Tuesday, October 29, 2019	<ol style="list-style-type: none"> <li>Monitoring NPL Progress, Adequacy of CKPN Fulfillment, Third Party Fund Strategy, and Liquidity in Reaching the 2019-2021 RBB Revision Target</li> <li>Strengthening Performance and Activities of Sharia Business Units</li> <li>CASA Optimization Strategies and Steps</li> <li>Capital Investment Plan on Lotus Putra</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Marwanto Harjowiryo</li> </ol>
Tuesday, November 05, 2019	<ol style="list-style-type: none"> <li>Explanation of the BTN EGMS Planning Postponement</li> <li>Monitoring NPL Progress, Adequacy of CKPN Fulfillment, Third Party Fund Strategy, and Liquidity in Achieving 2019-2021 RBB Revision Target</li> <li>Strengthening Performance and Activities of Sharia Business Units</li> <li>CASA Optimization Strategies and Steps</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Kamaruddin Sjam</li> <li>Marwanto Harjowiryo</li> </ol>
Tuesday, November 12, 2019	<ol style="list-style-type: none"> <li>SEVP Funding Recruitment Process</li> <li>IT Support for Bank Business Processes, Especially CASA Optimization</li> <li>Monitoring NPL Progress, Adequacy of CKPN Fulfillment, Third Party Fund Strategy, and Liquidity in Achieving 2019-2021 RBB Revision Target</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Marwanto Harjowiryo</li> </ol>



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Tanggal Rapat	Agenda Rapat	Peserta Rapat	
Tuesday, November 19, 2019	<ol style="list-style-type: none"> <li>Monitoring NPL Progress, Adequacy of CKPN Fulfillment, Third Party Fund Strategy, and Liquidity in Achieving 2019-2021 RBB Revision Target</li> <li>Presentation of Prognosis and Deviation of Target Achievement on the Adjustment of 2019-2020 RBB Revision</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Arie Coerniadi</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> <li>Kamaruddin Sjam</li> <li>Marwanto Harjowiryo</li> </ol>	
Tuesday, November 26, 2019	<ol style="list-style-type: none"> <li>2019 Recovery Plan of PT Bank Tabungan Negara (Persero) Tbk</li> <li>Bank BTN Performance Report up to October 2019</li> </ol>	<ol style="list-style-type: none"> <li>Asmawi Syam</li> <li>Eko D. Heripoerwanto</li> <li>Lucky Fathul Aziz</li> <li>Garuda Wiko</li> </ol>	<ol style="list-style-type: none"> <li>Kamaruddin Sjam</li> <li>Iman Sugema</li> <li>Marwanto Harjowiryo</li> </ol>
Tuesday, December 03, 2019	Introduction of the Company's Board of Commissioners and Directors Based on the EGMS Resolution on November 27, 2019	<ol style="list-style-type: none"> <li>Chandra M.Hamzah</li> <li>Eko D. Heripoerwanto</li> <li>Armand B. Arief</li> </ol>	<ol style="list-style-type: none"> <li>Ahdi Jumhari Luddin</li> <li>Heru Budi Hartono</li> <li>Andin Hadiyanto</li> </ol>

**2020 Board of Commissioners Meeting Plans**

Based on the decision at the Internal Meeting of the Board of Commissioners, it was agreed that the Board of Commissioners Meeting for 2020 will be held 1 (once) a month every Wednesday and as needed.

The Board of Commissioners also conducts Internal Meetings with Supporting Organ Committee of Board of Commissioners, which in general will discuss the following agenda:

- Discuss Current Issues
- Review of incoming reports/letters and development of follow-up advice/directives to the previous Board of Directors
- Board of Commissioners' Supporting Organ Committee's exposure in the form of proposals, opinions/recommendations to the Board of Commissioners regarding the review/study that has been carried out that can be an input for the Board of Commissioners in providing direction and advice to the Board of Directors as a form of active supervision of the Board of Commissioners.
- For week 3, there is an additional agenda in the form of

the Audit Committee's Exposure of the Study Findings of the Internal and/or External Audit of the Bank.

- The Board of Commissioners also conducts Joint Meetings with Board of Directors at least with the agenda of the Board of Directors' Exposure regarding the Bank's performance.

**Evaluation of the Follow-Up on the Results of Board of Commissioners Meeting**

In the Internal Meeting of the Board of Commissioners, an evaluation of the follow-up on the results of the previous Board of Commissioners meeting is followed by discussion of the incoming letters of the Board of Commissioners after the previous meeting period up to the meeting of the day concerned. The Board of Commissioners and the Committee actively monitor whether the follow-up on directives and advice in meetings that have been submitted to the Board of Directors both by letter and verbally is followed up.

**Board of Directors Meeting**

The Board of Directors must hold Board of Directors Meeting, the implementation of which refers to the Article of Association of the Company Article 13, namely the Board of Directors Meeting is valid and has the right to make binding decisions if attended and or represented by more



than 1/2 (one half) of the total members of the Board of Directors, and refer to the Decree of Board of Directors No. 07/DIR/KD/CMPD/2017 concerning the Charter of Board of Directors on September 28, 2017.

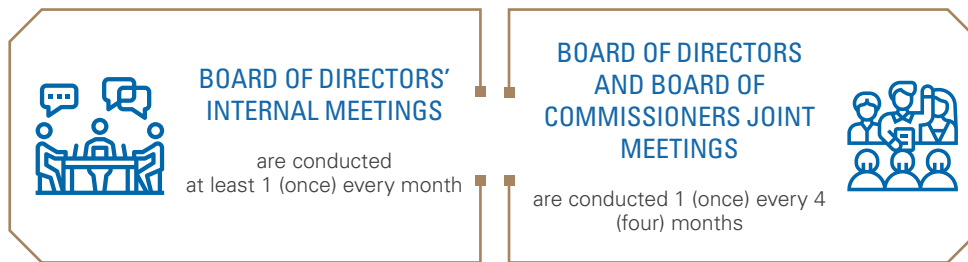
In accordance with the Charter, the Board of Directors must hold:

1. Board of Directors' Meetings (Internal Directors' Meetings) which are only attended by members of the Board of Directors and are held periodically at least 1 (once) every month or the so-called Board of Directors' Scheduled Meeting (ALCO Meeting and

Performance Review). The Meeting can be held at any time if deemed necessary by one or more members of Board of Directors or on written request of one or more members of Board of Commissioners.

2. The Board of Directors meeting with Board of Commissioners is a Board of Directors meeting attended by members of Board of Commissioners and is held periodically at least 1 (once) in 4 (four) months for Board of Directors to ask for directions/instructions or report the management of the Company to the Board of Commissioners.

#### BOARD OF DIRECTORS' MEETINGS



The Board of Directors' Meeting shall at least discuss:

1. Preparation of Bank Business Plans (RBB) and Work Plan and Corporate Budget (RKAP);
2. Performance Review (including discussion of APU PPT);
3. Implementation of GCG and Follow-up on Internal and External Audit findings.

For Joint Meeting, namely Board of Directors' Meeting with Board of Commissioners shall refer to the Board of Commissioners Joint Agreement Letter No. 02/DEKOM-BTN/2017 and Board of Directors No. 01/DIR-BTN/2017 dated November 24, 2017 concerning the Working Relationship of the Board of Commissioners and Board of Directors.

Throughout 2019, the Board of Directors held Board of Directors Meetings 282 times and Joint Meetings with the Board of Commissioners 4 (four) times. Following are the agenda and minutes of meetings, attendance, and recapitulation of the level of attendance of the Board of Directors at these meetings.

#### ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Board of Directors	Serving time in 2019	Rapat Direksi			Total Attendance		
		Total	Total Attendance	%	Total	Total Attendance	%
Maryono (President Director)	1 January - 29 August 2019	176	163	92,61	3	3	100,00
Oni Febriarto Rahardjo (Acting President Director, Commercial Banking Director)	1 January - 27 November 2019	264	234	88,64	3	3	100,00





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## ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Board of Directors	Serving time in 2019	Rapat Direksi			Total Attendance		
		Total	Total Attendance	%	Total	Total Attendance	%
<b>Pahala Nugraha Mansury</b> (President Director)	27 November - tutup tahun 2019	19	18	94,74	1	1	100,00
<b>Iman Nugroho Soeko</b> (Finance & Treasury Director )	1 January - 17 May 2019	118	97	82,20	2	1	50,00
<b>Andi Nirwoto</b> (Director of Operation, IT and Digital Banking)	1 January - tutup tahun 2019	282	257	91,13	4	4	100,00
<b>Budi Satria</b> (Consumer Banking Director)	1 January - 27 November 2019	265	225	84,91	3	2	66,67
<b>R. Mahelan Prabantarikso</b> (Compliance Director)	1 January - 27 November 2019	264	239	90,53	3	3	100,00
<b>Nixon L.P Napitupulu</b> (Finance, Planning and Treasury Director)	1 January - tutup tahun 2019	282	271	96,10	4	2	50,00
<b>Dasuki Amsir</b> (Distribution & Network Director)	1 January - 27 November 2019	264	214	81,06	3	3	100,00
<b>Yossi Istanto</b> (Human Capital, Legal and Compliance Director)	1 January - tutup tahun 2019	282	255	90,43	3	3	100,00
<b>Elisabeth Novie Riswanti</b> (Remedial and Wholesale Risk Director)	29 August - tutup tahun 2019	108	97	89,81	1	1	100,00
<b>Hirwandi Gafar</b> (Consumer and Commercial Lending Director)	27 November - tutup tahun 2019	19	18	94,74	1	1	100,00
<b>Jasmin</b> (Distribution and Retail Funding Director)	27 November - tutup tahun 2019	19	18	94,74	1	1	100,00
<b>Setiyo Wibowo</b> (Enterprise Risk Management, Big Data and Analytics)	27 November - tutup tahun 2019	19	18	94,74	1	1	100,00
<b>Attendance Level of the Board of Directors in the Meeting</b>				<b>90,47%</b>			

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
January 3, 2019	Internal for Board of Directors (JP)	1. Maryono 2. Iman Nugroho Soeko 3. R. Mahelan Prabantarikso 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto
January 7, 2019	Monitoring on Settlement of CPAs Findings	1. Maryono 2. Iman Nugroho Soeko 3. Dasuki Amsir	4. Andi Nirwoto 5. Yossi Istanto
	I-Docs Document (Follow Up on OJK's Findings)	1. Maryono 2. Iman Nugroho Soeko 3. R. Mahelan Prabantarikso	4. Budi Satria; Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
January 9, 2019	Establishment of Pension Fund for Employers of Fixed Benefit Pension Fund (DPPK - PPIP) Bank BTN	1. Maryono 2. Nixon L.P Napitupulu 3. Budi Satria	4. Dasuki Amsir 5. Andi Nirwoto; Yossi Istanto
	Strategic Plan of 2019 Credit Field	1. Maryono 2. Nixon L.P Napitupulu 3. Budi Satria	4. Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
January 10, 2019	2019 Promotion Budget	1. Maryono 2. Nixon L.P Napitupulu 3. Budi Satria	4. Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
	Report on 5 KC of Pilot Projects & Preparation of National Transformation Roll Out	1. Maryono 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Dasuki Amsir 6. Andi Nirwoto
January 14, 2019	Strategic Plan of 2019 Financial Field	1. Maryono 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Dasuki Amsir 6. Andi Nirwoto;
	Monitoring on Settlement of CPAs Findings	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria 7. Yossi Istanto
January 15, 2019	Monitoring on Settlement of OJK's Findings	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo	4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu 6. Budi Satria; Yossi Istanto
	Quarter IV of Risk Management Committee	1. Iman Nugroho Soeko 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto; Yossi Istanto
January 15, 2019	Committee of Disciplinary Sanction for Employees (Special Audit Results on KC Samarinda)	1. Iman Nugroho Soeko 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria; Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto
	Update on Progress of PSAK 71	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto



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## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting	
January 16, 2019	PT Pilar Artha Mandiri - El Centro Bogor Apartement (Restructuration)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria; Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	PT Cahaya Bandung Jaya - Bandung Landmark Residence Apartement (Restructuration)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Dasuki Amsir; Andi Nirwoto 7. Yossi Istanto
	PT MAM Energindo – Purchase of Tower C Condotel of Titanium Square (Investment Credit)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	PT Wahana Ekonomi Semesta - Intermark Mixed Used Building Project	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
January 17, 2019	ALCO	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Nixon L.P Napitupulu 5. Dasuki Amsir 6. Andi Nirwoto
	RKK – AMD (Insertion)	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Nixon L.P Napitupulu 5. Dasuki Amsir 6. Andi Nirwoto
	Development of Insurance Business (Lotus Putra)	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Nixon L.P Napitupulu 5. Dasuki Amsir 6. Andi Nirwoto
	Internal (Insertion)	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
January 20, 2019	Discussion on RBB – RKAP 2019 (Meeting Preparation with OJK)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
January 23, 2019	Credit Expansion Strategy for 2019	1. Maryono 2. Oni Febriarto Rahardjo 3. Dasuki Amsir	4. Andi Nirwoto 5. Yossi Istanto
	Collaboration of Saving & Digital Payment Transaction	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto
	RKK - PT Adhi Persada Properti – Investment Credit	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	RKK - PT Angkasa Pura 1 - Waiver Application	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
January 24, 2019	Discussion on Employee Mutation	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	2019 AGMS Preparation	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
January 25, 2019	Credit Expansion Strategy	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria; Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	Revision on RBB	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	Draft of Findings of Public Accountant Office	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto



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## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting	
January 31, 2019	Settlement of LAT/DAT & Cost	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto
	Internal for Board of Directors	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria; Andi Nirwoto 7. Yossi Istanto
February 4, 2019	Follow Up on CPA's Findings	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria 7. Andi Nirwoto 8. Yossi Istanto
	Update on Work Program & Execution (Team of Funding & Digital Banking Collaboration)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria 7. Andi Nirwoto 8. Yossi Istanto
February 6, 2019	RKK - PT Blauran Cahayamulia - Restructuration of Credit Investment	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu; Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	RKK - PT MAM Energindo - New Application of Investment Credit	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
February 8, 2019	Internal of Board of Directors	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Yossi Istanto
	Follow Up on CPA's Findings	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
February 11, 2019	RKK - PTPN VIII - Investment Credit	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	RKK - PT Graha Mapan Lestari - Restructuration	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting			
February 19, 2019	Bank Claim on Warranty of CV Jaya Bersama - PT Indosat	1. Oni Febriarto Rahardjo	4. Dasuki Amsir	5. Andi Nirwoto	6. Yossi Istanto
	Approval on Principal of Line Facility of PT Angkasa Pura I	1. Oni Febriarto Rahardjo	4. Dasuki Amsir	5. Andi Nirwoto	6. Yossi Istanto
	Approval on Principal of Line Facility of PLN	1. Oni Febriarto Rahardjo	4. Dasuki Amsir	5. Andi Nirwoto	6. Yossi Istanto
February 20, 2019	Revision on Performance Management System (SMK)	1. Oni Febriarto Rahardjo	4. Dasuki Amsir	5. Andi Nirwoto	6. Yossi Istanto
	RKK - PT PPA - Funding to PT LSS	1. Oni Febriarto Rahardjo	4. Dasuki Amsir	5. Andi Nirwoto	6. Yossi Istanto
	RKK - PT PPA – Funding to End User (Refinancing)	1. Oni Febriarto Rahardjo	4. Dasuki Amsir	5. Andi Nirwoto	6. Yossi Istanto
	Authorization to Cut Construction Credit	1. Oni Febriarto Rahardjo	4. Dasuki Amsir	5. Andi Nirwoto	6. Yossi Istanto
	Authorization to Cut Consumer & Commercial Credit	1. Oni Febriarto Rahardjo	4. Dasuki Amsir	5. Andi Nirwoto	6. Yossi Istanto
February 24, 2019	Follow Up on CPA's Findings	1. Maryono	5. Nixon L.P Napitupulu	6. Dasuki Amsir	7. Andi Nirwoto
February 25, 2019	Responsibility Statement of Financial Statement of BTN Pension Fund as of December 31, 2019	2. Iman Nugroho Soeko	6. Dasuki Amsir	7. Andi Nirwoto	8. Yossi Istanto
	Prognosis of Performance in February 2019	3. Oni Febriarto Rahardjo	7. Andi Nirwoto	8. Yossi Istanto	
February 26, 2019	ALCO	4. R. Mahelan Prabantarkso	4. Dasuki Amsir; Andi Nirwoto	5. Yossi Istanto	



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## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting		
February 27, 2019	PT Malioboro Ensu - Restructuration	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto	
	PT Tri Tirta Permata - Restructuration	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto	
	PT Sipoa Group - Appointment of Project Management	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria; Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto	
	PT Blauran Cahaya Mulia & PT Dipta Wimala Bahagia - Article Appeal	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria; Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto	
	PT Istiajaya Gunaperkasa - KYG	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto	
	PT Balikpapan Skylink Property - KYG & KPL	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto	
	PT Gaperi Prima - Article Appeal WITHOUT PRIOR NOTICE	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto	
	PT MAM Energindo - Article Appeal WITHOUT PRIOR NOTICE	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto	
	March 3, 2019	Finalizing CPA's Audit	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
March 6, 2019	Application of KAR – Laurence WITHOUT PRIOR NOTICE	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	PT. PLN - Corporate Loan (KI)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	PT. Patra Jasa - Corporate Loan (KI)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	Capital Investment Plan on PNM-IM	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto
March 13, 2019	Internal of Board of Directors (Insertion)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	Prognosis of March 2019 Performance	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria 7. Dasuki Amsir 8. Yossi Istanto
	ALCO	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria 7. Yossi Istanto
	PT Perkebunan Nusantara VIII (appeal on terms and conditions for SP2K)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
March 15, 2019	Prognosis of March 2019 Performance (Pending Matters)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
March 18, 2019	Work Program of Regional Office	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria; Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto





## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting	
March 19, 2019	Prognosis of March 2019 Performance (Amendment)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto
	PT Patra Jasa (Review on Decree of Minutes of Corporate Credit Facility Meeting)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo	4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu 6. Dasuki Amsir
	PT Semen Indonesia (Persero), Tbk (prinsipal permit in Syndication Credit) INSERTION	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo	4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu 6. Dasuki Amsir
March 20, 2019	PT PP Tbk (Additional Timeline and Addition of Plafond - Line Facility)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo	4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu 6. Dasuki Amsir
	ISPI (Construction Credit and Awareness PRK)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo	4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu 6. Dasuki Amsir
	PT Pollux Aditama Kencana (Additional Plafond - Construction Credit)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo	4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu 6. Dasuki Amsir
	PT Fanindo Pasar (Refinancing of Plaza Botania 2 Market - Investment Credit)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo	4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu 6. Dasuki Amsir
March 22, 2019	PT Tri Tirta Permata (Appeal on Restructuration Approval - Construction Credit)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo	4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu 6. Dasuki Amsir
	Target Fulfillment Strategy and March 2019 Prognosis	1. Maryono 2. Iman Nugroho Soeko 3. Nixon L.P Napitupulu	4. Budi Satria 5. Andi Nirwoto 6. Yossi Istanto
March 25, 2019	March 2019 Performance Prognosis	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto
	MOU / PKS Preparation with Housing BUMN	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto
	Plan to Sale Assets of Bad Debtor and Write Off to Superior Debtor	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto
	2019 AGMS Preparation	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
March 26, 2019	Follow Up on OJK's Audit Results	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Nixon L.P Napitupulu 5. Budi Satria 6. Andi Nirwoto
	2018 Performance Overview	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Nixon L.P Napitupulu 5. Budi Satria 6. Andi Nirwoto
April 1, 2019	March Target Review	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	Update on Settlement of LAT & DAT	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto; Yossi Istanto
April 4, 2019	Internal of Board of Directors	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
April 9, 2019	Internal of Board of Directors	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria 7. Andi Nirwoto 8. Yossi Istanto
	Revision on RBB	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Budi Satria 7. Yossi Istanto
April 10, 2019	HCMD Material	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. Nixon L.P Napitupulu	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto
	Transformation Report Process	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi SatriaDasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto



## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting	
April 15, 2019	ALCO	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	Capital Investment Plan on PNM-IM	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo	4. Nixon L.P Napitupulu 5. Dasuki Amsir; Andi Nirwoto 6. Yossi Istanto
	Novation Issues	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
16 April 2019	HCMD Material	1. Maryono 2. Iman Nugroho Soeko 3. R. Mahelan Prabantarikso	4. Budi Satria; Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
	Proposal on RBB Adjustment	1. Maryono 2. Iman Nugroho Soeko 3. R. Mahelan Prabantarikso	4. Budi Satria; Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
April 16, 2019	Risk Management Committee Meeting	1. Iman Nugroho Soeko 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	Retail DPK Task Force	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	NPL / CKPN Task Force	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria; 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	Update on AGMS Agenda and Preparation	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
April 22, 2019	Global Bond Issuance	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Dasuki Amsir 7. Yossi Istanto
	Drafting of 2018 Annual Report and Sustainability Report of Bank BTN	1. Maryono 2. Iman Nugroho Soeko 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto
	Analyst Meeting Preparation	1. Maryono 2. Iman Nugroho Soeko 3. R. Mahelan Prabantarikso	4. Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
	DPK Retail Task Force	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	KPI Materials	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso	5. Nixon L.P Napitupulu 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
April 30, 2019	Progress on Implementation of PSAK 71	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
May 6, 2019	Internal of Board of Directors (Ehaps)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
May 7, 2019	Performance Review	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto



## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting	
May 8, 2019	PT. Angkasa Pura 1 (Persero) (Corporate Loan)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	PT. Sipoa Group (REPORT REGARDING the representative of Sdr. Jefri suryono for Sipoa Group)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	PNRI (TL Report on KMK PNRI Application)	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
May 13, 2019	Internal of Board of Directors	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	ALCO	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	May - June 2019 NPL Prognosis	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
May 16, 2019	ALCO	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
	Claim of Warranty Bank of PT Pertamina EP	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto
May 17, 2019	Internal of Board of Directors	1. Maryono 2. Iman Nugroho Soeko 3. Oni Febriarto Rahardjo 4. R. Mahelan Prabantarikso 5. Nixon L.P Napitupulu	6. Budi Satria 7. Dasuki Amsir 8. Andi Nirwoto 9. Yossi Istanto

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
May 20, 2019	May 2019 Prognosis	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
May 24, 2019	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
May 29, 2019	HCMD Materials	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Andi Nirwoto 7. Yossi Istanto
June 10, 2019	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	ALCO	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
June 11, 2019	RBB Revision	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	Amendment on Nomenclature & Division Supervision, Report of Entity's Progress	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	Suggestion on Alternate Composition of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
June 12, 2019	Performance Review and Prognosis	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
June 18, 2019	Discussion on Evaluation and Closure of Cash Office	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto



## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting	
June 24, 2019	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Andi Nirwoto 7. Yossi Istanto
	June 2019 Performance Prognosis	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Nixon L.P Napitupulu 5. Budi Satria 6. Yossi Istanto
June 25, 2019	Organization Structure	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
July 1, 2019	Cash Management System (CMS)	1. Maryono 2. Oni Febriarto Rahardjo 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto
	Organization Structure of Branch Office	1. Maryono 2. Oni Febriarto Rahardjo 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto
July 3, 2019	Monitoring on NL Realization Development Against Year End Target	1. Maryono 2. Oni Febriarto Rahardjo 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto
	Monitoring on June NP Performance Compared to Revised Year End Target	1. Maryono 2. Oni Febriarto Rahardjo 3. Budi Satria	4. Andi Nirwoto 5. Yossi Istanto
July 5, 2019	ALCO	1. Maryono 2. Oni Febriarto Rahardjo 3. Nixon L.P Napitupulu	4. Budi Satria 5. Dasuki Amsir
	Credit Committee Meeting: Restructuration of Sipoa Group	1. Maryono 2. Oni Febriarto Rahardjo 3. Nixon L.P Napitupulu	4. Budi Satria 5. Dasuki Amsir 6. Yossi Istanto
July 8, 2019	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Yossi Istanto
July 10, 2019	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Nixon L.P Napitupulu 5. Budi Satria 6. Yossi Istanto
	NPL Monitoring	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Nixon L.P Napitupulu 5. Budi Satria 6. Yossi Istanto
	Strategic Partnership with Lotus Putera Insurance	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Dasuki Amsir 6. Yossi Istanto

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
July 15, 2019	Risk Management Committee	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Yossi Istanto
	2019 Juneor Global Bond Issuance Plan	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	Update on EGMS Agenda	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
July 17, 2019	ALCO	1. Oni Febriarto Rahardjo 2. Nixon L.P Napitupulu 3. Budi Satria	4. Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
	June Performance Review	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
July 22, 2019	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Andi Nirwoto 7. Yossi Istanto
	HCMD Materials	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Andi Nirwoto 7. Yossi Istanto
	July 2019 Performance Prognosis	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Andi Nirwoto 7. Yossi Istanto
July 25, 2019	Preparation for Analyst Meeting	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Dasuki Amsir 5. Yossi Istanto
July 29, 2019	Implementation Report of PSAK 71 & 73	1. Maryono 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Andi Nirwoto 5. Yossi Istanto
	Prognosis on NPL and DPK Retail	1. Maryono 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Andi Nirwoto 6. Yossi Istanto
	Internal of Board of Directors	1. Maryono 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Andi Nirwoto 6. Yossi Istanto
July 31, 2019	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Nixon L.P Napitupulu 5. Budi Satria 6. Andi Nirwoto





## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting	
August 1, 2019	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	2019-2021 RSTI Presentation	1. Maryono 2. R. Mahelan Prabantarikso 3. Dasuki Amsir	4. Andi Nirwoto 5. Yossi Istanto
August 5, 2019	August 2019 NPL Prognosis	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	DPK Retail	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
August 6, 2019	Update on EMGS Agenda & August NPL Prognosis	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Budi Satria 5. Dasuki Amsir 6. Andi Nirwoto
	ALCO	1. Maryono 2. R. Mahelan Prabantarikso 3. Dasuki Amsir	4. Andi Nirwoto 5. Yossi Istanto
August 7, 2019	Implementation Update of PSAK 71 & 73	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Nixon L.P Napitupulu 5. Dasuki Amsir 6. Yossi Istanto
	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso	4. Nixon L.P Napitupulu 5. Dasuki Amsir 6. Yossi Istanto
August 12, 2019	August 2019 NPL Prognosis	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	CMS Optimization	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
August 15, 2019	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
August 19, 2019	NPL Performance Update	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
August 20, 2019	EGMS Scenario Update	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	Consumer NPL Update	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	Non Subsidize KPR Business Update	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
August 21, 2019	ALCO	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	Fee Based Income Pricing Update on Admin and Services	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
August 27, 2019	Business Value and Valuation of PT Lotus Putera	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto
	Update on PSAK 71	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
	Strategic Plan of BTN's IT	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto
	Internal of Board of Directors	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto
August 28, 2019	RKK : PT. Urban Jakarta Propertindo	1. Maryono 2. Oni Febriarto Rahardjo 3. R. Mahelan Prabantarikso 4. Nixon L.P Napitupulu	5. Budi Satria 6. Dasuki Amsir 7. Andi Nirwoto 8. Yossi Istanto



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**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
August 30, 2019	Internal of Board of Directors	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto: Elisabeth Novie Riswanti
	PT Bahama Development	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto: Elisabeth Novie Riswanti
	PT Binakarya Bangun Propertindo	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto: Elisabeth Novie Riswanti
	PT Warna Warni Investama	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto: Elisabeth Novie Riswanti
	PT Dipanaru Rucitra	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto: Elisabeth Novie Riswanti
	PT Visi Investama	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto: Elisabeth Novie Riswanti
	PT Tri Tirta Permata	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto: Elisabeth Novie Riswanti
	PT Blauran Cahayamulia	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto: Elisabeth Novie Riswanti
	PT Borneo Delapan Enam	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto: Elisabeth Novie Riswanti
	September 2, 2019	Internal of Board of Directors	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
September 4, 2019	HCMD Materials	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	Amendment of Commercial and Consumer Credit Policies	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	August 2019 NPL Realization	1. Nixon L.P Napitupulu 2. Budi Satria 3. Dasuki Amsir	4. Yossi Istanto 5. Elisabeth Novie Riswanti
	ALCO	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria	4. Dasuki Amsir 5. Yossi Istanto 6. Elisabeth Novie Riswanti
September 9, 2019	Update on Strategic Partnership and Investment on PT Asuransi Jiwasraya Putra (Lotus Putra)	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
September 11, 2019	2019 – 2021 RBB Amendment	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	Discussion on Lotus Putra	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso	3. Nixon L.P Napitupulu 4. Budi Satria
September 16, 2019	HCMD Materials	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto: Elisabeth Novie Riswanti
	NPL Prognosis on September	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	DPK Retail	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria 4. Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting	
September 18, 2019	Evaluation on Subsidized KPR Business Process	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	ALCO	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	Internal of Board of Directors (Media Handling)	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
September 23, 2019	Subsidized KPR Program	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	Lotus Putra	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
September 25, 2019	PT Satwika Permai Indah	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	PT Properti Bali Bena	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria; Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	PT Bumi Daya Makmur	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria; Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	PT Bena Nusantara	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	PT Menara Perkasa Margahayuland	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria; Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
September 25, 2019	PT Mega Pesanggrahan Indah	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	PT Totalindo Eka Persada	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	PT Kuala Jaya Realty	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	PT Binakarya Bangun Propertindo	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
26 September 2019	PT Cahaya Raga	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria 4. Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	PT Titanium Property	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria 4. Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
September 26, 2019	PT Griya Karunia Sejahtera	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria 4. Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	PT Tirta Persada Development	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria Dasuki Amsir	4. Andi Nirwoto 5. Yossi Istanto 6. Elisabeth Novie Riswanti
September 27, 2019	PT Tri Tirta Permata	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	PT Malioboro Ensu	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	PT Megatama Putra	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti



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**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
September 30, 2019	NPL Performance	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria	4. Andi Nirwoto 5. Yossi Istanto 6. Elisabeth Novie Riswanti
	Internal of Board of Directors	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria Andi Nirwoto	4. Yossi Istanto 5. Elisabeth Novie Riswanti
October 2, 2019	Subsidized KPR Business Process	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Dasuki Amsir 6. Andi Nirwoto 7. Yossi Istanto
	DPK Retail	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria	4. Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
	Limited Review on July 2019 Financial Statement	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
October 7, 2019	ALCO	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria	4. Dasuki Amsir 5. Andi Nirwoto 6. Elisabeth Novie Riswanti
	Lotus Putra	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria	4. Dasuki Amsir 5. Andi Nirwoto 6. Elisabeth Novie Riswanti
7 October 2019	DPK Retail	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria Dasuki Amsir	4. Andi Nirwoto 5. Elisabeth Novie Riswanti
	NPL Realization of October 2019	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria	4. Dasuki Amsir 5. Andi Nirwoto 6. Elisabeth Novie Riswanti
	Preparation for EGMS 2019	1. R. Mahelan Prabantarikso 2. Nixon L.P Napitupulu 3. Budi Satria	4. Dasuki Amsir 5. Andi Nirwoto 6. Elisabeth Novie Riswanti
October 11, 2019	Discussion on Legal Issues in Attorney General	1. Oni Febriarto Rahardjo 2. Nixon L.P Napitupulu 3. Budi Satria 4. Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	Discussion on PKS EY Draft	1. Oni Febriarto Rahardjo 2. Nixon L.P Napitupulu 3. Budi Satria Dasuki Amsir	4. Andi Nirwoto 5. Yossi Istanto 6. Elisabeth Novie Riswanti
October 14, 2019	September 2019 Performance Review	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Dasuki Amsir	

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
October 16, 2019	Risk Management Committee	1. R. Mahelan Prabantarikso 2. Budi Satria Dasuki Amsir 3. Andi Nirwoto 4. Yossi Istanto: 5. Elisabeth Novie Riswanti	6. Andi Nirwoto 7. Yossi Istanto 8. Elisabeth Novie Riswanti
	CGPI Preparation	1. Oni Febriarto Rahardjo 2. Nixon L.P Napitupulu 3. Budi Satria Andi Nirwoto	4. Yossi Istanto 5. Elisabeth Novie Riswanti
	Low Cost Funding Strategy	1. Oni Febriarto Rahardjo 2. Nixon L.P Napitupulu 3. Budi Satria Andi Nirwoto	4. Yossi Istanto 5. Elisabeth Novie Riswanti
	BPI Wave II Report	1. Oni Febriarto Rahardjo 2. Nixon L.P Napitupulu 3. Budi Satria Andi Nirwoto	4. Yossi Istanto 5. Elisabeth Novie Riswanti
October 21, 2019	PT Wijaya Karya	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	PT Jababeka PP Properti	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	PT Duta Paramindo Sejahtera	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Andi Nirwoto 6. Yossi Istanto: 7. Elisabeth Novie Riswanti
	PT Graha Mutiara Raya	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
October 21, 2019	PT Ciptaruang Persada Property	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	Credit Committee Meeting: Credit Policy	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti





## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting	
October 24, 2019	ALCO	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	Project Lotus Putra	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria 5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
October 28, 2019	Low Cost Funding Strategy	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	Pending Matters on September 2019 Limited Review	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	Internal of Board of Directors	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
October 31, 2019	PT Anugrah Duta Sejati	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	Internal of Board of Directors	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
November 4, 2019	Update on Financial Statement as of September 30, 2019	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	Update on Plan to Issue Juneor Global Bond	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	Implementation Progress of PSAK 71 & 73	1. Oni Febriarto Rahardjo 2. Nixon L.P Napitupulu 3. Budi Satria	4. Andi Nirwoto 5. Yossi Istanto 6. Elisabeth Novie Riswanti

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
November 4, 2019	Low Cost Funding	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
	Risk Management Committee	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
November 6, 2019	ALCO	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria	5. Andi Nirwoto 6. Yossi Istanto 7. Elisabeth Novie Riswanti
November 7, 2019	HCMD Materials	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria; Andi Nirwoto 5. Yossi Istanto 6. Elisabeth Novie Riswanti
	Closing Meeting Limited Review	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria Yossi Istanto: 5. Elisabeth Novie Riswanti
November 11, 2019	Results of June & September 2019 Limited Review	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
	RBB Materials	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
	HCMD Materials	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
	RSTIK Materials	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria Dasuki Amsir 5. Andi Nirwoto 6. Yossi Istanto
November 13, 2019	Performance Review on October 2019	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria Dasuki Amsir 5. Andi Nirwoto 6. Elisabeth Novie Riswanti



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting	
November 18, 2019	HCMD Materials	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto: 7. Elisabeth Novie Riswanti
	Update on Corporate Action	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto: 7. Elisabeth Novie Riswanti
	Internal of Board of Directors	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu 4. Budi Satria Dasuki Amsir	5. Andi Nirwoto 6. Yossi Istanto: 7. Elisabeth Novie Riswanti
November 21, 2019	BTN 2020 Pension Fund Budget	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria Dasuki Amsir 5. Yossi Istanto
November 25, 2019	BLR Subsidized KPR	1. Oni Febriarto Rahardjo 2. R. Mahelan Prabantarikso 3. Nixon L.P Napitupulu	4. Budi Satria Andi Nirwoto 5. Yossi Istanto
November 28, 2019	Internal of Board of Directors	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto:	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
November 29, 2019	Amendment on Nomenclature & Division Supervision	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
	2020 RKAP 2020 – 2022 RBB	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Hirwandi Gafar 6. Setiyo Wibowo 7. Jasmin
December 1, 2019	Amendment on Nomenclature & Division Supervision	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
December 2, 2019	HCMD Materials	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
December 3, 2019	Supervision and Alternate from Board of Directors	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin



## MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING

Meeting Date	Meeting Agenda	Participants of Each Meeting	
December 9, 2019	HCMD Materials	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar Setiyo Wibowo 7. Jasmin
	Projection on Performance, Credit Quality, CKPN and Net Profit	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar Setiyo Wibowo 7. Jasmin
	Update on 2019 BPK Audit Progress	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
December 16, 2019	ALCO	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
	KPI Materials	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar Setiyo Wibowo 7. Jasmin
December 18, 2019	RKK - PT. Taspen	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
December 19, 2019	2020 - 2025 Corporate Plan	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Hirwandi Gafar 6. Setiyo Wibowo 7. Jasmin



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**STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM****MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE MEETING**

Meeting Date	Meeting Agenda	Participants of Each Meeting	
December 30, 2019	Internal of Board of Directors HCMD Materials)	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
	Issuance of Juneor Global Bond	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
	Liquidity Coordination	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
	2019 Prognosis and the Impact on 2020 RKAP	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
	HCMD Materials	1. Pahala Nugraha Mansury 2. Nixon L.P Napitupulu 3. Andi Nirwoto 4. Yossi Istanto	5. Elisabeth Novie Riswanti 6. Hirwandi Gafar 7. Setiyo Wibowo 8. Jasmin
December 31, 2019	Meeting of Credit Policies Committee	1. Nixon L.P Napitupulu 2. Andi Nirwoto 3. Yossi Istanto	4. Elisabeth Novie Riswanti 5. Setiyo Wibowo 6. Jasmin

**MINUTES AND ATTENDANCE LEVEL OF THE BOARD OF DIRECTORS IN THE JOINT MEETING WITH THE BOARD OF COMMISSIONERS**

Meeting Date	Meeting Agenda	Participants of Each Meeting
Tuesday, March 19, 2019	1. Board of Directors' Exposure on Follow-Up of OJK Findings in Sharia Business Unit Business Process Improvement 2. Education Evaluation, Planning and Implementation in 2019	Maryono; Iman Nugroho Soeko; Oni Febriarto Rahardjo; R. Mahelan Prabantariako; Nixon L.P Napitupulu; Budi Satria; Dasuki Amsir; Andi Nirwoto
April 25, 2019	Meeting between the Board of Directors and Board of Commissioners	Maryono; Oni Febriarto Rahardjo; R. Mahelan Prabantariako; Dasuki Amsir; Andi Nirwoto; Yossi Istanto
Thursday, June 20, 2019	Discussion on the proposed 2019-2021 RBB Revision and 2019 RKAP	Maryono; Oni Febriarto Rahardjo; R. Mahelan Prabantariako; Budi Satria; Dasuki Amsir; Andi Nirwoto; Yossi Istanto
December 11, 2019	Meeting between the Board of Directors and Board of Commissioners - Performance Review on November 2019	Pahala Nugraha Mansury; Nixon L.P Napitupulu; Andi Nirwoto; Yossi Istanto; Elisabeth Novie Riswanti; Hirwandi Gafar; Setiyo Wibowo; Jasmin



### 2020 Board of Directors' Meeting Plan

The Board of Directors Meeting Plan for 2020 has been programmed as many as 12 (twelve) times, which will be held every Monday and joint meetings with the Board of Commissioners at least 4 (four) times a year as stipulated in POJK No.33/POJK.04/2014 concerning Board of Directors and Board of Commissioners of Issuers or Public Companies. The planned Board of Directors meetings for 2020 are related to the following agenda:

1. ALCO and Performance Review 1 (one) time a month;
2. Risk Management Committee 4 (four) times a year;
3. Credit Policy Committee 1 (one) time a year; and
4. Bank Soundness 2 (two) times a year.

### Evaluation of the Follow-up on the Results of the Board of Directors' Meeting

The decision of the Board of Directors' meeting as outlined in the minutes of the Board of Directors meeting will be followed up in accordance with the authority of the relevant divisions and subsequently will be implemented at the level of the Bank's operational policies. The mechanism is as follows:

1. The Corporate Secretary Division submits the decisions of Board of Directors' meetings to the relevant work units.
2. Implementing work units and other related work units must carry out the decisions of the Board of Directors' meeting properly.
3. Implementing work units must report their work in writing to the Board of Directors.

### TRAINING AND COMPETENCE DEVELOPMENT PROGRAMS FOR THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The Company has a policy to provide opportunities for the Board of Commissioners and Board of Directors to participate in education/training/workshops/seminars both home and abroad in order to increase banking knowledge and the latest developments related to finance or other fields that support the implementation of their duties and responsibilities. To the Board of Commissioners, each member of the Commissioner is given the opportunity to

plan at least 1 (one) time in 1 (one) year to participate in training and/or seminars both at home and abroad.

The education/training and competency development activities participated in by the Board of Commissioners and Board of Directors during the January-December 2019 period can be seen in the table below:

**BOARD OF COMMISSIONERS AND BOARD OF DIRECTOR  
FOR PERIOD OF NOVEMBER 27 – DECEMBER 31, 2019**

Name and Position	Type of Education and Training	Material of Education and Training	Place / Date	Organizer
<b>Board of Commissioners</b>				
<b>Chandra Martha Hamzah</b> (President Commissioners/ Independent)	In House	UKMR Refreshment Program Level 1 BOC	Jakarta, December 16, 2019	Ikatan Bankir Indonesia
<b>Armand B Arief</b> (Independent Commissioner)	In House	UKMR Refreshment Program Level 4 "Credit Risk and Operational Risk Management"	Jakarta, December 18, 2019	The Banking Professional Certification Agency (LSPP).
<b>Ahdi Jumhari Luddin</b> (Independent Commissioner)	-	-	-	-



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

BOARD OF COMMISSIONERS AND BOARD OF DIRECTOR  
FOR PERIOD OF NOVEMBER 27 – DECEMBER 31, 2019

Name and Position	Type of Education and Training	Material of Education and Training	Place / Date	Organizer
<b>Eko D Heripoerwanto</b> (Commissioner)	Seminar	"60 <sup>th</sup> Professional Commissioner "	Jakarta, 20-21 November 2019	Intipesan
	In House	UKMR Refreshment Program Level 1 BOC	Jakarta, July 3-4, 2019	Sandra Chalik (Individual)
<b>Heru Budi Hartono</b> (Commissioner)	In House	UKMR Refreshment Program Level 1 "Credit Risk Management" for BoC	Jakarta, December 16, 2019	The Banking Professional Certification Agency (LSPP).
<b>Andin Hadiyanto</b> (Commissioner)	In House	UKMR Refreshment Program Level 1 BOC	Jakarta, December 16, 2019	Ikatan Bankir Indonesia
<b>Board of Directors</b>				
<b>Pahala Nugraha Mansury</b> (President Director)	In House	UMKR Refreshment Program Level 5 "Credit Risk and Operational Risk Management"	Jakarta, December 18, 2019	The Banking Professional Certification Agency (LSPP).
<b>Andi Nirwoto</b> (IT & Operation Director)	In House	UKMR Refreshment Program Level 5 Program "Fintech (Operational Risk Management Approach)"	Jakarta, 23 May 2019	The Banking Professional Certification Agency (LSPP).
<b>Elisabeth Novie Riswanti</b> (Collection & Asset Management Director)	In House	UKMR Refreshment Program Level 5	Jakarta, September 18, 2019 & October 06, 2019	Sandra Chalik (Individual)
<b>Hirwandi Gafar</b> (Consumer & Commercial Lending Director)	In House	UKMR Refreshment Program Level 5	Jakarta, December 11, 2019	Sandra Chalik (Individual)
<b>Jasmin</b> (Distribution & Retail Funding Director)	In House	UKMR Refreshment Program Level 5	Jakarta, December 11, 2019	Sandra Chalik (Individual)

**BOARD OF COMMISSIONERS AND BOARD OF DIRECTOR  
FOR PERIOD OF NOVEMBER 27 – DECEMBER 31, 2019**

Name and Position	Type of Education and Training	Material of Education and Training	Place / Date	Organizer
Nixon L.P Napitupulu (Finance Treasury & Strategy Director)	In House	UKMR Refreshment Program Level 5 "Fintech (Operational Risk Management Approach)"	Jakarta, May 23, 2019	The Banking Professional Certification Agency (LSPP).
	Seminar	PSAK 71 Impairment Deep Dive in <i>Risk Management Perspective</i> & CSG-CIMB 13 <sup>th</sup> Annual Indonesia Conference	Bali, June 27-28, 2019	Bankers Association for Risk Management
	In House	Basic Direction & Certification of Treasury Dealer Advance Level	Jakarta, August 24-30, 2019	ACI FMA Indonesia
	Seminar	The 1 <sup>st</sup> ASEAN CPA Conference 2020	Bali, October 16-17, 2019	Institutions Accountant Indonesia Management
Setiyo Wibowo (Enterp Risk Mgt, Big Data & Analytic Director)	In House	UKMR Refreshment Program Level 5 "Credit Risk and Operational Risk Management"	Jakarta, December 18, 2019	The Banking Professional Certification Agency (LSPP).
Yossi Istanto (Direktur Human Capital Legal & Compliance)	Seminar	Leadership, Entrepreneurship And Innovation In The Global Economy	London, March 25 – 29, 2019	Asean Global Leadership Program

**BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS  
FOR PERIOD OF JANUARY 1 – NOVEMBER 26, 2019**

Name and Position	Type of Education and Training	Material of Education and Training	Place / Date	Organizer
<b>Board of Commissioners</b>				
Arie Coerniadi (Independent Commissioner)	Seminar	Enterprise Risk Management and Its Challenges in Industrial Revolution 4.0	Barcelona - Milan - Nice, July 13-23, 2019	The Banking Professional Certification Agency (LSPP).
	Seminar	International GRC Workshop in Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 4, 2019	CRMS Indonesia
Asmawi Syam (President Commissioner/ Independent)	-	-	-	-





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BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS  
FOR PERIOD OF JANUARY 1 – NOVEMBER 26, 2019

Name and Position	Type of Education and Training	Material of Education and Training	Place / Date	Organizer
Eko D Heripoerwanto (Commissioner)	Seminar	"60 <sup>th</sup> Professional Commissioner"	Jakarta, November 20-21, 2019	Intipesan
	In House	UKMR Refreshment Program Level 1 BOC	Jakarta, July 3-4, 2019	Sandra Chalik (Individual)
Garuda Wiko (Independent Commissioner)	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 4, 2019	CRMS Indonesia
I Wayan Agus Mertayasa (President Commissioner/ Independent)	-	-	-	-
Iman Sugema (Commissioner)	Seminar	Enterprise Risk Management and Its Challenges in Industrial Revolution 4.0	Barcelona - Milan - Nice, July 13-23, 2019	The Banking Professional Certification Agency (LSPP).
	Seminar	International GRC Workshop in Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 4, 2019	CRMS Indonesia
Kamaruddin Sjam (Independent Commissioner)	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 4, 2019	CRMS Indonesia
	Seminar	Conference #ECIIA2019	France - Luxembourg - Brussel, September 16-22, 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors : Embracing The 4IR	Solo, July 24-25, 2019	Institute of Internal Auditors Indonesia
	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, December 5-6, 2019	Enterprise Risk Management Academy



**BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS  
FOR PERIOD OF JANUARY 1 – NOVEMBER 26, 2019**

Name and Position	Type of Education and Training	Material of Education and Training	Place / Date	Organizer
Lucky Fathul Aziz H (Independent Commissioner)	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 – October 4, 2019	CRMS Indonesia
	Seminar	Conference #ECIIA2019	France - Luxembourg - Brussel, September 16–22, 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors : Embracing The 4IR	Solo, July 24–25, 2019	Institute of Internal Auditors Indonesia
	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, December 5–6, 2019	Enterprise Risk Management Academy
	Seminar	ASEAN CG Scorecard Plus Quality Reporting System	Jakarta, October 31, 2019	Indonesian Institute for Corporate Director
Marwanto Harjowiryo (Commissioner)	-	-	-	-
Maurin Sitorus (Commissioner)	-	-	-	-
Parman Nataatmadja (Commissioner)	-	-	-	-
Sumiyati (Commissioner)	Seminar	International GRC Workshop in Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 – October 4, 2019	CRMS Indonesia
<b>Board of Director</b>				
Maryono (President Director)	Workshop	Building the Nation Program Through Strengthening the Synergy and the Solidarity of SOEs	Bandung, March 10–12, 2019	SOE Ministry
	Workshop	Coordination Meeting of SOEs CEO in 2019	Belitung, April 2–3, 2019	SOE Ministry
	Workshop	Auditor's Talk for strengthening the role of Internal Audit of SOEs	Jakarta, May 9, 2019	SOE Ministry



## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS  
FOR PERIOD OF JANUARY 1 – NOVEMBER 26, 2019

Name and Position	Type of Education and Training	Material of Education and Training	Place / Date	Organizer
<b>Andi Nirwoto</b> (IT & Operation Director)	In House	UKMR Refreshment Program Level 5 “Fintech (Operational Risk Management Approach)”	Jakarta, May 23, 2019	The Banking Professional Certification Agency (LSPP).
<b>Budi Satria</b> (Direktur Consumer Banking)	In House	Basic Education of Sharia Banking	Jakarta, November 14-15, 2019	Iqtishad
<b>Elisabeth Novie Riswanti</b> (Consumer Banking Director)	In House	UKMR Refreshment Level 5	Jakarta, September 18 & October 06, 2019	Sandra Chalik (Individual)
<b>Iman Nugroho Soeko</b> (Direktur Finance & Treasury)	Workshop	Building the Nation Program Through Strengthening the Synergy and the Solidarity of SOEs	Jakarta, March 26-27, 2019	SOE Ministry
	Workshop	Auditor’s Talk for strengthening the role of Internal Audit of SOEs	Jakarta, May 9, 2019	SOE Ministry
<b>Nixon L.P Napitupulu</b> (Finance, Planning and Treasury Director)	In House	Fifth Level UKMR Refreshment Program “Fintech (Operational Risk Management)	Jakarta, May 23, 2019	The Banking Professional Certification Agency (LSPP).
	Seminar	PSAK 71 Impairment Deep Dive In Risk Management Perspective & CSG-CIMB 13Th Annual Indonesia Conference	Bali, June 27-28, 2019	Bankers Association for Risk Management
	In House	Basic Direction & Treasury Certification Dealer Advance Level	Jakarta, August 24-30, 2019	ACI FMA Indonesia
	Seminar	The 1 <sup>st</sup> ASEAN CPA Conference 2020	Bali, October 16-17, 2019	Institusi Akuntan Manajemen Indonesia
<b>Oni Febriarto Rahardjo</b> (Acting President Director and Commercial Banking Director)	In House	Refreshment Program UKMR Level 5 “Fintech (Operational Risk Management Approach)”	Jakarta, May 23, 2019	The Banking Professional Certification Agency (LSPP)
	Seminar	The 1 <sup>st</sup> ASEAN CPA Conference 2019	Bali, October 16-17, 2019	The Indonesian Institute of Management Accountants (IAMI)



**BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS  
FOR PERIOD OF JANUARY 1 – NOVEMBER 26, 2019**

Name and Position	Type of Education and Training	Material of Education and Training	Place / Date	Organizer
R. Mahelan Prabantarikso (Compliance Director)		International Risk Management Refreshment and Wealth Management Certification	Moscow, June 29 - July 27, 2019	The Banking Professional Certification Agency (LSPP)
		Refreshment Program UKMR Level 5 "Digital Banking And Fintech (Operational Risk Management Approach"	Bandung, April 23, 2019	The Banking Professional Certification Agency (LSPP)
		Seminar Communication Forum for Bank Compliance Directors	Jakarta, June 27, 2019	Communication Forum for Bank Compliance Directors
Yossi Istanto (Human Capital, Legal and Compliance Director)	Seminar	Leadership, Entrepreneurship and Innovation In The Global Economy	London, March 25-29, 2019	Asean Global Leadership Program

**CONCURRENT POSITION OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS**

**Concurrent Position of The Board of Commissioners**

The concurrent positions of the Board of Commissioners are governed by the Board of Commissioners Charter, where members of the Board of Commissioners can only hold concurrent positions as Members of the Board of Commissioners, Directors or Officials in 1 (one) non-financial institution/company and Board of Commissioners, Board of Directors or Executive Officers who perform the supervisory function in 1 (one) non-Bank subsidiary company controlled by the Company.

**Provision of The Board of Directors' Concurrent Position**

The provision the Board of Directors' concurrent position is regulated in the Board of Directors Charter, where the Board of Directors are prohibited from concurrently holding positions as:

1. A member of the Board of Directors at Regional-Owned Enterprises, and other Private Owned Enterprises;
2. A member of the Board of Commissioners/Board of Trustees in other SOEs;
3. Other structural and functional positions in institutions/agencies of the central and/or local government;
4. Members of the management of political parties, a legislative member and/or regional/deputy regional head; and/or a candidate of the legislative or a candidate for the regional/deputy regional head;
5. Other positions in accordance with the rules and legislation, and other positions that may cause any potential Conflict of Interest.
6. Holds a position as a member of the Board of Directors, the Board of Commissioners, or Executive Officer in another bank, company, and/or institution.
7. Members of the Board of Directors are prohibited from having concurrent positions as a member of the Board of Commissioners in another company, with the exception of:
  - a. Members of the Board of Commissioners of a Subsidiary/joint venture of the respective SOE, under the provisions that they are only entitled to the accumulation of income as a Member of the Board



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of Commissioners at one or more subsidiaries/ joint ventures i.e. maximum of 30% (thirty percent) salaries of members of the respective Board of Directors in the SOE. Other/additional income is transferred and considered to be the respective SOE's revenue.

- b. Members of the Board of Commissioners of another company to represent/fight for the SOE's interest, with permission of the Minister of SOEs.

Excluding concurrent positions, if the members of the Board of Directors are responsible for the supervision of the Bank's investments in subsidiaries or joint ventures, performing functional tasks as a member of the Board of Commissioners in subsidiaries controlled by the Bank, as long as the concurrent position does not interfere with their duties and responsibilities as members of the Board of Directors of the Bank.

### Transparency of Concurrent Position of the Board of the Commissioners and the Board of Directors in 2019

Based on the above regulation, the concurrent positions of the Board of Commissioners and the Directors in 2019.

Name and Position	Concurrent Position
<b>Board of Commissioners</b>	
Chandra M.Hamzah (President Commissioner/Independent)	None
Armand B. Arief (Independent Commissioner)	None
Ahdi Jumhari Luddin (Independent Commissioner)	None
Eko D. Heripoerwanto (Commissioner)	General Director of Finance of the Ministry of Public Works and Public Housing (PUPR) (2019 – to date)
Heru Budi Hartono (Commissioner)	Head of President Secretariat (2017 – to date)
Andin Hadiyanto (Commissioner)	General Director of Treasury of Finance Ministry (2019 – to date)

#### Board of Directors

No concurrent position of the Board of Directors

The concurrent positions held by Commissioners Eko D. Heripoerwanto, Heru Budi Hartono, and Andin Hadiyanto do not violate the applicable laws and regulations.

### AFFILIATED RELATIONSHIPS BETWEEN THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND MAIN SHAREHOLDERS/ CONTROLLERS

#### Information about the Company's Ultimate/Controlling Shareholder

As previously mentioned, the Republic of Indonesia owns 60% of the Company's shares, one of which is Series A Dwiwarna Share that gives the holders special privileges not owned by other shareholders. The remaining shares

are Series B Shares which are owned by public each less than 5% amounting to 40%, which are obtained through share trading mechanism in the Indonesia Stock Exchange.

Thus, the Ultimate/Controlling Shareholder of the Company is the Republic of Indonesia through the Government of the



Republic of Indonesia. Therefore, the Republic of Indonesia is also the End Owner Entity of the Company.

#### Transparency of Affiliate Relationship of the Board of Commissioners, the Board of Directors, and Ultimate/Controlling Shareholders in 2019

The Company's Board of Commissioners and Board of Directors. The affiliate relationship of the Board of Commissioners, the Board of Directors and Ultimate/Controlling Shareholders in 2019 is shown in the following table:

Directors always maintain their independency and do not have conflicts of interest that can interfere their ability to carry out duties in professional and objective manner. All members of the Board of Commissioners and Board of Directors do not have affiliate relationship either family or financial relationship with other fellow members of the Board of Commissioners, the Board of Directors and Ultimate/Controlling Shareholders.

Name and Position	Family Relationship with			Financial Relationship with		
	The Board of Commissioners	The Board of Directors	Ultimate / Controlling Shareholder	The Board of Commissioners	The Board of Directors	Ultimate / Controlling Shareholder
<b>Board of Commissioners</b>						
I Wayan Agus Mertayasa (President Commissioners/ Independent)	x	x	x	x	x	x
Asmawi Syam (President Commissioners/ Independent)	x	x	x	x	x	x
Chandra M.Hamzah (President Commissioners/ Independent)	x	x	x	x	x	x
Kamaruddin Sjam (Independent Commissioner)	x	x	x	x	x	x
Arie Coerniadi (Independent Commissioner)	x	x	x	x	x	x
Lucky Fathul Aziz Hadibrata (Independent Commissioner)	x	x	x	x	x	x
Garuda Wiko (Independent Commissioner)	x	x	x	x	x	x
Armand B. Arief (Independent Commissioner)	x	x	x	x	x	x
Ahdi Jumhari Luddin (Independent Commissioner)	x	x	x	x	x	x
Maurin Sitorus (Commissioner)	x	x	x	x	x	x



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

Name and Position	Family Relationship with			Financial Relationship with		
	The Board of Commissioners	The Board of Directors	Ultimate / Controlling Shareholder	The Board of Commissioners	The Board of Directors	Ultimate / Controlling Shareholder
<b>Sumiyati</b> (Commissioner)	x	x	x	x	x	x
<b>Iman Sugema</b> (Komisaris)	x	x	x	x	x	x
<b>Parman Nataatmadja</b> (Commissioner)	x	x	x	x	x	x
<b>Eko D. Heripoerwanto</b> (Commissioner)	x	x	x	x	x	x
<b>Marwanto Harjowiryono</b> (Commissioner)	x	x	x	x	x	x
<b>Heru Budi Hartono</b> (Commissioner)	x	x	x	x	x	x
<b>Andin Hadiyanto</b> (Commissioner)	x	x	x	x	x	x
<b>The Board of Directors</b>						
<b>Maryono</b> (President Director)	x	x	x	x	x	x
<b>Oni Febriarto Rahardjo</b> (Acting President Director, Director of Commercial Banking)	x	x	x	x	x	x
<b>Pahala Nugraha Mansury</b> (President Director)	x	x	x	x	x	x
<b>Iman Nugroho Soeko</b> (Director of Finance & Treasury)	x	x	x	x	x	x
<b>Andi Nirwoto</b> (Director of Operation, IT and Digital Banking)	x	x	x	x	x	x
<b>Budi Satria</b> (Director of Consumer Banking)	x	x	x	x	x	x
<b>R. Mahelan Prabantarikso</b> (Director of Compliance)	x	x	x	x	x	x
<b>Nixon L.P Napitupulu</b> (Director of Finance, Planning and Treasury)	x	x	x	x	x	x



Name and Position	Family Relationship with			Financial Relationship with		
	The Board of Commissioners	The Board of Directors	Ultimate / Controlling Shareholder	The Board of Commissioners	The Board of Directors	Ultimate / Controlling Shareholder
<b>Dasuki Amsir</b> (Director of Distribution and Network)	✗	✗	✗	✗	✗	✗
<b>Yossi Istanto</b> (Director of Human Capital, Legal and Compliance)	✗	✗	✗	✗	✗	✗
<b>Elisabeth Novie Riswanti</b> (Director of Remedial and Wholesale Risk)	✗	✗	✗	✗	✗	✗
<b>Hirwandi Gafar</b> (Director of Consumer and Commercial Lending)	✗	✗	✗	✗	✗	✗
<b>Jasmin</b> (Director of Distribution and Retail Funding)	✗	✗	✗	✗	✗	✗
<b>Setiyo Wibowo</b> (Director of Enterprise, Risk Management, Big Data and Analytics)	✗	✗	✗	✗	✗	✗

✓ = has affiliate relationship | ✗ = has no affiliate relationship

As of December 31, 2019, there were no Boards of Commissioners and Directors having any affiliation with their fellow members as well as with the Major / Controlling Shareholders.

#### TRANSPARENCY OF THE BOARD OF COMMISSIONERS' AND THE BOARD OF DIRECTORS' SHARE OWNERSHIP

In accordance with Bank Indonesia regulations, members of the Board of Commissioners either individually or jointly are prohibited from owning more than 25% of paid-in capital in other companies, hence the Company seeks to improve Compliance with every applicable provision and maintain the independence of each serving member of the Board of Commissioners to be obliged to disclose its share ownership, whether in the Company, other Banks, Non-Bank Financial Institutions or other companies domestically and Foreign. The Company regularly submitted to the regulator regarding the report of the change of share ownership of the Board of Commissioners and the Board of Directors.

Up to December 31, 2019, the Board of Commissioners' and the Board of Directors' share ownerships amounting 5% or more than 5% of the paid-up capital, which includes type and total share in the Company, other Banks, and Non Bank Financial Institutions, or other Companies, both at home and abroad, are as follows:





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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

SHARE OWNERSHIP OF THE BOARD OF COMMISSIONERS AND  
THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2019

Name and Position	Share Ownership Percentage			
	Bank BTN ("BBTN")	Other Banks	Non-Bank Financial Institutions	Other companies
<b>Board of Commissioners</b>				
<b>Chandra M.Hamzah</b> (President Commissioner / Independent Commissioner)	-	Nil	Nil	Nil
<b>Armand B. Arief</b> (Independent Commissioners)	-	Nil	Nil	Nil
<b>Ahdi Jumhari Luddin</b> (Independent Commissioners)	-	Nil	Nil	Nil
<b>Eko D. Heripoerwanto</b> (Commissioners)	-	Nil	Nil	Nil
<b>Heru Budi Hartono</b> (Commissioners)	-	Nil	Nil	Nil
<b>Andin Hadiyanto</b> (Commissioners)	-	Nil	Nil	Nil
<b>Board of Directors</b>				
<b>Pahala Nugraha Mansury</b> (President Director)	453.100 lembar; 0,0042786%	Nil	Nil	Nil
<b>Andi Nirwoto</b> (Director of Operation, IT and Digital Banking)	70.200 lembar; 0,0006629%	Nil	Nil	Nil
<b>Nixon L.P Napitupulu</b> (Director of Finance, Planning and Treasury)	236.600 lembar; 0,0022342%	Nil	Nil	Nil
<b>Yossi Istanto</b> (Director of Human Capital, Legal and Compliance)	70.200 lembar; 0,0006629%	Nil	Nil	Nil
<b>Elisabeth Novie Riswanti</b> (Director of Remedial and Wholesale Risk)	25.000 lembar; 0,0002361%	Nil	Nil	Nil
<b>Hirwandi Gafar</b> (Director of Consumer and Commercial Lending)	56.000 lembar; 0,0005288%	Nil	Nil	Nil
<b>Jasmin</b> (Director of Distribution and Retail Funding)	-	Nil	Nil	Nil
<b>Setiyo Wibowo</b> (Director of Enterprise Risk Management, Big Data and Analytics)	-	Nil	Nil	Nil

All members of the Board of Commissioners and the Board of Directors do not have share ownership of up to 5% or more, either shares in the Company, with other banks, non-bank financial institutions and other companies complying with the provisions of POJK No.55/POJK.03 2016.



## ORGANS AND COMMITTEES UNDER THE BOARD OF COMMISSIONERS

Based on OJK Regulation No. 55/POJK.03/2016 concerning the Implementation of Governance for Commercial Banks Article 34, in supporting the effectiveness of the implementation of the duties and responsibilities, the Board of Commissioners of the Company has formed an Audit Committee, Risk Monitoring Committee and Remuneration and Nomination Committee. In addition, the Company also has a Secretary of the Board of Commissioners who assists with the smooth running of the duties and responsibilities of the Board of Commissioners.

### THE BOARD OF COMMISSIONERS' SECRETARY

#### Legal Basis

Based on Minister of State-Owned Enterprises Regulation No. PER-12/MBU/2012 concerning the Supporting Organs of the Board of Commissioners/ Supervisory Board of State-Owned Enterprises, the Board of Commissioners can establish a Secretariat of the Board of Commissioners led by the Secretary of the Board of Commissioners whose task is to assist the administration with the duties and responsibilities of the Board of Commissioners. The Secretary of the Board of Commissioners of the Company is appointed by the Board of Commissioners and is responsible to the Board of Commissioners of the Company. The responsibilities of the Secretary of the Board of Commissioners include managing the administration, assisting the Board of Commissioners in performing the oversight function of effective performance of the Company and ensuring that the Board of Commissioners has implemented the principles of GCG properly.

#### Terms of Secretary of the Board of Commissioners

Based on Article 5 and 34 of the Regulation of Minister of State PER-12 / MBU / 2012 on the Supporting Organs of Board of Commissioners / Board of Supervisors of State-Owned Enterprises, the tenure of Secretary and staff of the Secretariat of the Board of Commissioners / Board of Trustees is determined by the Board of Commissioners / Board of Supervisors for maximum of three (3) years and may be reappointed for a maximum of two (2) years. The accumulation of tenure as a Secretary of the Board of Commissioners / Board of Supervisors on the state-owned enterprises is for a maximum of five (5) years.

#### Secretary of the Board of Commissioners

In 2019, the post of Secretary of the Board of Commissioners is entrusted to Ms Siti Fauziyah through Board of Commissioners' Decision by the Written Statement of the Board of Commissioners No. 116 / KOM / BTN / IX / 2017 dated 5 September 2017 and the Directors' Written Statement No. 573 / DLR / 2017 1 October 2017 (became valid on 1 November 2019).



#### Siti Fauziyah

Secretary of the Board of Commissioners  
Term 1 November 2019 - 1 November 2022, First Period

<b>Citizen</b>	Indonesia
<b>Aged</b>	46 years
<b>Domicile</b>	Jakarta Selatan, DKI Jakarta, Indonesia
<b>Education</b>	Master of Economics from UPI YAI, Jakarta (2016).

#### History of Employment

- Agro and Pharmaceutical Industry Business Sub Sector IIa.1 Head (July 07, 2017 - present)
- Human Capital Services Sub-Division Head (December 22, 2014 - July 06, 2017)
- SOE Executive Human Capital Training Sub-Division Head (May 09, 2014 - December 21, 2014)
- Primary Industrial Business Sub-Sector Ib2 Head (Oct 07, 2010 - May 08, 2014)
- Sub Division Head of Governance and Risk Management for Trade, Warehousing, Distribution and Certification Services (May 22, 2006 - Oct 6, 2010)

#### Training and Development Competence in 2019

- Leader as a Coach (2019)
- Certified Risk Management Officer (CRMO) L1, (2019)
- Application of SFAS 71, 72, 73 (2019)



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### Board of Commissioners' Secretary Organizational Structure

Following the established in the organisational structure, the Secretary of the Board of Commissioners is responsible directly to the Board of Commissioners and assisted by one (1) Board of Commissioners Secretariat staff.

### Work Guidelines

The Board of Commissioners' Secretary is equipped with the Work Guidelines to support activities which refer to the Guidelines and Code of Conduct of the BOC. The Work Guidelines of BoC Secretary is reviewed at least one (1) year to ensure that the scope of the guidelines is always in line with the needs or other related prevailing regulations. The Work Guidelines of the Secretary of the Board of Commissioners has been reviewed and was not amended considering that it remains relevant to the Company's current conditions.

### Duties and Responsibilities of the Secretary of the Board of Commissioners

Duties and responsibilities of the Secretary of the Board of Commissioners of which include:

1. To carry out administrative activities within the secretariat of the Board of Commissioners.
2. To organise Board Meeting and conference/meeting between Commissioners, Shareholders, Directors and related parties (stakeholders), including a meeting invitation Preparation, Preparation of meeting materials, documentation of papers and preparation of minutes

of meetings.

3. To prepare minutes of meetings of the Board of Commissioners and the minutes of a joint meeting between Commissioners Board of Directors together with the Corporate Secretary
4. To deliver the first minutes of board meetings to the Board of Directors through the company secretary.
5. To Draft the Work Plan and Budget BOC.
6. Prepare the reports of the Board of Commissioners.
7. To Ensure that the BoC comply with legislation and to apply the principles of good corporate governance.
8. To Provide the information required by the Board of Commissioners periodically at any time if requested.
9. To Coordinate Committee members if necessary to facilitate the task of the Board of Commissioners.
10. To collect data or information relevant to the implementation of the duties of the Board of Commissioners.
11. To Provide data/information required by the Commissioner and Committees of the Board of Commissioners.
12. To Collect technical data derived from committees in the Board of Commissioners for BOC.
13. As a liaison between the Board of Commissioners with the Shareholders, the Board of Directors, as well as other related parties (stakeholders).
14. To perform other duties assigned by the Board of Commissioners regarding the tasks and functions of the Board of Commissioners.

### Training Program for Secretary of the Board of Commissioners

The company continues to support the Secretary of the Board of Commissioners to update the knowledge through training and skill development. In 2019, the Secretary of the Board of Commissioners participated in the following training and competency development:

Type of Education and Training	Education and training materials	Place / Date	Organizer
Human Resource	Leader as A Coach	Jakarta, July 22-23, 2019	Ministry of SOE – Coaching Indonesia
Risk Management	CRMO Certification	Jakarta, August 6-9, 2019	Ministry of SOE- LPPM, dan LSPMR
Accounting	Implementation of PSAK 71, 72, 73	Jakarta, September 26-27, 2019	Ministry of SOE- Enterprise Institute of Indonesia

**2019 Report of the Secretary of the Board of Commissioners'**

Secretary of the Board of Commissioners perform a supporting role as the Board in oversight and ensuring the Board of Commissioners run corporate governance practices in accordance with existing regulations. Throughout 2019, the Secretary of the Board of Commissioners has been carrying out are as follows:

1. Organised administrative secretariat undertakings in the Board of Commissioners' environment, i.e. incoming and outgoing departmental mail, as well as the Company's Minutes of Board of Commissioners' Meetings
2. Assembled the Board of Commissioners Joint Meeting with the Board of Directors or other Related Parties, including in preparing the Meeting invitation, Meeting's agenda, outcoming mail, based on the Meeting's decisions Compiled the Minutes of Board of Commissioners
3. Meetings, and the Minutes of Joint Meetings between the Board of Commissioners and the Board of Directors together with the Corporate Secretary
4. Distributed the original Minutes of Meetings of the Board of Commissioners with the Board of Directors through the Corporate Secretary
5. Compiled the Board of Commissioners' draft reports.
6. Provided the information required by the Board of Commissioners periodically at any time if requested
7. Coordinated Committee members if necessary to facilitate the task of the Board of Commissioners.
8. Collected data or information relevant to the implementation of the duties of the Board of Commissioners.

9. Provided data/information required by the Commissioner and the Committee of the Board of Commissioners in the environment of Board of Commissioners

10. Collected technical data derived from committees in the Board of Commissioners for Board of Commissioners.

**Remuneration Policy**

In accordance with the Regulation of Minister of State PER-12/MBU/2012 on the Organ Supporting BOC/Supervision of State-Owned Enterprises, income of the Secretary and staff of the Secretariat of the Board of Commissioners/Supervisory Board is determined by the Board of Commissioners/Board of Trustees by considering the ability of the Company consisting of maximum honorarium of 15% of salary Managing Director of the Company. Taxes on the income of the Secretary and Staff of the Secretariat of the Council of Commissioners/Supervisory Board are borne by the Company, except the performance bonuses/incentive of the Secretary of the Board of Commissioners/Supervisory Board.

**Evaluation and Performance Assessment by the Board of Commissioners**

The Secretary of the Board of Commissioners performance is always evaluated by the Board of Commissioners. The assessment is based on the realization and completion of the work program stated in the Work Plan and Budget of the Board of Commissioners and reported to the Board of Commissioners. The results of the assessment become material for consideration for the Board of Commissioners to reappoint and/or dismiss the Secretary of the Board of Commissioners for the next term of office.

**AUDIT COMMITTEE**

The Company has formed an Audit Committee to support the Board of Commissioners in performing the oversight function regarding the implementation and reporting of Financial Records, the adequacy of Risk Management and Internal Controls effectively and independently. The Audit Committee also supervises the Company's compliance with all applicable laws and regulations.

**Legal Basis**

The legal basis for establishing an Audit Committee is based on the following regulations:

1. Regulation of the Financial Services Authority (POJK) No. 55/POJK.04/2015 dated December 23, 2015 concerning the Establishment and Work Guidelines of the Audit Committee.
2. Financial Services Authority Regulation No. 33/POJK.04/2014 dated December 8, 2014, concerning Directors and Commissioners of Issuers or Public Companies.
3. Regulation of the Financial Services Authority No. 55/POJK.03/2016 dated December 7, 2016 concerning the Implementation of Governance for Commercial Banks.
4. Financial Services Authority Circular Letter (SEOJK) No. 13/SEOJK.03/2017 dated March 17, 2017 concerning the Implementation of Governance for Commercial Banks.



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5. Regulation of the Financial Services Authority No. 46/POJK.03/2017 July 12, 2017, concerning the Implementation of the Compliance Function of Commercial Banks.
6. Bank Indonesia Circular Letter (SEBI) No. 13/28/ DPNP dated December 9, 2011, concerning the Application of Anti-Fraud Strategies for Commercial Banks.
7. The Company's Articles of Association.

**The number and composition of the Audit Committee 2019**

In 2019, there were changes in the amount and composition of the Audit Committee, in line with the change of the Board of Commissioners who served on the Audit Committee, and Audit Committee member turnover from the external parties.

**CHRONOLOGY OF CHANGES IN THE COMPOSITION OF THE AUDIT COMMITTEE THROUGHOUT 2019**

Periode 1 January - 17 May 2019	Periode 17 May - 18 November 2019	Periode 19 November - 27 November 2019	Periode 28 November - 31 November 2019	Remarks
Kamaruddin Sjam (Audit Committee Chairman)	Kamaruddin Sjam (Audit Committee Chairman)	Kamaruddin Sjam (Audit Committee Chairman)		Kamaruddin Sjam's position at the Audit Committee ended as he no longer served on the Board of Commissioners, since the Decision of the Extraordinary General Meeting dated 27 November 2019.
I Wayan Agus Mertayasa (Audit Committee Member)				I Wayan Agus Mertayasa's position at the Audit Committee ended as he no longer served on the Board of Commissioners, since the Decision of the Extraordinary General Meeting dated 17 May 2019.
Lucky Fathul Aziz Hadibrata (Audit Committee Member)	Lucky Fathul Aziz Hadibrata (Audit Committee Member)	Lucky Fathul Aziz Hadibrata (Audit Committee Member)		Lucky Fathul Aziz's position at the Audit Committee ended as he no longer served on the Board of Commissioners, since the Decision of the Extraordinary General Meeting dated 27 November 2019.
Garuda Wiko (Audit Committee Member)	Garuda Wiko (Audit Committee Member)	Garuda Wiko (Audit Committee Member)	-	Garuda Wiko's position at the Audit Committee ended as he no longer served on the Board of Commissioners, since the Decision of the Extraordinary General Meeting dated 27 November 2019.
Rachmat Supratman (Audit Committee Member)	Rachmat Supratman (Audit Committee Member)	-	-	Rachmat Supratman has no longer taken the office since November 7, 2019
Adi Prakoso (Audit Committee Member)	Adi Prakoso (Audit Committee Member)	Adi Prakoso (Audit Committee Member)	Adi Prakoso (Audit Committee Member)	-
-	-	Peter Eko Budi Darwito (Audit Committee Member)	Peter Eko Budi Darwito (Audit Committee Member)	Peter Eko Budi Darwito has been appointed since November 19, 2019

**CHRONOLOGY OF CHANGES IN THE COMPOSITION OF THE AUDIT COMMITTEE THROUGHOUT 2019**

Periode 1 January - 17 May 2019	Periode 17 May - 18 November 2019	Periode 19 November - 27 November 2019	Periode 28 November - 31 November 2019	Remarks
-	-	-	<b>Ahdi Jumhari Luddin<sup>*)</sup></b> (Independent Commissioners)	The Result of the Board of Commissioners' Internal Meeting Ahdi Jumhari Luddin was appointed as the Audit Committee Chairman until awaiting the results of the Effective Decision from FSA
-	-	-	<b>Andin Hadiyanto<sup>*)</sup></b> (Commissioners)	The Result of the Board of Commissioners' Internal Meeting Andin Hadiyanto was appointed as the Audit Committee Member while awaiting the results of the Effective Decision from FSA

\*) Effective after the appointment of whom concerned is approved by the Financial Services Authority

**THE COMPOSITION OF THE AUDIT COMMITTEE PER DECEMBER 31, 2019**

Name	Position	Term of Office
Ahdi Jumhari Luddin <sup>*)</sup>	Audit Committee Chairman	November 2019 – November 2022
Andin Hadiyanto <sup>*)</sup>	Audit Committee Member	November 2019 – November 2022
Adi Prakoso	Audit Committee Member	September 2018 – September 2021
Peter Eko Budi Darwito	Audit Committee Member	November 2019 – November 2022

\*) Effective after the appointment of whom concerned is approved by the Financial Services Authority

**Profil Komite Audit****Ahdi Jumhari Luddin<sup>\*)</sup>**

Audit Committee Members

Term of Office November 2019 – November 2022

**Expertise**

Banking, Risk Management Compliance

His Education History, Work Experience and Competency Training are presented in the Board of Commissioners' Profile in this Annual Report.

**Andin Hadiyanto<sup>\*)</sup>**

Audit Committee Members

Term of Office November 2019 – November 2022

**Expertise**

Finance and Macro Economics

His Education History, Work Experience and Competency Training are presented in the Board of Commissioners' Profile in this Annual Report.



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### Adi Prakoso

Audit Committee Members

Term of Office 25 September 2018 - 25 September 2021

Indonesian citizen, place of birth Jakarta, aged 54, lives in Depok, West Java, Indonesia.

#### Expertise

Audit, Banking and Accounting.

#### Work experience

Served as Section Head of the Administrative Affairs Finance PT Bank Dagang Negara (1991-1996), Chairman of the Internal Audit Team Bank Dagang Negara (1996-1997), Quality Assurance Auditor Bank Dagang Negara (1997-1999), Tim Merger Bank Internal Audit (1999), a Senior Investigator in the Special Audit Department of Bank Mandiri (1999-2010), Team Leader in Wholesale Banking Audit Department and subsequently in Relation Counterpart of Bank Mandiri (2010-2012), and Head of Internal Audit PT PANN Financing Maritime / Subsidiary of SOE (2013-2018) before serving as Audit Committee member Non-Commissioner of BTN.

#### Training in 2019 and Applicable Professional Certification

Certified Fraud Examiner (CFE) from the Association of Certified Fraud Examiner, USA, Qualified Internal Auditor (QIA) of the Certification Board of Qualified Internal Auditor, Chartered Accountant from the Indonesian Institute of Certificate of Competency as Audit Supervisor of Banking Profession Certification Institute (LSPP), Certificate Risk Management Level 1 and 2 of BSMR (Risk Management Certification Agency) and LSPP (Banking Profession Certification Institute).



### Peter Eko Budi Darwito

Audit Committee Members

Term of Office 19 November 2019 – 18 November 2022

Indonesian citizen, place of birth Sukoharjo, July 27, 1963 aged 56, lives in Tangerang, Banten, Indonesia.

#### Expertise

Banking, Audit and Finance

#### History of Employment

BRI Jayapura Regional Internal Audit Head/Inspector (2018 - July 2019), BRI Special Branch Office Deputy Chief (2015 - 2018), BRI Group Head / Head of Credit for Special Branch Offices (2009 - 2014), Group Head / Head of Loans for BRI Campus Programs (2005 - 2008)

#### Competency Training and Development

Fraud Skimming, e-learning at Corporate University of BRI Campus 2019, Education Training Lateral BRI Internal Audit Joiner in 2019, Level 3 Risk Management Certificate from LSPI BARA, Jakarta in 2017

#### Audit Committee Work Guidelines

The Audit Committee's Work Guidelines refers to the Audit Committee Charter where the Audit Committee Charter is compiled based on the applicable laws and regulations and is regularly reviewed and has been ratified based on the Board of Commissioners Decree Number 01/DEKOM-BTN/XI/2019, 19 November 2019 concerning the reform of the Charter of the Audit Committee of PT Bank Tabungan Negara (Persero) Tbk.

Scope of the Audit Committee Charter:

1. General Provisions;
2. The duties and responsibilities and authority of the Audit Committee;
3. Reporting Committee The purpose and objectives;
4. Term of Office;
5. The obligations of the Committee;
6. Increased Professionalism of Audit Committee Members and Use of Supporting Personnel;
7. Information Access and Confidentiality;
8. Committee Budget;



9. Structure, Appointment and Dismissal of the Committee;
10. Income of Committee Members;
11. Requirements for Committee Members;
12. Closing;
13. Procedures and Working Procedures of the Committee.

In full, the Audit Committee Charter can be retrieved from the Company's website ([www.btn.co.id](http://www.btn.co.id)) on the Investor Relations menu under Governance Policies.

#### Appointment and Dismissal

Appointment of Audit Committee refers to No. 01 / dekom-BTN / 2019 concerning the reform of the Charter of the Audit Committee of PT Bank Tabungan Negara (Persero) Tbk on 19 November 2019 article 7 of the structure of Appointment and Dismissal Committee.

#### Term of Office

The Term of Office of the Audit Committee may not be longer than the Term of Office of the Board of Commissioners in accordance with FSA Regulation No. 55/POJK.04/2015 and the Audit Committee Charter and can be re-elected for only one subsequent period. The Committee members' term of office appointed between the Board of Commissioners' term of office will end at the same time as the end of the Board of Commissioners' term of office.

#### Independency of the Audit Committee Members

All members of the Audit Committee has met all the criteria of independence and can carry out their duties independently, uphold the interests of the Bank and can not be influenced by any party. Since 1 January 2019 until 27 November 2019 Audit Committee is chaired by an Independent Commissioner, composed of independent

commissioners and members of other professionals from outside the Company. Based on the Extraordinary General Meeting dated 27 November 2019 the Company management changes occur that make empty positions Chairman of the Audit Committee the period 27 November 2019 to 31 December 2019. To perform the function of active monitoring to performance of the Directors of the Company, and capacity of Audit Committee as a supporting organ of Board of Commissioners; Board of Commissioners agreed to appoint Ahdi Jumhari Luddin (Independent Commissioner set out in the Extraordinary General Meeting of 27 November 2019) as a PIC Chairman of the Audit Committee and Andin Hadiyanto (Commissioner specified in the Extraordinary General Meeting of 27 November 2019) as a PIC of Audit Committee members until there is a decision of OJK Fit and Proper.

The number of independent commissioners and independent parties who become members of the Audit Committee is 100% of the number of members of the Audit Committee. The amount of the charter has met the independence requirements following the provisions of POJK 55 / POJK.03 / 2016 on the Application of Governance for Banks Article 41 paragraph 4 that independent commissioners and independent parties that are members of the Audit Committee at least amount to 51% of the number of members of the Committee audit.

Besides, all members of the Audit Committee of the independent party has no financial, management, share ownership and/or family relationship with the Board of Commissioners, Directors and/or Controlling Shareholders or connection with the Bank, which could affect its ability to act independently.

Independency Aspect	Ahdi Jumhari Luddin*) (Chairman)	Andin Hadiyanto*) (Member)	Adi Prakoso (Member)	Peter Eko Budi Darwito (Member)
Have any Financial Relations with the Board of Commissioners and the Board of Directors	✗	✗	✗	✗
Have Management Relationship in the Company, subsidiaries or affiliated companies	✗	✗	✗	✗
Have Shareholding Relationship in the Company	✗	✗	✗	✗





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Independency Aspect	Ahdi Jumhari Luddin*) (Chairman)	Andin Hadiyanto*) (Member)	Adi Prakoso (Member)	Peter Eko Budi Darwito (Member)
Have Family Relationship with the Board of Commissioners, the Board of Directors, and/or fellow members of the Audit Committee	✘	✘	✘	✘

✓ = Have | ✘ = Do not have

\*) Effective after the appointment of whom concerned is approved by the Financial Services Authority

### Audit Committee Concurrent Position

The Audit Committee members may not have multiple positions as required in the Joint Decree of the Board of Directors and Board of Commissioners No. 02/DEKOM-BTN/2013 dated December 18, 2013, concerning the Audit Committee Charter of PT Bank Tabungan Negara (Persero) Tbk. in article 7 regarding the Audit Committee Membership Requirements paragraph 10, 11 and paragraph 12, as follows:

- Paragraph 10 "is not an insider of the Public Accounting Office, Legal Consultant Office, Public Appraisal

Service Office or other parties that provides assurance, non-assurance services, appraisal services or other consulting services to the Bank within the last 6 (six) months."

- Paragraph 11 "is not an individual who works or has the authority and responsibility to plan, lead, control or supervise the activities of the Bank within the last 6 (six) months except as an Independent Commissioner.
- Paragraph 12 "does not have direct or indirect shares in the Bank."

Audit Committee	Multiple positions in other companies / institutions
Ahdi Jumhari Luddin*) (Audit Committee Chairman)	-
Andin Hadiyanto*) (Audit Committee Member)	Director General of Treasury, Finance Ministry
Adi Prakoso (Audit Committee Member)	-
Peter Eko Budi Darwito (Audit Committee Member)	-

\*) Effective after the appointment of whom concerned is approved by the Financial Services Authority

Until December 31, 2019, concurrent positions as Chairman of the Committee are following the provisions of the Commissioner stating that an Independent Commissioner cannot serve as Chairman Committee of more than 2 (two) Committees in the same company.

### Duties and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee are as follows:

- Assisting the Board of Commissioners to ensure the effectiveness of the Internal Control System and the effectiveness of the implementation of the tasks of the External and Internal Auditors.
- Assessing the activities and the results of audits

conducted by the Internal Audit Unit and External Auditors.

- Presenting recommendations regarding improvements of the Management Control System and its implementation
- Ensuring satisfactory evaluation procedures for all information issued by the Company.
- Identifying matters that require the attention and duty of the Board of Commissioners.
- Examining the financial information to be released by the Company to the public and/or authorities including Financial Statements, Projections, and other reports related to the financial information of the Company.
- Assessing compliance with the laws and regulations related to the activities of the Company.



8. Offering independent opinions in the event of disagreements between management and accountants over the services rendered.
9. Providing recommendations to the Board of Commissioners regarding the appointment, re-appointment, and discharge of the Public Accountant based on independence, the scope of the assignment, and audit fee.
10. Evaluating the implementation of the Financial Report Audit services by the KAP
11. Reviewing the implementation of inspections by the Internal Auditor and supervising the implementation of the follow-up by the Board of Directors regarding the Internal Auditor's findings.
12. Reviewing complaints related to Accounting Processes and Financial Reports by the Company.
13. Reviewing and offering advice to the Board of Commissioners related to any potential Conflicts of Interest of the Company.
14. Upholding and maintaining the confidentiality of documents, data, and information regarding the Company.

#### The Audit Committee's Authority

The Audit Committee is authorized to do the following:

1. The Committee is authorized to access documents, data, and information regarding the Company's employees, funds, assets, and the Company's resources as required.
2. The Committee is authorized to communicate directly with the Board of Directors and employees, including those who perform the functions of Internal Audit, Risk Management, and Accounting-related duties and responsibilities of the Committee.
3. The Committee is authorized to involve independent parties outside the Committee members, if required, to assist in performing their duties.
4. The Committee is authorized to perform other powers granted by the Board of Commissioners.

#### Realization of the Audit Committee Work Plan 2019

Implementation Report of the Audit Committee

As a form of responsibility of the Audit Committee, the Audit Committee must report annually to the Board on any implementation of the tasks, followed by recommendations

if necessary. Throughout 2019, the Audit Committee has duties and responsibilities, including the following covers:

1. To monitor and evaluate the implementation of the Internal Audit Unit tasks:
  - a. Conducting discussions and monitoring of the realization of the Annual Audit Plan 2019.
  - b. Conducting discussions on the findings of the Internal Audit inspection Division (IAD)
2. Monitor and evaluate the appropriateness of the audit by the Office of the Public Accountant with applicable auditing standards.
3. Conduct research and review of the suitability of published financial statements of the Company with the applicable financial reporting standards.
4. Monitor the implementation and completion of the Company's commitment upon recommendations from the IAD investigation as well as the External Auditor (Bank Indonesia, the FSA, KAP, BPK-RI).
5. Provide input on strategic issues in the framework of the provision of advice by the Board of Commissioners.
6. Deliver recommendations to the Board regarding the appointment of Public Accounting to Financial Statements 2019 checks to be further submitted to the General Meeting of Shareholders.
7. Perform other duties of the Board of Commissioners following the fieldwork of the Committee.
8. Following the training and education to improve the competence of the Committee members.

#### The Audit Committee Meeting

The Audit Committee meetings occur at least equal to the minimum provisions board meetings chaired by the Chairman of the Audit Committee. It is in line with the Charter of the Audit Committee and the Audit Committee Work Plan. Audit Committee Meeting Decisions are taken by consensus. The decision taken in the meeting of the Audit Committee has been noted and documented in the Audit Committee's meeting minutes. Chairman of the meeting sign the Minutes of meetings and distribute them to all members of the Audit Committee who attended the meeting or not. Dissent (dissenting opinion) that occurs in the conference will be included in the minutes of meetings, along with the reasons for the disagreement.

During 2019, the Audit Committee has conducted as



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many as 12 meetings. At least 51% of the number of members attended the meetings, including Independent Commissioners and Independent Parties. Here are the agendas and minutes of meetings, attendance, and the

recapitulation of the Audit Committee attendance rates in the sessions.

### AGENDA AUDIT COMMITTEE MEETINGS

Date	Agenda
January 23, 2019	2019 Annual Audit Plan
February 6, 2019	Discussion on Agreement Approval of Rank 1 Related to the Procurement Firm for Audit Services Fiscal Year 2019
February 19, 2019	Discussion Recommendations regarding the Appointment of The Head of IAD / Head of Internal Audit
March 26, 2019	Discussion on Draft Approval of Financial Statements Publication per December 31, 2019 (Audited)
April 18, 2019	Discussion on Draft Approval of Financial Statements Publication per March 31, 2019 (Unaudited)
April 23, 2019	Discussion of KAP Winner Agreement for Audit Services Fiscal Year 2019
April 30, 2019	Discussion on Annual Audit Plan Approval IAD 2019
May 17, 2019	Discussion on Replacement of Public Accountant General Services Implementing CSR Audit Financial Statements Fiscal Year 2019
May 28, 2019	Discussion on Internal Audit Charter (Internal Audit Charter)
June 18, 2019	Discussion on Audit Committee's Evaluation Results of the audit of the services Provision of Financial Information for Fiscal Year 2018
July 26, 2019	Discussion on Draft Approval of Financial Statements Publication per June 30, 2019
September 4, 2019	Kick Off Meeting Audit Limited Review as of July 31 2019 and Audit Financial Statements at December 31, 2019

### Training and Competence Development Committee

The Audit Committee continues to implement training and development programs committee as a form of update knowledge and understanding of current issues regarding the tasks or programs to improve the effectiveness of the performance of the Audit Committee to assist the supervisory and advisory Board of Commissioners. The Company provides a budget taken from the budget of the Board of Commissioners of the Company.

Throughout 2019, members of the Audit Committee have participated in the following training programs and competency development:



Name	Type of Education and Training	Education and training materials	Place and Date	Organizer
Kamaruddin Sjam	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 4, 2019	CRMS Indonesia
	Seminar	Conference #ECIIA2019	France - Luxembourg - Brussel, September 16-22, 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors : Embracing The 4IR	Solo, July 24-25, 2019	Institute of Internal Auditors Indonesia
Lucky Fathul Aziz H	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, December 5-6, 2019	Enterprise Risk Management Academy
	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 4, 2019	CRMS Indonesia
	Seminar	Conference #ECIIA2019	France - Luxembourg - Brussel, September 16-22, 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors : Embracing The 4IR	Solo, July 24-25, 2019	Institute of Internal Auditors Indonesia
	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, December 5-6, 2019	Enterprise Risk Management Academy
	Seminar	ASEAN CG Scorecard Plus Quality Reporting System	Jakarta, October 31, 2019	Indonesian Institute for Corporate Director
	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 04, 2019	CRMS Indonesia

#### Evaluation and Performance Assessment of the Audit Committee by the Board of Commissioners

The Board of Commissioners regularly evaluates the performance of the Audit Committee every 3 (three) months. The assessment is based on the realization and completion of the work program contained in the Work Plan and Budget Committee and reported to the Board of Commissioners in the report of the Audit Committee. The

results of the votes taken into consideration for the Board of Commissioners to take back or dismiss the members of the Audit Committee for the next period of office.

#### Audit Committee Work Plan 2020

The Audit Committee in every year prepares a Work Plan Audit Committee. The drafting of the Audit Committee is based on the Audit Committee Charter and with input from



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the Board of Commissioners. Audit Committee Work Plan 2020 includes:

1. Develop Implementation Report of the Audit Committee in evaluating the effectiveness of internal controls Bank;
2. The Audit Committee Meeting;
3. Training and Competency Development Committee;
4. The follow-up review of internal and external audit findings;
5. Deliver the appointment of Public Accounting which will carry out the audit of the Company's financial

6. Evaluate the implementation of tasks related to KAP Company's financial statement audit services.

For meetings, according to the Audit Committee Work Plan 2020, the Audit Committee has planned a conference in 2020 of at least as many as 18 times with the main agenda of the monthly evaluation of the realization of the Annual Audit Plan 2020 and Evaluation of Public Accounting Firm Audit Services to Financial Statements for Fiscal Year 2019 as well as meeting incidental with related divisions..

### RISK MONITORING COMMITTEE

The Risk Monitoring Committee is an Organizational Body established by the Board of Commissioners. It 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

In 2019 there were changes in the amount and composition of the Risk Monitoring Committee membership, in line with the turn of the Board of Commissioners who served on the Risk Monitoring Committee.

#### Chronology of Changes in the composition of the Risk Monitoring Committee Throughout 2019

DATA ON CHANGES IN COMMITTEE MEMBERSHIP THROUGHOUT 2019

Period of January 01 – May 17, 2019	Period of May 17 – August 29, 2019	Period of August 29 – November 27, 2019	Period of November 27 – December 31, 2019	Remarks
Arie Coerniadi (Risk Monitoring Committee Chairman)	Arie Coerniadi (Risk Monitoring Committee Chairman)	Arie Coerniadi (Risk Monitoring Committee Chairman)	-	Arie Coerniadi's position on the Risk Monitoring Committee ceased in line with being no longer serving on the Board of Commissioners, since the EGMS Resolution on November 27, 2019.
IWayan Agus Mertayasa (Risk Monitoring Committee Member)	-	-	-	IWayan Agus's position on the Risk Monitoring Committee ceased in line with being no longer serving on the Board of Commissioners, since the AGMS Resolution on May 17, 2019.



## DATA ON CHANGES IN COMMITTEE MEMBERSHIP THROUGHOUT 2019

Period of January 01 – May 17, 2019	Period of May 17 – August 29, 2019	Period of August 29 – November 27, 2019	Period of November 27 – December 31, 2019	Remarks
Sumiyati (Risk Monitoring Committee Member)	Sumiyati (Risk Monitoring Committee Member)	-	-	Sumiyati's position on the Risk Monitoring Committee ceased in line with being no longer serving on the Board of Commissioners, since the EGMS Resolution on August 29, 2019.
Garuda Wiko (Risk Monitoring Committee Member)	Garuda Wiko (Risk Monitoring Committee Member)	Garuda Wiko (Risk Monitoring Committee Member)	-	Garuda Wiko's position on the Risk Monitoring Committee ceased in line with being no longer serving on the Board of Commissioners, since the EGMS Resolution on November 27, 2019.
Iman Sugema (Risk Monitoring Committee Member)	Iman Sugema (Risk Monitoring Committee Member)	Iman Sugema (Risk Monitoring Committee Member)	-	Iman Sugema's position on the Risk Monitoring Committee ceased in line with being no longer serving on the Board of Commissioners, since the EGMS Resolution on November 27, 2019
-	-	Asmawi Syam (Risk Monitoring Committee Member)	-	The Board of Commissioners' Internal Meeting Results appointed Asmawi Syam as a Member of the Risk Monitoring Committee and is effective after passing the FSA fit & proper test. Asmawi Syam's position on the Risk Monitoring Committee ceased in line with being no longer serving on the Board of Commissioners, since the EGMS Resolution on November 27, 2019
-	-	-	Armand B. Arief <sup>*)</sup> (Risk Monitoring Committee Chairman)	The Board of Commissioners' Internal Meeting Results appointed Armand B. Arief as Risk Monitoring Committee Chairman and is effective after the FSA fit & proper test
-	-	-	Eko D. Heripoerwanto (Risk Monitoring Committee Member)	The Board of Commissioners' Internal Meeting Results appointed Eko D. Heripoerwanto as Risk Monitoring Committee Member and is effective as of December 20, 2019.
Heru Ratna Azimada (Risk Monitoring Committee Member)	Heru Ratna Azimada (Risk Monitoring Committee Member)	Heru Ratna Azimada (Risk Monitoring Committee Member)	Heru Ratna Azimada (Risk Monitoring Committee Member)	-
Yuki Noviani Kohar (Risk Monitoring Committee Member)	Yuki Noviani Kohar (Risk Monitoring Committee Member)	Yuki Noviani Kohar (Risk Monitoring Committee Member)	Yuki Noviani Kohar (Risk Monitoring Committee Member)	-

<sup>\*)</sup> Effective after the appointment of whom concerned is approved by the Financial Services Authority



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### THE COMPOSITION OF THE RISK MONITORING COMMITTEE PER DECEMBER 31, 2019

Name	Position	Term of Office
Armand B. Arief *)	Risk Monitoring Committee Chairman	December 2019 – December 2022
Eko D. Heripoerwanto	Risk Monitoring Committee Member	December 2019 – December 2022
Heru Ratna Azimada	Risk Monitoring Committee Member	November 2019 – November 2021
Yuki Noviani Kohar	Risk Monitoring Committee Member	November 2019 – November 2021

\*) Effective after the appointment of whom concerned is approved by the Financial Services Authority

#### Profile of Risk Monitoring Committee



#### Armand B. Arief\*)

Risk Monitoring Committee Chairman

Term of Office: December 2019 - December 2022 His Work Experience and Competency Training are presented in the Board of Commissioners' Profile section in this annual report.

#### Expertise

Banking, Risk Management, Business Administration

His Education History, Work Experience and Competency Training are presented in the Board of Commissioners' Profile section in this Annual Report.



#### Eko D. Heripoerwanto

Risk Monitoring Committee Member

Term of Office: December 2019 - December 2022

#### Expertise

Urban and Regional Planning, Housing

His Education History, Work Experience and Competency Training are presented in the Board of Commissioners' Profile section in this Annual Report.

**Heru Ratna Azimada**

Risk Monitoring Committee Member

Term of Office: November 30, 2019 - November 29, 2021

Indonesian Citizen, was born in Magelang, 69 years old, Domiciled in South Jakarta, DKI Jakarta, Indonesia.

**Expertise**

Banking, Risk Management

**History of Employment**

- Served as EVP / Expert Staff of Directors in Human Capital, PT Bank Mandiri (Persero) Tbk (2003);
- Executive Vice President Training Group, PT Bank Mandiri (Persero) Tbk (2001-2003)
- EVP Coordinator (SEVP) in Corporate, Government, Commercial and Restructuring, PT Bank Mandiri (Persero) Tbk (2000-2001)
- Executive Vice President Corporate Banking, PT Bank Mandiri (Persero) Tbk (1999)
- Director of PT Bank Ekspor Import Indonesia (Persero) (1998-1999).
- Training and Competency Enhancement
- Risk Modeling Workshop in Financial Institution organized by the Indonesia Economic Bachelor Association in September 2017;
- Senior Executives Forum IV 2002 in Australia
- Asia Pacific Economic Summit year 2000 in Australia;
- Asian Banker Summit year 2000 in Singapore;
- Asian Pacific Non Performing Loan year 2000 in South Korea;
- Asian Banker Summit year 2000 in Australia;
- Treasury Management year 1996 in Singapore;
- Asset Liability Management year 1996 in Singapore.

**Yuki Noviani Kohar**

Risk Monitoring Committee Member

Term of Office: November 7, 2019 - November 6, 2021

Indonesian Citizen, was born in Bandung, 58 years old, Domiciled in South Jakarta, DKI Jakarta.

**Expertise**

Banking, Credit

**History of Employment**

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

**Training and Competency Enhancement**

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

<sup>\*)</sup> Effective after the appointment of whom concerned is approved by the Financial Services Authority

**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 Monitoring Committee is prepared based on the applicable laws and regulations and is continuously 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:





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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### Scope of the Risk Monitoring Committee Charter

1. Purpose and Objectives	2. Duty, Authority
3. Committee's Responsibilities	4. Committee's Obligations
5. Information Access and Confidentiality	6. Structure.

### Provisions of Appointment and Dismissal

Appointment of the Risk Monitoring Committee has met the requirements specified in the Charter of the Risk Monitoring Committee which is "Have expertise in finance, risk management, macro-economic, strategy management, banking and credit". Termination Risk Monitoring Committee members can be stopped or terminated under Article 6 of the Risk Oversight Committee Charter which stated Chairman and Members of the Committee are appointed and dismissed by the Board of Commissioners.

### 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.

### 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 the act. There are 51% or more of the Risk Monitoring Committee Members that concurrently are Independent Commissioners. This arrangement has fulfilled the independence requirements following 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 Aspects	Armand B. Arief *) (Chairman)	Eko D. Heripoerwanto (Member)	Heru Ratna Azimada (Member)	Yuki Noviani Kohar (Member)
Has Financial Relations with the Board of Commissioners and the Board of Directors	✗	✗	✗	✗
Has Management Relationship at the Company, Subsidiaries or Affiliated Companies	✗	✗	✗	✗
Has relationship to the Company's Share Ownership	✗	✗	✗	✗
Has Family Relationship with the Board of Commissioners, the Board of Directors, and/or fellow members of the Audit Committee	✗	✗	✗	✗

✓ = Has | ✗ = Has no

\*) Effective after the appointment of whom concerned is approved by the Financial Services Authority

### 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.:



- 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.”
- Paragraph 10 states “the member shall not have shares directly and indirectly in the Bank. If a member of the Committee obtains shares due to a legal event, then within 6 (six) months after receiving these shares, he/she shall transfer it to another party”

Risk Monitoring Committee	Concurrent Position in Other Companies/ Institution
Armand B. Arief *)	-
Eko D. Heripoerwanto	PUPR Ministry Infrastructure Financing Directorate General
Heru Ratna Azimada	-
Yuki Noviani Kohar	-

#### Duties and Responsibilities of the Risk Monitoring Committee

The Board of Commissioners in carrying out its supervisory duties and providing advice to the Directors by providing opinions in the form of suggestions and / or recommendations regarding but not limited to:

- Providing an evaluation on the conformity between the risk management policies with the implementation of Bank policies;
- Conducting monitoring and evaluation the implementation of duties of the Risk Management Committee and the Risk Management Unit
- Conducting evaluation on the adequacy of risk management policies in Bank BTN.
- Reviewing matters of which require the Board of Commissioners’ approval or consultation in accordance with the Work Relations of the Board of Commissioners and Directors and the provisions of the Regulator.
- Monitoring the adequacy of the identification process, measurement, monitoring, control and risk management information systems.
- Compiling the Committee's Work Guidelines and Code of Conducts and performing a review according to the needs of at least once in 2 (two) years.
- Performing other tasks from the Board of Commissioners in accordance with the area of risk management.
- Preparing a work plan and annual budget to the Board of Commissioners.

#### REALIZATION OF THE RISK MONITORING COMMITTEE WORK PLAN 2019

##### Report on the Implementation of the Risk Oversight Committee

Throughout 2019, the Risk Monitoring Committee perform the tasks to support the oversight function of the Commissioners by giving recommendations to the Board, especially related to risk management. The activities undertaken by the Risk Monitoring Committee throughout 2019, particularly associated with the implementation of risk management are as follows:

- To evaluate the implementation of Risk Management through:
  - Discussion on risk profile report periodically (quarterly)
  - Discussion on the Bank periodically
  - Discussion on the performance review each month
- To evaluate and advise the Board in relation:
  - Consult the appropriate credit limits of authority
  - Approval of Provision of Funds to Related Parties
  - Limits and criteria deeds Directors need not obtain consent BOC
  - The implementation of a new policy or a new product
  - Planned capital investments in the framework of inorganic growth
- Conduct analysis of credit quality by reviewing:
  - Allowance pull that occurred on core debtors
  - Progress on implementing credit consulted to BOC
  - Follow-up on activities of the previous year to remove the book.
  - Mechanisms "backtesting" to find out the root cause in the event of a decline in credit quality.
- Analyze the suitability of the Risk Management Policy



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- Guidelines in line with the Bank's business activities.
5. To evaluate the Company's policies relating to:
    - a. Application of Anti-Money Laundering and Combating the Financing of Terrorism (APUPPT)
    - b. Cooperation Guidelines for State-Owned Enterprises according to Rule Minister for State-Owned Enterprises of the Republic of Indonesia No. PER-03/MBU/08/2017 dated August 14, 2017, and amended by the Decree of the Minister for State-Owned Enterprises of the Republic of Indonesia No. PER-04/MBU/09/2017 dated September 13 2017
    - c. Due Diligence & Equity Participation Plan in the National Capital Madani PT Investment Management
    - d. Regulations on the Management of Customer Complaints Board of Directors, in compliance with:
      - POJK No. 1/POJK.07/2013 on Consumer Protection Financial Services Sector
      - SEOJK 2/POJK.07/2014 on Consumer Complaint Resolution Service and the Financial Services Performer
      - SEBI 7/24 / DPNP on the Settlement of Customer Complaints
- The Risk Monitoring Committee's Meetings**
1. The Committee shall meet at least the same as the minimum provisions of the Board of Commissioners Meeting stipulated in the Articles of Association.
  2. Committee meetings are considered valid if attended by at least 51% (fifty one percent) of the total members of the Committee including 1 (one) Independent Commissioner and 1 (one) Independent Party.
  3. In the event that a member of the Board of Commissioners is unable to attend the meeting physically, then he/she may attend the meeting using
    - a. Power of Attorney;
    - b. Technology of Teleconference;
    - c. Other methods of which are allowed according to the procedures and provisions in force.
  4. The meeting shall be chaired by the Committee Chairman or members appointed in writing, if the Committee Chairman is unable to attend.
  5. Committee meetings decisions are made based on consensus agreement. In the event that consensus agreement does not occur, the decision is made based on majority votes with the principle of 1 (one) person 1 (one) vote (one man one vote).
  6. Committee meeting results are outlined in the minutes of meeting signed by all members of the Committee present, properly documented and submitted to the Board of Commissioners. The results of the meeting include the time and place of the meeting, the meeting agenda, attendees, topics discussed, differences of opinion (if any) and meeting decisions.
  7. Dissenting opinions of which occur in Committee meetings must be clearly stated in the minutes of meeting along with the reasons.
  8. The committee may hold meetings or special meetings if needed.
  9. Committee meetings may invite Management or other parties as resource speakers.
  10. Meetings are held based on invitations and agendas of which have been agreed upon before the meeting is held, and the results of the meeting must be recorded in the minutes of meeting, the original documents kept by the Committee and the copies thereof submitted to the Secretary of the Board of Commissioners and if necessary can be distributed to the participants of whom were not present in the meeting.



Throughout 2019, the Risk Monitoring Committee held 17 meetings. The following is the agenda for the Risk Monitoring Committee meeting.

#### RISK MONITORING COMMITTEE MINUTES OF MEETING AND ATTENDANCE

Date	Meeting Agenda
Thursday, February 28, 2019	Debtor restructuring in 2018
Tuesday, March 12, 2019	Credit Consultation of PT HK & PT APP
Tuesday, April 02, 2019	Credit Consultation of PT SIP
Tuesday, April 09, 2019	Limits of Authority to Terminate Commercial Credit and Limits of Authority to Terminate Commercial Credit Restructuring including Restructuring of Commercial Credit through Debtor/ Novasi Transfer
Tuesday, April 16, 2019	Credit Consultation of PT PLN & PT. PP
Monday, April 22, 2019	Discussion on Quarterly Risk Profile I / 2019
Tuesday, April 23, 2019	Credit Consultation of PT PAK & PT FCP
Tuesday, May 14, 2019	Credit Consultation of PT FCP
Tuesday, May 21, 2019	PT. Bank Tabungan Negara (Persero) Tbk Risk Management Policy Guidelines of 2019
Tuesday, June 25, 2019	Credit Consultation of PT WSBP & PT AP I
Tuesday, May 07, 2019	Credit Consultation of PT AK
Tuesday, June 18, 2019	Credit Consultation of PT TEP & PT PP
Tuesday, July 30, 2019	Evaluation of Risk Profile Quarter II / 2019
Tuesday, August 06, 2019	Bank Health Index (RBBR) Semester I / 2019
Tuesday, November 19, 2019	BTN Risk Management Policy Manual (PKMR) of 2020
Monday, November 18, 2019	Discussion on the Proposal of BTN Risk Appetite & Risk Tolerance in 2020
Tuesday, November 26, 2019	BTN Recovery Plan

#### The Risk Monitoring Committee Competence Training and Development

The Company has provided a budget from the Company's Board of Commissioners to improve the effectiveness of the Risk Monitoring Committee's function to assist the supervisory and advisory tasks of the Board of Commissioners. For that purpose, 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 2019, the Risk Monitoring Committee members have participated in the following training programs and competency development.

Name	Type of Education and Training	Education and Training Material	Place/Date	Organizer
Arie Coerniadi	Seminar	Enterprise Risk Management and Its Challenges in Industrial Revolution 4.0	Barcelona - Milan - Nice, July 13-23, 2019	Certification institution profession banking
	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 4, 2019	CRMS Indonesia



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Name	Type of Education and Training	Education and Training Material	Place/Date	Organizer
Garuda Wiko	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 4, 2019	CRMS Indonesia

### Evaluation and Performance Assessment of the Risk Oversight Committee by the Board of Commissioners

The performance of the Risk Oversight Committee is regularly evaluated by the Company's Board of Commissioners every 3 (three) months. The assessment is based on the realization and completion of the work program contained in the Work Plan and Budget as well as the Risk Oversight Committee reported to the Board of Commissioners in the report of the Risk Oversight Committee. The results of the votes taken into consideration for the Board of Commissioners to take back or dismiss members of the Risk Oversight Committee for the next period of office.

### Risk Monitoring Committee Work Plan 2020

#### Routine Activity

1. Conducting evaluation on the compatibility between the Bank's risk management policy with the implementation of the policy consisting of Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk and Reputation Risk
2. Conducting monitoring activities on Risk Profile, Bank Health Rating, Minimum Capital Requirement (KPMR), Statutory Reserves (GWM), Legal Lending Limit
3. Reviewing the Risk Management Policy Guidelines (PKMR) at least once in a year, if there are no changes then only need to be reported to the Board of Commissioners.
4. Conducting monitoring and evaluation on the implementation of Risk Management Committee duties, in order to provide recommendations to the Board of Commissioners.
5. Reviewing the results of performance or Performance Review, which is related to the index of achievement of RKAB and RBB and risk management, the results of the review are used as input to the Board of Commissioners in order to:
  - a. Board of Commissioners' Response to the Company's Quarterly Performance to the SOEs Ministry
  - b. Board of Commissioners Monitoring Report on the Realization of the Bank's Business Plan (RBB) to FSA (per Semester)

6. Reviewing the guidelines and work rules of the Committee (charter) and conducting a review according to the needs of at least once in 2 (two) years

#### Non-routine Activities

1. Providing recommendations to the Board of Commissioners in granting approval and consultation to carry out the Articles of Association of PT. Bank Tabungan Negara (Persero) Tbk, deed no. 90 dated June 21, 2017 made by notary Fathiah Helmi, Bachelor of Laws, specifically article 12 paragraph 7 (letters a, b, e, f, gh and i) and article 8, among others:
  - a. Providing recommendations to the Board of Commissioners in implementing Credit Termination Authority (BWMK)
  - b. Providing recommendations to the Board of Commissioners in granting approval on credit to related parties
2. Generating a report on the activities of the Risk Monitoring Committee and necessary matters to be the Board of Commissioners' concerns.
3. Conducting work visits (if necessary) to monitor the implementation of risk management by operational units
4. Attending activities organized by the Banking Professionals and/or Banking Institutions
5. Following the seminar, professional training in order to improve competence.

### REMUNERATION AND NOMINATION COMMITTEE

Remuneration and Nomination Committee is formed by and is responsible to the Board of Commissioners, whose task is to assist the Board of Commissioners in carrying out their duties. The Remuneration and Nomination Committee is one of the corporate organs, working hand in hand with the Human Capital Division and Learning Center Division as tools owned by the Board of Directors for raising human capital as strategic assets and strategic partners, analyzing policies, monitoring the implementation of preparing prospective leaders that will be a role model and providing meticulous attention to the implementation of good corporate governance, including policies and the amount of remuneration.

**Legal Basis**

The Company founded the Nomination and Remuneration Committee based on the following Regulations, Provisions and Legislation:

1. Regulation of the State Minister for State-Owned Enterprises Number: PER-01/MBU/2011 dated August 1, 2011, concerning the Implementation of Good Corporate Governance (GCG) in State-Owned Enterprises as amended by Regulation of the State Minister for State-Owned Enterprises No. PER-09/MBU/2012 July 6, 2012;
2. BI Regulation No. 11/33/PBI/2009 dated December 7, 2009, concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.
3. FSA Regulation No. 59/POJK.03/2017 dated December 18, 2017, concerning the Implementation of Governance in the provision of Remuneration for Sharia Commercial Banks and Sharia Business Units.
4. Regulation of the State Minister for State-Owned Enterprises Number: PER-12/MBU/2012 dated August 24, 2012, concerning the Supporting Organs of the Board of Commissioners;
5. Regulation of the Financial Services Authority No. 33/POJK.04/2014 dated December 8, 2014, concerning the Board of Directors and the Board of Commissioners of Issuers or Public Companies;
6. Regulation of the Financial Services Authority (POJK) No. 34/POJK.04/2014 dated December 8, 2014, concerning the Remuneration and Nomination Committee of Issuers or Public Companies;
7. Regulation of the Financial Services Authority Number 21/POJK.04/2015 dated November 16, 2015, concerning the Implementation of the Guidelines for Corporate Governance of a Public Company;
8. Financial Services Authority Regulation No.27/POJK.03/2016 dated July 27, 2016 concerning the Assessment of Capability and Compliance for Main Parties of Financial Services Institutions.
9. Financial Services Authority Circular No. 40/SEOJK.03/2016 dated September 26, 2016, concerning the Implementation of Governance in Remuneration for Commercial Banks.
10. Regulation of the Financial Services Authority No. 55/POJK.03/2016 dated December 7, 2016, concerning the Implementation of Governance for Commercial Banks;
11. Financial Services Authority Circular No. 13/SEOJK.03/2017 dated March 17, 2017, concerning the Implementation of Governance for Commercial Banks.
12. Regulation of the Minister of State-Owned Enterprises Number: PER-06/MBU/06/2018 dated June 4, 2018, regarding the Third Amendment to the Regulation of the State Minister for State-Owned Enterprises Number: PER-04/MBU/2014 concerning Guidelines for Determining Incomes for the Board of Directors, Board of Commissioners, and the Supervisory Board of State-Owned Enterprises.
13. SOE Ministerial Regulation Number: PER-01/MBU/05/2019 dated May 31, 2019 concerning the Fourth Amendment to SOE Ministerial Regulation Number: PER-04/MBU/2014 concerning Guidelines for Applying the Remuneration for Board of Directors, Board of Commissioners and Supervisory Board of SOEs, in determining remuneration for Board of Directors and Board of Commissioners of SOE's Subsidiary
14. PT Bank Tabungan Negara (Persero) Tbk's Articles of Association No. 90 dated June 21, 2017, and the Amendment No. 66 dated March 23, 2018.
15. Board of Directors Regulation No. 04/PD/HCD/2015 dated March 31, 2015 concerning Remuneration for Supporting Organs of Board of Commissioners, Board of Directors of PT. Bank Tabungan Negara (Persero), Tbk.
16. Board of Commissioners Decision No. 01/DEKOMBTN/2017, August 10, 2017, regarding Guidelines and Work Procedures for PT Bank Tabungan Negara (Persero) Tbk's Board of Commissioners.
17. Agreement Letter with the Board of Commissioners of PT Bank Tabungan Negara (Persero), Tbk No. 02/DEKOM-BTN/2017 and the Board of Directors of PT Bank Tabungan Negara (Persero), Tbk No. 01/DIR-BTN/2017 dated November 24, 2017, regarding the Working Relationship between the Board of Commissioners and the Board of Directors of PT Bank Tabungan Negara (Persero), Tbk.
18. Joint Decree of the Board of Commissioners of PT Bank Tabungan Negara (Persero), Tbk No. 03/DEKOM-BTN/XII/2013 and the Board of Directors of PT Bank Tabungan Negara (Persero), Tbk No. SKB-03/DIR-BTN/XII/2013 regarding the Charter of the Remuneration and Nomination Committee of PT Bank Tabungan Negara (Persero), Tbk dated December 18, 2013 and its amendments in accordance with the Joint Decree of the Board of Commissioners of PT Bank Tabungan



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

Negara (Persero), Tbk No. 03/DEKOM-BTN/2016 and the Board of Directors of PT Bank Tabungan Negara (Persero), Tbk No. SKB-03/DIR-BTN/2016, July 18, 2016  
19. Decree of the Board of Commissioners No. 03/dekom-BTN/XI/2019 dated November 19, 2019, on the Remuneration and Nomination Charter of PT Bank Tabungan Negara (Persero) Tbk.

### Composition of the Remuneration and Nomination Committee

In 2019 there were changes in the amount and composition of the Remuneration and Nomination Committee membership, in line with the change of the Board of Commissioners who served on the Remuneration and Nomination Committee.

### Chronology of Changes in the composition of the Remuneration and Nomination Committee Throughout 2019

#### DATA ON CHANGES IN COMMITTEE MEMBERSHIP THROUGHOUT 2019

Period of January 01 – May 17, 2019	Period of May 17 – August 29, 2019	Period of August 29 – November 27, 2019	Period of November 27 – December 31, 2019	Remarks
I Wayan Agus Mertayasa (Remuneration and Nomination Committee Chairman)	-	-	-	I Wayan Agus Mertayasa's Position on the Remuneration and Nomination Committee ceased in line with no longer serving on the Board of Commissioners, since the AGMS Resolution on May 17, 2019.
Lucky Fathul Aziz Hadibrata (Remuneration and Nomination Committee Member)	Lucky Fathul Aziz Hadibrata (Remuneration and Nomination Committee Chairman)	Lucky Fathul Aziz Hadibrata (Remuneration and Nomination Committee Chairman)	-	Lucky Fathul Aziz Hadibrata's position on the Remuneration and Nomination Committee ceased in line with being no longer serving on the Board of Commissioners, since the EGMS Resolution on November 27, 2019.
Arie Coerniadi (Remuneration and Nomination Committee Member)	Arie Coerniadi (Remuneration and Nomination Committee Member)	Arie Coerniadi (Remuneration and Nomination Committee Member)	-	Arie Coerniadi's position on the Remuneration and Nomination Committee ceased in line with being no longer serving on the Board of Commissioners, since the EGMS Resolution dated November 27, 2019
Kamaruddin Sjam (Remuneration and Nomination Committee Member)	Kamaruddin Sjam (Remuneration and Nomination Committee Member)	Kamaruddin Sjam (Remuneration and Nomination Committee Member)	-	Kamaruddin Sjam's position on the Remuneration and Nomination Committee ceased in line with being no longer serving on the Board of Commissioners, since the EGMS Resolution on November 27, 2019
Maurin Sitorus (Remuneration and Nomination Committee Member)	-	-	-	Maurin Sitorus' position on the Remuneration and Nomination Committee ceased in line with being no longer serving on the Board of Commissioners, since the AGMS Resolution on May 17, 2019.



## DATA ON CHANGES IN COMMITTEE MEMBERSHIP THROUGHOUT 2019

Period of January 01 – May 17, 2019	Period of May 17 – August 29, 2019	Period of August 29 – November 27, 2019	Period of November 27 – December 31, 2019	Remarks
-	-	Asmawi Syam (Remuneration and Nomination Committee Member)	-	The Board of Commissioners' Internal Meeting Results appoint Asmawi Syam as a Member of the Remuneration and Nomination Committee and is effective after passing the FSA fit & proper test. Asmawi Syam's position on the Remuneration and Nomination Committee has ceased in line with being no longer serving on the Board of Commissioners, since the EGMS Resolution on November 27, 2019.
-	-	-	Chandra M. Hamzah <sup>*)</sup> (Remuneration and Nomination Committee Chairman)	The Result of the Board of Commissioners' Internal Meeting appointed Heru Budi Hartono as the Remuneration and Nomination Committee Member and is effective after the FSA fit & proper test
-	-	-	Heru Budi Hartono <sup>*)</sup> (Remuneration and Nomination Committee Member)	The Board of Commissioners' Internal Meeting Results appointed Chandra M. Hamzah as the Remuneration and Nomination Committee Chairman and is effective after the FSA fit & proper test
-	-	-	Ahdi Jumhari Luddin <sup>*)</sup> (Remuneration and Nomination Committee Member)	The Result of the Board of Commissioners' Internal Meeting appointed Ahdi Jumhari Luddin as the Remuneration and Nomination Committee Member and is effective after the FSA fit & proper test
-	-	-	Armand B. Arief <sup>*)</sup> (Remuneration and Nomination Committee Member)	The Result of the Board of Commissioners' Internal Meeting appointed Armand B. Arief as the Remuneration and Nomination Committee Member and is effective after the FSA fit & proper test
I Nengah Rentaya (Remuneration and Nomination Committee Member)	I Nengah Rentaya (Remuneration and Nomination Committee Member)	I Nengah Rentaya (Remuneration and Nomination Committee Member)	I Nengah Rentaya <sup>*)</sup> (Remuneration and Nomination Committee Member)	-





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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### DATA ON CHANGES IN COMMITTEE MEMBERSHIP THROUGHOUT 2019

Period of January 01 – May 17, 2019	Period of May 17 – August 29, 2019	Period of August 29 – November 27, 2019	Period of November 27 – December 31, 2019	Remarks
Eko Waluyo (Remuneration and Nomination Committee Member Ex-Officio)	Eko Waluyo (Remuneration and Nomination Committee Member Ex-Officio)	Eko Waluyo (Remuneration and Nomination Committee Member Ex-Officio)	Eko Waluyo (Remuneration and Nomination Committee Member Ex-Officio)	

\*) Effective after the appointment of whom concerned is approved by the Financial Services Authority

### THE COMPOSITION OF THE REMUNERATION AND NOMINATION COMMITTEE PER DECEMBER 31, 2019

Name	Position	Term of Office
Chandra M. Hamzah <sup>*)</sup>	Remuneration and Nomination Committee Chairman	December 2019 – December 2022
Heru Budi Hartono <sup>*)</sup>	Remuneration and Nomination Committee Member	December 2019 – December 2022
Ahdi Jumhari Luddin <sup>*)</sup>	Remuneration and Nomination Committee Member	December 2019 – December 2022
Armand B. Arief <sup>*)</sup>	Remuneration and Nomination Committee Member	December 2019 – December 2022
I Nengah Rentaya	Remuneration and Nomination Committee Member	November 2019 – November 2021
Eko Waluyo	Ex-Officio Member	June 2017 – June 2020

<sup>\*)</sup>Effective after the appointment of whom concerned is approved by the Financial Services Authority

### Remuneration and Nomination Committee Profile



#### Chandra M. Hamzah<sup>\*)</sup>

Remuneration and Nomination Committee Chairman  
Term of Office: November 7, 2019 - November 6, 2021

#### Expertise

Finance

His Education History, Work Experience and Competency Training are presented in the Board of Commissioners' Profile section in this Annual Report.



#### Heru Budi Hartono<sup>\*)</sup>

Remuneration and Nomination Committee Member  
Term of Office: November 7, 2019 - November 6, 2021

#### Expertise

Urban and Regional Planning, Housing

His Education History, Work Experience and Competency Training are presented in the Board of Commissioners' Profile section in this Annual Report.

**Ahdi Jumhari Luddin\*)**

Remuneration and Nomination Committee Member  
Term of Office: November 7, 2019 - November 6, 2021

**Expertise**

Banking, Compliance and Risk Management

His Education History, Work Experience and Competency Training are presented in the Board of Commissioners' Profile section in this Annual Report.

**Armand B. Arief\*)**

Remuneration and Nomination Committee Member  
Term of Office: November 7, 2019 - November 6, 2021

**Expertise**

Banking, Risk Management, Business Administration

His Education History, Work Experience and Competency Training are presented in the Board of Commissioners' Profile section in this Annual Report.

**I Nengah Rentaya**

Remuneration and Nomination Committee Member  
Term of Office: November 7, 2019 - November 6, 2021

Indonesian Citizen, was born in Tabanan, Bali, 60 years old. Domiciled in Jakarta. Bachelor Degree in Economics from Gadjah Mada University, Yogyakarta in 1987 and a Master Degree in International Affairs in Economic Policy and Management from Columbia University, NYC, USA in 1994. Certificate Program in Treasury Management from New York University, School of Continuing Education, NYC, USA, Summer Session Program 1994.

**Expertise**

Monetary Economics, Banking, Human Capital Management and Learning Development.

**History of Employment**

- Senior Vice President - Group Head of Learning Center (Corporate University), PT Bank Mandiri (Persero) Tbk, period 2007-2014
- Senior Vice President - Group Head of Human Capital Group, PT Bank Mandiri (Persero) Tbk, period 2006-2007
- Senior Vice President - Deputy Group Head of Human Capital Group, PT Bank Mandiri (Persero) Tbk, period 2003-2006.

**Training in 2019 and Applicable Professional Certification**

- Train the Trainer Methodology and Tool Delivery of Bank Mandiri Program (2013);
- Training Certificate Coaching Program 60 hours, by ICF, USA (2013);
- Service Excellence for Senior Program Managers, by SQC, Singapore (2012);
- The 4 Disciplines of Execution (4DX), Program Certification Manager - Gold Certificate, by Franklin Covey and Dunamis Indonesia, 2012;
- Human Capital Management in ASIA PACIFIC Program, by INSEAD, Singapore, Nov 27- Dec 01, 2000;
- Achieving Outstanding Performance Program, by INSEAD, Fontainebleau, France, April 7 – 12, 2002.
- Human Performance Improvement (HPI) Certification Program (Six Moduls), from ASTD, USA, 2001.
- Certificate in Using the Assessment Center to Grow Your Future Leader, Advance Level, by DDI Indonesia 2001.
- Certified Interviewer of Targeted Selection (TS) by DDI Indonesia, 2000.
- Human Capital Executive Program, by Michigan Ross School of Business, Hong Kong, 2008.
- Strength Based Performance Coach, by Gallup University, Singapore, 2009.
- Train The Trainer Execution Focus (4DX) Program, by Dunamis Indonesia, 2012.
- Human Capital Skills in Banking and Finance, by Euromoney Training, London, 2002.



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM



### Eko Waluyo

Remuneration and Nomination Committee Ex-Officio Member  
Human Capital Management Division Head  
Term of Office: 06/06/2017 - 06/06/2020

Indonesian citizen, was born in Temanggung, 48 years old. Graduated with Bachelor Degree in Accounting from Gadjah Mada University (1995) and a Master of Management (MM) in finance from Gadjah Mada University (UGM) and University of Kentucky USA (2004).

**Expertise**  
Finance

#### History of Employment

- Corporate Secretary Division Head, period 2015-2017
- Investor Relations Department Head, period 2013-2015
- Investor Relations Manager, period 2011-2013
- Investor Communication Manager, period 2010-2011
- KPR Securities Team Section Head, period 2006-2010
- Risk Management Dep. Manager of PT Sarana Multigriya Financial, 2006
- Audit Board of The Republic of Indonesia (BPK) Young Auditor, period 2006-2007

#### Training in 2019 and Applicable Professional Certification

- Investor Relations Masterclass, Executive Workshop, Investor Relations Society, United Kingdom (UK) (2013);
- Banking Risk Management Competency Certificates Level 1, 2, 3 and 4 by the Certification Body;
- Banking Professionals (LSPP) (2011, 2012 and 20140);
- ASEAN Corporate Governance Scorecard Workshop, Indonesian Institute for Corporate Directorship (IICD), Jakarta (2015)
- Board of Commissioners' Role and Function Workshop / SOEs Supervisory Board, SOEs Ministry, Bandung, Indonesia (2015);
- The First ASEAN Marketing Summit, Markplus Institute, Jakarta (2015);
- The 1st Corporate Secretary Leadership Forum, Press Company Union (SPS), Bangkok, Thailand (2015);
- The Workshop on Making Small-Scale Savings Work for Everyone in a Digitized World, The World Savings Bank Institute (WSBI), Washington DC, USA (2015);
- SOEs Human Capital Directors & Managers Workshop, Jakarta (2017);
- The Second Indonesia Human Capital Summit, Jakarta (2017);
- SOEs World-class Talent Management Workshop, Bali (2017).

#### Work Guidelines for the Remuneration and Nomination Committee

The Work Guidelines for the Remuneration and Nomination Committee refer to the Remuneration and Nomination Committee Charter. The Charter of the Remuneration and Nomination Committee is prepared based on the applicable

laws and regulations and is continuously reviewed regularly and was ratified based on the Board of Commissioners Decree Number No. 03 / DEKOM-BTN / XI / 2019 dated November 19, 2019, on the Remuneration and Nomination Charter of PT Bank Tabungan Negara (Persero) Tbk.

#### Scope of the Remuneration and Nomination Committee Charter

1. General Provisions	9. Membership Requirements
2. Definition and Objectives of the Formation of the Committee	10. Committee Meetings
3. Duties of the Committee	11. Activity Budget
4. Responsibilities and Activity Reports	12. Income of Committee Members
5. Authority of the Committee	13. Education
6. Scope of Duties and Working Mechanism	14. Supporting Staff
7. Information Access and Confidentiality	15. Closing
8. Composition and Structure	



In 2019 the Remuneration and Nomination Committee evaluated the remuneration guidelines taking into account the financial performance of the individual job performance, the reasonableness of the peer group, and objectives and long-term strategy of the Company.

#### Appointment and Dismissal

The appointment and dismissal of the Company's Remuneration and Nomination Committee refers to the Joint Decree of the Board of Directors and Board of Commissioners No. 03/DEKOM-BTN/2013 dated December 18, 2013, concerning the Charter of the Remuneration and Nomination Committee of PT Bank Tabungan Negara (Persero) Tbk, as well as the Board Decree Commissioner No. 01/DEKOMBTN/2017, August 10, 2017, concerning the Guidelines and Code of Conduct of the Board of Commissioners of PT Bank Tabungan Negara (Persero), Tbk. The appointment and dismissal of Members of the Remuneration and Nomination Committee is based on the decision of the Board of Commissioners by considering the aspects of integrity, character and morals, independency, knowledge of the provisions of the remuneration system and/or the nominations and succession planning of the Human Capital Management.

#### Term of Office

The Term of Office of the Remuneration and Nomination Committee may not be longer than the Term of Office of the Board of Commissioners in accordance with FSA Regulation No. 34/POJK.04/2014 and the Charter of the Remuneration and Nomination 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.

#### Independency of the Remuneration and Nomination Committee Members

Members of the Remuneration and Nomination Committee have fulfilled all independence criteria. They are able to perform their duties independently, upholding the Bank's best interests and be free from the influence of any party. The Independent Commissioners in the composition of the Remuneration and Nomination Committee is in accordance with the Financial Services Authority Regulation No. 55/POJK.03/2016 concerning the Implementation of Governance for Commercial Banks Article 43 paragraph 4 that the members of the Remuneration and Nomination Committee must be at least 3 (three) members, and of which shall consist of least 2 (two) Independent Commissioner members.

Independency Aspects	Chandra M. Hamzah <sup>*)</sup> (Chairman)	Heru Budi Hartono <sup>*)</sup> (Member)	Ahdi Jumhari Luddin <sup>*)</sup> (Member)	Armand B. Arief <sup>*)</sup> (Member)	I Nengah Rentaya (Member)	Eko Waluyo (Ex-Officio Member)
Has a financial relationship with the Board of Commissioners and Board of Directors	✗	✗	✗	✗	✗	✗
Has relationship management in the company, subsidiaries or affiliated companies	✗	✗	✗	✗	✗	✗
Has relationship with the Company's Share Ownership	✗	✗	✗	✗	✗	✗
Has Family ties with the Board of Commissioners, the Board of Directors, and/or fellow members of the Audit Committee	✗	✗	✗	✗	✗	✗

✓ = has | ✗ = Has no

<sup>\*)</sup>Effective after the appointment of whom concerned is approved by the Financial Services Authority

#### Transparency of Concurrent Position

The concurrent position of Company's independent party has referred to the Decree of the Board of Commissioners No. 01/DEKOM-BTN/2017, dated August 10, 2017, concerning the Board of Commissioners Charter and Rules of State-Owned Enterprises No. PER-12/MBU/2012 dated August 24, 2012, concerning the Supporting Bodies of the Board of



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

Commissioners/Supervisory Board of State-Owned Enterprises as well as the GMS Decision of PT Bank Tabungan Negara (Persero) Tbk dated March 27, 2013. Likewise, it has taken into account and consideration the independency, confidentiality, code of ethics and the implementation of the duties and responsibilities of the Board of Commissioners. Below are the details of the concurrent positions of the Remuneration and Nomination Committee members:

Remuneration and Nomination Committee	Concurrent Position in other companies/agency
Chandra M. Hamzah <sup>*)</sup>	-
Heru Budi Hartono <sup>*)</sup>	Presidential Secretariat Head
Ahdi Jumhari Luddin <sup>*)</sup>	-
Armand B. Arief <sup>*)</sup>	-
I Nengah Rentaya	-
Eko Waluyo	-

<sup>\*)</sup>Effective after the appointment of whom concerned is approved by the Financial Services Authority

### Duties and Responsibilities of the Remuneration and Nomination Committee

Based on the Financial Services Authority Regulation (POJK) No. 34/POJK.04/2014 dated December 8, 2014, concerning the Nomination and Remuneration Committee of Issuers or Public Companies Article 8 states that the Nomination and Remuneration Committee fulfil at least the following duties and responsibilities:

A. In Regard to Nomination:

1. Offering recommendations to the Board of Commissioners regarding the:
  - a. Composition of members of the Board of Directors and/or members of the Board of Commissioners;
  - b. Policies and criteria required in the Nomination process; and
  - c. Performance evaluation policy regarding the members of the Board of Directors and/or members of the Board of Commissioners;
2. Assist the Board of Commissioners to evaluate the performance of the members of the Board of Directors and/or members of the Board of Commissioners based on benchmarking that has been prepared as evaluation material;
3. Provide recommendations to the Board of Commissioners regarding the capacity building curriculums for members of the Board of Directors and/or members of the Board of Commissioners;
4. Propose candidates who qualify as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.

In performing its Nomination function as referred to in Article 8 letter a, the Nomination and Remuneration Committee is obliged to adhere to the procedures as specified in Article 9 as follows:

1. Arrange the composition and nomination process of members of the Board of Directors and/or members of the Board of Commissioners;
  2. Formulate policies and criteria required in the nomination process for prospective members of the Board of Directors and/or members of the Board of Commissioners;
  3. Assist the evaluation of the performance of members of the Board of Directors and/or members of the Board of Commissioners;
  4. Arrange the agenda for developing the capabilities of members of the Board of Directors and/or members of the Board of Commissioners; and
  5. Review and propose candidates who qualify as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
- B. In regard to Remuneration:
1. Provide recommendations to the Board of Commissioners concerning:
    - a. Remuneration Structure;
    - b. Policy regarding Remuneration; and
    - c. Level of Remuneration.
  2. Assist the Board of Commissioners to evaluate the performance of members of the Board of Directors and/or members of the Board of Commissioners with the suitability of the Remuneration they receive.



In performing its Remuneration function, as referred to in Article 8 letter b, the Nomination and Remuneration Committee as specified in Article 10, is obliged to:

1. Perform the following tasks:
  - a. Formulate the structure of Remuneration for the members of the Board of Directors and/or members of the Board of Commissioners;
  - b. Prepare a policy regarding the Remuneration for the members of the Board of Directors and/or members of the Board of Commissioners;
  - c. Arrange the amount of Remuneration for the members of the Board of Directors and/or members of the Board of Commissioners.
2. The Remuneration structure as referred to in paragraph 1 of letter a above, in the classification of:
  - a. Salary;
  - b. Honorarium;
  - c. Incentive; and/or
  - d. Fixed and/or Variable Benefits.
3. Preparation of the structure, policy and amount of Remuneration as referred to in paragraph 1, with due regard to:
  - a. Remuneration that applies to the industry in accord with the business activities of the Issuer or Public Company in a similar category and scale of the business of the Issuer or Public Company in its industry;
  - b. The duties, responsibilities and authority of the members of the Board of Directors and/or members of the Board of Commissioners are inter-related with the achievement of objectives and accomplishment of the Issuer or Public Company;
  - c. Target performance of each member of the Board of Directors and/or members of the Board of Commissioners;
  - d. The balance between Fixed and Variable Benefits.
4. The structure, policies, and amount of Remuneration as referred to in paragraph 1 must be evaluated by the Nomination and Remuneration Committee at least 1 (one) time in 1 (one) year.

Based on OJK Regulation No. 55/POJK.03/2016 dated December 7, 2016, concerning the Implementation of Governance for Commercial Banks Article 49, the Remuneration and Nomination Committee has the following duties and responsibilities as follows:

1. The Remuneration Policy shall:
  - a. Evaluate the Remuneration Policy based on performance, risk, fairness with the peer group,

goals and long-term strategies of the Bank, fulfilment of reserves as stipulated in the legislation and the Bank's probable future income;

- b. Submit the evaluation results and recommendations to the Board of Commissioners concerning:
    - The Remuneration Policy for the Board of Directors and the Board of Commissioners to be submitted to the GMS; and
    - The Remuneration Policy for employees as a whole to be forwarded to the Board of Directors.
  - c. Ensure that the Remuneration Policy is in accordance with the provisions; and
  - d. Periodically evaluate the implementation of the Remuneration Policy.
2. The Nomination Policy shall:
    - a. Prepare and provide recommendations regarding the system and procedures for selecting and/or replacing members of the Board of Directors and members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS;
    - b. Deliver recommendations regarding prospective members of the Board of Directors and/or potential members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS, and
    - c. Offer recommendations regarding qualified Independent Parties as candidate members of the Audit Committee as referred to in Article 41 paragraph (1) letter b and letter c and members of the Risk Monitoring Committee as referred to in Article 42 paragraph (1) letters b and c to the Board of Commissioners.

#### **Scope of Duty of the Remuneration and Nomination Committee:**

The Remuneration and Nomination Committee, in performing their duties and responsibilities are bound by the following Scope of Duty:

1. Compile and recommend payroll and benefits systems to the members of the Board of Commissioners and the Board of Directors.
2. Preparing the criteria for the selection and nomination procedures for the members of the Board of Commissioners, Board of Directors, and create a rating system and provide recommendations regarding the number of members of the Board of Commissioners and the Board of Directors and ensure the formation of the talent pool, monitor and analyze the nomination criteria and procedures for other executives up to 1 (one) level below the Board of Directors.



## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

3. Submitting recommendations regarding prospective independent parties in fulfilling the requirements as members of the Audit Committee and Risk Monitoring Committee.
4. If a member of the Committee encounters a Conflict of Interest with a recommended proposal, the matter must be disclosed in the project stating the Conflict of Interest concerned and the deliberations underlying the plan.
5. Warranting assurance/certainty to the Board of Commissioners by periodic reviewing of the SOPs (procedures) in connection with the dissemination of information to be issued by the Company
6. Ensuring that each decision of the Board of Commissioners and the GMS is in accordance with the provisions, rules and regulations in force.
7. Evaluating and periodically revising the Joint Agreement Letter (Board Manual) including the Board of Commissioners Charter and Work Rules to be attuned to the development of the applicable regulations, provisions and laws.
8. Ensuring that all policies proposed by the Board of Directors' requiring the approval of the Board of Commissioners have complied to the communication flow established in the Board of Commissioners' and the Board of Directors' Joint Letters of Agreement.
9. Based on the Board of Commissioners' Approval Letter, the Committee has the authority to examine any Material Transactions that are suspected of containing Fraud and/ or actions that may cause harm to the Company.
10. Report to the Board of Commissioners in writing if deviations from the principles of GCG are suspected.

### Rights and Authorities of the Remuneration and Nomination Committee

Remuneration and Nomination Committee, in carrying out its duties and responsibilities authorizes:

1. Review, examine, analyze and provide opinions and recommendations within the scope of their duties.
2. Search for and obtain relevant information (unlimited access) from the Bank's Internal Units, Reports, or from any member of the Board of Directors, employees or individuals or related sources.
3. Invite management to attend the Remuneration and Nomination Committee meetings.

The Remuneration and Nomination Committee reserves the following rights and authorities:

1. The Remuneration and Nomination Committee is

entitled to gain full, unrestricted and unlimited access to archives, employees, assets and other resources of the Bank related to the implementation of their duties.

2. In executing their rights, the Remuneration and Nomination Committee co-operates with the Human Resources Division, Compliance Desk, and other Units.
3. The members of the Remuneration and Nomination Committee are Independent parties entitled to receive an honorarium set through the Board of Directors Decision Letter based on the results of the Board of Commissioners meeting.

### Committee Working Mechanism

The Remuneration and Nomination Committee, in performing their duties and responsibilities abide by the following Work Mechanism:

1. Review the criteria for the selection and nomination procedures for the members of the Board of Commissioners, the Board of Directors, and creating a scoring system and providing recommendations regarding the number of members of the Board of Commissioners and the Board of Directors, including the payroll and allowance system for the members of the Board of Commissioners and the Board of Directors, monitoring and analyzing the criteria and nomination procedures for other Executives up to 1 (one) level below the Board of Directors.
2. Deliver recommendations for the Company's nomination criteria and remuneration system improvements, and their implementation to ensure and review procedures are satisfactorily complied with throughout all of the Company's operations in observance to the Company's applicable Standard Operating Procedures.

### Access and Confidentiality of Information:

Based on a written assignment letter from the Board of Commissioners, the Committee can access records or information about employees, funds, assets, and other resources of the Bank relating to the implementation of their duties by taking into account applicable laws and regulations. The Committee must report in writing the results of the assignment referred to in paragraph (1) to the Board of Commissioners. The Committee must maintain the confidentiality of documents, data and information of the Bank, both from internal and external parties and only used for the purpose of carrying out its duties.

**Realization of Remuneration and Nomination Committee Work Plan in 2019**

Throughout 2019, the Remuneration and Nomination Committee has carried out various activities as follows:

No.	Activity/Agenda	Minutes/Memo/Letter	Decisions/Directives/Results
1	Discussion on Education Activity Plan for 2019	Minutes of Committee Meeting No.01/N/KRN/BTN/II/2019 Letter of Board of Commissioners to Board of Directors No. 03/KOM/BTN/II/2019 on January 30, 2019.	1. Approved the proposed 2019 Education and Training Activity Budget Plan 2. Approved the proposed 2019 Education and Training Activity Plan
2	Discussion on the End of Office of Director Iman Nugroho Soeko (INS)	Minutes of Committee Meeting No.02/N/KRN/BTN/II/2019. Minutes of Joint Meeting of Board of Commissioners and Board of Directors No. 07/KOM/BTN/II/2019 on Wednesday, February 6, 2019.	Decision of Board of Commissioners Meeting, approved the results of legal review recommended by the Committee, namely the end of office of Director of Finance and Treasury at the 2019 Annual GMS.
3	Discussion on Candidates for Head of Internal Audit Division (IAD)	Minutes of Committee Meeting No. 03/N/KRN/BTN/II/2019 on February 26, 2019.	Appointed Mr. Hertanta as Head of Internal Division Audit/Bank Internal Audit Unit, effective from February 28, 2019, at the same time gave recommendation to the Board of Directors that the person concerned shall be immediately given the opportunity to attend relevant Professional Training and/or Audit Certification related to his area of duty and responsibility as Head of IAD/SKAI Division.
4	Recommend the implementation of Credit Re-Structuring and Novation Competency Development Education Program, as a follow-up to the mandate of meeting of Board of Commissioners with OJK regarding Bank Supervision evaluation.	Letter of Board of Commissioners to Board of Directors No. 02/KOM/BTN/II/2019 dated March 13, 2019.	Board of Commissioners' directive related to OJK findings and the Bank's performance evaluation, particularly in credit competencies.
5	Discussion on Review of Remuneration, Tantiem and LTI of BOD and BOC	Minutes of Committee Meeting No. 04/N/KRN/BTN/IV/2019 dated April 9, 2019.	Agree on recommendations for proposed increase of Remuneration and Tantiem for Board of Directors and Board of Commissioners, henceforth is proposed to the Ministry of SOEs.
6	Propose 2019 Remuneration for Board of Directors and Board of Commissioners to the Minister of SOEs.	Board of Commissioners Letter No. 039/KOM/BTN/IV/2019 dated April 12, 2019.	Follow up the Board of Commissioners Decree on the recommendations of the Remuneration and Nomination Committee.
7	Review the provisions of Concurrent Position of Members of Board of Commissioners as Rector of University.	Letter of Board of Commissioners to the Minister of State-Owned Enterprises No. 041/KOM/BTN/IV/2019 dated April 16, 2019.	Decision of Board of Commissioners' Meetings based on an applicable legal study, involving the Legal Division.
8	Discussion on the Candidates for Company's Management in the Annual General Meeting of Shareholders on May 17, 2019	Minutes of Committee Meeting No. 05/N/KRN/BTN/V/2019 dated April 30, 2019.	The Committee provided recommendation on Candidates for the Company's Management to the Board of Commissioners for approval and to be proposed to the Minister of SOEs in the 2019 AGMS in accordance with the applicable criteria.





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No.	Activity/Agenda	Minutes/Memo/Letter	Decisions/Directives/Results
9	Discussion on KORENO Recommendations regarding the Candidates for Company's Management in Board of Commissioners Meeting in preparation for the 2019 Annual GMS.	Board of Commissioners' Minutes No. 36/KOM/BTN/IV/2019 dated April 30, 2019.	Decision of Board of Commissioners Meeting Regarding the Recommendation on Candidates for the Company's Management of the Company was submitted to the Ministry of SOEs.
10	Submit Recommendation for the Candidates of Company's Management by the Board of Commissioners to the Minister of SOEs in the Annual GMS in May 2019.	Letter of Board of Commissioners to the Minister of SOE No. 055/KOM/BTN/V/2019, dated May 2, 2019.	Recommendation for Candidates of the Company's Management from Internal Bank for Officials of 1 (one) level below the Board of Directors (BOD-1).
11	Discuss and review the Nomination of Officials of 1 (one) level below the Board of Directors Prospective Internal Talent Bank as a requirement to be recommended as Talent Pool Participant in the Ministry of SOEs' Integrated Talent Management System (ITMS).	Letter of Board of Commissioners to the Minister of SOE No. 063/KOM/BTN/V/2019 dated May 7, 2019 Regarding Talent Pool Data Requests.	Recommendations of the Ministry of SOE's ITMS Talent Pool Participants were submitted in accordance with the request of the Ministry of SOE No. SR-279/MBU/D5/05/2019 dated May 3, 2019.
12	Discuss, evaluate the performance of members of Board of Directors as a requirement to be recommended as Talent Pool Participant of the Ministry of SOEs' Integrated Talent Management System (ITMS).	Letter of Board of Commissioners to the Minister of SOE No. 056/KOM/BTN/V/2019, dated May 8, 2019, according to the Ministry of SOE Letter No. SR-279/MBU/D5/05/2019 dated May 3, 2019.	Completed the Talent Pool Participant Recommendation from the Board of Directors members in accordance with Letter of Board of Commissioners No. 063/KOM/BTN/V/2019 dated May 7, 2019 beforehand.
13	Evaluate the duties of Directorate of Compliance, Strategy and Transformation, as a follow-up to OJK Findings, among others to strengthen the function of Directorate of Compliance.	Letter of Board of Commissioners to the Minister of SOE No. 068/KOM/BTN/V/2019 dated May 15, 2019, Regarding Recommendations for Nomenclature Changes of Director of Compliance.	Strengthening the Role of Directorate of Compliance Directorate to focus more on carrying out its functions and responsibilities to strengthen the Compliance function, including its Policies and Implementations.
14	Follow up the Approval on 2019 Board of Directors and Board of Commissioners Remuneration, by the Ministry of SOEs.	Letter of Board of Commissioners to Board of Directors No.083/KOM/BTN/V/2019 dated May 31, 2019.	Includes Determination of Remuneration: Salary/Honorarium, Tantiem and Long Term Incentive (LTI) for Board of Directors and Board of Commissioners.
15	Revise the charter of remuneration and nomination Committee with Compliance Division.	The initial draft of the Remuneration and Nomination Committee Charter was completed on June 10, 2019.	The Draft of Revision of the Committee Charter was submitted to the Compliance Unit to obtain approval in principle from Board of Directors and Board of Commissioners (Has been discussed with the Legal and Compliance Division)
16	Carry out the Assessment of Candidates for Board of Commissioners as a completeness of required documents following the OJK Fit and Proper Test.	Letter of Board of Commissioners to Board of Directors No.088/KOM/BTN/V/2019 dated June 18, 2019 Regarding Recommendation and Evaluation of Prospective Members of Board of Commissioners.	Coordinated with the Corporate Secretary to be reported to OJK.



No.	Activity/Agenda	Minutes/Memo/Letter	Decisions/Directives/Results
17	Discussion on the Candidates for Company's Management of in Extraordinary GMS on August 29, 2019.	Minutes of Committee Meeting No.07/N/KRN/BTN/VII/2019 dated July 30, 2019.	Recommended Candidates for the Company's Management from within the Bank to the Board of Commissioners for further discussion in accordance with applicable regulations.
18	Further discussion on the mechanism for determining the Company's Management Candidates in Extraordinary GMS on August 29, 2019	Minutes of Board of Commissioners and Board of Directors Meeting No. 64/KOM/BTN/VII/ 2019 dated July 30, 2019, Regarding the Mechanism and Determination of Candidates for the Company's Management. Minutes of Committee Meeting No.08/N/KRN/BTN/VIII/2019 dated August 6, 2019.	Recommended Candidates for the Company's Management from within the Company in accordance with their Competency Area and Job Fit Potential according to their Potential and Capabilities.
19	Further discussion on the Company's Management Candidates in the Board of Commissioners' forum based on KORENO Committee's recommendations in EGMS on August 29, 2019.	Minutes of Board of Commissioners Meeting No. 66/KOM/BTN/VIII/2019, dated August 6, 2019.	Board of Commissioners' recommendations regarding the Prospective Management Candidate's Assignment Area in accordance with their respective Competencies and Job Fit Potentials.
20	Discuss 3 Aspects/Criteria of Board of Directors Performance Appraisal and Recommendations of Candidates for Company's Management based on input from the Bank's Internal Audit Results, and the latest WBS report.	Minutes of Committee Meeting No.09/N/KRN/BTN/VIII/2019 on Tuesday, August 13, 2019, Sari Pan Pacific Thamrin.	Recommend 3 aspects/criteria for performance evaluation of Board of Directors and recommendation for nomination of candidates for the Company's management in the EGMS.
21	Discuss the Prospective Members of Board of Directors and Board of Commissioners with the Ministry of SOEs in the 2019 Extraordinary General Meeting of Shareholders (EGMS) on August 29, 2019 and preparing a Power of Attorney and Minutes of Appointment of Candidates for Company's Management.	Minutes of Committee Meeting No.10/N/KRN/BTN/VIII/2019 dated August 29, 2019. Proxy of Board of Commissioners No. 02/KOM/BTN/VIII/2019, dated August 6, 2019.	Dwiwarna A Series Shareholders, Deputy of Financial Services, Survey Services and Chairman of Remuneration and Nomination Committee agreed on the names of Candidates for the Company's Management to be proposed at the 2019 Extraordinary General Meeting of Shareholders on August 29, 2019.
22	Discuss Criteria of Selection and Nomination for Candidates for the Company's President Director for internal Bank in the preparation of EGMS on October 18, 2019. (postponed to November 27, 2019).	Minutes of Committee Meeting No.11/N/KRN/BTN/IX/2019 dated September 24, 2019 and Minutes of Board of Commissioners Meeting No. 82/KOM/BTN/IX/2019, dated September 24, 2019.	Carried out an evaluation and provided recommendation on Candidates for the Company's President Director based on an assessment over Integrity, Performance, Competencies, Leadership and Maturity of Work Experience factors.
23	Prepare the Board of Commissioners' Letter to the Ministry of SOEs regarding the Recommendation of Proposed Candidates for the Company's Management in the preparation of EGMS on October 18, 2019.	Letter of Board of Commissioners No. 144/KOM/BTN/IX/2019, dated September 24, 2019.	Recommendations of Prospective Candidates of the Company's President Director from within the Bank.



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No.	Activity/Agenda	Minutes/Memo/Letter	Decisions/Directives/Results
24	Carry out the Assessment of Prospective Members of Board of Commissioners and Members of Board of Directors as a completeness of required documents following the OJK Fit and Proper Test.	Letter of Board of Commissioners to Board of Directors No. 142/KOM/BTN/IX/2019, dated September 24, 2019 regarding Recommendations and Evaluation of Prospective Members of Board of Commissioners and Board of Directors.	Recommendations and Evaluation of Prospective Members of Board of Commissioners and Board of Directors
25	Prepare selection criteria and selection process for prospective members of Audit Committee of Board of Commissioners and follow up on the selection decision.	Minutes of Committee Meeting No.12/N/KRN/BTN/XI/2019 dated November 12, 2019.	The Remuneration and Nomination Committee recommended 3 (three) Candidates for Audit Committee Members based on highest ranking which was then decided at Board of Commissioners Meeting.
26	Discuss Prospective Members of Board of Directors and Board of Commissioners in the 2019 Extraordinary General Meeting of Shareholders (EGMS) on November 27, 2019 and the follow up to the Ministry of SOEs.	Minutes of Committee Meeting No.13/N/KRN/BTN/XI/2019 dated November 27, 2019 and preparing a Power of Attorney of Board of Commissioners to the Chairman of Committee and Minutes of the Appointment of Candidates for the Company's Management.	Dwiwarna A Series Shareholders, Deputy of Financial Services, Survey Services and Chairman of Remuneration and Nomination Committee agreed on the names of Candidates for PT Bank Tabungan Negara (Persero) Tbk's Management to be proposed at the 2019 Extraordinary General Meeting of Shareholders on August 29, 2019.

**Implementation of the Remuneration and Nomination Committee Meetings**

In line with the Charter of the Remuneration and Nomination Committee, the meetings were conducted at least four (4) times a year. They were headed by the Chairman of the Remuneration and Nomination Committee. Resolutions of the Remuneration and Nomination Committee adopted by consensus, as stated in the Charter of the Remuneration and Nomination Committee.

The decision taken in the meeting of the Remuneration and Nomination Committee has been noted and documented in the minutes of meetings of the Remuneration and Nomination Committee. Minutes of the meeting signed by the chairman of the meeting and distributed to all members

of the Remuneration and Nomination Committee who attended the meeting or not. The dissenting opinion that occurred in the meeting was included in the minutes of the meeting, along with the reasons for the disagreement.

During 2019 the Remuneration and Nomination Committee has been carrying out as many as 12 meetings, and among which were always attended by at least 51% of the number of members, including Independent Commissioners and Independent Parties. Below are agendas and minutes of meetings, attendance, and attendance rate recapitulation of the Remuneration and Nomination Committee in these meetings.

**REMUNERATION AND NOMINATION COMMITTEE MEETING AGENDA**

Date	Agenda
January 30, 2019	Discussion on Education Activity Plans for 2019
January 30, 2019	Discussion on the INS Director Term of Office
February 26, 2019	Discussion on Candidates for the Internal Audit (IAD) Division Head
April 9, 2019	Discussion on Remuneration, Bonus and LTI BOD and BOC

**REMUNERATION AND NOMINATION COMMITTEE MEETING AGENDA**

Date	Agenda
April 30, 2019	Discussion on Candidates for the 2019 AGMS
July 30, 2019	Discussion on the Candidates for the Company's Management
August 6, 2019	Discussion on the Candidates for the Company's Management
August 13, 2019	Discussion on the Assessment of the Board of Directors members
August 29, 2019	<ul style="list-style-type: none"> <li>Evaluation on Prospective Members of the Board of Directors and Board of Commissioners in EGMS of the 2019 Fiscal Year on August 29, 2019</li> <li>Others</li> </ul>
September 24, 2019	Discussion on the Candidates for the Company Management
November 12, 2019	Selection Interview of the Board of Commissioners' Audit Committee Members
November 27, 2019	<ul style="list-style-type: none"> <li>Evaluation on Prospective Members of the Board of Directors and Board of Commissioners in EGMS of the 2019 Fiscal Year on November 27, 2019</li> <li>Others</li> </ul>

**Training and Competence Development Remuneration and Nomination Committee**

Throughout 2019, training programs and competency development has been followed by the Remuneration and Nomination Committee members are as follows.

Name and Position	Type of Education and Training	Subject of Education and Training	Place & Date	Organizer
Arie Coerniadi (Committee Chairman/ Independent Commissioner)	Seminar	Enterprise Risk Management and Its Challenges in Industrial Revolution 4.0	Barcelona - Milan - Nice, July 13-23, 2019	Banking Professional Certification Institute
	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 4, 2019	CRMS Indonesia
Kamaruddin Sjam (Committee Member/ Independent Commissioner)	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 4, 2019	CRMS Indonesia
	Seminar	Conference #ECIIA2019	France - Luxembourg - Brussel, September 16-22, 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors: Embracing The 4IR	Solo, July 24-25, 2019	Institute of Internal Auditors Indonesia
	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, December 5-6, 2019	Enterprise Risk Management Academy



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Name and Position	Type of Education and Training	Subject of Education and Training	Place & Date	Organizer
Lucky Fathul Aziz H (Committee Member/Independent Commissioner)	Seminar	International GRC Workshop In Russia Batch IX - GRC Master Class	Moscow - Saint Petersburg, September 29 - October 4, 2019	CRMS Indonesia
	Seminar	Conference #ECIIA2019	France - Luxembourg - Brussel, September 16-22, 2019	Institute of Internal Auditors Indonesia
	Seminar	2019 National Conference IIA "Empowering Internal Auditors: Embracing The 4IR	Solo, July 24-25, 2019	Institute of Internal Auditors Indonesia
	Seminar	The Next Generations Embracing GRC In Industry 4.0	Denpasar, December 5-6, 2019	Enterprise Risk Management Academy
	Seminar	ASEAN CG Scorecard Plus Quality Reporting System	Jakarta, October 31, 2019	Indonesian Institute for Corporate Director

**Evaluation and Performance Assessment of the Risk Oversight Committee by the Board of Commissioners**

Remuneration and Nomination Committee's performance is always evaluated by the Board of Commissioners of the Company every quarter. The assessment is based on the realization and completion of the Work Program listed in the Work Plan and Budget Remuneration and Nomination Committee and reported to the Board of Commissioners in the report of the Remuneration and Nomination Committee. The results of the votes taken into consideration for the Board of Commissioners to take back and/or dismiss

members of the Remuneration and Nomination Committee for the next period of office.

**Remuneration Policy**

Under the Financial Services Authority copy of Regulation No.34 /POJK.04/2014 concerning the NRC Public Company Article 10, paragraph 2 and 3, the Company provides remuneration package in 2019 to the Remuneration and Nomination Committee members outside of the Commissioners and an executive officer, in the following table.

Remuneration and Nomination Committee	Period	Total Remuneration (Rp)
I Nengah Rentaya	January 01 – December 31, 2019	689.404.764

**Work Plan of the Remuneration and Nomination Committee 2020**

Remuneration and Nomination Committee annually always prepare a Work Plan. Plan Formulation Remuneration and Nomination Committee in 2020 refers to the provision, Regulation and Legislation in force as well as the priority direction of the Strategic Program Board of Commissioners.

Work Plan of the Remuneration and Nomination Committee in 2020 include:

1. Develop criteria and procedures for the selection and nomination of Candidates for The Board of Commissioners and Board of Directors, and carry out the collection and assessment Competency Assessment / Personality Candidate Management Company.



2. Develop and recommend the remuneration policy and administration system performance bonus for the Board of Commissioners and Board of Directors, as well as systems Production Services Policy (Jasprod) to the Bank employees.
3. Review the Job Grading System Policy Position in Organizational Structure of the Bank and recommend policies Acceleration Program Top Talent Promotion Employees selectively and Succession Planning Strategic Job Bank up to two (2) levels below the Board of Directors.
4. Recommend policy Career Paths and the Cross-Cluster Policy Career Paths Work field in accordance with the new organizational structure aligned with the Bank's development efforts Talent has the required competence era of the digital transformation of the Bank.
5. Conduct a study on Policy Performance Management System to support the achievement of the Bank adheres to the SMART-CC and Best Practice policy Remuneration competitive in the Market.
6. Conduct a study on the implementation of the Corporate Culture and Engagement Program that has been running until 2019.
7. Review the Employee Training Program and School Program that exist, particularly concerning the field of competence of lending: Commercial, Mortgage and Consumer Banking and Leadership.
8. Review and recommend programs Coaching, Mentoring, and Special Project Acceleration Program Promotion and Development of Competence for Employees with performance categories POTENTIAL STAR and selectively to occupy prepared Strategic Position 2 (two) levels above its Grade.
9. Carry out other duties as directed by the Board of Commissioners or recommendation.
10. Develop the competence of members through training, seminars and workshops and certifications relevant to the field of Duties and Responsibilities of the Committee.

The details of the Work Plan Remuneration and Nomination Committee is presented as follows:

2020 Activity Plan	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
1. Develop criteria and procedures of selection and nomination for Candidates of members of Board of Commissioners and Board of Directors, and carry out the selection and analyze the results of Competency/Personality assessment of Candidates for the Company's Management.				
2. Develop and recommend Remuneration policy system and provision of tantiem for Board of Commissioners and Board of Directors, as well as a Production Services Policy (Jasprod) system for Employees of the Bank.				
3. Review Job Position Grading System Policy in the Bank's Organizational Structure and selectively recommend Top Talent Employee Promotion Program Acceleration Policy and Bank Succession Planning to Strategic Positions of 2 (two) levels below the Board of Directors.				
4. Recommend Career Path Policy and Cross-Field Career Path Policy in accordance with the new Organizational Structure in line with efforts to develop Talent Bank with the competencies needed in the era of Bank's digital transformation.				
5. Conduct a review on the Performance Management System Policy to support the Bank's targets achievement based on SMART-CC principles and competitive Best Practice Remuneration System policy in the Market.				
6. Conduct a review on the implementation of Corporate Culture and Engagement Program that has been running until 2019.				
7. Conduct a review on existing Employee Training Programs and School Programs, particularly those related to credit competency areas: Commercial, Mortgage and Consumer Banking and Leadership.				



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2020 Activity Plan	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
8. Review and recommend Coaching Programs, Mentoring and Special Projects for Promotion Acceleration and Competency Development Programs for Employees with STAR and POTENTIAL performance categories, to be prepared selectively to occupy Strategic Positions of 2 (two) levels above their Grade.		■—————■		
9. Carry out other tasks according to the directions or recommendations of Board of Commissioners.	■—————■			
10. Conducting competency development of members through trainings, seminars and workshops as well as certifications relevant to the Committee's Duties and Responsibilities.		■————■	■————■	

In accordance with the Work Plan of the Remuneration and Nomination Committee for 2020, the Remuneration and Nomination Committee has planned a meeting for 2020 of at least as many as 8 times with the main agenda:

1. Develop criteria and procedures for the selection and nomination of Candidates The Board of the Company.
2. Develop and recommend the remuneration policy and administration system performance bonus for the Management Company.
3. Review the Job Grading System Policy Position Acceleration Program Policy and Promotion Officer Top Talent.
4. Assess Policy Career Paths and the Cross-Cluster Policy Career Paths Employment Sector.
5. Assess the Performance Management System Policy and Best Practice policy Remuneration System.
6. Review the implementation of Corporate Culture and Engagement Program Bank.
7. Review Employee Training Program and School-School Program-related bank lending and Leadership competency areas.
8. Review Program Coaching, Mentoring, and Special Project Career Top Talent Acceleration Program.

### Performance Evaluation and Assessment by BOC

The Company's Remuneration and Nomination Committee Performance are always evaluated by the Board of Commissioners every 3 (three) months. The assessment is based on the realization and completion of the work program stated in the Remuneration and Nomination Committee Work Plan and Budget and reported to the Board of Commissioners in the Remuneration and Nomination

Committee report. The results of the assessment are taken into consideration for the Board of Commissioners to reappoint and/or dismiss members of the Remuneration and Nomination Committee for the next term of office.

### THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS SUCCESSION AND NOMINATION POLICY

#### Succession Planning: Talent Mapping Program

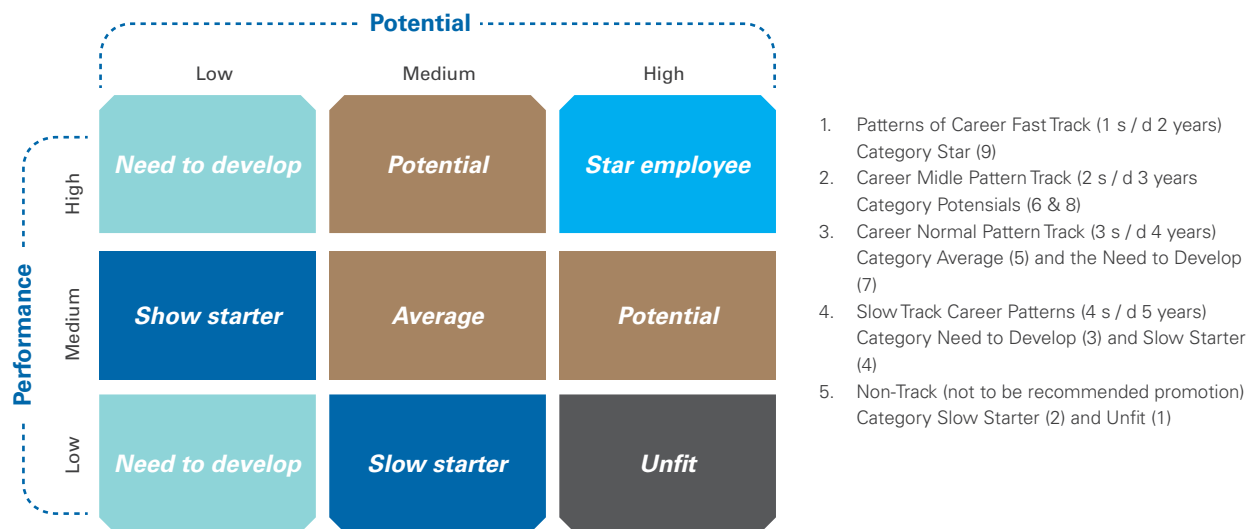
The Company, through the Human Capital Management Division, implements the Talent Management System (TMS) to perform the Fit and Proper Test. The test is to prepare an employee as a candidate for the Board of Directors through the Program Mapping Talent. The Company believes that the management and placement Employees are the key to successful improvement of the performance of the Company. The Company establishes a method and procedure for managing all the clerks so that management can put them in the right position, the leading strategic areas that determine success in achieving significant targets so aligned with the strategic goals that have been set to realize the vision and mission of the Company. The process begins with carrying out management and placement activities by implementing programs Employee Talent Mapping (Talent Mapping). The Company believes that the management and placement Employees are the key to successful improvement of the performance of the Company. The Company establishes a method and procedure for managing all the clerks so that management can put them in the right position, the central strategic areas that determine success in achieving significant targets so aligned with the strategic goals that have been set to realize the vision and mission of the Company.



Talent Mapping method is done with the aim of:

1. Determine the management and development program for the Employees.
2. Placement of Employees in the proper position.
3. Perform some measures and harmonization in order to maximize the performance of the Bank.
4. Talent Mapping is an assessment process that assesses aspects of Performance and Potential Employees as outlined in the matrix "9 Boxes" as illustrations, as below.

#### TALENT MAPPING PEGAWAI



Based on the results of the assessment, there are nine (9) Employee groups that reflect the different characteristics of these two aspects. They are rated as follows:

1. Talent Group 9 (Star): Employees with High-Performance High Potential.
2. Talent Group 8 (Potential): Employees with High-Performance Potential of Medium.
3. Talent Group 7 (Need to Develop): Employees with High-Performance Low Potential.
4. Talent Group 6 (Potential): Employees with High Potential Medium Performance.
5. Talent Group 5 (Average): Employees with Potential Medium Medium Performance.
6. Talent Group 4 (Slow Starter): Employees with Potential Low Moderate performance.
7. Talent Group 3 (Need to Develop): Employees with High Potential Low Performance.
8. Talent Group 2 (Slow Starter): Employees with Low-Performance Potential of Medium.
9. Talent Group 1 (Unfit): Employees with Low Potential Low Performance.

#### Succession Program

Based on the talent mapping program, the Company then implements a succession planning program. The Company establishes policy and mechanism for filling strategic positions (through to the top management level) that play a key role in being able to align the Company's strategic goals in a way that is aligned with the Company's strategic directions so that the Bank's Vision and Mission can be realized.

To be able to create sustainable value for the Shareholders following the Bank's Strategic Business Development Plan, the Company has endeavoured to implement various initiatives in an attempt to expand further the Bank's business, and multiple innovations in developing the Human Resources (HR) competencies. With these innovations, the Company can award distinctive skills to employees, in particular, competence in housing business to all BTN (Bitniz) employees. The Board of Directors





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has also established a General Board of Directors Policy (KUD) focused on Sustainable and Quality Growth buoyed by HR, IT Infrastructure and Risk Management under the theme: "A More Prudent Controllable business Growth with Quality", as stated in the Bank Business Plan (RBB) in 2019-2021, and in achieving the new VISION goals of the Bank: "The Leading and Reliable Bank in Facilitating the Housing Sector and Family Financial Services", as an accelerator and integrator in the housing sector and family finance partners. As the primary mandate provider in the implementation of the Government-related housing program, Bank BTN possesses the ambition to strengthen its presence as a leading housing provider by becoming an integrator of both the demand and supply side.

The Board of Directors has also set forth the direction of the Management policy regarding the development of HR to create Sustainable Value to Shareholders, i.e.:

1. Foster Top Talent and Succession Management, explicitly:
  - a. Evaluate career management and job family;
  - b. Develop succession and handover plans;
2. Develop strategic human resources planning with a Pareto allocation strategy;
3. Strengthen the internalization of the Employer Value Proposition (EVP) through targeted recruitment activities to attract the Top Talent;
4. Strengthen performance-based management:
  - a. Strengthen the performance-based management system;
  - b. Design attractive compensation means for employees and all business segments.
5. Strengthening the high-performance culture:
  - a. Internalize a collaborative Work Culture and focus on external insights for the Era of Digital Transformation;
  - b. Boost the capabilities of the Human Capital unit to implement strategic initiatives to strengthen the work culture under the backing of Top Management.

The Company's Succession Program is implemented through the following stages:

1. The succession planning committee creates a succession plan for each designated position based on the selection of candidates for successor;

2. The succession planning committee deliberates on succession plans with management, direct supervisors, employees and other parties to finalize the succession plan to be agreed upon;
  3. Successor and immediate supervisor or appointed mentor to analyze the assessment results and develop strategies for competency gaps in both technical and behavioural;
  4. The direct supervisor or appointed mentor recommends a specific development program for each successor, which is then discussed with the Succession Planning Committee.
- The Company must periodically evaluate the succession planning program that has been held by:
1. Reviewing and revising the strategies and plans according to the individual and organizational developments;
  2. The Succession Planning Committee annually reviews and amends the succession strategies and make a plan according to individual growth and corporate demands.

### Directors and Commissioners Succession Program

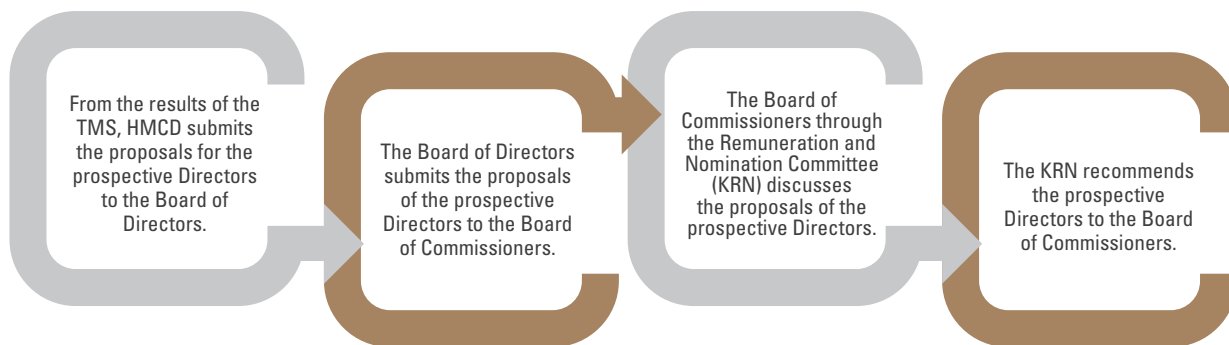
The Talent Mapping and Succession Program, as described above, is used as the basis by which the Company's management will determine the potential candidates for the Board of Directors who will co-ordinate with the Remuneration and Nomination Committee and the Board of Commissioners. The criteria set forth by the Company for employees to be successful or prospective members of the Board of Directors who are in the "Star" group based on the results of Talent Mapping.

Talent Mapping by the Company's management is a crucial consideration for the Remuneration and Nomination Committee for the selection of candidates for the Board of Directors that are aligned with their competency demands to realize the strategic objectives set forth by the Company. Besides, the Remuneration and Nomination Committee implements its duties by referring to the applicable regulations, including the provisions of Bank Indonesia (BI)/Financial Services Authority (OJK), which stipulates that each proposal to dismiss and/or appoint members of the Board of Directors and Board of Commissioners to the GMS then the recommendations of the Board of Commissioners must heed the recommendations of the Remuneration and Nomination Committee.



### Procedure for Submitting Prospective Directors

Scheme of candidate filing process for the Board of Directors can be seen below.



The procedure for Proposing to Shareholders of Series A Dwiwarna is Based on the Minister of State-Owned Enterprises Regulation No. PER-03/MBU/02/2015 dated February 17, 2015, concerning the Requirements, Procedures for Appointment and Dismissal of Directors of State-Owned Enterprises regulating that Candidates for the Board of Directors of State-Owned Enterprises come from:

1. Directors of State-Owned Enterprises
2. Board of Commissioners/Board of Supervisory of State-Owned Enterprises
3. State-Owned Enterprise talents prerequisites are:
  - a. Official one level below the Directors or officials who exhibit exceptional achievements;
  - b. Directors of State-Owned Companies/StateOwned Joint Venture Companies.
4. Talents from the Ministry of State-Owned Enterprises;
5. Officials of other State-Owned Enterprises and other sources.

For this reason, the steps taken in the process of proposing the Talent of a State-Owned Enterprise as Candidates for Directors to the Holder of the Series A Dwiwarna Share are as follows:

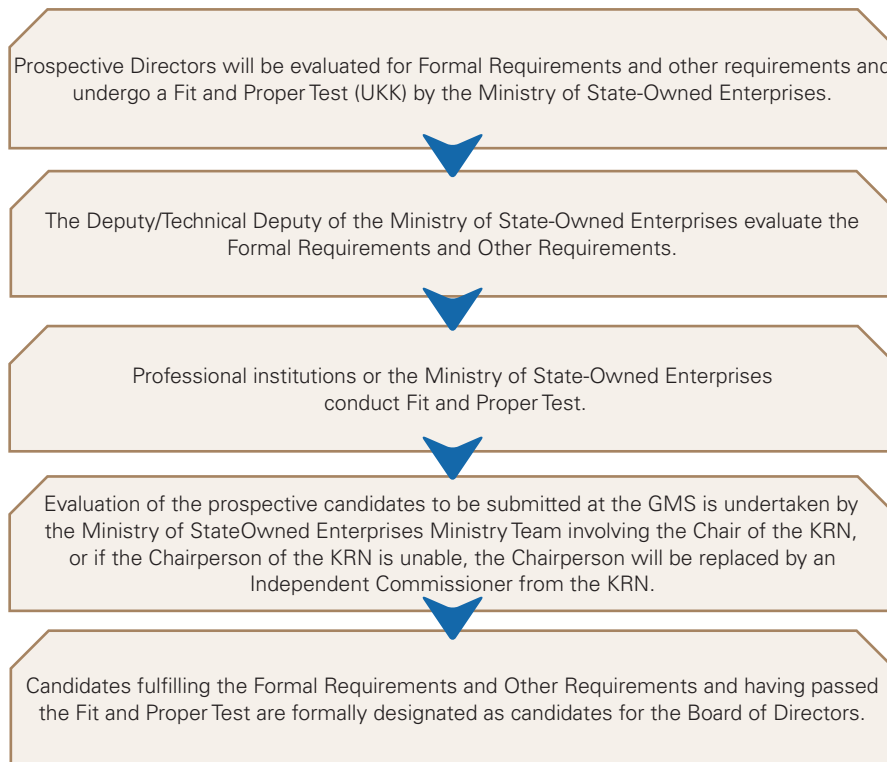
1. The Board of Commissioners submits the candidates for Directorship to the Ministry of State-Owned Enterprises (Series A Dwiwarna Shareholders) as the Talents of State-Owned Enterprises from the Company.
2. Should the Ministry of State-Owned Enterprises possess other candidates, the Ministry of State-Owned Enterprises obliges the Board of Commissioners to evaluate the proposed candidates and if they meet the requirements as candidates, then the Board of Commissioners is to propose to the Ministry of State-Owned Enterprises.



## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### Selection/Testing Procedure

Scheme selection process / testing candidates for the Board of Directors can be seen below.



### Selection Process/Testing

Authorities or Representatives of the Series A Dwiwarna Shareholders submit proposals for naming the candidates for the Directorship position (along with with the curriculum vitae) to the Chair of the GMS to be appointed as Directors at the relevant GMS.



## ORGANS AND COMMITTEES UNDER THE BOARD OF DIRECTORS

### COMMITTEES UNDER THE BOARD OF DIRECTORS

The Company has established and set forth the structure and membership of the Committees reporting directly to the Board of Directors, stipulated under the Board of Directors' Regulation. The Committees that support the Board of Directors' duties have a role in facilitating monitoring, and creating effectiveness in problem-solving, and developing aspects that are considered strategic by the Company, in accordance with the prevailing legislation. These Committees consist of:

1. Risk Management Committee
2. Asset and Liability Management Committee (ALCO)
3. Credit Policy Committee
4. Credit Committee \*)
5. Product Committee
6. Personnel Committee
7. Information Technology Steering Committee (IT)

\*) The structure, policies, and membership of the Credit Committee are in the process of the Board of Directors' Decree. The duties and functions are performed by the Board of Directors Meeting, which is responsible for discussing loans.

#### Risk Management Committee

The Risk Management Committee (RMC) has an active role

in providing recommendations to the President Director regarding inherent risks in policies that will be established by the Board of Directors as well as providing evaluations on policies determined to disagree with the latest development and need to be adjusted. The RMC is actively involved in assessing the inherent risks of each new product and/ or services/ activities, which will allow the Bank to conduct the required mitigation measures as well as perform evaluations on the Risk Management Policy Manual (RMPM).

#### Structure and Membership

The Risk Management Committee as stipulated based on the Board of Directors' Regulation No.4/PD/RMD/2016 dated April 27, 2016, regarding the Amendment to the Board of Directors' Regulation No. 8/PD/RMD/2015 regarding the Risk Management Committee.

<b>Chairman</b> (plus permanent members)	Director of Strategy, Compliance & Risk
<b>Secretary</b> (plus permanent members)	Enterprise Risk Management Division Head
<b>Permanent Members</b>	<b>Board of Directors</b> <ol style="list-style-type: none"> <li>1. Director of Finance &amp; Treasury</li> <li>2. Director of IT &amp; Operation</li> <li>3. Director of Commercial Banking</li> <li>4. Director of Consumer Banking</li> <li>5. Director of Collection &amp; Asset Management</li> <li>6. Director of Distribution &amp; Network</li> </ol> Division Head <ol style="list-style-type: none"> <li>1. Internal Audit Division Head</li> <li>2. Compliance &amp; Governance Division Head</li> </ol>
<b>Non-Permanent Members</b>	Division Head All Division and Desk Head except for the ERMD Head, CMGD Head and IAD Head.



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### Authority and Responsibility

The authority and responsibility of the Risk Management Committee is to evaluate and provide recommendations to the President Director regarding risk management, which at least includes:

1. Compilation of Risk Management Policies and their changes, including risk management strategies and contingency plans in the event of abnormal external conditions. This arrangement is carried out jointly with the Division/Desk Head of the operational work unit and the Enterprise Risk Management Division Head.
2. Improvements or refinement in the application of risk management that are carried out periodically or incidentally as a result of changes in external and internal conditions of the Bank that affect the adequacy of the Bank's capital and risk profile and the results of evaluations of the effectiveness of the application.
3. Determination of business decisions of which deviate from normal procedures (Irregularities), such as decisions for exceeding significant business expansion compared to the bank's predetermined business plans or taking positions/risk exposures of which exceed the established limits.

### 2019 Task Implementation

The duties of the Risk Management Committee were implemented in the form of meetings. In 2019, the Risk Management Committee has conducted several activities including 5 meetings with the following agenda.

#### THE RISK MANAGEMENT COMMITTEE MEETING AGENDA

Date	Agenda
January 15, 2019	Self Assessment Results of 2018 Quarter IV Risk Profile Report
April 18, 2019	<ul style="list-style-type: none"> <li>• Self Assessment Results of 2019 Quarterly Risk Profile Report</li> <li>• Proposed Risk Appetite and Risk Tolerance 2019</li> </ul>
July 15, 2019	<ul style="list-style-type: none"> <li>• Self Assessment Results of 2019 Quarterly Risk Profile Report</li> <li>• Interest Rate Risk in Banking Book (IRRBB)</li> </ul>
October 16, 2019	Self Assessment Results of 2019 Quarter III Risk Profile Report
November 04, 2019	Proposed Risk Appetite, Risk Tolerance and Recovery Plan Trigger Level 2020

### Asset and Liability Committee (ALCO)

The Asset and Liability Committee (ALCO) plays a role in formulating the policies, strategy, and targets. It also plays a role in facilitating the monitoring and decision making related to the Company's Asset and Liability Management (ALMA).

### Structure and Membership

The Asset and Liability Committee (ALCO) is established based on the Board of Directors' Regulation No. 2/PD/TRSD/2015 dated February 5, 2015, regarding the Company's Asset and Liability Committee (ALCO). The structure and membership are as follow:



<b>Chairman</b>	President Director
<b>Secretary</b>	Head of Treasury Division
<b>Permanent Member</b>	<ol style="list-style-type: none"> <li>1. All Directors (Particularly to Director of Compliance, he/she is a permanent member, but only provides compliance opinion)</li> <li>2. Head of the Division that manages Funding</li> <li>3. Head of the Division that manages Lending</li> <li>4. Head of the Sharia Division</li> <li>5. Head of the Banking Institutional Division</li> <li>6. Head of the Corporate &amp; Loan Syndication Division</li> <li>7. Head of the Finance and Accounting Division</li> <li>8. Head of the Strategy and Performance Management Division</li> <li>9. Head of the Consumer Collection and Remedial Division</li> <li>10. Head of the Asset Management Division</li> <li>11. Head of the Risk Management Division</li> <li>12. Head of the Compliance and Governance Division</li> <li>13. Head of the Corporate Secretary Division</li> </ol>
<b>Non-Permanent Member</b>	Divisions invited by necessity

### Duties and Responsibilities

The Asset and Liability Management Committee (ALCO) oversees the preparation of the Asset and Liability Management strategies to maximize the Bank's profitability and maintain the Company's balance sheet structure through the management of Earning Assets, Cost Reduction and Management of Rate Risk and Liquidity Risk.

### Duties Implementation in 2019

The duties of Asset and Liability Committee (ALCO) are accomplished through meetings. In 2019, the Asset and Liability Committee (ALCO) convened 17 meetings with the following agenda.

#### ASSET AND LIABILITY COMMITTEE (ALCO) MEETING AGENDA

Date	Agenda
January 17, 2019	<ul style="list-style-type: none"> <li>• To determine commitment to surplus TPF &amp; growth in credit position.</li> <li>• To decide priority actions in meeting the liquidity ratio.</li> <li>• To establish the special rate authority for time deposits.</li> <li>• To decide on policies related to subsidized KPR debtors who failed the BPKP verification.</li> <li>• To establish a policy for extending loan interest rates.</li> <li>• To determine adjustments to outstanding rates for KPR SSB, SSB IOBP, SUM, Non Subsidized KPR / KPA, Ruko Credit, KAR &amp; KBR.</li> <li>• To establish a Prime Lending Rate (SBDK) January 31, 2019.</li> </ul>
February 26, 2019	<ul style="list-style-type: none"> <li>• To establish commitment to surplus TPF &amp; growth in credit position</li> <li>• To establish the special rate authority for term deposits.</li> <li>• To decide tier balance &amp; interest rates for BTN Batara Savings products - Mass KPR.</li> <li>• To decide on a policy on BTN counter rate scheme specifically for PNS, SOEs / Regional Government-Owned Enterprises, TNI &amp; POLRI.</li> <li>• To decide on profit sharing / sharia commercial financing.</li> <li>• To determine adjustments to outstanding rates for KPR SSB, SSB IOBP, SUM, Non Subsidized KPR / KPA, Ruko Credit, KAR &amp; KBR.</li> <li>• To establish the Prime Lending Rate (SBDK) February 28, 2019</li> </ul>



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### ASSET AND LIABILITY COMMITTEE (ALCO) MEETING AGENDA

Date	Agenda
March 13, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth</li> <li>To decide on the authority for special rates for time deposits.</li> <li>To decide on policies related to setting targets / KPIs for Branch Offices</li> <li>To decide on a new realized interest rate policy for Non-Subsidized KPR / KPA, SOEs' Group Commercial Loans, and Partnership KMK KUMK.</li> <li>To decide on policies related to the implementation of the CPA concept.</li> <li>To determine adjustments on outstanding rates for KPR SSB, SSB IOBP, SUM, Non Subsidized KPR / KPA, Ruko Credit, KAR &amp; KBR.</li> <li>To establish the Prime Lending Rate (SBDK) March 31, 2019.</li> </ul>
April 15, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on the authority for special rates for time deposits.</li> <li>To decide on a policy related to setting targets / KPI Branch office</li> <li>To determine the adjustment of the outstanding mortgage rates SSB, SSB IOBP, SUM, Non Subsidized KPR / KPA, Ruko Credit, KAR &amp; KBR.</li> <li>To determine the Prime Lending Rate (SBDK) April 30, 2019.</li> </ul>
May 13, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on the authority for special rates for time deposits.</li> <li>To determine adjustments to outstanding rates for KPR SSB, SSB IOBP, SUM, Non Subsidized KPR / KPA, Ruko Credit, KAR &amp; KBR.</li> <li>To determine the Prime Lending Rate (SBDK) May 31, 2019.</li> </ul>
May 16, 2019	<ul style="list-style-type: none"> <li>To establish DPK growth targets.</li> <li>To decide on the authority for special rates for time deposits.</li> </ul>
June 11, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on the authority for special rates for time deposits.</li> <li>To decide on a new realized interest rate policy for Non-Subsidized KPR / KPA, SOEs' Group Commercial Loans, and Partnership KMK KUMK.</li> <li>To determine adjustments for outstanding mortgage / KPA, KAR / KBR credit, Ruko Credit, Construction Loan (KYG), KMK / KMK Contractors / KI / Credit linkage</li> <li>To establish the authority for conventional and sharia consumer credit restructuring.</li> <li>To decide on the proposed BPJSTK Additional Direct Credit (MLT) scheme to the BPJS Ketenagakerjaan (BPJS Employment).</li> <li>To decide on the granting of the Approval in Principle for Issuance of Subordinated Bonds.</li> <li>To determine adjustments to outstanding rates for KPR SSB, SSB IOBP, SUM, Non Subsidized KPR / KPA, Ruko Credit, KAR &amp; KBR.</li> <li>To establish the Prime Lending Rate (SBDK) June 30, 2019.</li> </ul>
July 05, 2019	<ul style="list-style-type: none"> <li>To decide on a strategy to maintain liquidity ratios.</li> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on the authority for special rates for time deposits.</li> </ul>
July 17, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on the authority for special rates for time deposits.</li> <li>To decide on changes in balance strata and interest rates on Tabungan e'Batapos, BTN Perumahan, &amp; BTN Batara Pensiunan.</li> <li>To decide on policies related to the distribution of BP2BT Subsidized Mortgages.</li> <li>To determine adjustments to outstanding rates for KPR SSB, SSB IOBP, SUM, Non Subsidized KPR / KPA, Ruko Credit, KAR &amp; KBR.</li> <li>To establish the Prime Lending Rate (SBDK) July 31, 2019.</li> </ul>

**ASSET AND LIABILITY COMMITTEE (ALCO) MEETING AGENDA**

Date	Agenda
August 07, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on the authority for special rates for time deposits.</li> <li>To decide on policies related to conventional and sharia consumer loan restructuring in the Performing Loan Category.</li> </ul>
August 21, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on the authority for special rates for time deposits.</li> <li>To decide on a policy related to a product substitution of FLPP/SSB</li> <li>To determine adjustments to outstanding rates for KPR SSB, SSB IOBP, SUM, Non Subsidized KPR / KPA, Ruko Credit, KAR &amp; KBR.</li> <li>To establish the Prime Lending Rate (SBDK) August 31, 2019.</li> </ul>
September 04, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth</li> <li>To decide on the strategy taken in relation to the growth of DPK's position.</li> <li>To decide on a policy related to the position of the Secondary Reserve (SR) to meet the bank's liquidity ratio.</li> <li>To decide on the authority for special rates for time deposits.</li> </ul>
September 18, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on the authority for special rates for time deposits.</li> <li>To decide on a new realized interest rate policy for Non-Subsidized KPR / KPA, SOEs' Group Commercial Loans, and Partnership KMK KUMK.</li> <li>To determine adjustments to outstanding rates for KPR SSB, SSB IOBP, SUM, Non Subsidized KPR / KPA, Ruko Credit, KAR &amp; KBR.</li> <li>To determine the Prime Lending Rate (SBDK) September 30, 2019.</li> </ul>
October 07, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on a strategy to support the growth of Retail DPK (low cost).</li> <li>To decide on the synergy between ERMD &amp; Chief Economist in conducting studies on the impact of global economic &amp; macroeconomic conditions</li> <li>To decide on the authority for special rates for time deposits.</li> </ul>
October 24, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on the authority for special rates for time deposits.</li> <li>To decided that the funding division collaborates with related divisions to develop a low-cost fund growth strategy.</li> <li>To decide on a placement policy for funds related to offers from PTBA</li> <li>To decide that the credit division, CCO, AMO, &amp; SPO submit studies related to improving credit quality.</li> <li>To decide that CMLO &amp; AMO submit a review of the impact of the subsidized KPR quota.</li> <li>To determine adjustments to outstanding rates for KPR SSB, SSB IOBP, SUM, Non Subsidized KPR / KPA, Ruko Credit, KAR &amp; KBR.</li> <li>To establish the Prime Lending Rate (SBOK) October 31, 2019.</li> </ul>
November 06, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on the authority for special rates for time deposits.</li> </ul>
December 16, 2019	<ul style="list-style-type: none"> <li>To determine DPK growth targets &amp; credit position growth.</li> <li>To decide on the authority for special rates for time deposits.</li> <li>To decide on a new realized interest rate policy for Non-Subsidized KPR / KPA, SOEs' Group Commercial Loans, and Partnership KMK KUMK.</li> <li>To confirm the bailout decision on the addition of 2019 FLPP funds.</li> <li>To decide on a policy so that the SMD &amp; related divisions make a study of the 2020 Subsidized Mortgage Program.</li> <li>To decide on a cooperation policy with PT. SMF.</li> <li>To determine adjustments to outstanding rates for KPR SSB, SSB IOBP, SUM, Non Subsidized KPR / KPA, Ruko Credit, KAR &amp; KBR.</li> <li>To establish the Prime Lending Rate (SBDK) December 31, 2019</li> </ul>





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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### Credit Policy or Financing Committee

The Credit Policy Committee assists the Board of Directors in formulating policies, overseeing policy implementation, monitoring the progress of the loan portfolio, and delivering recommendations regarding credit improvements.

### Structure and Membership

The Credit Policy Committee was established based on the Regulation of the Board of Directors Number 1/PD/PPD/2018 dated February 8, 2018, concerning the Credit or Financing Policy Committee with the following structure and membership:

<b>Chairman</b>	President Director
<b>Secretary</b>	Head of Division for the Supervision of Policy and Procedure
<b>Member (voting member)</b>	All Directors except the Director of Compliance Supervision
<b>Member (non-voting member)</b>	The Director of Compliance Supervision
<b>Supplementary meeting participants</b>	<ol style="list-style-type: none"> <li>1. Head of the Division for the Supervision of Collections and Asset Management</li> <li>2. Head of the Legal Supervision Division</li> <li>3. Head of the Compliance and Governance Supervision Division</li> <li>4. Head of the Credit Risk Supervision Division</li> <li>5. Head of the Credit/Financing Supervision Division, according to segment</li> <li>6. Head of the Internal Audit Supervision Division</li> <li>7. Head of Division/other units, as required</li> </ol>

### Duties and Responsibilities

The Credit Policy Committee's duties and responsibilities include making recommendations to the President Director regarding matters relating to, at a minimum the following:

1. Suggest advice to the Board of Directors for the preparation of Credit or Bank Financing Policies (KPB), especially those relating to the formulation of the precautionary principle in Credit or Financing.
2. Monitor that the Credit Policy is correctly applied and implemented efficiently and consistently and also to formulate solutions if there are problems in using the Credit Policy. Furthermore, the Credit or Financing Policy Committee also conducts periodic reviews of the Credit Policy and provides advice to the Board of Directors if there is a need to modify/improve the Credit Policy Committee.
3. Monitor and evaluate:
  - a. The development and overall quality of the loan portfolio;
  - b. Authority's decisions regarding loan or financing procedure compliance;
  - c. The development and the quality of loans granted to parties related to the Bank and major debtors
  - d. Accordance with the implementation of the Lending Limit;
  - e. e. Observance of all provisions of the legislation and other regulations in the execution of lending, restructuring and the resolution of loans;
  - f. The settlement of Non-Performing Loans;
  - g. The Company's efforts in meeting the adequacy of the reserve for loan losses.
4. Submit written reports to the Board of Directors periodically with a copy to the Board of Commissioners regarding:
  - a. Results of supervision regarding the application and implementation of CDE;
  - b. The results of monitoring and evaluation regarding matters referred to in the functions of the Credit Policy or Financing Committee.
5. Provide suggestions for corrective steps to the Board of Directors with a copy to the Board of Commissioners regarding matters relating to responsibility number 1.
6. In the event of irregularities in the implementation of CDE associated with the fulfilment of the principles of Sharia, the report shall also be submitted to the Sharia Supervisory Board.



### Task Implementation in 2019

The task of the Credit Policy Committee was executed through meetings. Throughout 2018, the Credit Policy Committee held meetings 4 times with the following agenda.

#### THE CREDIT POLICY COMMITTEE MEETING AGENDA

Date	Agenda
February 20, 2019	Authority to decide Construction Loans
February 20, 2019	Authority to decide Consumer & Commercial Loans
September 04, 2019	Changes to Commercial and Consumer Credit Policies
December 31, 2019	Credit Policy Committee Meeting

### CREDIT COMMITTEE

The Credit Committee is established to generate decision on the credit according to the highest authority based on Credit Termination Authority (BWMK).

#### Structure and Membership

The Credit Committee has been established in the Company's organization structure through Directors Decree No. 03 / KD / DIR / SIPD / 2017 dated April 20, 2017 concerning Head Office Organization Structure. At the operational level, the function of the Credit Committee continues to run through the implementation of the Board of Directors' Meeting in charge of the credit sector. The structure and membership of the Credit Committee are as follows:

<b>Chairman</b>	President Director
<b>Secretary</b>	Credit Risk Supervision Division Head
<b>Member (Voting Member)</b>	All Directors except Compliance Supervision
<b>Member (non voting member)</b>	Compliance Supervision Director
<b>Additional Meeting Participants</b>	<ol style="list-style-type: none"> <li>1. Collection and Asset Management Supervision Division Head</li> <li>2. Legal Supervision Division Head</li> <li>3. Compliance and Governance Supervision Division Head</li> <li>4. Policy and Procedure Supervision Division Head</li> <li>5. Credit / Financing Supervision Division Head according to the segment</li> <li>6. Internal Audit Supervision Division Head</li> <li>7. Division Head / other units as needed</li> </ol>

#### Duties and Responsibilities

The Credit Committee's duties and responsibilities are to provide recommendations and decide on the granting of loans (new loans and credit restructuring) for the commercial and consumer credit segments according to the highest authority based on the Credit Termination Authority (BWMK).

#### Implementation in 2019

The Credit Committee's duties are conducted in the form of holding meetings. Throughout 2019, the Credit Committee held 70 meetings with the following agenda.



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### CREDIT COMMITTEE MEETING AGENDA

Date	Agenda
January 16, 2019	Credit restructuring
January 16, 2019	Credit restructuring
January 16, 2019	Credit Investment
January 16, 2019	Credit restructuring
January 17, 2019	Credit Committee Meeting (RKK)
January 23, 2019	Credit Investment
January 23, 2019	Waiver Request
February 6, 2019	Investment Credit Restructuring
February 6, 2019	New application for investment credit
February 11, 2019	Credit Investment
February 6, 2019	Credit restructuring
February 19, 2019	Principle Approval for Line Facility
February 19, 2019	Principle Approval for Line Facility
February 20, 2019	Funding
February 20, 2019	Funding to end user
February 27, 2019	Credit restructuring
February 27, 2019	Credit restructuring
February 27, 2019	Appointment of Project Manager
February 27, 2019	Article Appeal
February 27, 2019	Yasa Griya Credit (KYG)
February 27, 2019	Land Ownership Credit (MPA)
February 27, 2019	Article Appeal
February 27, 2019	Article Appeal
March 6, 2019	Application for Home Mortgage Loans (KAR)
March 6, 2019	Corporate Loan (investment credit)
March 6, 2019	Corporate Loan (investment credit)
March 13, 2019	Appeal the terms and conditions on SP2K
March 20, 2019	Review of Decision of the Minutes of Corporate Credit Facility Meeting
March 20, 2019	Principle Permit in Syndicated credit
March 20, 2019	The extension of the period and the addition of plafond-line facility
March 20, 2019	Construction Credit and PRK Alert
March 20, 2019	The addition of plafond-kredit construction

**CREDIT COMMITTEE MEETING AGENDA**

Date	Agenda
March 20, 2019	Refinancing - Investment Credit
March 20, 2019	Appeal for Restructuring Approval - Construction Credit
May 8, 2019	Corporate Loan
May 8, 2019	Reporting related to the appointment of a power of attorney
May 8, 2019	Follow-up Report on Working Capital Credit Application (KMK)
July 5, 2019	Credit Restructuring
August 28, 2019	Credit Committee Meeting (RKK) of PT UJP
August 30, 2019	Credit Committee Meeting (RKK) of PT BD
August 30, 2019	Credit Committee Meeting (RKK) of PT BBP
August 30, 2019	Credit Committee Meeting (RKK) of PT WWI
August 30, 2019	Credit Committee Meeting (RKK) of PT DR
August 30, 2019	Credit Committee Meeting (RKK) of PT VI
August 30, 2019	Credit Committee Meeting (RKK) of PT TTP
August 30, 2019	Credit Committee Meeting (RKK) of PT BC
August 30, 2019	Credit Committee Meeting (RKK) of PT BDE
September 25, 2019	Credit Committee Meeting (RKK) of PT SPI
September 25, 2019	Credit Committee Meeting (RKK) of PT PBB
September 25, 2019	Credit Committee Meeting (RKK) of PT BDM
September 25, 2019	Credit Committee Meeting (RKK) of PT BN
September 25, 2019	Credit Committee Meeting (RKK) of PT MPM
September 25, 2019	Credit Committee Meeting (RKK) of PT MPI
September 25, 2019	Credit Committee Meeting (RKK) of PT TEP
September 25, 2019	Credit Committee Meeting (RKK) of PT KJR
September 25, 2019	Credit Committee Meeting (RKK) of PT BBP
September 26, 2019	Credit Committee Meeting (RKK) of PT CR
September 26, 2019	Credit Committee Meeting (RKK) of PT TP
September 26, 2019	Credit Committee Meeting (RKK) of PT GKS
September 26, 2019	Credit Committee Meeting (RKK) of PT TPD
September 27, 2019	Credit Committee Meeting (RKK) of PT TTP
September 27, 2019	Credit Committee Meeting (RKK) of PT ME
September 27, 2019	Credit Committee Meeting (RKK) of PT MP
October 21, 2019	Credit Committee Meeting (RKK) of PT WK
October 21, 2019	Credit Committee Meeting (RKK) of PT JPP



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### CREDIT COMMITTEE MEETING AGENDA

Date	Agenda
October 21, 2019	Credit Committee Meeting (RKK) of PT DPS
October 21, 2019	Credit Committee Meeting (RKK) of PT GMR
October 21, 2019	Credit Committee Meeting (RKK) of PT CPP
October 21, 2019	Credit Policy
October 31, 2019	Credit Committee Meeting (RKK) of PT ADS
December 18, 2019	Credit Committee Meeting (RKK) of PT TP

### PRODUCT COMMITTEE

Products Committee assists the Board of Directors responsible for determining the direction and development of products in the Bank and is accountable to the Board and periodically to provide input and guidance to the division to manage the product.

### Structure and Membership

The Product Committee was set up based on the Board of Directors' Regulation No.02/PD/PPD/2018 dated February 26, 2018 concerning Committee Products with structure and membership as follows:

<b>Chairman</b>	President Director
<b>Secretary</b>	Head of the Division for Supervision of Policy and Procedure
<b>Member (Voting Member)</b>	All Directors except the Director of Compliance Supervision
<b>Member (Non-Voting Member)</b>	Director of Compliance Supervision
<b>Supplementary Meeting Participants</b>	<ol style="list-style-type: none"> <li>1. Head of the IT Planning and Development Supervision Division</li> <li>2. Head of the IT Operations Supervision Division</li> <li>3. Head of the Legal Supervision Division</li> <li>4. Head of the Compliance Supervision Division</li> <li>5. Head of the Risk Management Supervision Division</li> <li>6. Head of other divisions/units as required</li> </ol>

### Duties and Responsibilities

The Product Committee's duties and responsibilities include assisting the President Director regarding matters relating to, and at a minimum the following:

1. Ensuring the suitability of Product Development, which are in line with the demands and the Bank's objectives.
2. Decision making and/or recommendations relating to Product Development, new activities, and their application in the long term.
3. Determine the direction of Product Development and long-term activities.
4. Determine the policies of the Company/ Bank related to Product Development and activities.
5. Monitoring and discussing:
  - a. Progress in the implementation of new products and events that have been created;
  - b. Product Development Plans and implementation;
  - c. Strategic issues encountered in the development and implementation of products
  - d. Technology and standards that must be considered, and the possibilities of its application in the Company.
6. The Committee is responsible for the decisions and/or recommendations of proposals as referred to in Article 3 of these the Board of Directors' regulations, which will then be decided through the mechanism of the Board of Directors' meeting.
7. The Product Committee is responsible for submitting written reports to the Board of Directors regarding:
  - a. The main points of the Product and the Activities Development Policy that was set forth as the guideline for the Bank in implementing Product Development and undertakings;



- b. Results of the supervision over the implementation and execution of Product Development Policies and the Bank's Undertakings;
  - c. Monitoring and evaluation of the findings regarding matters relating to Product Development, undertakings, and make a report to the Board of Directors.
8. Establish corrective measures regarding issues relating

to the development of products and undertakings and make a report to the Board of Directors.

#### Task Implementation of 2019

The tasks of Products Committee were conducted in the form of meetings. Throughout 2019, the Committee has held meetings as many as 3 times with the following agenda.

#### PRODUCT COMMITTEE MEETING AGENDA

Date	Agenda
January 23, 2019	Savings & Digital Payment Transaction Collaboration
February 04, 2019	Update Work Program & Execution (Funding & Digital Banking Collaboration Team)
July 01, 2019	Cash Management System (CMS)

#### THE PERSONNEL COMMITTEE

The Personnel Committee plays a role in policy formulation, oversees the implementation of policies, monitors the development and conditions of employment and provides suggestions for corrective steps following the Company's Manpower regulations and the Manpower Act applicable in Indonesia.

#### Struktur dan Keanggotaan

The Personnel Committee is established based on the Board of Directors Regulation No. 04/PD/HCD/2014 concerning the Personnel Committee with the following structure and membership:

<b>Coordinator</b>	President Director
<b>Secretary</b>	Human Capital Management & Culture Specialist Division Head
<b>Permanent Member</b>	The Director who supervises Human Capital and other Directors regarding HR in the unit whose supervision is being discussed
<b>Non-Permanent Member</b>	Other Division Heads invited out of necessity
<b>Supporting Group</b>	Head of the Human Capital Department together with Human Capital Career & Development Unit at the Human Capital Management & Culture Specialist Division

Membership of the Division Chief in the Central Personnel Committee cannot be delegated so that if he/she is unable to perform his/her duties and responsibilities as a member of the Personnel Committee, his/her role cannot be delegated to other officeholders in his/her work unit.

#### Duties and Responsibilities

The duties and responsibilities of the Personnel Committee are to assist the President Director on matters relating to, among others and at least include:

1. Recommend strategies, policies and HR management systems that are in line with the Bank's Business Plan.
2. Monitor and supervise the implementation of the HR program in accordance with the HR management strategies, policies and systems.
3. Recommend the resolution of problems relating to the advice submitted by the Personnel Committee, Division/Region/Branch/Team relating to item number 1.
4. As an independent forum for employees who clarify the decisions of the Personnel Committee, Division/



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- Region/Branch/ Team regarding the placement/ assignment of the Employee.
- Responsible for recommendations on proposed policies to be decided through the Board of Directors Meetings.
  - The Committee can have the authority to decide on HR outside matters related to item number 1 to item number 5 stated above if given the mandate at the Board of Directors Meetings.
  - If required, the Personnel Committee can coordinate with the Remuneration and Nomination Committee in reviewing the Human Capital Management system/ policy.

### 2019 Task Implementation

The task of the Personnel Committee is carried out in meetings. Throughout 2019, the Personnel Committee held 10 (ten) meetings with the following agendas:

#### PERSONNEL COMMITTEE MEETING AGENDA

Date	Agenda
January 24, 2019	Proposed Employee Mutation Evaluation L 1 Branch and Regional Office
April 10, 2019	Proposed Employee Mutation to Fulfill Layer 1 Position
April 16, 2019	Proposal of SOEs' Directors Prospective Members
May 29, 2019	Proposed Mutation Evaluation of Head Office, Regional and Branch Offices Employees
July 22, 2019	Proposal of SOEs' Directors Prospective Members
September 04, 2019	Proposed Mutation for Layer 1 Officials
November 11, 2019	Proposed Mutation Evaluation of Layer 1 Officials of Head Office, Regional and Branch Offices
November 18, 2019	Proposed Mutation Evaluation of Layer 1 Officials of Head Office, Regional and Branch Offices
December 02, 2019	<ul style="list-style-type: none"> <li>Presentation on Talent Management- Human Capital Division</li> <li>Candidates Selection to fill in the position of Divisions Head in the Commercial Lending Division and Learning Center Division</li> </ul>
December 09, 2019	Determination of the Commercial Lending Division Head (CMLD)

### INFORMATION TECHNOLOGY STEERING COMMITTEE

The Information Technology Steering Committee plays a role in formulating policies, strategy, targets, and facilities in monitoring and making decisions related to the Company's Information Technology management.

#### Structure and Membership

The Information Technology Steering Committee was established based on the Board of Directors' Regulation No. 05/PD/ICTD/2014 dated July 2, 2014, regarding the Amendment to the Board of Directors Regulation No. 18/PD/CMO/2011 dated July 20, 2011, regarding the Information Technology Steering Committee (IT Steering Committee). The structure and membership are as follows:



<b>Chairman</b>	If the President Director attends the Information Technology Steering Committee Meeting, the President Director acts as the Chair of the Information Technology Steering Committee
<b>Secretary</b>	Information Technology Operation Division Head (ex-officio)
<b>Permanent Members as stipulated in 05 / PD / ICTD / 2014</b>	<ol style="list-style-type: none"> <li>1. Director of Strategy, Compliance &amp; Risk (ex-officio)</li> <li>2. Director of the Distribution &amp; Network (ex-officio)</li> <li>3. Director of Consumer Banking (ex-officio)</li> <li>4. Enterprise Risk Management Division Head (ex-officio)</li> <li>5. Operation and Business Support Division Head (ex-officio)</li> <li>6. Sharia Division Head (ex-officio)</li> <li>7. Regional Office I Head (ex-officio)</li> </ol>
<b>Permanent Members</b>	<ol style="list-style-type: none"> <li>1. Director of Strategy, Compliance &amp; Risk (ex-officio)</li> <li>2. Director of Commercial Banking (ex-officio)</li> <li>3. Director of Consumer Banking (ex-officio)</li> <li>4. Director of Distribution &amp; Network (ex-officio)</li> <li>5. Information Technology Operation Division Head (ex-officio)</li> <li>6. Enterprise Risk Management Division Head (ex-officio)</li> <li>7. Operation &amp; Business Support Division Head (ex-officio)</li> <li>8. Sharia Division Head (ex-officio)</li> <li>9. Corporate Strategy &amp; Performance Management Division Head (ex-officio)</li> <li>10. Compliance &amp; Governance Division Head (ex-officio)</li> <li>11. Internal Audit Division Head (ex-officio)</li> <li>12. Service Quality &amp; Distribution Division Head (ex-officio)</li> </ol>
<b>Non-Permanent Members</b>	Other directors and divisions based on requirements

### Duties and Responsibilities

The Information Technology Steering Committee's duties and responsibilities include making recommendations to the President Director regarding matters relating to, among others:

1. The Information Technology Strategic Plan in accordance with the strategic plans of the Company's business activities. In providing recommendations, the Committee should consider the factors of efficiency, effectiveness, and further matters as follows:
  - a. The roadmap to achieving the requirements of the IT demands that support the Company's business strategy. The roadmap consists of the current state, the future state as well as measures to be embarked on to achieve the future state;
  - b. Data sources required;
  - c. Advantages/benefits that will be obtained when the plans are implemented.
  - d. Constraints that may arise in implementing an IT Strategic Plan;
2. Formulation of significant IT policies and procedures, including IT security policy and Risk Management related to the use of IT in the Company.
3. Compliance of IT projects approved by the IT Strategic Plan. The Committee also assigns priority status to IT projects that are critical (have a significant impact on the Company's operational activities), for example, a change of the core banking applications, production servers, and network topology.
4. Compliance of the implementation of IT projects with the project charter that was agreed upon in a Service Level Agreement. The Committee should complete the recommendations based on the results of the analysis of key IT projects to enable the Board of Directors better to make decisions efficiently.
5. Suitability of IT with the demands of the Information Management System that supports the management of the Company's business activities.
6. The effectiveness of measures to minimize risk concerning the Company's investment in the IT sector and the investments that will contribute to achieving our business objectives.
7. The monitoring of and efforts to increase IT performance by detecting IT obsolescence and measuring the





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effectiveness and efficiency of the implementation of IT security policies.

8. Attempts to settle various IT related issues, which cannot be solved by the user unit and organizing unit. The Committee may facilitate the relationship between the groups.
9. The adequacy and allocation of resources owned by the Company. If the resources are inadequate, and the Bank uses the services of other parties in the implementation of IT, the IT Steering Committee should ensure that the Company has established policies and

procedures.

10. The Committee is responsible for recommendations and referring the next proposals to be decided upon by the Board of Directors' meeting.

#### Task Implementation in 2019

The duties of the Information Technology Steering Committee were implemented through meetings. In 2019, the Information Technology Steering Committee held 2 meetings with the following agenda:

#### THE INFORMATION TECHNOLOGY STEERING COMMITTEE MEETING AGENDA

Date	Agenda
Friday, September 13, 2019	Submission of 2019-2021 BTN RSTI Finalization
Friday, September 27, 2019	<ol style="list-style-type: none"> <li>1. Description and Proposal of the 2020 IT Initiative Planning Strategy</li> <li>2. Directors' Direction in 2020</li> </ol>

#### CORPORATE SECRETARY

The Corporate Secretary role is established to ensure that the Company fully complies with the provisions related to the Transparency requirement, which is in line with the principles of GCG. The Corporate Secretary strives to deliver the information required by the Board of Directors and Board of Commissioners and to fulfil the Company's responsibilities regarding the delivery of materials and relevant information to the stakeholders.

As a liaison officer, the Corporate Secretary organizes, coordinates, and documents the Board of Directors' meetings, joint meetings of the Board of Directors and Board of Commissioners', the Annual GMS, and other meetings with the stakeholders. Besides, the Corporate Secretary organizes the introduction program for newly appointed members of the Board of Directors and/or Board of Commissioners

#### The parties appointing and dismissing the Corporate Secretary

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#### Corporate Secretary Appointed and Dismissed By

The Corporate Secretary is appointed and dismissed by the Board of Directors with the approval of the Board of Commissioners.

The appointment of the Corporate Secretary and Acting



Corporate Secretary was already reported to the regulator in accordance with the applicable regulations.

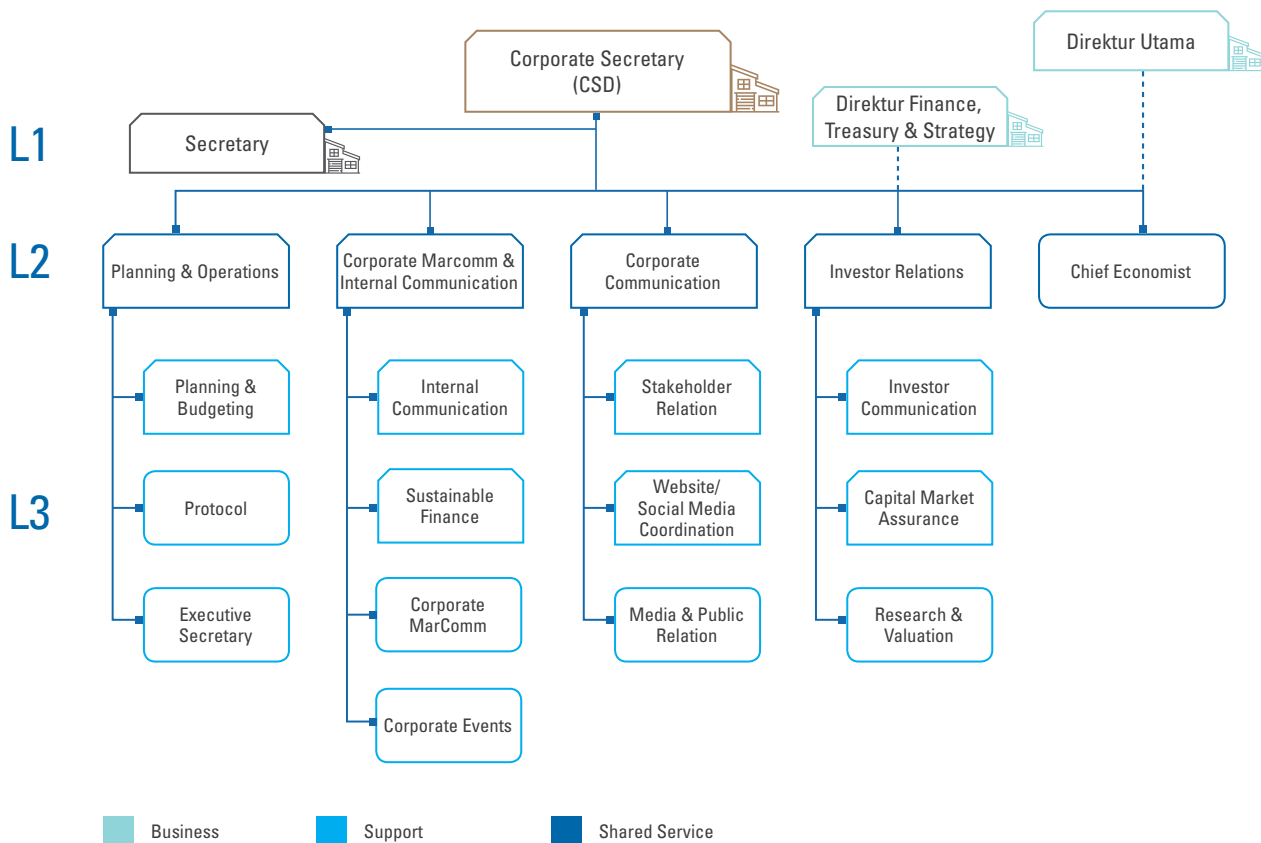


### Achmad Chaerul

Corporate Secretary

Held office since 30 October 2018

<b>Citizen</b>	Indonesia
<b>Age</b>	49 years old
<b>Domicile</b>	Jakarta
<b>Educational</b>	Obtained a Master degree in Law from the University of Indonesia, Jakarta in 2002.
<b>Work Experience</b>	Started career at PT Bank Tabungan Negara (Persero) Tbk since 1997, and previously has served as Chief Makassar Branch (2016), Head of Regional Office Region 5 (2017) and Division Head Compliance & Governance (2018).
<b>Training in 2019 and Applicable Professional Certificate</b>	UKMR certification level 4 organized by the Banking Profession Certification Agency in Jakarta (2018), Credit Certification organized by the Banking Profession Certification Agency in Jakarta (2018).





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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### Corporate Secretary Organizational Structure

In the Organizational Structure, the Corporate Secretary is assisted by the Manager/Senior Manager who is responsible for each task force, including for Investor Relations, Corporate Communication and Planning, Budgeting & Protocol. The Corporate Secretary is accountable to the President Director regarding the execution of their duties.

### Duties And Responsibilities Of The Corporate Secretary

In performing its duties and responsibilities, the Corporate Secretary also refers to the Financial Services Authority Regulation No.35/POJK.04/2014 dated December 8, 2014, concerning the Corporate Secretary of Issuers or Public Companies. Based on these regulations, the Corporate Secretary performs its duties and responsibilities, which includes the following:

1. Remain updated with the developments in the Capital Market, especially concerning the laws and regulations that apply to the Capital Market.
2. Provide recommendations to the Board of Directors and the Board of Commissioners to ensure compliance

3. Assist the Board of Directors and the Board of Commissioners in implementing Corporate Governance which includes the following:
  - a. Information disclosure to the public, including the availability of information on the website of the Issuer or Public Company;
  - b. Submitting reports to the Financial Services Authority in a timely manner;
  - c. Organizing and documenting the General Meeting of Shareholders;
  - d. Arranging and recording the Board of Directors and/or Board of Commissioners meetings; and
  - e. Implementation of the Company's orientation program for the newly appointed members of the Board of Directors and/or the Board of Commissioners.
4. As a liaison between the Company and shareholders of the Issuer or Public Company, the Financial Services Authority, and other stakeholders.

### The Competence Development Program Of The Corporate Secretary

Throughout 2018, the Corporate Secretary has attended training and seminar activities to support the implementation of the duties and responsibilities as follows:

Type of Education and Training	Education and training materials	Place/Date	Organizer
Seminar	Public Relations in the Era of #MO	Jakarta, September 11-12, 2019	Rumah Perubahan
Seminar	Investor Relations Enhancement Training	Jakarta, December 11-12, 2019	TAP Kapital Indonesia
Seminar	Corporate Crime Law Enforcement	Bali, March 21-22, 2019	Intrinsics
Seminar	"Investment Risks or corruption?"	Bandung, January 31 - February 1, 2019	Asia Anti-Fraud

### Implementation Of The Duties And Responsibilities Of The Corporate Secretary In 2019

Throughout 2019, the Corporate Secretary performed the following duties and responsibilities:

1. Submission of Capital Market Developments to the Board of Directors and Board of Commissioners consisting of: Corporate Secretary routinely presents to the Board of Directors and the Board of Commissioners regarding developments in the Capital Market, which includes:
  - a. The latest rules and regulations in the Capital Market sector must be implemented by the Company. Some new regulations or legislation updated by the Corporate Secretary to the Board of Directors and/or the Board of Commissioners are as follows:



No.	Regulation	Dissemination to the Board of Directors
1.	SE OJK No. 47/SEOJK.04/2017 concerning the Implementation of the PPT APU Program in the Capital Market Sector	Workshop on APU and PPT Program Implementation on December 4, 2019

- b. The Developments of BBTN shares, including any unusual market activities. Throughout 2019 reports regarding the progress of BBTN shares included the following:

No.	Description	Submission to the Board of Directors
1.	BBTN Share Performance Report 2018	Memo No. 533/M/CSD/IR/IV/2019 dated April 15, 2019
2.	Proposed Communication Activities with the Capital Market Quarter I 2019	Memo No. 548/M/CSD/IR/IV/2019 dated April 22, 2018
3.	Non-Deal Roadshow Travel to Singapore and Hong Kong Report	Memo No. 650/M/CSD/IR/V/2019 dated May 10, 2019
4.	Submission of Macroeconomic Conditions and Capital Market Prospect Analysis in Semester 2 2019 and Quarter I 2020	Memo No.1170 /M/CSD/IR/VIII/2019 dated August 16, 2019
5.	Results of Communication with Analysts Regarding BBTN Share Price Development	Memo No. 1229/M/CSD/IR/VIII/2019 dated August 26, 2019

- c. Submit feedback, responses and expectations from investors, analysts and other Capital Market communities regarding business developments and improving the performance of Bank BTN. Submission of advice and answers from the investors is usually delivered after Bank BTN meets with investors, through the Investor Conference and Non-Deal Roadshow forums.

No	Activity	Submission to BOD and/or BOC
1.	Invitation for Review Meeting with Moodys	Memo No. 625/M/CSD/IR/V/2019 dated May 8, 2019
	Travel report following the 2018 Indonesia Investment Day in Singapore	Memo No. 1758 / M / CSD / XI / 2018 dated November 01, 2018
2.	Non-Deal Roadshow Travel to Singapore and Hong Kong Report	Memo No. 650/M/CSD/IR/V/2019 dated May 10, 2019
3.	Invitation for Review Meeting with Fitch Ratings	Memo No. 824/M/CSD/IR/VI/2019 dated June 13, 2019
4.	Invitation for Review Meeting with Moodys	Memo No. 1714/M/CSD/IR/XII/2019 dated December 2, 2019

2. The implementation of communication programs with the Capital Market community through public exposure is performed, according to the following:

The Company's Corporate Secretary organizes meeting forums with analysts, investors, rating agencies and other Capital Market communities to ensure information transparency will be adequately performed, with the following objectives:

- Provide updates to shareholders and the Capital Market community regarding the development of business, the operational and financial performance of Bank BTN, as well as targets to be achieved over the short, medium and long term.
- Improve the performance of BBTN Shares, regarding both liquidity/trading volumes and a fair valuation.



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- c. Improve reputation and maintain quality relations with long-term investors.
- d. Extend the investor base and coverage to the BBTN Shares by developing marketing programs with potential investors.
- e. Establish quality relations and co-operation with securities companies that routinely write reports concerning Bank BTN and provide positive recommendations for BBTN Shares.

The basic principles used by the Corporate Secretary in communicating with the Capital Market community are listed as follows:

- a. Information disclosure is fair disclosure information by considering the principles of Equality (Equitable

treatment) and Transparency.

- b. Information is provided by adhering to the precautionary principle by considering the provisions of Confidentiality in the applicable banking sector.

The Public Exposure method used is as follows:

- a. Direct, which includes: The General Meeting of Shareholders, Public Expose, Non-Deal Road Show, Investor Conference, Press Conference, 1-on-1 Meetings, Group Meetings, Conference Calls, Branch Visits and Site Visits.
- b. Indirect, which includes: The Annual Report, Publication of Financial Reports, Press Releases, Website, Broadcast Media (TV, Newspaper, Online Media), Social Media, and Emails.

The following is the communication program for the Capital Market community, which was implemented by the Company throughout 2019:

Date	Location	Event
January 9, 2019	Singapura/Singapore	JP Morgan's Asean Bank Forum Teleconference
January 31 – February 1, 2019	Jakarta	Mandiri Investment Forum 2019
February 19, 2019	Kuala Lumpur	Maybank-KimEng Indonesia Corporate Day
February 20, 2019	Singapore	Maybank-KimEng Indonesia Corporate Day
March 4-6, 2019	Jakarta	UBS Indonesia Conference
April 24-25, 2019	Singapore	Non Deal Roadshow
April 26, 19	Hong Kong	Non Deal Roadshow
June 27-28, 2019	Bali	CGS-CIMB Asia Pacific Conference
August 19, 2019	Jakarta	Public Expose
August 26-28, 2019	Singapore	Macquarie ASEAN Conference

In addition to organizing and participating in the activities as mentioned earlier, throughout 2019 the Company also served requests for Meetings, Conference Calls and Site Visits from the Capital Market community, which were performed both with the Directors and through the Investor Relations unit. The details of the activities are as follows:

	Analysis	Investor		Rating Agency	Site Visit	Total
		Local	Foreign			
Total	94	24	41	4	2	165

- 3. Transparency of the Corporate Secretary role fulfils the obligations regarding information disclosure as outlined in:
  - a. Financial Services Authority Regulation No.31/

POJK.04/2015 dated December 22, 2015, concerning the Openness of Material Information or Facts by Issuers or Public Companies Indonesian



Stock Exchange Regulation No. I-E dated July 19, 2004, concerning the Obligations for Submitting Information

- b. Financial Services Authority Regulation No. 6/POJK.03/2015 dated March 31, 2015, concerning Transparency and the Publication of Bank Reports
- c. Financial Services Authority Regulation No. 32/POJK.03/2016 dated August 12, 2016, concerning Amendments to the Financial Services Authority Regulation No. 6/POJK.03/2016 concerning Transparency and the Publication of Bank Reports
- d. Financial Services Authority Regulation No. 8/POJK.04/2015 dated June 25, 2015, concerning the Website of the Issuer or Public Company.

Throughout 2019 the Corporate Secretary has submitted a disclosure to the FSA and Bursa as many as 112 (a hundred twelve) reports. All of the reports submitted within the deadline according to applicable regulations, i.e. no later than the end of the working day of the 2nd (second) after the decision or the presence of information or material facts that may affect the value of securities companies or investors' decisions.

In addition to the information disclosure report above, the Corporate Secretary also coordinated the submission of deliberations should there be any questions or requests from the Indonesian Stock Exchange regarding news related to Bank BTN or any BBTN stock transactions, which was in accordance with the Indonesian Stock Exchange Regulation No. I-E, stating that the Listed Company must provide written responses to matters that were questioned by the Indonesian Stock Exchange, no later than 3 (three) Exchange Days after the receipt of an explanation request from the Securities Exchange either delivered by the Exchange through facsimile or any other shipping media. Throughout 2019, the Company received 7 (seven) explanation request from the Indonesian Stock Exchange.

4. Enhanced access to the information for Public Communication with the stakeholders of Bank BTN uses a one-door policy, which is coordinated through the Corporate Secretary. The Company always makes it as convenient as possible for stakeholders to access information. In addition to publications, information is also distributed through various mass media; the public can also access information concerning Bank BTN through the Bank BTN website ([www.btn.co.id](http://www.btn.co.id)),

as well as through social media including Facebook (BankBTNcoid), Twitter (@BankBTNcoid), YouTube (officialBankBTN) and Instagram (officialBankBTN).

The Company is consistent in improving the quality of information delivery to the public by providing Public Information Disclosure services on the Bank BTN website to fulfil the following conditions:

- a. Peraturan Pemerintah Republik Indonesia No. 61 Government Regulation of the Republic of Indonesia No. 61 of 2010 dated August 23, 2010, concerning the Implementation of Law No. 14 of 2008 concerning Public Information Openness.
  - b. Information Commission Regulation No. 1 of 2010 dated June 7, 2010, concerning the Public Information Service Standards
  - c. Law of the Republic of Indonesia No. 14 of 2008 dated April 30, 2008, concerning Public Information Disclosure.
5. Media Relations and Information Access  
The Corporate Secretary, strive to establish positive relations with the mass media, both electronic media (TV, radio), print media (newspapers, magazines) and online media. Throughout 2019, the Corporate Secretary issued various press releases that were newsworthy for Bank BTN, which were regarding the development of the Business Performance, Business, CSR and Operations of Bank BTN.
  6. General Meeting of Shareholders (GMS)  
Corporate Secretary coordinates the Annual General Meeting of Shareholders (AGM) of the Company regarding the Regulation of the Financial Services Authority No. 32/POJK.04/2014 dated December 8, 2014, on the Planning and Implementation of Open Company GMS, as amended by the Financial Services Authority Regulation No. 10/POJK.04/2017. During 2019, the Company held three (3) times the AGM. The Annual General Meeting dated May 17, 2019, the Extraordinary General Meeting dated August 29, 2019, and the Extraordinary General Meeting on November 27 2019.

All stages of the AGM has been executed following the POJK as mentioned above and Articles of Association of the Company, including notifications, announcements and GMS and delivery of the minutes and the minutes of the AGM.



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Submission of Information Related to the Implementation of Annual General Meeting May 17, 2019	Date
Notice to the FSA, IDX and KSEI	April 02, 2019
AGM Announcement in Newspaper, web FSA, BEI and Bank BTN	April 10, 2019
Summon for GMS in Newspapers, web FSA, BEI and Bank BTN	April 25, 2019
Implementation of the GMS	May 17, 2019
Announcements of minutes summary of the AGM in Newspapers, web FSA, BEI and Bank BTN	May 20, 2019
Submission of the Minutes of the AGM to the FSA and BEI	May 21, 2019

Submission of Information Related to the Implementation of the Extraordinary General Meeting August 29, 2019	Date
Notice to the FSA, IDX and KSEI	July 16, 2019
AGM Announcement in Newspaper, web FSA, BEI and Bank BTN	July 23, 2019
Summon for GMS in Newspapers, web FSA, BEI and Bank BTN	August 7, 2019
Implementation of the GMS	August 29, 2019
Announcements of minutes summary of the AGM in Newspapers, web FSA, BEI and Bank BTN	September 2, 2019
Submission of the Minutes of the AGM to the FSA and BEI	September 27, 2019

Submission of Information Related to the Implementation of the Extraordinary General Meeting November 27, 2019	Date
Notice to the FSA, IDX and KSEI	September 4, 2019
AGM Announcement in Newspaper, web FSA, BEI and Bank BTN	September 11, 2019
Summon for GMS in Newspapers, web FSA, BEI and Bank BTN	November 5, 2019
Implementation of the GMS	November 27, 2019
Announcements of minutes summary of the AGM in Newspapers, web FSA, BEI and Bank BTN	November 29, 2019
Submission of the Minutes of the AGM to the FSA and BEI	December 27, 2019

7. Implementation and Documentation of the Board of Directors' Meeting and Joint Meeting with the Board of Commissioners
- The Corporate Secretary bears the responsibility of coordinating the implementation of the Board of Directors meetings and Joint meetings between the Board of Directors and the Board of Commissioners, of which the application refers to Article 16 of the Financial Services Authority Regulation No. 33/POJK.04/2014 dated December 8, 2014, concerning the Board of Directors and the Board of Commissioners of Issuers or Public Companies.
- The duties of the Corporate Secretary in organizing

the Board of Directors meetings and Joint meetings between the Board of Directors and the Board of Commissioners are as follows:

- Receive proposals for the agenda and materials that will be decided at the Board of Directors' meetings and Joint meetings between the Board of Directors and the Board of Commissioners from the Division/Desk/other Work Units.
- Ensure the delivery of materials, quorum and decision making at the Board of Directors' meetings and Joint meeting between the Board of Directors' and the Board of Commissioners run in accordance with the FSA regulations as mentioned above.



- c. Prepare Minutes of Meeting of the Board of Directors meetings, which are then signed by all members of the Board of Directors in attendance.
- d. Administer the Minutes of the Board of Directors' meeting.
- e. Submit the decisions of the Board of Directors meeting and Joint meetings between the Board of Directors and the Board of Commissioners' to the relevant Division/Desk/Work Unit to be immediately followed up.

Integration. This development is further compounded with the ever-tightening competition between banks posing a considerable challenge that must be confronted by the Company. In facing this challenge, one of which, requires the enforcement of the precautionary principle as well as efforts to mitigate the risks of the Bank's business activities, both preventive (ex-ante) and curative (ex-post). Ex-ante measures can be pursued by complying with the various applicable banking rules to reduce or minimize risks that threaten the Company's business activities.

During 2019, the Company has organized a meeting of the Board of Directors 281 (two hundred eighty one) and 4 (four) Joint Meeting of the Board of Directors and Board of Commissioners.

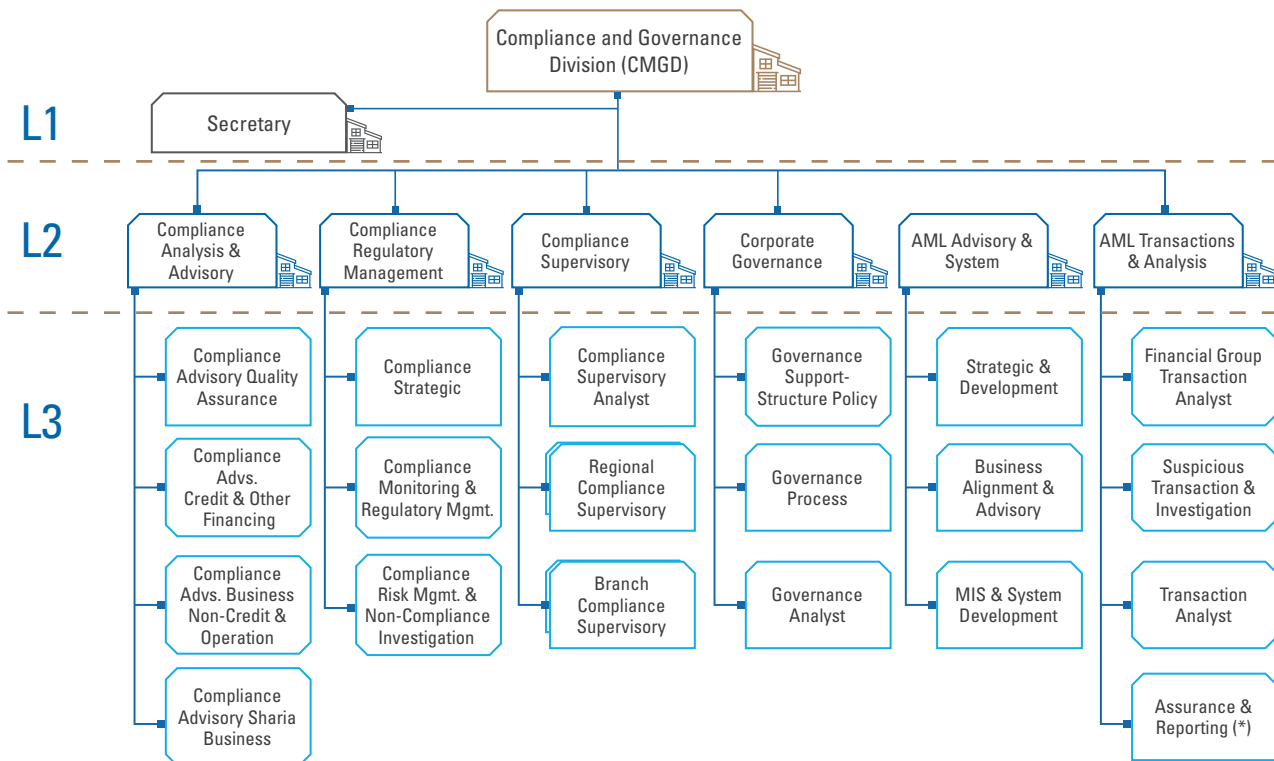
The Company always consistently implements the Compliance Function, which is a series of preventive (ex-ante) actions or steps. These efforts are performed to realize the implementation of the Compliance Culture across all levels of the organization and business activities of the Bank; managing Compliance Risk, and ensuring the Company's compliance with the Financial Services Authority and/or other authorized supervisory authorities.

**COMPLIANCE FUNCTION**

The banking industry has become progressively complicated and in tune with the rapid growth of Information Technology, Globalization and Financial Market

**Compliance function Organization**

**COMPLIANCE FUNCTION ORGANIZATIONAL STRUCTURE**



(\*) Can have layer 4 14





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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

The implementation of the Organizational Structure of the Compliance Function is stipulated in the Board of Directors Decree No. 04/ DIR/KD/TMO/2018 April 30, 2017, and was last modified through the Decree of the Board of Directors No. 06/ DIR/KD/TMO/2018 dated July 4, 2018, concerning the Organizational Structure of the Head Office, which refers to the FSA Regulation No. 46/POJK.03/2017 dated July 12, 2017, concerning the Implementation of the Compliance Function of Commercial Banks and has been regulated in the Bank's internal policies consisting of the following:

1. The Board of Commissioners plays an active role in supervising the implementation of the Bank's Compliance Function.
2. The Board of Directors plays an active role in fostering and realizing the application of the Culture of Compliance across all levels of the organization and business activities of the Bank and ensuring the implementation of the Bank's Compliance Function.
3. The Compliance Director is a member of the Board of Directors who has been approved by the Financial Services Authority, who is in charge of the Compliance Function and the Compliance Unit in the Company, which is responsible for formulating strategies to encourage the Bank's Culture of Compliance and the implementation of duties in ensuring the Bank's Compliance Function.
4. The Compliance and Governance Division is a Work Unit in the Head Office, which is the Company's Compliance Unit whose duty it is to perform the Company's Compliance Function

### Director In Charge Of The Compliance Function

The Director in charge of the Company's Compliance Function is also the Managing Director of Capital, Legal, and Compliance. The process of appointment, dismissal and/or resignation of the Director in charge of the Company's Compliance Function has been arranged and implemented as follows:

1. Appointment, dismissal, and/or resignation of the Director in charge of the Compliance Function refers to the provisions concerning the appointment, dismissal, and/or resignation of members of the Board of Directors as related to in Bank Indonesia's regulations governing Commercial Banks and through the Fit and Proper Test according to the provisions of the applicable Financial Services Authority.
2. In the event that the Compliance Director is temporarily unable to perform the duties of his office, then the

execution of the relevant task will be temporarily replaced by another Director until the Compliance Director is able to resume his/her position again.

3. If the Director in charge of the Compliance Function resigns or the Term of Office expires, the Company may immediately appoint a replacement Director in charge of the Compliance Function, and during the process of replacing the Director in charge of the Compliance Function, one of the other Directors will temporarily perform the duties of the Director in charge of the Compliance Function.
4. To fulfil the independence requirements, the Director who performs his duties as the Director in charge of the Compliance Function, is not held by the President Director and/or Director in charge of functions that can affect its independence.
5. Every replacement of the position of the Director in charge of the Compliance Function is always reported to the Financial Services Authority.

Based on the EGMS Resolution on November 27, 2019, appointed the Director in charge of the Company's Compliance Function, Mr. Yossi Istanto as Human Capital, Legal and Compliance Director. Based on FSA Circular No. 39 / SEOJK.03 / 2016 dated September 13, 2016 concerning the Assessment of Capability and Compliance for Bank's Prospective Controlling Shareholders, and Prospective Board of Directors and Board of Commissioners' Members. The Compliance Director may perform the Compliance Function task after obtaining FSA approval as Compliance Director. Mr. Yossi Istanto has followed the FSA's Fit and Proper Test as Compliance Director but until December 31, 2019 has not received formal approval from the OJK.

In order for the Compliance Function to be sustainably carried out within the Company, the Company's Board of Directors must appoint a Director in charge of the Compliance Function as regulated in Article 9 of FSA Regulation No. 46 / POJK.03 / 2017 dated July 12, 2017 concerning the Implementation of Commercial Banks' Compliance Function. For this reason, the Company's Board of Directors has appointed Mr. Yossi Istanto to be temporarily in-charge performing the Compliance Function Director's duties effective from December 3, 2019 until the FSA releases the Fit and Proper Test approval.



### The Duties And Responsibilities Of The Director In Charge Of The Compliance Function

The duties and responsibilities of the Compliance Director in performing the Compliance function is as follows:

1. To formulate strategies to encourage the creation of a Culture of Compliance;
2. To propose Compliance policies or principles of Compliance to be determined by the Board of Directors;
3. To establish Compliance Systems and procedures that will be used to further develop the Bank's internal rules and guidelines;
4. To ensure that all policies, provisions, systems and procedures, as well as business activities performed by the Bank, are in accordance with the provisions of the Financial Services Authority, Bank Indonesia and all applicable laws and regulations, including Sharia Principles;
5. To manage and minimize Compliance Risk;
6. To take precautionary measures so that the policies and/or decisions made by the Board of Directors of the Company do not deviate from the provisions of the Financial Services Authority, Bank Indonesia and all applicable laws and regulations including dissenting opinions if there are policies and/or decisions that deviate from the provisions of the Financial Services Authority, Bank Indonesia and the applicable laws and regulations;
7. To perform other duties related to the Compliance Function including monitoring and maintaining the Company's Compliance with commitments made by the Company to the Financial Services Authority, Bank Indonesia, and other authorized supervisory authorities;
8. To ensure that the Company's Compliance Unit is useful in performing the duties of the Compliance Function;
9. To coordinate with the Sharia Supervisory Board regarding the implementation of the Sharia Business Unit Compliance Function against Sharia Principles; and
10. To act as the coordinator for the implementation of the Compliance Function for all the Bank's business activities to achieve Good Corporate Governance.

### COMPLIANCE WORK UNIT

The Role of the Company's Compliance Unit as stipulated in OJK Regulation No. 46/POJK.03/2017 dated July 12, 2017, concerning the Implementation of the Compliance and Governance Division of Commercial Banks, as specified in the Decree of the Board of Directors No. 03/KD/DIR/SIPD/2017 April 20, 2017, and previously modified through

the Decree of the Board of Directors No. 04/KD/DIR/SIPD/2017 dated May 29, 2017, concerning the Head Office Organizational Structure, Compliance and Governance Division under the coordination of the Director in charge of the Compliance Function and separate from the Business and Operational Units, Risk Management Units that make decisions regarding the activities of the Company's Business, Treasury Units, Financial and Accounting Units, Logistics Units and Procurement of Goods/Services and Units that manage Information Technology.

The Compliance and Governance Division is led by the Head of the Division (Division Head) who has met the criteria as Head of the Compliance Unit as stipulated in FSA Regulation No. 46/POJK.03/2017 July 12, 2017, concerning the Implementation of the Compliance Function of Commercial Banks. The appointment and/or termination of the Compliance and Governance Division Head is always reported to the Financial Services Authority with the criteria set out in the internal policy regarding compliance, which is as follows:

1. Meeting the independence requirements as stipulated in the provisions of the applicable Financial Services Authority;
2. Mastering the rules of the Financial Services Authority, Bank Indonesia and all applicable laws and regulations;
3. Not performing any other duties outside of the Compliance Function; and
4. Possessing a high commitment to implement and develop a Culture of Compliance.

### HEAD OF COMPLIANCE UNIT

The Board of Directors has appointed Wahyu R. B. Witjaksono as the Company's Chief Compliance Unit commencing December 10, 2018, under Decree No. 1037 / DIR / 2018 dated December 10, 2018. The appointment of R. Wahyu B. Witjaksono as Head of Unit of the Company has been reported to the Financial Services Authority.



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM



### R. Wahyu B. Witjaksono

Head of Compliance Unit

held office since December December 10, 2018

<b>Citizen</b>	Indonesia
<b>Age</b>	49 years old
<b>Domicile</b>	Jakarta
<b>Educational</b>	Holds a Masters in Management from Gajah Mada University and University of Kentucky, USA, 2004.
<b>Work Experience</b>	Before becoming Chief Compliance Unit has held various key positions in the Company, namely as Senior App Development-Business Analyst (2011-2014), System Development Audit Department Head (2014-2017), Deputy Head of Internal Audit Division (2017-2018).
<b>Training in 2019 and Applicable Professional Certification</b>	<ul style="list-style-type: none"> <li>• In House Training "Executive Development Program," Jakarta, April 10 - September 13, 2019, by Daya Dimensi Indonesia.</li> <li>• Seminar "Banking Readiness in Facing MEA," Jakarta, June 27, 2019, by the Communication Forum for Banking Compliance Directors.</li> <li>• In House Training "School of Staff and Management of Bank Force 71," Jakarta, August 05- September 20, 2019, by the Indonesian Banking Development Institute.</li> <li>• In House Training "General Baking Level 3," Jakarta, September 21, 2019, by the Banking Professional Certification Institute.</li> <li>• Professional Certification: Certified International Auditor (CIA) (2016), Certified Information System Auditor-CISA (2017), Risk Management Certification LSPP (2018).</li> </ul>

### The Duties And Responsibilities Of The Compliance Unit

The Duties and Responsibilities of the Compliance and Governance Division, include:

1. Establish steps to support the creation of a Culture of Compliance across all the Company's business activities and at every level of the organization.
2. Coordinate with other Units in identifying, measuring, monitoring, and controlling Compliance Risk by referring to the Financial Services Authority regulations regarding the Implementation of Risk Management for Commercial Banks.
3. Assess and evaluate the effectiveness, adequacy and suitability of policies, provisions, systems and procedures that are owned by the Bank with the applicable laws and regulations.
4. Review and/or recommend updates and refinements of policies, provisions, systems and procedures that the Company implements to ensure in compliance with the requirements of the Financial Services Authority, Bank Indonesia and all applicable laws and regulations, including Sharia Principles.
5. Make efforts to ensure that the policies, provisions, systems and procedures, as well as the Bank's business activities, are all in accordance with the provisions of the Financial Services Authority, Bank Indonesia and all applicable laws and regulations.
6. Perform other tasks related to the Compliance Function, i.e.:
  - a. Ensure the Company's Compliance with its



- commitments to the Financial Services Authority and/or other authorized supervisory authorities;
- b. Conduct socialization with all employees regarding matters related to the Compliance Function, especially regarding the applicable regulatory provisions;
  - c. Act as a contact person for the Company's Compliance issues for both internal and external parties.

#### Realization Work Program of Compliance Function inn 2019

In 2019, the implementation of the Compliance Function in the Company of which include the following:

1. One of the Active Oversight of the Directors is ensuring the implementation of the Bank's Compliance Function and fostering and realizing the implementation of a Compliance Culture at all levels of the organization and business activities of the Bank. In this regard, the Board of Directors approved and established the Company's Compliance Policy, which was proposed by the Compliance Function Director in charge, which is a guideline in conducting business and banking operations, and approved and established the Compliance Procedure as proposed by the Compliance Function Director in charge, which will be used to prepare internal regulations. The Company should always be in accordance with and not violate the provisions of the Financial Services Authority, Bank Indonesia and the applicable laws and regulations, including Sharia Principles.
2. The Board of Commissioners Oversight on the Company's Compliance Function includes reviewing and approving the Company's Compliance Policy before it is determined by the Directors.
3. Implementation of Compliance Functions in Corporate Governance. In each decision making process and discussion related to the Company's business and operations conducted in the Board of Directors 'Meeting forum, the Board of Directors always pays attention to the compliance aspect opinion delivered by the Compliance Function and/or Compliance Work Unit Director in charge which conveys regulatory provisions related to the Board of Directors' discussion material.
4. In order to create a culture of compliance and ensure that all policies, regulations, systems and procedures, as well as the Bank's business activities

are in accordance with regulatory provisions, namely the Financial Services Authority, Bank Indonesia and other applicable laws and regulations, during 2019 the Company has implemented a series of steps which include:

- a. Supporting the continued growth of the Company's business by referring to the applicable laws and regulations, it is necessary to take steps to harmonize the Company's commercial interests with compliance with external regulations which include regulatory provisions, namely the Financial Services Authority, Bank Indonesia and the laws and regulations. Other applicable regulations, including Sharia Principles for Sharia Business Units. In order to fulfill this, the Company has taken the following steps:
  - Socialization of regulator provisions to related work units. New regulatory provisions that have been socialized by the Compliance and Governance Division to operational work units, both in writing and through face-to-face media as well as conducting discussions with related units in order to gain a shared understanding of the newly issued regulator's provisions.
  - Conducting a review of the aspects of compliance with the draft internal regulations of the Company as well as planned business and operational policies, to ensure compliance with the provisions of the Financial Services Authority, Bank Indonesia, legislation and other applicable regulatory provisions. In the Company's provisions regarding the Internal Regulatory Order, it is stipulated that each draft internal regulation must go through a review and review of the compliance aspects of the Company's Compliance Work Unit.
  - Conducting studies on aspects of compliance with development plans and the issuance of new products and/or activities, to ensure compliance with the provisions of the Financial Services Authority, Bank Indonesia, legislation and regulatory provisions in force.
  - In addition to the draft internal regulations of the Company, the Compliance Unit also conducts a review of existing internal regulations in order to ensure consistency of policy adequacy. The focus



## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

of the review of existing internal regulations in 2019 are credit regulations including the Policy on Maximum Lending Limits (BMPK), Policies on Asset Quality Rating, Reporting and Debtor Information Requests through the Financial Information Service System (SLIK) as well as regulations on the Provision of Digital Banking Services by commercial banks.

- b. Conducting compliance assessments through Compliance Maps for all Company units consisting of Headquarters, Regional Offices and Branch Offices. This Compliance Map is intended to measure the level of compliance awareness in each unit as well as to know the areas that will be the focus of attention and guidance for increasing compliance aspirations in the Company as a whole and per each unit specifically.
5. 5. Implementation of the Anti-Money Laundering and Prevention of Terrorism Funding Program (APU and PPT) by referring to the applicable laws and regulations. In the framework of implementing the APU and PPT program, the Bank carries out several activities that are described separately in the APU and PPT chapters.
6. Increasing the effectiveness of Branch Office compliance. The Bank is committed to optimizing Compliance and Governance Division in the implementation of Compliance Functions in Branch Offices in order to optimize the implementation of the Internal Control System for Compliance Awareness, namely through the Branch Compliance Supervisory Officer (BCSO) which is a Compliance and Governance Division organ placed in each Branch Office. The main duties and functions of the BCSO are to evaluate the level of compliance and operational suitability of the Branch Offices and subordinate offices (Conventional and Sharia), both transactional and non-transactional operations of applicable regulations. In its implementation, BCSO monitors and evaluates sampling of the implementation of Head Office policies at the Branch Office. The results of the evaluation are submitted to the Compliance and Governance Division and copied to the Branch Manager and the Internal Audit Work Unit in the Regional Office accompanied by recommendations for corrective measures in order to effectively implement the policy. The results of the evaluation and monitoring carried out by BCSO are as follows:

- a. Evaluating the operational compliance level of the Branch Office by using the Compliance Control Application (CCA) system.
- b. Monitoring the effectiveness of the implementation of Bank policies in Branch Offices made by the Head Office.

In addition to the draft internal regulations of the Company, the Compliance Unit also conducts a review of existing internal regulations in order to ensure consistency of policy adequacy. The focus of the review of existing internal regulations in 2019 is credit regulations including the Policy on the Legal Lending Limit (LLL); Policy on Asset Quality Rating; improvement of the Risk Monitoring Committee Charter, Remuneration and Nomination Committee Charter and Audit Committee Charter.

To support the implementation of the Compliance Function, the Compliance Unit launched a management information system namely the Compliance Regulatory Management System (CRMS) which has features, including:

1. As a database of Bank Indonesia regulations, the Financial Services Authority and applicable laws and regulations.
2. Monitoring of commitments made by the Bank to the Financial Services Authority and / or other authorized supervisory authorities.

### Compliance Risk Management

Compliance Risk Management aims to improve the Culture of Compliance across all business activities, and at every level of the Company's organization, including to mitigate the Bank's Risk Compliance continuously with the following description:

1. One of the impacts arising from exposure to compliance risk is the imposition of sanctions in the form of fines from regulators in both Conventional and Sharia units. Throughout 2019 the composition of the types of violations on a frequency basis largely constituted sanctions for errors in reporting the Debtor Information System (SID), Commercial Bank Reports (LBU) and Foreign Exchange Flows (LLD).
2. Based on risk assessment and historical data, the Bank still has the potential for compliance risk with the highest significant risk related to debtor information reporting activities, the Bank's periodic reports to regulators and Foreign Exchange Traffic reporting



related to foreign currency transactions.

3. In connection with the potential fines referred to above, the Company has determined effective preventive and corrective measures in order to mitigate potential compliance risks, namely the imposition of significant SID, LBU and LLD fines from Bank Indonesia in the following period, including:
  - a. Debtor information reporting in 2019 through the SLIK-OJK system has been centralized at the head office so that verification and control of data before sending to regulators can be standardized and constantly monitored.
  - b. A monitoring application system has been established to identify the completeness of customer / debtor data from each branch which is the object of monitoring by the Head Office to the branches as data owners. Data that has been confirmed completeness through the application system will then be sent to the regulator.
  - c. Reviewing and changing the organizational structure and changes to Job Description of the Division that manages Debtor Information Reporting to Regulators at the Head Office by adding a special unit with tasks related to monitoring and Reporting of SLIK Debtor Information to the FSA.
  - d. Analyzing the adequacy of personnel in a special unit for Debtor Information Reporting at the Head Office as well as efforts to fulfill HR in accordance with the results of the adequacy analysis, as reports have been centralized covering all debtors at the Company's branch offices.
  - e. Optimizing internal control in the process of coaching officers that can be done in the form of reprimands, coaching and assistance to both conventional and sharia Branch Offices that still have errors in making SID/LBU/LSMK reporting.
  - f. Conducting data mapping of the completeness of credit mandatory requirements in SID / LBU reporting by business units and coordinated by supporting units.
4. The Compliance Work Unit has a Compliance Regulatory Management System (CRMS) as a monitoring tool for reporting obligations of work units related to the Regulator in order to mitigate compliance risks from

late reporting and updating the regulatory database at CRMS.

#### Other Compliance Activities

1. To improve continuous business processes, Compliance Work Unit, Risk Management Work Unit and the Internal Audit Work Unit, the Company has standardized business processes referring to international standards to make improvements and changes to business processes. The international standardization process performed by the Compliance Unit, the Risk Management Work Unit and the Company's Internal Audit Unit are following the ISO 9001 Quality Management System certification. At present, each of these Work Units has followed the ISO 9001: 2008 surveillance with the result that each Work Unit has consistently met the requirements and conditions outlined in the ISO 9001: 2008 standard. In 2018, the Compliance Unit, the Risk Management Work Unit and the Internal Audit Unit of the Company participated in the ISO Certification to renew the ISO 9001: 2008 Certification to the latest ISO 9001: 2015 Certification.
2. The Company continues to refine the quality of the application of Combined Assurance initiated through the Internal Control Unit (Risk Management Division, Compliance and Governance Division and the Internal Audit Division) and other Work Units that aim to improve Internal Control Functions across all aspects of the Bank's operations through to the Zero Tolerance to Fraud and Zero program Defects that are guided by the Implementation of the Anti-Fraud Strategies for Commercial Banks as stipulated in the provisions of Bank Indonesia Circular Number 13/28/DPNP, dated December 9, 2011. The implementation of the Zero Tolerance to Fraud and Zero-Defect program in 2018 was for prevention through awareness activities or the socialization of the plan of Zero Tolerance to Fraud and Defects in Branches and Regional Offices. The awareness activities or socialization of the Zero Tolerance to Fraud and Defect program in 2018 were implemented across several Branches with a priority order of implementation based on the consideration of potential Operational Risks and Fraud Risks (based



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## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

on historical data).

3. Implementation of the Integrated GRC (Governance Risk and Compliance) within the Company. Which is in accord with the Bank's Transformation Blueprint, i.e. achieving an Integrated GRC through the implementation of Governance Practices, Risk Management and Integrated Compliance that will be performed in 3 stages: Wave 1 Initial implementation of Integrated GRC, Wave 2 Integrated GRC improvements, and Wave 3 GRC Maturity.

As the application in 2019, steps that will be run are as follows:

1. Formulation and implementation of Governance, Risk, Compliance, corporate culture and anti-fraud initiatives.
2. Joint socialization by the Compliance Work Unit, Risk Management Work Unit, Internal Audit Work Unit and the unit that manages Human Resources to the Branch Office.
3. GRC Index assessment and reassessment of context, company culture and stakeholder needs.

In the GRC Index Assessment, an assessment method will be carried out for each work unit using the Key Performance Indicator, Key Risk Indicator and Key Compliance Indicators. Each work unit will have a GRC Index which is an indicator of the integrated implementation of governance, risk management and compliance aspects.

### Human Resources Quality Enhancement

Throughout 2019, the education and training that have been implemented to improve the management of the Company's compliance functions include:

1. Audit Command Language (ACL) Training
2. English Conversation For Executives Training

3. Governance Risk and Compliance (GRC) Strategy Workshop
4. Integrating GRC (Governance Risk and Compliance) Workshop
5. Comparison of Corporate Governance Methodology Workshop
6. Certification in Banking Risk Management through Risk Management Competency Test (UKMR)
7. Manager Development Program (MDP)
8. Senior Manager Development Program (SMDP)
9. Executive Development Program (EDP) - Strategic Leadership Experience
10. Executive Development Program (EDP) - Mastering Innovation Leadership
11. ASEAN Corporate Governance (CG) Scorecard Workshop
12. New IRRBB Framework Modeling Implementation In-House Training
13. ISO 37001 Anti Bribery Management System Training
14. ISO 9001: 2015 Quality Management System Training
15. Focus Group Discussion Center for Financial Transaction Reporting and Analysis (PPATK)
16. Certification in Banking Risk Management through Risk Management Competency Test (UKMR).

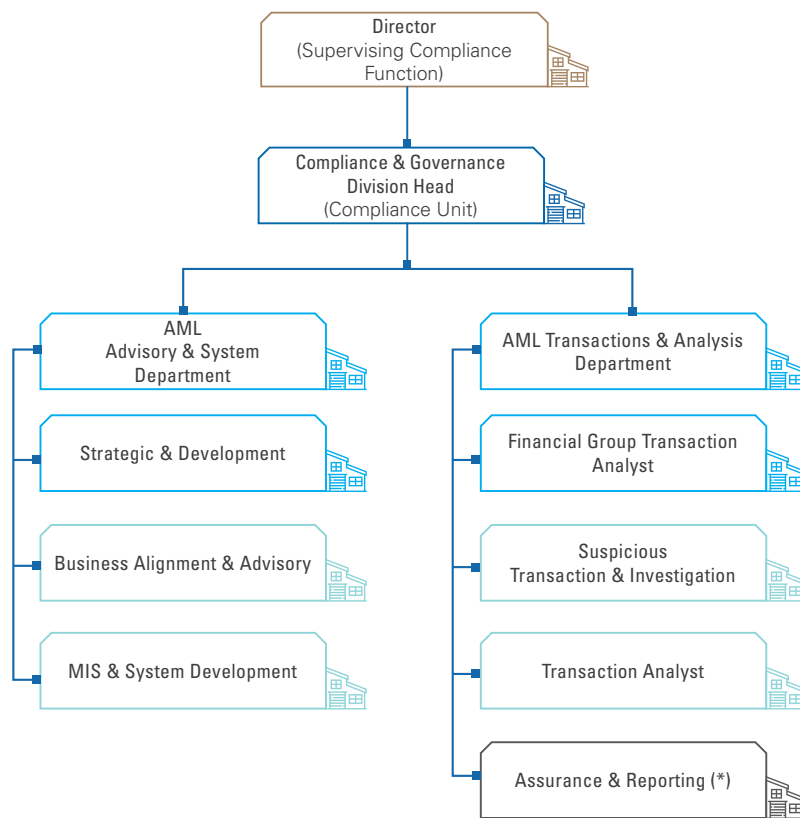
### Anti-Money Laundering (AML) and Combating the Financing of Terrorism (PPT)

The Company continues to carry out the implementation of APU and PPT program in customer introduction activities regarding the regulations and legislation in force. In anticipation of money laundering and terrorist financing, the Company is implementing APU and PPT program in customer introduction activities regarding the laws and regulations in force.



### Organization Structure of APU and PPT Programs Implementation

The implementation of APU PPT program is conducted by the Special Work Unit (UKK) of the APU PPT which is structurally under the Compliance Work Unit (SKK) of Bank BTN Head Office and reports directly to the Director in charge of the compliance function which can be described as follows:



To achieve the implementation of APU PPT program, it is carried out effectively and meets the regulatory requirements, in addition to the UKK APU PPT at the Head Office, the implementation of the APU PPT program at Regional Offices and Branch Offices is the responsibility of each Regional Office Head and Branch Manager.

#### APU and PPT Implementation Program

Referring to FSA Regulation No. 12 / POJK.01 / 2017 concerning the Implementation of the Anti Money Laundering and Prevention of Terrorism Funding Program in the

Financial Services Sector which was last amended through FSA Regulation No. 23 / POJK.01 / 2019, Bank BTN has implemented the APU PPT Program, based on the 5 (five) Pillars of the APU PPT Program Implementation, namely:

1. Active supervision by the Board of Commissioners and Directors;
2. Policies and Procedures;
3. Internal Control;
4. Management Information System; and
5. Human Capital and Training.





## STRUCTURE, POLICY AND CORPORATE GOVERNANCE MECHANISM

### **Anti-Money Laundering (APU) and Prevention of Terrorism Financing (PPT) Programs that have been and are still being implemented by Bank BTN include the following:**

1. Active supervision by the Board of Commissioners and Directors  
The form of active supervision of the Board of Directors and the Board of Commissioners in creating the effectiveness of APU PPT Program implementation include the following:
  - a. Board of Directors Approval for the establishment of the Compliance Division as a Special Work Unit (UKK) responsible for the implementation of the AML and CFT Program;
  - b. Board of Directors and Board of Commissioners Approval on APU and PPT Policies;
  - c. Periodic reports related to the obligation to report and implement the APU and PPT Program to the Directors
  - d. Approval of the Board of Directors on the report of plans and realization of customer data updates;
2. Policies and Procedures
  - a. Compliance & Governance Division as UKK at Bank BTN has compiled APU and PPT Policies and Procedures that are periodically reviewed / updated / refined in accordance with applicable regulatory provisions.
  - b. In order to carry out supervision, the Board of Commissioners has an active role in providing oversight, among others, giving approval to the policies and procedures for implementing the APU and PPT programs proposed by the Directors.
  - c. As a guideline in analyzing Suspicious Financial Transactions, an evaluation and development of High Risk Criteria Customer Parameters has been carried out using a Risk Based Approach (RBA) which has an impact on the Unusual Customer Transaction (UCT) Parameter. This is a follow-up to the mandate on risk assessment submitted by POJK No. No. 23 / POJK.01 / 2019 dated September 18, 2019 Concerning Amendments to the Financial Services Authority Regulation Number 12 / POJK.01 / 2017 Regarding the Implementation of Anti-Money Laundering and Prevention of Terrorism Financing Programs in the Financial Services Sector.
3. Internal Control
  - a. As a form of internal control in implementing the APU PPT program, the Bank's Internal Audit Unit periodically conducts a General Audit both on the UKK at the Head Office and on the implementation of the APU PPT at the Branch Office.
  - b. In order to support the implementation of internal control as one of the main principles of the APU and PPT program implementation, several activities have been carried out with the aim that the implementation of the Audit related to the Implementation of the AML and CFT Program at Head Office, Regional Offices and Branch Offices (including Outlets) may run more effectively. The activity is in the form of increasing the understanding of Internal Audit employees by holding APU and PPT Program Implementation training which is routinely carried out every year and proactively coordinating with Internal Audit to deliver critical points on the implementation of APU and PPT Program in all work units that need to be addressed.
  - c. In order to support the implementation of the APU and PPT Program, the Bank provides support to the PPATK on a visit to the Branch Office (onsite visit) to conduct further research and examination related to suspicious financial transactions conducted by the Customer.
4. Management Information System  
To identify, analyze, monitor and provide reports effectively in the Implementation of the AML and CFT programs, coordination has been carried out with the Bank's IT Management Unit in providing Management Information Systems, as follows:
  - a. Information System Management of which may identify, analyze, monitor and provide reports effectively on the characteristics of transactions carried out by the Customer has been carried out using the AML-CFT application.
  - b. Generating improvements to the AML-CFT application in order to support the implementation of reporting to PPATK through the goAML application.
  - c. Continuously adding databases, monitoring transactions and customer profiles including:
    - List of suspected terrorists and terrorist organizations (DTTOT)



- Proliferation of Mass Destruction (WMD Proliferation) Weapons
- Name of the suspect or defendant published in the mass media or by the competent authority.

#### 5. Human Capital and Training

The Bank has and continuously conducted training related to the AML and CFT programs using the following methods:

- a. Face to face with the Department Head (layer 2 officials at Head Office), Employees at the Internal Audit Work Unit, Layer 2 Officials at the Branch Office (DRM Support, Deputy Service Manager), Unit Heads in the Operational, Commercial and Consumer Funding Units as well as Priority Banking Officers in several Branch Offices.
- b. Sharing Modules for Implementing Anti-Money Laundering and Preventing Terrorism Financing Programs in the Knowledge Management System (KMS) that can be accessed by all employees, such as APU and PPT Awareness Media in the form of Comics, AML Story Videos, Infographics and Videographics.
- c. Conducting APU and PPT E-Learning Learning and Evaluation for work units, especially in work units of which are dealing directly with Customers, namely Customer Service Heads, Customer Service, Teller Service Heads, Teller Services, Priority Banking Managers, Priority Banking Officers, Head of Outlets and Consumer Loans Service.

#### Reporting

In conducting reporting obligations to the Financial Transaction Reports and Analysis Center, the Company has submitted reports including:

1. APU and PPT Data Updating Report to FSA reported in the Semester II Compliance Director Report.
2. Reporting on Cash Financial Transactions (LTKT) and Suspicious Financial Transactions (LTKM)
3. Reporting on Transaction of Funds from and to Overseas (International Fund Transfer Instruction Report (IFTI) to PATK.
4. Reporting the Integrated Service User Information System (SIPJT) to PATK. Reporting to Law Enforcement Officials and Regulators.

#### Appreciation

Regarding research, examination and fulfillment of requests until the case is finished, Bank BTN has received several awards and appreciation from the Financial Transaction Reporting and Analysis Center (PPATK) for its excellent cooperation and coordination during the inspection activities.

#### RISK MANAGEMENT FUNCTION

Risk management in the scope of the Company by developing a based organizational structure that puts the risk management function in particular. Based on the decision of the Extraordinary General Meeting on November 27, 2019, the shareholders decided to make changes and adjustments to nomenclature positions with one directorate is Enterprise Risk Management, Big Data and Analytics. Based on the decision of the AGM same occasion, Br. Wibowo Setiyo believed to have served the Director of Enterprise Risk Management, Big Data and Analytics.

#### Risk Management Unit

Enterprise Risk Management Division (ERMD) is a Risk Management Unit (SKMR) in the Company, led by a Head of Division who is directly responsible to the Director of Enterprise Risk Management, Big Data and Analytics. Enterprise Risk Management Division Organizational Structure consists of Market Risk Management Department, Credit Risk Management Department, Operational Risk Management Department, Integrated Risk Management Department and Quality Assurance.

Since December 2015, ERMD in the implementation of operational activities in labour and management have implemented ISO 9001: 2008 and get upgraded ISO 9001: 2015 in May 2018. ERMD is committed to continue working in accordance with quality standards that are applied to the continuous improvement to foster a culture risk and encourage the implementation of an effective risk management at all levels of the organization and the business activities of the Company in accordance with applicable regulations.

ISO 9001: 2015 itself is now used by millions of organizations around the world, who can help them run their operations more efficient and profitable. ISO 9001: 2015 provides a framework for more consistent business performance,



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service excellence and continuous improvement for long periods. ISO 9001: 2015 offers many benefits and capabilities in terms of business scale in recent years. This standard is a beneficial tool in the development of the company and makes the company become a resilient organization.

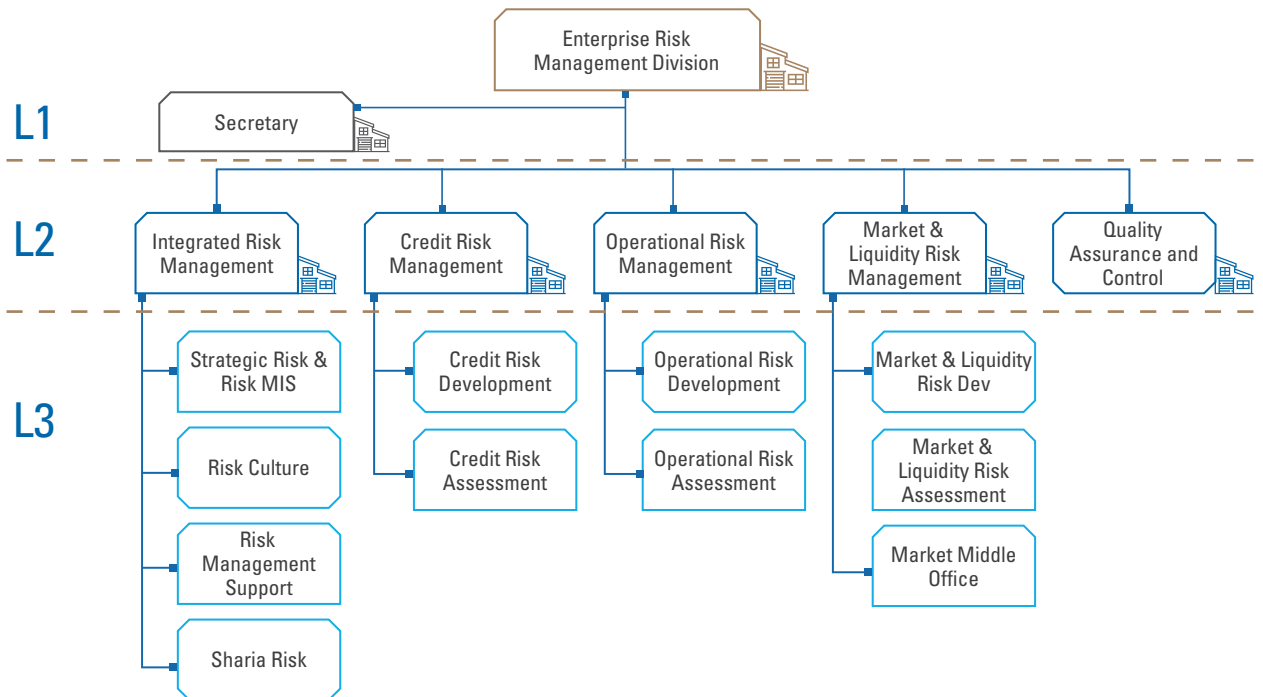
The Credit Risk Management Department functions to ensure the effectiveness of Credit Risk management. The function of the Market Risk Management Department is to ensure the effectiveness of the management of Market Risk and Liquidity Risk, the Operational Risk Management Department functions to ensure the effectiveness of the management of Operational Risk, Legal Risk, Strategic Risk,

Compliance Risk and Reputation Risk.

The Integrated Risk Management Department functions to coordinate and ensure the risk management integration process with strategic planning, performance measurement and incentives in order to increase shareholder value, increase investor confidence, support the decision making process and increase the efficiency of capital use. In general, Quality Assurance functions to ensure the management of each risk is managed in accordance with ISO 9001: 2015 Quality Management Standards, in addition this unit also has the role of backtesting to ensure the feasibility of each modeling used.

### Organizational Structure Risk Management Division

The organizational structure of the Enterprise Risk Management Division Directors refers to Decree No. 04/KD/DIR/TMO / 2018 dated 30 April 2018 on Organizational Structure Headquarters, and the Regional Office of the State Savings Bank (Persero) Tbk is as follows:





Ikhtisar Utama 2019



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Credit Risk Management Department serves to ensure the effectiveness of the management of Credit Risk, Market Risk Management department serves to ensure the efficiency of the management and Liquidity Risk, Market Risk, Operational Risk Management Department serves to ensure the effectiveness of the management of Operational Risk, Legal Risk, Compliance and Reputational Risk. Each Department Head is assisted by a working unit labour Development and Assessment Unit.

Integrated Risk Management Department serves to ensure the effectiveness Risk management Strategic and coordinating and ensuring the integration of risk management with strategic planning, performance measurement and incentives to increase shareholder value, boosting investor confidence, support the decision-making process and improve the efficiency of capital use and Quality Assurance & Control serves to ensure the quality of the overall performance of ERMD including in providing the assessment/feedback to the relevant Division.

By the end of 2019, the number of employees who are members of the Enterprise Risk Management Division as many as 24 people.

Positions	Total
Head of Enterprise Risk Management Division	1
Secretary	1
Head of Integrated Risk Management Department	1
Strategic Risk & Risk MIS	3
Risk Management Support	-
Sharia Risk	-
Head of Credit Risk Management	1
Credit Risk Development	2
Credit Risk Assessment	2
Head of Operational Risk Management	1
Operational Risk Development	2
Operational Risk Assessment	3
Kepala Market & Liquidity Risk Management	1
Market & Liquidity Risk Development	1
Market & Liquidity Risk Assessment	2
Quality Assurance & Control Coordinator	1
Quality Assurance & Control	2
<b>Total</b>	<b>24</b>

#### Head of Enterprise Risk Management Division

Head of Enterprise, Risk Management Division, once served as secretary of the Risk Management Committee under the Board of Directors, chaired by Sahat Sihombing by decree of the Board of Directors 353/DIR/2017 dated August 1, 2017, who served until May 2019, then was replaced by Erwin Dwi Kusuma by decree of the Board of Directors 479/DIR/2019 dated May 24, 2019, and served until now.



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### Erwin Dwi Kusuma

Head of Enterprise Risk Management Division  
Served since May 24, 2019

<b>Citizen</b>	Indonesia
<b>Age</b>	40 year old
<b>Domicile</b>	Jakarta
<b>Educational</b>	Bachelor (S1) in Civil Engineering Surabaya Sepuluh November Institute of Technology (2002).
<b>Work experience</b>	He started his career in Bank BTN since September 2017 as Retail Risk Division Head, then Head of Enterprise Risk Management Division Head Since May 2019 until now. Previous job as a Risk Management Division Head Bank-TASPEN in September 2015 till September 2017, and as Head of Consumer Credit Java Collection 3 - Bank in December 2009 to September 2015. He started his professional career at the Bank since 2003 through the Officer Development Program.
<b>Training in 2019 and Professional Certification Applicable</b>	<ul style="list-style-type: none"> <li>• Certified Enterprise Risk Governance (CERG) organized by ERMA Singapore (2019),</li> <li>• Sertifikasi Manajemen Risiko Level 4 oleh LSPP (2019),</li> <li>• Surveillance ISO 9001:2015 oleh Robere &amp; Associates (2019).</li> <li>• Sertifikasi Kredit Level 3 Oleh LSPP (2018)</li> </ul>

### Human Resources Development in the Field of Risk Management

In the field of human resource development, the Company has implemented human resources development program in the field of education and training for officials of risk management and involve all employees (according to job specification) included in ERMD in the context of risk management certification.

The Company periodically conduct education and training as well as the active participation of staff and officers following Bank Indonesia Regulation (PBI) No.11/19/PBI/2009 dated June 4, 2009, on Certification for Management and Officers of Commercial Banks as amended by Regulation No. 12/7/PBI/2010 dated April 19 2010. The basis for setting the minimum level of certification UKMR for a job title is what level of job title from the Board of Directors under the

organizational structure that applies so that a minimum level of accreditation for job title still refer to Study the job title of employees would be eligible for accreditation UKMR by ERMD.

The Company also conducts in-house training and pre-test as an initial filter for officials and employees will take a certification examination held LSPP risk management (Banking Profession Certification Institute).

### HR Certification Program Enterprise Risk Management Division

The Company achieved Enterprise Risk Management Division HR competencies through training or certification in the field of risk management to improving the quality of risk management. The following training or certification program throughout 2019 HR Enterprise Risk Management Division.

**CERTIFICATION PROGRAM 2019**

Certification Program	Organizer	Number of Attendance
UKMR Level 1	LSPP	2
UKMR Level 2	LSPP	6
Certified Enterprise Risk Governance (CERG)	ERMA	1
Train the Trainer Tahun 2019	Sarel Sentra Inspira	4

**RISK MANAGEMENT EDUCATION AND TRAINING 2019**

Name of Employee Education and Development	Organizer	Date
Sustainable Finance Training Awareness	LPPI	April 16, 2019
Executive Development Program Fase-2	Daya Dimensi Indonesia	July 3-5, 2019
Executive Development Program Fase-3	Daya Dimensi Indonesia	September 10-13, 2019
"Why Should Anyone Be Led by You?"	Kinerja Unggul Nusantara	August 20-21, 2019
"Cyber Crime : Threats and Counter Measure"	LPPI	August 26, 2019
Managerial Development Program (MDP)	Markplus Indonesia	November 11-16, 2019
Training IAS 73 - Leases	Deloitte Indonesia	August 23, 2019
Energy Monitoring Application Outsourcing	BTN	January 25, 2019
Discussion on Regulatory Policy and Sanctions	BTN	August 8-9, 2019
Liquidity Application Training	BTN	August 22-23, 2019
Training Application PPDigital	BTN	September 3, 2019
Credit Training Cycle	BTN	October 22-23, 2019
Workshop "Fraud Risk Management"	ACFE	January 30-31, 2019
Workshop IRRBB	United Tren-Ning	March 1, 2019
Workshop "Integrating GRC"	Asia Anti Fraud	March 28-29, 2019
PSAK 71 Impairment Deep Dive in Risk Management	BARa Risk Forum	March 28-29, 2019
PSAK 71 Impairment Deep Dive in Risk Management	BARa Risk Forum	June 27-28, 2019
IFRS 9 (PSAK 71) Credit Risk Modelling	ISEI	July 30-31, 2019
Workshop Effective Fraud Mitigation	Asia Anti Fraud	September 2-3, 2019
ALM Strategic & Fund Transfer Pricing In Bank	Lentera Pro	September 17-19, 2019
Risk Assesment, Based Approach & Simulation	RMG	September 19-20, 2019
Public Awareness of APU & PPT	BTN	August 12, 2019
Workshop Strategic Workforce Planning	BTN	August 25-26, 2019
Preparation of Technical Competence Job Family	BTN	June 26, 2019
Sustainable Financial Plan Preparation	BTN	November 4-5, 2019



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### RISK MANAGEMENT EDUCATION AND TRAINING 2019

Name of Employee Education and Development	Organizer	Date
Workshop Business Acquiring BTN	BTN	December 11-13, 2019
Learning & Development Concept 2020	BTN	December 18, 2019

Below is the composition of employees who have risk management professional certification.

Type of Risk Management Professional Certification	Number of Employees Having the Certificate	Percentage to Total Overall Employee
Risk Management Competency Test (UKMR) Level 1	-	-
Risk Management Competency Test (UKMR) Level 2	18	75%
Risk Management Competency Test (UKMR) Level 3	4	16,67%
Risk Management Competency Test (UKMR) Level 4	1	4,16%
Certified Enterprise Risk Governance (CERG)	1	4,16%

#### Task Application of Enterprise Risk Management Division 2019

Throughout 2019, Enterprise Risk Management Division implemented various initiatives and programs and activities, namely:

1. Manage the asset-liability structure to minimize the appearance of the negative gap between Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL), which requires banks remain wary of the effect of interest rate risk in the banking book;
2. Monitor the finance concentration through a report of monitoring liquidity risks and core customers report (top 50);
3. Conduct a review of the scoring / internal rating of consumer and commercial credit for improving the scoring/rating, the implementation of the Four Eyes Principle improvement in the credit process and transformation process business (BPI);
4. Conduct risk assessment of operational risk, legal, compliance and reputation as well as recommending risk management (risk treatment) for operational risk, legal, compliance and reputation
5. Implement (manage) functional risk management tools such as BTN-LED (Loss Event Database) and RCSA (Risk and Control Self Assessment)
6. Recommend to the unit and / or business-related Risk Management Committee and the Risk Appetite and Risk Tolerance limits, operational risk, legal, compliance and reputation.
7. Develop a risk assessment on planned products and / or new activities of the Bank.
8. To review the policy Business Continuity Management (BCM) and its implementation, such as:
  - a. Mapping the potential for disaster
  - b. Simulation
9. Evaluate comprehensively to strengthen the pillars of the risk in the fund account opening process (checking, savings and time deposits) were found in branches and outlets to conduct a pilot project in some outlets;
10. Strengthen the monitoring of operational activities contained in the outlet by strengthening the supervisory role of the head of the outlet;
11. Strengthen the pillars of operational risk by evaluating job descriptions and Technology Management Information Systems (MTSI) contained in branches and outlets;
12. Perform continuous improvements in information technology (TI) including the management of customer collectibility status in the application system;
13. Support the implementation of effective risk management, including support process monitoring and control of business processes, and banks do several things:
  - a. Integration and application of Operational Risk Tools as operational risk monitoring tools in all work units;
  - b. Enhance the role of Enterprise Risk Management in the program Zero Tolerance To Fraud & Zero Defect.



14. Monitoring Recovery Plan
15. Monitoring Recovery Plan is conducted every month and delivered at the forum Performance Review and the monthly ALCO meetings. Besides, the Bank will be updating on a document at the latest Recovery Plan in November 2019 and submitted to the FSA and the Ministry of SOEs as PSP whenever there are changes to the trigger level and recovery options.
16. Implementation Implementation of Basel III on Bank
  - a. Strengthening the framework of the Global Capital
    - Improve the quality, consistency and transparency of capital Banks have consistently reported capital adequacy to regulators and the public through reports and list CAR ratio at Bank Condensed Statements.
    - Reduce procyclicality and improving conservation buffer and countercyclical buffers  
In calculating capital adequacy, the Bank takes into account the additional buffer (buffer) that Capital Conservation Buffer of 2.5% of risk-weighted assets from January 1 2019, the Countercyclical Capital Buffer by 0% starting January 1, 2016 (up to 2019 was 0% and will reviewed by BI) and Capital Surcharge for Systemic Banks of 1% for the bucket 1 (according to the specified bucket of FSA).
  - b. Liquidity Risk Measurement
    - Banks have to calculate and report the Liquidity Coverage Ratio (LCR) on a monthly basis to the FSA and monitored on a daily basis. LCR ratio per December 2019 amounted to 158.73% still exceeds the provisions of the LCR (POJK No. 42 / POJK.03 / 2015 dated December 23, 2015, on Obligation Fulfillment of Liquidity Adequacy Ratio (Liquidity Coverage Ratio) for commercial banks that is at least 100% since December 31, 2018, for the Bank BOOK 3.
    - The Bank calculates and reports Working Papers and Reports Net Stable Funding Ratio (NSFR) every quarter in accordance with POJK No. 50 / POJK.03 / 2017 dated July 13, 2017, on the Obligations Fulfillment Net Stable Funding Ratio (Net Stable Funding Ratio) for Commercial Banks. Results NSFR ratio per December 2019 amounted to 108.29%. Since January 2018,

carried out monthly monitoring of NSFR ratio and disclosures in the Bank's website began in March 2018.

Achievements and awards Enterprise Risk Management Division until 2019 are:

1. ISO 9001: 2008
2. Surveillance of ISO 9001: 2015
3. Winner of Category Award in the event Asean Asean GRC Risk Enterprise Risk Management Award by the Academy (ERMA) Year 2017
4. Winner of Category Asean Public Risk in the event of ASEAN Risk Enterprise Risk Management Award by the Academy (ERMA) 2018
5. Nominee Category Asean Asean Risk Risk Educator in the event the Enterprise Risk Management Award by the Academy (ERMA) 2018
6. Runner Up Award category in the event Asean Asean GRC Risk Enterprise Risk Management Award by the Academy (ERMA) 2018
7. Nominee Category Public Initiative in the event the Asean Risk Enterprise Risk Management Award by the Academy (ERMA) 2018
8. Winner of Category Asean Public Risk in the event of Asean Risk Enterprise Risk Management Award by the Academy (ERMA) 2019
9. Nominee Category Asean Asean Risk Risk Educator in the event the Enterprise Risk Management Award by the Academy (ERMA) 2019

#### INTERNAL AUDIT FUNCTION

The Internal Audit Function is a strategic business partner for management in optimizing the Company's GCG implementation and providing assurance and advice independently and objectively regarding the Company's Internal Controls. The Internal Audit Function is implemented by the Internal Audit Division (IAD), one of which is by objectively evaluating Risk-Based Audits and consulting services, especially those that involve improving and refining Risk Management, Internal Control and Governance Processes. This function is performed through a proactive, enthusiastic and dynamic approach, communicating effectively, business and stakeholder oriented, understanding the root of the problem and areas that possess a high risk, emphasizing the findings of quality, and recommending practical and workable solutions.





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### Position of Internal Audit Function Within The Organization Structure

The position of the Internal Audit Division (IAD) as the executor of the Internal Audit Function is under the supervision of the President Director as stipulated based on the Board of Directors' Decree No. 03/KD/ DIR/SIPD/2017 dated April 20, 2017 concerning the Organization Structure of PT Bank Tabungan Negara (Persero) Tbk, which was updated in the Board of Directors Decree No. 02/DIR/KD/HCOD/2018 dated March 29, 2018 concerning changes to the provisions of the Board of Directors Number 04/KD/ SIPD/2017 concerning the Organization Structure of PT Bank Tabungan Negara (Persero) Tbk.

The position of internal audit function is also explained in the Internal Audit Charter stipulated in the Joint Decree (SKB) of the Board of Commissioners No. 01 / DEKOM-BTN / 2019 and Directors No. 01 / DIR-BTN / 2019 dated May 29, 2019 concerning the Internal Audit Charter of PT Bank Tabungan Negara (Persero) Tbk, in Chapter II Article 3 Structure and Position of IAD Article 3, namely:

1. Article 3 Paragraph (1) states that the Internal Audit Unit (SKAI) in a Bank organization whose position is directly under the President Director.
2. Article 3 Paragraph (2) states that the IAD as referred to in paragraph (1) is led by a Division Head who reports directly to the President Director.
3. Article 3 Paragraph (3) states that the Head of IAD as

referred to in paragraph (2) is appointed and dismissed by the President Director with the approval of the Board of Commissioners by considering the Audit Committee's recommendations and reported to the Financial Services Authority.

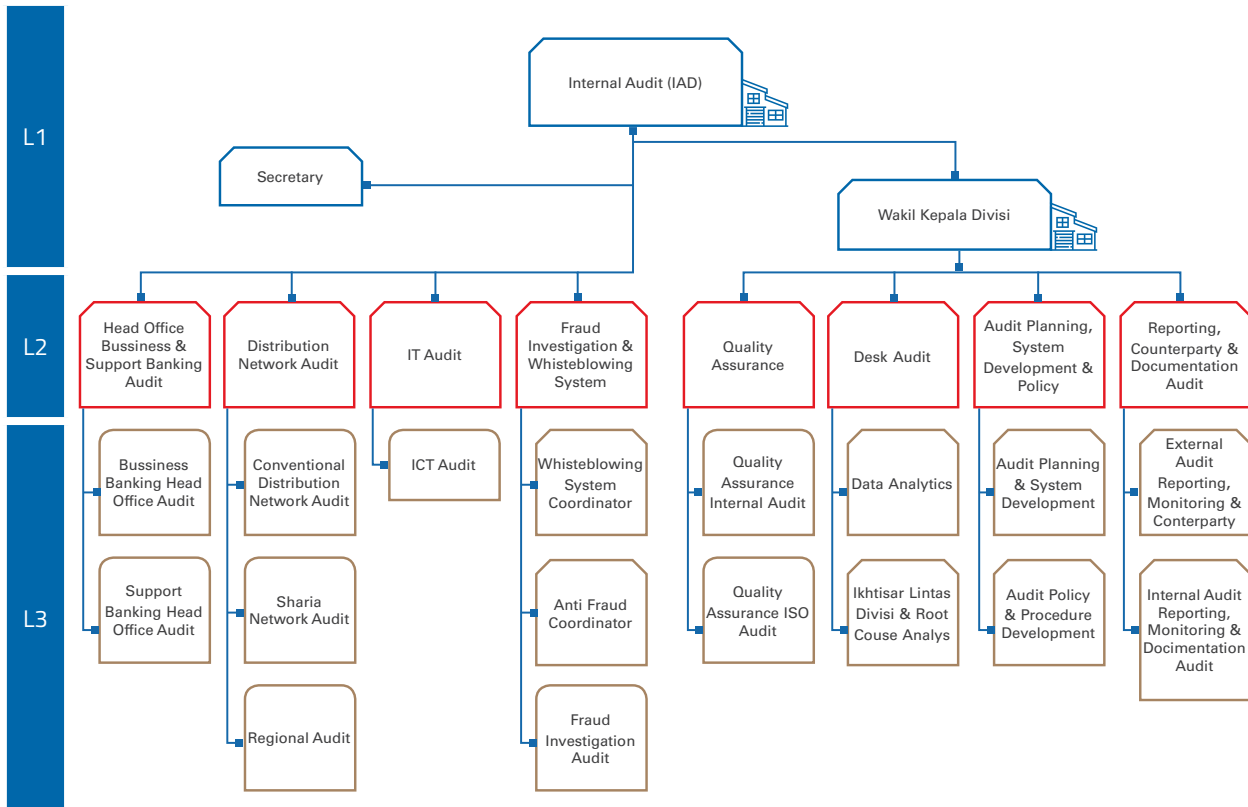
### Internal Audit Head Appointment And Dismissal

The parties involved in the appointment or dismissal of the Company's Internal Audit Head are the President Director, the Board of Commissioners and the Financial Services Authority as regulators. Broadly speaking, the involvement of several parties referred to in the appointment or dismissal is as follows:

1. President Director conducts a Fit and Proper Test for candidates of the Internal Audit Unit Head.
2. President Director submits an application for approval of appointment/dismissal of the Internal Audit Unit Head to the Board of Commissioners.
3. Board of Commissioners then either approves or disapprove the appointment/dismissal of the Internal Audit Unit Head.
4. Board of Commissioners and Board of Directors submit reports regarding the appointment/dismissal of the Internal Audit Unit Head to the Financial Services Authority as regulators.



### Struktur Organisasi Audit Internal



#### Internal Audit Head Profile

The current Internal Audit Unit Head is Hertanta, who has served effectively since March 08, 2019 based on the Board of Directors Decree No. 227/DIR/2019 March 01, 2019 concerning the Internal Audit Unit Head of PT Bank Tabungan Negara (Persero) Tbk and has obtained the

Board of Commissioners approval based on letter No. 11/KOM /BTN/II/2019 dated February 26, 2019 concerning the Approval of Internal Audit Division (IAD)/Internal Audit Unit Head (SKAI) Appointment Proposal.



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### Hertanta

Internal Audit Head

been serving since March 08, 2019

<b>Citizen</b>	Indonesia
<b>Age</b>	55 years old
<b>Domiciled</b>	Jakarta
<b>Education</b>	Bachelor of Agriculture / Agricultural Business from Bogor Agricultural University (1998), and Master of Management from Padjadjaran University, Bandung (2005).
<b>History of Employment</b>	Started his career at Bank BTN since 1991, served as Enterprise Risk Management Division Head (2015-2017), Commercial Risk Division Head (2017-2018), Human Capital Strategy Division Head (2018-2019).

### Training in 2019 and Applicable Professional Certification

- GRC Risk Management Certification organized by the Banker Association for Risk Management (BARa) in Bandung Year 2015
- The School of Staff and Bank Officers 65th alumni organized by the Indonesia Banking Development Institute (LPPI) in Jakarta Year 2016
- Basic Certification in Pension Funds organized by the Pension Fund Professional Certification Institution in Jakarta Year 2018
- The National Internal Audit Seminar organized by the Internal Audit Education Foundation in Palembang and Bali Year 2019
- The ECIAA 2019 Conference in Luxembourg Year 2019, UKMR level 5 Certification organized by the Banking Professional Certification Institute in Jakarta Year 2019.

### Internal Audit Personnel Profile

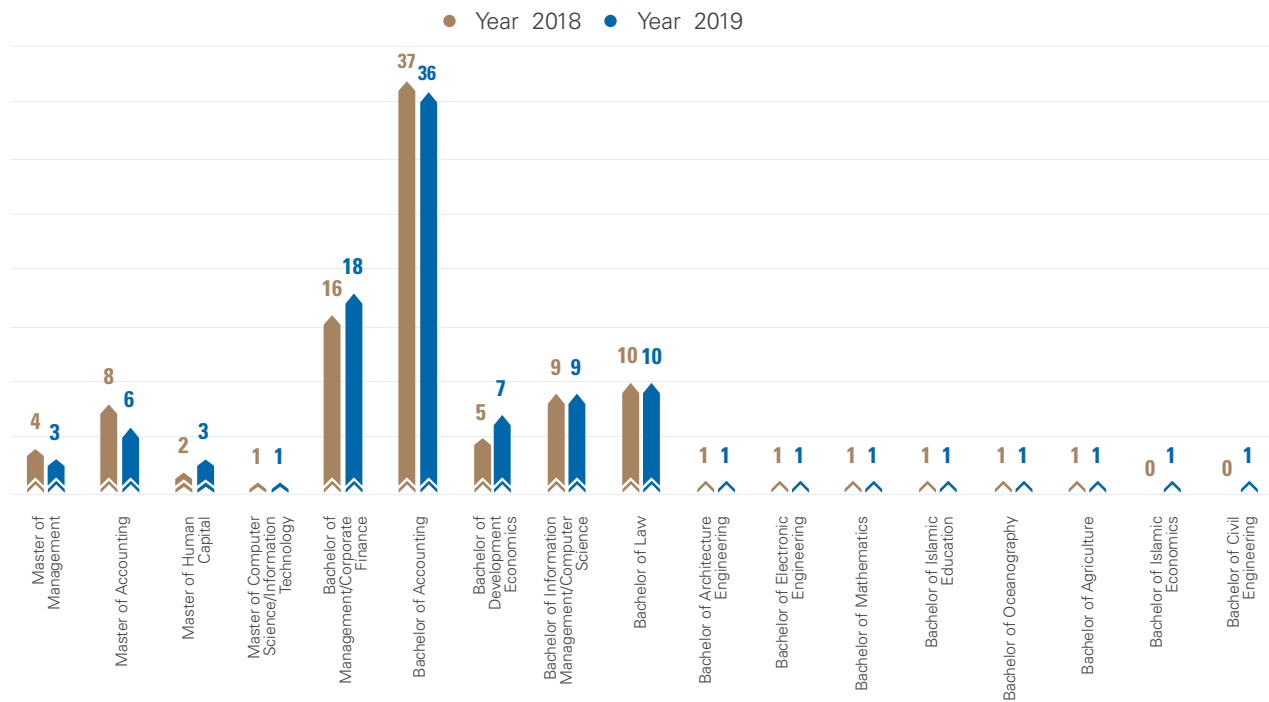
The Company is paying close attention regarding the adequacy of Internal Audit Division's personnel composition in supporting the implementation of their duties in terms of the number of job qualifications and competencies. Internal Audit Division personnel consist of 101 employees led by 1 (one) Division Head and assisted by 1 (one) Secretary, 1 (one) Audit Coordination Head, 6 (six) Quality Assurance, 6 (six) employees at Audit System Development Department,

7 (seven) employees in the Reporting Counterparty Documentation Audit Department, 48 employees in Conventional General Auditors, 8 (eight) employees in Sharia General Auditors, 13 (thirteen) employees in Special & Investigation Auditors, 6 (six) employees in Information Communication Technology Auditor, 4 (four) employees in Anti Fraud & Whistleblowing System Strategy.



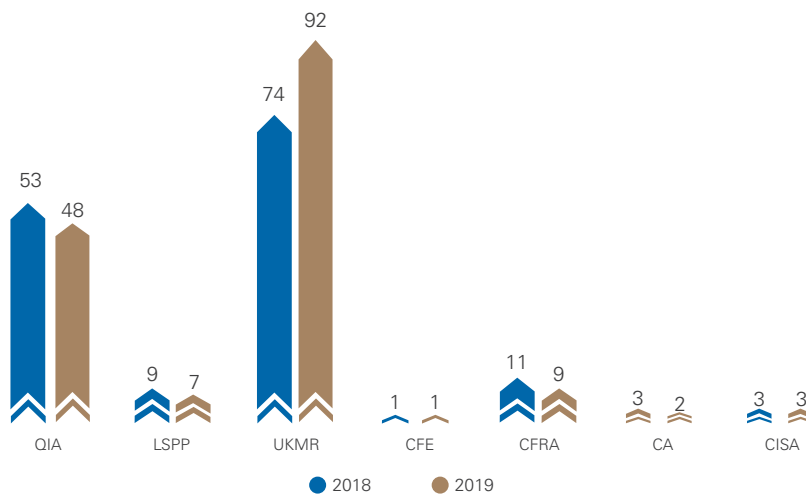
The Composition of Internal Audit Division Personnel is based on their formal education, which is presented in the following diagram:

COMPOSITION OF INTERNAL AUDIT DIVISION PERSONNEL BASED ON EDUCATION



Meanwhile, the total number of Internal Audit Division personnel certifications is presented in this following diagram:

INTERNAL AUDIT PERSONNEL CERTIFICATION



Remarks: QIA (Qualified Internal Auditor), LSPB/Banking Professional Certification Institution (certifying auditor competencies for auditor level to assessor), UKMR (Risk Management Competency Test), CFE (Certified Fraud Examiner), CFRA (Certified Forensic Auditor), CA (Certified Accountant) and CISA (Certified Information Systems Auditor).



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In addition, the Company has also formed an Audit Team assigned to each Business and Operational Unit. Preparation and determination of total personnel for each Audit Team is performed by considering the results of the Risk Assessment of 14 business processes and ICT management activities, Auditor qualifications (position and

focus of competence), as well as Branch/Division/Desk. Determination and adequacy of total personnel who will also have an impact on the Audit day and preparation of IAD Audit costs. The Audit Team composition assigned to each business unit is as follows:

**AUDIT TEAM**

Business Unit	Team Head			Team Member		
	AS	SAA	AA	SA	AG-14	AG-13
<b>General Audit</b>						
Head Office - Division	1			1	2	
Regional Office	1			1	2	
Branch Office						
First Class	1			1	2	
Class I		1		1	2	
Class II		1		1	1	1
Class III			1	1	1	1
Sharia Unit			1	1	1	1
<b>ICT Audit</b>						
Desk Kantor dan DT I		1	1	1	1	
Desk Office and DT I		1	1	1	1	
<b>Special Audit</b>						
Fraud Investigation	1			1		
Special Review		1		1		
<b>Special Audit</b>						
ISO Surveillance on IAD Unit			1	1		
ISO Surveillance on Group Auditors			1	1		
ISO 1-5-1 Audit of Credit Distribution			1	2		

Notes: AS = Audit Superintendent (Set. Department Head - Grade 18), SAA = Senior Associate Auditor (Set. Department Head - Grade 17), AA = Associate Auditor (Set. Manager - Grade 16), SA = Senior Auditor (Set. Manager G.15), A = Auditor (Set. Assistant Manager G.14 or Assistant Manager G.13)

**Internal Audit Competence Development for 2019**

Every IAD personnel is both facilitated and encouraged to further develop their competence in supporting the implementation of the Internal Audit Function. Competency development is performed including by way of knowledge sharing between the Head of IAD, the Board of Directors

and the Auditors of Internal Policies and Procedures, Certification Programs, Education and Training, Workshops and Seminars. Throughout 2019, competency development training, which was held both internally and externally includes the following.

**INTERNAL AUDIT DIVISION PERSONNEL COMPETENCE DEVELOPMENT**

No	Education	Institution	Total Participants
<b>A. Domestic Program</b>			
<b>Certification</b>			
1	Basic Qualified Internal Auditor (I & II)	YPIA	15
2	Advanced Qualified Internal Auditor (I & II)	YPIA	19
3	Risk Management Level 1	LSPP	4
4	Risk Management Level 2	LSPP	45
5	Risk Management Level 3	LSPP	4
6	Refreshment UKMR Level 3 and 4	LCD	1
7	Training ISO 9001:2015 Auditor/Lead Auditor Course (IRCA Cert. Course No.A17977)	PT SGS Indonesia	2
8	Certified Forensic Auditor (CFrA) Certification	LPFA	1
9	Assessor Basic Education 1	MAPI	5
<b>Training and Workshop</b>			
1	Business Process Education	LCD	99
2	APU PPT and PPATK	LCD	99
3	Senior Management Development Program (SMDP) Training	LCD	2
4	Basic Islamic Banking Education (PDPS)	LCD	18
5	Internal Training For Facilitators Game-Based Learning	LCD	2
6	Training for Trainer	LCD	2
<b>Seminar and Conference</b>			
1	National Internal Audit (SNIA) Seminar in 2019	YPIA	2
2	The Institute of Internal Auditors (IIA) National Conference in 2019	IIA	3
3	National Anti Fraud Conference 2019	ACFE	3



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## INTERNAL AUDIT DIVISION PERSONNEL COMPETENCE DEVELOPMENT

No	Education	Institution	Total Participants
4	COSO-Based Internal Control 2013 and Audit Standards & Professional Code of Conducts	YPIA	1

**B. Overseas Program**

## Seminar and Conference

1	ECIIA Conference 2019 Luxembourg	IIA	1
2	ACIIA Conference 2019 Japan	IIA	1

**Participation in the Internal Audit Professional Association**

In expanding the insight and professional competence of the Internal Auditors, the Internal Audit Organization of the Bank has participated by involving its auditors in various internal audit professional organizations, including as management, members and participation in the activities of the internal audit profession association as follows:

1. Communication Forum of Internal Oversight Unit (FKSPI) – BUMN / BUMD

Involving IAD members as administrators and members and actively participate either as participants or organizing committees in events initiated by the Internal Control Unit Communication Forum.

2. Bank Indonesia Internal Auditor Association (IAIB)  
The Bank's Internal Audit also includes its Auditors as members and management in the activities of the Banking Internal Auditor Professional Association. All Bank Internal Auditors have been registered as members of the Bank Internal Auditor Association (IAIB). In developing and enhancing insights, the Leaders and Auditors of IAD always participate in benchmarking discussion meetings and best practice development workshops held by the IAIB forum. Workshop and benchmarking material in the IAIB forum includes material for the managerial level management of the Internal Audit function for the leaders of the Chief Auditor Executive (CAE) of IAD as well as for the Auditor level in the form of audit techniques, methodologies and system audits and ICT Audit held through discussion forums and workshops with the auditors of other banks which are members of the Internal Audit Benchmarking Association that are held through this IAIB initiative.
3. Indonesia Internal Audit Association (PAII) & Indonesia Accountants Association (IAI).  
Some members of the Internal Auditor have also become members of the Indonesia Internal Audit

Association (PAII) & the Indonesia Accountants Association (IAI)

4. The Institute of Internal Auditors (IIA) and Association Certified Fraud Examiner (ACFE) – Indonesia Chapter. Furthermore, internal audit members are also encouraged to become members of The Institute of Internal Auditors (IIA) and the Association Certified Fraud Examiner (ACFE) -Indonesia Chapter.

**Internal Audit Guidelines (Audit Charter)**

The Internal Audit Division has been equipped with the Work Guidelines known as the Internal Audit Charter (Charter of Audit) which was compiled since 2002 then updated and finally determined based on the Board of Commissioners No. 01 / DEKOM-BTN / 2019 and the Board of Directors Joint Decree (SKB) No. 01 / DIR-BTN / 2019 dated May 29, 2019 concerning the Internal Audit Charter of PT Bank Tabungan Negara (Persero) Tbk. The Internal Audit Charter is also the basis for the presence, implementation of duties and responsibilities of supervision for the IAD. Thus, the Internal Audit Charter is disseminated to all employees and other related parties to encourage the effectiveness of the Internal Audit Function. The contents of the Internal Audit Charter are as follows:

1. Vision and Mission
2. Structure and Position
3. Duties and Responsibilities, as well as Authority
4. Independency and Prohibition of Concurrent Internal Audit Duties & Positions
5. Code of Conducts and Internal Auditor Professional Standards Requirements
6. Use of External Party Services in Conducting Internal Audit
7. Relationship of Internal Audit Unit with External Auditors Legal Expert
8. Others



### Internal Auditor Duties and Responsibilities

The Internal Audit Division assists the President Director and the Board of Commissioners and all levels of management in ensuring the adequacy of the Company's Internal Control System and also by providing strategic and constructive suggestions regarding the Company's management within the framework of implementing Good and Sound Corporate Governance with the following duties:

1. Assisting the President Director and the Board of Commissioners' with their supervisory duties by outlining operational aspects of planning, implementation and monitoring of audit findings.
2. Building analyzes and assessment on the fields of Finance, Accounting, Operations and other activities through On-Site Audits and Off-Site Monitoring, including conducting management Audits of all the Company's Work Units.
3. Identifying all potential likelihoods in order to improve the efficiency of the use of resources and fund.
4. Providing suggestions for improving and sharing objective information regarding the Audited activities across all levels of management.
5. Preparing and implementing an Annual Internal Audit plan.

### Scope of Internal Audit Implementation

In the Board of Directors' Regulation No. 09/PD/DAI/ 2008 dated April 30, 2008 concerning PT Bank Tabungan Negara (Persero) Tbk's Internal Audit Policy in Chapter III Audit Scope and Methodology Point 3.1 The Scope of Audit Work stipulates that basically its scope must be able to provide certainty that:

1. The risk management system functions effectively
2. The internal control system functions efficiently and effectively
3. The governance process functions effectively through setting values and goals / targets, monitoring activities and performance, and defining accountability measures.

These activities are conducted through the audit process as follows:

1. General Audit which focuses on Financial Aspects, Conformity Aspects and Operational Aspects.
2. Information System Technology Audit which includes risk evaluation and control in the Technology and Information Systems (TIS) environment.
3. Special Audits focused on deviations/violations of conformity, indications of fraud.

### Brief Report on Internal Audit Activities in 2019

In 2019, the Internal Audit Division (IAD) has prepared an audit plan or work program and conducted audit activities in accordance with the plans that have been prepared. The Work Program plan includes the nature and scope of the audit, the risk assessment of the business process, the composition and number of audit team personnel, the standard effective audit working days, the length of time on the standard audit days, the need for the number of personnel and qualifications for IAD personnel, the conditions for personnel qualifications IAD, risk assessment and IAD personnel development.

### Internal Audit Work Plan

The Internal Audit Division Work Plan is described in the Annual Audit Plan book with a work period of 1 year. The Annual Audit Work Plan for the 2019 Internal Audit Division (IAD) has been submitted to the President Director based on IAD memo No.35/M/IAD/ASD/II/2019 dated February 21, 2019 regarding Submission of the Annual Audit Plan (Annual Audit Plan) of the Year 2019 and was approved and signed by the President Director in March 2019.

In addition, according to POJK Regulation No. 1/POJK.03/ 2019 concerning the Implementation of the Internal Audit Function in Commercial Banks, the Annual Audit Plan has also obtained the approval of the Board of Commissioners based on the Board of Commissioners' letter No. 035 /KOM /BTN /IV/2019 dated April 09, 2019, general audit planning (conventional and sharia), ICT audits, special audits & investigations as well as scheduled ISO 9001: 2015 audits as follows.





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## INTERNAL AUDIT WORK PROGRAM

Audit Objects	Total		Perubahan		Description
	2018	2019	+/-	%	
A. General Audit	135	141	6	4,44%	
A.1. Conventional Audit	111	115	4	3,60%	
A.2. Sharia Audit	24	26	2	8,33%	
B. ICT Audit	17	17	0	0,00%	ICT Audit objects for 2019 will focus on: 1. LHPK SKNBI, BI-RTGS, BI-ETP, BI-SSSS, KPDHN in Conventional and Sharia. 2. Business Continuity Management 3. BDS Application 4. Loan Restructuring 5. Loan Origination, Monitoring & Collection 6. ITM Switching 7. ITOD General Audit 8. ITPD General Audit 9. omegranate Application (IBD) 10. Cardless Withdrawal Link (DCCD).
C. Special Audit and Investigation	0	0	0	0,00%	There were no scheduled plans for Special Audits/Investigations for 2019, these will follow assignments from the stakeholders and the Whistle-Blowing Systems.
D. Internal Quality Audit (AMI) ISO 9001: 2015 Certification	20	22	2	10,00%	
E. Regional Office Auditor Audits	413	-	-413	-100,00%	
<b>Total Objects Audited</b>	<b>585</b>	<b>180</b>	<b>-405</b>	<b>-69,23%</b>	<b>Audit Objects</b>

## Internal Audit Work Program Implementation

The Internal Audit Division has performed Audits with Audit Objects including the General Audit (Conventional and Sharia), ICT Audit, Thematic Audit, ISO Audit and Special Audits throughout 2019 with the details of Audit Objects as follows:

## INTERNAL AUDIT WORK PROGRAM ACCOMPLISHMENT

No	Description	Target 2019	Accomplishment 2019	Realisasi
A	General Audit	141	141	100,00%
	1. Conventional	115	115	100,00%
	2. Sharia	26	26	100,00%
B	ICT Audit (Information & Communication Technology Audit)	17	20	117,65%
C	Special Audits & Investigations	-	32	100,00%
D	Internal Quality Audit (AMI) ISO 9001: 2008 Certification	22	25	113,64%

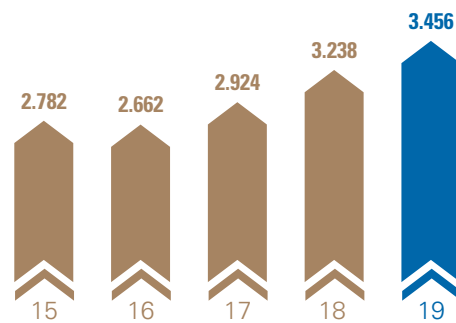


## INTERNAL AUDIT WORK PROGRAM ACCOMPLISHMENT

No	Description	Target 2019	Accomplishment 2019	Realisasi
E	Regional Office Auditor Audit	-	-	-
F	Surprise Audit	-	4	100,00%
<b>Total</b>		<b>180</b>	<b>222</b>	<b>123,33%</b>

Audit activities throughout 2019 resulted in 3,456 audit findings. This figure has increased, as presented in the audit findings chart for the last 5 (five) years.

## INTERNAL AUDIT FINDINGS



## Follow-Up on Audit Findings

Follow-up regarding Audit Findings performed by Auditees. The results of the follow-up are reported to the IAD Head and then evaluated to determine whether the follow-up is in accordance with the planned. For completed follow-up, it will be declared "completed followed up" and informed to the Auditee and the Board of Directors. The follow-up Audits that have not been completed and remain under "pending

item" status are requested to be finalized by the Auditee with the accounts required and to be reported by the IAD Head to the Board of Directors.

Throughout 2019, audit findings have been followed up both from the 2018 and 2019 with the resume of audit follow-up presented in the following table:

## FOLLOW UP OF AUDIT FINDINGS IN ACCORDANCE WITH THE TIME ACCOMPLISHMENT

No	Type of Audit	Number of Findings	in 2018					
			The Status of Maturity				Status Completion of Maturity Findings	
			Outstanding		Maturing			
			Total	%	Total	%	Total	%
1	General Audit - HO	314	-	-	314	100%	314	100%
2	General Audit-Branch	1.959	-	-	1.959	100%	1.959	100%
3	General Audit – Sharia Branch	570	-	-	570	100%	570	100%



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## FOLLOW UP OF AUDIT FINDINGS IN ACCORDANCE WITH THE TIME ACCOMPLISHMENT

No	Type of Audit	in 2018						
		Number of Findings	The Status of Maturity				Status Completion of Maturity Findings	
			Outstanding		Maturing		Total	%
			Total	%	Total	%		
4	ICT Audit (Information & Communication Technology Audit)	395	-	-	395	100%	395	100%
5	Internal Quality Audit (AMI)	-	-	-	-	-	-	-
6	Special Audit	-	-	-	-	-	-	-

No	Type of Audit	in 2019						
		Number of Findings	The Status of Maturity				Status Completion of Maturity Findings	
			Outstanding		Maturing		Total	%
			Total	%	Total	%		
1	General Audit - HO	319	53	16,61%	266	83%	266	100%
2	General Audit-Branch	2.097	111	5,29%	1.986	95%	1.986	100%
3	General Audit – Sharia Branch	565	43	7,61%	522	92%	522	100%
4	ICT Audit (Information & Communication Technology Audit)	475	11	2,32%	464	97,68%	461	100%
5	Internal Quality Audit (AMI)	-	-	-	-	-	-	-
6	Special Audit	-	-	-	-	-	-	-

**INTERNAL FRAUD**

Throughout 2019, there were 38 cases of internal irregularities with the following explanation.

**INTERNAL FRAUD THROUGHOUT 2019**

Internal Fraud	Number of cases committed by					
	Management		Permanent employee		Non-permanent employee	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Number of Cases of Internal Fraud	-	-	24	38	-	1
Completed	-	-	24	22	-	1
In the Internal Settlement Process	-	-	-	16	-	-
Solution has not been sought	-	-	-	-	-	-
It has been followed up through a Legal Process	-	-	4	5	-	-

**INTERNAL AUDIT ASSURANCE REVIEW**

The Company's Internal Audit is periodically reviewed to assess Compliance with the ISO 9001: 2015 quality standards every year, and in December 2017 the Internal Audit Division of PT Bank Tabungan Negara (Persero) Tbk, succeeded in upgrading the ISO 9001: 2008 quality standards to ISO 9001: 2015.

**IMPLEMENTATION OF AUDIT SURVEILLANCE FOR CERTIFICATION OF ISO 9001: 2008 AND ISO 9001: 2015**

No	External Audit	Year	Remarks
1	PT SGS	2014	Implementation of Surveillance Audit for ISO 9001: 2008 Certification by PT SGS External Audit
2	PT SGS	2015	Implementation of Surveillance Audit for ISO 9001: 2008 Certification by PT SGS External Audit
3	PT SGS	2016	Implementation of Surveillance Audit for ISO 9001: 2008 Certification by PT SGS External Audit
4	PT SGS	2017	Implementation of Surveillance Audits for ISO 9001: 2015 Certification by PT SGS External Audit
5	PT SGS	2018	Implementation of Surveillance Audits for ISO 9001: 2015 Certification by PT SGS External Audit
6	PT SGS	2019	Implementation of Surveillance Audits for ISO 9001: 2015 Certification by PT SGS External Audit

The review (assessment) to assess compliance with the internal audit charter regulations, standards and codes of conducts and the efficiency and effectiveness of the internal audit function in meeting the needs of various stakeholders based on best practice has been conducted by the independent assessor consultants at least every 3 (three) years with the following description:



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### INDEPENDENT ASSESSOR REGARDING ASSESSMENT ON AUDIT IMPLEMENTATION

No	Audit Eksternal	Year	Remarks
1	PT PricewaterhouseCoopers (PWC)	2015	Conducted a review on policy gap analysis, procedures and methodologies and conducted Audits of the SPFAIB best practices every 3 years by the External Auditors
2	PT Deloitte Touche Tohmatsu (DELOITTE)	2018	Conducted a review on policy gap analysis, procedures and methodologies and conducted Audits of the SPFAIB best practices every 3 years by the External Auditors

### EFFECTIVENESS OF INTERNAL AUDIT ACTIVITIES

Throughout 2019, the Company considered that the implementation of IAD activities were very effective as is evidenced by the added value generated and the improved quality of the Company's management as evidenced through the Company's numerous achievements, performance and various awards obtained by the Company throughout 2019. The Company dutifully implements Audit activities as stipulated in the Company's Internal Audit policy based on the Risk-Based Audit that has been implemented since 2004 and later passed in the Board of Directors Regulation No.09/PD/DAI/2008 dated April 30, 2008 concerning the

For the purpose of complying with the Financial Services Authority Regulation No. 32 / POJK.03 / 2016 concerning Amendments to POJK No. 6/POJK.03/2015 concerning Transparency and Publication of Bank Reports, the Company appoints an External Auditor and conducts an audit of the FY2019 Financial Statements. External auditor is required

Company's Internal Audit Policy with changes, at PD No. 08/PD/IAD/2013 dated December 5, 2013, all forms of activities related to Auditing and the reporting of Audit findings regarding the implementation of a coordinated structure at every level of management. Audit activities and assessments of the Internal Control System will provide added value and improve the quality of the Company's management in realizing a sound and developing Bank BTN in a reasonable manner, as well as fulfilling the best interests of the Company and the public in terms of good fund management.

to provide accountable, independent and reasonable information and data especially on financial, operational and financial aspects as well as compliance with applicable regulations.

### EXTERNAL AUDIT FUNCTION

External audit is carried out by an independent party meeting the requirements to ensure that the Company's accounting records are prepared in accordance with the provisions of the Statement of Financial and Accounting Standards (SFAS) and the report prepared have fairly presented the financial position and results of operations, and business operations carried out by the Company do not violate the prevailing legislation.

### Appointment of External Auditors

Through the GMS, the Company appoints Public Accountants Firm to meet the need of the FY2019 Financial Statements Audit. The appointment of a Public Accountant and a Public Accountants Firm was carried out through a limited bidding mechanism for procurement of general audit services, with bidding participants have the following qualifications:

1. A Public Accountant Firm ranked in the top 10 based on the official association of Public Accountants Firm.
2. Has a certificate affiliated with the International Public Accountants Firm.
3. Experienced in conducting general audits at go public banks with assets of at least Rp100 trillion.
4. The Manager is experienced in auditing Commercial Banks and PKBL for a minimum of 3 (three) years.
5. Included in the Public Accounts Firm that are registered in BI, FSA, and BPK.
6. The appointment of the same Signing Partner by the Public Accountants Firm shall be for an audit period of 3 (three) consecutive accounting years, and in the next 2 consecutive years the said Public Accountant shall not be hired.
7. The audit scope must include the audit scope pursuant to SE OJK No. 36 Year 2017
8. The Public Accountant, Public Accountants Firm and



Insider providing the services must fulfill independent conditions during the audit period and professional assignment period, which are stated in a Statement and submitted by the Public Accountants Firm before the professional assignment commences.

9. Public Accountants are registered with the FSA at least within the scope of providing financial services in banking
10. Partner has experience as a Public Accountant for more than 10 years.
11. The Manager has General Audit experience and assignment of at least 3 (three) years on Commercial Banks and PKBL
12. Have at least one CISA and banking or Sharia Accounting certified expert
13. Have at least expertise in Quality Assurance, Computer

Audit Specialist, Tax Specialist.

14. Has competence and experience in sharia banking audit
15. Not being subjected to the FSA's sanctions.

The Board of Commissioners has appointed Public Accountants Firm Purwantono, Sungkoro & Surja - Ernst & Young as the auditor who will audit PT Bank Tabungan Negara (Persero) Tbk's FY2019 Financial Statements. Legality for the assignment of PT. Bank Tabungan Negara (Persero), Tbk's FY2019 Financial Statements and PKBL Reports has been stated in Letter of Appointment No. 505 /PGSD/PROC/IV/2019 dated April 30, 2019 concerning Appointment Letter.

## PUBLIC ACCOUNTANTS

### Accountants, Public Accountants Firms and Audit Fees

Information about the Accountant and the Public Accountants Firm conducting the audit and the Audit Fees in the last 5 years including the Partnership Program and Community Development Program Audit can be seen in the following table:

Year Book	Accountant	Public Accountant Firm	Scope of Audit	Audit Opinion	Audit Fee
2019	Muhammad Kurniawan License No. AP0240	Purwantono, Sungkoro & Surja License No. 603/KM.1/2015	<ol style="list-style-type: none"> <li>1. Audit of Financial Statements</li> <li>2. Audit of the Partnership and Community Development Program</li> <li>3. PSA Report 62</li> <li>4. Performance Evaluation Report</li> </ol>	In the process of audit	Rp2,650,000,000
2018	Yasir License No. AP0703	Purwantono, Sungkoro & Surja License No. 603/KM.1/2015	<ol style="list-style-type: none"> <li>1. Audit of Financial Statements</li> <li>2. Audit of the Partnership and Community Development Program</li> <li>3. PSA Report 62</li> <li>4. Performance Evaluation Report</li> </ol>	Unqualified	Rp2,367,000,000
2017	Yasir License No. AP0703	Purwantono, Sungkoro & Surja License No. 603/KM.1/2015	<ol style="list-style-type: none"> <li>1. Audit of Financial Statements</li> <li>2. Audit of the Partnership and Community Development Program</li> <li>3. PSA Report 62</li> <li>4. Performance Evaluation Report</li> </ol>	Unqualified	Rp2,290,000,000
2016	Danil Setiadi Handaja License No. AP1008	Purwantono, Sungkoro & Surja License No. 603/KM.1/2015	<ol style="list-style-type: none"> <li>1. Audit of Financial Statements</li> <li>2. Audit of the Partnership and Community Development Program</li> <li>3. PSA Report 62</li> <li>4. Performance Evaluation Report</li> </ol>	Unqualified	Rp2,175,000,000



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Year Book	Accountant	Public Accountant Firm	Scope of Audit	Audit Opinion	Audit Fee
2015	Danil Setiadi Handaja License No. AP.1008	Purwantono, Sungkoro & Surja LicenseNo. 603/KM.1/2015	<ol style="list-style-type: none"> <li>1. Audit of Financial Statements</li> <li>2. Audit of the Partnership and Community Development Program</li> <li>3. PSA Report 62</li> <li>4. Performance Evaluation Report</li> </ol>	Unqualified	Rp1,967,000,000

**Other Services Provided**

In 2019, the Company's Public Accountant and Public Accountant Firm did not provide services other than Audit

Services for the Financial Statements and PKBL of 2019 fiscal year, so there is no other information Audit Service fee.

**Other External Auditors and Services Provided**

In addition to the Public Accountant and Public Accounting Firm, there are other external auditors who conducted audits in the Company in 2019, namely Bank Indonesia, the

Financial Services Authority, Audit Board of the Republic of Indonesia (BPK) and PT. SGS regarding the implementation of surveillance audits for ISO 9001: 2015 certification.

**Findings and Follow-Up Recommendations of External Auditors**

The Company always follows up on any findings and recommendations on the results of external audits in order to improve the management of the Company. The Board of Directors consistently monitors the follow-up of external audit findings in each coordination meeting between the Directors and related work units to ensure that the implementation goes well and can minimize the findings that may arise. The number of external audit findings that have been followed up by the Company during 2019 are as follows:

Audit Findings	Total Findings	Done Followed-up		In progress	
		Total	%	Total	%
<b>OJK/FSA</b>					
Audit Position January 2019	168	168	100%	0	0%
Market Conduct 2018	18	18	100%	0	0%
Action Plan 2018	30	30	100%	0	0%
General KHP Position January 31, 2018	120	120	100%	0	0%
<b>KAP (EY)</b>					
ML 2019	43	35	81.4%	8	18.6%
<b>BPK</b>					
KUR 2014	38	29	76.3%	9	23.7%
Subsidized KUR for 2017	22	19	86.3%	3	13.6%



### Effectiveness of External Audit and Bank Compliance with Terms of Relationship between Banks, Public Accountants and Bank Indonesia

In order to keep the audit running effectively, the Company always maintains a good communication relationship between the Public Accounting Firm, the Audit Committee and the Company's Management therefore it has a significant impact on improving the Company's performance. The Audit Committee regularly coordinates with the Internal Audit Division (IAD) to review the effectiveness of the implementation of external audits and ensure that all findings can be followed up on.

The audit findings on the financial statements for the year ending December 31, 2019 will then be submitted to the Financial Services Authority (OJK). The basis for implementing the transparency of financial statements for the 2018 fiscal year based on the provisions of Bank Indonesia and the Financial Services Authority is as follows:

1. Financial Services Authority Regulation No.55 / POJK.03 / 2016 dated December 07, 2016 concerning the Implementation of Governance for Commercial Banks;
2. Financial Services Authority Circular Letter No.13 / SEOJK.03 / 2017 dated March 17, 2017 concerning the Implementation of Governance for Commercial Banks;
3. BI Circular Letter No.3 / 31 / DPNP dated December 14, 2001 concerning Commercial Bank annual reports and certain annual reports submitted to Bank Indonesia;
4. BI Regulation No. 3/22 / PBI / 2001 dated December 13, 2001 as amended partly through PBI No. 7/50 / PBI / 2005 dated November 29, 2005 concerning Transparency of Bank Financial Conditions and most recently amended partly through PBI No. 14/14/2012 dated October 18, 2012 concerning Transparency and Publication of Bank Reports;
5. Financial Services Authority Circular Letter Number 43 / SEOJK.03 / 2016 dated September 28, 2016 concerning Transparency and Publication of Conventional Commercial Bank Reports;
6. Financial Services Authority Regulation No.6 / POJK.03 / 2015 dated March 31, 2015 concerning Transparency and Publication of Bank Reports which was most recently amended in part through Financial Services Authority Regulation No.32 / POJK.03 / 2016 dated August 8, 2016.

The audit strategy is as follows:

1. Planning
  - a. Communication with regulators.
  - b. Coordination with BTN to develop audit planning.
  - c. Compilation of detailed audit strategies and plans.
  - d. Conducting internal training for the assignment team.
2. Internal Audit
  - a. Understand business processes, risks and internal controls.
  - b. Review the book closing process.
  - c. Identify and resolve accounting and auditing issues.
  - d. Internal control testing at Head Office and branches.
  - e. Review the collectability and adequacy of CKPN and KYD.
3. Follow-up on internal results
  - a. Update on understanding of internal control.
  - b. Follow-up on internal results.
  - c. Presentation of internal audit results.
4. Year-end audit
  - a. Review of subsequent events
  - b. Roll forward substantive procedures.
  - c. Review closed book December 31, 2019.
  - d. Finalize audit adjustments.
  - e. Publish the results of the assignment report.
5. PKBL Completion Report, management letter, performance evaluation report and PSA 62.

The audit findings are in accordance with the scope of the audit determined by the Company, as follows:

1. Audit on PT Bank Tabungan Negara (Persero) Tbk and Consolidated Financial Statements for the year ending in December 31, 2019.
2. Audit on the Financial Statements of the Partnership and Community Development Program (PKBL) for the fiscal year ending on December 31, 2019.
3. Audit on Compliance with Legislation and Internal Control (PSA 62) as of December 31, 2019.
4. Audit on 2019 Performance Evaluation Report (LHEK).





# RISK MANAGEMENT SYSTEM

The Company continuously strives to improve the quality of Risk Management and conducts periodic reviews to ensure the effectiveness and adequacy of the Risk Management Function to comply with all applicable regulations and create a healthy Culture of Compliance in the Company. The Risk Management function also has a large role and responsibility related to the Company's Internal Control System, especially related to the Risk Assessment component in the COSO Internal Control Framework. In addition, the application of the Risk Management Function is based on the Financial Services Authority Regulation (POJK) No. 18/POJK.03/2016 concerning the Implementation of Risk Management for Commercial Banks and the Financial Services Authority Circular Letter (SEOJK) No. 34/POJK.03/2016 concerning the Application of Risk Management for Commercial Banks, which is also a reference for the Company's Risk Management.

## RISK MANAGEMENT POLICIES AND PROCEDURES

The Company has developed policies in the field of Risk Management, i.e. the Risk Management Policy Manual (PKMR), which covers the minimum provisions required by Bank Indonesia and the Financial Services Authority regulations. The PKMR is reviewed regularly at the frequency of at least once a year by the Board of Directors and Board of Commissioners by refining the Risk Management Policy Manual. An additional review of internal policies is also implemented to be in line with the regulator's latest provisions by conducting a gap analysis and accommodating the common best practices used in the banking industry to increase the quality of Risk Management.

## RISK MANAGEMENT SYSTEM WITHIN THE COMPANY

The Risk Management System is designed to support the Company in realizing sound business management and achieving sustainable growth, thus optimizing shareholder value. The Company adopts a comprehensive approach to managing risks comprehensively, by improving the performance in managing uncertainty, minimizing threats, and maximizing opportunities without neglecting the principles of Risk Management that at least include the following:

1. Active supervision by the Board of Commissioners and the Board of Directors;
2. Adequacy of policies, procedures, and limits set;
3. Adequacy of Risk Identification, Measurement, Monitoring, and Control Process, as well as the Risk Management Information System;
4. A comprehensive Internal Control System.

In addition, the Company's Risk Management strategy is adjusted to the Company's Business strategy. The Risk Management Strategies are applied in order to support the Company's business development in the future through:

1. The application of Risk Management, in addition to being focused on further developing and simulating Risk and Capital measurements, is also focused on developing a Culture of Risk Awareness across all levels of the Company as well as the ExAnte Function to minimize Risk Exposure. This is so that the established Risk Management policies will be applied in the business process and daily operations at all levels.
2. Preparation of Risk Management policies and procedures.
3. Developing an Internal Credit Rating (ICR) for commercial credit and Enhancement Risk and Control Self-Assessment (RCSA) for operational risk control as part of the risk management information system.
4. The implementation of Stress Testing for Credit Risk is performed twice a year, Market Risk Stress Testing also twice a year and Stress Testing of Liquidity Risk is conducted 4 times a year in order to assess the Company's resilience to stress/crisis scenarios.



## BOARD OF COMMISSIONERS AND DIRECTORS' ROLE IN THE COMPANY'S RISK MANAGEMENT SYSTEM

The Board of Commissioners has clear duties and responsibilities, including:

1. To endorse the Risk Management policy, including the Risk Management strategies and framework set forth in accordance with the Risk Appetite and Risk Tolerance; The Board of Directors Regulation No. 14/PD/DIR/PPD/2018 dated December 28, 2018 concerning the Risk Management Policy Guidelines (PKMR) in PT Bank Tabungan Negara (Persero) Tbk.
2. The Board of Commissioners and/or through the Risk Monitoring Committee has conducted regular discussions and evaluations on the risk profile report (quarterly).
3. To evaluate the accountability of the Board of Directors and periodically provide direction regarding improvements in the implementation of Risk Management policies. Evaluation is conducted in order to ensure that the Board of Directors has managed the Company's risks and activities effectively. The Risk Profile is submitted to the Board of Commissioners and Risk Monitoring Committee on a quarterly basis as part of the evaluation materials concerning the implementation of Risk Management policies and Risk Management strategies.

The Board of Directors has clear duties and responsibilities, including:

1. Compiling the Risk Management policy, including the strategy and framework of Risk Management comprehensively and in writing. The policy shall include the Risk Limits and type of risks, considering the risk level faced and Risk Tolerance level regarding Capital Adequacy. After obtaining approval from the Board of Commissioners, the Board of Directors stipulates the policy, strategy, and framework of the stated Risk Management;
  - a. Board of Directors Regulation No. 14/PD/DIR/PPD/2018 dated December 28, 2018 concerning Guidelines for the Implementation of Risk Management (PKMR) of PT Bank Tabungan Negara (Persero) Tbk.
  - b. Circular Letter No. 15/DIR/RMD/2018 dated March 22, 2018 concerning the instructions for implementing the Recovery Plan, including the Recovery Plan Documents.

2. Compiling, stipulating, and updating procedures and tools to Identify, Measure, Monitor, and Control Risks.;

- a. Board of Directors Regulation No. 14/PD/DIR/PPD/2018 dated December 28, 2018 concerning Guidelines for the Implementation of Risk Management (PKMR) of PT Bank Tabungan Negara (Persero) Tbk.
- b. Board of Directors Circular Letter No. 58/SE/DIR/ERMD / 2019 dated November 19, 2019 concerning Guidelines for the Implementation of Reporting and Assessment of Bank's Risk Profile.
- c. Board of Directors Circular Letter No. 61/SE/DIR/ERMD / 2019 dated November 26, 2019 concerning Guidelines for the Implementation of Reporting and Assessment of the Soundness of Bank PT Bank Tabungan Negara (Persero) Tbk.
- d. Board of Directors Circular Letter No.26/SE/DIR/ERMD/2019 dated June 19, 2019 concerning Interest Rate Risk Management in the Banking Book.
- e. Board of Directors Circular Letter No. 25/SE/DIR/ERMD/2019 dated May 31, 2019 concerning the Risk model Validation Procedure
- f. Board of Directors Circular Letter No. 21/DIR/ERMD/2019 dated May 15, 2019 concerning Stress Testing Implementation Guidelines.
- g. Circular Letter No. 30/DIR/ERMD/2015 dated August 25, 2015 concerning Guidelines for the Implementation of Risk Data Collection for the BTN-Loss Event Database (BTN-LED Tool) Application.
- h. Board of Directors Circular Letter No. 48/DIR/RMD / 2016 dated November 04, 2016 concerning Amendments to the Board of Directors Circular No. 30 / DIR / RMD / 2015 dated August 25, 2015 concerning Guidelines for the Implementation of Risk Data Collection for BTN-LED Applications.
- i. Board of Directors Circular Letter No. 41/DIR /RMD / 2015 dated October 5, 2015 concerning Guidelines for Implementing the Liquidity Risk Measurement Process.
- j. Board of Directors Circular Letter No.60/DIR/RMD/2015 dated December 28, 2015 concerning the Guidelines for the Implementation of the Market Risk Measurement Process.
- k. Board of Directors Circular Letter No. 10/DIR/RMD/2017 dated March 27, 2017 regarding Policies



- and Procedures for the Implementation of Risk Culture.
- l. Board of Directors Circular Letter No. 11/DIR/RMD/2017 dated March 30, 2017 concerning Risk and Control Self Assessment (RCSA) Policies and Procedures.
  - m. Board of Directors Circular Letter No. 18/DIR/RMD/2017 dated April 3, 2017 concerning Business Continuity Management (BCM) Policy and Business Continuity Plan (BCP) Standard Operating Procedure (BCP).
  - n. Board of Directors Decree No. 08/SK/DIR/RMD/2017 dated May 16, 2017 concerning Risk Appetite and Risk Tolerance for Credit Concentrations for 50 Core Debtors in 2017.
  - o. Board of Directors Circular Letter Number 45/DIR/RMD/2017 dated August 14, 2017 Regarding Guidelines and Risk Profile Assessment of Sharia Branch Offices and Branch Offices
  - p. Circular Letter No. 15/DIR/RMD/2018 dated March 22, 2018 regarding the instructions for implementing the Recovery Plan
3. Compiling and determining the mechanism of transaction approvals, including those that exceed the limits and authority for each level of position;
    - a. The Board of Directors has set out Risk and maximum Risk Limits through considering experience, ability to manage Risk Management, Human Resources, Bank Indonesia and the FSA regulations, and the implementation of prudential banking practices.
    - b. The determination of Risk Limits are prepared by the Business Work Unit to be recommended to the Risk Management Work Unit and then request for a decision from the Board of Directors.
    - c. Limit of authority Classification in deciding Loans at Branch Offices and Head Office per position level.
    - d. Limit of authority classification in conducting treasury transactions per position level.
    - e. Limit of authority classification in performing authorizations and fiat payments at Branch Offices and Headquarters per position level.
  4. Evaluating and/or updating the Risk Management policy, strategy and framework at least once a year or more often if there are changes in factors that have affected the Bank's Business Activities, Risk Exposure, and/or Risk Profiles significantly;
    - a. Board of Directors Regulation No. 14/PD/DIR/PPD/2018 dated December 28, 2018 concerning the Risk Management Policy Guidelines (PKMR) of PT Bank Tabungan Negara (Persero) Tbk.
    - b. Board of Directors' Circular Letter No. 41/DIR/RMD/2015 dated October 5, 2015 concerning the Implementation Guidelines for the Measurement of Liquidity Risk.
  5. Establishing the Organization Structure including issuing clear authority and responsibility at every level of office related to the implementation of Risk Management;
    - a. Board of Directors Decree No. 6/KD/DIR/TMO/2018 dated July 4, 2018 Regarding Changes to the Board of Directors Decree Number 04/DIR/KD/TMO/2018 regarding the Organization Structure of the Head Office and Regional Offices of PT Bank Tabungan Negara (Persero) Tbk.
    - b. Board of Directors Regulation No. 14/PD/DIR/PPD/2018 dated December 28, 2018 concerning the Risk Management Policy Guidelines (PKMR) of PT Bank Tabungan Negara (Persero) Tbk.
    - c. Decree No. 10/DIR/ERMD / 2019 dated May 8, 2019 concerning the Risk Management Committee.
    - d. Board of Directors has established through a Board of Directors Regulation concerning Risk Management organizations consisting of the Risk Management Committee and Divisions that support the implementation of Risk Management, which is the RMD as a Risk Management Work Unit, the IAD's Internal Control Function, Credit Risk Desk in an effort to improve the processes for the Commercial Credit Business through the implementation of the four eyes principle and the Compliance Function performed by the CMPD as a Compliance Unit including the authority and responsibility of each of the Work Units.
  6. Responsible for the implementation of the Risk Management policies, strategies and framework, which was approved by the Board of Commissioners and evaluating and providing direction based on the reports submitted by the SKMR including reports regarding Risk Profiles;



7. As part of the responsibilities, the Board of Directors provides direction regarding the report submitted by ERMD, i. e.:
  - a. The Bank's Risk Profiles submitted quarterly.
  - b. Liquidity Risk Position Monitoring Reports are submitted daily.
  - c. Liquidity Risk Position Monitoring Reports are submitted weekly.
  - d. Credit Risk Exposure Monitoring Report submitted monthly.
  - e. Securities Evaluation Monitoring Report (MTM) is submitted daily.
  - f. Liquidity Risk Stress Testing was implemented 4 (four) times and delivered through the Risk Profile Report to the FSA in the Quarter IV/2018, Quarter I/2019, Quarter II/2019, Quarter III/2019
  - g. Credit Risk and Market Risk Stress Testing is conducted at least once a year and was implemented once, in May 2019. The reporting has been submitted to the FSA.
  - h. Bottom Up Report on stress testing of credit, liquidity and market risks, conducted once a year, submitted to FSA.
  - i. Recovery Plan reports are conducted once a month at the ALCO meeting.
  - j. Reports on loss due to operational risk (LED) are submitted quarterly.
  - k. Report data and measure potential operational risks through the application (BTN-RCSA) submitted quarterly.
8. Ensure that all Material Risks and the impacts caused by the stated Risks have been followed up and accountability reports were submitted to the Board of Commissioners on a regular basis. The intended report includes, among other things, progress reports and material risk-related problems along with the corrective steps that have been, are being, and will be performed;
  - a. Based on the Bank's Risk Profile, the types of significant risks are Credit Risk, Liquidity Risk and Operational Risk. Through the Bank's Risk Profile report, Monitoring Position and Liquidity Risk reports and Monitoring Reports regarding the Credit Risk Exposure, the Board of Directors ensures that the related Work Units are to follow up on the recommendations in these reports so that Credit Risk, Operational Risk and Liquidity Risk will better managed.
    - b. The development of a significant Risk Profile has been submitted to the Board of Commissioners in the Bank's Quarterly Risk Profile Report.
9. Ensuring corrective measures for problems or irregularities in the Bank's business activities found by SKAI;
  - a. The Board of Directors has ensured corrective steps for problems or irregularities identified in the bank's Business Activities through:
    - Providing direction regarding the monitoring reports concerning the follow-up of External/Internal Audit Findings, which are submitted periodically by the IAD to the Board of Directors.
    - Evaluating the follow-up of the Audit findings from the previous year at the Audit Exit meeting
    - Audit Committee Meeting
  - b. As part of the developer of a Culture of Risk Management, the Board of Directors ensures that:
    - Risk Management Certification and Certification refreshment programs for Bank BTN employees and officials.
    - Providing Risk Management training for new employees.
10. Developing a Culture of Risk Management, which includes Risk Awareness across all organization levels, including adequate communication to all levels of the organization concerning the importance of effective Internal Control;
  - a. Making an effort to internalize the Culture of Risk Management with all employees in accordance with the Board of Directors' Circular Letter No. 10/DIR/RMD/2017 March 27, 2017 concerning the Policies and Procedures for Implementing a Risk Culture.
  - b. Report on the Implementation of the Risk Culture Program 2018 to the Strategic, Compliance & Risk Managing Director through the RMD Memo no. 113/M/RMD/ERM/III/2019 dated March 29, 2019 which contained reports on the Risk Culture programs conducted by RMD during 2018 and reported once a year.
  - c. Risk Culture dissemination through training on overview and application of risk management in Operation Academy, Loan Academy training, General Banking Staff training, ODP Training, Supporting Staff training, Asset management training, Coaching Branch Manager, and Consultative Selling.

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- d. Risk awareness dissemination through the BTN corporate culture dissemination program
  - e. Dissemination of the importance of bank soundness and risk profile through the application of telegram in cultural activities, namely Kulgram
  - f. Management Support for Change Agent's Role in the 2019 Risk Culture Program, namely that all Management Divisions/Desks, Regional Offices and Branch Offices are required to support the Change Agent role and actively foster a culture of risk awareness and apply prudential principles in achieving superior performance.
  - g. Interdisciplinary collaboration between IAD, CMGD, ERMD, LCD, HCMD, HCSD in the formation of a Cultural Team as a first step in forming a corporate culture in supporting cultural activities
  - h. Risk management unit initiated a strategy to increase the risk awareness of all Bank BTN employees by using a gamification method by initiating a Board Game named Paradiso and Saved by Our SOP.
  - i. Preparing the Risk Awareness materials, Anti-Fraud, Whistle-Blowing System and Culture of Compliance in coordination with the Internal Audit and Compliance, which is socialized by the Risk Champion and accompanied through the implementation of quizzes in each Work Unit for 1 month.
11. Developing a Risk Awareness program that includes 6 of the following themes;
- a. Dissemination by the Work Unit Head regarding the Board of Directors' Circular Letter No. 10/DIR/RMD/2017 dated March 27, 2017 concerning the Policies and Procedures for Implementing a Risk Culture.
  - b. Incorporate Risk Management material as mandatory material in each employee training.
  - c. Delivering messages concerning Risk Awareness through the Corporate SMS and E-mail.
  - d. Disseminating Risk Management through the BITNIZ bulletin/Paras magazine.
  - e. Developing Risk Management tools as a Risk Management practice through the Work Units.
  - f. Disseminating risk management in Kulgram cultural activities
  - g. Corporate culture programs that support the principles of governance and risk awareness.
12. Ensuring the adequacy of financial and infrastructure support in order to manage and Control Risk; The Board of Directors has ensured financial/budget sufficiency through approval in the 2019 Corporate Budget Work Plan and Infrastructure Support.
- a. The Bank has formulated an index of risk to be taken (risk appetite) and an index of tolerance (risk tolerance) that has been aligned with the vision, mission, and business strategy of the Bank (as stated in the Bank's 2019-2021 Business Plan and 2019 RKAP). Strategic Risk Appetite and Risk Tolerance have been formulated in the Bank's internal provisions regarding Risk Management Policy Guidelines.
  - b. Providing direction for the 2019 RKAP Revision and 2019-2021 RBB Revision in preparing the 2019-2021 Revised Bank Business Plan (RBB) document and the 2019 Revised Corporate Budget Work Plan (RKAP) in order to pay attention to FSA directives set forth in the FSA Letter.
  - c. The performance targets listed in the Revised Bank Business Plan (RBB) of 2019-2021 and the Revised Corporate Budget Work Plan (RKAP) of 2019 are supported by comprehensive work papers and measurable achievements.
  - d. Business growth must be in the corridor of the Bank's prudential principles, the application of good risk management, and Good Corporate Governance.
  - e. In providing RKAP and RBB directives, the Board of Directors has considered strategic plans for 2019. Some of the directions given are increasing giro growth and transactional savings in line with the target fee-based income, increasing Funding People productivity in Branch Offices and outlets, and setting the theme of 2019 KUD namely Controlled Growth with a more prudent and quality business supported by productivity of HC, IT Infrastructure and Optimal Risk Management.
  - f. In achieving the 2019 RKAP target, the Board of Directors provides a directive focus on performance in 2019 on four things, namely a more sustainable low-cost DPK improvement, a more massive credit quality improvement, faster LAT/DAT reduction and operational cost savings (efficiency). With this focus on performance, particularly operational cost savings (efficiency), the Directors appealed for increased coordination in programs involving Branch Offices and Regional Offices.



- g. Providing direction through Letter No. 104/KOM/ BTN/VI /2018 concerning Optimization of Internal Control of Work Units, namely improving human capital management in terms of work integrity and professionalism in the context of risk mitigation and internal control improvement, steps to detect fraud early, the role of BCSO in the internal control process, awareness raising on fraud.
- h. Preparing the Bank's strategic plan, providing direction and approval for the Bank's Business Plan (RBB) for 2019-2021 and submitting it to the Board of Commissioners, Bank Indonesia and the Financial Services Authority (OJK).
- i. Board of Directors has evaluated and provided direction at the 2019 Work Meeting (Raker) on January 28, 2019 regarding business achievement and strategic risk mitigation:
- Strengthening business growth and profitability that focuses on the dominance of mass segment housing loans, low cost fund growth and digital banking utilization.
  - Improve the prudent aspects of the lending business process as part of the implementation of PSAK 71.
  - The focus of the enabler strategy to support growth in 2019 is strengthening the fields of HC, Risk Management and IT
  - Supporting the acceleration of digital banking development and the process of digitizing initiatives to improve efficiency.
13. Ensuring that the Risk Management Function was implemented independently, which is reflected in, among other things, the separation of functions between SKMR, which Identifies, Measures, Monitors and Controls Risks with the Work Unit that conducts and completes transactions
- a. Board of Directors Regulation No. 14/ PD/DIR/ PPD/2018 dated December 28, 2018 concerning the Risk Management Policy Guidelines (PKMR) of PT Bank Tabungan Negara (Persero) Tbk.
  - b. Board of Directors has ensured that the risk management function has been applied independently to the internal audit unit. ERMD as a Risk Management Work Unit (SKMR) has performed its function as a Risk Manager who continues to identify, measure, monitor and control risk and Business Work Units or Operational Work Units as Risk Owners must submit reports or information regarding the Risk Exposures managed by the Work Unit to the ERMD.
  - c. Board of Directors' Decree No. 6/KD/DIR/TMO/2018 dated July 4, 2018 regarding amendment to the Board of Directors Decree Number 04/DIR/KD/ TMO/2018 regarding the Head Office and Regional Offices Organization Structure of PT Bank Tabungan Negara (Persero) Tbk.

## RISK MONITORING COMMITTEE

The Risk Monitoring Committee possesses the duty and responsibility of providing recommendations to the Board of Commissioners by evaluating the Bank's Risk Management policy guidelines (Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk and Reputation Risk), evaluating the conformity between the Bank's Risk Management policy guidelines and their implementation and monitoring and evaluation regarding the implementation of the duties of the Risk Management Committee. In performing its duties and responsibilities, the Risk Monitoring Committee holds regular meetings with

the Enterprise Risk Management Division to periodically discuss Current Issues, Risk profile quarterly Bank BTN, the soundness of bank, recovery plan and matters that are related to Bank BTN including risk management to review the policy guidelines in a risk management containing Bank Risk Appetite and Risk Tolerance.

A full description of the Risk Monitoring Committee is presented in the Organs and Committees under the Board of Commissioners – Risk Monitoring Committee section in the Corporate Governance chapter in this annual report.



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### RISK MANAGEMENT COMMITTEE

The Risk Management Committee (KOMAR) plays an active role in delivering recommendations to the President Director regarding the Inherent Risks in the policies determined by the Board of Directors as well as evaluating the provisions that are deemed not in accordance with the latest developments and are required to be adjusted. The KOMAR is actively involved in conducting Risk Assessments inherent in each new product and/or service/activity so that the Bank can perform the necessary mitigation measures

and conduct an evaluation of the Risk Management Policy Guidelines (PKMR).

A full description of the Risk Management Committee is presented in the Organs and Committees under the Board of Directors section – Committees under the Board of Directors – Risk Management Committee in the Corporate Governance chapter in this annual report.

### RISK MANAGEMENT UNIT

The Risk Management Unit is tasked with ensuring the effectiveness of Strategic Risk management and coordinating and ensuring the process of risk management with strategic planning, performance measurement and providing incentives in order to increase shareholder value, increase investor confidence, support the decision making process and improve the efficiency of capital use. Since February 4, 2016, the Enterprise Risk Management Division (ERMD) implemented and obtained the ISO 9001:2015 Certification and is highly committed to continuing to work in accordance with the applied quality standards by

making continuous improvements to foster a Culture of Risk and encourage the implementation of effective Risk Management throughout all levels of organization and the Bank's Business Operation in accordance with all applicable regulations.

A full description of the Risk Management Unit is presented in the Organs and Committees under the Board of Directors section - The Risk Management Function in the Corporate Governance chapter in this annual report.

### TYPE OF RISKS FACED BY THE COMPANY

The Company applies risk management which include an assessment of inherent risks and an assessment of the quality of the Risk Management implementation that reflects the risk control system, both for the Bank individually and for the Bank on a consolidated basis. The assessment is conducted on 8 (eight) Risks namely Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk and Reputation Risk.

Risks from various financial systems such as securities, acceptances, interbank transactions, trade finance transactions, exchange rate transactions and transactions as well as commitment and contingent obligations.

#### CREDIT RISK

Credit Risk is the risk of loss due to failure of other parties to meet their obligations. Included in Credit Risk are Credit Risk due to debtor failure, Credit Risk due to concentrated provision of funds (Credit Concentration Risk), Credit Risk due to counterparty credit risk, Credit Risk due to settlement failure, and Credit Risk due to country risk.

#### MARKET RISK

Market Risk is the risk in the balance sheet and account positions that have been included in the transaction, due to overall changes in market conditions, including the risk of changes in option prices.

Market risks include, among others, interest rate risk, exchange rate risk, equity risk, and commodity risk which may harm the Bank. Market risk may come from both trading book positions and banking book positions.

Credit Risk can be sourced from various Bank business activities. In most banks, lending is the largest source of credit risk. In addition to credit, the Bank faces Credit

#### LIQUIDITY RISK

Liquidity risk is the risk arising from the inability of the Bank to meet the maturing obligations from cash flow funding sources and/or from high-quality liquid assets that can be pledged, without disturbing the activities and financial



condition of the Bank. The inability to obtain funding for cash flows resulting to liquidity risk can be contributed, among others, by:

1. Inability to generate cash flows from productive assets as well as from the sale of assets, including liquid assets; and/or
2. Inability to generate cash flows from funding, interbank transactions and fund borrowings.

#### OPERATIONAL RISK

Operational Risk is the risk due to inadequate and/or malfunctioning of internal processes, human error, system failure, and/or the occurrence of external events that affect the Bank's operations.

Operational risks can be sourced from among others HC, internal processes, systems and infrastructure, as well as external events.

These sources of risk may cause events that have an impact on the Bank's operations so that the emergence of these types of Operational Risk events is one measure of success or failure of Risk Management for Operational Risk. The types of operational risk events can be classified into several types of events such as internal fraud, external fraud, labor practices and work environment safety, customers, business products and practices, physical damage, business activity disruptions and system failures, and process and execution errors, including fraud arising from money laundering and terrorism financing activities.

#### LEGAL RISK

Legal Risk is the risk due to legal claims and/or weaknesses of juridical aspects. Legal risks can be sourced among others from weaknesses in juridical aspects caused by weak engagement made by the Bank, the absence and/or changes in legislation that causes a transaction that has been conducted by the Bank to be incompatible with the

#### EFFORTS TO MANAGE RISK

The Company, as a Bank whose main focus is in the field of lending or housing finance, is that the asset system is dominated by Housing Loans (KPR) which are affected by changes in the external business climate such as inflation

provisions, and a good litigation process arising from third party lawsuit against the Bank or the Bank against third parties.

#### STRATEGIC RISK

Strategic Risk is the risk due to inaccuracy in making and/or implementing a strategic decision and failure to anticipate changes in the business environment.

Strategic risk can be sourced from weaknesses in the process of strategy formulation and inaccuracies in the formulation of strategy, inadequate management information systems, inadequate internal and external environmental outcomes, setting strategic goals that are too aggressive, inaccurate implementation of strategies, and failure to anticipate changes in business environment.

#### COMPLIANCE RISK

Compliance Risk is the risk due to the Bank not complying with and/or not implementing the laws and regulations. Compliance Risk may originate from, among other things, certain behaviors, namely the behavior or activities of the Bank that deviate or violate the provisions and / or regulations and organizational behavior, namely the behavior or activities of the Bank that deviate or conflict with generally accepted standards.

#### REPUTATIONAL RISK

Reputation Risk is a risk due to a decrease in the level of stakeholders' trust originating from negative perceptions of the Bank. Reputation Risk can be sourced from the following various Bank activities:

1. Events that have harmed the Bank, such as negative reporting in the mass media, violating business ethics and debt complaints; or
2. Other things that can cause Reputation Risk, for example weaknesses in governance, corporate culture, and business practices of the Bank.

and the BI Rate. Efforts to minimize the impact of the system are conducted by risk management on a day-to-day risk management activities, based on the principles of Good Corporate Governance (GCG) to ensure all processes and





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mechanisms that occur in achieving the company's goals, prevent the company from irregularities and risks that may result in failure to achieve company goals, and based on the principle of prudence to ensure the growth of the Bank's healthy and sustainable performance.

The Company is one of the Systemic Banks. As one of the efforts to prevent and deal with financial system crises, especially with regard to Systemic Bank problems, the Company must be able to determine a plan that will be conducted if it experiences financial stress that may jeopardize business sustainability. The plan was outlined in the form of a Action Plan (Recovery Plan) in accordance with POJK No. 14/POJK.03/2017 dated April 04, 2017 and internal regulations of Bank SE No. 15/DIR/RMD/2018 dated March 22, 2018 concerning the Implementation of the Action Plan (Recovery Plan). The Company has prepared a Recovery Plan Document which contains Trigger Level (for the purpose of prevention, recovery and repair). For each system, the Recovery Options included in the Recovery Plan include: Capital Indicator, Liquidity, Profitability and Asset Quality.

### CREDIT RISK MANAGEMENT

As part of credit risk management, the Company regularly reviews and updates Risk Management Policy Guidelines and Credit and Financing Policy Guidelines for Bank credit and financing as part of the risk assessment process. Credit risk exposures are monitored from the credit granting process to the credit maturity.

Monitoring and controlling credit risk including evaluating credit risk exposure to credit risk limits (Risk Appetite & Risk Tolerance), the Company is conducting a pilot project

on the implementation of the Internal Credit Rating (ICR) for commercial credit in analyzing in terms of credit risk in 3 (three) branch offices. In addition, a Monitoring Department in the Commercial Banking Division has been formed which specifically monitors the credit exposures of large debtors (50 core debtors) and has implemented Intelligence Credit Monitoring (iCremo), an application for commercial credit that functions to conduct commercial credit monitoring processes covering three pillars (Management, Business Prospects and Collateral). Whereas for consumer credit, the process of controlling credit risk is conducted through the Consumer iLoan system which is equipped with a Credit Scoring Model (CSM). The management of Kol-2 and NPL consumer credit debtors is conducted by the Consumer Collection and Remedial Work Unit while for commercial credit is conducted by the Commercial Asset Management Work Unit.

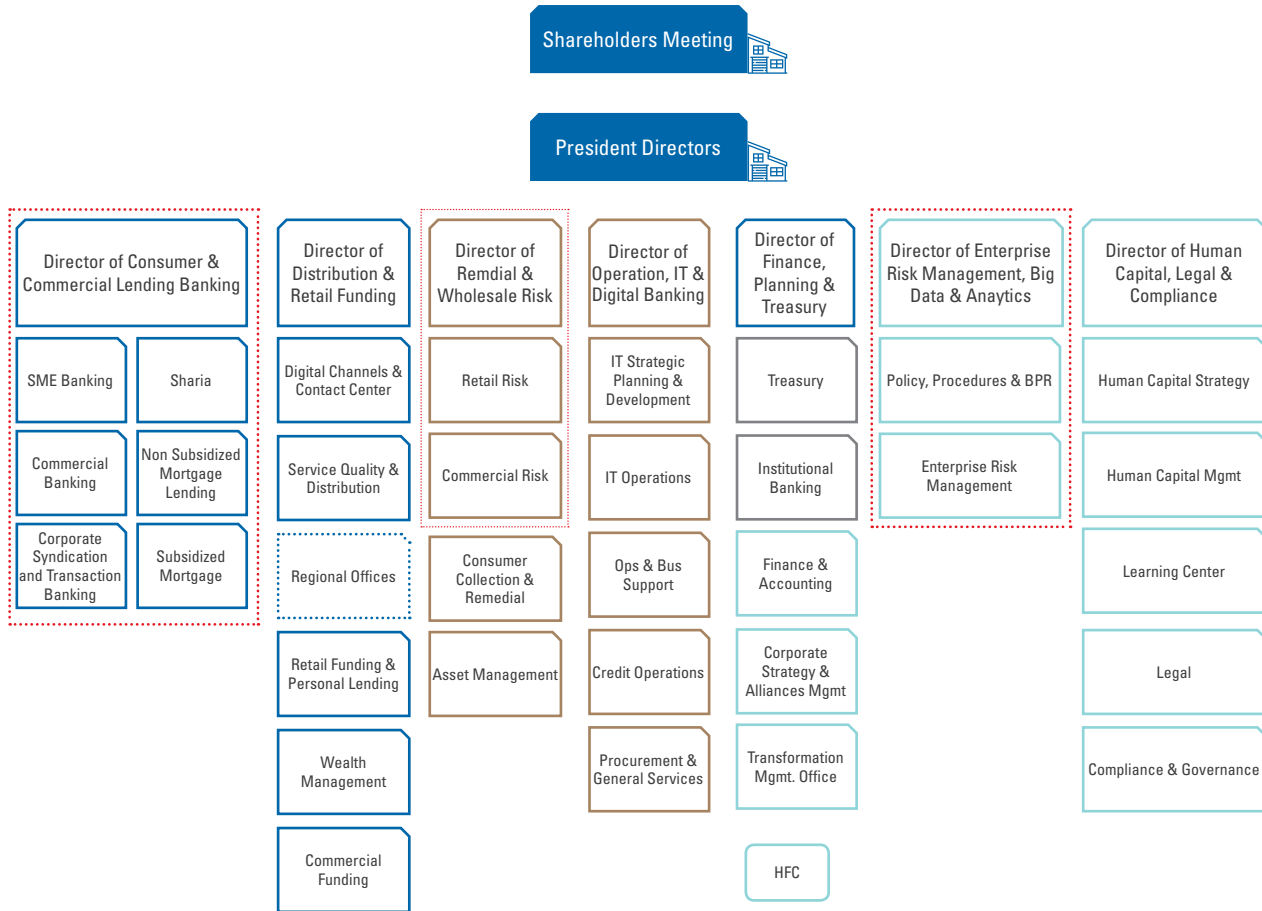
As a follow up to the application of Pillar 1 Basel II, the Bank has implemented credit risk measurement using the Standardized Approach in accordance with FSA Circular Letter No. 42/SEOJK.03/2016 dated September 28, 2016 concerning Guidelines for Calculation of Risk Weighted Assets (ATMR) for Credit Risk using the Standard Approach.

In order to manage credit risk, the Bank has implemented the Four Eyes Principle by separating credit risk functions from business units.

In commercial credit decisions consist of Commercial Risk and Business Units as the Risk Taking Unit and first line and consumer credit decisions consisting of the Retail Risk Division (Regional Loan Processing Center) and Branch Offices and Regional Offices.



This can also be illustrated by the Bank's organization structure that has separated the credit risk and risk taking units and enterprise risk management functions:



### MARKET RISK MANAGEMENT

As part of market risk management, the Company identifies, measures, monitors and controls market risk, which is conducted by the business unit and / or Enterprise Risk Management Division. One of the market risk identification is done for each product or activity that is included in the category of new products or activities. Related to market risk management, the Company has an Assets and Liabilities Committee (ALCO). In this regard, ALCO periodically discusses, among others, interest rates and market risk management at the Company, especially those originating from the banking book position.

In order to measure the interest rate risk in trading book and banking book positions, the Company conducts a sensitivity analysis aimed at measuring the impact of changes in market interest rates on the Company's profit (loss) and equity. Whereas in order to measure exchange rate risk, the Company conducts a sensitivity analysis aimed at measuring the impact of exchange rate changes on the Company's profit (loss).

In order to complement market risk measurement with standard methods and sensitivity analysis, the Company



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conducts stress testing to assess the Company's resilience in the face of extreme changes in interest rates and exchange rates, with the system referring to the regulatory provisions and the Company's internal system. For the Company's internal system, each year the Enterprise Risk Management Division coordinates with the Working Group Stress Test (related Division) to formulate the system and assumptions that will be used in the implementation of Market Risk Stress Tests for the next 1 (one) year.

Monitoring and controlling market risk includes evaluating market risk exposures to the Bank's internal limits (Risk Appetite & Risk Tolerance) that have been set and reviewed periodically to be in line with the conditions of the Company. In addition, the Company has determined in order to control or limit exchange rate risk exposures, the Company has set limits that include treasury transaction limits, dealer limits, budget loss limits, stop loss/stop gain limits, and appropriate Net Open Position (NOP) limits with a maximum limit specified in PBI 17/5/PBI/2015 dated May 29, 2015 Bank Indonesia Regulation No.17/5/PBI/2015 dated May 29, 2015 concerning the Fourth Amendment to PBI Number 5/13/PBI/2003 concerning Foreign Exchange Position Net Commercial Bank.

As a follow up to the application of Pillar 2 Basel II, the Company has implemented market risk measurements using the Standardized Model in accordance with FSA Circular Letter No. 38/SEOJK.03/2016 dated September 15, 2016 concerning Guidelines for Using the Standard Method in Calculating the Minimum Capital Requirement for Commercial Banks by Calculating Market Risk. Portfolios taken into account in determining market risk capital CAR consist of a trading book portfolio for interest rate risk and a trading book and banking book portfolio for exchange rate risk.

### LIQUIDITY RISK MANAGEMENT

As a guideline in managing liquidity risk, the Company has a Liquidity Risk Management Policy Manual, which is part of the Bank's Risk Management Policy Guidelines (PKMR). The Liquidity Risk Management Policy Manual regulates, among others, active supervision of the Board of Commissioners and Directors in the application of liquidity risk management, liquidity risk management processes, and policies, procedures

and determination of liquidity risk limits. The Company has an Assets and Liabilities Committee (ALCO) that functions to manage liquidity and periodically discuss the management of liquidity risk at the Bank.

Referring to the Liquidity Risk Management Policy Guidelines, the Company identifies, measures, monitors and controls liquidity risk. Liquidity risk identification is basically intended to find out the amount and trend of liquidity needs as well as funding sources available to meet the needs.

The liquidity risk measurement in the Company is conducted by the Treasury Division (TRSD) and the Enterprise Risk Management Division (ERMD). Liquidity risk measurement uses 4 (four) methods, namely stockbased, maturity profile analysis, cash flow projections and stress testing. The stock-based method is used to measure liquidity risk at the Bank using liquidity ratios, the maturity profile analysis method is used to measure liquidity gaps and cash flow projections are used to measure the amount and trend of liquidity requirements. The Company conducts stress testing using Bank Specific Crisis (BSC) scenarios and General Market Crisis (GMC) stress tests, which aim to measure the adequacy of available liquid assets and the Bank's ability to meet liquidity needs in crisis conditions. The Enterprise Risk Management Division coordinates with the Stress Test Working Group (related Division) to formulate the impact of risks on scenarios and assumptions that will be used in the implementation of Stress Tests for Liquidity Risk for the next 1 (one) year.

In order to maintain the availability and adequacy of liquid assets and control or limit exposures to avoid being affected by liquidity risk, the Company regularly monitors liquidity risk both daily, weekly, monthly and quarterly. ERMD liquidity risk monitoring submitted to the Board of Directors and strategy evaluation submitted to the relevant Division. Monitoring and controlling liquidity risk includes evaluating liquidity risk exposures to the Company's internal limits (Risk Appetite & Risk Tolerance) and predetermined Recovery Plan levels. The limit is reviewed periodically to be in line with the conditions of the Company. In addition, the Company monitors the Early Warning Indicator (EWI) and is reported regularly to the Directors and related Work Units.



In accordance with FSA Regulation No. 14/POJK.03/2017 dated April 04, 2017 concerning the Action Plan (Recovery Plan) for Systemic Banks, Bank BTN has been monitoring the liquidity system, one of which is seen from the LCR and NSFR ratios according to FSA Regulation No. 42/POJK.03/2015 dated December 23, 2015 concerning the Obligation to Meet the Liquidity Coverage Ratio (LCR) for Commercial Banks and FSA Regulation No. 50/POJK.03/2017 dated July 13, 2017 concerning the Obligation to Fulfill Net Stable Funding Ratio.

#### OPERATIONAL RISK MANAGEMENT

In order to implement the risk management process, especially operational risk, the bank has an BTN Loss Event Database (BTN-LED) application that functions as an operational risk data collection for operational risk events at the branch office using the risk event criteria based on Basel II (7 risk event types). The BTN LED application is connected to the Branch Office so that in its reporting, the Branch Office can send data loss events online through web-based media every month. The output of this BTN LED is data accumulation of bank losses in one month in the form of actual loss, near miss and potential loss from each risk event, then the data will be converted into Top 10 risk. The results of the collected data will be processed and analyzed so that it can be known the operational risk exposure map of each Branch and Regional Office. This exposure map serves as a reference in preventing similar incidents by taking steps to improve existing business processes or by adding other forms of risk mitigation.

The Company also has a Risk and Control Self-Assessment (RCSA System) application that is used to conduct the process of identifying and measuring operational risks inherent in all work units of the Bank. The approach used in the RCSA application is ISO 31000: 2009 where risk can be defined as the impact of uncertainty on achieving targets. Therefore, in filling out RCSA all work units are required to be able to identify and measure operational risks inherent in daily activities and have an impact on achieving the goals of the work unit.

To ensure the sustainability of the Company's operations in conducting business after being affected by operational risks originating from external factors such as natural disasters,

social conflicts and IT system failures, the Company has implemented a Business Continuity Management (BCM) policy. The BCM policy contains systematic steps and guides employees in dealing with emergencies starting from pre-disaster preparedness, response to disasters, operational continuity plans, up to returning to normal conditions. In supporting the successful implementation of BCM, the Company conducts an internalization process for all employees by compiling video dissemination materials and conducting periodic trials or simulations. Reports on the results of trials or simulations will serve as benchmarks of success and serve as material for sustainable improvement.

#### LEGAL RISK MANAGEMENT

Legal Risk identification is conducted on the causes of risk, including legal claims and weaknesses in the legal aspects inherent in functional credit activities (provision of funds), treasury and investment, operations and services, information technology systems and MIS, and human capital management.

Legal Risk Measurement is conducted by the Enterprise Risk Management Division (ERMD), Legal Division (LGD) and Credit Operation Division (COD). From the measurements made by LGD, it was obtained an evaluation report on the analysis of individual legal cases for contingent liabilities arising from lawsuits that occurred, while from COD obtained the quality of credit document engagement (LAT).

Measurements are conducted based on reports on the results of analysis and evaluation of individual legal cases for contingent liabilities arising from lawsuits that occur as well as quality reports on loan document agreements. Indicators/parameters used in measuring Legal Risk include but are not limited to potential losses due to lawsuits, weaknesses in agreements due to non-fulfillment of conditions for legal agreements and changes in laws and regulations that cause the Company's products to be inconsistent with existing provisions.

Legal Risk Monitoring is conducted by ERMD by evaluating the effectiveness of the implementation of policies, procedures and compliance with specific policies, regulations and Bank limits. Monitoring is conducted regularly for all Legal Risk positions. In conducting legal risk control, LGD provides input and recommendations to each division and work unit and conducts periodic reviews of agreements and cooperation



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contracts with counterparties. In addition, the Company has a Legal Application System (LApS) that is designed in the form of a website and is used as a register and monitoring of cases that occur or are handled by the Company, both Criminal and Non-Criminal, so that every case that occurs both at the Branch and at the Head Office, the progress can be monitored.

The Company has placed employees in Regional Offices as Branch Legal Representative (BLR) with duties and responsibilities including:

1. Providing legal assistance to litigation issues submitted by each work unit in the context of implementing Bank operations and providing legal assistance in every legal case.
2. Representing the Bank in conducting court proceedings in the Court, Police, Attorney General's Office, other legal institutions, and outside the court in its working area.
3. Providing legal opinion on legal issues raised by Regional Offices, Branch Offices, and Sharia Branch Offices related to operations in their working area.
4. Providing legal consultation on legal issues raised by Sharia Branch Offices and Branch Offices.
5. Performing the legal watch function in accordance with Bank Indonesia regulations.
6. Managing and controlling legal risks that are within the scope of work.

### STRATEGIC RISK MANAGEMENT

Strategic Risk identification is based on Strategic Risk factors in certain functional activities, such as credit, treasury and investment activities as well as operations and services through a business plan prepared by the Corporate Strategy & Alliance Management Division (CSAD) as a translation of the General Policy of the Directors (KUD).

Strategic Risk measurement is conducted based on the achievement of the Company's performance by comparing the results of the system with the targets set. Strategic Risk Monitoring is conducted by the Corporate Strategy & Performance Management Division (SPD) periodically by monitoring the achievement of Key System Indicators (KPI) and Enterprise Risk Management Division (RMD) which monitors risk exposure compared to the Bank's risk appetite and Monitoring Risk Appetite and Risk Tolerance Strategic Risk on a monthly basis. Furthermore, the

Board of Commissioners, Directors and Divisions review basic strategies with the transformation of business, infrastructure and HC.

Furthermore, the Enterprise Risk Management Division monitors Strategic Risk by comparing targeted results with expected results, evaluating the performance of work units and ensuring the achievement of targets (target objectives). In controlling Strategic Risk, the Corporate Strategy & Alliance Management Division (CSAD) functions to analyze gaps between system reports and business plan targets and convey the steps that must be taken to the Board of Directors periodically.

### COMPLIANCE RISK MANAGEMENT

The Company has an internal application, namely the Compliance Regulatory & Monitoring System (CRMS) to facilitate all BTN employees in accessing all of the Company's internal requirements. In addition, to minimize the potential for compliance risk, the Company has a Compliance Work Unit called Compliance and Governance Division (CMGD) which monitors compliance risk by making a list of the Company's obligations to external parties and periodically reviewing internal regulations so that they remain relevant to external provisions in force.

The Company has placed a Branch Compliance Supervisory Officer (BCSO) at the Branch Office to evaluate the level of compliance with the Company's transaction flows and non-transaction operations whether they are in accordance with applicable regulations, provisions or SOPs. CMGD monitors and reports compliance risks that occur to the Company's Board of Directors both at any time and periodically when Compliance Risk occurs.

Compliance Risk measurement is conducted on potential losses caused by non-compliance and the Company's inability to meet the applicable external provisions. Indicators/parameters used in measuring Compliance Risk include types, significance, and frequency of violations of applicable regulations or track records of bank compliance, behavior underlying violations, and violations of generally accepted standards.

In controlling Compliance Risk, ERMD and CMGD have the duty to evaluate the effectiveness of the implementation



of Compliance Risk management by regularly monitoring all types of activities that have the potential to cause Compliance Risk.

### REPUTATION RISK MANAGEMENT

All employees, including business unit management and Bank supporting activities, are part of the Risk Management implementation structure for Reputation Risk, bearing in mind that reputation is the result of all of the Company's business activities. The role of the Business Unit Management is to identify the Reputation Risk that occurs in the business or activity of the unit and as a front liner in developing and preventing Reputation Risk, specifically related to customer relationships. Reputation Risk identification is conducted on risk factors inherent in certain functional activities such as credit (provision of funds), fund raising, treasury and investment, operations and services, information technology systems and MIS, and HC. In the process of identifying reputation risk, the Company has a SPN (Customer Complaints System) application and monitors all mass media (print and electronic, both local and national). The Company records every report about the Company both directly (straight news) and indirectly (mention). The SPN application is integrated with Branch Offices and Contact Centers. Service Quality & Network Division (SQND) as the manager of SPN will follow up on customer complaints and resolve in accordance with the SLA that has been set.

The Reputation Risk Measurement is conducted based on the results of an assessment of the factors affecting the Company's reputation, including customer complaints and reporting about the Company. The Bank's Reputation Risk is managed by the Corporate Secretary Division (CSD) work unit that manages news about the Company which is published in the print and electronic mass media and the Service Quality & Network Division (SQND) which manages customer complaints.

In order to monitor Reputation Risk and ensure customer satisfaction is maintained, the Company's SPN (Customer Complaints System) functions to support the management of services and online customer complaint handling between parties related to problems in Branch Offices and

Headquarters. In addition, Reputation Risk monitoring is also conducted by the Enterprise Risk Management Division (ERMD) by reminding and providing recommendations for improvement to the Reputation Risk Management Division of CSD and SQND based on an assessment of reputation risk profile parameters.

In controlling Reputation Risk, the Corporate Secretary Division is responsible for implementing policies relating to handling and resolving negative news or avoiding counter-productive information. To control Reputation Risk related to customer complaints, DCCD follows up on customer complaints and resolves them in accordance with established SLAs.

### RISK MANAGEMENT REFINEMENT AND ENHANCEMENT

As a Bank that focuses primarily on lending and housing finance, the Company's asset portfolio is dominated by Housing Loans (KPR) plus Bank BTN has dominantly assisted the government in Sejuta Rumah (Million Houses) Program, in the context of refining and improving the Risk Management, one of the ways that conducted is to improve the culture of risk management, the risk management work unit initiated a strategy to increase the risk awareness of all employees of the Company, among others by using the methods:

1. Risk Management in Training.  
Training related to overview and application of risk management which includes mandatory material on risk culture, including GBS and ODP training by implementing Gamification, using Fun Risk Quiz Kahoot and Board Game Risk. The Enterprise Risk Management Division is also actively supporting the Learning Center for the Risk Management Competency Test (UKMR) of Bank BTN employees in stages. For Millennials, ERMD also actively participates in the Kulgram (Telegram Lecture) to explain risk management, especially the Bank's Soundness.
2. Becoming one of the Corporate Culture programs in the Risk, Governance & Compliance Enterprise Risk Management Division to be one of the corporate culture teams and encourage the socialization of risk management to be one of the assessments in the Corporate Culture Report in all work units such as RCSA dissemination and filling as well as iGRC dissemination.



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3. Risk Awareness Blasting  
Aiming to give messages to all employees to be aware of risks (email blasts and SMS blasts), in collaboration with CMPD, HMCD and IAD. During 2019 ERMD has spread Risk Awareness.
4. Risk Culture Policy & Procedure Dissemination & Quiz  
Is a program that requires every employee in every work unit at Bank BTN to understand internal regulations that may strengthen risk awareness that includes operational risk material, anti-fraud strategy, staffing, Business Continuity Management (BCM), Know Your Employee (KYE), APU-PPT and Internal Control System.

### TARGETS AND STRATEGIC INITIATIVES FOR THE IMPLEMENTATION OF RISK MANAGEMENT IN 2019

The target and strategic initiatives related to the implementation of risk management in 2019 are as follows:

1. The application of risk management in addition to being focused on the development and simulation of risk and capital measurements, is also focused on developing a risk awareness culture in all levels of the Company as well as on the Ex Ante function in order to minimize the risk exposure. So that the established risk management policies can be implemented in daily business and operational activities at every level.
2. Formulation of Risk Management policies and procedures in 2019, as follows:
  - a. Board of Directors Regulation No. 14/PD/ DIR/ PPD/2018 dated December 28, 2018 concerning the Risk Management Policy Guidelines (PKMR) of

- PT Bank Tabungan Negara (Persero) Tbk.
- b. Circular Letter No. 15/DIR/ERMD/2018 dated March 22, 2018 regarding the instructions for implementing the Recovery Plan
- c. On Progress Review of the Board of Directors Circular No. 18/DIR/ERMD/2017 dated April 3, 2017 concerning Business Continuity Management (BCM) Policy and Business Continuity Plan (BCP) Standard Operating Procedure (BCP) (2020)
- d. Implementation of stress testing to assess the Bank's resilience to stress/crisis scenarios:
  - Liquidity Risk Stress Testing has been conducted 4 times, which is delivered through the Quarterly /IV/2018 Risk Profile Report, Quarter I/2019, Quarter II / 2019 and Quarter III/2019.
  - Credit Risk and Market Risk Stress Testing is conducted at least once a year and has been conducted twice, namely the Bottom Up Stress Testing (BUST) that was submitted to the FSA in March 2019 and the Reverse Stress Testing Recovery Plan which has been updated to the needs Reporting on the Recovery Plan Documents in September 2019.
- e. Circular Letter No. 77/DIR/ERMD/2017 dated December 27, 2017 concerning Guidelines for the Implementation of the Credit Scoring Model (CSM).
- f. Circular Letter No. 62/DIR/ERMD/2017 dated November 21, 2017 concerning Guidelines for the Implementation of the Internal Credit Rating (ICR) Proses.



## BASEL IMPLEMENTATION

In implementing risk management and anticipating the application of Basel II in particular pillar 1, the Company has implemented:

1. To calculate RWA from Credit Risk, the Bank applies a standardized approach in accordance with FSA Circular Letter No. 42/SEOJK.03.2016 dated September 28, 2016 as amended by FSA Circular Letter No. 11/SEOJK.03/2018 dated August 15, 2018 concerning Guidelines for Calculation of Risk Weighted Assets for Credit Risk using the Standard Approach.
2. To calculate RWA from Market Risk, the Bank applies the use of the Standard Method in accordance with FSA Circular Letter No. 38/SEOJK.03/2016 dated September 8, 2016 concerning Guidelines for Using the Standard Method in Calculating the Minimum Capital Requirement for Commercial Banks by Calculating Risks Market.
3. To calculate RWA from Operational Risk, the Bank applies the Basic Indicator Approach in accordance with FSA Circular Letter No. 24/SEOJK.03/2016 dated July 14, 2016 concerning Calculation of Risk Weighted Assets for Operational Risk using the Basic Indicator Approach.

For the implementation of Basel III the Company has implemented, namely:

1. Calculating Liquidity Coverage Ratio (LCR) to the regulator on a daily, monthly and quarterly basis according to the FSA Regulation No. 42/POJK.03/2015 dated December 23, 2015 concerning the Obligation to Meet the Liquidity Coverage Ratio for Commercial

Banks.

2. Calculating and reporting quarterly Net Stable Funding Ratio (NSFR) trials to regulators in accordance with the FSA Regulation No. 50 / POJK.03 / 2017 dated July 13, 2017 concerning the Obligation to Fulfill Net Stable Funding Ratio for Commercial Banks.
3. Calculating and reporting the trial calculation of Leverage Ratio (LR) to the regulator on a quarterly basis according to the Consultative Paper LR.
4. Calculating and reporting quarterly submission of IRRBB reports to regulators in accordance with FSA Circular Letter No. 12 / SEOJK.03 / 2018 regarding Implementation
5. Taking into account the buffer in calculating the minimum capital adequacy, namely:
  - a. Conservation Buffer in accordance with article 6 POJK No. 11 / POJK.03 / 2016 dated January 29, 2016 concerning the Minimum Capital Requirement for Commercial Banks
  - b. Countercyclical Buffer according to Bank of Indonesia Regulation No. 17/22 / PBI / 2015 dated December 23, 2015 concerning the Requirement for Countercyclical Buffer Formation.
  - c. Capital Surcharge for Systemic Banks in accordance with the FSA Regulation No. 46 / POJK.03 / 2015 dated December 23, 2015 concerning the Establishment of Systemically Important Banks and Capital Surcharge as well as the existence of a Systemic Bank bucket determination letter submitted by the regulator.

## RISK PROFILE ASSESSMENT

The Company always evaluates the Company's risk profile through an assessment of the inherent risk rating and the quality rating of the risk management implementation to determine the Company's risk rating. Inherent Risk Assessment is an assessment of the risks inherent in the Company's business activities, whether quantifiable or not, which have the potential to affect the Company's financial

position. Quality Assessment of the Risk Management Implementation is an assessment of 4 (four) interrelated aspects including risk management, risk management framework, risk management processes, adequacy of human capital, and adequacy of management information systems, as well as the adequacy of risk control systems.

In 2019, based on the results of the Company's assessment in the Company's Risk Profile Self Assessment as follows:



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No	Risk Profile	Quarter IV/2019			Quarter IV/2018		
		Inherent Risk Rating	Quality Rating on the Implementation of Risk Management	Risk Rating	Inherent Risk Rating	Quality Rating on the Implementation of Risk Management	Risk Rating
1	Credit Risk	Moderate (3)	Satisfactory (2)	Moderate (3)	Low To Moderate (2)	Satisfactory (2)	Low To Moderate (2)
2	Market Risk	Low To Moderate (2)	Satisfactory (2)	Low To Moderate (2)	Low (1)	Satisfactory (2)	Low (1)
3	Liquidity Risk	Low To Moderate (2)	Satisfactory (2)	Low To Moderate (2)	Low To Moderate (2)	Satisfactory (2)	Low To Moderate (2)
4	Operational Risk	Moderate (3)	Satisfactory (2)	Moderate (3)	Low To Moderate (2)	Satisfactory (2)	Low To Moderate (2)
5	Legal Risk	Low To Moderate (2)	Satisfactory (2)	Low To Moderate (2)	Low To Moderate (2)	Strong (1)	Low (1)
6	Strategic Risk	Low To Moderate (2)	Satisfactory (2)	Low To Moderate (2)	Low (1)	Satisfactory (2)	Low (1)
7	Compliance Risk	Low to Moderate (2)	Satisfactory (2)	Low To Moderate (2)	Low To Moderate (2)	Satisfactory (2)	Low To Moderate (2)
8	Reputation Risk	Low to Moderate (2)	Low To Moderate (2)	Low To Moderate (2)	Low To Moderate (2)	Satisfactory (2)	Low To Moderate (2)
Composite Rating		Low To Moderate (2)	Satisfactory (2)	Low To Moderate (2)	Low To Moderate (2)	Satisfactory (2)	Low To Moderate (2)

**EVALUATION OF THE RISK MANAGEMENT SYSTEM EFFECTIVENESS**

The Enterprise Risk Management Division as a Risk Management Unit periodically evaluates the implementation of the Risk Management System is on a quarterly basis by using Risk Profile tools, which include Risk Management for Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Compliance Risk, Legal Risk, Strategic Legal Risk and Reputation Risk. As stipulated in the FSA Regulation No. 18/POJK.03/2016 concerning the Implementation of Risk Management for Commercial Banks and the FSA Circular Letter No. 34/SEOJK.03/2016 concerning the

Implementation of Risk Management for Commercial Banks, the Risk Profile report includes an assessment of the Inherent Risk and an assessment of the Bank's Risk Management implementation quality.

The Inherent Risk Assessment is an evaluation of the Inherent Risks in the Bank's business activities, whether they can be quantified or not, which have the potential to negatively affect the Bank's financial position. The Quality Assessment concerning the Implementation of Risk Management is an assessment of 4 (four) interrelated aspects including Risk Governance, Risk Management



Framework, Risk Management Process, Adequacy of Human Capital, and Adequacy of Management Information Systems, and the Adequacy of Risk Control Systems.

#### ADEQUACY OF RISK MANAGEMENT INFORMATION SYSTEMS

The initial risk management information system is focused on collecting and improving the quality of the risk database which is expected to be developed and applied to the risk management information system in stages so that the process of risk measurement and risk monitoring can be conducted in an integrated manner and can be presented in a timely manner. The Company is currently developing

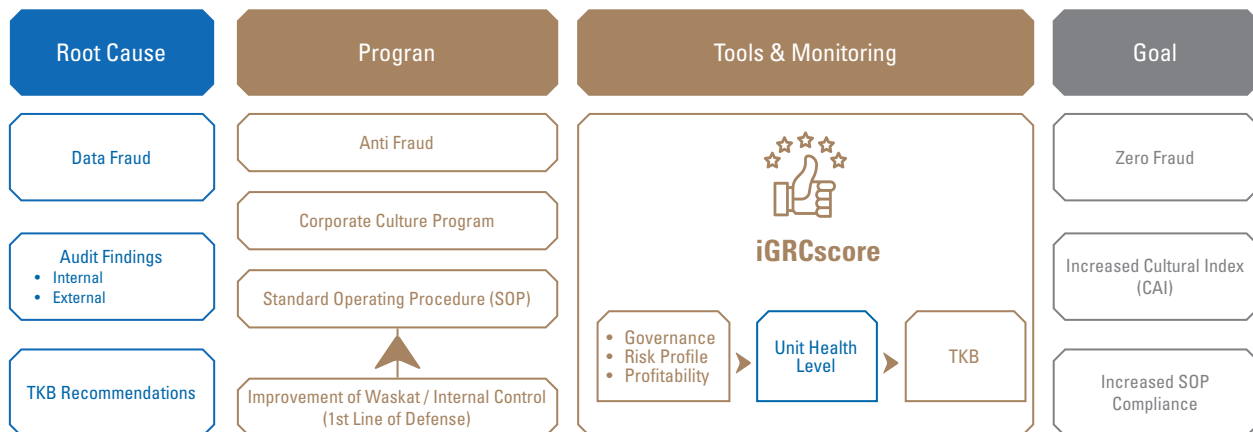
an Internal Credit Rating (ICR) for commercial credit and enhancement of the Loss Event Database (LED) which helps to collect information on loss events that occur at the Branch Office so that risks can be identified at KC and can be followed up with mitigation.

#### ADEQUACY OF THE RISK IDENTIFICATION, MEASUREMENT, MONITORING AND CONTROL PROCESS

The process of identifying, measuring, monitoring and controlling risk is conducted by the Risk Management Unit in this case the ERMD which has an assessment and measurement unit to identify and measure each risk. Risk monitoring and control is conducted regularly to mitigate significant risks to the Company.

#### IMPLEMENTATION OF A COMPREHENSIVE INTEGRATED GOVERNANCE, RISK & COMPLIANCE (GRC)

In accordance with the Transformation Blueprint of Bank BTN, in order to build the Bank's strategic pillars for business growth, Bank BTN needs to implement the integrated and comprehensive GRC function. Integrated GRC is expected to increase the potential for achieving superior performance supported by the application of good corporate governance and risk management principles. Targets of iGRC Success in the initial milestone are Zero Fraud, Increased Cultural Index and Increased Employee Compliance with SOPs can be described as follows:



The Comprehensive Integrated Governance, Risk & Compliance work program plan is as follows:

1. Risk Management Unit
  - a. Compilation of the Integrated Risk Management (Enterprise Risk Dashboard) Application; and
  - b. Enhancement of the Operational Risk Tools system
2. Compliance Unit
  - a. Conducting periodic compliance unit assessment (compliance mapping);
  - b. Joint Audit Implementation;
  - c. Strengthening the APU PPT program which is in line with the APU PPT Compliance Mandatory Regulatory;
  - d. Strengthening the Anti-Corruption Control Program and gratification;
  - e. Implementation of KPK Collaboration Profit Program;
  - f. Improving corporate governance capabilities based on:
    - Standard Corporate Governance according to the Regulator;
    - Standard Corporate Governance according to ACGS (ASEAN Corporate Governance Scorecard); and



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- Standard Corporate Governance according to the CGPI (Corporate Governance Perception Index).
3. Internal Audit Unit
    - a. Audit Implementation (General, ICT and Investigation);
    - b. Coordinating the implementation of the Anti Fraud / SAF Strategy (SAF Socialization, Email Blast and SMS Blast); and
    - c. Increasing the effectiveness of the Whistle Blowing System

### ACHIEVEMENTS AND AWARDS OF THE ENTERPRISE RISK MANAGEMENT DIVISION UNTIL 2019:

1. ISO 9001: 2008
2. Surveillance ISO 9001: 2015
3. Champion in the Asean GRC Award category at the 2017 Asean Risk Awards by the Enterprise Risk Management Academy (ERMA) in 2017
4. Winner of the Asean Public Risk Category in the Asean Risk Awards by the Enterprise Risk Management Academy (ERMA) in 2018
5. Runner Up for the Asean Risk Educator Category in the Asean Risk Awards by the Enterprise Risk Management Academy (ERMA) 2018
6. Runner Up for the Asean GRC Award Category in the Asean Risk Awards by the Enterprise Risk Management Academy (ERMA) 2018
7. Nominees for the Public Initiative Category in the event Asean Risk Awards by the Enterprise Risk Management Academy (ERMA) 2018
8. Winner of the Asean Public Risk Category in the Asean Risk Awards by the Enterprise Risk Management Academy (ERMA) in 2019
9. Asean Risk Educator Category Nominees in the Asean Risk Awards by the Enterprise Risk Management Academy (ERMA) 2019

## STRATEGY / DIRECTION OF RISK MANAGEMENT POLICY FOR THE NEXT 1 (ONE) YEAR

The objectives of the Bank Risk Management (Enterprise Risk Management):

1. Creating a system or mechanism within the company so that risks can be anticipated and managed to increase the value of the company and safeguard it.
2. Encouraging management and employees to act proactively reduce the risk of loss, making risk management a source of competitive advantage and excellence in company performance.
3. Building the ability to socialize understanding of risk and maintain risk management of the Company.
4. Improving company performance through providing risk level information as outlined in the risk map that is useful for management in developing strategies and improving the risk management process continuously and sustainably.

### BANK RISK MANAGEMENT TARGETS

- The creation of Human Capital with insight and risk culture with a pattern of planned and sustainable development.
- Supporting the achievement of the Company's RKAP in 2020.
- Improving and maintaining the risk profile and health level of the Company at the desired level.
- Optimizing KPMM owned by the Company and maintaining the desired level.

To achieve this goal, each work unit must implement risk management as regulated in this provision. In order to realize the objectives of the implementation of risk management, by referring to the blueprint of the Company's 2016-2020 strategic transformation plan, specifically strengthening the comprehensive GRC implementation, the Company has developed strategic and work plans related to the implementation of risk management with a 1 (one) year strategy and work plan going forward as follows:

1. In accordance with the transformation in the Company's

Blueprint and by referring to 11 integrated GRC initiatives that are the responsibility of the ERMD to support the direction of optimizing the implementation of risk management, the ERMD has made a Roadmap for the transformation of the Company's risk management period 2019-2025 with emphasis on the objectives to be achieved in the implementation as following:

- a. 2019: Effective Capital
- b. 2020: Optimal Earnings
- c. 2021: Controlled Risk



- d. 2021 - 2025: Good Corporate Governance
2. Strengthening risk capability (RM.7), among others by restoring HC to the risk management work unit and increasing the HC Competency of the ERMD and the Company as a whole in relation to risk management.
  3. Establishing risk appetite & tolerance (RM.8) and a clear strategy with Risk Management Policy Formulation (including RA/RT per risk type for 2020).
  4. Improving the credit decision process (RM.9) and Building an effective risk scoring model (RM.11), this is done among others by enriching/expanding the capabilities of Internal Credit Rating (ICR), Credit Scoring model (CSM), Development of Default Probability (PD), Loss Given Default (LGD) and EAD models as part of the PSAK 71 implementation, as well as developing a validation framework for risk models, including credit risk and set Limits of Authority to Disconnect Credit (BWMK).
  5. Establishing a strong governance structure to enhance the risk culture (RM.10) by increasing the risk awareness of all Company employees using the gamification method. It is hoped that the gamification method makes it easier for all employees to understand the importance of risk awareness in every activity, especially at work, by implementing a risk awareness program that is more fun and attractive with the implementation of the 2019 Risk Culture Program.
  6. Improving operational risk management capability (RM.12) and implementing integrated GRC implementation and monitoring KPI, KRI, and KCI (RM. 20), among others by strengthening internal regulations governing Loss Event Database (LED), Risk & Self Control Assessment (RCSA) and Business Continuity Management (BCM), in addition to enhancing operational risk management capabilities, are increasingly being expanded by developing Key Risk Indicator (KRI) and IT Risk Management provisions and implementing IT applications/systems to support the implementation of RCSA and Integration of Operational Risk Tools (LED, KRI and RCSA)
  7. Increasing the capability of liquidity management and market risk (RM.14), namely by developing a validity framework for the Market & Liquidity Risk Model and intensifying monitoring of the Core Customers concentration, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).
  8. Building a risk information system (RM.15) by developing and/or strengthening IT system applications that include the Data Management Integration Application and the Datamart Credit Risk Application.
  9. Implementing a rule-based early warning system (RM 16) by building a recovery plan application.

In order to support/optimize the implementation of the above strategies, ERMD in the implementation of management activities has implemented and obtained ISO 9001: 2015 certification which is committed to continuing to work in accordance with the quality standards applied by making sustainable improvements to foster a culture of risk and encourage an effective risk management implementation at all levels of the organization and the Company's business activities in accordance with the applicable regulations.



# INTERNAL CONTROL SYSTEM

The internal control system is implemented in order to support the achievement of the Company's performance goals, increase value for stakeholders, minimize the risk of loss and maintain compliance with applicable rules and regulations. The Company implements an internal control system as an important component of supervision in the Company's management and serves as a reference for healthy and controlled operational activities. The Company refers to the COSO (Committee of the Sponsoring Organizations of the Treadway Commission) - Internal Control Integrated Framework in preparing an internal control framework to ensure adequate operational and financial control, financial reporting, operational effectiveness and efficiency, and compliance with applicable laws and regulations.

## BASIC STIPULATION

For the Company, the Internal Control System is a monitoring mechanism established by management on an ongoing basis. The Company operates an internal control system with reference to the applicable regulations, including the following:

1. Financial Services Authority Regulation No. 18/POJK.03/2016 dated March 16, 2016 concerning the Implementation of Risk Management for Commercial Banks.
2. Financial Services Authority Circular No. 34/SEOJK.03/2016 dated September 01, 2016 concerning the Implementation of Risk Management for Commercial Banks.
3. Financial Services Authority Circular No. 35/SEOJK.03/2017 concerning Guidelines for Internal Control Standards for Commercial Banks.
4. Bank Indonesia Circular Letter No 5/22/DPNP dated September 29, 2003 concerning Guidelines for Internal Control System Standards for Commercial Banks.

## FINANCIAL AND OPERATIONAL CONTROL ACTIVITIES

Control activities include several aspects which are not limited to the establishment of control policies and procedures as well as verification processes to ensure that the policies and procedures are consistently adhered to. Control activities especially related to operations and finance are applied at all functional levels whose responsibilities are adjusted based on the Company's organization structure including:

1. Management Review (Top Level Reviews)  
The Bank's Directors periodically conduct coordination meetings to obtain information on the Company's performance from officials and employees. So it is possible to conduct a study of the realization compared to the targets that have been set, such as financial reports or management reports that are compared with the specified budget plan. Based on the review, the Directors immediately detected problems such as control weaknesses, financial reporting errors or other irregularities (fraud).
2. Operational Performance Review (Functional Review)  
This review is conducted by the Internal Audit Division on a monthly, quarterly, semester and annual basis, including:
  - a. Reviewing the risk assessment (risk profile report) produced by the risk management work unit;
  - b. Analyzing operational data, both data related to risk and financial data, namely verifying the details and transaction activities compared to the outputs (reports) produced by the risk management work unit; and
  - c. Reviewing the realization of the work plan and budget implementation, in order to:



- Identifying the cause of significant deviations,
- Establishing requirements for corrective action.

### 3. Control of Information Systems and Technology

Control of information systems and technology is done by verifying the accuracy and completeness of the transaction and conducting authorization procedures, in accordance with internal regulations. Information system control activities can be classified into two criteria as follows:

- a. General control includes general control over data center operations, software procurement and maintenance systems, security of access, and development and maintenance of existing application systems. This general control is applied to mainframes, servers, and users workstations, as well as internal-external networks.
- b. Application controls are applied to the programs used by the Company in processing transactions and to ensure that all transactions are true, accurate and properly authorized. In addition, application control must be able to ensure the availability of an effective audit process and to check its accuracy.

### 4. Physical Control

Control of physical assets is conducted to ensure the implementation of physical security of the Company's assets. These activities include safeguarding assets, records and limited access to computer programs and data files, as well as comparing the value of the Company's assets and liabilities with the values listed in the controlling records, in particular checking asset values periodically.

### 5. Documentation

The Company at least formalizes and documents the policies, procedures, systems and accounting standards and audit processes adequately. The document must be updated regularly to describe the actual operational activities of the Company, and be informed to officials and employees. Upon request, documents must always be available for the benefit of internal auditors, public accountants and the Company's supervisory authority.

The accuracy and availability of documents must be assessed by internal auditors when conducting routine and non-routine audits.

### 6. Segregation of Duties

Segregation of Duties is a part of control activities intended to ensure that everyone in his position does not have the opportunity to make and hide errors or irregularities in conducting his duties at all levels of the organization and all steps of operational activities, as follows:

- a. Complying with the principle of this function segregation, known as "Dual Control";
- b. Establishing procedures (authority), including the determination of a list of officers who may access a transaction or business activity that is high risk;
- c. Avoiding giving authority and responsibility that may lead to various conflicts of interest. All aspects that may cause conflicting interests are identified, minimized and monitored carefully by other independent parties;
- d. The implementation of the Four-Eyes Principle and the Three Pillars Process namely Business, Operations and Risk are as follows:
  - The Four-Eyes Principle is the main principle that underlies decision-making in granting credit where each loan is made by at least 2 (two) authorities, each from the Business unit and the Credit Risk unit, which are mutually independent of each other.
  - Decision making for the type of credits that uses a scoring system or special criteria specified in the program/skim parameters is basically the implementation of the four-eyes principle, which is between the business unit and the scoring system/criteria where the model design and scoring system parameters/criteria are arranged and maintained by the risk management unit.
  - Segregation of sales/business functions, risk functions and operations functions (credit admin and legal) in the credit granting process.



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## INTERNAL CONTROL SYSTEM

### CONFORMITY OF THE COMPANY'S INTERNAL CONTROL SYSTEM WITH THE COSO FRAMEWORK

The Company's Internal Control System is in accordance with the Integrated Internal Control Framework developed by the Committee of the Sponsoring Organization of the Treadway Commission (COSO). The objectives of Internal Control according to COSO include Operational objectives, Reporting objectives and Compliance objectives.

In COSO it is stated that Internal Control is a system or process performed by the Board of Commissioners, Board of Directors, Management and employees in a company, to provide adequate guarantees to achieve the Control objectives. COSO – the Internal Control Framework, consists of 5 (five) Control components, which are Environment Control, Risk Assessment, Activities Control, Information and Communication Control, and Monitoring Control.

The implementation of the Company's Internal Control System that refers to COSO has been adapted to the Company's Board of Commissioners and Board of Directors Joint Decree No. SKB-04 dated July 29, 2011 concerning the Guidelines for the Internal Control System and KD No. 01/DIR/KD/PPD/2018 dated January 23, 2018 concerning Guidelines for Corporate Governance Policy (PKTKP) Chapter 7 Internal Control Policies. Based on the decree, the Company's Internal Control component is in line with the COSO Internal Control Framework which includes the following:

1. Environment Control, which is a fundamental component in the Internal Control System. The component reflects the nuances and atmosphere of concern regarding all levels of officials and leaders pertaining to the importance of effective Internal Controls. This Environment Control is strongly influenced by a Strong Tone from the Top.
2. Risk Assessment, which is a series of Risk Awareness initiatives for all employees towards the development of a Risk Culture and the activities of evaluating, rating and mitigating risks.
3. Activities Control, which includes the adequacy of policies, provisions, procedures and compliance in the implementation of Operational activities.
4. Information and Communication Control, which pertains to the condition of effective communication channels both internally and externally in accordance with their respective responsibilities.

5. Monitoring Control, which is an assessment process for monitoring the effectiveness of the design and operation of the Internal Control Structure and performance of the Management, whether it has been conducted properly and has made adjustments that are in accordance with the prevailing circumstances.

While elements of the Bank's Internal Control System as mentioned in the Joint Decree No. SKB-04 No. SKB04 dated July 29, 2011 and KD No. 01/DIR/KD/PPD/2018 dated January 23, 2018 concerning Guidelines for Corporate Governance Policy (PKTKP) Chapter 7 Internal Control Policies include the following matters:

1. Supervision by Management and the Culture of Control where the Board of Commissioners are responsible for ensuring that the Board of Directors have monitored the effectiveness of the Internal Control System, in order for the Board of Commissioners to ensure that improvements concerning the Company's problems will be enhanced due to the effectiveness of the Internal Control System. The Board of Directors is responsible for establishing Internal Control policies, strategies and procedures. The Board of Directors is also responsible for monitoring the adequacy and effectiveness of the Internal Control System. The Board of Commissioners and the Board of Directors are responsible for improving and developing an Organizational Culture that promotes and emphasizes good Work Ethics and High Levels of Integrity, to all of the Bank's employees regarding the importance of Internal Controls that apply in the Company.
2. Risk Identification and Assessment is a series of actions performed by the Board of Directors in Identifying, Analyzing and Assessing the Risks confronted by the Company in order to achieve the business objectives.
3. Control and Segregation Activities regarding Operational Functions where Activities Control will assist the Company's Board of Directors and Board of Commissioners in managing and controlling risks that may cause harm on performance or result in losses to the Company. Activities Control includes policies, procedures and practices that provide confidence for the officials and employees of the Company that the direction of the Board of Commissioners and the Board of Directors of the Company have been



implemented effectively. The separation of functions is intended that all personnel in their positions do not have the opportunity to perform and conceal errors or irregularities in performing their duties across all levels of the organization and at all phases of Operational activities.

4. Accounting/Financial, Information Technology and Communication Systems where the Accounting/Financial System must include methods and records in identifying, grouping, analyzing, classifying, recording/registering and reporting the Company's transactions. The Information Technology System must be able to produce reports regarding Business Activities, Financial conditions, the implementation of Risk Management and Compliance with the provisions

that support the implementation of the duties of the Board of Commissioners and the Board of Directors. The Communication System must be able to provide information to all parties, both internal and external, including the Bank's Supervisory Authorities, External Auditors, Shareholders and Customers of the Company.

5. Monitoring Activities and Actions regarding the Correction of Deviations where the Company must continuously monitor the effectiveness of the overall implementation of Internal Control. Monitoring of the Company's main risks must be prioritized and function as an integral part of the Company's daily activities including periodic evaluations, both by the Operational Work Unit and by the Internal Audit Work Unit.

## INTERNAL CONTROL STATEMENT OF ADEQUACY

The Board of Directors and the Board of Commissioners are committed to ensuring that Good Corporate Governance rests as the basis for achieving our goals, safeguarding, and enhancing the value of the Company. One of the implementations of Good Corporate Governance is ensuring that the Internal Control System has been implemented adequately.

The Board of Directors and the Board of Commissioners or the Audit Committee conducts an examination of the evaluation results concerning the effectiveness of the Company's Internal Control System, which includes five main components of Control, they are Environment Control including the Supervision by Management and Culture of Control (Oversight and Culture of Control Management),

Risk Recognition and Assessment, Control and Separation of Activities (Activities Control and Segregation of Duties), Information Technology and Accounting and Communication Systems (Accountancy, Information and Communication), Monitoring Activities and any Deviations/Weakness Correction Actions (Monitoring Activities and Correction of Deficiencies).

This Internal Control System Standard Guide is a guideline that contains the Internal Control System's minimum measure, which must be enforced by the Company in all aspects of Operations and implementation within the Company, to nurture a common understanding and foundation for the maintenance and commitment of all parties related to the Company.





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## INTERNAL CONTROL SYSTEM

### INTERNAL CONTROL EFFECTIVENESS EVALUATION

In 2019, the Company implemented Internal Controls in accordance with the principles of Control, and overall, a good quality Internal Control System. The Company, through the Internal Audit Division (IAD), conducted Internal Control Assessment (ICA) in evaluating the effectiveness of the Internal Control System. The assessment measured the Internal Control quality of the Auditee Work Unit for the 5 (five) Internal Control components of the COSO Framework using the rating criteria and methodology of the Internal Control Assessment (ICA) questionnaire and the Auditor's professional judgment through an in the field walkthrough. Broadly speaking, the steps taken by the Company in ensuring the implementation of effective monitoring activities include the following:

1. To ensure that the Monitoring function is clearly defined and well-structured within the Company's organization;
2. To establish Work Units/employees who are assigned to monitor the effectiveness of the Internal Controls;
3. To establish the right frequency for monitoring activities based on Inherent Risks in the Company and the nature/frequency of changes occurring in Operational activities;
4. To integrate Internal Control System (SPIN) into all Operational activities and provide routine reports including Book-keeping Journals, Management Reviews and Reports regarding the approvals for exceptions/deviations from established policies and procedures (justifications for irregularities) which are then reviewed;

5. To conduct reviews of the documentation and results of the evaluation of the Work Unit/ employee assigned to perform the monitoring function;
6. To establish information/feedback in the correct format and frequency level.

To assess the adequacy and effectiveness of the Internal Control System and Performance Quality being implemented is as follows:

1. Adequacy and Effectiveness of Internal Control employs the Internal Control Assessment (ICA) questionnaire to create a Risk Control Assessment and Audit Rating, which are retested during the implementation of a Field Audit (walkthrough).
2. Performance is assessed based on the achievement of real performance targets with the performance set forth in the Company's Work Budget Plan (RKAP).

Evaluation of the effectiveness of the Company's Internal Control System (Risk Control) was implemented on all Work Units based in the Headquarters (division/ desk) as well as 76 Branch Offices and 24 Sharia Branch Offices. All that was related to the issue of the adequacy of Internal Control was reported directly to the Board Directors through the President Director and to the Board of Commissioners via the Audit Committee. Follow-up efforts were conducted in order to minimize risks and overcome problems that had arisen.



# LEGAL ISSUES

## IMPORTANT ISSUES FACED BY THE BOARD OF DIRECTORS, BOARD OF COMMISSIONERS AND SUBSIDIARIES

Throughout 2019, there were no members of the Company's Board of Directors and/or Board of Commissioners who encountered any legal issues, either Civil and/or Criminal. Thus far, the Company does not have any subsidiary.

## IMPORTANT ISSUES CONFRONTED BY THE COMPANY

In 2019, the Company confronted case/lawsuit problems, which were submitted through legal proceedings as per the following table:

LEGAL ISSUES IN 2018 - 2019							
No	Legal Issues	2019			2018		
		Civil	Criminal	Industrial Relations	Civil	Criminal	Industrial Relations
1.	Settled (has permanent legal force)	216	117*	3	134	173*	1
2.	In Settlement	142	89	1	214	101	1
	<b>Total</b>	<b>358</b>	<b>206</b>	<b>4</b>	<b>348</b>	<b>274</b>	<b>2</b>

\*) In 2019 out of 117 criminal law issues, the Company acted as a witness of 93 cases.

## IMPORTANT CASES CONFRONTED BY THE COMPANY IN 2019

Principal Case / Lawsuit	Settlement Status	Impact on Company Conditions	Last Status
Lawsuit Against the Law by the cash buyers to developer who obtain credit facilities from the Company because the cash buyers have not yet received a certificate from the developer of which is a credit guarantee at the Company	Waiting for PK Decision from the Supreme Court	Turn over Collateral Credit worth Rp1,400,000,000	The Cassation Verdict granted a lawsuit from the cash buyers
Lawsuit made by the plaintiff claiming to be the owner of the land to the Developer of whom obtained a credit facility from Bank BTN because the Plaintiff claiming to be the owner of the land felt that he had never made a power of attorney to sell to the developer.	Waiting for PK Decision from the Supreme Court	Turn over Collateral Credit worth Rp.2,100,000	The Cassation Verdict granted a lawsuit from the plaintiff claiming to be the owner of the land
Lawsuit made by the investor to the Company and the developer was because the investor claimed to have deposited money for the redemption of the developer's credit collateral, but the money originally intended for the extension of the developer's credit was not realized	Waiting for PK Decision from the Supreme Court	Material loss worth Rp.2,380,414,576	Decision of Appeal

## ADMINISTRATIVE SANCTIONS

Throughout 2019 there were no administrative sanctions that affected the sustainability of the Company's business and there were also no administrative sanctions imposed on members of the Board of Directors or the Board of Commissioners.



## COMPANY INFORMATION AND DATA ACCESS

The Company provides complete access to information and data both Financial and Non-Financial related reports to the public Transparently through various forms of media including Websites (in two languages), Mass Media, Mailing Lists, Newsletters, Meetings with Analysts, IDX Official Website, Publications (press releases), Products, Corporate Actions, the Company's Presentation materials to the public and so on. Access to Company information regarding Financial and Company information can be done through the following media:

1. Website [www.btn.co.id](http://www.btn.co.id) which is presented in both the Indonesian and English language, and provides information regarding the following:
  - a. Shareholder information through to the individual final owner;
  - b. Analysis of Financial performance.
  - c. Financial Reports for the past 5 years
  - d. Profile of the Board of Commissioners and the Board of Directors
2. For more information, customers may contact the Call Center 1500 286 or email [csd@btn.co.id](mailto:csd@btn.co.id)
3. Investors may directly contact the Corporate Secretary/Investor Relations of the Company by sending an email to [investor\\_relations@btn.co.id](mailto:investor_relations@btn.co.id) or by telephone at (62-21) 633 6789 ext: 2003.
4. The Company has consistently delivered a Statement of Disclosure and/or Material Facts letters to the Financial Services Authority and the Indonesian Stock Exchange as well as through the Electronic Reporting System [spe.ojk.go.id](http://spe.ojk.go.id) and the [idxnet.co.id](http://idxnet.co.id) and [www.btn.co.id](http://www.btn.co.id) websites.
5. Information through other media, including the Mass Media (Press Releases), Magazine/ Internal Bulletins, Posters and Banners.
6. Submission of reports to Regulators, Analyst Meetings, Press Conferences, and so forth.

In addition, to receive further information regarding the Company, the general public and investors can contact:

### CORPORATE SECRETARY

<b>Name</b>	: Achmad Chaerul
<b>Address</b>	: Menara BTN : Jl. Gajah Mada No.1, Jakarta Pusat 10130
<b>Phone</b>	: +62 21 6336789 ext. 2003
<b>Fax</b>	: +62 21 6336719
<b>E-mail</b>	: <a href="mailto:achmad.chaerul@btn.co.id">achmad.chaerul@btn.co.id</a>
<b>Website</b>	: <a href="http://www.btn.co.id">www.btn.co.id</a>

### HEAD OFFICE ADDRESS

<b>Address</b>	: Menara BTN : Jl. Gajah Mada No.1, Jakarta Pusat 10130
<b>Phone</b>	: 62 21 6336789, 6332666
<b>Fax</b>	: +62 21 6346704
<b>E-mail</b>	: <a href="mailto:csd@btn.co.id">csd@btn.co.id</a>
<b>Website</b>	: <a href="http://www.btn.co.id">www.btn.co.id</a>
<b>Contact Center</b>	: <b>1500-286</b>  BankBTNcoid  @BankBTNcoid <a href="http://www.btn.co.id">www.btn.co.id</a>  Bankbtn



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## INVESTOR RELATIONS EVENTS FOR 2019

In establishing harmonious relationships with Shareholders, potential Investors, Analysts and other Capital Market Communities, the Company organizes regular activities, which includes meetings with analysts/investors on a national and international scale and exposure to the public. The Company also fulfills the obligations regarding the Disclosure of Information as stipulated in the Indonesian Capital Market regulations including Disclosure to Material Information or Facts, Financial Reports, Annual Reports and Certain Shareholders' Reports.

In addition, the Company actively organizes other activities including media meetings, media reviews and media promotions. Throughout 2019, the Company held various forms of communication with Investors (Investor Relations) as is described in the Implementation of Duties and Responsibilities of the Corporate Secretary.

The Company's Investor Relations contact information:



[Investor\\_Relations@btn.co.id](mailto:Investor_Relations@btn.co.id)



+62 21 63870107/4

## PRESS CONFERENCE

Throughout 2019, the Company performed several Press Releases, one of the aspects of the Information Disclosure and Accountability to the wider community. The Company's Press Releases throughout 2019 are as follows:

Date	Title
January 4, 2019	Pursuing The 2019 Target, Bank BTN Targeting Home Financing for 4 Million Korpri Members
January 19, 2019	BTN Preparing Home Financing for Garut Hair Shavers Community
January 25, 2019	Pursuing Cheap Dpk, Bank BTN Holds BTN Attack Points Program
February 2, 2019	BTN Optimistic to Print IDR 5 Trillion New Credit in Ipex 2019
February 10, 2019	69 Years Bank BTN Successfully Realized Credit of Rp523 Trillion
February 11, 2019	Ipex 2019 Target Exceeded
February 14 2019	Attracting Millennial, BTN Syariah Launches KPR Hits
February 27 2019	Pursuing Target of Institutional Dpk, Bank BTN Attracts PT Kliring Berjangka Indonesia (Persero)
March 5, 2019	Supporting the One Million Homes Program, BTN Holds Property Literacy in Malang
March 5, 2019	Bank BTN is Optimistic about Positive Presidential Election Results for the Property Sector
March 16, 2019	BTN Syariah Roadshow Kpr Hits In a Number of Large Cities
March 20, 2019	Improving the Quality of Housing Developers, BTN Partners with a College of Initiation School of Property Developer
April 1, 2019	Aiming for Increase in DPK and Credit, Bank BTN Collaborates with PT Angkasa Pura Support
April 22, 2019	BTN Acquisition on Pnm Subsidiary
April 22, 2019	To Spur Credit Expansion, BTN Holds Simultaneous Mass Contracts
April 22, 2019	BTN Starts Acquisition on Small Companies as Subsidiaries



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Date	Title
April 23, 2019	Quarter I/2019, BTN Recorded Credit Increase By 19.57%
April 25, 2019	BTN Supports the Welfare of Ten Thousand Farmers in Purwakarta
May 17, 2019	BTN Will Take Over The Majority Of The Pnmim Shares
May 20, 2019	Supporting the National Basketball Club Development, Bank BTN Appreciates the Achievement of BTN Cls Knights
May 23, 2019	BTN Preparing Rp. 14.58 Trillion To Welcome Eid Al-Fitr 1440 H
May 23, 2019	Is Ready To Be Tapera's Main Partner
May 27, 2019	Safari Ramadan, Bank BTN Donated Rp 2.24 Billion
May 28, 2019	Bank BTN Partners with Moneygram to provide Remittance Services
June 14, 2019	Himpuni Ready to Become a Strategic Partner of the Government
June 19, 2019	Infrastructure Encourages Increase in Property Price Index
June 27, 2019	Bank BTN Shelf Registration Bonds III Phase II Year 2019 Excess Demand
July 19, 2019	Bank BTN Adjusts Bank Business Plans
July 22, 2019	Bank BTN Credit Distribution Rate Establishes Cooperation with TNI
July 26, 2019	On Track Performance, BTN Prepares to Issue Juneor Global Bond
July 27, 2019	Continuing to Pursue Kpr, BTN Aims Rp 5 Trillion from Ipex
August 2, 2019	Welcoming Kaltara Economic Growth, BTN Opens Tarakan Branch Office
August 5, 2019	Closing Ipex BTN is Realizing Rp 7.22 Trillion in New Loans
August 13, 2019	Preventing Corruption, BTN Adopted Profit Check Owned by KPK
August 13, 2019	BTN Invites Bengkulu Students To Strengthen Nationality Values
August 29, 2019	BTN Obtains Acquisition Approval Venture Capital Company
August 30, 2019	Oni Febriarto Rahardjo Appointed To Carry Out the Duties As BTN President Director
September 3, 2019	Getting More Flpp Quota, Bank BTN is Even More Solid To Reach 2019 Targets
September 4, 2019	BTN And BPN Launched Electronic Mortgage Rights Services
September 20, 2019	LTV Relaxation Spurred BTN Non Subsidized KPR Distribution
October 16, 2019	Accelerating Credit Document Settlement, Bank BTN Launches Web E-Mitra Operation
October 31, 2019	To Boost Retail Funds, Bank BTN Offers Kilau Emas Program to Tajir Customers
November 11 2019	Bank BTN Embraces the Young Generation with Simple Savings in Science Day
November 7, 2019	Spur Performance in East Java, Bali and Nustra Region Bank BTN Relocates Regional Offices
November 11, 2019	BTN is Included in the Sri-Kehati Index
November 14, 2019	Quarter III/2019, BTN Gained IDR 801 Billion Profit
November 16, 2019	Encouraging the Property Sector, BTN Holds Ipex
November 20, 2019	Spur Business in Central Sulawesi, BTN Syariah Opens Branches In Kendari



Date	Title
November 24, 2019	BTN Receives Rp 4.54 Trillion in Potential New Loans in IPEX
November 27, 2019	BTN Ready to Face 2020
November 28, 2019	Optimizing the Distribution of Subsidized KPR, Bank BTN Spurred the Distribution of Bp2bt Subsidies
December 4, 2019	Securing Capital Adequacy Ratio, Bank BTN Asset Securitization Worth Rp 2 Trillion
December 8, 2019	BTN Has Distributed Rp. 300 Trillion KPR To Fund 5 Million Indonesians
December 10, 2019	The Property Financing Business in 2020 Faces Many Challenges
December 11, 2019	Bank BTN Holds Mass KPR Agreement for Execution of Additional FLP Quota
December 18, 2019	BTN Prepares to Control Millennial Market

## TRANSPARENCY IN REPORT SUBMISSION

Throughout 2019, the Company through the Corporate Secretary has periodically submitted reports to the public through Mass Media, the Company's website and IDX using Indonesian and English, and periodically and incidentally submitted reports to the Financial Services Authority (OJK), BEI, the Deposit Insurance Agency (LPI), the Ministry of Finance, and the SOEs Ministry as follows:

Date	Subject	Purpose
January 04, 2019	Securities Holder Registration Monthly Report	
January 16, 2019	6 (Six) Interest Payment Report of Bank BTN Shelf Registration Bonds III Phase I Year 2017 Series A-D	
February 07, 2019	Securities Holder Registration Monthly Report/Changes in Shareholder Structure	
March 05, 2019	Securities Holder Registration Monthly Report / Changes in Shareholder Structure	
March 08, 2019	Information Disclosure of which is necessary to be known by the Public	
March 13, 2019	COUPON Payment Information	
March 18, 2019	Information Disclosure of which is necessary to be known by the Public: Information on the Replacement of Internal Audit Unit Head of PT Bank Tabungan Negara (Persero) Tbk	OJK Chief Executive Supervisor of the Indonesian Capital Market and Stock Exchange
March 28, 2019	Information Disclosure of which is necessary to be known by the Public: The 24th Interest Payment Report of Bank BTN Shelf Registration Bonds I Phase II Year 2013	
March 29, 2019	Submitting Evidence of Advertising Information on Annual Financial Statements	
April 02, 2019	Securities Holder Registration Monthly Report/Changes in Shareholder Structure	
April 10, 2019	AGMS Announcement	
April 16, 2019	COUPON Payment Information	



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Date	Subject	Purpose
April 24, 2019	Information Disclosure of which is necessary to be known by the Public: Signing a Conditional Share Purchase Agreement (CSPA) between Bank BTN and PNM Investment Management	
April 25, 2019	Invitation to AGMS	
April 26, 2019	Explanation of Mass Media Coverage	
May 08, 2019	Securities Holder Registration Monthly Report / Changes in Shareholder Structure	
May 13, 2019	Information Disclosure of which is necessary to be known by the Public	OJK Chief Executive Supervisor of the Indonesian Capital Market and Stock Exchange
May 21, 2019	Cash Dividend Schedule	
May 22, 2019	Audit Committee Changes	
May 24, 2019	Information Disclosure of which is necessary to be known by the Public Report on the Changes of Bank BTN President Director Share Ownership as of May 16, 2019	
June 12, 2019	Securities Holder Registration Monthly Report / Changes in Shareholder Structure	
June 14, 2019	Information Disclosure of which is necessary to be known by the Public PT Bank Tabungan Negara (Persero) Tbk Annual GMS No. 97 dated May 17, 2019	
June 27, 2019	Submission of Other Advertising Evidence	
July 01, 2019	COUPON Payment Information	
July 02, 2019	Information Disclosure of which is necessary to be known by the Public BTN's Equity Participation Plan at PT PNM Investment Management	
July 04, 2019	Securities Holder Registration Monthly Report / Changes in Shareholder Structure	
July 10, 2019	Report on the Use of Funds from Public Offering	
July 17, 2019	COUPON Payment Information	
July 23, 2019	EGMS Announcement	OJK Chief Executive Supervisor of the Indonesian Capital Market and Stock Exchange
July 29, 2019	Submitting Evidence of Advertisements on Interim Financial Statements Information	
July 31, 2019	Information Disclosure of which is necessary to be known by the Public Report on Changes of Bank BTN President Director Share Ownership	
August 05, 2019	Public Expose Planning - Annual	
August 07, 2019	Advertisement Proof Submission on GMS Invitation	
August 08, 2019	Securities Holder Registration Monthly Report / Changes in Shareholder Structure	
August 14, 2019	Material Information and Fact Report	
August 22, 2019	Public Expose Results Report - Annual	



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Date	Subject	Purpose
September 02, 2019	Material Information and Fact Report	
September 09, 2019	Securities Holder Registration Monthly Report / Changes in Shareholder Structure	
September 11, 2019	Advertisement Proof Submission on 2019 EGMS Announcement	
September 12, 2019	Explanation on Mass Media Coverage	
September 18, 2019	Other Material Information or Facts	
September 26, 2019	Advertisement Proof Submission on PT Bank Tabungan Negara (Persero) Tbk EGMS Invitation	
September 27, 2019	Other Material Information or Facts	OJK Chief Executive Supervisor of the Indonesian Capital Market and Stock Exchange
October 04, 2019	Other Material Information or Facts	
October 11, 2019	Securities Holder Registration Monthly Report / Changes in Shareholder Structure	
October 16, 2019	Advertisement Proof Submission on PT Bank Tabungan Negara (Persero) Tbk EGMS Invitation (Amendment)	
October 28, 2019	Other Material Information or Facts	
October 31, 2019	Submission Planning on the 2019 Third Quarter Financial Statements of which is reviewed in a limited manner	
November 05, 2019	EGMS Agenda Submission (Amendment)	
November 06, 2019	Explanation on Mass Media Coverage	





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Date	Subject	Purpose
November 07, 2019	Request for Information by Issuers and Public Companies to FSA	
November 12, 2019	Securities Holder Registration Monthly Report/Changes in Shareholder Structure	
November 15, 2019	Advertisement Proof Submission on Interim Financial Statements Information	
November 20, 2019	Changes in Corporate Secretary/Audit Committee/Address/NPWP	
November 29, 2019	Advertisement and Publication Proof Submission on Bank BTN EGMS Resolution dated November 27, 2019	
December 04, 2019	Coupon Payment/Profit Sharing/Ijarah/Principal	
December 09, 2019	Ownership Report or Any Changes on Public Company Shares Ownership (Amendment)	OJK Chief Executive Supervisor of the Indonesian Capital Market and Stock Exchange
December 10, 2019	Laporan Kepemilikan atau Setiap Perubahan Kepemilikan Saham Perusahaan Terbuka (KOREKSI)	
December 11, 2019	Report on Information or Material Facts of PT Bank Tabungan Negara (Persero) Tbk Acting Compliance Director	
December 12, 2019	Explanation on Mass Media Coverage	
December 18, 2019	Internal Audit Changes	
December 26, 2019	Report on Information or Material Facts of BTN EGMS Minutes No. 97 dated November 27, 2019	
December 27, 2019	Information Reports or Material Facts on Effective Appointment of Mr. Eko D. Heripoerwanto as PT Bank Tabungan Negara (Persero) Tbk Commissioner	
December 31, 2019	Coupon Information	

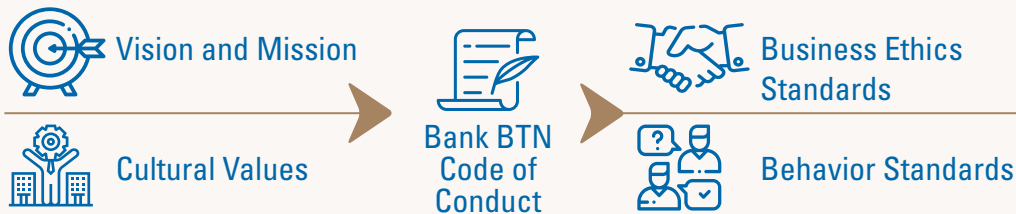


# THE COMPANY'S CODE OF CONDUCT

For the Company, Code of Conducts is an indicator of the Company's commitment to warrant the application of the high standards of GCG that refers to the best practice of credible and trusted banking institutions. Credibility and Public Trust, Shareholders, and Customers are aspects that are essential for the development and continuity of the Company's business. The Company performs business activities in compliance with all applicable rules and regulations and also fulfills the expectations regarding the norms and ethics. Awareness of implementing good ethics will enhance and strengthen the Company's constructive image and recognize the Company as a Good Corporate Citizen. Therefore, the Company always upholds its integrity by preserving and applying Ethical and Behavioral guidelines that form the basis of the attitudes and actions of all the Company's personnel in order to perform their duties professionally and ethically by exercising basic principles as quantified in the Company's Vision, Mission and Values and the prevailing regulations.

## VISION, MISSION AND CORPORATE VALUES AS THE FOUNDATION OF THE CODE OF CONDUCTS

The Company has formulated several policies that construct the fundamental Ethical and Behavioral guidelines for each of the Company's constituents to abide by in performing their business activities. The Company imposes Ethical and Behavioral standards in performing all its business activities in accordance with the Vision, Mission and Cultural Values through enforcement of the Code of Conduct.



### VISION

Leading and trusted in facilitating the housing sector and family financial services.

### MISSION

1. Playing an active role in supporting the housing sector, both in terms of supply and demand, which is integrated in the housing sector in Indonesia.
2. Providing superior services in financing to the housing sector and family financial needs.
3. Increasing competitive advantage through innovative development of digital-based products, services and strategic networks.
4. Preparing and developing qualified, professional and high integrity human capital.
5. Increasing shareholder value with a focus on increasing profitability growth in accordance with the principles of prudence and Good Corporate Governance.
6. Caring for the community, social and environmental interests in a sustainable manner.



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## CORPORATE CULTURAL VALUES



### Synergy

Nurturing teamwork with all stakeholders based on a sincere, accessible attitude and encouraging productive collaboration by upholding mutual trust and respect for the attainment common goals.

### Integrity

Consistency between thoughts, words and actions in accordance with company regulations, professional code of conducts and principles of truth that are commendable.

### Innovation

Constantly innovating and striving for unending refinements to create added values for the Company.

### Professionalism

Visionary, Competent in their Expertise, continuously self-advancing with the latest technological updates in order to deliver the best performance.

### Spirit to achieve excellence

Demonstrating a passion and strong commitment to deliver the very best and offer beyond and above for our customers', regarding their expectation of services (internal and external) by safeguarding the importance of quality aspects in every activity in addition to the calculated risks.



#### SYNERGY

- Be sincere, open and show productive collaboration.
- Show mutual trust and respect.



#### INTEGRITY

- Be consistent and disciplined.
- Be honest and dedicated



#### INNOVATION

- Respond to change.
- Be creative and innovative in making value-added improvements



#### PROFESSIONALISM

- Be competent, show intrapreneurship and be responsible.
- Work smart and be result oriented.



#### SPIRIT TO ACHIEVE EXCELLENCE

- Be enthusiastic, proactive and never give up.
- Be effective, efficient and prioritize customer satisfaction.



## CODE OF CONDUCT CONTENTS

The Code of Conduct contains Ethical and Behavioral standards for the Company as a business entity and all its elements in interacting both internally and externally. The enforcement of the Code of Conduct aims to accomplish

the creation of ideal behavior that develops into a work culture based on honorable values. The Code of Conduct is summarized in 4 chapters which are briefly described as follows:

### 01. Introduction

This Code of Conduct is the codification or a compilation of policies, employee regulations, and agreements that have been jointly established between the Company and employees who will influence, shape, and set forth the standards of behavior, both for Management and employees in performing all business activities.

The implementation of the Code of Conduct, whether Compliance or Non-Compliance forms one aspect of the employee's performance appraisal. Therefore, this Code of Conduct will always be used as a guideline in the formulation of policies, manuals/procedures and management practices in the Company. The application of the Code of Conduct that will consistently reflect the Company is the Company that upholds honorable business values and ethics in conducting business, while simultaneously upholding the principles of Good Corporate Governance.

### 02. Standards of Business Ethics

1. Bank Ethics with Employees  
Fairness of treatment, employee discipline, and the prohibition of employee involvement in the Bank's securities business activities.
2. Bank Ethics with Customers  
The Bank prioritizes customer satisfaction and trust and employees must support the Bank in an effort to achieve customer satisfaction.
3. Bank Ethics with providers of goods and services  
The selection of providers of goods and services must be based on the assessment of capabilities, achievements, and based on compliance and objectivity in the field of standard prices, quality, availability, requirements and services provided by partners / suppliers.
4. Bank Ethics with Competitors  
The Bank places competitors as drivers of unremitting performance enhancements.
5. Bank Ethics with Competitors  
The Bank upholds mutual trust and respect, and upholds friendship with business partners in accordance with prevailing business rules.
6. Bank Ethics with the Partners  
The Bank is committed to comply with the legislation in force.
7. Bank Ethics with the Government  
The Bank is committed to comply with applicable laws and regulations.
8. Bank Ethics with the Public  
The Bank is committed to making a positive contribution to Sustainable Economic Development by considering Corporate Social Responsibility, by focusing on a balance between the aspects of Economic, Social and Environmental.
9. Bank Ethics with Mass Media  
The Bank considers Mass Media as a working partner and internal media b. Campaign in developing a positive image.
10. Bank Ethics with Professional Organizations  
The Bank fosters upright cooperative relations with professional and regulatory organizations in sharing information, experiences and discussing business developments, and exploring best solutions to solving problems of mutual interest.



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## THE COMPANY'S CODE OF CONDUCT

### 03. Standards of Conduct Policy

1. Employees are at all times to avoid conditions, situations or the impression of any Conflict of Interest and the inappropriate use of position.
2. Each member of the Board of Commissioners, Board of Directors, and Bank employees are prohibited from giving and/or receiving something for their own benefit, directly or indirectly, from a business partner who can influence decisions.
3. The Company's constituents and Bank employees must comply with all State laws and regulations.

### 04. Application and Enforcement

Each Bank employee must report any evidence of a deviation from the Corporate Code of Conduct to the Human Capital Management & Culture Specialist Division and the identity of the reporter is to be protected. The Human Capital Management & Culture Specialist Division follows up on each report and submits the results of the study to the Board of Directors and/or the Board of Commissioners in accordance with the scope of their responsibilities. Finally, the Board of Directors and Board of Commissioners will make a decision regarding the various actions available of coaching, disciplinary sanctions and/or corrective and preventive actions that are required to be performed by superiors directly in their respective work environments.

## CODE OF CONDUCT ENACTMENT STATEMENT FOR THE BOARD OF DIRECTORS, BOARD OF COMMISSIONERS AND EMPLOYEES

The Code of Conduct applies to all Management (Board of Commissioners, Board of Directors) and Employees in implementing all of the Company's business activities and interactions between the Board of Commissioners, Board of Directors and Employees with all Stakeholders. The enactment statement of the Code of Conduct for all levels of the organization is formally documented through the Regulation of the Board of Directors No. 16/PD/CMPD/2015 December 31, 2015 concerning the Guidelines for Business

Ethics and Behavior. The Company compels the signing of Code of Conduct statement, which is labelled the "Integrity Pact" by all the Company's personnel to be fully exercised. The success of the application of the Code of Conduct is the responsibility of all leaders in their respective work units. For this reason, all unit leaders are required to provide their understanding regarding the application of the Code of Conduct with employees in their respective work units.

## CODE OF CONDUCT DISSEMINATION

The Code of Conduct is disseminated to all the Company's personnel and stakeholders through the Company's website under the heading of Standard Access Internal Management (AIMS) that can be conveniently accessed at any time. The Company has also disseminated with representatives of the Most Valuable Player (MVP) from all Work Units of the Head Office and Branch Offices.

The Code of Conduct is circulated to all the Company's personnel through Anti-Fraud dissemination activities performed at the Head Office and Regional Office. The Company has also implemented a program of awareness regarding the Code of Conduct and Gratification Control through Compliance Quiz activities, which are participated in by the Company's employees.

## EFFORTS TO IMPLEMENT AND ENFORCE THE CODE OF CONDUCT

The Company provides strict and consistent sanctions against violations of the Code of Conduct. Enforcement of the Code of Conduct through the Board of Commissioners and Board of Directors along with its sanctions is based on the Company's Articles of Association and the decisions of the GMS. While the imposition of sanctions on employees is performed in accordance with the rules of employment of the Company. Throughout 2019, the efforts made by

the Company in implementing and enforcing the Code of Conduct included the following:

1. Signing of the "Integrity Pact" by all employees according to the Code of Conduct values;
2. Dissemination of the Code of Conduct and Gratification Control through Anti-Fraud activities;
3. Collaborating with the Corruption Eradication Commission in order to disseminate the Gratification



- Control program and the Code of Conduct;
4. Managing reports regarding the receipt of Gratification from all Work Units and make a report to the KPK according to the provisions;
  5. Submission of a Declaration of Commitment Letter regarding Gratification Control in the Head Office and Branch Office with the Stakeholders;
  6. Use of PIN "Refuse Gratification" by every member of the Company;
  7. Formation of micro learning regarding Gratification Control programs through the Company's Smartshare media;
  8. Implementing the Whistle-Blowing System (WBS);
  9. Punishment/Sanctions for employees who violate Business Ethics.

## CATEGORY OF SANCTIONS REGARDING CODE OF CONDUCT VIOLATIONS

The Company has set forth the various types of sanctions in relation to each violation of the Code of Conduct in the following two nature of sanctions:

1. Administrative sanctions
  - a. Light, i.e.: Verbal reprimands; written warning, and dissatisfaction statement. The employee guidance sanction period is 3 (three) months.
  - b. Medium, i.e.: No leave benefits; no periodic salary promotion and Employee Grade diminution by 1 (one) grade (salary downgrade). Employee guidance sanction period is 1 (one) year.
  - c. Heavy, i.e.: Employee Grade diminution by at least 2 grades (basic salary adjustment); Employment termination and legal proceeding.
2. Financial Sanctions
 

The validity period of sanctions as guidance for employees is for 2 (two) years

Financial sanctions are to recuperate all Financial Losses that have arisen as a result of the disciplinary violations committed.

## NUMBER OF CODE OF CONDUCT VIOLATIONS AND QUALITY TRENDS ON ITS IMPLEMENTATION

In 2019 the number of Code of Conduct violations was 250 imposition of sanctions, namely: light sanctions amounting to 48 employees, medium sanctions amounting to 158 employees, heavy sanctions amounting to 44 employees.

The quality trend in the Code of Conducts implementation is presented through the increasing number of the Code of Conduct violations as shown in the table and chart below.

### QUALITY TRENDS IN THE CODE OF CONDUCTS IMPLEMENTATION

Sanction Category	2019	2018	2017
Light	48	77	125
Medium	158	37	67
Heavy	44	27	65
Total	250	141	257



## GRATIFICATION CONTROL

Gratification Control is an important aspect to preserving business activities in line with Business Ethics, which highlights the significance of Integrity. The Company enforces Gratification Control policies aimed at developing the principles of GCG values and instilling the importance of Integrity with all employees, so that business activities are constantly founded on Ethics and Responsibility. Gratification Control is likewise compulsory so that the business interests are well maintained ethically and do not conflict with the provisions regarding the prohibition of Gratification.

The Company emphasizes the point that its personnel do not give or accept any gift or reward from Customers, Debtors, Vendors, Partners, and other Third-Parties regarding the service provided by the Employees in performing their duties, especially gifts or rewards that may create a Conflict of Interest. This is usually experiences its peak in the days leading up to Religious Holidays (Eid Mubarak, Christmas/ New Year). The Company always makes an announcement in a widely distributed national newspaper, stating that the Board of Commissioners, the Board of Directors, and the Employees of Company are fully committed to declining the receipt of and/or requesting any gifts or presents in any form either from or to our customers, debtors, partners/vendors, and other related thirdparties.

The Company also persuade all customers, debtors, partners / vendors / work partners and other parties who have or intend to conduct business relations with the Company to support this commitment by not giving gifts or gifts of any kind, whether directly or indirectly directly. The Company also notifies the company through written letters to each customer, debtor, vendor, partner, business partner and other third parties who conduct business relations with the Company.

### GRATIFICATION CONTROL POLICY

Bank BTN's sincerity in supporting the eradication of corruption proved on June 25, 2014, in collaboration with the KPK to sign a commitment to implement the Gratification Control Program within Bank BTN. Based on this commitment, in 2015 Bank BTN had internal guidelines and the Gratification Control Unit (UPG) which played an active role in disseminating awareness and understanding of Gratification and Anti-Corruption Control.

To support the implementation of the Gratification Control program, the Company established policies that guide the implementation of the Company's gratification control through the Board of Directors Circular Letter No. 68 / DIR / CMPD / 2017 regarding Gratification Control Guidelines as an initiative in supporting Gratification Control. The circular regulates the following matters:

1. General Provisions on Gratification;
2. Basic Principles of Controlling Gratification;
3. Gratification Category;
4. Gratification Control Manager;
5. Gratification Reporting Mechanism;
6. Gratification Control Implementation.

Coinciding with the commemoration of the 2018 World Anti-Corruption Day (Hakordia) held by the KPK, Bank BTN received an award as a State-Owned Enterprise/ Regional-Owned Enterprise with the Best Gratification Control System in 2018. As for the assessment criteria, among other things the completeness of the Gratification Control System including commitments, rules and Units Gratification Control (UPG); Innovation of internal and external dissemination as well as reporting processes and management quality; the quantity and quality of gratification reports.



In order to support the corruption eradication program, on August 13, 2019 along with the implementation of Integrated Governance Risk and Compliance (iGRC), all levels of the Board of Directors and the Board of Commissioners declared an anti-corruption culture. In addition, Bank BTN also cooperates with the Corruption Eradication Commission (KPK) in the Professional Integrity movement (PROFIT) through several activities as follows:

1. Participation in training as an Integrity Builder (API) to oversee corruption prevention efforts. Until now there are 8 (eight) participants who have taken the API certification exam and have been declared competent by the KPK.
2. Participation in campaign collaboration programs with the KPK on Anti-Corruption through various communication media channels. The Bank has screened KPK films through several videotrons of the Bank located in Menara BTN-Bank BTN Head Office, Bank BTN Solo Branch Office, SCBD Jakarta, Soekarno International Airport -Hatta, Kualanamu International Airport and Bandung West Java Polrestabes.
3. Self Assessment of Corruption Prevention Guidelines Checklist for Adequate Corporations (CEK). The Bank has completed and submitted a Corruption Prevention Guide (CEK) to the Corruption Eradication Commission (KPK).

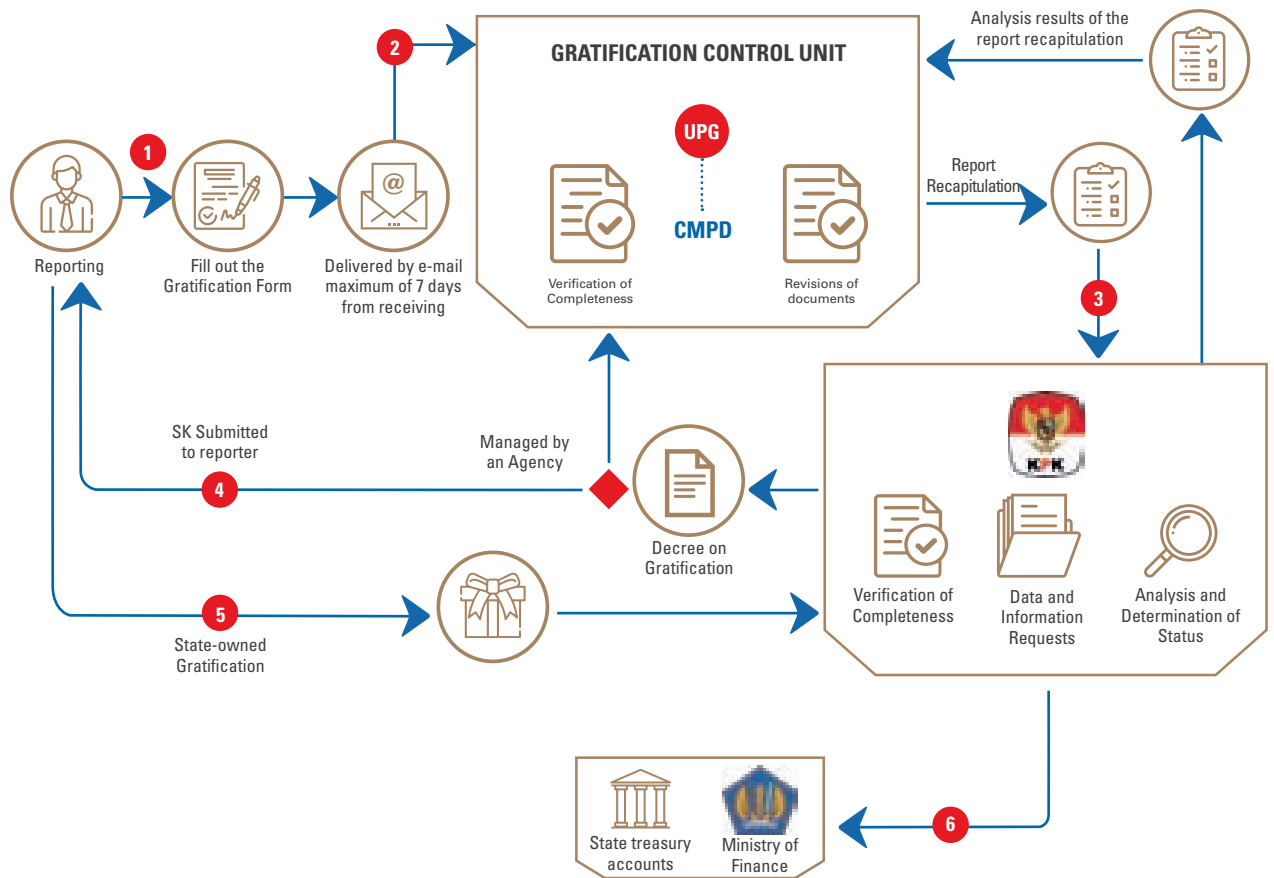




GRATIFICATION CONTROL

GRATIFICATION REPORTING MECHANISM

The Company has in place a Gratification Reporting Mechanism as detailed in the following flowchart:



Description of the Gratification Reporting Mechanism:

1. Employees report the receipt of Gratification to the Corruption Eradication Commission (KPK) through the UPG (d. CMPD) by filling out forms prior to 7 working days from the date the Gratification was received, Gratification received by the Reporting Entity are to be kept by the Reporting Party until a Decree from the KPK regarding the ownership status of the intended Gratification.
2. Submission of the form is sent via UPG e-mail address: upq.btn@btn.co.id  
The form used in this Circular Letter is adjusted to the type of gratification received, with the following explanation:

- a. Use form 1, if gratification are in the form of cash and include bribery Gratification;
- b. Use form 2, if gratification are obtained from official activities with values above the limits of gratification as stipulated in item 6.1 of this Circular Letter;
- c. Use form 3, if the gratification is in the form of food/drinks/parcels in order to welcome the holiday season. But if the gratification obtained in the framework of the holiday season are provided in the form of money/vouchers/goods then continue to use the form 1.

Other aspects that must also be considered in completing the data on the form is the inclusion of Work Units, positions, detailed descriptions regarding



the chronology/events of the Gratification referred to as well as any contact telephone numbers and e-mail addresses provided the process of clarifying reports by the UPG and KPK.

3. The UPG continues the Gratification report to the KPK within 14 working days after the Gratification report was received by the UPG. Then the KPK handles the Gratification report which includes (1) verification of the comprehensiveness of the Gratification report; (2) request for additional data and information from the related parties; (3) analysis of the receipt of Gratification; and (4) the determination of the ownership status of the Gratification. The process implemented through the Corruption Eradication Commission to determine the status regarding the receipt of Gratification reports are within 30 working days after the Gratification report was received by the KPK in full.
4. The KPK issues a Decree regarding the status of the receipt of the Gratification to the recipient/reporter of the Gratification and copies it to the UPG no later than 7

working days from the date the decree is stipulated. In the event that the ownership status of the Gratification is determined to be managed by the agency, the Gratification is submitted by the Bank to the UPG for management.

5. In the event that the Corruption Eradication Commission determines the Gratification as state property, the Reporting/Recipient renders the Gratification received to the Corruption Eradication Commission no later than 7 working days from the date the decree was issued. Proof of the rendering to the KPK is to be submitted to UPG
6. In the case of Gratification in the form of cash, then the KPK will deposit the cash that has been rendered by the reporter to the account of the State Treasury and then submits the evidence of its deposit to the Reporting Party. Whereas if the Gratification rendered is in the form of goods, the KPK will submit it to the Directorate General of State Assets and submit the evidence of submission to the Reporting Party.

## GRATIFICATION CONTROL POLICY IMPLEMENTATION

### INTEGRITY PACT

The Company has in place an "Integrity Pact" program, which is a unified statement from all levels of the Company committing to uphold Morals and Integrity, to Protect and Maintain Reputation, Credibility and the best Interests of

the Company by not demanding or receiving Gratification from parties possessing a Conflict of Interest. The "Integrity Pact" must always be upheld to the highest level, in order to support the Gratification Control activities.

### GRATIFICATION CONTROL AWARENESS PROGRAM

1. Appeal to customers regarding the prohibition of gratification to Bank BTN Employees through the running text display of the gratification prohibition on the Banking Hall monitor screen at the Branch Office.
2. Awareness and dissemination regarding the prohibition of gratification and bribery through various media such as videotron that airs in every head office elevator and Smartshare Knowledge Management System (KMS) media; poster and banner media as well as an evaluation through an understanding test on gratification and bribery to all employees.
3. Commemorating the 2019 World Anti-Corruption Day (Hakordia 2019) which falls on December 9, 2019 with the delivery of a message about the Hakordia 2019 theme "Going Against Corruption" and preventing corruption to all employees and the public through the following media:
  - a. Email Blast;
  - b. SMS Blast;
  - c. Anti-corruption display through several Bank BTN Videotron LEDs; and
  - d. Social media (Instagram, Facebook and Twitter).
4. Circulate the appeal to all work units of the Head Office and Branch Offices and put up notifications in newspapers in the context of gratification control in connection with Christmas and New Year 2020, to be obliged to refuse / not accept / request / give gratification from i / to anyone ( partners / debtors / notaries / work partners) in the form of money, gifts, parcels and other facilities related to their position and contrary to their obligations / duties and prohibited by applicable regulations, contrary to the Bank's code of conduct, causing conflicts of interest or constitutes inappropriate / improper acceptance.



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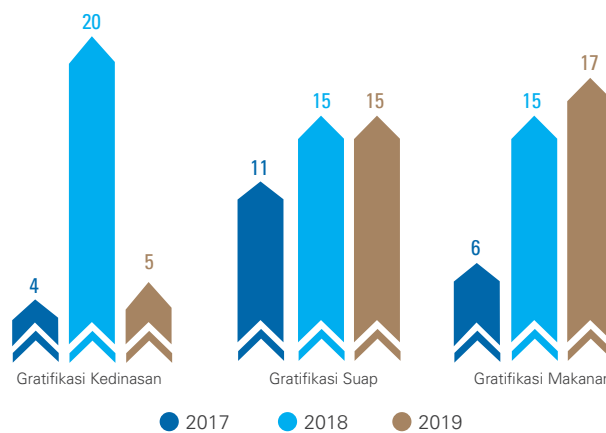
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## GRATIFICATION CONTROL

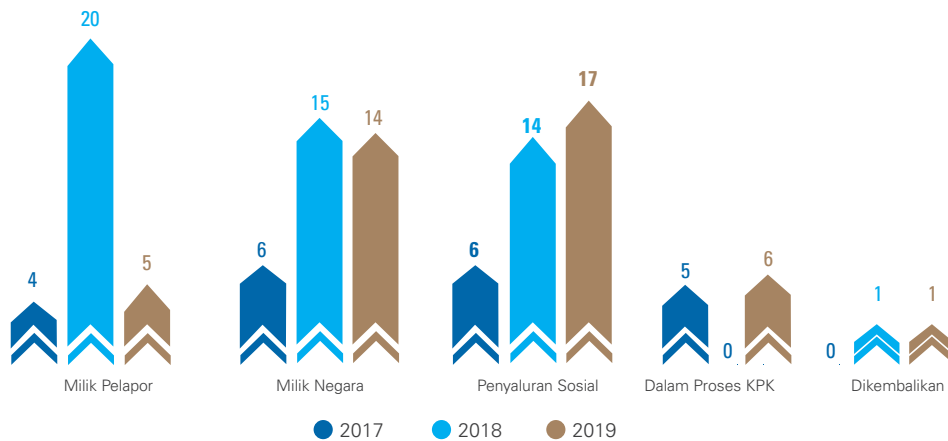
### REPORT REGARDING THE ACCEPTANCE OF GRATIFICATION

Throughout 2019, there were 37 reports of Gratification received from the Head Office and Branch Offices, which consisted of reports concerning Bribery, Official Gratification, and Gratification of Parcels in the lead up to Religious Holidays.

#### GRATIFICATION REPORT BASED ON TYPE OF GRATIFICATION



#### GRATIFICATION REPORT BASED ON OWNERSHIP STATUS





# GOODS AND SERVICES PROCUREMENT POLICY

The Company has policies related to the procurement of Goods and Services, which form the central reference point for all procurement activities performed by the Procurement Unit. This policy forms one of the indicators in the Corporate Governance process, which is specifically Transparency in the terms of procurement, where the course of procurement is implemented through a Tender process through the consideration of several aspects including the Disclosure of Information, avoiding Conflicts of Interest, efficiency, and converging on the determination of obtaining the best quality Goods or Services. The procurement of Goods and Services is regulated under the Company's Procurement of Goods and Services policy, this acts as a guideline for the procurement of both strategic and non-strategic Goods and Services in order to assist the Company's Operational activities in accordance with the expectations of quality, quantity, time schedule, price and the application of the principles of Risk Control Management.

## PRINCIPLES OF GOODS AND SERVICES PROCUREMENT

The Company enforces the procedures for the procurement of Goods and Services with the desired aim of providing added value in boosting business operations. Therefore, the Company pays close attention to the basic principles of implementing procurement as follows:

<b>Effective</b>	Procurement activities must be in accordance with the requirements/plans that have been determined and will provide optimal benefits for the Bank.
<b>Efficient</b>	Procurement is performed in order to achieve quality in accordance with the agreed time at the best price level
<b>Open and Competitive</b>	Procurement implementation must be open to Goods and Services Providers who have fulfilled the requirements and is implemented through a spirit of fair competition with Goods and Services Providers and fulfilling certain conditions/ criteria based on Clear and Transparent regulations and procedures
<b>Transparent</b>	All regulations and information regarding the implementation of Procurement, including technical and administrative requirements, procedures for evaluation, results of evaluation, determination of prospective Providers of Goods and Services are open in nature.
<b>Fair and Nondiscriminatory</b>	Provide equal treatment with all prospective Suppliers of Goods and Services and do not lead to providing benefits or means to certain parties for any reason
<b>Accountable</b>	The process, results, and payment of procurement must be fully Accountable
<b>Responsible</b>	Procurement is to be implemented carefully and must comply with all applicable regulations
<b>Independent</b>	The procurement decision is taken objectively and is to be free from the undue influence of any party



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## GOODS AND SERVICES PROCUREMENT POLICY

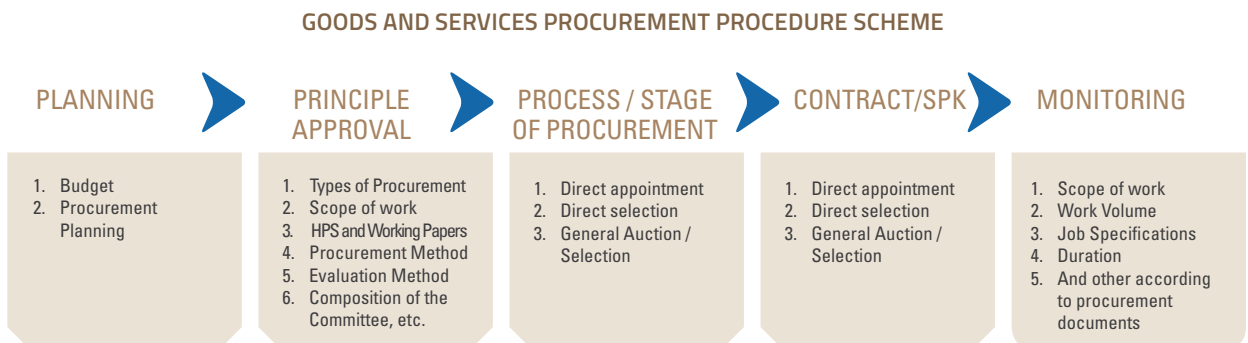
The Company strives to realize procurement based on the basic principles, by implementing the following matters:

1. Segregation of functions in the Procurement Implementation Unit, i.e. a unit that conducts the selection process for potential partners/vendors, a unit that performs the procurement process, a unit that compiles the Independent Estimated Price; and the Compliance Task Force.
2. Always complying with and to be in accordance with all internal and external regulations;
3. Implementing the principles of Risk Management, which include Identification, Assessment, Mitigation, Monitoring and Operational Risk Measurement.
4. Guided by a Working Culture based on the Company's values, GCG, and compliance with the Code of Conduct and principles of prudence.

In addition, to maintain a quality procurement process with no Conflict of Interest and free from Corruption, the Company's Executives are required to sign the "Integrity Pact" in order to perform the procurement of Goods and Services.

## PROCEDURE FOR PROCUREMENT OF GOODS AND SERVICES

The procedures and stages of goods and services procurement enforced within the Company are explained as follows.

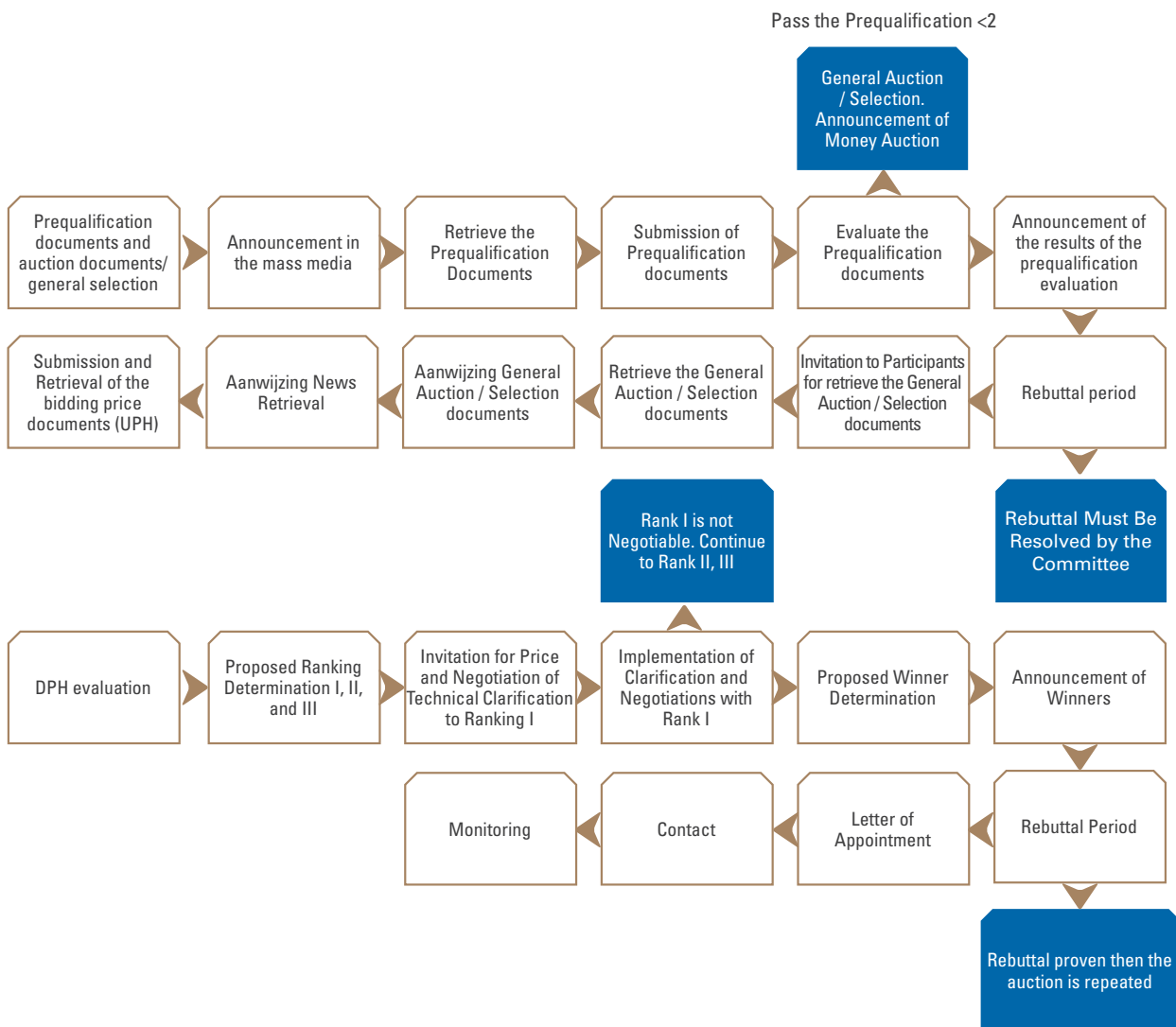


The method used in the procurement of Goods and Services are performed through:



1. Auction, for the procurement of Goods and Services with a value of over Rp2,500,000,000 (Two billion, Five hundred million Rupiah).

### AUCTION PROCESS FLOW



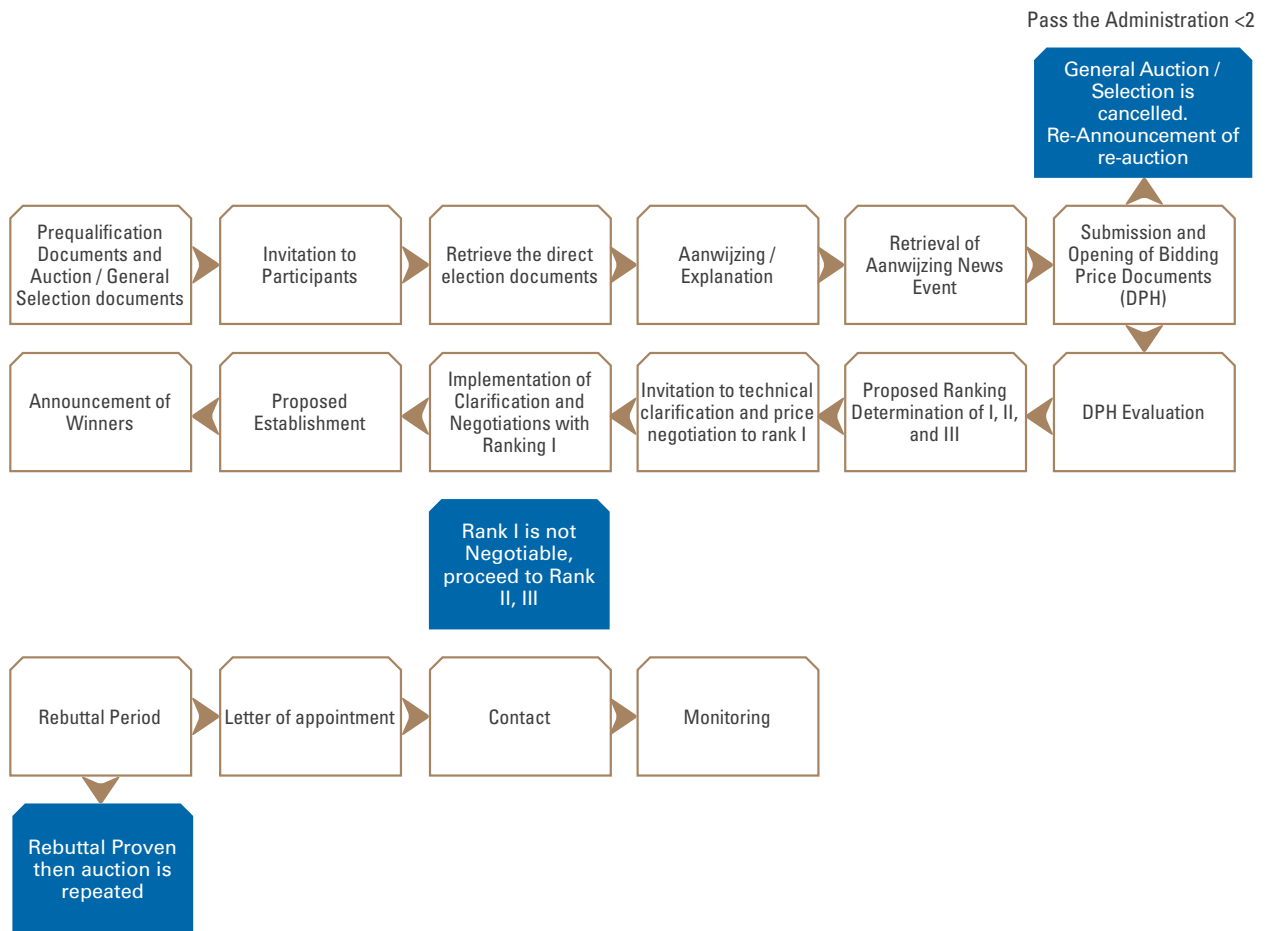
2. Direct Selection, for the procurement of Goods and Services with a value of over Rp500,000,000 (Five hundred million



### GOODS AND SERVICES PROCUREMENT POLICY

Rupiah) to Rp2,500,000,000 (Two billion Five hundred million Rupiah).

#### DIRECT SELECTION PROCESS FLOW





- Direct Appointment, for the procurement of Goods and Services with a value of up to Rp500,000,000 (Five hundred million Rupiah).

### DIRECT APPOINTMENT PROCESS FLOW







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## GOODS AND SERVICES PROCUREMENT POLICY

### BUSINESS PARTNER MANAGEMENT

The Company establishes partners to meet the qualifications and classifications as determined by each unit of service users and in full accordance with the policy. The Company conducts standards and programs that will optimize the quality of partners in collaborating with the Company through the following activities:

Assessment of the partners is conducted using Assessment Variables that cover the aspects of quality, delivery, flexibility, responsiveness, price, and violations. The following vendors that are managed by PGSD must fulfill the following criteria:

1. Vendor Excellence : 32%
2. Need Improvement : 3%
3. Good Vendor : 65%

### PROCUREMENT OF GOODS AND SERVICES FOR 2019

Throughout 2019, the total value of capital expenditure procurement managed by the Procurement and General Service Division is Rp475.9 billion, which generally covers procurement related to land, building / renovation of buildings, office machines, office furniture and official houses.

### GOODS AND SERVICES PROCUREMENT AUDIT

Throughout 2019, there were no Audit Findings, either through the External Auditors or Internal Auditors regarding any procurement that could jeopardize the Company and there were no objections to the selection of Suppliers of Goods and Services. The procurement of Goods and Services of the Company is constantly evaluated to ensure that the procurement of Goods and Services was implemented properly. One of the undertakings, which is the implementation of both Regular and Occasional Audits, Internal and External Audits.



# WHISTLEBLOWING SYSTEM

The Company's Whistleblowing System (WBS) policy is guided by Bank Indonesia Regulation No. 5/8/PBI/2003 amended by PBI Number 11/23/PBI/2009 and the Bank Indonesia Circular Letter No. 13/28 /DPNP concerning the Anti-Fraud Policy. The Company's WBS forms an integral part of the Internal Control System in preventing the occurrence of irregularities with the aim of both detecting and preventing the occurrence of irregularities or violations and to gradually create an open, sincere, honest and responsible work climate in the Company.

## TYPES OF VIOLATIONS THAT MAY BE REPORTED

Violations or deviations are any form of action that significantly interferes with the business continuity or threatens the safety of the Company. Several examples of violations and/or irregular practices that may be reported based on the WBS policy include the following:

1. All criminal violations (including theft, fraud, drug use, corruption etc.);
2. Abuse of Authority in serving customers, vendors, or suppliers (e.g. unwarranted payment delays, extortion, etc.);
3. Violations of Banking regulations regulated in the Law No. 10/1998 of Law No. 7/1992, regarding the failure to implement the principle of prudence, disclosing customers' personal data to unauthorized persons, making incorrect logging, asking for money for banking services performed, etc.;
4. Actions that endanger Occupational Health and Safety;
5. Actions that may jeopardize the Company, both financially and non-financially, including the tarnishing of the Company's reputation;
6. Violations of Internal Rules (SOP), which may damage the Integrity of Corporate Reporting, both in the field of finance and any other fields.
7. Actions that may endanger occupational safety and health;
8. Actions of heavy violations against the Code of Business Ethics and Employee Behavior.

## WHISTLEBLOWING SYSTEM INFORMATION DISSEMINATION

WBS internalization within the Company is implemented by distributing the guidelines concerning the Whistle-Blowing System (WBS) as stipulated by the Board of Directors' Circular Letter and through sharing sessions presented directly to all the Company's leaders and employees. In addition, to reaching all the Company's stakeholders, the WhistleBlowing System socialization was also conducted through the Company's website and various other media, including internal newsletters, posters, live presentations of the WBS ethics and policy guidelines.

## VIOLATION REPORT AND WBS CHANNEL SUBMISSION MECHANISM

In submitting violation reports, the mechanism is designed for the informant to submit a report/ disclosure and then send it based on the indications of the committed violations and the suspects, including the following:

1. The alleged violation report shall be directly addressed to the SPP/WBS team if the alleged violator is staff.
2. The alleged violation report shall be directly addressed to the President Director if the alleged violator is a member of the SPP/WBS team.
3. The alleged violation report shall be directly addressed to the Board of Commissioners if the alleged violator is a member of the Board of Directors or their family members.



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## WHISTLEBLOWING

4. The alleged violation report shall be directly addressed to the President Director if the alleged violator is a member of the Board of Commissioners or their family members.  
In addition, the Company also develops the supporting arrangements in implementing the WBS policies whereby the reporter shall submit reports through the following media:
  1. Whistle-Blowing System Team of PT Bank Tabungan Negara (Persero) Tbk
    - a. PO Box 10000 BTN Whistle-Blowing System (WBS) Bank BTN
    - b. Email: wbs.btn@btn.co.id
    - c. SMS/Phone: 0811-92-45678
2. President Director if the reported party is a member of the Board of Commissioners or their family members:
  - a. President Director of PT Bank Tabungan Negara (Persero) Tbk
  - b. PO Box 10000 BTN Whistle-Blowing System (WBS) Bank BTN
3. Board of Commissioners if the reported party is a member of the Board of Directors or their family members:
  - a. Board of Commissioners of PT Bank Tabungan Negara (Persero) Tbk
  - b. PO Box 10000 Bank BTN Whistle-Blowing System (WBS) Bank BTN

## WHISTLEBLOWER PROTECTION

The Company guarantees the protection of the WhistleBlower who shows a good intention of reporting any violations that may risk causing a loss for the Company. The protections included are the following:

1. Reporting communication channel (verbally, telephone, email) that is free and confidential or an independent and confidential Ombudsman. The Informant will receive follow-up information from the communication channel regarding the report submitted concerning the alleged violations;
2. Guaranteeing the Informant's anonymity, unless there is a legal requirement that requires the identity to be disclosed in the presence of the judge;
3. Protection from retaliation from the Informant or the Organization being reported. This protection may include the following measures:
  - a. Physical protection either against himself/herself or his/her family;
  - b. Protection of his/her property and his/her family against terror or retaliation;
  - c. Administrative protection in the form of promotion delays, dismissal, exclusion in the workplace, infeasible transfers, including job security, etc.;
  - d. Legal protection, in the litigation process in the District Court, including the cost, and if necessary, including protection through the Witness and Victim Protection Agency (LPSK).

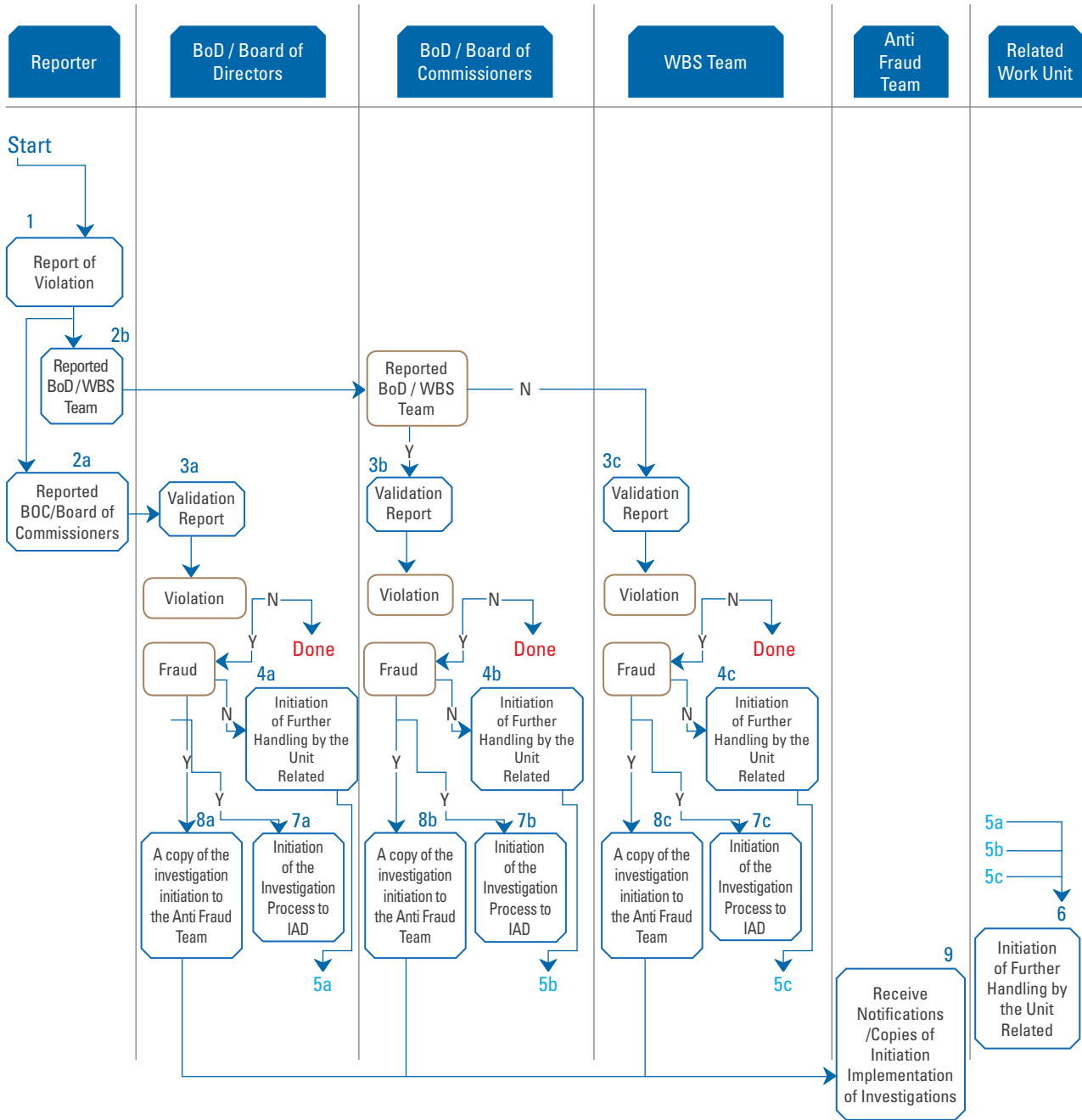
## MANAGEMENT TEAM AND COMPLAINT HANDLING MECHANISM THROUGH WBS

The Company's WBS is managed by the WBS Team, which consists of:

1. Internal Audit Division Head;
2. WBS Management Unit (Secretary);
3. Compliance Division Head (Member);
4. Human Capital Division Head (Member); and
5. Risk Management Division Head (Member).



Every incoming report, is followed up up by the WBS Team with the following procedure:





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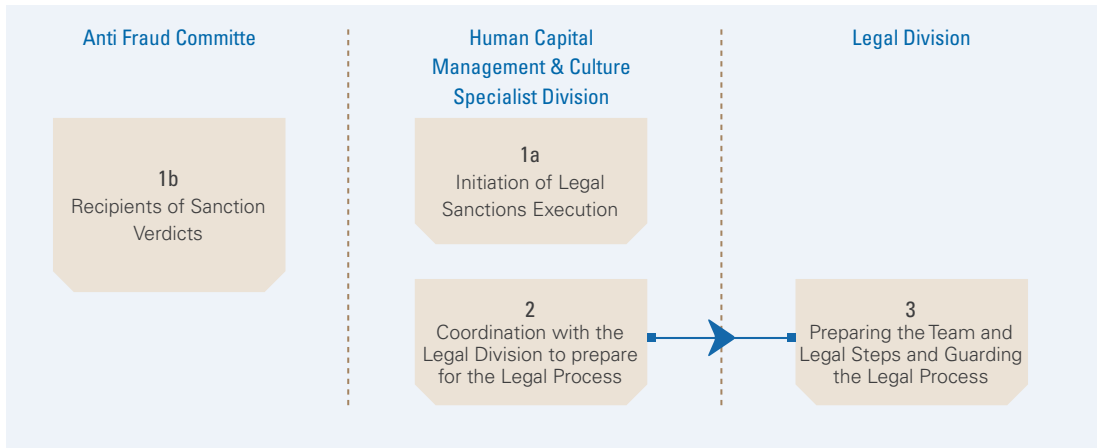
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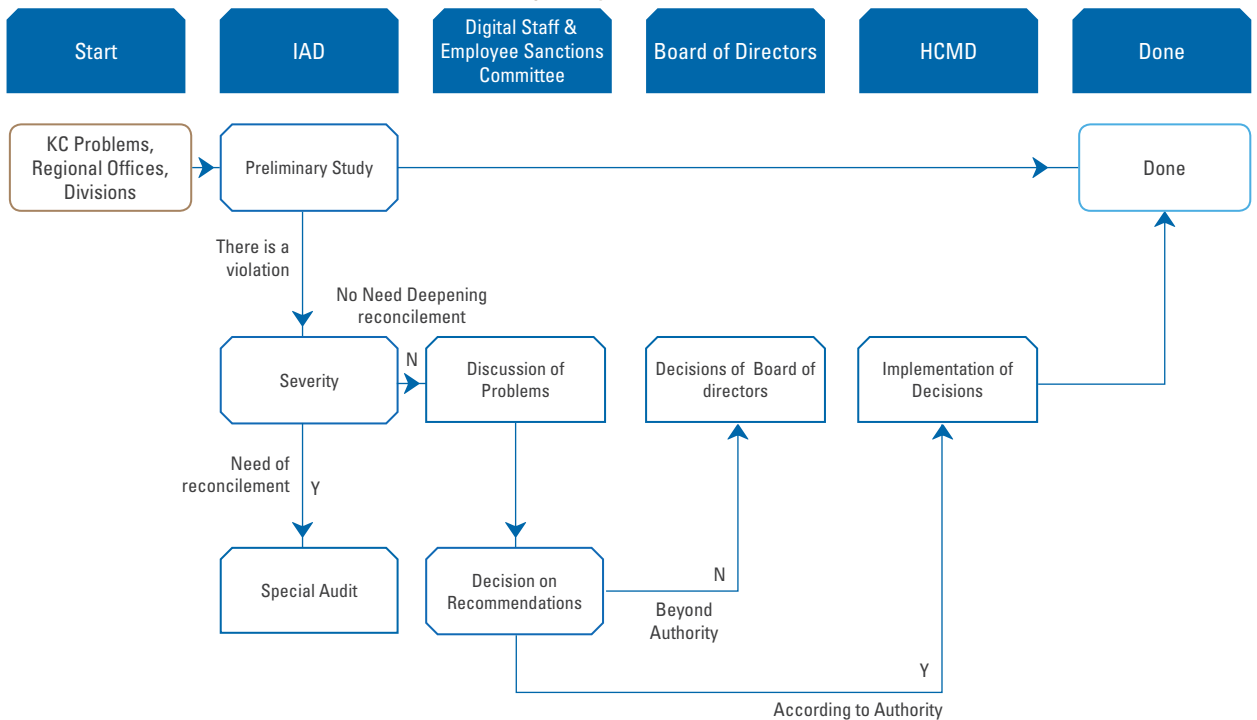
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## WHISTLEBLOWING

### SANCTIONS (LEGAL) PROCESS FLOW CHART



### SANCTIONS (BANK) PROCESS FLOW CHART





## WBS REPORTING AND HANDLING SUMMARY

WBS Reports received throughout 2019 amounted to 90 reports consisting of 15 reports through Letters / PO BOX, 26 reports via SMS / Mobile / Direct Arrival and 49 reports via Email. Based on the number of WBS reports received, as many as 80 reports have been completed without a further audit process (clarification audit and / or special audit) and 10 reports were forwarded to the audit process (clarification

audit and / or special audit). As of December 31, 2019, of the 10 reports, a total of 8 (eight) reports were still in the process of either the audit process, document verification or cross-division processes; whereas 2 (two) other reports have been proven and sanctions have been given to those concerned as reported parties.

In detail, the number of WBS reports that have been forwarded to the audit process in the past 5 years is as follows:

Year	Media Channel			Follow-up			
	Letter/ PO BOX	SMS/ HP/ Direct Reporting	E-mail	Closed Reports (Not proven)	Ongoing Reports (Audit process/ Reporting process/ Interdivision process)	Reports that were issued with sanctions (Including Administrative Sanctions)	Reports forwarded to Investigators (Related to Public Crimes or Corruption)
2019	15	26	49	80	8	2	-
2018	1	-	5	-	-	6	-
2017	1	-	4	-	-	5	1
2016	5	2	1	-	-	8	-
2015	7	3	9	7	-	12	1



## SHARIA BUSINESS UNIT GOVERNANCE (UUS)



### UUS GOVERNANCE IMPLEMENTATION POLICY

The Company has established a Sharia Business Unit Management (UUS), which is designed to guide the Company's management to operate in accordance with the five basic principles of Sharia, and is also targeting broader interests. The main interests of concern here include protecting the interests of stakeholders and increasing compliance with the prevailing laws and regulations and ethical values that apply generally to the Islamic banking industry.

The Company is at all times consistent in promoting and refining our performance, particularly in UUS services to our customers and stakeholders whilst adhering to the principles of Sharia and based on the five basic principles of GCG, which are Transparency, Accountability, Responsibility, Professionalism and Equality. Policies regarding the management of UUS in the Company refer to several regulations, including the following:

1. Law No. 21 of 2008 concerning Islamic Banking dated July 16, 2008.
2. Bank Indonesia Regulation No. 11/10/PBI/2009 concerning Sharia Business Units as amended by Bank Indonesia Regulation No. 15/14/PBI/2013;
3. Bank Indonesia Regulation No. 11/33/PBI/2009 concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.
4. Bank Indonesia Circular Letter No. 12/13/DPbS dated April 30, 2010 concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.
5. Board of Directors Decree No. 02/KD/DIR/ SPMD/2015 regarding the Organizational Structure of PT. Bank Tabungan Negara (Persero) Tbk Head Office
6. The Company's Articles of Association.



The implementation of UUS Governance in the Company is based on 5 (five) basic principles consisting of:

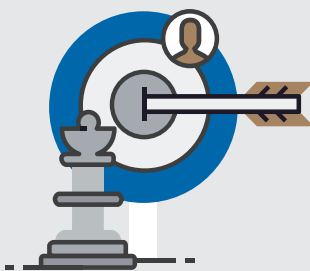
1. Transparency: i.e. directness in presenting materials and relevant information and Transparency in the decision-making process.
2. Accountability: i.e. the clarity and truth of the presentation of information regarding the management of the Bank that operates effectively as per the objectives set forth.
3. Accountability: i.e. the management of the Bank adheres to all applicable laws and regulations and the principles of Healthy UUS management.
4. Professionalism: possessing the competence, ability to act objectively and free from undue influence/pressure from any party and possessing a high commitment to expanding the Sharia business.
5. Fairness: i.e. justice and equality in fulfilling the rights and interests of all stakeholders based on all applicable legislations.

## UUS'S VISION AND MISSION



### Vision

“Becoming the leading Islamic Bank in Housing Finance and related industries”



### Mission

- 1 Providing innovative products and services as well as superior service that is focused on providing Housing and Industrial Financing along with LowCost Funding sources.
- 2 Developing quality Human Capital possessing high levels of integrity and through the application of Good Corporate Governance and Compliance.
- 3 Increasing our competitive advantage through the latest Information Technology
- 4 Caring about the interests of the Community and the Environment.





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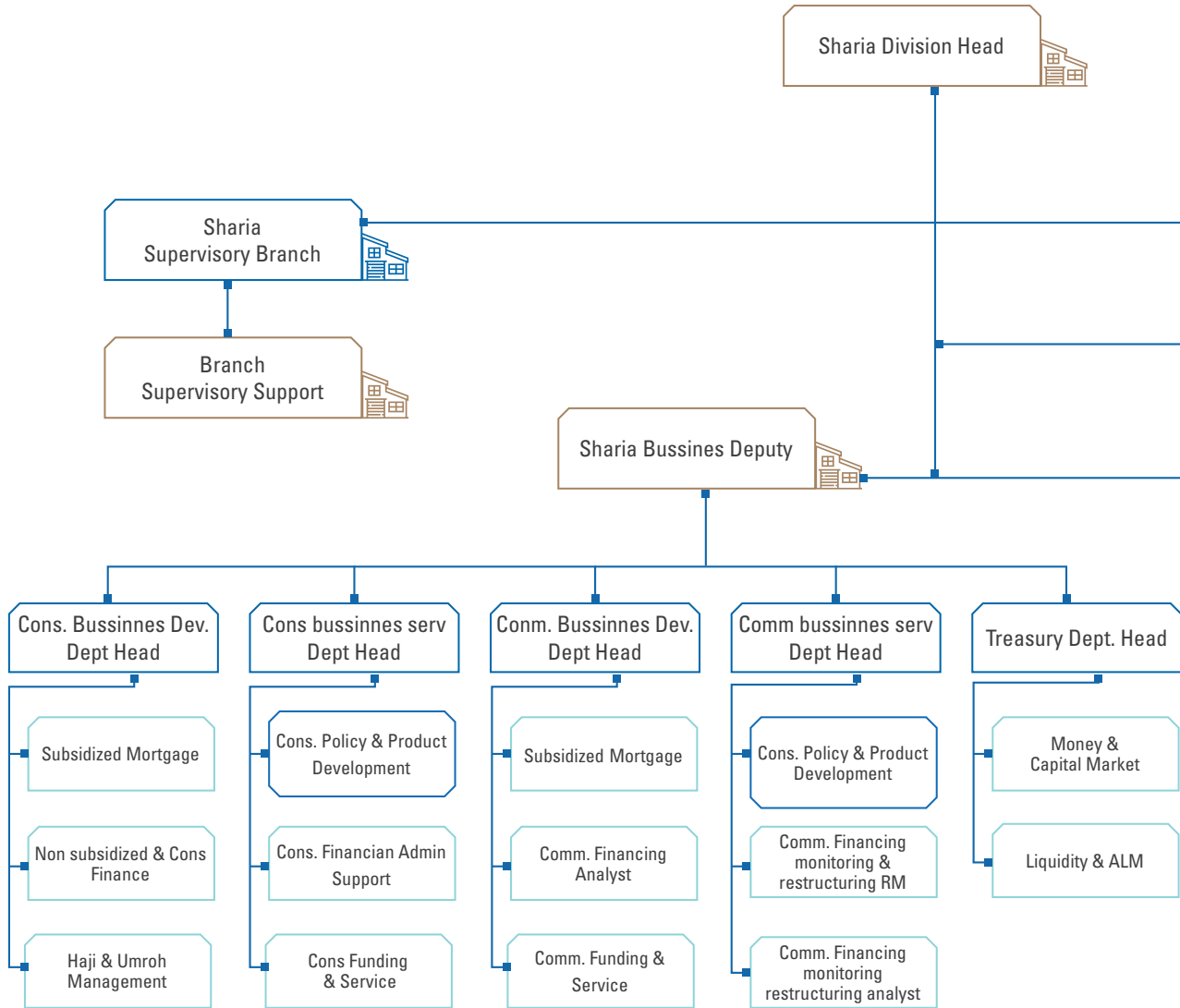
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## SHARIA BUSINESS UNIT GOVERNANCE (UUS)

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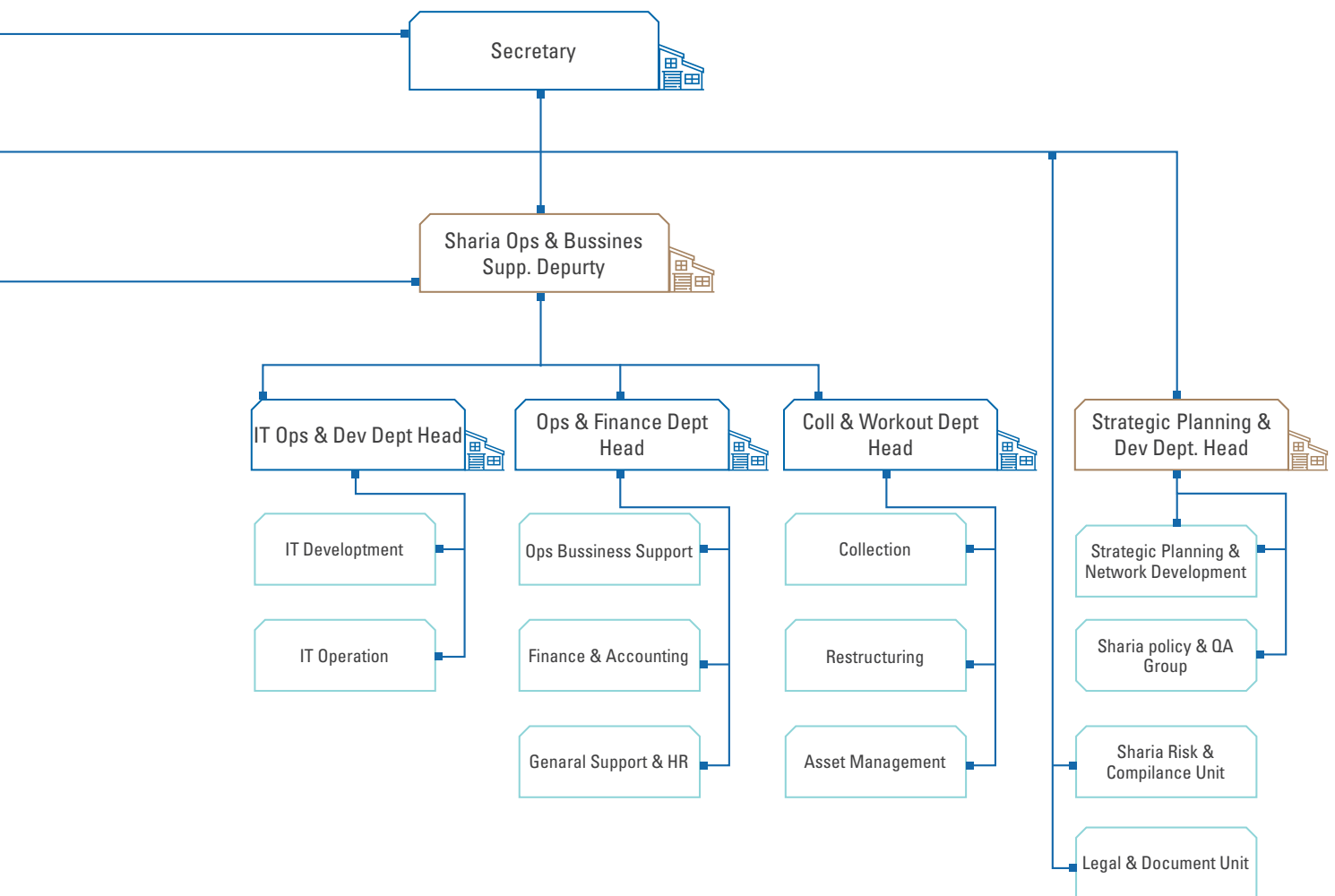
### SHARIA BUSINESS UNIT STRUCTURE



In conducting the Sharia Business Unit, the Company is supervised by the Sharia Supervisory Board of the Company and managed by the Director of Sharia Business Unit, as well as established 1 (one) Division at the Head Office by providing a service network in the form of Sharia Branch Offices (KCPS), Sharia Cash Offices (KKS) and Shariah Office Channeling.



### SHARIA BUSINESS UNIT GOVERNANCE (UUS)





## SHARIA SUPERVISORY BOARD

The Company is supervised by the Sharia Supervisory Board (DPS), which is the board responsible to provide advice and recommendations to the Board of Directors and to supervise the UUS's activities in accordance with the principles of Sharia as stipulated in Bank Indonesia Regulation No. 15/14/PBI/2013 regarding the Amendment

to Bank Indonesia Regulation No. 11/10/PBI/2009 regarding Sharia Business Units. All the UUS' funds products, financing, and services must be approved by the DPS in order to ensure the Suitability and Compliance of the products with the principles of Sharia.

### SHARIA SUPERVISORY BOARD (DPS) COMPOSITION

Appointment of the Company's DPS is based on the DPS requirements in accordance with Bank Indonesia Regulation No. 1110/PBI/2009 concerning Sharia Business Units as amended by Bank Indonesia Regulation No. 15/14/PBI/2013, where the DPS Members must possess Integrity,

Competence and a Positive Reputation in Finance.

Throughout 2019 there were no DPS changes. Therefore, the number, structure and composition of DPS as of December 31, 2017 and December 31, 2018 are the same.

Name	Position
Prof. Dr. H. Muhammad Quraish Shihab, MA	Sharia Supervisory Board Chairman
Dr. H. Mohamad Hidayat, MBA, MH	Sharia Supervisory Board Member
Muhammad Gunawan Yasni, SE.Ak., MM, CIFA, FIIS, CRP, CA	Sharia Supervisory Board Member

### APPOINTMENT AND DISMISSAL OF DPS

The Company appoints and dismiss DPS through the GMS after obtaining a recommendation from the National Sharia Council of the Indonesian Ulama Council (DSN-MUI) by referring to Bank Indonesia Regulation Number 11/10/PBI/2009 concerning Sharia Business Units as amended by Bank Indonesia Regulation Number 15/14/PBI/2013, including the following:

1. Remuneration and Nomination Committee provides recommendations to prospective DPS members to the Board of Commissioners;
2. Based on the recommendations of the Remuneration and Nomination Committee, the Board of Commissioners recommends DPS member candidates to the Board of Directors;
3. Based on certain considerations by taking into account the recommendations of the Board of Commissioners, the Board of Directors' meeting shall determine prospective DPS members for recommendations to the Indonesian Ulama Council;
4. The Indonesian Ulama Council provides or does not provide recommendations for prospective DPS members submitted by the Board of Directors;
5. The Bank submits an application for approval to Bank Indonesia/the Financial Services Authority for prospective members of the DPS that have received a recommendation from the Indonesian Ulama Council;
6. Bank Indonesia/the Financial Services Authority gives approval or rejection of the intended members of the Sharia Supervisory Board;
7. Prospective DPS Members who have obtained approval from Bank Indonesia/the Financial Services Authority are appointed by the Company at the GMS no later than 3 (three) months from the date of approval;
8. The General Meeting of Shareholders appoints members of the Sharia Supervisory Board who have received a recommendation from the Indonesian Ulama Council and the approval of Bank Indonesia/the Financial Services Authority. In the event that the appointment of members of the Sharia Supervisory Board by the General Meeting of Shareholders is conducted prior to Bank Indonesia's approval, then the appointment will only be effective if the member of the Sharia Supervisory Board has been approved by Bank Indonesia/the Financial Services Authority.



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## SHARIA BUSINESS UNIT GOVERNANCE (UUS)

9. Appointment of prospective DPS members must be reported by the Sharia Business Unit to Bank Indonesia/ the Financial Services Authority no later than 10 (ten) days from the date of appointment;
10. Dismissal and/or resignation of DPS members are reported by the Sharia Business Unit to Bank Indonesia/ Financial Services Authority no later than 10 (ten) days after effective dismissal and/ or resignation

### SHARIA SUPERVISORY BOARD PROFILE

A brief profile of the Sharia Supervisory Board (DPS) is presented in the Profile section of the Sharia Supervisory Board in this Annual Report.

### WORK GUIDELINES

In exercising its duties and responsibilities, the DPS refers to Bank Indonesia Regulation No. 11/33/PBI/2009 concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.

### DPS DUTIES AND RESPONSIBILITIES

1. Assessing and Warranting Compliance with the Principles of Sharia regarding Operational guidelines and products issued by the Bank;
2. Overseeing the of development process new Bank products in accordance with the fatwa of the National Sharia Council - Indonesian Ulema Council;
3. Delivering Sharia opinions regarding new products and/or restructured financing
4. Requesting a fatwa from the National Sharia Council - Indonesian Ulema Council for new Bank products having no fatwa's;
5. Conducting periodic reviews regarding the fulfillment of Sharia Principles in raising and channeling funds, and Bank services;
6. Requesting data and information related to Sharia aspects from the Bank's Work Units in order to perform its duties.

### DPS INDEPENDENCY

The Company's members of the UUS Sharia Supervisory Board are independent parties having no Family or Financial affiliation with the Controlling Shareholders, Directors of the UUS, and members of the Board of Commissioners.

Independency Aspects	Prof. Dr. H. Muhammad Quraish Shihab, MA	Dr. H. Mohamad Hidayat, MBA, MH	Muhammad Gunawan Yasni, SE.Ak., MM, CIFA, FIIS, CRP, CA
Having family affiliation with members of the Board of Commissioners, Directors and Shareholders	✘	✘	✘
Having financial affiliation with members of the Board of Commissioners, Directors and Shareholders	✘	✘	✘
Having concurrent position as consultant, member of the Board of Directors as well as member of Sharia Supervisory Board	✘	✘	✘

✓ = yes | ✘ = none

### SHARIA SUPERVISORY BOARD CONCURRENT POSITIONS

Nama	Jabatan	Rangkap Jabatan
Prof. Dr. H. Muhammad Quraish Shihab, MA	Sharia Supervisory Board Chairman	<ul style="list-style-type: none"> <li>Bank BTN UUS DPS Chairman</li> <li>Bank Niaga CIMB UUS DPS Chairman</li> </ul>

**SHARIA SUPERVISORY BOARD CONCURRENT POSITIONS**

Nama	Jabatan	Rangkap Jabatan
Dr. H. Mohamad Hidayat, MBA,MH	Sharia Supervisory	<ul style="list-style-type: none"> <li>• BTN Sharia UUS DPS Member (banking)</li> <li>• BSM DPS Member (banking)</li> <li>• PT Asuransi Manulife DPS Member (insurance)</li> <li>• PT Asuransi Allianz Syariah DPS Member (insurance)</li> <li>• PT BRIngin Life Syariah DPS Member</li> </ul>
Muhammad Gunawan Yasni, SE.Ak., MM, CIFA, FIIS, CRP, CA	Anggota Dewan Pengawas Syariah	<ul style="list-style-type: none"> <li>• Bank BTN UUS DPS Member</li> <li>• BRI Sharia DPS Member</li> <li>• Manulife Asset DPS Chairman concurrently Member</li> <li>• Manajemen Indonesia</li> <li>• Asuransi Astra Buana DPS Chairman</li> </ul>

**SHARIA SUPERVISORY BOARD (DPS) REPORT**

## 1. DPS Meetings

The DPS meetings are held according to the fulfillment of functions and responsibilities of the DPS in delivering Sharia opinions regarding new products, to assess and warrant compliance with the principles of Sharia regarding Operational, product guidelines, and to have the right to data and information for the evaluation of the aspects of Sharia Work Units.

Policies related to the implementation of the DPS meetings refer to Bank Indonesia Regulation No. 11/33/PBI/2009 dated December 7, 2009 concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units, in which the DPS meetings are scheduled to be held regularly at the frequency of 1 time per month. All decisions taken in the Company's DPS meetings are based on consensus. Minutes of the Company's DPS Meetings are initialed and signed by all DPS members who were present and well documented. The results of the DPS meeting are used as information for the Company's UUS business decisions.

Throughout 2019, the Company's DPS has conducted meeting as much as 9 times meetings with the frequency and level of attendance of DPS, as follows:

Name	Number of Meetings	Attendance	Frequency (%)
Prof. Dr. H. Muhammad Quraish Shihab, MA	10	9	90,00%
Dr. H. Mohamad Hidayat, MBA,MH	10	9	90,00%
Muhammad Gunawan Yasni, SE.Ak., MM, CIFA, FIIS, CRP, CA	10	10	100,00%

## 2. The Opinion of DPS Regarding the Implementation of Sharia Compliance

In 2019, the DPS of the Company's Sharia Business Unit has conducted 1 (one) meeting and issued 9 (nine) opinions related to the implementation of sharia compliance with a list of opinions, based on the minutes of the DPS meeting with the Company's Sharia Business Unit as follows:

Date	Subject
January 10, 2019	Material Drafting for Supervision Report for 2018 Second Semester
February 04, 2019	Supervisory Report Finalization of the 2018 Second Semester



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**SHARIA BUSINESS UNIT GOVERNANCE (UUS)**

Date	Subject
February 22, 2019	<ul style="list-style-type: none"> <li>Submission of Commercial and Consumer Non-performing Financing to the Asset Management Division (AMD).</li> <li>Income Smoothing.</li> </ul>
March 04, 2019	<ul style="list-style-type: none"> <li>Corporate Financing dan Pre Approval Line (Line Facility).</li> <li>Employee Soft Financing (PLP).</li> </ul>
March 28, 2019	<ul style="list-style-type: none"> <li>Discussion of Circular Letter (SE) concerning Restructuring.</li> <li>Financing Termination at Regional Offices.</li> <li>Follow up on the Aceh Qanun implementation</li> <li>General Insurance and Spin Offs</li> </ul>
May 13, 2019	Joint meeting with Compliance Director, Sharia Supervision Director, CMGD, TMO and SHAD related to some office activities
October 14, 2019	<ul style="list-style-type: none"> <li>Bank BTN UUS Performance Exposure as of September 2019.</li> <li>DSN-MUI Fatwa Implementation No. 123 / DSN-MUI / XI / 2019.</li> <li>Use of Regulations / Policies of Bank BTN Parent to be used by Bank BTN UUS in accordance with Board of Directors Regulation No. 01 / PD / DSYA / 2005 dated February 14, 2005.</li> <li>Margin reduction policy for the settlement of non-performing financing.</li> <li>Audit findings related to the mechanism for recording down payment for Murabahah contract KPR financing not in accordance with APSI Regulation No. 15/26 / DpbS on July 10, 2013</li> </ul>
November 11, 2019	<ul style="list-style-type: none"> <li>Bank BTN UUS Performance Exposure as of October 2019.</li> <li>Activity Plan for Generali Insurance Waqf products.</li> <li>Sukuk Issuance Plan issued by BTN Parent.</li> <li>Submission related to the DPS Charter establishment</li> </ul>
December 03, 2019	Discussion related to the anti-riba community
December 17, 2019	<ul style="list-style-type: none"> <li>Bank BTN UUS Performance Exposure as of November 2019.</li> <li>Progress Report on the Aceh Qanun Implementation</li> <li>DPS Charter Drafting.</li> </ul>

## 3. Frequency, Advice and Recommendation Method, Supervision of Practice Compliance

The Company's DPS performs its duties by providing advice and recommendations to the Director of the UUS and supervising the UUS activities to ensure compliance with the principles of Sharia as set forth in the Minutes of Meeting and Report of the DPS Supervisory. The supervision of the Company's UUS operation was implemented on the existing products, as detailed below:

DPS Supervision Activities	Supervision Mechanism	Frequency
Overseeing the process of developing the Company's new products to conform to the National Sharia Council Fatwa - Indonesian Ulema Council	<ol style="list-style-type: none"> <li>Assessing and ensuring compliance with sharia principles for operational guidelines and products issued by the company</li> <li>Providing sharia opinions on new products and / or restructured financing</li> </ol>	<ul style="list-style-type: none"> <li>There is no opinion on new products in 2019</li> <li>There are 8 (eight) provision of opinions related to daily work activities</li> </ul>



DPS Supervision Activities	Supervision Mechanism	Frequency
Conducting regular reviews of compliance with sharia principles for the mechanism of raising funds and channeling funds as well as Bank services	<ol style="list-style-type: none"> <li>1. Conducting a review of the sharia principles fulfillment on the mechanism of raising funds and channeling funds and bank services through a quotation test to the Sharia Branch Office</li> <li>2. Preparing Reports on Sampling Test Results of the Sharia principles fulfillment to the mechanism of raising funds and channeling funds and bank services through sampling tests at Sharia Branch Offices</li> <li>3. Preparing Semester Reports to the Financial Services Authority on the results of supervision reports on compliance with sharia principles at UUS Bank BTN</li> <li>4. Holding Sharia Supervisory Board Meetings</li> </ol>	<ul style="list-style-type: none"> <li>• Performed at 5 (five) Sharia Branch Offices</li> <li>• DPS Test Results Report at 5 (five) Sharia Branch Offices</li> <li>• Semester II Report 2018 and Semester I Report 2019</li> <li>• The holding of DPS meetings throughout 2019 was held 10 times</li> </ul>
Analyzing reports submitted by and / or requested from the Board of Directors, implementing the internal audit function and / or compliance function to find out the implementation quality of the sharia principles fulfillment for fund raising and distribution activities and Bank services	Providing responses to the Internal Audit Division's findings related to the mechanism for recording downpayments for KPR Murabahah contract financing not in accordance with PAPSI No. 15/26 / DpbS on July 10, 2013	The response was given at the Sharia Supervisory Board meeting on October 14, 2019
Conducting a Sharia Board Meeting with the Compliance Director	Holding Sharia Supervisory Board Meetings with the Compliance Director at least 2 times a year	The Sharia Supervisory Board Meeting with the Compliance Director was held on May 13, 2019

#### 4. DPS Competency Development

DPS periodically improves competencies for all staff in supporting the implementation of the DPS tasks through required Development and Training programs. Throughout 2019, members of the DPS of the Company participated in various training programs, workshops, conferences, seminars including the following:

Name	Position	Development Program
Prof. Dr. H. Muhammad Quraish Shihab, MA	Chairman	Ijtima 'Sanawi & MUI DPS-DSN Workshop in October 2019.
Dr. H. Mohamad Hidayat, MBA, MH	Member	<ul style="list-style-type: none"> <li>• Ijtima 'Sanawi &amp; MUI DPS-DSN Workshop in October 2019.</li> <li>• Resource Speaker in the seminar "Existence of Islamic Education Institutions in Sharia Economic Development" February 13, 2019 The Sharia Insurance Socialization</li> </ul>
Muhammad Gunawan Yasni, SE.Ak., MM, CIFA, FIIS, CRP, CA	Member	Ijtima 'Sanawi & MUI DPS-DSN Workshop in October 2019.





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## SHARIA BUSINESS UNIT GOVERNANCE (UUS)

### 5. Report of Supervision Results and Recommendations of the Sharia Supervisory Board

Throughout 2019, the DPS provided advice and recommendations to the Director of the UUS and supervised the activities of the UUS in accordance with the principles of Sharia as outlined in the Minutes of Meetings and the DPS Supervision Report. Supervision of the Company's UUS Operations was performed on existing products, as follows:

Bank Operational Activities	Type	Product
Overseeing the process of developing the Company's new products to conform to the National Sharia Council Fatwa - Indonesian Ulama Council	<ol style="list-style-type: none"> <li>Assessing and ensuring compliance with sharia principles for operational guidelines and products issued by the company</li> <li>Providing sharia opinions on new products and / or restructured financing</li> </ol>	<ul style="list-style-type: none"> <li>There is no opinion on new products in 2019</li> <li>There are 8 (eight) provision of opinions related to daily work activities</li> </ul>
Conducting regular reviews of compliance with sharia principles for the mechanism of raising funds and channeling funds as well as Bank services	<ol style="list-style-type: none"> <li>Conducting a review of the sharia principles fulfillment on the mechanism of raising funds and channeling funds and bank services through a quotation test to the Sharia Branch Office</li> <li>Preparing Reports on Sampling Test Results of the Sharia principles fulfillment to the mechanism of raising funds and channeling funds and bank services through sampling tests at Sharia Branch Offices</li> <li>Preparing Semester Reports to the Financial Services Authority on the results of supervision reports on compliance with sharia principles at UUS Bank BTN</li> <li>Holding Sharia Supervisory Board Meetings</li> </ol>	<ul style="list-style-type: none"> <li>Performed at 5 (five) Sharia Branch Offices</li> <li>DPS Sampling Test Results Report at 5 (five) Sharia Branch Offices</li> <li>Semester II Report 2018 and Semester I Report 2019</li> <li>DPS held 10 (ten) meetings in 2018</li> </ul>
Analyzing reports submitted by and / or requested from the Board of Directors, implementing the internal audit function and / or compliance function to find out the implementation quality of the sharia principles fulfillment for fund raising and distribution activities and Bank services	Providing responses to the Internal Audit Division's findings related to the mechanism for recording downpayments for KPR Murabahah contract financing not in accordance with PAPSI No. 15/26 / DpbS on July 10, 2013	The response was given at the DPS meeting on October 14, 2019
Conducting a Sharia Supervisory Board Meeting with the Compliance Director	Hold Sharia Supervisory Board Meetings with the Compliance Director at least 2 times a year	The Sharia Supervisory Board Meeting with the Compliance Director was held on May 13, 2019

### DPS REMUNERATION AND BENEFITS

The Remuneration package/policy and other benefits for the DPS are as follows:

- The Remuneration package and other facilities for members of the DPS are determined through the Company's GMS, which consists of salaries and bonuses/tantiem.
- Types of Remuneration and other benefits for all members of the DPS, the total Remuneration packages and other facilities are as follows below:



No.	Total Remuneration and Other Facilities	Amount Received in One Year (2019)	
		Member	Million Rupiah
1	Remuneration	3	Rp1,423
2	Other Facilities		
	• Can be owned	-	
	• Cannot be owned	-	

Total DPS members received Remuneration over one year are grouped in the income range, as follows:

Total Remuneration Per Person in 1 Year	Total DPS
Above Rp2 billion	-
Above Rp1 billion - Rp2 billion	3 person
Above IDR 500 million - 1 billion	-
IDR 500 million and below	-

## SHARIA BUSINESS UNIT DIRECTOR (UUS)

### UUS DIRECTOR'S ROLE

The Company's UUS is led by the UUS Director who is fully responsible for ensuring the implementation of the principles of GCG were implemented in all of the Company's UUS business activities across all levels of the organization. The implementation of the principles of GCG is performed through Sharia Risk Management planning, following up on the recommendations from the supervision of the Sharia Supervisory Board, the results of the supervision of the Financial Services Authority, the findings of Internal Audits and External Audits. The Director of the UUS in 2018, Mr. Budi Satria was appointed based on the Board of Directors' Circular letter No. 375/DIR/CSDN/2017 dated May 22, 2017 to the previous Letter No. 508/DIR/CSDN/II/2017 dated July 14, 2017.

### UUS DIRECTOR'S CRITERIA

The Company's UUS Director has fulfilled the Fit and Proper Test as referred to in Bank Indonesia Regulation No. 14/6/PBI/2012 regarding the Fit and Proper Test of Sharia Bank and Sharia Business Units. Article 44 stated that the Director of the UUS is obliged to possess adequate competence in the field of Sharia Banking and a commitment to the development of the UUS. Article 46 paragraph (3) stipulates that Candidates of the Director of the UUS are required to follow the Fit and Proper Test based on the provisions of the Fit and Proper Test for the Conventional Commercial Bank.

### UUS DIRECTOR'S DUTIES AND RESPONSIBILITIES

The focus of the UUS Director's responsibilities is its management, based on the principles of prudence and Sharia, which are in line with the Company's Articles of Association by emphasizing the principles of prudence,



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## SHARIA BUSINESS UNIT GOVERNANCE (UUS)

Sharia, and GCG.

### SHARIA DIVISION HEAD

In conducting its Operations, the UUS Director is assisted by the Sharia Division Head. Based on the Company's Guidelines, the duties and authorities of the Sharia Division Head as stated in the Job Description are as follows:

1. Setting out the Work Plan and Budget of their field in line with all prevailing provisions.
2. Ensuring the Strategic Planning process for Bank BTN's Sharia Business Unit.
3. Ensuring the policy formulation related to Bank BTN's Sharia Business Unit.
4. Ensuring the Secretarial function of the Sharia Supervisory Board.
5. Ensuring the Operation is performing smoothly along with the performance of the Sharia Business Unit.
6. Managing and Controlling Risks confronted under their management
7. Implementing the principles of GCG in their task force

### DPS' ACTIVITIES REPORT

Throughout 2019, the Company's UUS has conducted the following activities:

#### 1. Fund Distribution to Core Financing Customers

➤ The application of the funds provision by the Company to related parties and / or the provision of large funds has fulfilled Bank Indonesia regulations concerning the Legal Lending Limit (BMPK) and observes the prudential principles and applicable laws.

➤ The Compliance Director through the compliance unit constantly monitors the Bank's compliance with LLL regulations and reports them to the FSA every semester.

➤ In accordance with the Board of Directors Regulation No.01 / PD / HCLD / 2011 dated January 13, 2011 concerning Provision of Funds to Large Debtors (Large Funds) of PT. Bank Tabungan Negara (Persero) Tbk mentioned as follows:

- a. The limit for Provision of Funds is set the highest in accordance with the limits set in Bank Indonesia Regulation concerning the maximum lending limit and the level of provision of funds is determined by the analysis of impact on Provision of Funds on the Bank's balance sheet structure and risk profile. Analysis of the impact on the balance sheet structure and risk profile of the Bank and in accordance with the Bank's internal policy regarding lending.
- b. Provision of funds is conducted by considering the size, type, duration, and diversification of the portfolio on the Provision of Funds as a whole so as to prevent the Provision of Funds portfolio from being concentrated in one particular Borrower or Borrower group.
- c. Determination of the limit on the Provision of Funds must be done by considering the amount, type, time period of Provision of Funds and the impact of Provision of Funds on policies and strategies for diversifying the Bank's portfolio as a whole. Determination of limits on exposure to certain parties, determined based on geographic limits and certain industries.
- d. The impact analysis of the Provision of Funds on the balance sheet structure and risk profile is conducted among others by measuring credit risk to a pool of provisions of funds that have similar characteristics, in terms of magnitude, type, and or time period. The credit risk is measured, among others, based on historical default rate and credit rating migration during a certain period.
- e. In addition to analyzing the concentration of Provision of Funds to Borrowers and a set of Provision of Funds as described above, the Bank must also analyze the allocations set for each



component of the Provision of Funds portfolio.

## 2. Transparency of Financial and Non-Financial Conditions, GCG Implementation Reports and Internal Reporting

The Company's UUS has delivered financial and non-financial information to the public in a timely, complete and accurate manner through adequate and transparent websites and media. The Company's UUS Quarterly Published Financial Report for the 2018 fiscal year was published in several newspapers, including:

Financial Statements Disclosure	Newspaper
Quarter IV of 2018	Media Indonesia, Kontan
Quarterly I of 2019	Bisnis Indonesia, Investor Daily
Quarterly II of 2019	Republika
Quarter III of 2019	Republika

## 3. List of UUS Consultants and Advisers

Throughout 2019, the Company's UUS did not collaborate with any Consultant.

## 4. UUS Internal Deviation Report

In order to reduce internal irregularities (Internal Fraud) committed by management, permanent and non-permanent employees (honorary and outsourcing) related to work processes and the Company's operational activities that significantly affect the condition of the Company's performance, the Company undertakes various efforts to prevent the possibility of internal fraud done by employees.

During 2019, irregularities / fraud related to work processes and operational activities of UUS can be explained through the following table:

Internal Fraud	Number of cases committed by					
	Management		Permanent employee		Non-permanent employee	
	Previous year	Current year	Previous year	Current year	Previous year	Current year
Total internal fraud	0	0	3	4	0	0
Settled	0	0	3	2	0	0
In the process of internal settlement	0	0	0	2	0	0
The settlement has not yet been sought	0	0	0	0	0	0
Has been followed up through a legal process	0	0	1	0	0	0

Description:

1. Total cases in the current year is based on the Special Audit Report for the period January - December 2019.
2. Total cases that have been "settled" are cases that have received sanctions from the Board of Directors until December 2019.
3. Total cases that are "In the process of internal bank settlement" are cases that have not yet received a sanction decision from the Board of Directors until December 2019.
4. Total cases that have been "followed up through a legal process" are cases that have a Directors Decree in the form of criminal



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**SHARIA BUSINESS UNIT GOVERNANCE (UUS)**

sanctions (criminal reporting process by LGD).

**5. Monitoring legal issues**

During 2019, there were no legal issues related to Sharia Business Unit operations, both Civil and Criminal in nature. Throughout 2019, civil and criminal law issues faced by the Company's UUS and have been submitted through legal processes, as the following table:

NO	Legal Issues	Civil	Criminal
1	Has been settled (has permanent legal force)	12	-
2	In the process of settlement	7	21
	Total	19	21

In the settlement of legal problems faced by UUS, the Company always prioritizes deliberation when facing disputes with customers. However, if the deliberation channel cannot resolve the dispute, the the Company's UUS and the customer agree to settle the dispute using the arbitration path or through a judicial institution based on applicable laws and regulations and in accordance with sharia principles.

**6. Non-Halal Income and Their Uses**

Throughout 2019, the Company's non-halal income fund sources will be derived from fines and non-halal income such as interest services, summarized in the following table:

**QARD SOURCES AND USES OF PERIOD JANUARY 01, 2019 TO DECEMBER 31, 2019  
(IN FULL NUMERIC UNITS)**

No	Description	December 31, 2019
1	Initial Balance of Source of Virtue Funds	5.840.420
2	Recipient of Source of Virtue Funds	
	Infaq	-
	Sadaqa	
	Refund of Virtue Funds	
	Fine; and	-
	Non-Halal Income	19.550.849
	Total Revenue	19.550.849
3	Virtue Fund Utilization	
	Productive Virtue Fund	
	Contribution	
	Other Use for the Public's Needs	23.280.388
	Total Expenditures	23.280.388
4	Increase (Decrease) of Virtue Fund sources after Expenses	(3.729.539)
5	Virtue Fund Ending Balance	2.110.881



## 7. Conducting UUS GCG Self Assessment for 2019 Fiscal Year

In 2019, the assessment of the Company's UUS GCG implementation is conducted by self-assessment with an assessment score of each Criteria as follows:

Factor	Weight (%)	Ranking	Score
Implementation of duties and responsibilities of the Sharia Business Unit Director	0,35	2,00	0,70
Implementation of duties and responsibilities of the Sharia Supervisory Board	0,20	2,00	0,40
Implementation of Sharia Principles in fund raising and fund disbursement activities and services	0,10	2,00	0,20
Distribution of funds to core financing customer and deposit of fund by core depositors	0,10	2,00	0,20
Transparency of Financial and Non-Financial Conditions, Implementation Reports of GCG and Internal Reporting	0,25	2,00	0,50
Composite Total Value	1,00		2,00
Criteria for Numbers			2
<b>Predicate</b>			<b>GOOD</b>

Based on the results of the Self Assessment conducted, the composite value of the Company's Sharia Business Unit is 2,00 with the criteria of number 2 and the predicate "Good", the composite value is the same as the composite value of the previous year. This reflects the Management of the Company has implemented the Good Corporate Governance which is generally good and consistent. This is reflected in adequate fulfillment of the principles of Good Corporate Governance. If there are weaknesses in the application of the Good Corporate Governance principles, in general these weaknesses are less significant and can be resolved by normal actions by the Company's management.

## 8. Compliance with the Sharia Principles

Pursuant to the FSA Regulation No. 46/POJK.03/2017 dated July 12, 2017, regarding Bank's Compliance Function, the Company through the Director of Compliance has conducted coordination meetings with the Sharia Supervisory Board once in October 2018 to ensure the implementation of the principles of Sharia Compliance Function.

The Role of the Business Unit Management in this case the Sharia Business Unit (UUS) Treasury Department identifies Rate of Return Risk where the Risk is due to changes in the Rate of Return Risk paid by the Bank to customers, due to changes in the Rate of Return Risk received by the Bank from disbursement of funds, which may affect customer behavior and Bank third party funds.

## 9. Sharia Business Unit Risk Management Reporting

In the Sharia Business Unit report for risk management is no different from conventional commercial banks yet adds 2 types of risk, namely:

### a. Rate of Return Risk Management

Sharia Division (SHAD) employees, including the management of the Bank's business unit, are part of the executors of Risk Management for Rate of Return Risk, bearing in mind that the Returns are the result of all Sharia Business Unit (UUS) business activities.

Rate of Return Risk Measurement is based on the results of the assessment with parameters/ indicators used are the composition of third party funds, the Bank's strategy and performance in generating profits/customer behavior and third party funds. Those three indicators used by the Treasury Department of Sharia Business Unit (UUS) in managing the Rate of Return Risk.

In order to monitor the Rate of Return Risk and ensure that returns are maintained to customers,



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## SHARIA BUSINESS UNIT GOVERNANCE (UUS)

the Sharia Division (SHAD) in this case the Treasury Department manages policies related to special margin of profit sharing financing by coordinating with business units in this case the Commercial Business Department and Sharia Branch Offices.

### b. Investment Risk Management

Investment Risk Management is a financing risk provided with a Profit Sharing ratio which is part of the Bank's Risk Management Policy Guidelines for Sharia Bank Business Units (UUS) as well as Guidelines for part of the risk assessment process. Investment Risk Exposures are monitored since the process of granting Financing until the Financing due. Identifying Investment Risk where the risk due to the Bank also bears the business losses of customers financed in profit-based financing both using the net revenue sharing method, and the profit and loss sharing method.

Rate of Return Risk Measurement assesses the inherent risk of Investment Risk using parameters/ indicators consisting of the composition and index of concentration of profit-based financing, the quality of profit-based financing and external factors. Those three indicators used by the Commercial Business

Department in the Sharia Business Unit (UUS) in managing Investment Risk.

Investment risk monitoring and control, among others, by evaluating risk-based financing risk exposure to investment risk limits. Reviewing the Internal Credit Rating policy between the Commercial Business Department in Sharia Business Units (UUS) together with the Credit Risk Division (CRD). The management of profit-sharing based financing is carried out by the Commercial Business Department in Sharia Business Units (UUS) and Sharia Branch Offices.



## BANK STRATEGIC PLAN

The Strategic Plan is outlined in the Corporate Plan and Business Plan in accordance with the Bank's Vision and Mission. The Corporate Plan in the Long-Term Plan (CPR) contains the plans spacing out over more than 5 years, while the Business Plan contained in the Bank's Business Plan (RBB) is a 3 year plan. The preparation of the Long-Term Plan and the Bank's Business Plan is prepared by the Board of Directors, which involves Work Units with a top down scheme where the Board of Directors provides direction concerning the strategic goals to be achieved from bottom up i.e. Submitting proposals, suggestions, and/or views originating from Work Units, including in the Division, Regional Office and Branch Offices.

RJP and RBBs proposals are submitted to the Board of Commissioners for approval. After obtaining approval, the RJP and RBB are then submitted to the Controlling Shareholders through the Board of Commissioners, and the RBB is to be submitted also to the Financial Services Authority. The annual implementation of the RJP and RBB is implemented through the Corporate Work Plan and Budget (RKAP).

The progress of the Annual Work targets regarding the RKAP are monitored on a monthly basis by the Board of Directors through Performance Review meetings, and the Board of Commissioners supervise the progress through Joint Meetings of the Board of Commissioners and the Board of Directors scheduled once a month.

The accomplishment of the Bank's Business Plan (RBB) is reported by the Board of Directors to the Financial Services Authority as a banking supervisory institution every quarter. The Board of Commissioners supervises the implementation of the Bank's Business Plan through deliberation with the Board of Directors and by submitting the Bank's Business Plan Supervision Report to the Financial Services Authority every semester.

From the monthly monitoring, the accomplishments are reviewed and evaluated, if it is deemed necessary to revise the managements Strategies and Work Plans, the Board of Directors submits a proposed revised RBB in the middle of the Financial Year to the Board of Commissioners for approval.

By end of March 2018, the Fed's benchmark interest rate went up by 25 bps to 1.75%, this has had a large broadbased impact on the global Financial Markets including Indonesia. The global challenge has prompted Bank Indonesia (BI) to step up monetary stabilization by increasing the BI 7 Days Repo benchmark interest rate by 50 bps to 4.75% within less than a month in midMay of 2018.

The progress of macro dynamics in midst of the Second Quarter of 2018 and Bank BTN's position was taken into consideration when making amendments to the Bank's Business Plan (RBB) for 2018. The grounds for the revision to the 2018 RBB were the macro-economic dynamics and preparation for the application of PSAK 71.





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## THE COMPANY'S OBJECTIVES

The Company's objectives are in agreement with the Company's Long-Term Plan (2025) towards a Transformational Enterprise - global mindset, to transform into a global company in the field of Housing, Property and Basic Infrastructure by executing a transformation activity beginning in 2013, which is comprised of 3 stages as detailed below:

1. Survival Phase (2013 - 2015) with the objective of 'domination of the nationwide market leader' in the Housing business.
2. The Digital Banking Phase (2016-2019) with the objective of 'the leading Housing Bank in Indonesia providing a world class service'.
3. Global Player-ship Phase (2020-2025) with the objective of 'A Transformational Enterprise Global Mindset'.

## LONG-TERM PLAN

The Company's Long-Term Plan (RJP) at the second stage of the transformation is the Digital Banking period, which remains focused on strengthening its business with a focus on strengthening the two segments' of its Core Business, which is Consumer Banking and the Commercial Banking segments as follows:

1. Business Strengthening: Consumer Banking & Commercial Banking

The strategy to strengthen this business sector is based on its segmentation. In the Consumer segment, strengthening the Housing Loan positioning in the mass segment and expanding our Digital Banking services. In the Commercial segment, business development is focused on increasing Housing supply and the customer value chain mapping. In addition, initiatives to raise the CASA are performed through expanding Housing Loan-Based Funding and strengthening cooperation with various agencies. The short- and medium-term strategies in each segment are as follows:

### Consumer Banking

- a. Strengthening the positioning of Bank BTN in the mass segment (subsidized & non subsidized) by strengthening the role of Bank BTN as a Housing Market maker through the role of Bank BTN HFC and expanding strategic alliances with developers outside Java;
- b. Increasing Financing penetration in emerging affluent segments through the development of the Digital Mortgage ecosystem;

### Commercial Banking

Expanding the market share of the SME, Commercial

and Corporate segments to support housing supply by building a construction value chain.

2. Infrastructure Transformation

To support the phases of the Digital Banking Phase transformation and sustainable business growth, the infrastructure sector is focused on three main things, including the following:

- a. Infrastructure Transformation, which is focused on improving IT capabilities in supporting the implementation of Digital Banking, process digitalization and big data analytics through:
  - Reorganization of IT based on Digital Banking  
In addition to providing special portions to the emerging affluent segments, Bank BTN's Digital Banking is also a new growth engine for modern banking business services. This is conducted through cultivating business harmony between units through the role of IT as an enabler.
  - Process Automation and Centralized Operations  
This is conducted by integrating the end-to-end utilization of Enterprise Application Integration (EAI) and Straight-Through Processing (STP) with the aim of reducing user involvement demands and optimizing the speed of transaction processing.
- b. Strengthening the pillars of GCG through implementing Governance, Risk & Compliance in an integrated manner through several strategies, including:
  - Implementing a Risk Culture reinforced by organizational capabilities and processes that prioritize the principles of GCG.
  - Defining Risk Appetite & Risk Tolerance as an ongoing concern and balancing between Risk



Management and Business Strategy.

- Simplification of the IT systems and processes through data quality assurance.
3. Strengthening Human Capital (People Transformation)  
This transformation is to strengthen ten building blocks for the development of Human Resources and improve HR capabilities as agents of transformation

implementation through the following strategies:

- a. Establishing top talent programs for highperforming Bank BTN employees;
- b. Advancing Human Capital capabilities and preparation of Manpower Planning;
- c. Strengthening performance-based management and Risk Culture..

## SHORT- AND MEDIUM-TERM PLANS

In its commitment to support the Government's goals, the Company's short- and medium-term target is to focus on Housing Finance by supporting the realization of the construction of the "One Million Homes Program". To realize this, Bank BTN has revised its Business Strategy to be more directed toward customer segmentation mapping.

Owing to this strategy, Asset growth is more focused on strengthening the mass segment market share with the support for expansion from other segments. Meanwhile, funding is intensified concerning the Consumer and Commercial CASA shares and Wholesale Funding.

To maintain sustainable business growth, consolidation in the Infrastructure sector is correspondingly performed, which supports the short- and mediumterm targets through Digital Banking innovations, developing a Mortgage Ecosystem and upgrading the quality of Human Resources and revamping business processes that prioritize the principles of Corporate Governance.

### CREDIT SECTOR

The Consumer Credit Strategy will be more focused toward strengthening Bank BTN's positioning in the Mass Subsidized & Non-Subsidized segment and expanding market share in the emerging Affluent segments through the establishment of a Mortgage Ecosystem. While for Commercial Loans, strategies are more focused towards strengthening the supply of Housing through optimizing the potential construction value chain in the Small and Medium Enterprises (SME), Commercial and Corporate segments.

The Credit Sector Strategy is as follows:

1. Strengthening Bank BTN positioning in the mass segment (subsidized & non-subsidized);
2. Increasing Financing penetration in the Emerging Affluent segment;
3. Expanding market share of the SME, Commercial and Corporate segments.

### CREDIT QUALITY

Improving Credit quality is a benchmark for improving the process and the success of loans. Basically, the Credit

quality strategy remains based on time buckets, but in its management the emphasis is on profiling the debtor's ability to pay and also the Risk Exposures that may arise.

The strategic initiatives implemented in order to support the achievement of Credit quality are the following:

1. Optimizing collectability classification by strengthening the Smart Collection System.
2. Intensifying the Credit Collectability posture improvement through Monitoring and Credit development periodically in order to optimize billing through debt collectors.
3. Expanding Credit Collection and settlement through Asset Recovery programs, profiling debtor criteria, and executing repossession.

### FINANCING

In pursuance of the bank's Business Strategy, the fund growth initiative is focused on strengthening the structure of the Current Account and Saving Account (CASA) and supporting Wholesale Funding. Broadly speaking, the funding sector strategy is as follows:



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## Bank Strategic Plan

1. Raising the average balance of the mass segment, by optimizing the captive market of KPR customers;
2. Recomposing the Consumers Third Party Funds by increasing the acquisition of new customers in the emerging affluent segment through the Digital Banking feature proposition;
3. Raising the CASA-based Commercial Funding through the customer value chain mapping and Endowment Funding based on KPR cooperation; and
4. Accomplishing wholesale front loading funding to cover the maturity mismatch gap.

### FEE-BASED INCOME (FBI) AND THE ESTABLISHMENT OF SUBSIDIARIES

Considering the contribution of Fee-Based Income (FBI) to the Operating Income remained low when compared to the industry average, the strengthening of several strategic initiatives must be conducted to boost revenue from Consumer and Commercial based fees as follows:

1. Augmenting Admin-Based Revenue, through increasing the Number of Accounts (NOA) and Transactions;
2. Extending customer Share of Wallet (s.o.w), by offering Digital Banking and Wealth Management products on a large scale;
3. Strengthening the acquisition of FBI in the Commercial segment, through upgrading Trade Finance, Bank Guarantees and Profitability of Securities Transactions; and
4. Optimizing passive Credit settlements.

In addition to the aforementioned strategy, the acquisition of the FBI will be performed by establishing a subsidiary that is focused on supporting the Parent business in the property business by optimizing the "One Million Homes Program". As for business expansion initiatives, the planned capital participation, which initially focused on four activities (Investment Management, Life Insurance, Finance Companies and Loss Insurance) was changed into one activity in 2018, which is Investment Management and the rest are planned to be rolled out in 2019-2020 period.

### SHARIA BUSINESS

In the short-term, the Sharia business remains to support the Bank's Core business in the realization of Government's "One Million Homes Program" with a strategic focus based on customer segmentation mapping. With this Parent

business strategy, the growth of Sharia Assets is directed more towards the expansion of Consumer Financing growth through Commercial Financing.

In pursuance of the Government's plan, in particular the SOEs Ministry to consider several options for further developing the Sharia Bank and State-Owned Enterprises businesses, an initiative to expand the contribution of Sharia banking to the banking industry as a whole. For this reason, Bank BTN's Sharia business is retained, in the short-term, as a Sharia Business Unit (UUS) backing the Bank's Core business in the pursuit of the "One Million Homes" goal. However, considering Law No. 21 of 2008 (Sharia Banking Act), which requires the UUS conversion no later than 2023, preparations for the spin-off are planned to be implemented in 2020, which is in accordance with the Government's plan to implement Sharia banking consolidation. Bank BTN is preparing for the spin-off by boosting Bank BTN's UUS productivity and profitability through several preparation steps as follows:

1. Utilizing a master infrastructure in order to expand the reach of Bank BTN's Syariah
  - a. Mapping Sharia business development potential at the Bank BTN Conventional Branch Office by considering the Sharia market potential;
  - b. Designing specific Key Performance Indicators (KPIs) for the sale of Sharia products in the Conventional Branch Offices;
  - c. Boosting the capability of Conventional Bank BTN salespeople to market Sharia products through the sales force effectiveness programs;
  - d. Designing more simplified products easing the opportunity for Conventional Banking staff to market Sharia products.
2. As soon as there is a clear disposition from the holding regarding the Sharia Banking Plan, preparations for the spinoff will be implemented.
  - Preparation of spin off by forming a Task Force to review the arrangement in detail to ensure minimal Operational Risk.
3. The spin-off is to be executed over 3 stages, i.e. Preparation & Licensing, the Procedure for Execution & Assistance, and the Separation Process (planned for 2023).



### CAPITAL STRENGTHENING

To boost business expansion, adequate Capital is required considering the Bank's obligation to fulfill the minimum Capital requirement in accordance with Basel III. Pursuant to the FSA Regulation No. 11/POJK.03/2016 dated January 29, 2016 concerning the Minimum Capital Requirement for Commercial Banks, that banks must provide Capital in the form of a minimum level of Capital based on Risk Ratings and additional Capital as a buffer under Basel III (there are 3 categories: Capital Conservation Buffer, CounterCyclical Buffer, Capital Surcharge).

The strategy to strengthen Capital to be implemented by Bank BTN is the following:

1. Increase Bank profitability;
2. Subordinated Loans;
3. Propose a dividend policy scheme that supports the Bank's Housing focus;
4. Propose the issuance of new shares through a rights issue (with the shareholders' approval).

### HUMAN CAPITAL

In accelerating business transformation and growth, a sustainable people transformation strategy is also required, which is supported by the alignment of Human Capital Management Systems in accordance with the industry's best practices.

To strengthen the Bank's Business Operations Risk, the Human Capital Development Strategy must also include Internal Control strengthening through the proper allocation of HC in Manpower Planning, upgrading employee competency and strengthening the Corporate Culture including KYC (Know Your Customer) & KYE (Know Your Employee). To realize this, the short and medium-term Human Capital Development Work Program can be described as follows:

1. Short-term Work Program
  - a. Strengthening the focus of Cultural programs in tune with the Digital Transformation by imposing a Digital Culture, and efficiency and effectiveness of work;
  - b. Conducting evaluation on career management and job family;
  - c. Compiling Human Capital Plans and allocation strategies by formulating the HC recruitment strategies and communicating employer branding;

- d. Implementing a new employer Value Proposition by organizing talent attraction and employee retention and employee engagement programs;
  - e. Improving the Performance Management System (SMK) through simplifying the Competency Assessments and establishing KPIs according to the new Organizational Structures; and
  - f. Establishing a Variable Compensation System;
2. Medium-Term Target
    - a. Developing career management and job family through reviewing, evaluating and developing succession plans;
    - b. Developing a Strategic Manpower Plan for 2018-2020 with a clear strategy for meeting employee demands;
    - c. Evaluating the implementation of the employer Value Proposition by analyzing brand image performance and EVP channels;
    - d. Improving the Performance Management System (SMK) through the KPI review and Organizational Structure competencies.
    - e. Instilling a collaborative culture and focus on external insights for the Digital Transformation in accordance with the Corporate Culture Plan for 2019-2020; and
    - f. Implementing the Integrated Human Capital Information System (HCIS).

### STRENGTHENING INFORMATION TECHNOLOGY (IT) AND DIGITAL BANKING

In imposing the Digital Banking and Mortgage Ecosystem services development initiative, an adequate strengthening of Information Technology (IT) is desirable. In sync with this, IT strategic initiatives are aligned with the Bank's main strategy, explicitly as a Bank focused on Housing Loans with increased Operational effectiveness and efficiency through the automation of business processes. In the pursuit of Infrastructure Transformation, initiatives to strengthen IT remain to be based on the Information & Communication Technology Strategy Plan (RSTIK), but are prioritized on ten strategic pillars aimed at supporting the implementation of the Transformation Blueprint, which includes the following:

1. Strengthening the role of Bank BTN's Property Portal
2. Establishing a Customer Relationship Management (CRM) solution to find out the 360-degree customer view, profiling and improving customer service capabilities;



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3. Developing Internet Banking & Mobile Banking applications through platform enhancements and inter-system integration including iColl, iCash and property portals;
4. Developing management tools for marketing and sales activities by forming Digital Marketing & Sales Tools;
5. Overall improvement of the Wealth Management Systems;
6. Upgrading current Operational supporting tools, in order to increase Risk Prevention capacity;
7. Maximizing Risk Mapping (Risk Profiling) of Work Units
8. Integration of the Loan Origination System and addition of iCrema to monitor Credit Distribution;
9. Reengineering the Financing business process that is more directed at a centralized model through digitizing the back-office system to automate the process and connect to various databases;
10. Systematizing the Corporate Performance Planning and Evaluation Processes through system implementation to improve the effectiveness and efficiency of Corporate Planning.

Furthermore, the transformation of the Digital Banking initiative is to further develop product innovations, features, applications and processes replication as one of the rebranding strategies to obtain new Bank BTN customers in the emerging affluent segment.

To accomplish this, Digital Banking capabilities are enhanced by establishing a Digital Ecosystem organization that operates independently from other business units. The efforts to increase incubation and commercialization capabilities are as follows:

1. Enhancing the incubation capability through:
  - a. Translating research output into product development;
  - b. Integrating products into digital channels; and
  - c. Developing a customer journey based on user experience.
2. Enhancing the capability of commercialization through:
  - a. Developing marketing and promotion strategies;
  - b. Expanding strategic alliances with various potential partners for deals/promotions;
  - c. Mapping the target market;
  - d. Developing transactional and back-office operations.

### IMPROVEMENT OF GOOD CORPORATE GOVERNANCE (GCG), RISK MANAGEMENT, AND COMPLIANCE

Bank BTN realizes and understands the importance of the implementation of GCG as one of the strategic measures that must be implemented in order to attain the Vision as a leading bank in Housing Finance. Therefore, strengthening Organizational Structures and Business Processes based on the principles of GCG must be consistently enforced through strengthening the four main pillars of GCG implementation, which are: (i) Commitment to Governance; (ii) Governance Structure; (iii) Governance Process, and (iv) Governance Outcome.

Strengthening the first pillar is conducted through internalizing the principles of Corporate Governance across all the Bank's business activities and operations, enlisted as one of the Bank's Missions specifically is "Implementing Banking Management that upholds the principles of prudence and Good Corporate Governance to augment shareholder value".

Furthermore, strengthening the second and third pillars is performed by implementing the principles of GCG regarding the overall changes in Organizational Structure and Business Processes that are currently being implemented as a stage of the Bank's business transformation. Broadly speaking, these changes are performed by streamlining the process to segregate the roles of Sales, Operations and Risk Policies. Strengthening these pillars is conducted by reinforcing the Operational supervision mechanism of the office, both from the Directorate through to the Work Unit level.

### ENHANCED RISK MANAGEMENT

In addition to strengthening Infrastructure and Human Resources, Bank BTN also focuses on RiskBased business development. In this case, broadly strengthening Risk Management is performed through strengthening the four main pillars, which are: (i) Strengthening and Internalizing Risk Culture across all levels of the Organization; (ii) Integrated capital and Liquidity management; (iii) Enhancing Credit Risk Management capabilities and (iv) Strengthening the Compliance Functions for Comprehensive Operational Risk Management practices.



Ikhtisar Utama 2019



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The strategic initiatives that will be implemented to strengthen the four pillars are as follows:

1. Strengthening and Internalizing the Risk Culture;
2. Intensifying the Integrated Capital and Liquidity Management by creating a Liquidity Risk Monitoring System;
3. Compounding Credit Risk capabilities through the development of Credit Risk applications;
4. Intensifying the Compliance Function to Comprehensively mitigate Operational Risk.

#### **NETWORK DEVELOPMENT (DELIVERY CHANNEL)**

Maximizing delivery channels in supporting businesses is conducted through the expansion in quantity and variation of various media with a network expansion strategy focused on five main initiatives, which includes the following:

1. Regionalization Strategy;
2. Branch Expansion;
3. Kiosk Placement;
4. Agent Banking; and
5. Digital Channel.



## OTHER INFORMATION TRANSPARENCY

### INFORMATION RELATED TO BUY BACK SHARE AND BUY BACK BONDS

The main driver of buying back shares and buying back bonds is to reduce the number of shares or subordinated bonds issued by the Company by buying back shares or subordinated bonds. The procedure for payment complies with the applicable regulations. Until end of 2019, the Company did buy back shares or subordinated bonds, with below details:

<b>Elucidation of Bond Buyback Policies</b>	The Bond Buyback was due to attractive bond yield compared to similar bonds on the secondary market	
<b>Total Bonds Buybacks (Rp-million)</b>	1. Bank BTN Bond XIV of 2010	: Rp15 billion
	2. Bank BTN OB III Phase I Series A of 2017	: Rp35 billion
<b>Harga Buy Back</b>	1. Bank BTN Bond XIV of 2010	: 102.33%
	2. Bank BTN OB III Phase I Series A of 2017	: 100.73%
<b>Increase of profit from Buy Back Obligation (Rp-million)</b>	1. Bank BTN Bond XIV of 2010	: Rp621,347,222
	2. Bank BTN OB III Phase I Series A of 2017	: Rp81,145.833
	3. Total	: Rp702,493,055

### PROVISION OF FUNDS TO RELATED PARTIES AND LARGE EXPOSURES

The Company provides funds to Related Parties with the approval of the Company's Board of Commissioners. Information regarding the Provision of Funds to Related Parties and Large Exposure throughout 2019 are as follows:

Provision of Funds	Total	
	Debtor	Nominal (Rp-juta)
Related Parties	Nil	Nil
To 50 Core Debtors:	170	27,541,624
a. Single Debt	33	11,120,273
b. Group	137	16,421,351

From January to December 2019, the Company never violated the Legal Lending Limit (LLL). The Compliance Director through the Compliance Work Unit constantly monitored the Company's Compliance with the LLL provisions and reported it to the Financial Services Authority each semester. The implementation of the Provision of Funds by the Company to Related Parties and/or the Provision of Large Funds always takes into consideration the principles of prudence and all applicable laws and regulations, and has Complied with the Bank Indonesia ruling concerning LLL.



## PROVISION OF FUNDS FOR SOCIAL ACTIVITIES

In 2019, the Company allocated funds for Social activities through various programs and activities (CSR). Broadly speaking, the costs incurred for CSR throughout 2017 and 2018 are as follows:

Provision of Funds	Funds Distribution	
	2019 (Rp-Million)	2018 (Rp-Million)
Economy	662	1.455,57
Art and Culture	63	100
Sports	-	149,43
Education	2.304	1.047,34
Health	-	203,59
Infrastructure	2.952	644,56
Religious	946	1.573,60
Nature Conservation	15	6
<b>Total</b>	<b>6.942</b>	<b>5.180,09</b>

Further information regarding the Company's CSR programs is presented under the Corporate Social Responsibility (CSR) section of this Annual Report and 2019 Sustainability Report.

## PROVISION OF FUNDS FOR POLITICAL ACTIVITIES

Throughout 2019, there was no provision of funds for political activities or political parties.

## INFORMATION DISCLOSURE ON ADMINISTRATIVE SANCTIONS FOR CAPITAL MARKET AND OTHER AUTHORITIES

Until the end of December 31, 2019, the Company did not receive any material administrative sanctions that affect the Company's business sustainability and also no

administrative sanctions imposed on the Company's Board of Directors and Board of Commissioners members.

## TRANSACTIONS CONTAINING CONFLICT OF INTEREST

The Company always complies with the provisions applicable in the Financial Services Authority Circular No. 13/SEOJK.03/2017 dated March 17, 2017 concerning IX.E.1 dated November 25, 2009 concerning Affiliated Transactions and Conflicts of Interest of Certain Transactions. The company also adheres to the implementation of Governance for commercial banks and provisions in the capital market sector such as the Chairman of Capital Market and

Financial Institution Supervisory Agency (BAPEPAM-LK) Decree No.IX.E.1 dated November 25, 2009 concerning Affiliated Transactions and Conflicts of Interest for Certain Transactions.

The Company has a Policy regarding Transactions with a Conflict of Interest as set forth in the Board Manual. The policy regarding Provision of Funds for Related Parties with



**OTHER INFORMATION TRANSPARENCY**

a Conflict of Interest is included in a separate Board of Directors regulation stating that the Bank is prohibited from funding Related Parties without obtaining an approval from the Board of Commissioners.

In the event of a Conflict of Interest between the Company and the shareholder, member of the Board of Commissioners, member of the Board of Directors, Executive Officers, and/or other parties related to the Bank should occur, then the member of the Board of Commissioners, member of the Board of Directors, and Executive Officers are prohibited in taking actions that might jeopardize the Bank or reduce the profits of the Bank, and shall fully disclose the Conflict of Interest in every decision. The Company properly documents every transaction

containing any Conflict of Interest and discloses it in accordance with the applicable regulations. The Disclosure of Conflict of Interest is stated in the Minutes of Meeting, which at least includes the name of the party having the Conflict of Interest, the main problematic issue of the Conflict of Interest and the basis of consideration in the decision making.

In principle, all Company employees must avoid making any decisions in situations and conditions containing any Conflict of Interest. Loans are granted to the Board of Directors, the Board of Commissioners and Company Employees relevant with reasonable limits and in accordance with the applicable Bank regulations without any distinction from customers (arm's length basis).

Information related to transactions with a Conflict of Interest throughout 2019 are as follows:

No	Names and Positions with Conflicts of Interest		Decision Maker	Date of Agreement	Type of Transaction	Transaction Value	Remarks
	Name	Position					
1	Agus Rio Trismayanto	DBM Bisnis KC Bandung	Commissioner	22/03/2019	Batara Light Credit	200	According to Procedure
2	Wisnu Agus Prijanto	BM KC Depok	Commissioner	21/03/2019	Batara Light Credit	200	According to Procedure
3	Raden Achmad Zein Wargadibrata	BM KC Jkt Harmoni	Commissioner	18/03/2019	Batara Light Credit	200	According to Procedure
4	Nilo Tjondro Atmodjo	BM KC Magelang	Commissioner	09/09/2019	BTN Platinum KPR	250	According to Procedure
5	Reno Rahargono	BM KC Palu	Commissioner	20/03/2019	Batara Light Credit	50	According to Procedure
6	Adhi Santosa	BCRH KC Semarang	Commissioner	21/03/2019	Batara Light Credit	35	According to Procedure
7	Satrijo Katri Wilargo	BM KC Tegal	Commissioner	19/03/2019	Batara Light Credit	200	According to Procedure
8	Tyas Dite Kresnanto	Dept Head Divisi Treasury	Commissioner	22/07/2019	Batara Light Credit	200	According to Procedure



## INSIDER TRADING PREVENTION

The Company has in place policies regarding Insider Trading actions, which are regulated in the Board of Directors' Regulation No. 39/PD/CSD/2011 concerning the Investor Relations Activity Policy Guidelines as well as the Board of Directors Charter and the Board of Commissioners Charter.

In this provision, the Board of Directors and the Board of Commissioners and Employees are prohibited from conducting Insider Trading through the following:

1. Conducting transactions regarding the Company's shares and other shares of companies that conduct business transactions with the Company;

2. Influencing other parties to buy the Company's shares and/or other companies shares that conduct business transactions with the Company;
3. Providing unauthorized information to other parties.

Subsequent to the stock transaction, the Board of Directors and the Board of Commissioners must report the transaction to the Financial Services Authority and the Indonesia Stock Exchange within 3 working days.

The purpose of this policy is to circumvent any potential Insider Trading.

## TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL CONDITIONS

The Company fulfills the obligation of Transparency and the publication of Financial and Non-Financial conditions to Stakeholders and the Financial Services Authority (OJK) in accordance with the provisions, as follows:

1. Monthly Financial Reports to the Regulators and published through the Company's website;
2. Quarterly Financial Reports to the FSA Regulators, Indonesian Stock Exchange (IDX), Indonesian Capital Market Electronic Library (ICaMEL) and published through newspapers and websites of the Company;
3. The Company's Annual Report prepared and presented in accordance with the provisions and submitted to the Regulators and Shareholders and published through the Company's website;
4. Information regarding Corporate Governance which includes the Report regarding the Implementation of Corporate Governance, Vision and Mission, Company Values, Composition and Profile of the

Board of Commissioners and the Board of Directors as well as Internal Regulations related to Governance including the Company's Articles of Association and Committee Charter, which are also published through the Company's website;

5. Information regarding the Company's Products and Services including office networks is published through the Annual Report and the Company's website so that customers, investors and the general public can conveniently access information regarding the Bank's Products and Services;
6. Information regarding the Procedure for Submitting Customers Complaints in using banking services are published through the Company's website for the implementation of consumer protection provisions;
7. Other information that aims to support the Disclosure of Information, Financial Education and Services to the Public.

## STATEMENT AND BAD CORPORATE GOVERNANCE PRACTICE

The Company realizes that the practices of Bad Corporate Governance will interfere with the established Good Corporate Governance (GCG) system. Throughout 2019, the Company did not take any actions and/or policies relating to Bad Corporate Governance practices shown in the table as follows:



Pendukung Bisnis



Tata Kelola Perusahaan



Tanggung Jawab Sosial  
Perusahaan



Laporan Keuangan Audited

## OTHER INFORMATION TRANSPARENCY

Description	Practiced
Being reported as a Company that pollutes the Environment	Nil
Significant cases confronted by the Company, Subsidiaries, members of the Board of Directors and/or members of the Board of Commissioners serving in office but not disclosed in the Annual Report	Nil
Non-Compliance in fulfilling Tax obligations	Nil
Inconformity in the presentation of Annual Reports and Financial Reports with the applicable regulations and Financial Accounting standards	Nil
Serious cases regarding Labor and Employees	Nil
There is no Disclosure of Operating Segments as a Listed Company	Nil
There is Inconformity between the Annual Report hardcopy and the softcopy version	Nil

### STATEMENT AND GOOD CORPORATE GOVERNANCE PRACTICE

The Company states that in performing its business activities it has applied the principles of Good Corporate Governance and there are no Material Violations of the applicable laws and regulations. The Company also constantly applies the principles of GCG in accordance with applicable regulations and regulations both nationally and internationally. The Board of Directors, the Board of Commissioners, and all employees are committed to continually improving our Good Corporate Governance practices in a Transparent, Accountable, Responsible, Independent manner, paying close attention to Fair and Sustainable Equality and Fairness in achieving the Company's Vision, Mission and Goals.

### STATEMENT REGARDING THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The Company has exercised a comprehensive evaluation of the Company's activities regarding the effectiveness of the Internal Control System and Risk Management. As a closing statement of this chapter concerning Corporate Governance, the Company states that the Company's Internal Control and Risk Management System was well implemented, which was accordingly, effectively and adequately reflected in the implementation effectiveness of Internal Control Functions, including Internal Audit, Risk Management, Compliance, Financial and Operational Control throughout 2019.



# CORPORATE SOCIAL RESPONSIBILITY

BTN has a high commitment to continue to cultivate integrity as an inseparable part of the Human Capital competency and capacity development. BTN believes that with integrity, the Company's organization will be able to achieve its vision, and become a leading banking industry player in Indonesia.



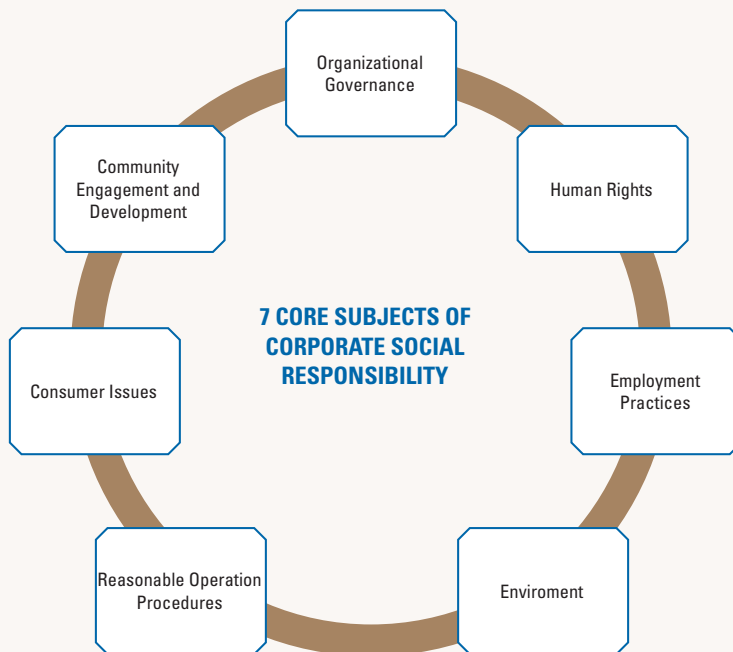


# SOCIAL RESPONSIBILITY OF THE BANK AND SUSTAINABLE FINANCIAL IMPLEMENTATION

The concept of Sustainable Development developing in various countries has emerged as part of many parties' aspiration of the balance between people, profits and planet. This concept can only be realized through strong commitment from all parties, especially business entities that cannot be denied relying on profit orientation and tend to ignore the long-term impact of the activities carried out. Sustainability Development emphasizes on 3 (three) important foundations, namely economic growth, environmental protection, and social equity.

In Indonesia, regulators have encouraged this harmonization effort through Corporate Social Responsibility (CSR), which requires business entities to have policies and programs related to their commitment to building sustainable relationships with stakeholders. In line with the development of sustainability issues, the International Organization for Standardization (ISO) released ISO 26000 on Guidance on Social Responsibility in 2009. Although it is not mandatory and only an appeal, this ISO provides patterns and modules that apply internationally about the implementation and development of CSR in an organization. In Indonesia, ISO 26000 was ratified by the Government in 2010 and was made a National Standard (SNI) in 2012.

## CORE SUBJECTS OF CORPORATE SOCIAL RESPONSIBILITY BASED ON ISO 26000





A brief explanation of the 7 core subjects is as follows.

<b>Organizational Governance</b>	: Other processes, systems, structures or mechanisms that enable companies to apply social responsibility principles and practices.
<b>Human Rights</b>	: Specific principle: Human rights are inherent, irrevocable, universal, inseparable and interdependent rights associated with fair and civilized humanity.  Issue Due diligence (analysis of decision and activity impact); risky situation; avoid conspiracy; complaint handling; civil and political rights; economic, social and cultural rights; basic principles and rights at work.
<b>Labor Practice</b>	: Specific principle: Workers are not commodities/are not treated as factors of production; has the right to earn a living from the work he/she chooses; entitled to fair and good working conditions.  Issues: Employment and employment relations; working conditions and social protection; social dialogue; occupational Health and Safety; HR development and training in the workplace.
<b>Environment</b>	: Specific principles: The principle of environmental responsibility; the precautionary principle; environmental risk management; polluter pays.  Issues: Pollution prevention; sustainable use of resources; mitigation and adaptation to climate change; environmental protection, biodiversity and restoration of natural habitats.
<b>Reasonable Operating Procedures</b>	: Specific principle: Ethical behavior.  Issues: Anti-corruption, involvement in responsible politics; fair competition; encourage social responsibility in the value chain; respect for ownership rights.
<b>Consumer Issues:</b>	: Specific principles: Fulfillment of basic needs, decent living standards, essential products and services, safety, information; make a choice; be listened to; loss compensation; education; healthy environment; privacy; the precautionary principle.  Issues: Consumer health and safety protection; sustainable consumption; service, support and resolution of consumer complaints and disputes; data protection and consumer privacy; access to basic services; education and awareness.
<b>Community Engagement and Development:</b>	: Specific principle: The company is an inseparable part of the community; the community has the right to make their own decisions regarding their community; respecting community characteristics; cooperation.  Issue: Community involvement; education and culture; job creation and skills development; development and access to technology; prosperity and income creation; health; social investment.

Source: KADIN Guidelines on Corporate Social Responsibility to Support Sustainable Development, 2015.



Performance 2019



Management Report



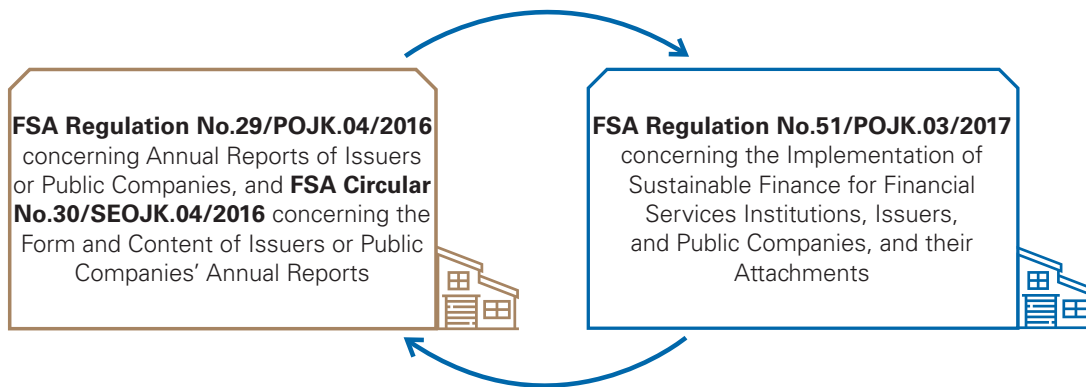
Company Profile



Management Discussion and Analysis

The preparation of the Social Responsibility report in this annual report adopts 2 (two) regulations from FSA and their derivatives, namely FSA Regulation No. 29/POJK.04/2016 concerning Annual Reports of Issuers or Public Companies and FSA Circular No. 30/SEOJK.04/2016 concerning the Form and Content of Annual Reports of

Issuers or Public Companies, as well as FSA Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies.



The two FSA regulations are used by the Company to prepare the Bank's Social Responsibility report in a structured and systematic manner. FSA Regulation No. 29 / POJK.04 / 2016 and FSA Circular No. 30 / SEOJK.04 / 2016 is the scheme for preparation of the entire annual report; whereas FSA Regulation No. 51 / POJK.03 / 2017 adopted to be able to provide an overview of the implementation of Sustainable Finance conducted by the Bank.

In addition, the Company issues Sustainability Report as a separate report from this Annual Report. The Sustainability Report provides a detailed description of the achievements made by the Company in implementing sustainable financial applications.





# SUSTAINABILITY STRATEGY AND GOVERNANCE

The Company defines the substance of CSR in addition to leading to efforts to build harmonious and mutually beneficial relationships with the environment, community and stakeholders, locally, nationally and globally, but also to the Company's mission to make a positive impact and contribution to sustainable economic development. The Company has a moral duty to develop business and promote a sustainable domestic economy by continuously serving all stakeholders with high integrity, complying with applicable laws and regulations, and upholding business ethics.

The implementation of the Company's CSR activities aims to make a real contribution to sustainable development, provide support for long-term business success, and meet stakeholder expectations for the Company.

In order to realize sustainable development, the Company is committed to applying sustainable financial principles to prevent the occurrence of funding or investment practices in business activities that use resources excessively, which ultimately has an impact on social inequality and results in environmental damage. The implementation of these principles aims to ensure the integrity of the environment and the safety, ability, welfare, and quality of life of present and future generations.

In this regard, the Company conducts business activities based on the Financial Services Authority Regulation Number 51/POJK.03/2017 concerning the Application of Sustainable Finance. There are eight principles that are implemented in the Company's business activities, namely: (1) Principles of Responsible Investment, (2) Principles of Strategy and Sustainable Business Practices, (3) Principles of Social and Environmental Risk Management, (4) Governance Principles, (5) Informative Communication Principles, (6) Inclusive Principles, (7) Priority Sector Development Principles, and (8) Coordination and Collaboration Principles. The application of these principles can also be seen in various CSR and PKBL activities that have been consistently carried out by the Company through the triple bottom line approach, namely economic, social and environmental. In the regulation, it is stated that the objectives of implementing Sustainable Finance are:

1. Providing adequate funding sources needed to achieve sustainable development goals and funding related to climate change.
2. Increase the resilience and competitiveness of FSI, issuers and public companies through better management of social and environmental risks by developing financial products and/or services that apply the principles of Sustainable Finance so that they are able to contribute positively to financial system stability.
3. Reducing social inequalities, reducing and preventing environmental damage, preserving biodiversity, and encouraging efficient use of energy and natural resources.
4. Develop financial products and/or services that apply the principles of Sustainable Finance.



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Company Profile



Management Discussion and Analysis

### 8 (EIGHT) BASIC PRINCIPLES OF APPLICATION OF THE PRINCIPLES OF SUSTAINABLE FINANCE \*



Principle of Responsible Investment



Principle of Strategy and Sustainable Business Practices



Principle of Managing Social and Environmental Risk



Principle of Governance



Principle of Informative Communications



Principle of Inclusive



Principle of Priority Leading Sector Development



Principle of Coordination and Collaboration

\*) Based on FSA Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies, article 2

Explanation of the 8 basic principles above is as follows.

<b>Principle of Responsible Investment:</b>	: Financial investment approach to projects and initiatives for sustainable development, nature conservation products, and policies that support sustainable economic development and believe that the creation of long-term investment returns depends on the economic, social, environmental and governance systems.  Sustainable development is a conscious and planned effort that integrates economic, social and environmental aspects into a development strategy to ensure the integrity of the Environment and the safety, capability, welfare and quality of life of present and future generations.
<b>Principle of Strategy and Sustainable Business Practices:</b>	: Value building for the financial services sector to contribute to society through business policies and practices and the implementation of business strategies by LJK, Issuers and Public Companies by minimizing negative impacts and integrating economic, social, environmental, and governance aspects in each sector and strategy from each line of business
<b>Principle for Managing Social and Environmental Risks:</b>	: Integrating aspects of social responsibility and environmental protection and management in risk management in order to avoid, prevent and minimize negative impacts arising from risk exposures related to social and environmental aspects.
<b>Principle of Governance:</b>	: Implementation of governance in aspects of social responsibility as well as protection and management of the environment that is transparent, accountable, responsible, independent, equal and reasonable.
<b>Principle of Informative Communication:</b>	: The use of appropriate communication models related to organizational strategy, governance, performance, and business prospects to all stakeholders.



## SUSTAINABILITY STRATEGY AND GOVERNANCE

<b>Principle of Inclusive:</b>	: Equitable access to LJK products and/or services, Issuers and Public Companies for the community, as well as reaching the entire territory of the Republic of Indonesia to accelerate economic progress, social welfare, and environmental protection, especially for people who have no or no access to products and/or services of LJK, Issuers, and Public Companies.
<b>Principle of Priority Sector Development:</b>	: Give a greater portion to the priority sectors that are the priority for achieving sustainable development goals including mitigation and adaptation efforts to climate change.
<b>Principle of Coordination and Collaboration</b>	: Increase coordination and collaboration of all stakeholders in the financial services sector including ministries, institutions, sectors or business units that have work programs closely related to the implementation of sustainable development to accelerate economic, social and environmental quality improvement for all Indonesians and encourage community participation related to economic, social, environmental and governance aspects.

## CSR VISION AND MISSION



### Vision

“Caring about the interests of the community and the environment by contributing to economic development and community empowerment in a sustainable manner, particularly in a housing/ residential environment which is the core business of BTN Bank.”

### Mission

- Improve the welfare of society and the environment.
- Promote the Bank’s values and culture.
- Establish a good image of the Bank in the eyes of the public.
- Intensify cooperation with, and mutual respect of, the community and the Bank’s Office operating environment.

In achieving the CSR Vision and Mission, the Company has compiled a CSR program that is in line with the principles of 3P (people, profit, planet), oriented towards creating added value to stakeholders and the surrounding community, and achieving sustainable development goals.

## BASIS OF CORPORATE SOCIAL RESPONSIBILITY

The basis for implementing a CSR program in Indonesia that focuses on Sustainable Finance is based on several legal aspects, including:

1. Law No. 1 of 1970 concerning Work Safety.
2. Law No. 23 of 1992 concerning Health.
3. Law No. 13 of 2003 concerning Manpower.
4. Law No. 19 of 2003 concerning State-Owned Enterprises.
5. Law No. 40 of 2007 concerning Limited Liability Companies.
6. Law No. 24 of 2011 concerning the Social Security Organizing Agency.
7. Government Regulation No. 50 of 2012 concerning the Implementation of Occupational Safety and Health Management Systems.
8. Government Regulation No. 47 of 2012 concerning



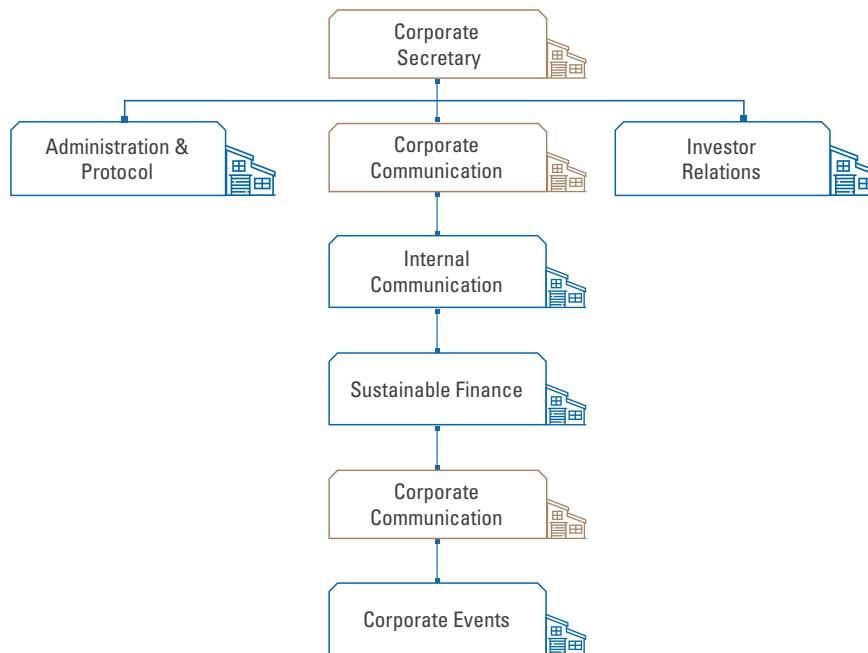
- Limited Corporate Social and Environmental Responsibility.
- 9. Regulation of the Minister of Manpower No. 05/MEN/1996 concerning Occupational Safety and Health Management Systems (SMK3).
- 10. FSA Regulation No. 1/POJK.07/2013 concerning

- Consumer Protection in the Financial Services Sector.
- 11. FSA Circular Letter No. 1/SEOJK.07/2014 Implementation of Education in the Context of Increasing Financial Literacy to consumers and/or the public.

In addition, the Company has an internal foundation in implementing CSR, namely:

- 1. Deed of Declaration of Shareholders Decree concerning Amendment to the Articles of Association of PT Bank Tabungan Negara (Persero) Tbk No. 34 August 11, 2008.
- 2. Directors Regulation No. 6/PD/CSD/2018 concerning the Partnership Program, the Community Development Program and the Corporate Social Responsibility Program on May 18, 2018.

### ORGANIZATIONAL STRUCTURE OF THE COMPANY'S CSR MANAGEMENT



The Company has in place a special unit dealing with CSR, such as the Community Development Program Unit under the Corporate Secretary Division. In carrying out CSR activities, the Corporate Secretary Division coordinates or collaborates with several parties, including:

- 1. Company Internal Parties; and
- 2. Company External Parties or Third Parties, which include:
  - a. Government
  - b. Universities
  - c. Non Governmental Organizations
  - d. Social Agencies
  - e. Mass media
  - f. Other institutions that have capability to carry out the Company CSR activities.



## SUSTAINABILITY STRATEGY AND GOVERNANCE

### METHOD AND SCOPE OF DUE DILIGENCE OF SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACTS DUE TO BANK ACTIVITIES

The Company has reviewed the social, economic, and environmental impact of its business activities in providing added value to all shareholders and stakeholders. As for social impact on the community, the Company has implemented CSR activities that synergizes both interests of improving community quality of life in line with the Company's business interests. This is intended so that the Company and the community can obtain long-term benefits for the implementation of these programs.

Related to economic impact, the Company has conducted CSR activities aiming to empower the community in alleviating poverty. In addition, the Company has compiled a Sustainable Financial Action Plan (RAKB), which anticipated to provide long-term value creation. The RAKB is not only for defining competitive advantage, but is also for the wider community and environment, as well as strengthening resilience since the Company has managed all risks (economic, social and environmental) more accurately.

Related to environmental impact, the Company has conducted CSR programs for environment preservation as well as channeled CSR programs to support the Company's business to be environmentally friendly. In conducting its business, the Company has implemented an environmentally friendly credit policy through credit assessments that attend to the Environmental Impact Analysis (AMDAL) results prior to its decision to disburse any loan for any project. This policy is stated in Circular Letter No.17/DIR/CMLD/2016, dated March 31, 2016 concerning the Commercial Loan Standard Operating Procedure stating that "Environmental Feasibility Study or Environmental Management Efforts (UKL/UPL) and/or Environmental Impact Analysis (AMDAL) if required by the local government, or specified in the Location Permit or Land Use Permit." In addition to the AMDAL, the Company also conducts direct observation of the site to ensure that the debtors or developers fulfil the environmental requirements.

### STAKEHOLDERS AFFECTING OR INFLUENCING BY THE COMPANY'S ACTIVITIES

The Company has identified its stakeholders aiming to get a clear understanding of the parties that have the most interest in the Company, and in a reciprocal manner, what kind of relationships need to be built what matters need to be communicated, and how to maximize communication media to connect with stakeholders effectively, and finally able to achieve the set target in distributing CSR programs. All of these have the potential to influence the Company's

operations and performance sustainability. Some of the stakeholders affecting or influencing the Bank's activities are as follows: Pemegang Saham

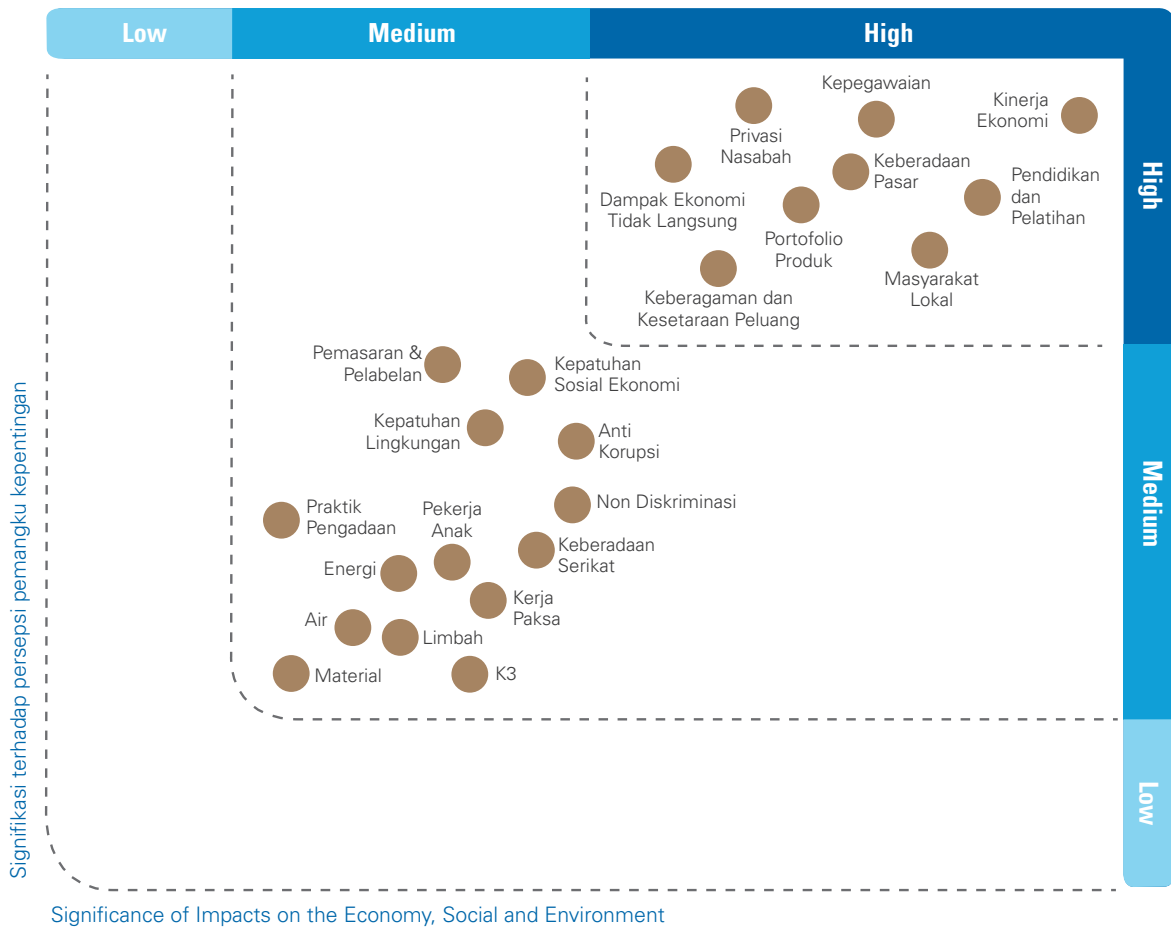
1. Shareholders
2. Customers
3. Employees
4. Partners / Suppliers
5. Government and Financial Authorities

### IMPORTANT SOCIAL, ECONOMIC AND ENVIRONMENTAL ISSUES REGARDING BANK OPERATIONS

In determining the economic, social, and environmental issues that influence the Company's business activities as well as significant evaluation and decision making of stakeholders, the Company has mapped these areas in the materiality tables and graphs resulting from a series of mapping processes in the preparation of Sustainability Reports below:



### MATRIX OF MATERIAL TOPICS ON IMPORTANT SOCIAL, ECONOMIC AND ENVIRONMENTAL ISSUES RELATED TO THE IMPACT OF THE COMPANY'S ACTIVITIES



From the matrix graph above, it can be seen the degree of material topics that are quite important include the Company's performance, labor management, indirect economic impacts on stakeholders and customer management.



Business Function Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## SUSTAINABILITY STRATEGY AND GOVERNANCE

### PROGRAMS THAT EXCEED MINIMUM RESPONSIBILITIES

The Company supports and participates in achieving the Sustainable Development Goals (SDGs) both directly and indirectly through the implementation of corporate social responsibility activities and programs. One of them is by participating in the SDG 11.1 to develop towns and

residential buildings that are decent, safe, and affordable for all people through mortgage products for the community. The Company has started with the ABCG program, which is a residential building program involving Academic, Business, Community, and Government.

### ACTION PLAN FOR FINANCING SUSTAINABLE GROWTH

The Action Plan for Financing Sustainable Growth or "Rencana Aksi Keuangan Berkelanjutan" ("RAKB") is expected to be able to provide long-term value creation not only in the form of creating sustainable competitive advantage for companies, but also for society and the wider environment and strengthening resilience because the Company has managed all risks (economic, social and environmental) more precisely.

of sustainable development in Indonesia. The formulation of the Company's RAKB has been outlined in the Roadmap for the Implementation of Sustainable Finance, including the target time period to be targeted for 1 to 5 years (2019-2023).

The Company has formulated the RAKB with the aim of realizing Bank BTN in 2023 as a leader in the housing sector and trusted family financial partners who apply sustainable financial principles to jointly achieve the goals

The programs formulated in the Bank BTN Sustainable Financial Implementation Roadmap include the design and preparation of Sustainability Policy & Strategy (policies and adjustments to the structure and role of the organization), adjustment and launch of the Green Finance Product & Index, as well as the implementation of various Sustainability Programs and Initiatives.

#### ACTION PLAN FOR FINANCING SUSTAINABLE GROWTH 2019

First Program	Second Program	Third Program
<p><b>Priority Activity Target:</b> Preparing a Sustainable Financial Policy and Model</p>	<p><b>Priority Activity Target:</b> Institutional Strengthening, Formation/ Organizing Sustainable Finance</p>	<p><b>Priority Activity Target:</b> HR Training Related to Sustainable Finance</p>
<p><b>Indicators of Success:</b></p> <ul style="list-style-type: none"> <li>• Establishment of Standard Operating Procedures (SOPs) for sustainable financial implementation</li> <li>• Implementation of social and environmental risk studies</li> <li>• The existence of output in the form of policies and models of sustainable financial communication strategies</li> <li>• The design of a sustainable financial culture theme</li> <li>• Establishment of CSR program model as a guide in carrying out Bank BTN's CSR activities</li> </ul>	<p><b>Indicators of Success:</b> The establishment of the Department of Sustainable Finance, the Task Force Team, and the CSR Department</p>	<p><b>Indicators of Success:</b> Implementation of ongoing financial training</p>



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Company Profile



Management Discussion and Analysis

Fourth Program	Fifth Program	Sixth Program
<p><b>Priority Activity Target:</b> Development of KPR Digitalization</p> <p><b>Indicators of Success:</b> Implementation of the creation of technology or digital banking system related to mortgages</p>	<p><b>Priority Activity Target:</b> Distribution of Financing to Feasible Communities but not yet Have Access to Banking Funding (Non Bankable)</p> <p><b>Indicators of Success:</b> Implementation of funding to four communities (Go-Jek, Grab, Traders, Asgar Barber)</p>	<p><b>Priority Activity Target:</b> Improvement of Access to Banking Financial Services in Disadvantaged Regions</p> <p><b>Indicators of Success:</b> Availability of access to financial service points in 17 disadvantaged areas</p>

Seventh Program	Eighth Program	Ninth Program
<p><b>Priority Activity Target:</b> Green Construction Financing</p> <p><b>Indikator Keberhasilan:</b></p> <ul style="list-style-type: none"> <li>• Terimplentasinya pembiayaan pembangunan hunian vertikal dengan konsep Transit Oriented Development (TOD)</li> <li>• Terimplentasinya pembiayaan pembangunan infrastruktur (homestay) pengembangan pariwisata</li> </ul>	<p><b>Priority Activity Target:</b> Strengthening Relationships and Communication with the Government, Customers and Media related to Bank BTN Sustainable Financial Products and Activities</p> <p><b>Indicators of Success:</b> The implementation of stakeholder involvement in this matter is relations and communication with the Government, customers and media related to sustainable finance</p>	<p><b>Priority Activity Target:</b> Preparation of Sustainability Report to be included in the Sustainability Finance Award (SFA) Event</p> <p><b>Indicators of Success:</b> Issuance or availability of Bank BTN Sustainability Report Join the Sustainability Finance Award (SFA) Event</p>

### ACTION PLAN FOR FINANCING SUSTAINABLE GROWTH 2019-2023

2019
<ol style="list-style-type: none"> <li>1. Preparation of a Policy Tool and Sustainable Financial Model</li> <li>2. Strengthening of Institutions, Formation/Organizing Sustainable Finance</li> <li>3. HR training related to Sustainable Finance</li> <li>4. Development of KPR Digitalization</li> <li>5. Distribution of Financing to Feasible Communities that do not yet have Access to Banking Funding (Non-Bankable)</li> <li>6. Increased Access to Banking Financial Services in Disadvantaged Regions</li> <li>7. Green Construction Financing</li> <li>8. Strengthening Relationships and Communication with the Government, Customers and Media related to Bank BTN Sustainable Financial Products and Activities</li> <li>9. Preparation of Sustainability Report to be included in the Sustainability Finance Award (SFA) Event</li> </ol>





Business Function Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## SUSTAINABILITY STRATEGY AND GOVERNANCE

### 2020

1. HR Training Related to Sustainable Finance
2. Capacity Building for Preparing and Making BTN Registered in the SHAT KEHATI Index
3. Provision of Material about Sustainability to New Employees
4. Development of Sustainability Risk Policies and Identify and Measure Social and Environmental Risks
5. Increased the portion of MSME Financing
6. Development of Electronic Money Applications both for Bank BTN customers and the wider community in order to develop the Cashless and Cardless Society
7. Development of Digital Banking through Bookless Account Opening Services to Support Paperless
8. Increased Access to Banking Financial Services in Disadvantaged Regions
9. Implementation of BTN Griya Daya Program
10. Institutionalization of Social Investment (CSR) Beneficiary Communities
11. Strengthening Relations, Communication, Socialization and Continuing Financial Campaigns for all Stakeholders of Bank BTN
12. Preparation of Sustainability Report to be included in the Sustainability Finance Award (SFA) Event

### 2021

1. Green Construction Financing
2. Funding to Organic Farmers
3. Financing to Fishermen
4. User of Environmentally Friendly Tools
5. Issued Green Bond
6. Implementation to enter the KEHATI SRI Index
7. Customer Education Application
8. Application of the Green Office Concept (Electricity Savings, Bottled Drinking Water Elimination, Paper Savings Through iFlow Application and Building a Waste Management System)
9. Increased Access to Banking Financial Services in Disadvantaged Regions
10. Implementation of BTN Griya Daya Program
11. Development of Information Systems and Reporting Programs for BTN Social Investment (CSR) based on IT Application
12. Strengthening Relations, Communication, Socialization and Continuing Financial Campaigns for all Stakeholders of Bank BTN
13. Preparation of Sustainability Report to be included in the Sustainability Finance Award (SFA) Event

### 2022

1. Implementation of Sustainable Procurement
2. Provision of Disability Friendly Banking Services
3. Launching Credit Cards that Contribute to Providing Environmental and Social Benefits
4. Increased Access to Banking Financial Services in Disadvantaged Regions
5. Implementation of BTN Griya Daya Program
6. Strengthening Relations, Communication, Socialization and Continuing Financial Campaigns for all Stakeholders of Bank BTN
7. Preparation of Sustainability Report to be included in the Sustainability Finance Award (SFA) Event

### 2023

1. Implementation of BTN Griya Daya Program
2. Strengthening Relations, Communication, Socialization and Continuing Financial Campaigns for all Stakeholders of Bank BTN
3. Conducting social audits and beneficiary perceptions of CSR programs that have been carried out by Bank BTN
4. Increased Access to Banking Financial Services in Disadvantaged Regions
5. Preparation of Sustainability Report to be included in the Sustainability Finance Award (SFA) Event



## CSR PROGRAM 2019

The Company has in place a CSR program that is in agreement with the principles of 3P (people, profit, planet), which are formulated by focusing on program needs and sustainability and are projected to cultivate compounded benefits for stakeholders through the implementation of CSR budget allocation policies adhering to compliance and fairness principles. The Company CSR program is also oriented towards creating added value to stakeholders and the surrounding communities, as well as reinforcing sustainable development goals.

The Company's CSR Agenda focuses on several programs and points of interest including education, health, arts and culture, sports, religion, development of socio-economic welfare, environmental management, and incidental matters. The pursuits are carried out based on careful and responsible planning, and refer to the Company's CSR policies such as Regulation of the Board of Directors No. 6/PD/CSD/2018 regarding the Partnership Program, Community Development Program, and Corporate Social Responsibility Program on May 18, 2018. They are also oriented towards bringing long-term benefits to communities and the environment.

## CSR BUDGET 2019

In 2019, the Company allocated a CSR program budget of Rp10 billion with the realization of fund disbursement as of December 2019 reaching 69.42% or Rp6.94 billion. The funds disbursed for CSR include the economy, arts and culture, sports, education, health, facilities and infrastructure, religious, and nature conservation.

### REALIZATION OF FUNDS FOR THE CSR PROGRAM IN 2016-2018

Activities	Disbursement (Rp Billion)		
	2019	2018	2017
Economy	662	1,456	451
Arts and Culture	63	100	115
Sports	-	149	-
Education	2,304	1,047	228
Health	-	204	20
Public Facilities	2,952	645	4,214
Religious	946	1,574	120
Nature Conservation	6,942	6	-
Total	6,942	5,180	5,148



Business Function Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## SUSTAINABILITY STRATEGY AND GOVERNANCE

In addition to these CSR undertakings, as a state-owned bank, the Company conducts the Partnership and Community Development Program. The Company has specifically prepared a separate account to report on the performance of the PKBL which is an integral part of the Company's Annual Report. The PKBL performance report is adjusted to the provisions of SOE Minister Regulation No. PER-02/MBU/7 2017 dated July 5, 2017 regarding the

Second Amendment to the Minister of State-Owned Enterprises Regulation No. PER-09/MBU/04/2015 regarding the State-Owned Enterprises' Partnership Program and Community Development Program.

In 2019, the Company allocated Rp22 billion for the 2018 PKBL. The actual disbursement of PKBL funds by the end of 2019 reached Rp20.07 billion.

### ACTUAL DISBURSEMENT OF PKBL PROGRAM FUNDS 2017-2019

Activities	Disbursement (Rp Billion)		
	2019	2018	2017
Partnership Program	21,672	37,274	6,531
Community Development	20,071	21,782	20,033
Total	41,744	59,056	26,564



# CORPORATE SOCIAL RESPONSIBILITY FOR HUMAN RIGHTS



## COMMITMENT AND POLICY

Human Rights (HAM) are inherent, irrevocable, universal, inseparable and interdependent rights associated with the Second Precepts of the Pancasila, namely Fair and Civilized Humanity. In ISO 26000 on Social Responsibility Guidelines, Human Rights includes rights related to the analysis of the impact of decisions and activities, risk situations related to human rights, avoiding collusion, handling complaints, discrimination and marginalized groups, civil and political rights; economic, social and cultural rights; and basic principles and rights at work.

## STAKEHOLDERS AND IMPACT OF SOCIAL RESPONSIBILITY FOR HUMAN RIGHTS

The Company is committed to constantly upholding the Human Rights (HAM). The scope of social responsibility related to the realization of human rights within the Company includes the enforcement of diversity and equality principles for all employees, freedom of association, remuneration system and employee welfare implementation, commitment to collective labor agreements, and other related matters.



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## TARGETS, PLANS AND TARGETS

In fulfilling human rights in its operations and business, the Company emphasizes the importance of the rights of employees, especially rights related to human rights such as decent living, rights to associate and gather, as well as the fulfillment of basic rights to life such as birth. The Company has a number of Permanent Procedures that regulate various fulfillment of human rights of employees, and will continue to evaluate and develop the application of Fixed Procedures in line with the increasingly complex needs of human life. In addition, the Company emphasizes the social responsibility related to human rights to the target by implementing all policies related to the scope of human rights.

## IMPLEMENTATION OF THE HUMAN RIGHTS INITIATIVE

The Company applies the principle of diversity and equality for all employees in accordance with the basic principles of employment contained within Law No. 13 of 2003 regarding Employment. This principle applies to human rights regulations or policies contained in the Board of Directors Regulations, Board of Directors Circular, and Collective Labor Agreements. In the regulations, the Company applies the principle of equality in employee recruitment, training and employee competency development, employee career development, employee remuneration and welfare regardless of gender, religion, ethnicity, race, and other diversities.

In terms of freedom of association, the Company has since June 24 1999 facilitated the formation of a trade union called the BTN Workers Union and has obtained the registration number at the DKI Ministry of Manpower No. Kep-2241/W.26/K.2/1000. The establishment of the SP-Company is an effective communication forum

between the Company's management and all employees. The Company has made and registered a Collective Labor Agreement (PKB) since October 2, 2012 with the Ministry of Manpower and Transmigration of the Republic of Indonesia with No. Kep.157/PHIJSKPKKAD/PKB/X/2012. PKB is periodically renewed with the Trade Unions to be registered with the Manpower Office. In 2018, all of the Company's employees (100%) had their rights protected by PKB.

In terms of employee remuneration and welfare, the Company has issued a policy that regulates this in Circular of the Board of Directors No. 36/DIR/ HCD/2017 regarding Human Capital Rewards. Human Capital Rewards applies fair reward patterns and equal treatment without discrimination of all employees regardless of gender, ethnicity, race, religion, skin color, and other diversities, but based on the achievement of performance and responsibility of the position held.



# CORPORATE SOCIAL RESPONSIBILITY FOR FAIR OPERATIONS



## COMMITMENT AND POLICY

Fair operations emphasize the importance of managing the Company in accordance with applicable business ethics; including anti-corruption, involvement in responsible politics; fair competition; encourage social responsibility in the value chains; respect for ownership rights. The implementation of fair operations cannot be separated from the management of the Company based on the basic principles of Good Corporate Governance, which include transparency, accountability, responsibility, independence, and fairness.

## STAKEHOLDERS AND IMPACT OF RESPONSIBILITY FOR FAIR OPERATIONS

Fair operations primarily emphasize the importance of managing the Company in transparent, fair and equal manner. The fulfillment of fair operations aspect involves the interests of various stakeholders, including:

1. Shareholders and their interests in transparent and accountable management of the Company.
2. Employees who have interests in Permanent Procedures that are reasonable and fair with work mechanisms that can be accounted for.



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3. Business partners and suppliers who have interests in the partnership process that relies on transparency and fairness.
4. Customers who have interest in the management of accountable Third Party Funds.
5. Regulators who have interests in a stable banking industry.

### OBJECTIVES, PLANS AND TARGETS

Objectives and targets as well as plans for implementing responsibility for fair operations are emphasized on the implementation of Corporate Governance which relies on 2 (two) main objectives, namely the fulfillment of compliance with applicable laws and regulations, as well

as the involvement of stakeholders to grow together. The Company strives to continuously improve the implementation of GCG in both aspects, with the hope of being able to create fair and accountable operations.

### IMPLEMENTATION OF FAIR OPERATION INITIATIVE

The Company has an Organizational Governance that has adapted to the climate and the prevailing laws and regulations. The duties and authority of the Board of Directors and Board of Commissioners in managing and supervising are carried out with the completeness of supporting organs that can provide optimal performance. The Company also holds a General Meeting of Shareholders (GMS) as a forum for shareholders in making strategic decisions for the Company's sustainability performance. Articles of Association, Guidelines for Good Corporate Governance, Code of Conducts, and other Company

procedures and policies are prepared to create fair operations in the Bank's business and operational practices. The Company hopes that the implementation of GCG will continue to strengthen the Company's performance and protect all BTN personnel from the possibility of unhealthy business management practices. In addition, the application of GCG principles as stated in the entire Good Corporate Governance section of this annual report will strengthen the fundamental aspects of the Company which will impact on the positive value for the sustainability of the Bank.



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# SOCIAL RESPONSIBILITY TO THE ENVIRONMENT

In conjunction with the application of sustainability principles, in a broader sense, the Company is committed to environmental preservation for future generations by minimizing negative impacts on the environment. Internally, the Company focuses on creating a healthy work environment through environmentally sound policies and initiatives.

## COMMITMENT AND POLICY

The Company's policies regarding environmental management and protection refer to Law No. 32 of 2009 regarding the Environmental Protection and Management manifested in the Company's appeals, declarations and regulations to minimize the harmful impact of the Company's operations on the environment. The Company's policies regarding the environment serve as guidelines in carrying out operational activities that are increasingly more environmentally friendly. The Company is fully aware of its role as a Bank that provides loan/capital to customers and also as a development agent that participates in fostering a sustainable development, including to maintain environmental sustainability. In addition, the Company also focuses on environmentally friendly lending by adhering to the Company's Commercial Credit Facility Guidelines. In the guidelines, there are credit requirements that require documents on Effort for Environmental Feasibility/Environmental Management Efforts (UKL/UPL) and/or Environmental Impact Assessment (AMDAL). This is an arrangement of the implementation of the Bank's compliance with Law No. 32 of 2009 regarding Environmental Protection and Management. The Environmental Policy is a guideline for the Company in carrying out operational endeavors that are increasingly environmentally friendly.

## TARGET OF ACTIVITIES

The Company's CSR program in the field of the environment is carried out as a form of the Company's participation towards sustainable finance. The Company has set the target of environmental management in accordance with the Bank's Business Plan (RBB) and in agreement with sustainable financial principles as stated in the Financial Services Authority Regulation No. 51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies.

In addition, other targets of the Company are managing and coordinating its operational activities by implementing green banking, enforced by Bank Indonesia through environmentally friendly operations and lending strategies. In green banking, the Company deliberates the environmental aspects of providing loans to customers, where customers are required to submit an AMDAL feasibility study as one of the conditions for credit approval by the Company. This aims to build strategic synergies which in turn raises Company efficiency and effectiveness.

In other instances, the Company fulfills its commitments on environmental conservation at the head office by reducing electricity consumption and emissions.





## ACTIVITIES AND QUANTITATIVE IMPACTS

Throughout 2018, the Company has implemented policies and achieved targets that has been set in the environmental management and preservation through various activities that have positive impacts, both held at the head office and in its business activities.

### GREEN BANKING APPLICATION ENVIRONMENTALLY FRIENDLY FINANCING

In agreement with Bank Indonesia's green banking policies and participating in a sustainable finance, the Company consistently sets out rules and policies that enforces effective implementation of sustainable finance. This is realized through training to expand employee understanding of environmental analysis, conducted both in-house and externally. The training outcomes are then disseminated to the credit team to be applied in the credit approval procedures.

The Company also has the initiative to instigate a green finance product (the Company's products that heed environmental, social, and governance aspects). One

consistent endeavor is the provision of loans. The Company has enacted a policy related to environmentally friendly loans by not disbursing loans to customers who do not comply with the Environmental Impact Analysis (AMDAL). In which, even for customers who have included the results of the AMDAL, the Company will still check for validation. Digital Banking untuk Penghematan Kertas (Paperless)

### DIGITAL BANKING FOR PAPER SAVINGS (PAPERLESS)

Through the use of digital banking, the Company saves paper consumption in transactions with customers by suggesting and maximizing

The use of Electronic Channel services. In 2019, the Company makes every effort to save paper consumption, as management's directives to make savings including in paper consumption. With paper savings, Bank

- a. Fax correspondence is no longer used, correspondence is done by email.
- b. Paperless: disposition and distribution of letters using the iflow system.
- c. Smart Branch: do not use deposit slips and maximize digitalization.
- d. BTN Property.co.id: makes it easy for people to make a home purchase, find home and enjoy the facilities of 3-dimensional features through the support of the latest digital technology and its application. The company no longer need a lot papers.
- e. Rumah Murah BTN: provides convenience and comfort to public to find assets with the support of the latest digital technology and in its application, the Company does not need a lot of papers.

In addition, the Company also supports paper efficiency by using used paper for Internal Memos.

In terms of business operations, the Company makes efficiency in paper consumption through the iflow application, which is cross-division and/or cross-branch

Tabungan Negara helps reduce the negative impact for the environment, like trees logging and greenhouse gas emissions.

The Company reduces paper consumption through document digitalization. With digitalization, the use of paper can be reduced in the following way:

correspondence application with structured distribution. Besides its advantage in structured distribution of correspondence, this application also has other benefits including the speed of time in the mail distribution flow, monitoring of documents or letters being sent, and paperless.



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In addition, the Company's commitment to save paper consumption is also consistently realized by using used papers, activating billing/collection by phone, or making use information technology applications that support

mobile, paperless, historical record and parameterized, applying 2-sided printing methods, using e-mails, and Smart Branch initiatives by not using Deposit Slips and maximizing digitalization

## ENERGY SAVING AND EMISSION REDUCTION

Throughout 2019, the Company enacted various initiatives to cut down on electricity use, assisting the Company in reducing greenhouse gas emissions. The initiatives include:

1. Have a temporary dumpsite (TPS) with a capacity of 5 m<sup>3</sup> and transport it to the final dumpsite every day.
2. Have 4 (four) infiltration wells with a capacity of 48m<sup>3</sup> each.
3. Make energy savings:
  - a. Using solar power for water heating.
  - b. Water discharge adjustment for water consumption (toilets, wudhu places, etc.).
  - c. Manage operational utilities and electricity automatically by using BAS (Buidilng Automation System) for lights, elevators and AC chiller units.
4. Prevent environmental pollution through continuous improvement activities:
  - a. Using Freon air conditioner types R32, R134A and R410.
  - b. Has a hazardous waste storage area with a capacity of 104.5 kg.
  - c. Has a wastewater treatment plant with a capacity of 260m<sup>3</sup>/day. The current outlet rate is 220 m<sup>3</sup>/day in accordance with the Waste Water Discharge Permit (IPAL) issued on 19 July 2018.
5. Create movement of free plastic waste by reducing the use of bottled mineral water and disposable cutlery at the events or meetings of internal or external parties and encourage the awareness of tumblr and non plastic water bottle usage.
6. Direction for employees to use public transportation to the office. Oblige all operational vehicles to use high octane fuel that is more environmentally friendly which in accordance with Government of Republic Indonesia policy, which requires the operational vehicles of SOEs to use non-subsidized fuel. Through memo number 1836/M/PGSD/GS/XI/2013 dated 6 November 2013, Procurement and General Services Division delivered the memo to the Regional Office, Branch Offices and Sharia Branch Offices regarding the prohibition of the use of certain fuel of RON 88 gasoline for the Company's operational vehicles.
7. Participation in the 2019 Earth Hour Program.
8. The Company has participated in saving electricity consumption since the last Saturday for an hour in the Earth Hour Program which falls on March 30, 2019, the Company's participation in this event is a form of consistency in building an environmental friendly culture and efforts to change lifestyles by reducing the ecological footprint and greenhouse gases emissions for the preservation of the earth.

As a result of the above efforts, in 2019, the Company's electricity consumption at Head Office was around 7,608,000 kWh. This amount is slightly lower compared to the previous year which was 7,863,780 kWh.

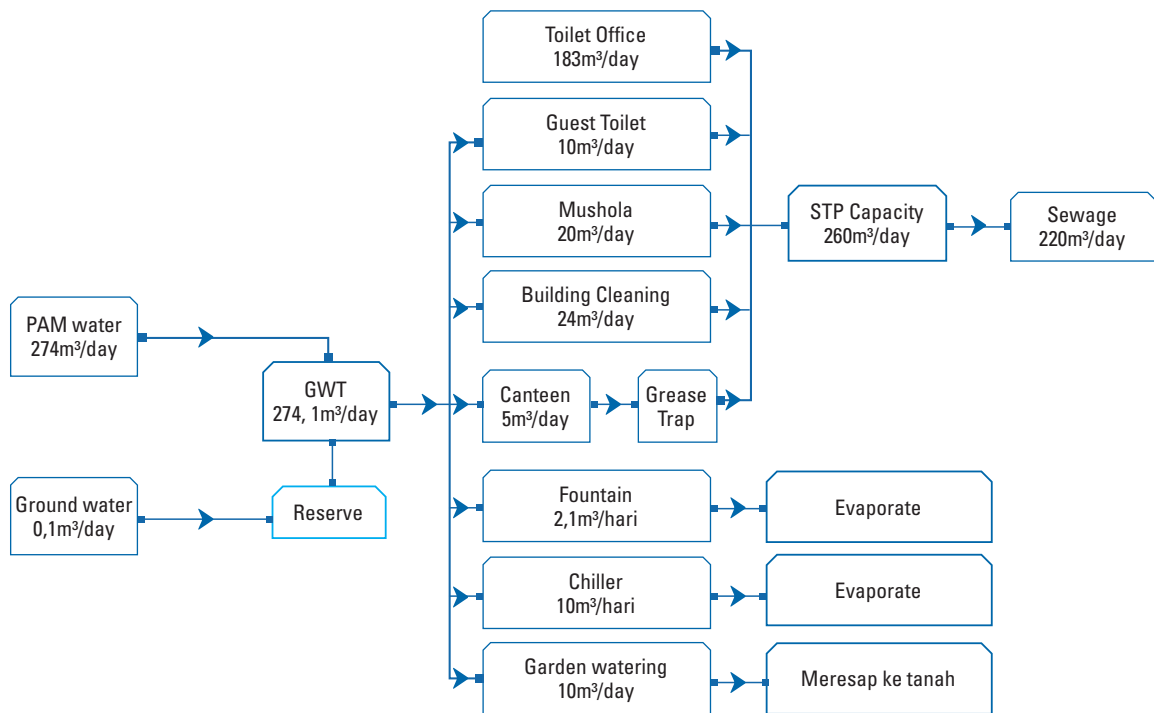


## WATER CONSUMPTION

The Company saves water usage by consuming water as needed and encourages all employees to turn off water taps when not needed. Moreover, the Company also recycles water for various purposes, such as watering plants and routinely controls plumbing and faucets in an effort to avoid waste and water leakage.

The Company maximizes consumption of municipal water as the main water source in accordance with the Regional Regulation concerning the use of ground water. The Company took the initiative to construct a waste water treatment plant with a capacity of 260 m<sup>3</sup>/day with current

output reaching 220 m<sup>3</sup>/day in accord with the Wastewater Disposal Permit issued on July 19, 2018. The resulting wastewater is processed via STP (Sewage Treatment Plan) so that it does not harm the environment and has obtained a Waste Water Disposal Permit (IPAL) from the relevant establishment. All of the above are the Company's efforts to ensure efficient use of clean water, maintenance, and water disposal. Furthermore, the Company also regulates water bills for efficiency in the BTN Tower Building, with the balance of clean water usage as follows:



As a result, in 2019, the amount of Head Office water usage was 93,537 m<sup>3</sup>, an increase from 2018, which was 97,859 m<sup>3</sup>. This upsurge was due to the addition of man power and water reservoir draining. Despite this increase in water use, the Company remains committed to saving water, in particular at Head Office.

**TABEL OF GROUND WATER CONSUMPTION**

		2019	2018
SAP 02 (556)	Volume (m <sup>3</sup> )	72	421
	Cost (Rp)	1,217,966	7,221,728
SAP 03 (628)	Volume (m <sup>3</sup> )	127	158
	Cost (Rp)	2,249,855	2,672,759

**PDAM WATER CONSUMPTION**

	2019	2018
Volume (m <sup>3</sup> )	93,537	97,859
Biaya (Rp)	1,175,720,190	1,229,932,290

## WASTE MANAGEMENT

The Company which engages in the banking industry produces waste in the form of plastic, paper and waste water. This waste is not categorized as Hazardous and Toxic Waste (B3) based on the provisions of the Ministry of Environment of the Republic of Indonesia. However, the Company processes waste water through a STP (Sewage Treatment Plan) which is managed in collaboration with third parties in accordance with environmental management standards so as not to endanger the environment. In addition, the Company has a hazardous waste storage (B3) facility on its premises with a capacity of 104.5 kg.

Throughout 2019, the Company routinely monitored waste water at the Head Office every three months. With this monitoring system, the Company can make certain that the discarded water has met the quality standards in accordance with the Jakarta Capital City Governor's Regulation No. 122 of 2005 concerning the management of domestic wastewater in the Special Capital Region of Jakarta so as not to pollute the environment.

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The description of waste management produced by the Company in the last three years is as follows:

Type of Hazardous Waste	Treatment	2019	2018	2017
Building Waste (Waste Food, Beverages, Papers, Cardboards)	Produced	30,706 kg	28.800 kg	38.400 kg
	Stored at TPS	0	0	0
	Submitted to Licensed Authorized Third Party	Yes	Yes	Yes
Waste Oil	Produced	15 kg	20 kg	120 kg
	Stored at TPS	0	0	0
	Submitted to Licensed Authorized Third Party	Yes	Yes	Yes
Used Batteries	Produced	20 kg	60 kg	20 kg
	Stored at TPS	0	0	0
	Diserahkan Kepihak Ketiga Berizin	Yes	Yes	Yes
Used Lightning (TL Lamps, PLC, Ballast, Cables)	Produced	7.5 kg	4.4 kg	10 kg
	Stored at TPS	0	0	0
	Submitted to Licensed Authorized Third Party	Yes	Yes	Yes
Freon Cylinder Waste	Produced	10 kg	20 kg	10 kg
	Stored at TPS	0	0	0
	Submitted to Licensed Authorized Third Party	Yes	Yes	Yes

Sewage Treatment Plan and Waste Management Fee in 2019

**DATA OF BTN HAZARDOUS AND NON-TOXIC  
(B3) WASTE IN 2019**

No	Month	Expense (Rupiah)
1	January	Rp2,200,000
2	February	Rp2,200,000
3	March	Rp2,200,000
4	April	Rp2,200,000
5	May	Rp2,200,000
6	June	Rp2,200,000
7	July	Rp2,200,000
8	August	Rp2,200,000
9	September	Rp2,200,000
10	October	Rp2,200,000
11	November	Rp2,200,000
12	December	Rp2,200,000
<b>Total</b>		<b>Rp26,400,000</b>

**DATA OF BTN WASTE IN 2019**

No	Month	Expense (Rupiah)
1	January	Rp9,900,000
2	February	Rp9,900,000
3	March	Rp9,900,000
4	April	Rp9,900,000
5	May	Rp9,900,000
6	June	Rp9,900,000
7	July	Rp9,900,000
8	August	Rp9,900,000
9	September	Rp9,900,000
10	October	Rp9,900,000
11	November	Rp9,900,000
12	December	Rp9,900,000
<b>Total</b>		<b>Rp118,800,000</b>

No	STP Maintenance	Budget Expense/Month
1	January	Rp9,350,000
2	February	Rp9,350,000
3	March	Rp9,350,000
4	April	Rp9,350,000
5	May	Rp9,350,000
6	June	Rp9,350,000
7	July	Rp9,350,000
8	August	Rp9,350,000
9	September	Rp9,350,000
10	October	Rp9,350,000
11	November	Rp9,350,000
12	December	Rp9,350,000
<b>Total</b>		<b>Rp112,200,000</b>

**GREEN BTN**

Green BTN is a manifestation of the Company's real effort to enhance environmental preservation. The BTN Green activities include reforestation by planting trees around the Company's work area. In addition, in housing development, the Company always stipulates that every house built has a green area which must be planted with at least one tree per house.

**ENVIRONMENTAL GRIEVANCE MECHANISM**

The Company is always open to complaints from the public regarding environmental impacts that may arise due the Company's operations. The mechanism for complaints of environmental problems can be submitted to the Company by sending an environmental complaint report about the area surrounding the BTN Tower through an official letter. During 2019, the Company received no grievance regarding environmental issues and was not imposed any penalty or sanction due to its non-compliance with environmental laws and regulations.



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## SOCIAL RESPONSIBILITY TO THE ENVIRONMENT

### ENVIRONMENTAL CERTIFICATION

Until the end of 2019, the Company had not yet received any certification related to the environment.

### IMPLEMENTATION COST

In 2019, the Company spent Rp365 million for environmental management and preservation, while the cost for STP (Sewage Treatment Plan) and waste management in 2019 amounted to Rp257.4 million.



# CORPORATE SOCIAL RESPONSIBILITY CONCERNING LABOR PRACTICE, OCCUPATIONAL HEALTH AND SAFETY

The Company places Labor, Occupational Health and Safety (K3) practices as important elements in sustaining operations that can promote productivity and improve quality of life, both for employees and all stakeholders. Hence, the Company provides a safe working environment and a harmonious Working relationship between management and all employees as the main foundation and prerequisite in achieving the vision, mission, and goals of the sustainable Bank Business Plan (RBB).

## LABOR PRACTICE

### POLICY

The Company is committed to promoting sound and conducive industrial relations between the Company and employees, and ensures that all employees obtain the same rights in employment. This commitment is stated in the Company's policy on the Board of Directors Regulation No. 29/DIR/CMO/2011 concerning Human Capital Management Policy Guidelines (PKMHC) of PT Bank Tabungan Negara (Persero) Tbk. In addition, the Company also adheres to labor policies that refer to Law Number 13 of 2003 regarding Manpower. This is to warrant compliance with applicable laws and minimize the risk of human rights violations in employment relations. The Company also heeds, and commits to, gender equality and employment opportunities, job training to improve employee professionalism and the appropriate remuneration system.

### TARGET OF ACTIVITIES

The Company sets targets for CSR planning in employment in accordance with the Company's direction and strategy under HR management. These targets include educating and training employees to enhance the competency of HR (People Transformation) in the context of digital banking transformation, fulfillment of employee welfare, treatment of equality, and creating harmonious industrial relations. The overall target, in line with the business transformation plan, is to reinforce the human resources sector by intensifying and enhancing HR capabilities as agents of transformation.

### EMPLOYMENT ACTIVITIES

In 2019, the Company conducted activities related to employment as follows:

#### 1. Employee Welfare Program

The company conducts an employee welfare program through a number of measure including: increasing employee benefits, bonuses, raising job grades, promotions and awards to outstanding employees. The remuneration and benefits provided to permanent employees are basic salary, Religious Holiday allowance, leave money,

clothing, allowances (for position, housing, vehicles, expertise, fuel, location, tax), performance bonuses, housing loans, pensions, social security, periodic health care costs, medical assistance, and relief money.

#### 2. Remuneration: Fulfillment of Employee's Rights

The Company constantly attends to the welfare of all employees, maintaining a mutual synergy in order to create high work





productivity. Remuneration is given to employees based on merit systems by prioritizing employees, performance, competence and integrity in the form of basic salaries, allowance and other benefits in accordance with Company regulations and applicable legislation. The Company remuneration system complies with the prevailing minimum labor wage provisions in Indonesia and adheres to the

International Labor Organization (ILO) convention on Equal Remuneration, where the salaries of new employees are above the minimum regional wage standards applicable where the Company operates. Moreover, the Company constantly strives to maintain an appropriate salary gap ratio for all employees to circumvent too large a difference.

#### HIGHEST AND LOWEST SALARY RATIO

Description	2019	2018
Highest and lowest employee salaries	21.82 : 1	35.4 : 1
Highest and lowest salaries of Directors	1.18 : 1	1.1 : 1
Highest and lowest salaries of Commissioners	1.11 : 1	1.1 : 1
Highest Salaries of Directors and Employees	3.09 : 1	2.59 : 1

### 3. Equal Opportunities in Education and Training

On a recurrent basis, the Company organizes education and training to strengthen business operations in line with the needs and development of the banking industry. The Company provides equal opportunities to all employees in developing their potential through education and training as stated in the Board of Directors Decision No. 04/KD/SIPD/2017, dated May 29, 2017. Employee participation contributes significantly to the achievement of the Company's business performance.

The structures of education and training that have been applied are divided into three groups, i.e. School of Leadership, School of Operations, and School of Business that conduct training for employees, which are:

#### a. School of Leadership

Providing training aimed at shaping leadership attitudes at the Company Leader level. This program consists of ODP (Officer Development Program), MDP (Management Development Program), SDP (Supervisor Development Program), overseas and domestic Master Degree Scholarship Programs, SESPIBANK (School of Staff and Bank Leaders)

Board of Commissioners and Board of Directors, EDP (Executive Development Program) abroad for Division Heads, and other leadership programs.

#### b. School of Operation Banking

Training that aims to improve the Company's supporting skills or competencies which buoy up the Company's business. This training consists of Faculty of Audit, Faculty of Compliance, Faculty of Corporate Affairs, Faculty of Human Capital, Faculty of Information Technology, Faculty of Legal, Faculty of Management System, Faculty of Risk, Faculty of Risk, Finance & Accounting, Operational Banking, and others.

#### c. School of Business Banking

Training that aims to deliver expertise and competency that focuses on business and management development consisting of Collection & Asset Management, Commercial Funding, Retail Funding & Services, Commercial Lending, Consumer Lending, Digital Banking, Sharia Financing, Service Quality, Sharia Funding and others, Treasury, Wealth Management, and others.



Activities	Number of Participants	
	2019	2018
<b>School of Business</b>		
<ul style="list-style-type: none"> <li>• Loan Academy</li> <li>• Sales Academy</li> <li>• Wealth Management Series</li> <li>• Collection Series</li> <li>• Asset Management Series</li> <li>• Service Series</li> <li>• Sharia Series</li> <li>• Financing Academy</li> </ul>	12.632	10,153
<b>School of Operational Banking Training Program</b>		
<ul style="list-style-type: none"> <li>• Audit</li> <li>• Compliance</li> <li>• Corporate Affair</li> <li>• Human Capital</li> <li>• Information Technology</li> <li>• Legal</li> <li>• Management System</li> <li>• Risk</li> <li>• Finance &amp; Accounting</li> <li>• Operational Banking</li> </ul>	37.690	13,781
<b>School of Leadership</b>		
<ul style="list-style-type: none"> <li>• Executive Training for Board of Directors</li> <li>• Executive Training for Board of Commissioners</li> <li>• Executive Training for Division Head &amp; Regional Office Head</li> <li>• SESPIBANK (School for Staff and Bank Manager)</li> <li>• Executive Development Program (EDP)</li> <li>• Vice President Development Program (VPDP)</li> <li>• Senior Manager Development Program (SMDP)</li> <li>• Manager Development Program (MDP)</li> <li>• Officer Development Program (ODP)</li> <li>• Supervisor Development Program (SDP)</li> <li>• Branch Manager Development Program (BMDP)</li> <li>• Leadership Series</li> <li>• Domestic Undergraduate Scholarship</li> </ul>	5.936	4,893

4. Equal Treatment for All Employees  
The Company applies the principles of diversity and equality for all employees in accordance with the basic principles of employment contained within Law No. 13 of 2003, concerning employment.

In 2019, the Company had 11.647 employees, consisting of 54.46% or 6,343 male employees and 45.54% or 5,304 female employees. The composition reflects that the Company upholds the principles of equality in employment. This composition reflects that

the recruitment system implemented by the Company has been carried out by upholding the principles of equality as well as conducting employment opportunities by not distinguishing between men and women in hiring employees.

In employment opportunities, employee recruitment is based on selection, and evaluation results of probation and worker orientation. The Company applies equal opportunities to all candidates, both men and women, regardless of the ethnic, religious, racial, class,

**CORPORATE SOCIAL RESPONSIBILITY CONCERNING LABOR PRACTICE, OCCUPATIONAL HEALTH AND SAFETY**

gender or physical discrimination in the recruitment of potential employees. In practice, the Company opens opportunities for the best physically challenged candidates to work in the Company. By end of 2019, the Company had 4 physically challenged employees in several branch offices, such as the Banjarmasin Branch Office, Malang Branch Office, Medan Branch Office, and Human Capital Management & Culture Specialist Division (HMCD).

5. Employee Protection (Industrial Relations)

The Company regards employees as the Company's strategic partners in achieving common goals. Consequently, the Company constantly strives to respect the rights of employees and carries out its obligations in accordance with applicable laws and regulations in order to build harmonious relationships.

6. Employee Turnover Rate

In 2019, the employee turnover rate was 1.51% with 176 employees leaving the Company voluntary. However, this employee turnover rate is still within the average level of the banking industry. This turnover rate is caused by entering retirement and employees also tender their resignations at their own request.

The Company has established a Bipartite Cooperation Institution (Bipartite LKS) as a communication forum and consultation relating to industrial relations of the Company where its members consist of Position Holders and Bank BTN Trade Unions (SP-BTN).

Moreover, the Company has also compiled and agreed on a Collective Labor Agreement (PKB) which contains the rights and obligations of the Company and its employees to uphold harmonious and impartial industrial relations. The Company routinely convenes meetings with trade unions to discuss various matters related to employee rights and obligations or to formulate disciplinary sanctions for employee violations. In 2019, all the rights of the Company's permanent employees (100%) were secured by PKB.

**DEVELOPMENT OF TURNOVER RATE**

Description	2019	2018	2107	2016	2015
Jumlah Pegawai*	11	11,810	10,360	9,424	9,069
Voluntary Resign**	176	267	235	248	338
Rasio Turn Over	1.51%	2.26%	2.27%	2.63%	3.73%

Description: \* Total Employees is the number of permanent employees plus contract employees/prospective employees/PKWT

\*\* Employee's decision to leave the organization voluntarily (resignation and early retirement)

7. Employee Engagement System (EES)

The Company routinely carries out Employee Engagement System (EES) with the aim of measuring employee engagement, as well as serving as a benchmark of a conducive work atmosphere that can provide a picture of the alignment of employee goals with the goals of the Company. The Company's EES score in 2019 was 86% which indicates that the level of employee engagement with the Company is

quite high. The Company's EES score in the last two years is above the benchmark level of other employee engagement such as Financial Institution APAC, Financial Institution Indonesia and BE Indonesian benchmark.



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## OCCUPATIONAL HEALTH AND SAFETY

### COMMITMENT AND POLICY

The Company makes a serious effort to create a safe and comfortable work environment for all employees by constantly observing occupational health and safety aspects to sustain the best corporate performance. In occupational health and safety, the Company's policy refers to Law No. 13 of 2003 article 86 paragraph 2 regarding employee protection. Implementation contained within the Company's internal policies, such as:

1. Regulation of Board of Directors No. 5/PD/PGSD/2017 dated October 31, 2017, regarding Policy Guidelines for Occupational Safety and Health Management System;
2. Circular of Board of Directors No. 60/DIR/ PGSD/2017, dated 31 October, 2017, concerning Standard Operating Procedures for Implementing an Occupational Safety and Health Management System.

### TARGET ACTIVITIES

In 2019, the Company's target in occupational health and safety (OHS) focused on improving competence, training and awareness of employees at work, so that the application of OHS was able to be maintained at zero accidents. The Company also provides adequate health

care benefits for employees and work safety management to prevent workplace accidents. Determination of these targets is envisaged to augment and sustainably increase employee productivity.

### OCCUPATIONAL HEALTH AND SAFETY ACITIVITIES

Throughout 2019, the Company organized various agendas and facilities in occupational health and safety which included enlightening the importance of OHS, health checks, workplace safety along with OHS training, and enforcement of policies on Occupational Health and Safety Management System (OHSMS).

1. Efforts to Raise Understanding of Occupational Health and Safety  
The Company in 2019 again made various attempts to upgrade the understanding of, and skills in, Occupational Safety and Health (OHS). The Company is strongly committed to a healthy work environment, and accident free operations in accordance with applicable rules. To realize occupational health, the Company has compiled health programs in business processes, Medical Check Up facilities, training, medical emergency response simulations, and workshops on Occupational Health.
2. Health Check

The Company also carries out periodic health checks on employees and registers all employees in the mandatory Badan Pengelola Jaminan Sosial (BPJS) Ketenagakerjaan dan Kesehatan insurance scheme, provides maternity assistance, checks, treatment and health care for employees and establishes cooperation with various hospitals in the vicinity of the Company's area of operation.

The Company periodically inspects all OHS apparatus to ensure their functionality when needed. By having adequate health facilities and unceasingly safeguarding employee safety, the Company anticipates that employee productivity will continue to expand.

3. Safety Facilities and OHS Training  
In averting work accidents and various work environment disasters, the Company has furnished all of its offices with a range of work safety standard



## CORPORATE SOCIAL RESPONSIBILITY CONCERNING LABOR PRACTICE, OCCUPATIONAL HEALTH AND SAFETY

equipment, such as: light fire extinguishers, smoke detectors, diesel pumps, emergency evacuation stairs and work safety warning signs, adhering to the standards based on Minister of Public Works Technical Requirements for Fire Protection Systems in Buildings and the Environment.

The Company also routinely inspects work safety equipment to guarantee its feasibility, certificates issued by the DKI Jakarta Provincial Manpower and Transmigration Office for operators of work safety devices, such as lift and transport gear and fire evacuation plans and laying out fire safety operational procedures in rooms and every floor of the building so that all employees are well informed.

By the end of 2019, the Company required employees to participate in OHS training making them aware of the importance of OHS, and take proper action in the event of a tragedy. The Company routinely engages employees in "Coaching and Certification of Public Occupational Health and Safety Experts (AK3U)" certification training organized by BPJS Kesehatan. All employees have been included in social labor insurance through BPJS Ketenagakerjaan, such as Pension Insurance (JHT), Work Accident Insurance (JKK), and Death Insurance (JK), to protect employees from socio-economic risks such as work accidents, disability, retirement and death, resulting in reduced or loss of employee income.

4. Occupational Safety and Health Management System (OHSMS)  
In 2019, the Company implemented the Occupational

Safety and Health Management System (OHSMS) as the Company's commitment in managing OHS related to the OHSMS Standard Operational Procedure (SOP) and the Company's OHS Special Policy. The aim of OHSMS is to improve the effectiveness of safety and health protection in a planned, measurable, structured, and integrated manner and to prevent work accidents and work-related illnesses.

In 2019, the Company on again certified several of the Company's employees for AK3U. This certification is carried out in the context of the Law of Occupational Safety and Health implementation issued by the Indonesian Ministry of Manpower and Transmigration. The occupational safety and health certification material includes:

- a. Supporting building facilities and infrastructure such as elevators, generators, air conditioners, and lighting;
  - b. Employee regular medical check-ups;
  - c. Work supporting equipment that has no effect on health; and
  - d. Periodic employee rotation so not to be psychologically saturated.
5. Occupational Accident Rate  
Throughout 2019, the Company optimally carried out occupational health and safety programs and activities. During the reporting period, there were no employee of the Company reported to have been exposed to illnesses or high risk accidents (zero accident).



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### EMPLOYMENT GRIEVANCE MECHANISM

The Company offers a channel of grievance for employee in dealing with the Company, one of the Company's responsibilities to protect employees and guarantee their rights. The employee grievance mechanism is as follows:

1. If the reported party is an employee of the Company, the alleged violation report is addressed directly to the Whistle Blowing System team at the following address:
  - a. Whistleblowing System Team of PT Bank Tabungan Negara (Persero) Tbk.
  - b. PO BOX Whistle Blowing System (WBS) BTN Jakarta
  - c. Email: wbs.btn@btn.co.id
  - d. SMS/Mobile: +6281311434343

Reports can be made verbally or by other means by the Whistle Blower:

2. If the reported party is a member of the Whistle Blower System Team, then the alleged report of the violation is sent directly to the President Director.
3. If the reported party is a member of the Board of Directors or his family, then the alleged violation report is sent directly to the Board of Commissioners.
4. If the reported party is a member of the Board of Commissioners or his family, then the alleged violation report is sent directly to the President Director.

With effective management and implementation of labor practices and human rights, during 2019 there was no complaint concerning employment practices or human rights violations, including incidents of discrimination experienced by employees of the Company.

### CERTIFICATION

The Company has obtained Fire Safety certification issued by the Jakarta Provincial Fire and Rescue Agency. This certification has encouraged the Company to realize a safer and healthier work environment for the Company's employees

Type of Certification	Fire Safety certification
Valid date	October 20, 2018*
Issued by	Capital Investment and One Stop Integrated Services Office

\*already extended



## SOCIAL RESPONSIBILITY FOR PRODUCTS/SERVICES AND CUSTOMERS

As a pioneer bank providing housing for communities, the Company continues to build and maintain its reputation by strengthening customer service and satisfaction. The Company realizes that quality banking services are key to maintaining customer loyalty and business continuity. Understanding customer needs, prioritizing excellent service, and optimizing digital banking, are the best ways for the Company to ensure long-term business growth. Until the end of 2019, the Company had launched a number of digital technology-based services for all products and transactions in stages so that banking transactions had become more efficient, convenient, and practical.

### COMMITMENT AND POLICY

The Company constantly does its utmost to maintain overall customer satisfaction by enforcing the best service systems. The establishment of policies for handling and resolving customer complaints is one form of the Company's responsibility to defend customer's rights in interacting with the Company. On the other hand, the Company is also committed to business alignment strategies to protect customers and enhance the quality of products and services. These measures are not only in line with business development but are also important for Company culture and values that consistently safeguard customer interests.

### TARGET OF ACTIVITIES

The Company has set targets to enhance customers satisfaction through various programs, including customers protection, service improvements, education for customers, settlement for customers complaints, as well as CSR distributions to customers and/or its surroundings.

### ACTIVITY AND QUANTITATIVE IMPACT

Realization of CSR to customers and/or their surroundings as a form of the Company's responsibility to its customers will have a significant impact on increasing customer loyalty.

### CUSTOMER LOYALTY ENHANCEMENT PROGRAM

The customer loyalty enhancement program is aimed at enhancing customer trust and loyalty through various services, facilities and needs, tailored to the customer's desires.



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In 2019, the Company conducted various activities related to this programs, namely:

1. TCASH-BTN Cermat Services

To develop office-free financial services conforming with financial inclusion programs (Laku Pandai), the Company and Telkomsel have collaborated to launch TCASH-BTN Cermat service products. TCASH-BTN Cermat service combines the benefits of TCASH electronic money services with meticulous BTN savings. This product is designed to facilitate the transfer or delivery of balances from BTN Cermat savings accounts to e-money TCASH Telkomsel accounts and vice versa. This partnership is also a step in supporting the synergy of SOEs. The Company continues to extend services to unbanked communities unreachable by conventional banking services due to geographical allocation. Under partnership between the Company and Telkomsel, it will bring about an integrated mobile financial services ecosystem, in particular National Non-Cash Movement (GNNT) Campaign acceleration.

2. Plaza KPR and Hotline KPR

The Company makes innovation by simplifying and accelerating mortgage services in the Million Houses Campaign. Accordingly, the Company has launched "Plaza KPR and Hotline KPR" as an effort to improve customer service. Plaza KPR and Hotline KPR is

expected to make it easy for customers to obtain their preferred KPR (mortgage) scheme.

3. Sponsoring the Million Houses Project, the Company Builds inexpensive Houses for Informal Workers

In reaching out to non-home owners, while promoting the One Million Houses Campaign as a success, the Company has again expanded access to housing loans (KPR) for online motorcycle taxi drivers beginning last year. The aim of this program is to reach out to more non-home owners, especially low-income and informal workers. Through these strategic measures, the online motorcycle taxi and car taxi drivers are given the opportunities for mortgages at a low interest rate and with an affordable installment plan.

4. KPR Micro Facility

The Company also offers KPR Micro facility for other informal workers. This KPR Micro home ownership scheme is a manifestation of the Company's commitment to reach out to more people to own homes, in particular, the middle to lower classes. Through this KPR BTN Micro, informal workers can now own homes with a Rp. 75 million maximum credit limit with a 20 year tenor. KPR BTN Micro also offers financing schemes with advances and installments adjusted to the financial capabilities of workers. This measure is in agreement with financial inclusion putting more Indonesians in reach of banking services.

## ACCESS TO PRODUCT INFORMATION

The Company makes available the access to its banking products and services, which is available through its website <http://btn.co.id>. Moreover, the Company has established and operated systems and procedures to ensure that all products and services information are in accordance with Bank Indonesia regulations.

Banking Product Information Transparency and Use of Customer's Personal Data include:

1. Providing complete and clear written information in the Indonesian language concerning the characteristics of each Bank Product
2. Delivering information to Customers both in writing and verbally

3. Delivering no misleading and/or unethical information
4. Delivering information on the characteristics of the Bank's products including, product name, product type, benefits and risks inherent in the product, requirements and procedures for using Bank products, costs attached to the product, calculation of interest or profit sharing and profit margins, the period of validity of the product and the issuer/originator of the product.
5. Delivering information about the product guarantee program related to Bank products and raising funds.
6. Informing customers of any changes, additions and or deductions on the characteristics of the Company's products.





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7. Including information on the characteristics of bank products whose location and/or shape are clearly visible and/or legible and/or easy to understand.
8. Providing bank product characteristics information

services that can be accessed easily by the public and publishing them through the Company's website [www.btn.co.id](http://www.btn.co.id) which is easily accessible to the general public.

### PROGRAM CUSTOMER EDUCATION PROGRAM

The Company has executed financial literacy and other financial education programs every year. This is in accordance with the directive of the Financial Services Authority (FSA) regarding the Indonesian national financial literacy blueprint program as well as Financial Services Authority Regulation No.76/POJK.07/2016 concerning

enhancing financial literacy and inclusion in the financial services sector for consumers and/or the public. In 2019, the Company organized educational campaigns for customers, one of which through BTN Laku Pandai where the number of customer accounts was 1,649,508 per December 2019.

### CUSTOMER HEALTH AND SAFETY

The Company's commitment to customer health and safety is realized by providing decent and affordable housing while still meeting health, safety and comfort requirements according to minimum standards based on the Decree of the Minister of Settlements and Regional Infrastructure Number 403/KPTS/M/2002 concerning Technical Guidelines for the Construction of Simple Healthy Houses (Healthy Rs). The Company collaborates

with housing developers and contractors to provide livable housing for the public. With this collaboration, the Company upholds the principles of professionalism, transparency and fairness, and sustainability of customer health and safety. In addition, the Company guarantees the confidentiality of customers by maintaining the secrecy/privacy of customer data.

### CUSTOMER DATA CONFIDENTIALITY

The Company consistently upholds the confidentiality of customer data in accordance with applicable provisions including: (1) Law No. 7 of 1992 concerning Banking; (2) Law of the Republic of Indonesia No. 10 of 1998, concerning Amendment to Law No. 7 of 1992; (3) Bank Indonesia Regulation No. 2/19/PBI/2000, concerning Requirements and Procedures for Granting Written Orders or Permits Conveying Bank Secrets Regarding Customer privacy policies.

The Company, correspondingly, has in place a special policy stated in Circular of the Board of Directors No. 40/DIR/ICTD/2016, concerning the Information Security Guidelines of PT Bank Tabungan Negara (Persero) Tbk. In this policy, the Company establishes prerequisites to ensure that all confidential and sensitive information is protected from computer viruses and is safeguarded from information leaks and damages. Various attempts made by the Company to safeguard customer data include installing all approved software and updating it regularly, organizing IT



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security training for IT users, implementing management/standardization of passwords to ensure authorized access only to protected information.

In 2019, the Company did not receive any complaints

from customers regarding leaks of personal data, loss of data or breach of customer confidentiality. The Company also did not experience loss of customer data nor receive complaints from external parties or regulators.

## CUSTOMER DEPOSIT INSURANCE PROTECTION

One of the keys to business continuity in the banking industry is safeguarding the trust of customers and all other stakeholders. Internally, the Company is committed to harmonizing business strategies with efforts to protect customers and improve the quality of products and services. Trust is nurtured with the presence of legal

certainty, Bank supervision and guarantees of customer deposits. As stipulated in Law No. 24 of 2004 concerning the Deposit Insurance Corporation (Lembaga Penjamin Simpanan/LPS), the Company guarantees customers deposits through the Deposit Insurance Corporation.

## CUSTOMER COMPLAINT MECHANISM

The Company has made various efforts to meet customer expectations in accordance with the customer complaint center through the Customer Complaint System (SPN) which can monitor complaint resolution in a comprehensive manner. The establishment of the complaint system is based on the Financial Services Authority Regulation No.1/POJK.07/2013 regarding the Consumer Protection in Financial Services Sector. SPN is a web-based system that

facilitates monitoring of the status of complaint resolution while providing certainty for customers regarding the time required by the Company to resolve complaints. By using an online and integrated system, customers can also submit complaints and check the status of the complaint at Branch Offices throughout Indonesia. In addition, through SPN, complaint handling mechanisms have become more structured and are monitored properly.

## CUSTOMER COMPLAINTS SERVICE MECHANISM

Customer complaint centers can be accessed through several channels including:

<b>Head Office</b>	:	PT Bank Tabungan Negara (Persero) Tbk. Menara Bank BTN Jl. Gajah Mada No. 1 Jakarta 10130
<b>Phone</b>	:	(021) 6336789
<b>Fax</b>	:	(021) 6336719
<b>Contact Center</b>	:	1500 286
<b>Email Contact Center</b>	:	btncontactcenter@btn.co.id



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## SOCIAL RESPONSIBILITY FOR PRODUCTS/SERVICES AND CUSTOMERS

### VIOLATION REPORTING SYSTEM IN THE COMPANY'S WHISLTE BLOWING SYSTEM (WBS)

Throughout 2019, all the reports received through WBS were always taken note and followed up properly. The number of complaints received through WBS was recorded as many as 90 complaints consisting of 15 complaints through Letters/ PO BOX, 26 complaints via SMS/Mobile/Direct Come and 49 complaints by email. From the number of complaints received, 80 complaints were already completed without audit clarification and/or special audit, and 10 complaints were already forwarded through audit clarification and/or special audit process.

The settlement efforts made by the Company on complaints submitted include:

1. Perform in-depth verification by coordinating with branch offices, divisions and other related parties such as: network providers, developers, notaries, and others.
2. Submit notification to customers regarding the process of resolving complaints.
3. Oversee the management of SLA (Service Level Agreement) settlement of complaints.
4. Make enhancement to system procedures and improve employee understanding and provide information to customers so that complaints do not recur.

### CUSTOMER SATISFACTION SURVEY

The Company cooperates with third parties to carry out customer satisfaction surveys using qualitative and quantitative approaches. The method is carried out through in-depth interviews, while the quantitative approach is conducted through face-to-face interviews.

### IMPACT OF ACTIVITIES

The Company gives customers ease of mind and security in making transactions. This also fosters customer growth from year to year. The effectiveness of handling customer complaints has an impact on the customer satisfaction index.



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## SOCIAL RESPONSIBILITY IN SOCIAL AND COMMUNITY DEVELOPMENT

As a pioneer bank in housing provision for the community, the Company continues to build and maintain a reputation by strengthening commitments to improve services and customer satisfaction. The Company realizes that quality banking services are the key to maintaining customer loyalty and business continuity.

Understanding customer needs, prioritizing excellent service, and optimizing digital banking are some ways of the Company to ensure long-term business growth. At the end of 2019, the Company has presented a number of digital technology-based services for all products and transactions in stages so that banking transactions become more efficient, easy and practical.

### COMMITMENT AND POLICY

The Company always strives to maintain the overall level of customer satisfaction by implementing the best service system. Policy on handling and settling customer complaints is one form of the Company's responsibility to protect the rights of customers in interacting with the Company. On the other hand, the Company is also committed to harmonizing business strategy by protecting customers and improving the quality of products and services. This step is not only in line with business development, but is also important in the application of the Company's culture and values that always safeguards the interests of customers.

### TARGET OF ACTIVITIES

The Company has established a work plan to increase customer satisfaction by carrying out various programs, among others by providing protection for customers, developing services, customer education, settlement of customer complaints and channeling CSR to customers and/or their environment.

### ACTIVITIES AND QUANTITATIVE IMPACTS

Distribution of CSR to customers and/or their environment as the Company's responsibility to customers will have an impact on increasing customer loyalty.

### MAIN CSR ACTIVITIES

The Company's active role in making contributions to society is carried out through the CSR Program. In 2019, the Company will continue the BTN Lingkungan Harmony program which aims to educate the community in an integrated manner through several trainings and/or education as well as assistance to the community as a basis for integrated development program. There are nine main activities that are the focus of community development programs, namely Program Sejahtera BTN, Religi BTN, Hijau BTN, Bugar BTN, Sehat BTN, Cerdas BTN, Bersih BTN, Peduli BTN and Kemitraan BTN.



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## SOCIAL RESPONSIBILITY IN SOCIAL AND COMMUNITY DEVELOPMENT

### USE OF LOCAL LABOR AND SUPPLIERS

The Company constantly strives to carry out CSR agendas that provide benefits and direct empowerment to the community. Thus, the Company recruits local workers for its operations and cooperates with local suppliers for goods and services as short- and long-term partners,

particularly with construction companies promoting the Million Housing Program. In selecting sustainable local suppliers, the Company prioritizes local Indonesian suppliers. In addition to reducing overhead costs, it aims to promote domestic companies.

### FINANCIAL EDUCATION AND LITERACY PROGRAM

The Banking Financial Literacy and Education Program is implementation of directive from Bank Indonesia and the Financial Services Authority (FSA) in disseminating banking knowledge to the public. To support this Program, throughout 2019, the Company organized educational sessions for the community in increasing community

knowledge and skills in managing financial resources (financial literacy) for improved welfare, including:

1. Smart Branch Education in the "Students Get to Know the Archipelago" Program
2. BTN Zone
3. Taman Bacaan Sekolah (School Mini Library)

### COMMUNICATION ON POLICIES AND ANTI-CORRUPTION PROCEDURES

The Company has in place several policies on the prevention of corruption to guarantee a clean and transparent banking operation, including the Company's code of ethics, and Anti-Fraud. Anti-fraud implementation in the Company is regulated by Circular of the Board of Directors No. 22/DIR/IAD/2014, dated May 28, 2014 concerning Anti-fraud Strategy Standard Operating Procedure of PT Bank Tabungan Negara (Persero) Tbk. Anti-Fraud Strategy consists of 4 (four) pillars, i.e. (1) prevention; (2) detection; (3) investigation, reporting and sanctions, and (4) monitoring, evaluation, and follow-up. The Company realizes

the importance of nurturing an anti-fraud culture. Thus, the Company constantly organizes Anti-Fraud Awareness Campaigns in the workplace by disseminating information to all employees and stakeholders regarding the Company Anti-Fraud Strategy, corruption, money laundering, and Gratuity Control policies. The Awareness Enhancement Program is conveyed by the Company to customers and the public through banners on anti-corruption/gratuities at Head Office and throughout the Company's Branch Offices.



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## ANTI-CORRUPTION TRAINING

In 2019, the Company has done various awareness program related to Gratification Control at the Company's environment, including implementation of Integrated Governance Risk and Compliance (iGRC). Additionally, the Company also organizes anti-corruption education and training as a deep commitment in controlling fraud/

gratuity practices. The Company also participated in an anti-corruption awareness program organized by KPK. This gratification control dissemination and training program was conducted to prevent the occurrence of acts of corruption and fraud especially within the Company.

## PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM

### PARTNERSHIP PROGRAM

The Company's commitment to social and community development is to improve the ability of small businesses to become resilient and independent through Company lending. The objective is to select prospective fostered partners to fulfil banking requirements, and motivate them to become resilient and independent entrepreneurs. The Company hopes that the allocated loans can expand small businesses and cultivate

maximum usability. In 2019, the Company channeled funding assistance under the partnership program of Rp21.672.794.000 to 278 fostered partners, divided into 7 (seven) sectors covering fisheries, plantations, agriculture, livestock, industrial, service, and trade sectors. Actual funds distribution of Partnership Program in 2019 is as follows:

### ACTUAL DISTRIBUTION OF PARTNERSHIP FUND BASED ON BUSINESS SECTOR 2019

Business Sector	Number of Debtors	Realisasi (Rp-million)
Industry Sector	5	223,000,000
Trade Business Sector	165	7,089,950,000
Agriculture Business Sector	2	25,000,000
Plantations Business Sector	0	0
Livestock Business Sector	19	1,988,000,000
Fisheries Business Sector	22	1,073,000,000
Service Business Sector	64	4,587,000,000
Creative Industry Sector	1	50,000,000
Partnership Development Funds (Hibah)	0	6,636,844,000
Other Business Sector	0	0
<b>Total</b>	<b>278</b>	<b>21,672,794,000</b>



## SOCIAL RESPONSIBILITY IN SOCIAL AND COMMUNITY DEVELOPMENT

## REALIZATION OF PARTNERSHIP FUND DISTRIBUTION BASED ON OFFICE LOCATIONS

Province	The Number of Fostered Partners	Total
Bangka Belitung	4	130,000,000
Banten	31	1,469,000,000
Bengkulu	3	90,000,000
DI Yogyakarta	7	235,000,000
DKI Jakarta	35	2,266,200,000
Gorontalo	1	30,000,000
Jambi	4	145,000,000
Jawa Barat	36	2,921,500,000
Jawa Tengah	34	2,400,000,000
Jawa Timur	51	2,249,500,000
Kalimantan Barat	2	47,000,000
Kalimantan Selatan	12	470,000,000
Kalimantan Tengah	4	155,000,000
Kalimantan Timur	2	245,000,000
Kepulauan Riau	2	40,000,000
Lampung	1	40,000,000
Maluku	3	42,750,000
Maluku Utara	4	115,000,000
Nanggroe Aceh Darussalam	2	230,000,000
Nusa Tenggara Barat	12	470,000,000
Nusa Tenggara Timur	3	70,000,000
Papua	2	80,000,000
Sulawesi Selatan	2	50,000,000
Sulawesi Tengah	1	50,000,000
Sulawesi Tenggara	3	290,000,000
Sumatera Barat	9	550,000,000
Sumatera Selatan	2	55,000,000
Sumatera Utara	6	100,000,000
Grand Total	278	15,035,950,000



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### COMMUNITY DEVELOPMENT PROGRAM

The Company's Community Development Program aims to assist communities in the vicinity of the Company's operations, both Head Office and Branch Offices. In 2019, the actual distribution of Community Development Program funds amounted to Rp20,071,000 to communities in 34 Provinces through 6 (six) working areas of the Company.

The Community Development program funds were channeled through various sectors including education and training, public facilities, religious facilities, health and social communities in poverty alleviation. The following is the actual distribution of funds for the Community Development Program in 2019

#### REALIZATION OF COMMUNITY DEVELOPMENT PROGRAM DISTRIBUTION BY FIELD OF ACTIVITIES IN 2018

Field of Activity	Disbursement Amount (Rp-Million)
Natural disasters	426
Education and/or Training	5,375
Health Improvement	365
Infrastructure and/or Public Facilities Development	438
Places of worship	7,917
Environmental Conservation	350
Community Social Assistance in Poverty Alleviation, including:	5,199
1. Electrification of areas without electricity	
2. Provision of clean water	
3. Provision of toilet facilities for washing latrines	
4. Educational, training, apprenticeship, promotion and other assistance related to increasing the economic independence of small businesses in addition to the Fostered Partners Development Partnership Program	
5. Housing renovation for the under privileged	
6. Nursery assistance for agriculture, livestock and fisheries	
7. Business tools assistance	
<b>Total Disbursement</b>	<b>20,071</b>

### CSR ACTIVITY BUDGET AND IMPLEMENTATION

The Company's CSR budget is stipulated in the Company's budget work plan by paying attention to decency and fairness. In 2019, the Company disbursed funds for the social and community CSR programs amounting to Rp6.941.992.401 which were disbursed to various sectors including, economy, education, health, public facilities, cultural arts and religious events.

Field of Activity	Disbursement Amount (Rp Million)		
	2019	2018	2017
Economics	662	1,456	451
Arts & Culture	63	100	115





## SOCIAL RESPONSIBILITY IN SOCIAL AND COMMUNITY DEVELOPMENT

Field of Activity	Disbursement Amount (Rp Million)		
	2019	2018	2017
Sports	0	149	-
Education	2,304	1,047	228
Health	0	204	20
Public Facilities	2.952	645	4,214
Religious Affair	946	1,574	120
Environmental Conservation	15	6	-
<b>Total</b>	<b>6,942</b>	<b>5,180</b>	<b>5,148</b>

Description
<b>January</b>
Provision of School Reading Garden (SRG) in cooperation with PT. Balai Pustaka for SDN IV Jambi
Implementation of design training activities "my creation is my feeling" in order to welcome the Santri day 2018
Flash flood disaster relief that struck the Gajah Mada housing Yahim, Jayapura District
Implementation of entrepreneurial activities flower arrangement of acrylic material organized by the Environmental lover Youth activist
Bank BTN's participation in the renovation of the Al Mujahidin Mosque located in Grumbul Karangreja, Jambu Village, Wangon District, Banyumas Regency
Renovation of Musholla Ar Rohman located in Hamlet Kawunganten RT 05/02, Kawunganten Lor village, Banyumas Regency
Emergency response to landslide disaster that struck Kampung Cimpag Sinaresmi village, Cisolok Sub-district Sukabumi District
Bank BTN's participation in the improvement of public facilities and infrastructures in the form of environmental improvements around the tomb of Syeh Hasan Anwar located in Tengguli Dukuh Kali Telon Village, Jepara, Central Java
Provision of supporting facilities and infrastructure for education in the form of the allocation activities of SD RA Kartini located in Jalan Buyut Heron, Dusun Terungtum, Patimban village, Kec. Pusanegara, Subang, West Java
Provision of supporting facilities and infrastructure for public activities in the form of sound system, mic Wireless and Toa megaphone for the community RT 009/010, Karang Anyar village, Sawah Besa District Jakarta Pusat
Emergency response of flash floods occurring in a number of districts in South Sulawesi province
Bank BTN's participation in the renovation of TPQ Baiturrohim located at Jl. Merapi No. 25 Semarang City
Repair the retaining wall of Graha Taman Bougenville Housing, village Mangunharjo, Kec. Tembalang City of Semarang that collapsed due to the high rainfall that occurred on December 8, 2018
Home renovation for the community can not afford on behalf of Mrs. Sumarsih who address in Wonosidi Kidul RT 004/013 Wates Regency of Kulonprogo, DIY
Bank BTN's participation in the renovation of Jenderal Sudirman Mosque located in Pussenif residential Bandung
Bank BTN's participation in the renovation of Babul Falah Kayulaut Grand Mosque located in Kayulaut Village, Panyabungan Selatan Sub District, Mandailing Natal in North Sumatera



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## Description

### February

Provision of supporting facilities and infrastructure for the renovation of Al Barokah Mosque located in Cibalandongjaya Village, Cibogo subdistrict, Subang Regency West Java

Provision of supporting facilities and infrastructure to support community activities in the form of function rooms (Secretariat) located in Kramat V RT 004/09 kelurahan Kenari Central Jakarta

Implementation of vocational education and training computer conducted by LPK Kanira located at Ciparay Indah No. 5A, Serangmekar village, Ciparay District Bandung Regency

Bank BTN's participation in the renovation of Al Ikhlas Mosque which is located at Jalan Pomegranate Raya, North Kembangan village, Kec. West Jakarta

Certification program for improving the quality of education at 114 Pesantren in Garut Regency, West Java

Distribution of Bank BTN assistance to prevent natural disasters in Indonesia to BUMN Foundation Hadir untuk Negeri

### March

Improvement program of education facilities and infrastructure to improve the quality of education through certification program for 114 Pesantren in Garut Regency

Provision of facilities and infrastructure to support religious activities for the renovation of the Council of Ta'lim Al Junaidyah which is located at Jalan Talib Baru III RT 015/03 No. 27, Kelurahan Krukut, Kec. Taman Sari West Jakarta

Provision of supporting facilities to support environmental health in the form of 2 (two) units of fogging equipment and 1 (one) unit of lawn mowers for communities in Kampung Rawa Sapi, village Jatimulya, District Tambun, Kabupaten Bekasi

Bank BTN's participation on the improvement of school facilities and infrastructure in the form of renovation ceremony at SDN Benhil 12 Central Jakarta

Bank BTN's participation in the construction of Al Haq Mosque located in housing Pepabri, Kelurahan Kunciran, District Pinang Kota Tangerang

Bank BTN's participation in the provision of facilities and infrastructure in support of emergency flood response in Madiun Regency

Bank BTN's participation in providing facilities and infrastructure supporting Baiturrahman Mosque located at Jalan Lamda Raya No. 1 Cimone Permai Karawaci Tangerang City

Bank BTN's participation in the renovation activities of the unworthy house for Mrs. Parjiyah with the address Beji RT 003/002, Kelurahan Wates, District Wates, Regency of Kulon Progo DIY

Scholarship for 25 students who excel and come from the underprivileged family of the University of General Sudirman Purwokerto

Tax and E-Commerce training for Creative House officers in Palembang in cooperation with KPP Palembang area

Bank BTN's participation in assisting the provision of facilities and infrastructures for the construction of the Roudlotus Solikhin Mosque which is located at Klipang Pesona Asri, Sendangmulyo, subdistrict Tembalang, city of Semarang

Bank BTN's participation in assisting the provision of supporting facilities and infrastructure for the betonization of Dragan village, Musuk subdistrict, Boyolali district, Central Java

Bank BTN's participation in the provision of facilities and infrastructure in support of emergency flood response in Sentani Papua Regency

Bank BTN's participation in the improvement of educational facilities and infrastructure for 15 Pondok Pesantren in Garut Regency

Bank BTN's participation in the provision of facilities and infrastructure for the development of Pura Tri Murti which is located in Tamban outer Purwodadi II Village, Bataguh subdistrict, Kapus regency of central Kalimantan



Business Function Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## SOCIAL RESPONSIBILITY IN SOCIAL AND COMMUNITY DEVELOPMENT

Description
Bank BTN's participation in assisting the provision of supporting facilities and infrastructures of education in the form of desks and learning chairs for SMK Trimitra located in Jalan Raya Pondok Rajeg No. 17, Cibinong regency of Bogor Barat West Java
Bank BTN's participation in supporting facilities and infrastructure for Nida'il Khairat Foundation located in Pompewe Village, Sigi Sub-district, Sigi Regency, central Sulawesi province
Bank BTN's participation in supporting facilities and infrastructures for the Yayasan Pondok Pesantren Nahdlatut Thalabah located in the village Kotaraya Barat, Mepanga subdistrict, Parigi Moutong District, Central Sulawesi Province
Bank BTN's participation in supporting facilities and infrastructures for the Pondok Pesantren al Qur'an Al Hikmah located in the village of Ngapleng, village Cipari, District Mangkubumi, City of Tasikmalaya
Bank BTN's participation in supporting facilities and infrastructure (toilets and Wudhu place) for Nurul Hidayah Mosque located in Dusun Lebakwangi RT 05/01, Mekarwangi village, Sukamantri District, Ciamis Regency West Java
Bank BTN's participation in the provision of religious supporting facilities and infrastructure in the form of musical instruments for the Board of Dhikr Assembly and Sholawat Rijalul Ansor located at Jalan Musi No. 09, Sumberrejo, Sukodono, Lumajang, East Java
<b>April</b>
Provision of supporting facilities and infrastructure for the development of the Al-Qur'an Education Park (TPA) Nurul Huda located at Jl Gatot Mangkupraja, village Cageundang RW 04, Nagrak Village, regency of Cianjur West Java
Payment of the first phase of the renovation activities 15 House unfit Huni for the people can not afford in Jayagiri village, district Lembang West Bandung Regency
Bank BTN's participation in renovation of education facilities and infrastructure at Pondok Pesantren Nasrul Ummah located on Jl Suryokusumo Mejobo, Kirig Mejobo village, Kudus District, Central Java
Bank BTN's participation in renovation of the prayer and infrastructures of Musholla and Mosque located at the Al Islam Musholla, Garung Village, Sambeng District, Lamongan
Bank BTN's participation in renovation of the facilities and infrastructures of Musholla and Mosque located in Al Barkah Mosque, Resik Hamlet, Kedungwuni village, Lamongan Regency;
Bank BTN's participation in renovation of the facilities and infrastructures of Musholla and Mosque located in Rahmad Mosque, Gempolmanis village, Sambeng Sub-district, Lamongan Regency; 4. At Taubah Mosque, Pamotan village, Sambeng Sub-district, Lamongan Regency
Bank BTN's participation in renovation of the facilities and infrastructures of Musholla and Mosque located in At Taubah Mosque, Pamotan Village, Sambeng Sub-district, Lamongan
Renovation Activities 15 unworthy house for the unprivileged community in Jayagiri Village, district Lembang West Bandung Regency
Bank BTN's participation in the development of Pesantren Tahfidz Qur'an Darul Qur'an located in Kp Surade Tengah RT 03/01, village Surade, subdistrict Surade, regency of Sukabumi West Java
Provision of basic food packages is 12 bags of rice UK 50 Kg, cooking oil size 1 liter as much as 650 pcs and white sugar size 1 kg as much as 657 kg in order to support the implementation of social service in order to commemorate Isra Mi'raj 1440 H conducted by Juang Anak Bangsa Foundation
Scholarship for 2 underprivileged students who are for 1 semester. Evi Hartiningsih and Dwi Hartiningsih who studied at MTs and Elementary School in Tegal district of Central Java
Bank BTN Support in the provision of supporting facilities and infrastructures for community empowerment activities of Legume village, Sumberlawang subdistrict, Sragen District in the form of cutting tools, bamboo cleaver and invaders
Bank BTN's participation in the renovation of the facilities and infrastructures of Masjid Al Ikhlas located at Jl. Moh Kahfi RT 006/005, village Srengseng Sawah Jagakarsa District South Jakarta



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis

## Description

Bank BTN's participation in the renovation of the facilities and infrastructure of the ablution for the Hall of Islamic Studies Baitul Khairat which located Gamping Kuala Simpang Lim, District of Simpang Ulim, East Aceh District

Implementation fee in order to support cheap food Program and free medical treatment conducted in Makorem 061 Bogor Regency

Implementation fee in order to support cheap food Program and free medical treatment conducted in Makorem 062 Garut Regency

Bank BTN's participation in the renovation of the facilities and infrastructure of the community that is located Gampong Peulalu, M District Simpang Ulim East Aceh District

Implementation fee in order to support cheap food Program and free medical treatment conducted in Makorem 061 Bogor Regency

Bank BTN's participation in the renovation of Masjid Nurul Huda located in Kampung Cibitung Sebrang, Bekasi City

Cheap food package transportation cost as much as 5500 packages from Perum Bulog Jakarta to Cidolog village, Ciamis Regency; Korem 062 District Garut and Korem 061 Bogor Regency in order to support the implementation of cheap food in order to commemorate the 21st KBUMN ANNIVERSARY

Community development refunds to support the work visit activities of BUMN minister to the Pine Forest Park Jambi

Bank BTN's participation in the renovation of the facilities and infrastructure of the place of worship that is located Musholla Al Amin, Jl Kartini Gg Sena No. 1 Sengon RT 003/069 Tanjung District Brebes

Bank BTN's participation in the renovation of the facilities and infrastructure of the place of worship located Madrasah Diniyyah Darul Mustofa, Jl Masjid Asyrolfil Amin RT 05/03 Sengon village, Tanjung District, Brebes

Bank BTN's participation in the renovation of the facilities and infrastructure of the place of worship that is located Dzurriyatul Muttaqin Mosque, Jalan Bantansari RT 03/06, village Bangsri, Brebes Regency

Bank BTN's participation in the renovation of the facilities and infrastructure of the place of worship that is located Musholla Baitul Istiqomah, Tegalflagah village, Bulukumba subdistrict, Brebes regency

Bank BTN's participation in the renovation of the facilities and infrastructure of the place of worship that is located Musholla Baitul Maghfiroh, Jalan Darussalam RT 08/03 Klampok Wanasari, Brebes Regency

Implementation of the handover assistance to support the implementation of the empowerment activities 129 Pesantren in Garut District in the form of improvement of the quality of education for the 114 Pondok Pesantren and 15 for improvement of education facilities and infrastructure

## May

Disaster relief in the form of flash floods that hit the Enrekang subdistrict and Cendana District, Enrekang district of South Sulawesi Province

Bank BTN's participation in the renovation of Masjid Maarif NU Limpung located at SMK Ma'Arif located at Jl KH Wahid Hasyim No. 1, Limpung Sub-district, Batang Central Java

Provision of supporting facilities and infrastructure of the Darussalam Mosque located in the park Patra XV Kuningan Timur Jakarta Selatan in the form of 2 (two) Standing AC Unit and 1 (one) unit vacuum cleaner

Development of clean water facilities for the people in Wayasel sub-village, Huamual Luhu Sub District, West Seram Regency, Ambon Province

Bank BTN's participation in the renovation of Toilets and Nurul Islam Mosque located in Cidolog Village, District Cidolog District Ciamis in order to support the implementation of the cheap food Program on April 1, 2019

Bank BTN's participation in the renovation of Nurfalah Mosque which is located in housing Perum Asri, Kelurahan Pamulang, District Pamulang Regency South Tangerang



Business Function Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## SOCIAL RESPONSIBILITY IN SOCIAL AND COMMUNITY DEVELOPMENT

Description
Donation to 1000 people orphans/orphans in order to support the implementation of Safari Ramadhan in the Program of BUMN present to the state in Bengkulu Province in GOR Sawah width of Bengkulu city
Provision of 200 backpack for 200 orphans and Dhuafa who present in support of the implementation of the activities of Iftar Internal and external Bank BTN in the function room 6th floor
Purchase 1500 packages of fine salt packaging 250 gr from PT Garam Indonesia (Persero) to support the implementation of the cheap food Program Host Bank BTN in Cidolog village, Cidolog District, Ciamis West Java Regency
Bank BTN's participation in the renovation of facilities and infrastructures of Al Anshar Mosque located in RW 03, Kelurahan Panaikang, Makassar City, South Sulawesi Province
Bank BTN's participation in supporting social activity in the form of provision of 500 basic food packages for people unable to be in Pasuruan Regency in cooperation with the Education Institute of the Maarif NU Sabillil Muttaqien held on
Bank BTN's participation in the provision of facilities and infrastructure supporting public activities in the form of waste crushing machine for the Karang Taruna Marya Muda Bahari Village, District Bonang Demak District
Provision of additional 100 backpack for 100 orphans and Dhuafa who present in support of the implementation of activities open fasting Internal and external Bank BTN in the function room 6th floor
Bank BTN's participation in the renovation of the facilities and infrastructure of Jami Nuruddin Mosque located in RT 02/11 Kavling Senjulang Kelurahan Kabil, Nongsa District of Batam
Provision of Ramadan parcel package for 435 packages @Rp 250,000,-for salespeople, cleaning service, technicians, security and drivers in the Head Office
Bank BTN's participation in supporting the renovation of the facilities and infrastructures of Purbalingga regency and facilities of worship, educational facilities and RTLH
Provision of 2 (two) units water tank allocation community in Pademawu District Pamekasan Regency of East Java
Donation to 300 people orphans, the assistance of raising quality and quality at 6 foundations present in supporting the implementation of the activities of Iftar Internal and external Bank BTN in the function room 6th floor
Bank BTN's participation in support of the granting of compensation to 1,000 orphans/orphans in order to support the implementation of Iftar together in Masjid Al Rayyan Ministry of BUMN
Transportation costs in order to support the implementation of the cheap food Program Ramadan 1440 H as many as 3000 packages from the warehouse PPI Semarang to Kecamatan Susukan Cirebon
Provision of assistance of education facilities and infrastructure to 9 educational institutions in order to support the implementation of Safari Ramadan in the Program of BUMN present to the state in Bengkulu Province in GOR Sawah width of Bengkulu city
Provision of facilities and infrastructure supporting education in the distribution of assistance for Pondok Pesantren Miftahul Huda located in Tasikmalaya District
Bank BTN's participation in the development of the Qur'an school implemented by the Al Ihsan South Tangerang Foundation is located at Jalan Jamsostek No. 76 RT 001/05, Lengkong warehouse Timur, Serpong, South Tangerang
Donation to 60 orphans/orphans originating from the Pondok Pesantren Daarut Tauhiid located at Jl Raya Palembang Indralaya Km. 24 Western repatriation, Talang Pangeran in the framework of the work visit of BUMN Minister in Ponpes Sultan Mahmud Badaruddin
Second phase of payment on Bank BTN commitment to help the construction of Sriwedari Park, Surakarta
Bank BTN's participation in supporting social service activities MAPAG Lebaran 1440 H organized by the Council of the Dhikr Sholawat Tjakraboeana Djatiraga held at the MDS secretariat of Jalan Simpang No. 35, Alun-Alun Bandung
Provision of transportation facilities for the head of Kanwil IV in order to attend the Safari Ramadan Board in Bengkulu branch office



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis

### Description

Bank BTN's participation in supporting the implementation of social duty conducted by the Betawi Consultative Board in the framework of social responsibility in Ramadan 1440 H in the form of food distribution to the underprivileged people in 5 areas of DKI Jakarta

Provision of supporting facilities and infrastructure activities in the framework of working visit of BUMN minister to Purbalingga and Purwokerto for delivery of CSR assistance and implementation of Safari Ramadhan 1440 H

Bank BTN's participation in support of the implementation of compensation for 30 orphans carried out by the Islamic youth Mampang Prapatan XVII on May 25, 2019

Provision of supporting facilities and infrastructure for students in the foundation Hidayatul Awwalin in the form of 160 packages in the form of a backpack, stationery and socks located at Kp cidashanging RT 06/03, village Jahiang, District Salawu, District Tasikmalaya

Consumption support for 300 orphans in the implementation of open fasting with internal and external Bank BTN

Granting compensation to orphans and assistance in improving the quality of education and foundations in order to support the implementation of Safari Ramadhan activities of directors to regional Office 3 in Surabaya

Granting compensation to orphans and assistance in improving the quality of education and foundations in order to support the implementation of Safari Ramadhan activities of directors to regional Office 1 in Bandung

Granting compensation to orphans and assistance in improving the quality of education and foundations in order to support the implementation of Safari Ramadhan activities of directors to regional office 6 in Semarang

Assistance in supporting facilities and infrastructures of education for Pondok Pesantren Al Munawwir, Krapyak Yogyakarta in order to support the implementation of Safari Ramadan Board date

Provision of compensation for orphans and assistance in improving the quality of education and foundations in order to

Bank BTN's participation in the renovation of educational facilities and infrastructure in the form of library space in SMP Plus An Nur, located in Taman Baru Akkor village, Kec. Palengaan, regency of Pamekasan East Java

Bank BTN's participation in support of compensation activities to orphans conducted by the Council of Ta'lim At Taqwa located in Jati Indah VII/17, Pangkalan Jati, Pondok Labu South Jakarta

Provision of 100 basic food packages in order to support the Ramadan cheap Bazar Program 1440 H for the incapable society that is being supervised by the Government of Semarang

Bank BTN's participation in the renovation of Assalam Grand Mosque located in Permata Bogor Residence, West Cilebut village, Kec. Bogor Regency

Provision of 3000 packs of rice 1 kg size of Perum Bulog in order to support the implementation of the cheap food package Ramadan 1440 H as many as 3000 packages for the underprivileged community in the district of Susukan, Cirebon Regency

Provision of transportation facilities in Supporting the Implementation of cheap food Idul Fitri 1440 H as many as 6,000 of the basic groceries for the incapable society from the village Sendangmulyo and Tanjung Mas Semarang

The provision of 4000 fine salt Packaging @ 250 Gran from PT Garam in order to support the implementation of cheap food packages and free health check in Makorem 061/SK Bogor and 062/TN Garut

Bank BTN's participation in the provision of supporting facilities and infrastructure for refugees in order to flood emergency response occurred in North Konawe Kendari province

The implementation of cheap food Idul Fitri 1440 H as many as 6,000 package of the basic groceries for the incapable society from the village Sendangmulyo and Kelurahan Tanjung Mas Semarang City

Bank BTN's participation in the improvement of education facilities and infrastructure at SDN Petojo Utara 09, located at Petojo Barat No. 45, North Petojo Village, Gambir Central District Jakarta for improvement of school parks and greenery

Bank BTN's participation in the construction of Pura Parahyangan Aung Bhuwanan Raksati located at Jalan Vihara 097 RT 02/04, Sodong Tigaraksa village, Tangerang Banten Regency



## SOCIAL RESPONSIBILITY IN SOCIAL AND COMMUNITY DEVELOPMENT

Description
Provision of supporting facilities and infrastructure for students in the foundation Hidayatul Awwalin in the form of 160 packages in the form of a backpack, stationery and socks located at Kp Cidasgantung RT 06/03, village Jahiang, District Salawu, District Tasikmalaya
Bank BTN's participation in the provision of supporting facilities and infrastructure for refugees in order to flood emergency response occurred in Morowali district, central Sulawesi Province
Granting compensation to orphans and assistance in improving the quality of education and foundations in order to support the implementation of Safari Ramadhan activities of directors to regional Office 5 in Makassar
Preparation for the implementation of net Kampung Sehat KSOE activities located in Bekasi, cheap food activities and free health checks conducted at Makorem Bogor
Bank BTN's participation in supporting social activity Ramadan sharing blessings and national spirit conducted by the CSR Forum Tangerang-in Kelurahan Cikokol Tangerang City
<b>July</b>
Bank BTN's participation in the development of Masjid Nurul Wahid located in housing Villa Arza Jl Dr Purwadi RT 02, Kelurahan recognize Besar, Barajo Natural District Jambi City
Bank BTN's participation in the construction of students' boarding school at the Darul Falah Al Hasyimiyah Foundation located in Perum Pedurenan Indah RT 05/06, village Mangunharjo, sub-district Tembalang of Semarang
Penyediaan 2 (dua) unit AC Merk Daikin Inverter 2 PK untuk Masjid Jami Darussalam yang berlokasi di Jalan Taman Patra XV Kuningan Timur Jakarta Selatan Provision of 2 (two) units air conditioning brand Daikin Inverter 2 PK for Darussalam Jami Mosque located in Jalan Taman Patra XV Kuningan East Jakarta Selatan
Bank BTN's participation in improving quality and quality of education at Pondok Pesantren Daarut Tauhiid, located in Palembang Indralaya, regency of Ogan Ilir Kota Palembang
Provision of facilities and infrastructures for the community village Corner Sindangsari, District Pabuaran, District Serang the form of a set of sound system, 1 (one) set of tambourines, Genset and paving block
Student Program needs to know the Nusantara Province of Bengkulu in 2019 in the form of polo shirts, hats, jackets, id lanyard and backpack as per SPK No. 753/SPK/CSD/CC/VI/2019
Purchase of 4000 sugar package from PT Rajawali Nusindo to support the implementation of Ramadan cheap food package Program 1440 H held at Makorem Bogor and Makorem Garut respectively as many as 2000 packages
The purchase of 7500 sugar package from PT Rajawali Nusindo to support the implementation of Ramadan cheap food package Program 1440 H and cheap food package Idul Fitri 1440 H for Cidolog village (1500 package) District Ciamis, sub-district Sendangmulyo Semarang City (3000 package) and sub-district Tanjung Mas Semarang City (3000 package).
Purchase of 6000 rice packet size 1 kg from Perum Bulog to support the implementation of the cheap food package Idul Fitri 1440 H for Cidolog village for sub-district Sendangmulyo Semarang (3000 package) and sub-district Tanjung Mas Semarang City (3000 package).
Provision of supporting facilities and infrastructure for the Education and Cultural Office of Bengkulu Province in order to process the selection of prospective students to know Nusantara 2019 in Bengkulu Province
Provision of facilities and infrastructures supporting learning activities in the form of laptops for SDN Kebon Kacang 05 Morning Jakarta Pusat
Bank BTN's participation in the construction of Al Maghfirah Mosque located in the housing of Puri Mustika, Salinan, Rawalumbu Kota Bekasi
Bank BTN's participation in the improvement of educational facilities and infrastructure of the Institute of Islamic Education Raudhatul Munawwarah located in Gamping Bireun Meunasah Dayah, Hamlet Tgk Le Bu, District of Juang, regency of Bireuen NAD province



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis

## Description

Bank BTN's participation in improving facilities and infrastructure Dayah Tgk Chik Meunasah me Gampong Sukon Paku, District Glumpang Baro, District Pidie NAD Province

Bank BTN's participation in the improvement of educational facilities and infrastructure in the form of making toilet in Dayah Darun Najah Al-Azizyah Rambayan, Gampong Rambayan Lueng, Peukan subdistrict, District Pidie NAD Province

Bank BTN's participation in assisting the development of the Darul Ulum boarding school located at Masjid Street No. 12 Pasinan Baureno Bojonegoro Regency Central Java

Bank BTN's participation in emergency response to earthquake disaster that struck South Halmahera regency under the coordination of PT ANTAM which has been established by the Ministry of BUMN coordinator as disaster Coordinator

Purchase of 9000 smooth salt package from PT Garam to support the implementation of the cheap food package Ramadhan Program 1440 H in Susukan Sub-district, Cirebon Regency and cheap food package Idul Fitri 1440 H held in the sub-district Sendangmulyo and sub-district Semarang City

Purchase of 3000 packages of sardine following Godie bag from PT Trading company Indonesia to support the implementation of the cheap food package Ramadhan Program 1440 H held in the district Susukan, Cirebon Regency

Bank BTN's participation to support the implementation of hydroponic training as a source of food security and family income conducted by the Lima Sila Foundation date

Purchase of 6000 packages of sardine following Godie bag from PT Trading company Indonesia to support the implementation of the cheap food package Program of Idul Fitri 1440 H held in the village Sendangmulyo and sub-district Tanjung Mas Kota Semarang

Statue of Fatmawati Soekarno by sculptor Nyoman Nuarta synergy of 12 BUMN located in Simpang Lima Bengkulu City

Support facilities and infrastructure to support the activities of Safari Ramadhan 1440 H in the city of Bengkulu and the implementation of work visit Ministry of BUMN and cheap food implementation in Cirebon

Provision of transportation facilities for the team from KBUMN and Kemenko PMK in order to attend Kick OFF meeting of construction of Fatmawati Soekarno statue

Payment sharing costs on the construction of the statue of Fatmawati Soekarno in Simpang Lima Bengkulu in accordance with the memorandum of Understanding No. 908/CSD/MoU/V/2019 dated May 31, 2019 and minutes of meeting KBUMN dated May 7, 2019 about the progress of construction of Fatmawati statue

## August

Bank BTN's participation in supporting the implementation of IFTAR joint activities and provision of compensation to 1200 orphans/orphans conducted by the Association of Bankers of Indonesia

Purchase of rice package size 1 kg from Perum BULOG Jakarta in order to support the implementation of the cheap food package activities 1500 packages for activities in Ciamis District and cheap food activities and free medical treatment in Korem 061/SK Bogor and Korem 062/TN Garut

Bank BTN's participation in the renovation of Al Ikhlas Musholla located at SDN Kota Bambu 03, Kel. South Bamboo Town, Kec. West Jakarta

Bank BTN's participation in the renovation of the unworthy house of Mrs. Nining honorary teacher at SDN 03 Karyabuana located in Karyabuana village, Cigeulis District, Pandeglang District

Provision of supporting facilities and infrastructure for the implementation of operations Bhakti Surya Baskara Jaya 68/2019 in the series supports the implementation of Sail Nias 2019 in the form of genset, Kubota engine, sound system and water pump machine

Scholarship for 2 (two) students who excel and come from underprivileged families at the Surakarta Health Polytechnic. Qonita Ilfah Putri Susanti and Dani Nurohman

Bank BTN's participation in supporting the planting of 500 tree seedlings carried out by indigenous forest people of Kasepuhan Karang located in Jagakarsa village, Muncang Lebak District, Banten Province





Business Function Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## SOCIAL RESPONSIBILITY IN SOCIAL AND COMMUNITY DEVELOPMENT

Description
Creation of backdrop to support the implementation of the supply activities students know the archipelago of Bengkulu province 2019
Bank BTN Support on free medical activities conducted by the community located in North Petojo village RW 08 District Gambir Central Jakarta to enhance the 74 anniversary of the RI
Provision of transportation for 30 participants Siswa Mengenal Nusantara 2019 Bengkulu province to West Nusa Tenggara province
Provision of facilities and infrastructure supporting the activities for 23 students and 7 companions in order to participate in the activities of Siswa Mengenal Nusantara of Bengkulu province 2019 to West Nusa Tenggara province
Provision of supporting facilities in order to socialize for the implementation of Siswa Mengenal Nusantara and supporting facilities in the form of batik clothes for participants SMN Bengkulu province that has been selected to participate in the activities in West Nusa Tenggara province
Bank BTN's participation in the development of Yayasan Darul Ulum KarangPandan building located in Karangpandan Village, Kecamatan Fradian District of Pasuruan Jawa Timur
Provision of accommodation for participants of Siswa Mengenal Nusantara province Bengkulu 2019 in preparation for supply and release ceremony of students know Nusantara province of Bengkulu
Provision of supporting facilities and infrastructures for the participants of the SMN Bengkulu Province year 2019 for the supply activities in the function room Grage Hotel Bengkulu City
Bank BTN Support in awarding educational scholarship to Mr. Magistiar Linar Nugrahandi academic year 2019/2020 at Breda University of Applied Sciences Netherlands
Bank BTN's participation in supporting the religious activities in the form of SKI and Baziz Bank BTN in the implementation of the activities of Eid al-Adha 1440 H in 2 (two) cows are intended for the community around the Bank BTN headquarters
Bank BTN's participation in The participation of Bank BTN in supporting religious activities conducted by Yayasan Insan Intelligent Sejahtera to provide 5 (five) goats to distribute to remote areas/lags, especially in Eastern Indonesia region
Bank BTN's participation in supporting the implementation of religious activities Eid al-Adha 1440 H at Yayasan Asy Syuhada located in Jalan Arowana GG RT 01/06 Masjid, Gebang Watu, sub-district Kebonwarung, District of Jember Kaliwates in the form of 1 (one) cow
Bank BTN's participation in supporting the implementation of religious activities Eid al-Adha 1440 H each of 1 (one) Qurban animal to: <ol style="list-style-type: none"> <li>1. Muthmainah Mosque, Gedung Jaya Village RT 001/001, Negeri Agung District, Way Kanan District</li> <li>2. Istiqlal Mosque, Sapto Renggo Village RT 02/01, Bahuga District, Way Kanan District</li> <li>3. Taqwa Mosque, Kali Awi village, Kec. Negeri Besar, Way Kanan District</li> <li>4. Darul Wada Mosque, Negeri Kasih Village, Kec. Negeri Besar, Way Kanan District</li> <li>5. Al Amin Mosque, Menanga Jaya village, Way Kanan District</li> <li>6. Al Muttaqin Mosque, Sri awaits Village, Kec. Negara Batin, Way Kanan District</li> <li>7. Nurul Huda Mosque, Hamlet 01 Agung Negeri, Kec. Negeri Agung, Way Kanan District</li> <li>8. Taqwa Mosque, Baru Village, Kec. Kasui, Way Kanan District</li> <li>9. Baitur Rohman Mosque, Karya Agung Village, Dusun 01, Kec. Negeri Agung, Way Kanan District</li> <li>10. Al Muttaqin Mosque, Bumi Ratu Village, Kec. A. P Way Kanan District</li> </ol>
Provision of transportation facilities in supporting the implementation of religious activities Eid al-Adha 1440 H at Yayasan Asy Syuhada located in Jalan Arowana GG RT 01/06 Masjid, Gebang Watu, Kel. Kebonwarung, Kec. District of Jember Kaliwates in the form of 1 (one) cow
Provision of supporting facilities and infrastructures to support the implementation of the ceremonial handover of clean water assistance which is located in Wayasel Hamlet, Luhu Village, West Seram regency of Maluku Province
Support of supporting facilities and infrastructure for Siswa Mengenal Nusantara selection activities of Bengkulu 2019, preparation of SMN ceremony Bengkulu and Groundbreaking statue of Fatmawati



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis

## Description

### September

Bank BTN's participation in assisting the facilities and infrastructures of the People's secretariat Rukun 12, the village of Cempaka Putih West Jakarta Pusat

Bank BTN's participation in the provision of facilities and infrastructures of Al Washiyah Foundation located in Kebon Nanas Selatan III, Cipinang Cempedak East Jakarta

Bank BTN's participation in the renovation of facilities and infrastructures in Nanda Kindergarten located in Glontor village, DK karangdial 2 RT 02/02, subdistrict Karanggayam, Kebumen District Central Java

Bank BTN's participation in the renovation of facilities and infrastructures at Jami Nurul Hikmah Mosque for the manufacture of Canopi located at Jalan Lt. Arsyad Selatan/Jalan Baung Ujung, kayurwants Jaya South Bekasi

Bank BTN's participation in the renovation of facilities and infrastructures at Al Hidayah Mosque for the creation of mosque terrace located in Baran Village RT 02/03, Nguter District, Sukoharjo Regency

Bank BTN's participation in the provision of food packages in supporting social activity in commemoration of Hijri New Year organized by Juang Anak Bangsa Foundation at Rangkok Hall, Battalion Arhanudse 6 North Jakarta

Bank BTN's participation in the renovation of facilities and infrastructures at Al Ikhlas Mosque for the construction of mosques located in Ngreden village, Wonosari subdistrict Klaten Regency

Bank BTN's participation in the renovation of facilities and infrastructures of Grand mosque Baiturrohman located in Kaligayam Village, District Margasari, District Tegal Central Java

Bank BTN's participation in the renovation of facilities and infrastructures at At Taqwa Mosque located in Dr. Ratulangi Street No. 58 Maros Regency

Purchase of cooking oil size 1 liter of PTPN 3 3000 packages to support the activity of Ramadhan cheap food 1440 H conducted in Susukan Sub-district, Cirebon District

Purchase of cooking oil size 1 liter of PTPN 3 as many as 6000 packages to support the activity of Ramadhan cheap food 1440 H conducted in the village Sendangmulyo, Tembalang District and Tanjung Mas District, Semarang City

Construction of Wiyata Park located in Sampang City in cooperation with the Government of Sampang Regency in support of the green Program that is being run by Sampang Regency Government

Bank BTN's participation in the renovation of facilities and infrastructures at Musholla At Taqwa located in the Jasmine Residence housing, sub-district Kenali Asam Atas, Kota Baru District Jambi City

Bank BTN's participation in the renovation of facilities and infrastructures in At Taubah Mosque located in the village of Bengkoang Indah Batam City

Bank BTN's participation in the renovation of facilities and infrastructures at Al Ashri Mosque, which is located at KM 42 West Road, Tanjungpinang, Tanjung Uban, Teluk Bintan District, Bintan Regency

Bank BTN's participation in supporting the provision of educational facilities and infrastructure in the PAUD Tunas Muda IKKT which is located in the TNI Mabes housing, Jatimakmur Pondok Gede Kota Bekasi

The provision of compensation to orphans and Dhuafa in order to support the implementation of the financial implementation of inclusive events on Pekan Kerja Nyata Gerakan Revolusi Mental (PKN-GRM) conducted by the Coordinating Ministry for Economic Affairs in South Kalimantan

Support activities for the inauguration ceremony for the development of clean water facilities in Wayasel Hamlet, Luhu Village, Huamual Sub-district, West Seram Regency, Maluku Province

### October

Purchase of 2000 Sarden Kiku package following Goody Bag from PT Perusahaan Dagang Indonesia (Persero) to support the implementation of cheap food package activities performed in Korem 061/SK in Bogor Regency



Business Function Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## SOCIAL RESPONSIBILITY IN SOCIAL AND COMMUNITY DEVELOPMENT

Description
Purchase of 1500 Sarden Kiku package following Goody Bag from PT Perusahaan Dagang Indonesia (Persero) to support the implementation of cheap food package activities performed in Cidolog village in Ciamis District
Purchase of 2000 Sarden Kiku package following Goody Bag from PT Perusahaan Dagang Indonesia (Persero) to support the implementation of cheap food package activities performed in Korem 062/TN in Garut Regency
Purchase of facilities and infrastructures supporting worship for students at Miftahul Huda Boarding school located in Manonjaya Sub-district, Tasikmalaya Regency in order to support the implementation of food security Program activities carried out by Coordinating Minister for the economy RI
Renovation/improvement of public house affected by natural disasters wind putting a hit the Kubu Raya
Bank BTN's participation in assisting educational facilities and infrastructure for the improvement and painting of the field of SDIT Al Abrar located in Bendungan Hilir Street No. 148, Bendungan Hilir, Tanah Abang District, Central Jakarta
Bank BTN's participation in he renovation of the Pura Agung Giri Kertha Bhuwana located in Lopo Indah Permai, village Kolhua, Maulafa, Jalur 40 Street, East Nusa Tenggara
Bank BTN's participation in the renovation of At Taqwa Mosque located in Raya Kresek Street RT 002/012 No. 120, Duri Kosambi, Cengkareng West Jakarta
Bank BTN's participation in the provision of facilities and infrastructures of An Nur Mosque located in Hamlet Selacai RT 013/011, Selamanik village, Cipaku District, Ciamis Regency
Bank BTN's participation in the renovation of Baitul Amanah Mosque located in Cimaungpaeh Village, Jayapura village, Kec. Cigalontang, Tasikmalaya District
Bank BTN's participation in the renovation of Al Ukhuwah Musholla located in the village Parigi Baru, District Pondok Aren, South Tangerang
Provision of 1 (one) unit of garbage carrier motor as a form of concern Bank BTN in Program of Environmental hygiene of Sirnajaya Village, Tasikmalaya Regency
Payment Sharing fees on the participation of the Bank BTN in assisting the renovation of facilities and infrastructure (door frame work, aluminum window, glass and paint Duco) Adhyaksa XXI Kindergarten located in housing Kejaksaan Agung, Lebak Bulus South Jakarta
Bank BTN's participation in supporting the preservation of Panjalu Arts and Culture 2019 organized by the organizing committee of Adat Nyangku and Panjalu located in Hamlet Cimendong, district Ciamis West Java
<b>November</b>
Bank BTN's participation in the development of Nurul Mujahidin Musholla located in Tanah Kusir II Street RT 010/09, South Kebayoran Lama, South Jakarta
Bank BTN's participation in the development of Al Ishlah Musholla located in Bukit Waringin Blok KLMN, Sukmajaya village, District Tajurhalang Bogor Regency
Sharing costs for the implementation of the activity of Javan Rhinoceros conservation in Ujung Kulon National Park Cooperation of the state Owned Enterprises Ministry with Word Wide Fund for Nature for the rare plant cleaning Program and ecological agriculture Field School
Bank BTN's participation in supporting blood donation activities conducted by the Association of Bankers of Indonesia in the Tower Mandiri I, 8th Floor, Jl. Jend. Sudirman Kav 54-55 South Jakarta
Bank BTN's participation in supporting the implementation of forest and land Fire activities in Kalimantan Province and Riau province carried out by Indonesia Anti-Corruption Committee
<b>December</b>
Bank BTN's participation in the construction of Al Ikhlas Mosque located in DI Panjaitan Street No. 1 Purwokerto



Performance 2019



Management Report



Company Profile



Management Discussion and Analysis

### Description

Scholarship for 10 students of IAIN Ternate who excel and come from underprivileged families

Bank BTN's participation in the renovation of the Pondok Pesantren Mardhotillah located at KH Abd Ghofar Street, Hamlet source Ds blistering RT 03/02, Krian, Sidoarjo

Pemberian santunan kepada 39 orang Anak Yatim dan Dhuafa, lansia dan penyandang cacat bekerja sama dengan Yayasan Al Kahfi yang berlokasi di Nginden Baru IV/22 Surabaya  
Donation to 39 orphans and Dhuafa children, elderly and disabled in cooperation with Al Kahfi Foundation located at Nginden Baru IV/22 Surabaya

Bank BTN's participation in the development of public facilities and infrastructures for the support of BUMN Hadir Untuk Negeri Program 2019 in Bengkulu Province

The academic and Multimedia applications based on curriculum 2013, conducted by PT Renjasa Abi Yasa on SD Imanuel located at Masjid Raya Street No. 15 Lolu Utara, District East Palu in Palu City

Bank BTN's participation in the construction of Abu Bakar Ash Siddiq Mosque located in housing Riung Rangga Residence, Pangalengan Street Km 4.5 Jagabaya, Cimaung Bandung

Bank BTN's participation in supporting the implementation of tree planting activities, fish seed provision and clean beach in support of the implementation of the National Work Meeting Alumni Association of ITB 2019

Bank BTN's participation in the renovation of the ablution place at Baitul Mu'minin Mosque located in Jati Tengah IX Bumi Bekasi Baru Housing IV block B, Rawa Lumbu Bekasi City

Sarong and Mukena procurement as much as 1000 pcs to support the implementation of Safari Ramadan 1412 H Sinergi Bank BTN, Post Office, Perum PNRI and Perum Peruri held at GOR Sawah Lebar, Bengkulu City

Bank BTN's participation in the provision of supporting facilities and infrastructure for the Sahabat Baduy community located in Kampung Wisata Baduy Village Cibeo form the provision of garbage forging, public toilet renovation, information boards

Transportation cost on the provision of 1000 pcs sarong and Mukena in support of the implementation of Safari Ramadhan Synergy 4 BUMN (Bank BTN, Perum PNRI, Peru PNRI and Pos Indonesia) held at GOR Sawah Lebar, Bengkulu City

Budget sharing payments on the implementation of Christmas joint activities and New Year 2020 in Tobelo City, North Halmahera Regency as part of BUMN Program present to the state of 2019 in North Maluku province synergies with PT Taspen Persero

Bank BTN's participation in support of banking function socialization by the Tunas Bangsa Institution held on December 16, 2019 in Langkat City, North Sumatera Province

Bank BTN's participation in in support of banking function socialization by the Tunas Bangsa Institution held in Langkat City, North Sumatera Province

Bank BTN's participation in the distribution of food package to the underprevillege community in Pematangsiantar, North Sumatera Province in support of the implementation of Natal Bersama in Pematangsiantar

Bank BTN's participation in the development of Santri Mu'alimin Mu'alimat Assalafiyah dormitory located in the city of Rembang Central Java

Bank BTN's participation in the contraction of SMP IT Al Muhajirin building located at Jalan Rajawali Sakti 1 Kavling 1, Tobekgodang, District handsome Kota Pekanbaru, Riau Province

Bank BTN's participation in assisting the supporting facilities and infrastructure the worship activities in HKBP Harapan Baru which is located in Jalan Raya Harapan Baru Regency, West Bekasi, Bekasi City

Provide 4000 basic food packages for the implementation of the cheap food in order to commemorate the 74anniversary of RI in the city of Bengkulu as part of the BUMN Hadir untuk Negeri Program in Bengkulu city

Assistance program for the management of the Balkondes and Homestay Bank BTN located in the village of Karanganyar, District Borobudur by PT Manajemen CBT Nusantara in the form of activities to build digitization system, management of social media, brochure application, publication Events, training and human resources development



Business Function Support



Good Corporate Governance



Corporate Social Responsibility



Financial Report

## SOCIAL RESPONSIBILITY IN SOCIAL AND COMMUNITY DEVELOPMENT

Description
Bank BTN's participation in supporting the Seminar Program of the Disability Goes To Campus and Corporate with the theme of the Disabilitas mentoring efforts to enter the world of work conducted in Selabatu, Sukabumi
Bank BTN's participation in the provision of 200 basic food packages for underprivileged people who are in RT 43/12, Rekesan Hamlet, Jambuwer village, Kromengan District, Malang East Java
Bank BTN's participation in the construction of the Pelinggih Merajan located in the Banjar Dinas Sunantaya Kelod, Penebel village, Penebel District of Tabanan Regency
Bank BTN's participation in the renovation of the Merajan located in Banjar Darma Tengah, village of Riang Gede, Penebel District of Tabanan Regency
Bank BTN's participation in the renovation of the Flamboyan AAC Dayan Dawood Musholla located at Syiah Kuala Darussalam University Banda Aceh
Bank BTN's participation in under renovation of Musholla Al Mizan located at Mandor Baret Street RT 008/007, Legoso, village Pisangan, East Ciputat, South Tangerang
Bank BTN's participation in the renovation of Nurul Iman Mosque located in Susuk Village, District Tiganderket, Karo District, North Sumatera
Bank BTN's participation in religious activities conducted by the Christian Spiritual Development Agency Bank BTN in the form of distribution assistance to victims affected by the Ambon earthquake and renovation of the house of worship in Jayapura held At BTN Bank Tower 6th Floor
Bank BTN support for Indonesia Young business activities Initiative 2019 in Surabaya and Solo
Bank BTN's participation in supporting the implementation of national Christmas activities in 2019 held at Sentul International Center
Bank BTN's participation in supporting the implementation of mass circumcision activities for 300 children of the people who are less able to cooperate with the Islamic Bank BTN section At BTN Bank Tower 6th Floor
Payment sharing fee for the participation of Bank BTN in the development of business incubator located at Pattimura University, Ambon Synergy 9 BUMN



*Bank*  **BTN**

Sahabat Keluarga Indonesia

# FINANCIAL REPORT



## PT Bank Tabungan Negara (Persero) Tbk

Laporan keuangan  
Tanggal 31 Desember 2019  
dan untuk tahun yang berakhir pada tanggal tersebut  
beserta laporan auditor independen/  
*Financial statements*  
*As of December 31, 2019*  
*and for the year then ended*  
*with independent auditors' report*



**SURAT PERNYATAAN DIREKSI  
TENTANG  
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN  
TANGGAL 31 DESEMBER 2019  
DAN UNTUK TAHUN YANG BERAKHIR PADA  
TANGGAL TERSEBUT  
PT BANK TABUNGAN NEGARA  
(PERSERO) Tbk**

**BOARD OF DIRECTORS' STATEMENT  
REGARDING  
THE RESPONSIBILITY FOR  
THE FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2019  
AND FOR THE YEAR THEN ENDED  
PT BANK TABUNGAN NEGARA  
(PERSERO) Tbk**

Kami yang bertanda tangan di bawah ini :

**Nama** **Pahala Nugraha Mansury**  
**Alamat Kantor** **PT Bank Tabungan Negara (Persero) Tbk**  
**Jl. Gajah Mada No. 1 Jakarta 10130**  
**Alamat Domisili** **Jl. Empu Sendok No.23 RT 008 RW 003**  
**Kel. Selong, Kec. Kebayoran Baru,**  
**Jakarta Selatan**  
**Nomor Telepon** **021-6326764**  
**Jabatan** **Direktur Utama / President Director**

*We, the undersigned :*

*Name*  
*Office Address*

*Residential Address*

*Telephone*  
*Title*

**Nama** **Nixon L.P Napitupulu**  
**Alamat Kantor** **PT Bank Tabungan Negara (Persero) Tbk**  
**Jl. Gajah Mada No. 1 Jakarta 10130**  
**Alamat Domisili** **Jl. Kp Benda Melayu RT 001, RW 002**  
**Kel. Rawa Badak Selatan, Kec. Koja**  
**Jakarta Utara**  
**Nomor Telepon** **021-6346762**  
**Jabatan** **Direktur / Director**

*Name*  
*Office Address*

*Residential Address*

*Telephone*  
*Title*

Menyatakan bahwa :

*Declare that :*

- |  |  |
|--|--|
| <p>1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan PT Bank Tabungan Negara (Persero) Tbk;</p> <p>2. Laporan keuangan PT Bank Tabungan Negara (Persero) Tbk telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;</p> <p>3. a. Semua informasi dalam laporan keuangan PT Bank Tabungan Negara (Persero) Tbk telah diungkapkan secara lengkap dan benar;<br/>b. Laporan keuangan PT Bank Tabungan Negara (Persero) Tbk tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;</p> <p>4. Kami bertanggung jawab atas sistem pengendalian internal dalam PT Bank Tabungan Negara (Persero) Tbk.</p> | <p>1. <i>We are responsible for the preparation and the presentation of the financial statements of PT Bank Tabungan Negara (Persero) Tbk;</i></p> <p>2. <i>PT Bank Tabungan Negara (Persero) Tbk's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;</i></p> <p>3. a. <i>All information in the financial statements of PT Bank Tabungan Negara (Persero) Tbk has been disclosed in a complete and truthful manner;</i><br/>b. <i>PT Bank Tabungan Negara (Persero) Tbk's financial statements do not contain any incorrect material information or facts, nor do they omit any material information or facts;</i></p> <p>4. <i>We are responsible for PT Bank Tabungan Negara (Persero) Tbk's internal control system.</i></p> |
|--|--|

Demikian pernyataan ini dibuat dengan sebenarnya. *This is our declaration, which has been made truthfully.*

Jakarta, 14 Februari 2020 / February 14, 2020  
Atas nama dan mewakili Direksi / For and on behalf of Board of Directors

  
**Pahala Nugraha Mansury**  
Direktur Utama/President Director

**Nixon L.P Napitupulu**  
Direktur/Director

The original financial statements included herein are in Indonesian language.

**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
LAPORAN KEUANGAN  
TANGGAL 31 DESEMBER 2019 DAN  
UNTUK TAHUN YANG BERAKHIR  
PADA TANGGAL TERSEBUT  
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2019 AND  
FOR THE YEAR THEN ENDED  
WITH INDEPENDENT AUDITORS' REPORT**

**Daftar Isi**

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Laporan Laba Rugi dan Penghasilan Komprehensif Lain .....	8 - 9	<i>Statement of Profit or Loss and Other Comprehensive Income</i>
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The original report included herein is in the Indonesian language.

## Laporan Auditor Independen

Laporan No. 00082/2.1032/AU.1/07/0240-1/1/II/2020

Pemegang Saham, Dewan Komisaris dan Direksi  
PT Bank Tabungan Negara (Persero) Tbk

Kami telah mengaudit laporan keuangan PT Bank Tabungan Negara (Persero) Tbk terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2019, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

## Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan ini sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

## Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan ini berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

## Independent Auditors' Report

Report No. 00082/2.1032/AU.1/07/0240-1/1/II/2020

The Shareholders, the Board of Commissioners and the Board of Directors  
PT Bank Tabungan Negara (Persero) Tbk

We have audited the accompanying financial statements of PT Bank Tabungan Negara (Persero) Tbk, which comprise the statement of financial position as of December 31, 2019, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

#### Laporan Auditor Independen (lanjutan)

Laporan No. 00082/2.1032/AU.1/07/0240-1/1/II/2020 (lanjutan)

#### Tanggung jawab auditor (lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

#### Opini

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Bank Tabungan Negara (Persero) Tbk tanggal 31 Desember 2019, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

#### Independent Auditors' Report (continued)

Report No. 00082/2.1032/AU.1/07/0240-1/1/II/2020 (continued)

#### Auditors' responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Bank Tabungan Negara (Persero) Tbk as of December 31, 2019, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Purwantono, Sungkoro & Surja



Muhammad Kurniawan, CPA

Registrasi Akuntan Publik No. AP.0240/Public Accountant Registration No. AP.0240

14 Februari 2020/February 14, 2020

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**LAPORAN POSISI KEUANGAN**  
**Tanggal 31 Desember 2019**  
**(Disajikan dalam jutaan Rupiah,**  
**kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**STATEMENT OF FINANCIAL POSITION**  
**As of December 31, 2019**  
**(Expressed in millions of Rupiah,**  
**unless otherwise stated)**

	31 Desember/ December 31, 2019	Catatan/ Notes	31 Desember/ December 31, 2018	
<b>ASET</b>				<b>ASSETS</b>
<b>KAS</b>	1.369.167	2a,2d,4	1.243.615	<b>CASH</b>
<b>GIRO PADA BANK INDONESIA</b>	15.512.329	2a,2c,2d,2f,5	15.417.862	<b>CURRENT ACCOUNTS WITH BANK INDONESIA</b>
<b>GIRO PADA BANK LAIN</b>		2a,2c,2d		<b>CURRENT ACCOUNTS WITH OTHER BANKS</b>
Pihak ketiga	391.877	2e,2f,6,44	718.377	<i>Third parties</i>
Pihak berelasi	357.624		870.392	<i>Related parties</i>
	749.501		1.588.769	
Cadangan kerugian penurunan nilai	(1.632)		(1.718)	<i>Allowance for impairment losses</i>
	747.869		1.587.051	
<b>PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN</b>		2a,2c,2d 2e,2g,7,44		<b>PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS</b>
Pihak ketiga	10.996.115		26.461.116	<i>Third parties</i>
Pihak berelasi	101.078		3.644	<i>Related parties</i>
	11.097.193		26.464.760	
<b>EFEK-EFEK</b>		2a,2c,2d, 2e,2h,8,44		<b>SECURITIES</b>
Pihak ketiga				<i>Third parties</i>
Nilai wajar melalui laba rugi	4.189.398		4.147.137	<i>Fair value through profit or loss</i>
Tersedia untuk dijual	1.422.811		637.512	<i>Available-for-sale</i>
Dimiliki hingga jatuh tempo	373.379		206.897	<i>Held-to-maturity</i>
	5.985.588		4.991.546	
Pihak berelasi				<i>Related parties</i>
Tersedia untuk dijual	1.206.536		874.112	<i>Available-for-sale</i>
Dimiliki hingga jatuh tempo	919.925		3.000	<i>Held-to-maturity</i>
	2.126.461		877.112	
	8.112.049		5.868.658	
Cadangan kerugian penurunan nilai	(27.378)		(20.173)	<i>Allowance for impairment losses</i>
	8.084.671		5.848.485	
<b>OBLIGASI PEMERINTAH</b>		2a,2c,2d, 2e,2h,9,44		<b>GOVERNMENT BONDS</b>
Nilai wajar melalui laba rugi	1.232.204		2.777.574	<i>Fair value through profit -or-loss</i>
Tersedia untuk dijual	6.147.729		3.904.235	<i>Available-for-sale</i>
Dimiliki hingga jatuh tempo	3.673.668		2.711.329	<i>Held-to-maturity</i>
	11.053.601		9.393.138	

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**LAPORAN POSISI KEUANGAN (lanjutan)**  
 Tanggal 31 Desember 2019  
 (Disajikan dalam jutaan Rupiah,  
 kecuali dinyatakan lain)

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**STATEMENT OF FINANCIAL POSITION (continued)**  
 As of December 31, 2019  
 (Expressed in millions of Rupiah,  
 unless otherwise stated)

	31 Desember/ December 31, 2019	Catatan/ Notes	31 Desember/ December 31, 2018	
<b>ASET (lanjutan)</b>				<b>ASSETS (continued)</b>
<b>EFEK-EFEK YANG DIBELI DENGAN JANJI DIJUAL KEMBALI</b>		2c,2d, 2e 2s,10,44		<b>SECURITIES PURCHASED UNDER AGREEMENT TO RESELL</b>
Pihak ketiga	1.675.221		-	Third parties
Pihak berelasi	200.000		-	Related parties
	<u>1.875.221</u>		<u>-</u>	
<b>KREDIT YANG DIBERIKAN DAN PEMBIAYAAN/ PIUTANG SYARIAH</b>		2c,2d,2e,2i, 2j,11,44		<b>LOANS AND SHARIA FINANCING/RECEIVABLES</b>
Kredit yang diberikan				Loans
Pihak ketiga	214.807.263		204.651.014	Third parties
Pihak berelasi	17.405.276		11.605.291	Related parties
	<u>232.212.539</u>		<u>216.256.305</u>	
Cadangan kerugian penurunan nilai	(5.425.908)		(2.777.845)	Allowance for impairment losses
	<u>226.786.631</u>		<u>213.478.460</u>	
Pembiayaan/piutang syariah				Sharia financing/receivables
Pihak ketiga	23.609.204		22.037.831	Third parties
Pihak berelasi	3.416		3.596	Related parties
	<u>23.612.620</u>		<u>22.041.427</u>	
Cadangan kerugian penurunan nilai	(690.258)		(520.287)	Allowance for impairment losses
	<u>22.922.362</u>		<u>21.521.140</u>	
	<u>249.708.993</u>		<u>234.999.600</u>	
<b>TAGIHAN SPOT SUKU BUNGA</b>		2d,2e 2ak		<b>INTEREST RATE SPOT RECEIVABLE</b>
Pihak ketiga	-		167	Third parties
<b>TAGIHAN AKSEPTASI</b>		2d,2e 2k,12		<b>ACCEPTANCES RECEIVABLE</b>
Pihak berelasi	487.052		528.148	Related parties
<b>PENYERTAAN SAHAM</b>		2c,2d,2e 2l,13,44		<b>INVESTMENT IN SHARES</b>
Pihak ketiga	270		270	Third parties
Cadangan kerugian penurunan nilai	(270)		(270)	Allowance for impairment losses
	<u>-</u>		<u>-</u>	
<b>ASET TETAP</b>		2m,2n,14,35		<b>PREMISES AND EQUIPMENT</b>
Biaya perolehan/Nilai revaluasi	8.108.086		7.411.526	Cost/Revaluation value
Akumulasi penyusutan	(2.707.428)		(2.393.832)	Accumulated depreciation
	<u>5.400.658</u>		<u>5.017.694</u>	

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

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**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
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**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
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 (Expressed in millions of Rupiah,  
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	<u>31 Desember/ December 31, 2019</u>	<u>Catatan/ Notes</u>	<u>31 Desember/ December 31, 2018</u>	
ASET (lanjutan)				<i>ASSETS (continued)</i>
BUNGA YANG MASIH AKAN DITERIMA	3.210.772	2d,15	2.959.502	<i>INTEREST RECEIVABLE</i>
ASET PAJAK TANGGUHAN - Neto	629.105	2ae,39	260.251	<i>DEFERRED TAX ASSETS - Net</i>
ASET LAIN-LAIN	2.600.197	2d,2n, 2o,2aj,16	2.715.921	<i>OTHER ASSETS</i>
<b>TOTAL ASET</b>	<b><u>311.776.828</u></b>		<b><u>306.436.194</u></b>	<b><i>TOTAL ASSETS</i></b>

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

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**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
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	31 Desember/ December 31, 2019	Catatan/ Notes	31 Desember/ December 31, 2018	
<b>LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS</b>				<b>LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY</b>
<b>LIABILITAS</b>				<b>LIABILITIES</b>
<b>LIABILITAS SEGERA</b>	1.999.183	2d,2p,17	2.301.930	<b>LIABILITIES DUE IMMEDIATELY</b>
<b>SIMPANAN DARI NASABAH</b>		2c,2d,2q,44		<b>DEPOSITS FROM CUSTOMERS</b>
Giro		18		<i>Demand deposits</i>
Pihak ketiga	9.583.560		17.774.334	<i>Third parties</i>
Pihak berelasi	38.524.556		35.898.854	<i>Related parties</i>
	<u>48.108.116</u>		<u>53.673.188</u>	
Giro <i>Wadiah</i>		18		<i>Wadiah demand deposits</i>
Pihak ketiga	917.455		1.314.451	<i>Third parties</i>
Pihak berelasi	1.675.555		1.467.403	<i>Related parties</i>
	<u>2.593.010</u>		<u>2.781.854</u>	
	<u>50.701.126</u>		<u>56.455.042</u>	
Tabungan		19		<i>Savings deposits</i>
Pihak ketiga	41.212.905		37.991.758	<i>Third parties</i>
Pihak berelasi	272.004		359.081	<i>Related parties</i>
	<u>41.484.909</u>		<u>38.350.839</u>	
Tabungan <i>Wadiah</i>		19		<i>Wadiah savings deposits</i>
Pihak ketiga	789.042		765.695	<i>Third parties</i>
Pihak berelasi	847		629	<i>Related parties</i>
	<u>789.889</u>		<u>766.324</u>	
	<u>42.274.798</u>		<u>39.117.163</u>	
Deposito berjangka		20		<i>Time deposits</i>
Pihak ketiga	61.281.176		69.989.506	<i>Third parties</i>
Pihak berelasi	52.648.592		45.472.777	<i>Related parties</i>
	<u>113.929.768</u>		<u>115.462.283</u>	
Total simpanan dari nasabah	<u>206.905.692</u>		<u>211.034.488</u>	<i>Total deposits from customers</i>

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

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**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
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**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**STATEMENT OF FINANCIAL POSITION (continued)**  
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	31 Desember/ December 31, 2019	Catatan/ Notes	31 Desember/ December 31, 2018	
<b>LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS (lanjutan)</b>				<b>LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)</b>
<b>SIMPANAN DARI BANK LAIN</b>				<b>DEPOSITS FROM OTHER BANKS</b>
Pihak ketiga	4.509.238	2d,2r, 21	2.992.579	Third parties
<b>EFEK-EFEK YANG DIJUAL DENGAN JANJI DIBELI KEMBALI</b>				<b>SECURITIES SOLD UNDER REPURCHASE AGREEMENTS</b>
Pihak ketiga	935.000	2d,2s, 22	935.000	Third parties
<b>LIABILITAS AKSEPTASI</b>				<b>ACCEPTANCES PAYABLE</b>
Pihak berelasi	487.052	2d,2k 23,44	528.148	Related parties
<b>LIABILITAS SPOT SUKU BUNGA</b>				<b>INTEREST RATE SPOT PAYABLE</b>
Pihak ketiga	-	2c,2d,2ak	152	Third parties
<b>SURAT-SURAT BERTARAF YANG DITERBITKAN</b>				<b>SECURITIES ISSUED</b>
Pihak ketiga	14.405.980	1c,2c,2d, 2t,24,44	13.719.734	Third parties
Pihak berelasi	5.377.572		6.925.026	Related parties
	<u>19.783.552</u>		<u>20.644.760</u>	
<b>PINJAMAN YANG DITERIMA</b>				<b>FUND BORROWINGS</b>
Pihak ketiga	8.681.368	2c,2d,2u, 25,44	7.430.342	Third parties
Pihak berelasi	13.784.289		8.069.151	Related parties
	<u>22.465.657</u>		<u>15.499.493</u>	
<b>BUNGA YANG MASIH HARUS DIBAYAR</b>	630.002	2d,27	630.134	<b>INTEREST PAYABLE</b>
<b>LIABILITAS IMBALAN KERJA DAN LAIN-LAIN</b>	5.736.637	2d,2ac 29,41	6.217.814	<b>EMPLOYEE BENEFITS AND OTHER LIABILITIES</b>
<b>PINJAMAN SUBORDINASI</b>				<b>SUBORDINATED LOAN</b>
Pihak berelasi	5.999.669	2c,2d,2v 26,44	2.999.519	Related parties
<b>TOTAL LIABILITAS</b>	<u>269.451.682</u>		<u>263.784.017</u>	<b>TOTAL LIABILITIES</b>

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**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**LAPORAN POSISI KEUANGAN (lanjutan)**  
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**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**STATEMENT OF FINANCIAL POSITION (continued)**  
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 (Expressed in millions of Rupiah,  
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	31 Desember/ December 31, 2019	Catatan/ Notes	31 Desember/ December 31, 2018	
<b>LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS (lanjutan)</b>				<b>LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)</b>
<b>DANA SYIRKAH TEMPORER</b>				<b>TEMPORARY SYIRKAH FUNDS</b>
<b>SIMPANAN NASABAH</b>		2c,2d,2y,44		<b>DEPOSITS FROM CUSTOMERS</b>
Giro <i>Mudharabah</i>		18		<i>Mudharabah current accounts</i>
Pihak ketiga	826.682		1.059.570	<i>Third parties</i>
Pihak berelasi	588.030		534.702	<i>Related parties</i>
	<u>1.414.712</u>		<u>1.594.272</u>	
Tabungan <i>Mudharabah</i>		19		<i>Mudharabah savings deposits</i>
Pihak ketiga	3.226.349		2.675.780	<i>Third parties</i>
Pihak berelasi	136.577		84.289	<i>Related parties</i>
	<u>3.362.926</u>		<u>2.760.069</u>	
Deposito berjangka <i>Mudharabah</i>		20		<i>Mudharabah time deposits</i>
Pihak ketiga	11.661.400		8.814.203	<i>Third parties</i>
Pihak berelasi	2.038.501		5.625.953	<i>Related parties</i>
	<u>13.699.901</u>		<u>14.440.156</u>	
Total simpanan nasabah	<u>18.477.539</u>		<u>18.794.497</u>	<i>Total deposits from customers</i>
<b>SIMPANAN DARI BANK LAIN</b>		2c,2d,2y		<b>DEPOSITS FROM OTHER BANKS</b>
Giro <i>Mudharabah</i>		21		<i>Mudharabah current accounts</i>
Pihak ketiga	243		315	<i>Third parties</i>
Tabungan <i>Mudharabah</i>		21		<i>Mudharabah savings deposits</i>
Pihak ketiga	3.299		8.857	<i>Third parties</i>
Deposito berjangka <i>Mudharabah</i>		21		<i>Mudharabah time deposits</i>
Pihak ketiga	7.870		8.060	<i>Third parties</i>
Total simpanan dari bank lain	<u>11.412</u>		<u>17.232</u>	<i>Total deposit from other banks</i>
<b>TOTAL DANA SYIRKAH TEMPORER</b>	<u><b>18.488.951</b></u>		<u><b>18.811.729</b></u>	<b>TOTAL TEMPORARY SYIRKAH FUNDS</b>

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

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**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**LAPORAN POSISI KEUANGAN (lanjutan)**  
**Tanggal 31 Desember 2019**  
**(Disajikan dalam jutaan Rupiah,**  
**kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**STATEMENT OF FINANCIAL POSITION (continued)**  
**As of December 31, 2019**  
**(Expressed in millions of Rupiah,**  
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	31 Desember/ December 31, 2019	Catatan/ Notes	31 Desember/ December 31, 2018	
<b>LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS (lanjutan)</b>				<b>LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)</b>
<b>EKUITAS</b>				<b>EQUITY</b>
Modal saham - nominal Rp500 (Rupiah penuh) per saham masing-masing pada tanggal 31 Desember 2019 dan 2018				Capital stock - Rp500 par value per share (full amount) as of December 31, 2019 and 2018, respectively
Modal dasar 20.478.432.000 saham (nilai penuh) (terdiri dari 1 lembar saham seri A Dwiwarna dan 20.478.431.999 lembar saham seri B) masing-masing pada tanggal 31 Desember 2019 dan 2018				Authorized capital 20,478,432,000 shares (full amount) (consisting of 1 share of Series A Dwiwarna and 20,478,431,999 shares of series B) as of December 31, 2019 and 2018, respectively
Modal ditempatkan dan disetor penuh 10.590.000.000 saham (nilai penuh) (terdiri dari 1 lembar saham seri A Dwiwarna dan 10.589.999.999 lembar Saham seri B) masing-masing pada tanggal 31 Desember 2019 dan 2018	5.295.000	2w,30a	5.295.000	Issued and fully paid capital 10,590,000,000 shares (full amount) (consisting of 1 share of series A Dwiwarna and 10,589,999,999 shares of series B as of December 31, 2019 and 2018, respectively
Tambahan modal disetor	2.054.454		2.054.454	Additional paid-in capital
Keuntungan (Kerugian) neto yang belum direalisasi atas efek-efek dan obligasi Pemerintah yang tersedia untuk dijual, setelah pajak tangguhan	11.460	2h,8,9	(107.430)	Net unrealized gain (loss) on available-for-sale securities and Government bonds, net of deferred tax
Pengukuran kembali Program Imbalan Pasti - setelah pajak tangguhan	(194.707)	2ac	(82.886)	Remeasurement of defined benefit plan - net of deferred tax
Surplus Revaluasi Aset Tetap	3.307.991	2m,14	2.966.991	Revaluation Surplus of Fixed Assets
Saldo laba <sup>*)</sup>				Retained Earnings <sup>*)</sup>
Telah ditentukan penggunaannya	12.995.995		10.749.657	Appropriated
Belum ditentukan penggunaannya	366.002	2b,2x	2.964.662	Unappropriated
<b>TOTAL EKUITAS</b>	<b>23.836.195</b>		<b>23.840.448</b>	<b>TOTAL EQUITY</b>
<b>TOTAL LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS</b>	<b>311.776.828</b>		<b>306.436.194</b>	<b>TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY</b>

<sup>\*)</sup> Saldo defisit sebesar Rp14.226.290 telah dieliminasi akibat kuasi-reorganisasi pada tanggal 31 Mei 2007.

<sup>\*)</sup> Accumulated losses amounted to Rp14,226,290 was eliminated as a result of quasi-reorganization on May 31, 2007.

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

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**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**LAPORAN LABA RUGI DAN**  
**PENGHASILAN KOMPREHENSIF LAIN**  
**Untuk Tahun yang Berakhir Pada Tanggal**  
**31 Desember 2019**  
**(Disajikan dalam jutaan Rupiah,**  
**kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**  
**For the Year Ended**  
**December 31, 2019**  
**(Expressed in millions of Rupiah,**  
**unless otherwise stated)**

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2019	Catatan/ Notes	2018	
<b>PENDAPATAN DAN BEBAN OPERASIONAL</b>				<b>INCOME AND EXPENSES FROM OPERATIONS</b>
Pendapatan Bunga dan Bagi Hasil Bunga	23.271.432	2z,2aa 31a	20.781.512	Interest Income and Income from Profit Sharing
Bagi hasil dan marjin unit syariah	2.448.442	2ab,31b	2.070.246	Interest Profit Sharing and Margin from Sharia Unit
Total Pendapatan Bunga dan Bagi Hasil	25.719.874		22.851.758	Total Interest Income and Income from Profit Sharing
Beban Bunga, Bagi Hasil dan Bonus				Interest, Profit Sharing and Bonus Expenses
Bunga	(15.167.294)	2z,32a	(11.627.554)	Interest
Beban pendanaan lainnya	(157.708)		(128.826)	Other financing expenses
Bonus Simpanan <i>Wadiah</i>	(15.641)	2ab,32b	(12.436)	Wadiah Bonus
Hak Pihak Ketiga atas Bagi hasil <i>Mudharabah</i>	(1.417.430)	2ab,32b	(993.765)	Third Parties' Share on Return of Mudharabah
Total Beban Bunga, Bagi Hasil dan Bonus	(16.758.073)		(12.762.581)	Total Interest, Profit Sharing and Bonus Expenses
Pendapatan Bunga dan Bagi Hasil - Neto	8.961.801		10.089.177	Interest Income and Income from Profit Sharing - Net
Pendapatan Operasional Lainnya				Other Operating Income
Pungutan administrasi dan denda atas simpanan dan kredit yang diberikan	832.556		819.837	Administration fees and penalties on deposits and loans
Pendapatan dari penerimaan kredit yang dihapusbukukan	113.399		130.900	Income from recovery of loans written-off
Keuntungan dari penjualan efek-efek - neto	478.339	2h,8	437.553	Gain on sale of securities - net
Keuntungan dari penjualan obligasi pemerintah - neto	144.553	2h,9	8.586	Gain on sale of government bonds - net
Keuntungan yang belum direalisasi dari perubahan nilai wajar efek-efek - neto	20.894	2h,8	30.316	Unrealized gain on changes in fair value of securities - net
Keuntungan yang belum direalisasi dari perubahan nilai wajar obligasi pemerintah - neto	1.745	2h,9	11.999	Unrealized gain on changes in fair value of Government Bonds - net
Lain-lain	518.366	33	632.403	Others
Total Pendapatan Operasional Lainnya	2.109.852		2.071.594	Total Other Operating Income
Penyisihan kerugian penurunan nilai aset keuangan dan non-aset keuangan	(3.486.665)	2e,2n,34	(1.714.427)	Provision for Impairment Losses on Financial and Non-financial Assets

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**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
LAPORAN LABA RUGI DAN  
PENGHASILAN KOMPREHENSIF LAIN (lanjutan)  
Untuk Tahun yang Berakhir Pada Tanggal  
31 Desember 2019  
(Disajikan dalam jutaan Rupiah,  
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**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (continued)  
For the Year Ended  
December 31, 2019  
(Expressed in millions of Rupiah,  
unless otherwise stated)**

Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2019	Catatan/ Notes	2018
<b>PENDAPATAN DAN BEBAN OPERASIONAL (lanjutan)</b>			
Beban Operasional Lainnya			
Umum dan administrasi	(3.425.022)	35	(3.225.353)
Gaji dan tunjangan karyawan	(2.863.955)	2ac,36,44	(2.876.562)
Premi program penjaminan Pemerintah	(467.791)	43	(401.532)
Lain-lain	(306.447)	37	(349.097)
Total Beban Operasional Lainnya	(7.063.215)		(6.852.544)
<b>LABA OPERASIONAL</b>	<b>521.773</b>		<b>3.593.800</b>
<b>PENDAPATAN (BEBAN) BUKAN OPERASIONAL - NETO</b>	<b>(110.711)</b>	38	<b>16.475</b>
<b>LABA SEBELUM BEBAN PAJAK</b>	<b>411.062</b>		<b>3.610.275</b>
<b>BEBAN PAJAK</b>	<b>(201.799)</b>	2ae,39	<b>(802.352)</b>
<b>LABA TAHUN BERJALAN</b>	<b>209.263</b>		<b>2.807.923</b>
<b>Pendapatan Komprehensif Lain:</b>			
<b>Akun-akun yang tidak akan direklasifikasi ke laba rugi</b>			
Revaluasi Aset Tetap	341.000	2m,14	-
Pengukuran kembali program imbalan pasti	(132.869)	2ac,41	80.363
Pajak penghasilan terkait akun-akun yang tidak akan direklasifikasi ke laba rugi	21.048		(20.091)
<b>Akun-akun yang akan direklasifikasi ke laba rugi</b>			
Keuntungan (kerugian) neto yang belum direalisasi atas perubahan nilai efek-efek dan obligasi pemerintah yang tersedia untuk dijual	148.613	2h,8,9	(114.250)
Pajak penghasilan terkait akun-akun yang akan direklasifikasi ke laba rugi	(29.723)		28.562
<b>Total laba komprehensif tahun berjalan</b>	<b>557.332</b>		<b>2.782.507</b>
<b>LABA PER SAHAM</b>			
Dasar (nilai penuh)	20	2ag,49	265

**INCOME AND EXPENSES FROM OPERATIONS (continued)**

Other Operating Expenses  
General and administrative  
Salaries and employee benefits  
Premium on Government's guarantee program  
Others

Total Other Operating Expenses

**INCOME FROM OPERATIONS**

**NON-OPERATING INCOME (EXPENSES) - NET**

**INCOME BEFORE TAX EXPENSE**

**TAX EXPENSE**

**INCOME FOR THE YEAR**

**Other Comprehensive Income:**

**Items that will not be reclassified to profit or loss**

Revaluation of fixed assets  
Remeasurement of defined benefit plan  
Income tax related to items that will not be reclassified to profit or loss

**Items that may be reclassified to profit or loss**

Unrealized net gain (loss) on changes in value of available-for-sale securities and government bonds -  
Income tax related to items that may be reclassified to profit or loss

**Total Comprehensive Income for the year**

**EARNINGS PER SHARE**

Basic (full amount)

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

The original financial statements included herein are in the Indonesian language.

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**LAPORAN PERUBAHAN EKUITAS**  
**Untuk Tahun yang Berakhir Pada Tanggal 31 Desember 2019**  
**(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended December 31, 2019**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Modal Ditempatkan dan Dibeor Penuh Issued and Fully Paid Capital Stock	Tambahan modal ditelor/ Additional paid-in capital	Keuntungan (Kerugian) yang Belum Direalisasi Asas Efek-efek dan Obligasi Pemerintah yang Tersedia Untuk Dijual - Net/ Unrealized Gain (Loss) on Available-for-sale Securities and Government Bonds - Net	Pengukuran Kembali Program Imbalan Pasti - Net/ Remeasurement of Defined Benefit Plan - Net	Surplus Revaluasi Aset Tetap/ Revaluation Surplus of Fixed Assets	Saldo Laba/Retained Earnings <sup>1)</sup>	Ekuitas/ Equity		
						Telah Ditetapkan Penggunaannya/ Appropriated	Belum Ditetapkan Penggunaannya/ Unappropriated		
<b>Saldo per 31 Desember 2017</b>	<b>5.295.000</b>	<b>2.054.454</b>	<b>(21.742)</b>	<b>(143.158)</b>	<b>2.966.991</b>	<b>8.327.684</b>	<b>3.184.205</b>	<b>21.663.434</b>	<b>Balance as of December 31, 2017</b>
Total laba komprehensif tahun berjalan	21,8 9,41	-	(85,688)	60,272	-	-	2.807,923	2.782,507	Total comprehensive income for the year
Pembagian laba Dividen	-	-	-	-	-	-	(605,493)	(605,493)	Distribution of income Dividends
Pembentukan cadangan umum dan cadangan tujuan	-	-	-	-	-	2.421,973	(2.421,973)	-	Appropriation for general and special reserves
<b>Saldo per 31 Desember 2018</b>	<b>5.295.000</b>	<b>2.054.454</b>	<b>(107.430)</b>	<b>(82.886)</b>	<b>2.966.991</b>	<b>10.749.657</b>	<b>2.964.662</b>	<b>23.840.448</b>	<b>Balance as of December 31, 2018</b>

<sup>1)</sup> Saldo defisit sebesar Rp14.226.290 telah dieliminasi akibat kuasi-reorganisasi pada tanggal 31 Mei 2007.

<sup>1)</sup> Accumulated losses amounted to Rp14,226,290 had been eliminated as a result of quasi-reorganization as of May 31, 2007.

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

The original financial statements included herein are in the Indonesian language

**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
LAPORAN PERUBAHAN EKUITAS (lanjutan)  
Untuk Tahun yang Berakhir Pada Tanggal 31 Desember 2019  
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
STATEMENT OF CHANGES IN EQUITY (continued)  
For the Year Ended December 31, 2019  
(Expressed in millions of Rupiah, unless otherwise stated)**

Catatan/ Notes	Modal Ditempatkan dan Disetor Penuh/ Fully Paid Capital Stock	Tambah modal disetor/ Additional paid-in capital	Keuntungan (kerugian) yang Belum Direalisasi Atas Efek-efek Pemerintah yang Tersedia Untuk Dijual - Neto/ Unrealized Gain (Loss) on Available-for-sale Securities and Government Bonds - Net	Pengukuran Kembali Program Imbalan Pasti - Neto/ Remeasurement of Defined Benefit Plan - Net	Surplus Revaluasi Aset Tetap/ Revaluation Surplus of Fixed Assets	Saldo Laba/Retained Earnings *)		Ekuitas/ Equity	Balance as of December 31, 2018
						Telah Ditetapkan Penggunaannya/ Appropriated	Belum Ditetapkan Penggunaannya/ Unappropriated		
Saldo per 31 Desember 2018	5.295.000	2.054.454	(107.430)	(82.886)	2.966.991	10.749.657	2.964.662	23.840.448	
Total laba komprehensif tahun berjalan	-	-	118.890	(111.821)	341.000	-	209.263	557.332	Total comprehensive income for the year
Pembagian laba Dividen	-	-	-	-	-	-	(561.585)	(561.585)	Distribution of income Dividends
Pembentukan cadangan umum dan cadangan tujuan	-	-	-	-	-	2.246.338	(2.246.338)	-	Appropriation for general and special reserves
<b>Saldo per 31 Desember 2019</b>	<b>5.295.000</b>	<b>2.054.454</b>	<b>11.460</b>	<b>(194.707)</b>	<b>3.307.991</b>	<b>12.995.995</b>	<b>366.002</b>	<b>23.836.195</b>	<b>Balance as of December 31, 2019</b>

\*) Saldo defisit sebesar Rp14.226.290 telah dieliminasi akibat kuasi-reorganisasi pada tanggal 31 Mei 2007.

\*) Accumulated losses amounted to Rp14,226,290 had been eliminated as a result of quasi-reorganization as of May 31, 2007.

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**LAPORAN ARUS KAS**  
**Untuk Tahun yang Berakhir Pada Tanggal**  
**31 Desember 2019**  
**(Disajikan dalam jutaan Rupiah,**  
**kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended**  
**December 31, 2019**  
**(Expressed in millions of Rupiah,**  
**unless otherwise stated)**

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,		
	2019	Catatan/ Notes	
<b>ARUS KAS DARI AKTIVITAS OPERASI</b>			<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>
Penerimaan bunga, bagi hasil, dan marjin	25.453.902		Interest, profit sharing, and margin
Penerimaan kredit yang telah dihapusbukukan	153.997		Recoveries from loan debts written-off
Pembayaran bunga dan bonus, provisi dan komisi	(16.646.046)		Interest and bonus, fees and commissions paid
Pembayaran pajak penghasilan badan	(590.027)		Corporate income tax paid
Penerimaan dari surat ketetapan pajak	6.710		Recoveries from tax assessment letter
Beban operasional lainnya - neto	(4.845.107)		Other operating expenses - net
Pendapatan (beban) bukan operasional lainnya - neto	(110.711)		Other non-operating income (expense) - net
Penerimaan kas sebelum perubahan aset dan liabilitas operasi	3.422.718		Cash receipts before changes in operating assets and liabilities
Perubahan dalam aset dan liabilitas operasi:			Changes in operating assets and liabilities:
Penurunan (kenaikan) dalam aset operasi:			Decrease (increase) in operating assets:
Penempatan pada bank lain	(351.800)		Placement from other banks
Efek-efek yang diukur pada nilai wajar melalui laporan laba rugi	2.452.777		Fair value through profit or loss securities
Obligasi pemerintah untuk nilai wajar melalui laporan laba rugi	1.547.115		Fair value through profit or loss government bonds
Kredit yang diberikan dan pembiayaan/ piutang syariah	(18.229.537)		Loans and sharia financing/receivables
Aset lain-lain	300.335		Other assets
Kenaikan (penurunan) dalam Liabilitas operasi:			Increase (decrease) in operating liabilities:
Liabilitas segera	(301.002)		Current liabilities
Simpanan dari nasabah			Deposits from customer
Giro	(5.565.072)		Demand deposits
Giro <i>Wadiah</i>	(188.844)		Wadiah demand deposits
Tabungan	3.134.070		Savings deposits
Tabungan <i>Wadiah</i>	23.565		Savings deposits Wadiah
Deposito berjangka	(1.532.515)		Time deposits
Simpanan dari bank lain	1.516.659		Deposits from other banks
Liabilitas lain-lain	(734.052)		Other liabilities
Dana <i>syirkah</i> temporer	(322.778)		Temporary <i>syirkah</i> funds
<b>Kas Neto digunakan untuk Aktivitas Operasi</b>	<b>(14.828.361)</b>		<b>Net Cash used in Operating Activities</b>

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.



**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**LAPORAN ARUS KAS (lanjutan)**  
**Untuk Tahun yang Berakhir Pada Tanggal**  
**31 Desember 2019**  
**(Disajikan dalam jutaan Rupiah,**  
**kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**STATEMENT OF CASH FLOWS (continued)**  
**For the Year Ended**  
**December 31, 2019**  
**(Expressed in millions of Rupiah,**  
**unless otherwise stated)**

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2019	Catatan/ Notes	2018	
<b>ARUS KAS DARI AKTIVITAS INVESTASI</b>				<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>
Penerimaan saat jatuh tempo dari efek-efek yang dimiliki hingga jatuh tempo	-		36.889	Proceeds from matured held-to-maturity securities
Pembelian aset tetap (Kenaikan) Penurunan efek-efek tersedia untuk dijual	(366.561)	14	(526.743)	Acquisitions of premises and equipment (Increase) Decrease in available -for-sale securities
(Kenaikan) Penurunan obligasi pemerintah tersedia untuk dijual	(718.350)		1.089.818	(Increase) Decrease in available for-sale government bonds
Penerimaan dari obligasi pemerintah yang dimiliki hingga jatuh tempo	-		944.573	Proceeds from maturity of held-to-maturity of government bonds
Pembelian obligasi pemerintah yang dimiliki hingga jatuh tempo	(947.963)		(319.917)	Purchase of held-to-maturity government bonds
Pembelian efek-efek yang dimiliki hingga jatuh tempo	(1.083.081)		-	Purchased of held to maturity securities
Pembelian efek-efek yang dibeli Dengan janji dijual kembali	(1.875.221)		-	Purchased Securities purchased under agreement to resell
<b>Kas Neto diperoleh dari (digunakan untuk) Aktivitas Investasi</b>	<b>(7.077.106)</b>		<b>1.689.493</b>	<b>Net Cash provided by (used in) Investing Activities</b>
<b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>				<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>
Penerimaan dari surat-surat berharga yang diterbitkan	4.144.000		3.660.000	Proceeds from issuance of securities
Pembayaran atas jatuh tempo surat-surat berharga yang diterbitkan	(5.122.930)		(3.520.000)	Payment of matured securities issued
Pembayaran atas jatuh tempo efek-efek yang dijual dengan janji dibeli kembali	-		(450.000)	Payments of matured securities sold under repurchase agreements
Pembayaran dividen	(561.585)	30c	(605.493)	Payments of dividends
Penerimaan dari pinjaman yang diterima	11.001.654		7.550.287	Proceeds from fund borrowings
Pembayaran dari pinjaman yang diterima	(4.020.720)		(36.490)	Payment from fund borrowings
Penerimaan dari pinjaman subordinasi	2.999.950		-	Proceeds from subordinated loan
<b>Kas Neto diperoleh dari Aktivitas Pendanaan</b>	<b>8.440.369</b>		<b>6.598.304</b>	<b>Net Cash Provided by Financing Activities</b>
<b>KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS</b>	<b>(13.465.098)</b>		<b>5.877.367</b>	<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>
<b>KAS DAN SETARA KAS AWAL TAHUN</b>	<b>44.715.006</b>		<b>38.837.639</b>	<b>CASH EQUIVALENTS AT BEGINNING YEAR</b>
<b>KAS DAN SETARA KAS AKHIR TAHUN</b>	<b>31.249.908</b>		<b>44.715.006</b>	<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

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**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**LAPORAN ARUS KAS (lanjutan)**  
**Untuk Tahun yang Berakhir Pada Tanggal**  
**31 Desember 2019**  
**(Disajikan dalam jutaan Rupiah,**  
**kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK**  
**STATEMENT OF CASH FLOWS (continued)**  
**For the Year Ended**  
**December 31, 2019**  
**(Expressed in millions of Rupiah,**  
**unless otherwise stated)**

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2019	Catatan/ Notes	2018	
Rincian kas dan setara kas akhir tahun adalah sebagai berikut:				<i>The details of cash and cash equivalents at end of period are as follows:</i>
Kas	1.369.167	2a,4	1.243.615	<i>Cash</i>
Giro pada Bank Indonesia	15.512.329	2f,5	15.417.862	<i>Current accounts with Bank Indonesia</i>
Giro pada bank lain	749.501	2f,6	1.588.769	<i>Current accounts with other banks</i>
Penempatan pada Bank Indonesia dan bank lain - jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehan	10.745.393	2g,7	26.364.760	<i>Placements with Bank Indonesia and other banks - maturing within three months or less since the acquisition date</i>
Sertifikat Bank Indonesia - jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehan	2.873.518	2h,8	100.000	<i>Certificates of Bank Indonesia - maturing within three months or less since the acquisition date</i>
<b>Total</b>	<b>31.249.908</b>		<b>44.715.006</b>	<b>Total</b>

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

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**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
CATATAN ATAS LAPORAN KEUANGAN  
Tanggal 31 Desember 2019 dan untuk  
Tahun yang Berakhir pada Tanggal Tersebut  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
NOTES TO THE FINANCIAL STATEMENTS  
As of December 31, 2019  
and for the Year Then Ended  
(Expressed in millions of Rupiah,  
unless otherwise stated)**

**1. UMUM**

**a. Pendirian Bank**

PT Bank Tabungan Negara (Persero) Tbk ("Bank") didirikan sebagai bank milik negara, semula dengan nama "Bank Tabungan Pos" berdasarkan Undang-undang Darurat No. 9 Tahun 1950 tanggal 9 Februari 1950. Selanjutnya, berdasarkan Peraturan Pemerintah Pengganti Undang-undang No. 4 tahun 1963, nama Bank Tabungan Pos diubah menjadi "Bank Tabungan Negara". Pada tanggal 29 April 1989, Bank mulai beroperasi sebagai bank umum milik negara.

Berdasarkan Peraturan Pemerintah No. 24 Tahun 1992, status Bank diubah menjadi perseroan terbatas milik negara (Persero). Akta pendirian Bank sebagai Persero dibuat dihadapan Notaris Muhani Salim, S.H., No. 136 tanggal 31 Juli 1992 dan telah disahkan oleh Menteri Kehakiman dengan Surat Keputusan No. C2-6587.HT.01.01. TH.92 tanggal 12 Agustus 1992, serta diumumkan dalam Berita Negara No. 73 tanggal 11 September 1992 Tambahan No. 6A.

Berdasarkan surat keputusan Direksi Bank Indonesia No. 27/55/KEP/DIR tanggal 23 September 1994, Bank memperoleh status sebagai bank devisa.

Bank telah mendapatkan persetujuan dari Bank Indonesia untuk melakukan kegiatan umum perbankan berdasarkan prinsip syariah melalui surat No. 6/1350/DPbS tanggal 15 Desember 2004.

Bank mulai melakukan kegiatannya berdasarkan prinsip syariah pada tanggal 14 Februari 2005 dengan mulai beroperasinya cabang syariah pertama di Jakarta - Harmoni.

Pernyataan keputusan Rapat Umum Pemegang Saham Luar Biasa yang menyetujui perubahan seluruh Anggaran Dasar PT Bank Tabungan Negara (Persero) menjadi Perseroan Terbuka telah diaktakan dengan akta notaris No. 7 tanggal 12 Oktober 2009 dari notaris Fathiah Helmi, S.H., Perubahan anggaran dasar tersebut mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui surat No. AHU-49309.AH.01.02. tahun 2009.

**1. GENERAL**

**a. Bank's establishment**

*PT Bank Tabungan Negara (Persero) Tbk ("the Bank") was originally established as a state-owned bank under the name "Bank Tabungan Pos" based on Martial Law No. 9 of 1950 dated February 9, 1950. Subsequently, the name of the Bank was changed to "Bank Tabungan Negara" based on Government Regulation Amendment of Law No. 4 of 1963. The Bank started operating as a state-owned commercial bank on April 29, 1989.*

*Based on Government Regulation No. 24 of 1992, the status of the Bank was changed to a state-owned limited liability corporation (Persero). The Bank's deed of establishment as a limited liability corporation was documented under deed No. 136 dated July 31, 1992 of Notary Muhani Salim, S.H., and was approved by the Ministry of Justice in its Decision Letter No. C2-6587.HT.01.01. TH.92 dated August 12, 1992 and was published in Supplement No. 6A of State Gazette No. 73 dated September 11, 1992.*

*Based on the Decision Letter No. 27/55/KEP/DIR dated September 23, 1994 of the Directors of Bank Indonesia, the Bank obtained the status of a foreign exchange bank.*

*The Bank has obtained approval from Bank Indonesia to conduct commercial banking activities based on sharia principles through letter No. 6/1350/DPbS dated December 15, 2004.*

*The Bank started its activities based on sharia principles on February 14, 2005 with the operation of its first sharia branch in Jakarta - Harmoni.*

*The decision of the Extraordinary General Stockholders' Meeting to amend all of the Bank's Articles of Association to become a public company was notarized under notarial deed No. 7 dated October 12, 2009 of Fathiah Helmi, S.H., The amendment was approved by the Ministry of Laws and Human Rights in its letter No. AHU-49309.AH.01.02. of 2009.*

**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
CATATAN ATAS LAPORAN KEUANGAN  
Tanggal 31 Desember 2019 dan untuk  
Tahun yang Berakhir pada Tanggal Tersebut  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
NOTES TO THE FINANCIAL STATEMENTS  
As of December 31, 2019  
and for the Year Then Ended  
(Expressed in millions of Rupiah,  
unless otherwise stated)**

**1. UMUM (lanjutan)**

**a. Pendirian Bank (lanjutan)**

Anggaran Dasar Bank telah mengalami beberapa kali perubahan. Penyesuaian tersebut dinyatakan dalam Akta No. 66 tanggal 23 Maret 2018 yang dibuat dihadapan Ashoya Ratam, S.H., MKn., notaris di Jakarta, berdasarkan keputusan Rapat Umum Pemegang Saham Tahunan tanggal 23 Maret 2018 dan telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia, dengan Surat Keputusan No. AHU-AH.01.02-50609 tanggal 21 April 2018.

Berdasarkan pasal 3 Anggaran Dasar Bank, ruang lingkup kegiatan Bank adalah menjalankan kegiatan umum perbankan sesuai dengan undang-undang dan peraturan yang berlaku, termasuk melakukan kegiatan Bank berdasarkan prinsip syariah.

Bank berdomisili di Jakarta dan kantor pusat Bank berlokasi di Jalan Gajah Mada No. 1, Jakarta Pusat.

Pada tanggal 31 Desember 2019, Bank memiliki 103 kantor cabang (termasuk 25 kantor cabang syariah), 379 kantor cabang pembantu (termasuk 53 kantor cabang pembantu syariah), 366 kantor kas (termasuk 8 Kantor Kas Syariah), dan 3.014 SOPP (System on-line Payment Point/Kantor Pos on-line) (tidak diaudit).

Pada tanggal 31 Desember 2018, Bank memiliki 100 kantor cabang (termasuk 24 kantor cabang syariah), 352 kantor cabang pembantu (termasuk 48 kantor cabang pembantu syariah), 476 kantor kas (termasuk 8 Kantor Kas Syariah), dan 3.013 SOPP (System on-line Payment Point/Kantor Pos on-line) (tidak diaudit).

**1. GENERAL (continued)**

**a. Bank's establishment (continued)**

*The Articles of Association of the Bank has been amended several times. The amendment was covered by Notarial Deed No. 66 dated March 23, 2018 of Ashoya Ratam, S.H., MKn., a notary in Jakarta, as approved in the Annual General Shareholders' Meeting on March 23, 2018 and approved by the Ministry of Laws and Human Rights of the Republic of Indonesia, in its Decision Letter No. AHU-AH.01.02-50609 dated April 21, 2018.*

*According to Article 3 of the Bank's Articles of Association, the scope of the Bank's activities is to conduct commercial banking activities in accordance with the prevailing laws and regulations, including the Bank's activities based on sharia principles.*

*The Bank is domiciled in Jakarta and its head office is located at Jalan Gajah Mada No. 1, Central Jakarta.*

*As of December 31, 2019, the Bank has 103 branch offices (including 25 sharia branch offices), 379 sub-branch offices (including 53 sharia sub-branch offices), 366 cash offices (including 8 sharia cash offices), and 3,014 SOPPs (System on-line Payment Point/on-line Post office) (unaudited).*

*As of December 31, 2018, the Bank has 100 branch offices (including 24 sharia branch offices), 352 sub-branch offices (including 48 sharia sub-branch offices), 476 cash offices (including 8 sharia cash offices), and 3,013 SOPPs (System on-line Payment Point/on-line Post office) (unaudited).*

**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
CATATAN ATAS LAPORAN KEUANGAN  
Tanggal 31 Desember 2019 dan untuk  
Tahun yang Berakhir pada Tanggal Tersebut  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
NOTES TO THE FINANCIAL STATEMENTS  
As of December 31, 2019  
and for the Year Then Ended  
(Expressed in millions of Rupiah,  
unless otherwise stated)**

**1. UMUM (lanjutan)**

**b. Rekapitalisasi**

Pada tanggal 28 Mei 1999, Pemerintah mengeluarkan Peraturan Pemerintah No. 52 Tahun 1999 tentang penambahan penyertaan Pemerintah pada Bank dalam rangka Program Rekapitalisasi yang dijalankan oleh Pemerintah dengan nilai setinggi-tingginya sebesar Rp11.200.000. Pada tanggal 21 Agustus 2000, Pemerintah mengeluarkan Peraturan Pemerintah No. 68 Tahun 2000 tentang penambahan modal Pemerintah pada Bank dalam rangka Program Rekapitalisasi yang dijalankan oleh Pemerintah dengan nilai setinggi-tingginya sebesar Rp2.805.000, sehingga tambahan penyertaan Pemerintah keseluruhan menjadi sebesar Rp14.005.000. Penambahan modal tersebut dilakukan melalui penerbitan obligasi rekapitalisasi Pemerintah untuk Bank sebesar Rp9.803.500 dan Rp4.201.500 masing-masing pada tanggal 25 Juli 2000 dan 31 Oktober 2000.

Pada tanggal 28 Februari 2001, Direksi Bank dan Menteri Keuangan menandatangani Kontrak Manajemen yang berisikan antara lain bahwa jumlah kebutuhan rekapitalisasi akhir Bank adalah sebesar Rp13.843.540 dan kelebihan obligasi rekapitalisasi sebesar Rp161.460 harus dikembalikan kepada Pemerintah. Pada tanggal 5 November 2001, kelebihan obligasi rekapitalisasi tersebut dikembalikan kepada Pemerintah.

Sebagai tindak lanjut dari Kontrak Manajemen tersebut, Menteri Keuangan Republik Indonesia mengeluarkan Peraturan Menteri Keuangan No. 40/PMK.06/2008 tanggal 29 Februari 2008 tentang penetapan nilai akhir kebutuhan rekapitalisasi Bank sebesar Rp13.843.540 dan pelaksanaan hak-hak pemerintah yang timbul sebagai akibat penambahan penyertaan modal negara Republik Indonesia ke dalam modal Perusahaan Perseroan (Persero) PT Bank Tabungan Negara dalam rangka program rekapitalisasi bank umum dengan mengkonversi menjadi 13.843.540 lembar saham yang diterbitkan oleh Bank dengan nominal Rp1.000.000 (Rupiah penuh) per lembar. Peraturan ini berdaya laku surut sejak tanggal 31 Mei 2007.

**1. GENERAL (continued)**

**b. Recapitalization**

On May 28, 1999, the Government issued Government Regulation No. 52 of 1999 regarding the increase in the Government's capital participation in the Bank within the framework of the Government's Recapitalization Program for a maximum amount of Rp11,200,000. On August 21, 2000, the Government issued Government Regulation No. 68 of 2000 regarding the increase in the Government's capital participation in the Bank within the framework of the Government's Recapitalization Program for a maximum amount of Rp2,805,000 so that the additional Government capital participation would become Rp14,005,000. The increase in the Government participation was settled through the issuance to the Bank of the government's recapitalization bonds amounting to Rp9,803,500 and Rp4,201,500 on July 25, 2000 and October 31, 2000, respectively.

On February 28, 2001, the Bank's Directors and the Ministry of Finance entered into a Management Contract which includes, among others, the total final recapitalization requirement of the Bank of Rp13,843,540 and the excess recapitalization bonds of Rp161,460 which should be returned to the Government. On November 5, 2001, the Bank returned such excess recapitalization bonds to the government.

As a result of the Management Contract, the Ministry of Finance issued Regulation No. 40/PMK.06/2008 dated February 29, 2008 regarding the determination of the final amount of the Government's required capital contribution to the Bank amounting to Rp13,843,540 and implementation of the Government's rights as a result of the additional contributed capital by the Republic of Indonesia to the capital of PT Bank Tabungan Negara (Persero) Tbk, as a limited liability company, in relation to the commercial banks' recapitalization program through conversion of additional capital to 13,843,540 shares of stock, which were issued by the Bank with a par value (full Rupiah) of Rp1,000,000 per share. This regulation was applied retroactively since May 31, 2007.

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**1. UMUM (lanjutan)**

**c. Penawaran umum obligasi Bank**

Bank telah menerbitkan obligasi sebanyak 23 (dua puluh tiga) kali penerbitan dan 1 (satu) kali penerbitan instrumen obligasi subordinasi sejak tanggal 25 Juli 1989 sampai dengan tanggal 31 Desember 2019 dengan rincian sebagai berikut:

<b>Nama Obligasi/ Name of Bonds</b>	<b>Jumlah Nominal/ Nominal Amount</b>	<b>Jangka Waktu/ Term</b>	<b>Jatuh Tempo/ Maturity Date</b>	<b>Tingkat Bunga/ Interest</b>
Obligasi BTN I/ BTN Bonds I	50.000	5 tahun/years	25 Juli/ July 25, 1994*)	18,75% tetap/ fixed
Obligasi BTN II/ BTN Bonds II	50.000	5 tahun/years	1 Juni/ June 1, 1995*)	16,25% tetap/ fixed
Obligasi BTN III/ BTN Bonds III	50.000	5 tahun/years	11 November/ November 11, 1996*)	20,00% tetap/ fixed
Obligasi BTN IV/ BTN Bonds IV	100.000	5 tahun/years	23 Januari/ January 23, 1996*)	17,00% tetap/ fixed
Obligasi BTN V/ BTN Bonds V	150.000	5 tahun/years	31 Juli/ July 31, 1998*)	15,25% tetap untuk tahun pertama dan kedua, mengambang untuk tahun berikutnya hingga jatuh tempo/ 15.25% fixed for first and second years, floating for remaining years until maturity
Obligasi BTN VI/ BTN Bonds VI	350.000	5 tahun/years	21 Desember/ December 21, 2000*)	17,25% tetap untuk tahun pertama, mengambang untuk tahun berikutnya hingga jatuh tempo/ 17.25% fixed for first year, floating for remaining years until maturity
Obligasi BTN VII/ BTN Bonds VII	200.000	5 tahun/years	22 Juli/ July 22, 2001*)	17,125% tetap untuk tahun pertama, mengambang untuk tahun berikutnya hingga jatuh tempo/ 17.125% fixed for first year, floating for remaining years until maturity
Obligasi BTN VIII/ BTN Bonds VIII	400.000	5 tahun/years	18 Juli/ July 18, 2002*)	14,15% tetap/ fixed
Obligasi BTN IX/ BTN Bonds IX	750.000	5 tahun/years	2 Oktober/ October 2, 2008*)	12,50% tetap/ fixed
Obligasi BTN X/ BTN Bonds X	750.000	5 tahun/years	25 Mei/ May 25, 2009*)	12,20% tetap/ fixed
Obligasi BTN XI/ BTN Bonds XI	750.000	5 tahun/years	6 Juli/ July 6, 2010*)	12,00% tetap/ fixed
Obligasi BTN XII/ BTN Bonds XII	1.000.000	10 tahun/years	19 September/ September 19, 2016*)	12,75% tetap/ fixed
Obligasi BTN XIII A/ BTN Bonds XIII A	300.000	3 tahun/years	29 Mei/ May 29, 2012*)	11,75% tetap/ fixed
Obligasi BTN XIII B/ BTN Bonds XIII B	300.000	4 tahun/years	29 Mei/ May 29, 2013*)	12,00% tetap/ fixed
Obligasi BTN XIII C/ BTN Bonds XIII C	900.000	5 tahun/years	29 Mei/ May 29, 2014*)	12,25% tetap/ fixed
Obligasi BTN XIV/ BTN Bonds XIV	1.650.000	10 tahun/years	11 Juni/ June 11, 2020	10,25% tetap/ fixed

\*) Bank telah melakukan pelunasan obligasi yang diterbitkan pada tanggal jatuh temponya.

\*) The Bank has made the repayment of bonds issued on maturity date.

**1. GENERAL (continued)**

**c. Public offering of Bank's bonds**

The Bank issued 23 (twenty-three) series of bonds and 1 (one) series of subordinated bond instruments from July 25, 1989 to December 31, 2019, with the details as follows:

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**1. UMUM (lanjutan)**

**c. Penawaran umum obligasi Bank (lanjutan)**

Bank telah menerbitkan obligasi sebanyak 23 (dua puluh tiga) kali penerbitan dan 1 (satu) kali penerbitan instrumen obligasi subordinasi sejak tanggal 25 Juli 1989 sampai dengan tanggal 31 Desember 2019 dengan rincian sebagai berikut (lanjutan):

<b>Nama Obligasi/ Name of Bonds</b>	<b>Jumlah Nominal/ Nominal Amount</b>	<b>Jangka Waktu/ Term</b>	<b>Jatuh Tempo/ Maturity Date</b>	<b>Tingkat Bunga/ Interest</b>
Obligasi BTN XV/ BTN Bonds XV	1.300.000	10 tahun/years	28 Juni/ June 28, 2021	9,50% tetap/ fixed
Obligasi Berkelanjutan I Tahap I BTN/ Continuing Bonds I Phase I BTN	2.000.000	10 tahun/years	5 Juni/ June 5, 2022	7,90% tetap/ fixed
Obligasi Berkelanjutan I Tahap II BTN/ Continuing Bonds I Phase II BTN	2.000.000	10 tahun/years	27 Maret/ March 27, 2023	7,90% tetap/ fixed
Obligasi Berkelanjutan II Tahap I BTN/ Continuing Bonds II Phase I BTN				
Seri A/A Series	900.000	3 tahun/years	8 Juli/ July 8, 2018*)	9,63% tetap/ fixed
Seri B/B Series	500.000	5 tahun/years	8 Juli/ July 8, 2020	9,88% tetap/ fixed
Seri C/C Series	800.000	7 tahun/years	8 Juli/ July 8, 2022	10,00% tetap/ fixed
Seri D/D Series	800.000	10 tahun/years	8 Juli/ July 8, 2025	10,50% tetap/ fixed
Obligasi Berkelanjutan II Tahap II BTN/ Continuing Bonds II Phase II BTN				
Seri A/A Series	1.347.000	3 tahun/years	30 Agustus/ August 30, 2019*)	8,20% tetap/ fixed
Seri B/B Series	1.653.000	5 tahun/years	30 Agustus/ August 30, 2021	8,75% tetap/ fixed
Obligasi Berkelanjutan III Tahap I BTN/ Continuing Bonds III Phase I BTN				
Seri A/A Series	1.466.000	3 tahun/years	13 Juli/ July 13, 2020	8,30% tetap/ fixed
Seri B/B Series	1.295.000	5 tahun/years	13 Juli/ July 13, 2022	8,50% tetap/ fixed
Seri C/C Series	853.000	7 tahun/years	13 Juli/ July 13, 2024	8,70% tetap/ fixed
Seri D/D Series	1.386.000	10 tahun/years	13 Juli/ July 13, 2027	8,90% tetap/ fixed
Obligasi Berkelanjutan III Tahap II BTN/ Continuing Bonds III Phase II BTN				
Seri A/A Series	1.756.500	1 tahun/year	8 Juli/ July 8, 2020	7,75% tetap/ fixed
Seri B/B Series	1.168.000	3 tahun/years	28 Juni/ June 28, 2022	8,75% tetap/ fixed
Seri C/C Series	1.219.500	5 tahun/years	28 Juni/ June 28, 2024	9,00% tetap/ fixed

\*) Bank telah melakukan pelunasan obligasi yang diterbitkan pada tanggal jatuh temponya.

\*) The Bank has made the repayment of bonds issued on maturity date.

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**1. UMUM (lanjutan)**

**c. Penawaran umum obligasi Bank (lanjutan)**

Bank telah menerbitkan obligasi sebanyak 23 (dua puluh tiga) kali penerbitan dan 1 (satu) kali penerbitan instrumen obligasi subordinasi sejak tanggal 25 Juli 1989 sampai dengan tanggal 31 Desember 2019 dengan rincian sebagai berikut (lanjutan):

<b>Nama Obligasi/ Name of Bonds</b>	<b>Jumlah Nominal/ Nominal Amount</b>	<b>Jangka Waktu/ Term</b>	<b>Jatuh Tempo/ Maturity Date</b>	<b>Tingkat Bunga/ Interest</b>
Obligasi Subordinasi BTN I/ Subordinated Bonds BTN I	250.000	10 tahun/years	25 Mei/ May 25, 2014**)	12,60% tetap untuk tahun pertama sampai tahun kelima, 22,60% tetap untuk tahun keenam sampai tahun kesepuluh jika Bank tidak melakukan opsi beli pada tahun kelima sejak tanggal penerbitan/ 12.60% fixed for first year until fifth year, 22.60% fixed for sixth year until tenth year if the Bank does not exercise its option to buyback on the fifth year since the issuance date

\*) Bank telah melakukan pelunasan obligasi yang diterbitkan pada tanggal jatuh tempornya.

\*\*) Bank telah melakukan opsi beli kembali pada 25 Mei 2009

**d. Penawaran Umum Saham Perdana (IPO)**

Bank telah memperoleh izin untuk melakukan Penawaran Umum sesuai dengan persetujuan Dewan Perwakilan Rakyat Republik Indonesia yang tertuang dalam Surat Ketua Dewan Perwakilan Rakyat Republik Indonesia No.PW.01/3104/DPRRI/V/2009 tanggal 29 Mei 2009, serta penetapan dari Pemerintah sebagaimana tertuang dalam Peraturan Pemerintah Republik Indonesia No. 66 tahun 2009 dan diundangkan dalam Lembaran Negara No.167 tanggal 16 November 2009 tentang Perubahan Struktur Kepemilikan Saham Negara Melalui Penerbitan dan Penjualan Saham Baru Pada PT Bank Tabungan Negara (Persero).

**1. GENERAL (continued)**

**c. Public offering of Bank's bonds (continued)**

The Bank issued 23 (twenty-three) series of bonds and 1 (one) series of subordinated bond instruments from July 25, 1989 to December 31, 2019, with the details as follows (continued):

\*) The Bank has made the repayment of bonds issued on maturity date.

\*\*) The Bank has exercised the call options on May 25, 2009

**d. Initial Public Offering (IPO)**

The Bank obtained a permit to undertake a Public Offering based on the approval of the House of Representatives of the Republic of Indonesia in its Chairman Letter No. PW.01/3104/DPRRI/V/2009 dated May 29, 2009 and was enacted by the Government as stipulated by the Republic of Indonesia Government Regulation No. 66 of 2009 and circulated in State Gazette No. 167 dated November 16, 2009 regarding the amendment of the stock ownership structure of the State through Initial Public Offering of the shares of PT Bank Tabungan Negara (Persero).



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**1. UMUM (lanjutan)**

**d. Penawaran Umum Saham Perdana (IPO)  
(lanjutan)**

Berdasarkan Surat Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK) No. S-10523/BL/2009 tanggal 8 Desember 2009, pernyataan pendaftaran yang diajukan Bank dalam rangka IPO sejumlah 6.353.999.999 lembar Saham Biasa Atas Nama Seri B milik Negara Republik Indonesia dan 2.360.057.000 lembar Saham Biasa Atas Nama Seri B baru, dengan nilai nominal sebesar Rp500 (Rupiah penuh) setiap saham kepada masyarakat telah menjadi efektif pada tanggal 8 Desember 2009. Saham yang ditawarkan tersebut dicatatkan dan mulai diperdagangkan di Bursa Efek Indonesia pada tanggal 17 Desember 2009 dengan harga jual Rp800 (Rupiah penuh) per saham.

Berkaitan dengan penawaran umum saham perdana, Bank telah mengimplementasikan program kepemilikan saham oleh Manajemen dan Karyawan (Management and Employee Stock Allocation/MESA). Program MESA diberikan maksimal 9,62% dari saham baru yang diterbitkan kepada karyawan yang tercatat pada tanggal 30 September 2009. Program MESA tersebut telah efektif pada tanggal 17 September 2009 dan seluruh karyawan yang memiliki kualifikasi telah mengambil program tersebut dengan jumlah lembar saham biasa atas nama Seri B sebanyak 226.928.500 lembar (nilai nominal Rp500 per lembar saham) dengan harga beli Rp640 per lembar saham (setelah diskon 20% dari harga penawaran perdana sebesar Rp800 per lembar saham) dengan masa *lock up* selama enam bulan.

Diskon harga saham untuk program MESA menjadi beban Bank di tahun 2009, yaitu sebesar 20% atau Rp41.353, yang termasuk beban pajak penghasilan.

**1. GENERAL (continued)**

**d. Initial Public Offering (IPO) (continued)**

*Based on Letter No. S-10523/BL/2009 of the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) dated December 8, 2009, the Registration Statement submitted by the Bank relating to the IPO of 6,353,999,999 ordinary shares Series B of the Republic of Indonesia and 2,360,057,000 new ordinary shares Series B, at par value of Rp500 (full Rupiah) per share to the public, became effective on December 8, 2009. The shares which were offered to the public, were listed and traded on the Indonesia Stock Exchange on December 17, 2009, with the selling price of Rp800 (full Rupiah) per share.*

*In relation to the Initial Public Offering of the shares, the Bank implemented the Management and Employee Stock Allocation (MESA) program. MESA program is allocated with a maximum of 9.62% of the newly issued shares for registered employees as of September 30, 2009. The MESA Program became effective on September 17, 2009 and all qualified employees availed of the program consisting of 226,928,500 Series B shares (with par value of Rp500 per share) with a purchase price of Rp640 per share (after share price discount of 20% from the initial public offering price of Rp800 per share) and a lock up period until six months.*

*In relation to the Initial Public Offering of the share price discount for MESA program was recognized as the Bank's expense in 2009, amounting to 20% or Rp41,353 including the income tax expense.*

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**1. UMUM (lanjutan)**

**e. Penerapan kuasi reorganisasi**

Kondisi ekonomi yang buruk yang terjadi sejak pertengahan tahun 1997 sampai dengan tahun 1999, yang disebabkan terutama oleh melemahnya kurs mata uang Rupiah terhadap mata uang asing, seperti dolar Amerika Serikat dan tingkat suku bunga yang tidak stabil, sangat langkanya likuiditas serta menurunnya tingkat kepercayaan investor, telah memberikan dampak yang buruk bagi industri perbankan di Indonesia. Kondisi tersebut juga berdampak pada para debitur Bank dalam memenuhi kewajibannya, sehingga Bank mengalami defisit yang cukup besar.

Untuk memperoleh awal yang baik (fresh start) dengan laporan posisi keuangan yang menunjukkan nilai sekarang dan tidak dibebani oleh defisit, maka Bank melaksanakan Kuasi-Reorganisasi per 31 Mei 2007 (Catatan 2b). Kuasi-Reorganisasi dilakukan Bank sebagai langkah penting untuk bisa meneruskan usaha secara lebih baik.

Dalam Rapat Umum Pemegang Saham (RUPS) Bank tentang Pengesahan Rencana Kerja dan Anggaran Perusahaan tanggal 19 Januari 2006, pemegang saham Bank memutuskan antara lain bahwa pemegang saham mendukung rencana Bank untuk melakukan Kuasi-Reorganisasi dalam rangka menetapkan besarnya nilai akhir Penyertaan Modal Negara dalam Bank dan perbaikan struktur modal Bank, dan agar dilaksanakan sesuai dengan ketentuan yang berlaku.

Sebagai hasil dari Kuasi-Reorganisasi, saldo defisit Bank sebesar Rp14.226.290 dieliminasi ke akun saldo laba.

**1. GENERAL (continued)**

**e. Implementation of quasi - reorganization**

*The unfavorable economic condition starting in mid-1997 until 1999, which was caused mainly by the weakening of the rupiah in relation to other foreign currencies such as the United States dollar, the instability of interest rates, liquidity problem and the low level of trust by investors, had an adverse impact to the banking industry in Indonesia. This condition also affected the Bank debtors in fulfilling their obligations. As a result, the Bank suffered a significant amount of deficit.*

*In order to make a fresh start with a statement of financial position showing present values without the burden of deficit, the Bank conducted a Quasi-Reorganization on May 31, 2007 (Note 2b). The Quasi-Reorganization was recognized by the Bank as a necessary step to positively continue its business.*

*In the Bank's General Stockholders' Meeting held on January 19, 2006 regarding the Approval of the Bank's Budget and Work Plan, the stockholders approved, among others, the Bank's plan to conduct the Quasi-Reorganization in order to determine the final amount of the Government's capital contribution and to restructure the Bank's capital, which should be implemented according to the prevailing regulations.*

*As a result of the quasi-reorganization, the Bank's deficit balance amounting to Rp14,226,290 was eliminated against the net amount of the retained earnings.*

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**1. UMUM (lanjutan)**

**f. Dewan Komisaris, Direksi, Dewan Pengawas Syariah, Komite Audit dan Karyawan**

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) Bank tanggal 27 November 2019, dengan berita acara No. 97 yang dibuat oleh Notaris Utiek Rochmuljati Abdurachman, S.H., MLI., MKn., susunan Dewan Komisaris Bank adalah sebagai berikut:

**31 Desember 2019**

Komisaris Utama/Independen  
Komisaris  
Komisaris  
Komisaris  
Komisaris Independen  
Komisaris Independen

Chandra Hamzah\*  
Eko Djoeli Heripoerwanto\*\*  
Heru Budi Hartono\*  
Andin Hadiyanto\*  
Armand Bachtiar Arief\*  
Ahdi Jumhari Luddin\*

**December 31, 2019**

President/Independent Commissioner  
Commissioner  
Commissioner  
Commissioner  
Independent Commissioner  
Independent Commissioner

\* Diangkat sebagai anggota Dewan Komisaris PT Bank Tabungan Negara (Persero) Tbk berdasarkan hasil keputusan RUPS Luar Biasa Perseroan tanggal 27 November 2019 dan berlaku efektif setelah mendapatkan persetujuan dari Otoritas Jasa Keuangan (OJK) atas penilaian Kemampuan dan Kepatutan (Fit & Proper Test) dan memenuhi peraturan perundang-undangan yang berlaku.

\*\* Diangkat sebagai anggota Dewan Komisaris PT Bank Tabungan Negara (Persero) Tbk berdasarkan hasil keputusan RUPS Tahunan Perseroan tanggal 17 Mei 2019 dan efektif sebagai anggota Dewan Komisaris PT Bank Tabungan Negara (Persero) Tbk berdasarkan Surat OJK Nomor SR-344/PB.12/2019 tertanggal 20 Desember 2019.

\* Appointed as a Commissioner of PT Bank Tabungan Negara (Persero) Tbk based on The Extraordinary General Meeting of Shareholders dated November 27, 2019 and will be effective upon approval from the Financial Services Authority (OJK) on Fit and Proper Test and in compliance with the prevailing laws and regulations.

\*\* Appointed as a member of the Board of Commissioners of PT Bank Tabungan Negara (Persero) Tbk based on the resolutions of the Annual General Meeting of the Company on May 17, 2019 and effective as a member of the Board of Commissioners of PT Bank Tabungan Negara (Persero) Tbk based on OJK Letter Number SR-344/PB.12/2019 dated December 20, 2019.

Berdasarkan Rapat Umum Pemegang Saham Tahunan (RUPST) Bank tanggal 23 Maret 2018, dengan berita acara No. 63 tanggal 23 Maret 2018, yang dibuat oleh Notaris Ashoya Ratam, S.H., MKn., susunan Dewan Komisaris Bank adalah sebagai berikut:

**31 Desember 2018**

Komisaris Utama/Independen  
Komisaris Independen  
Komisaris Independen  
Komisaris Independen  
Komisaris Independen  
Komisaris  
Komisaris  
Komisaris  
Komisaris  
Komisaris

I Wayan Agus Mertayasa  
Arie Coerniadi  
Lucky Fathul Aziz Hadibrata  
Kamaruddin Sjam  
Garuda Wiko  
Iman Sugema  
Maurin Sitorus  
Sumiyati  
Parman Nataatmadja\*

**December 31, 2018**

President/Independent Commissioner  
Independent Commissioner  
Independent Commissioner  
Independent Commissioner  
Independent Commissioner  
Commissioner  
Commissioner  
Commissioner  
Commissioner

\* Diangkat sebagai Komisaris PT Bank Tabungan Negara (Persero) Tbk berdasarkan hasil keputusan RUPS Tahunan Perseroan tanggal 23 Maret 2018 dan berlaku efektif setelah mendapatkan persetujuan dari Otoritas Jasa Keuangan (OJK) atas penilaian Kemampuan dan Kepatutan (Fit and Proper Test) dan memenuhi Peraturan Perundang-undangan yang berlaku.

\* Appointed as a Commissioner of PT Bank Tabungan Negara (Persero) Tbk based on the Annual General Meeting of Shareholders dated March 23, 2018 and will be effective upon approval from the Financial Services Authority (OJK) on Fit and Proper Test and in compliance with the prevailing laws and regulations.

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**1. UMUM (lanjutan)**

**f. Dewan Komisaris, Direksi, Dewan Pengawas Syariah, Komite Audit dan Karyawan (lanjutan)**

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) Bank tanggal 27 November 2019, dengan berita acara No. 97 yang dibuat oleh Notaris Utiek Rochmuljati Abdurachman, S.H., MLI., MKn., susunan Direksi Bank adalah sebagai berikut:

**31 Desember 2019**

Direktur Utama	Pahala Nugraha Mansury*
Direktur <i>Consumer and Commercial Lending</i>	Hirwandi Gafar**
Direktur <i>Finance, Planning &amp; Treasury</i>	Nixon L.P. Napitupulu***
Direktur <i>Human Capital, Legal, and Compliance</i>	Yossi Istanto****
Direktur <i>Remedial and Wholesale Risk</i>	Elisabeth Novie Riswanti*****
Direktur <i>Operation, IT, and Digital Banking</i>	Andi Nirwoto***
Direktur <i>Distribution and Retail Funding</i>	Jasmin**
Direktur <i>Enterprise Risk Management, Big Data, and Analytics</i>	Setiyo Wibowo**

\* Diangkat sebagai Direktur Utama PT Bank Tabungan Negara (Persero) Tbk berdasarkan hasil keputusan RUPS Luar Biasa Perseroan tanggal 27 November 2019 dan efektif sebagai Direktur Utama PT Bank Tabungan Negara (Persero) Tbk berdasarkan Surat OJK Nomor SR-53/PB.12/2020 tanggal 10 Februari 2020.

\*\* Diangkat sebagai Direktur PT Bank Tabungan Negara (Persero) Tbk berdasarkan hasil keputusan RUPS Luar Biasa Perseroan tanggal 27 November 2019 dan berlaku efektif setelah mendapatkan persetujuan dari Otoritas Jasa Keuangan (OJK) atas penilaian Kemampuan dan Kepatutan (Fit & Proper Test) dan memenuhi peraturan perundang-undangan yang berlaku.

\*\*\* Dialihkan penugasannya sebagai anggota Direksi sehubungan dengan perubahan nomenklatur jabatan anggota-anggota Direksi PT Bank Tabungan Negara (Persero) Tbk berdasarkan hasil keputusan RUPS Luar Biasa Perseroan tanggal 27 November 2019.

\*\*\*\* Dialihkan penugasannya sebagai anggota Direksi sehubungan dengan perubahan nomenklatur jabatan anggota-anggota Direksi PT Bank Tabungan Negara (Persero) Tbk berdasarkan hasil keputusan RUPS Luar Biasa Perseroan tanggal 27 November 2019. Pengalihan penugasan khusus sebagai Direktur Compliance berlaku efektif setelah mendapat persetujuan dari OJK.

\*\*\*\*\* Diangkat sebagai Direktur PT Bank Tabungan Negara (Persero) Tbk berdasarkan hasil keputusan RUPS Luar Biasa Perseroan tanggal 29 Agustus 2019 dan berlaku efektif setelah mendapatkan persetujuan dari Otoritas Jasa Keuangan (OJK) atas penilaian Kemampuan dan Kepatutan (Fit & Proper Test) dan memenuhi peraturan perundang-undangan yang berlaku. Dialihkan penugasannya sebagai anggota Direksi sehubungan dengan perubahan nomenklatur jabatan anggota-anggota Direksi PT Bank Tabungan Negara (Persero) Tbk berdasarkan hasil keputusan RUPS Luar Biasa Perseroan tanggal 27 November 2019.

**1. GENERAL (continued)**

**f. Boards of Commissioners, Directors, Sharia Supervisory Board, Audit Committee and Employees (continued)**

Based on the Bank's an Extraordinary General Meeting of Shareholders held on November 27, 2019, as stated under the notarial No. 97 by Notary Utiek Rochmuljati Abdurachman, S.H., MLI., MKn., the composition of the Bank's Board of Directors is as follows:

**December 31, 2019**

<i>President Director</i>	
<i>Director Consumer and Commercial Lending</i>	
<i>Director Finance, Planning &amp; Treasury</i>	
<i>Director Human Capital, Legal, and Compliance</i>	
<i>Director Remedial and Wholesale Risk</i>	
<i>Director Operation, IT, and Digital Banking</i>	
<i>Director Distribution and Retail Funding</i>	
<i>Director Enterprise Risk Management, Big Data, and Analytics</i>	

\* Appointed as a President Director of PT Bank Tabungan Negara (Persero) Tbk based on The Extraordinary General Meeting of Shareholders dated November 27, 2019 and effective as a President Director of PT Bank Tabungan Negara (Persero) Tbk based on OJK Letter Number SR-53/PB.12/2020 dated February 10, 2020.

\*\* Appointed as a Director of PT Bank Tabungan Negara (Persero) Tbk based on The Extraordinary General Meeting of Shareholders dated November 27, 2019 and will be effective upon approval from the Financial Services Authority (OJK) on Fit and Proper Test and in compliance with the prevailing laws and regulations.

\*\*\* His assignment as Director was changed due to the change in nomenclature of the position of the members of the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk based on The Extraordinary General Meeting of Shareholders dated November 27, 2019.

\*\*\*\* His assignment as Director was changed due to the change in nomenclature of the position of the members of the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk based on The Extraordinary General Meeting of Shareholders dated November 27, 2019. The appointment of Yossi Istanto specifically as Compliance Director is effective after receiving approval from the Financial Services Authority (OJK).

\*\*\*\*\* Appointed as a Director of PT Bank Tabungan Negara (Persero) Tbk based on The Extraordinary General Meeting of Shareholders dated August 29, 2019 and will be effective upon approval from the Financial Services Authority (OJK) on Fit and Proper Test and in compliance with the prevailing laws and regulations. Her assignment as Director was changed due to the change in nomenclature of the position of the members of the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk based on The Extraordinary General Meeting of Shareholders dated November 27, 2019.

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**1. UMUM (lanjutan)**

**f. Dewan Komisaris, Direksi, Dewan Pengawas Syariah, Komite Audit dan Karyawan (lanjutan)**

Berdasarkan Rapat Umum Pemegang Saham Tahunan (RUPST) Bank tanggal 23 Maret 2018, dengan berita acara No. 63 tanggal 23 Maret 2018, yang dibuat oleh Notaris Ashoya Ratam, S.H., MKn., susunan Direksi Bank adalah sebagai berikut:

**31 Desember 2018**

Direktur Utama	Maryono
Direktur <i>Finance and Treasury</i>	Iman Nugroho Soeko
Direktur <i>IT and Operation</i>	Andi Nirwoto*
Direktur <i>Commercial Banking</i>	Oni Febriarto Rahardjo
Direktur <i>Consumer Banking</i>	Budi Satria
Direktur <i>Strategy, Compliance and Risk</i>	R. Mahelan Prabantarikso
Direktur <i>Collection and Asset Management</i>	Nixon L.P. Napitupulu
Direktur <i>Distribution and Network</i>	Dasuki Amsir
Direktur <i>Strategic Human Capital</i>	Yossi Istanto**

\* Telah mendapatkan persetujuan Otoritas Jasa Keuangan (OJK) melalui Salinan Keputusan Dewan Komisiner OJK Nomor 27/KDK.03/2018 tanggal 7 September 2018 tentang Hasil Penilaian Kemampuan dan Kepatutan Sdr. Andi Nirwoto selaku Direktur *IT & Operation* PT Bank Tabungan Negara (Persero) Tbk. Pengangkatan tersebut berlaku efektif sejak tanggal 10 September 2018.

\*\* Telah mendapatkan persetujuan Otoritas Jasa Keuangan (OJK) melalui Salinan Keputusan Dewan Komisiner OJK Nomor 28/KDK.03/2018 tanggal 7 September 2018 tentang Hasil Penilaian Kemampuan dan Kepatutan Sdr. Yossi Istanto selaku Direktur *Strategic Human Capital* PT Bank Tabungan Negara (Persero) Tbk. Pengangkatan tersebut berlaku efektif sejak tanggal 10 September 2018.

Gaji dan kompensasi lainnya yang dibayarkan kepada dewan komisaris adalah sebesar Rp32.033 dan Rp36.673 masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 (Catatan 44b). Gaji dan kompensasi lainnya yang dibayarkan kepada direksi adalah sebesar Rp72.567 dan Rp85.289 masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 (Catatan 44b).

Pada Rapat Umum Pemegang Saham Bank yang diadakan pada tanggal 17 Mei 2019 dan 23 Maret 2018, Bank membagikan tantiem masing-masing sebesar Rp40.000 dan Rp60.205 bagi Dewan Komisaris dan Direksi yang dialokasikan dari laba tahun berjalan yang dibayarkan masing-masing pada tanggal 10 Juni 2019 dan 6 Juni 2018.

**1. GENERAL (continued)**

**f. Boards of Commissioners, Directors, Sharia Supervisory Board, Audit Committee and Employees (continued)**

Based on the Bank's Annual General Meeting of Stockholders held on March 23, 2018, as stated under the notarial No. 63 dated March 23, 2018 by notary Ashoya Ratam, S.H., MKn., the composition of the Bank's Board of Directors is as follows:

**December 31, 2018**

<i>President Director</i>
<i>Director Finance and Treasury</i>
<i>Director IT and Operation</i>
<i>Director Commercial Banking</i>
<i>Director Consumer Banking</i>
<i>Director Strategy, Compliance and Risk</i>
<i>Director Collection and Asset Management</i>
<i>Director Distribution and Network</i>
<i>Director Strategic Human Capital</i>

\* Has been approved by Financial Services Authority (OJK) through the OJK's Board of Commissioner's decision letter No. 27/KDK.03/2018 dated September 7, 2018 regarding the Result on Fit and Proper Test of Andi Nirwoto as the Director of *IT & Operation* PT Bank Tabungan Negara (Persero) Tbk. The appointment has been effective since September 10, 2018.

\*\* Has been approved by Financial Services Authority (OJK) through the OJK's Board of Commissioner's decision letter No. 28/KDK.03/2018 dated September 7, 2018 regarding the Result on Fit and Proper Test of Yossi Istanto as the Director of *Strategic Human Capital* PT Bank Tabungan Negara (Persero) Tbk. The appointment has been effective since September 10, 2018.

Salaries and other compensation benefits paid to the Board of Commissioners of the Bank amounted to Rp32,033 and Rp36,673 for the year ended December 31, 2019 and 2018, respectively (Note 44b). Salaries and other compensation benefits paid to the Board of Directors of the Bank amounted to Rp72,567 and Rp85,289 for the year ended December 31, 2019 and 2018, respectively (Note 44b).

During the Bank's Stockholders' General Meetings held on May 17, 2019 and March 23, 2018, the Bank distributed tantiem to the Boards of Directors and Commissioners amounting to Rp40,000 and Rp60,205, respectively, which were allocated from current year income and paid on June 10, 2019 and June 6, 2018, respectively.

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**1. UMUM (lanjutan)**

**f. Dewan Komisaris, Direksi, Dewan Pengawas Syariah, Komite Audit dan Karyawan (lanjutan)**

Sekretaris Perusahaan dan Kepala Divisi Audit Internal Bank adalah sebagai berikut:

**31 Desember 2019**

Sekretaris Perusahaan  
Kepala Divisi Audit Internal

Achmad Chaerul  
Hertanta\*

\* Diangkat berdasarkan Surat Keputusan Direksi Bank No. 226/DIR/2019 tanggal 1 Maret 2019 dan bertindak sebagai pejabat sejak tanggal 8 Maret 2019.

**31 Desember 2018**

Sekretaris Perusahaan  
Kepala Divisi Audit Internal

Achmad Chaerul\*  
Triani Pudjiastuti

\* Diangkat berdasarkan Surat Keputusan Direksi Bank No. 812/DIR/2018 tanggal 30 Oktober 2018 dan berlaku efektif sejak tanggal 30 Oktober 2018.

Berdasarkan Rapat Umum Pemegang Saham Tahunan (RUPST) Bank tanggal 23 Maret 2018, dengan berita acara No. 63 tanggal 23 Maret 2018, yang dibuat oleh Notaris Ashoya Ratam, S.H., MKn., susunan Dewan Pengawas Syariah Bank adalah sebagai berikut:

**31 Desember 2019 dan 31 Desember 2018**

Ketua  
Anggota  
Anggota

M. Quraish Shihab\*  
Mohamad Hidayat  
Muhammad Gunawan Yasni\*\*

\* Telah mendapatkan persetujuan Otoritas Jasa Keuangan (OJK) melalui Salinan Keputusan Dewan Komisiner OJK Nomor SR-4/PB.13/2019 tanggal 10 Januari 2019 dan diangkat berdasarkan Surat Keputusan Direksi Bank No. 61/DIR/SHAD/II/2019 tanggal 25 Januari 2019 dan efektif sejak tanggal 22 Januari 2019.

\*\* Telah mendapatkan persetujuan Otoritas Jasa Keuangan (OJK) melalui Salinan Keputusan Dewan Komisiner OJK Nomor SR-4/PB.13/2019 tanggal 10 Januari 2019 dan diangkat berdasarkan Surat Keputusan Direksi Bank No. 61/DIR/SHAD/II/2019 tanggal 25 Januari 2019 dan efektif sejak tanggal 22 Januari 2019.

**1. GENERAL (continued)**

**f. Boards of Commissioners, Directors, Sharia Supervisory Board, Audit Committee and Employees (continued)**

The Bank's Corporate Secretary and the Head of Internal Audit Division are as follows:

**December 31, 2019**

Corporate Secretary  
Head of Internal Audit Division

\* Appointed based on the Bank's Board of Directors' Decision Letter No.226/DIR/2019 dated March 1, 2019 and Head of Internal Audit Division since March 8, 2019.

**December 31, 2018**

Corporate Secretary  
Head of Internal Audit Division

\* Appointed based on the Bank's Board of Directors' Decision Letter No.812/DIR/2018 dated October 30, 2018 and effective since October 30, 2018.

Based on the Bank's Annual General Meeting of Stockholders held on March 23, 2018, as stated under the notarial No. 63 dated March 23, 2018 by notary Ashoya Ratam, S.H., MKn., the composition of the Bank's Board of Sharia Supervisory is as follows:

**December, 31 2019 and December 31, 2018**

Chairman  
Member  
Member

\* Has been approved by Financial Services Authority (OJK) through the OJK's Board of Commissioner's decision letter No. SR-4/PB.13/2019 dated January 10, 2019 and appointed based on the Bank's Board of Directors' Decision Letter No. 61/DIR/SHAD/II/2019 dated January 25, 2019 and effective since January 22, 2019.

\*\* Has been approved by Financial Services Authority (OJK) through the OJK's Board of Commissioner's decision letter No. SR-4/PB.13/2019 dated January 10, 2019 and appointed based on the Bank's Board of Directors' Decision Letter No. 61/DIR/SHAD/II/2019 dated January 25, 2019 and effective since January 22, 2019.

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**1. UMUM (lanjutan)**

**f. Dewan Komisaris, Direksi, Dewan Pengawas Syariah, Komite Audit dan Karyawan (lanjutan)**

Susunan Anggota Komite Audit Bank berdasarkan Surat Keputusan Direksi Bank No. 1207/DIR/2019 tanggal 15 November 2019 (menindaklanjuti Ketetapan Komisaris melalui Surat No.162/KOM/BTN/XI/2019 tanggal 13 November 2019) adalah sebagai berikut:

**31 Desember 2019**

Anggota  
Anggota

Adi Prakoso\*  
Peter Eko Budi Darwito\*\*

\* Diangkat sebagai anggota Dewan Komite Audit PT Bank Tabungan Negara (Persero) Tbk berdasarkan Surat Keputusan Direksi Bank No. 1207/DIR/ 2019 tanggal 15 November 2019 dan efektif sebagai anggota Komite Audit Bank tanggal 13 Maret 2018.

\*\* Diangkat sebagai anggota Dewan Komite Audit PT Bank Tabungan Negara (Persero) Tbk berdasarkan Surat Keputusan Direksi Bank No. 1207/DIR/ 2019 tanggal 15 November 2019 dan efektif sebagai anggota Komite Audit Bank tanggal 19 November 2019.

Susunan Anggota Komite Audit Bank berdasarkan Surat Keputusan Direksi Bank No. 648/DIR/2017 tanggal 21 November 2017 (menindaklanjuti Ketetapan Komisaris melalui Surat No. 163/KOM/BTN/XI/2017 tanggal 21 November 2017) adalah sebagai berikut:

**31 Desember 2018**

Ketua  
Anggota  
Anggota  
Anggota  
Anggota  
Anggota

Kamaruddin Sjam  
I Wayan Agus Mertayasa  
Lucky Fathul Aziz Hadibrata  
Garuda Wiko  
Rachmat Supratman  
Adi Prakoso\*

\* Diangkat sebagai anggota Komite Audit PT Bank Tabungan Negara (Persero) Tbk berdasarkan Surat Keputusan Direksi No. 190/DIR/2018 tanggal 21 Maret 2018, efektif sejak tanggal 13 Maret 2018.

**1. GENERAL (continued)**

**f. Boards of Commissioners, Directors, Sharia Supervisory Board, Audit Committee and Employees (continued)**

The composition of the Bank's Audit Committee, based on the Board of Directors' Decision Letter No.1207/DIR/2019 dated November 15th, 2019 (followed up of the Bank's Board of Commissioners' Decision No.162/KOM/BTN/XI/2019 dated November 13, 2019) is as follows:

**December 31, 2019**

Member  
Member

\* Appointed as a member of the Bank's Audit Committee PT Bank Tabungan Negara (Persero) Tbk based on the Board of Directors' Decision Letter No.1207/DIR/2019 dated November 15, 2019 and effective since March 13, 2018.

\*\* Appointed as a member of the Bank's Audit Committee PT Bank Tabungan Negara (Persero) Tbk based on the Board of Directors' Decision Letter No.1207/DIR/2019 dated November 15, 2019 and effective since November 19, 2019.

The composition of the Bank's Audit Committee, based on the Board of Directors' Decision Letter No. 648/DIR/2017 dated November 21, 2017 (followed up of the Bank's Board of Commissioners' Decision No. 163/KOM/BTN/XI/2017 dated November 21, 2017) is as follows:

**December 31, 2018**

Chairman  
Member  
Member  
Member  
Member

\* Appointed as a member of Audit Committee PT Bank Tabungan Negara (Persero) Tbk, based on the Board of Directors' Decision Letter No. 190/DIR/2018 dated March 21, 2018, effective since March 13, 2018.

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**1. UMUM (lanjutan)**

**f. Dewan Komisaris, Direksi, Dewan Pengawas Syariah, Komite Audit dan Karyawan (lanjutan)**

Berdasarkan ketentuan internal Bank, manajemen kunci Bank cakupannya adalah Dewan Komisaris, Komite Audit, Direksi, Kepala Kantor Wilayah, Kepala Divisi, dan Kepala Cabang. Jumlah karyawan tetap Bank pada tanggal 31 Desember 2019 dan 2018 masing-masing adalah 11.241 dan 10.192 orang (tidak diaudit).

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN**

**a. Dasar Penyajian Laporan Keuangan**

**Pernyataan Kepatuhan**

Laporan keuangan pada tanggal dan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018 disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia, yang mencakup Pernyataan dan Interpretasi yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia dan peraturan Bapepam-LK No. VIII.G.7 lampiran keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tanggal 25 Juni 2012 tentang "Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik".

**1. GENERAL (continued)**

**f. Boards of Commissioners, Directors, Sharia Supervisory Board, Audit Committee and Employees (continued)**

Based on the Bank's internal policy, key management consists of Board of Commissioners, Audit Committee, Board of Directors, Regional Office Head, Division Head, and Branch Manager. The Bank has permanent employees as of December 31, 2019 and 2018 of 11,241 and 10,192 employees, respectively (unaudited).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Preparation of the Financial Statements**

**Statement of Compliance**

The financial statements as of and for the year ended December 31, 2019 and 2018 were prepared and presented in accordance with Indonesian Financial Accounting Standards, which includes the Statements and Interpretations issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants and Bapepam-LK's Regulation No. VIII.G.7, Appendix of the Decision of the Chairman of Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012 regarding the "Guidelines on Financial Statements Presentations and Disclosures for Issuers or Public Companies".



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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**a. Dasar Penyajian Laporan Keuangan (lanjutan)**

**Pernyataan Kepatuhan (lanjutan)**

Laporan keuangan disusun sesuai dengan Pernyataan Standar Akuntansi Keuangan (PSAK) No.1 (Amandemen 2015), "Penyajian Laporan Keuangan".

Laporan keuangan Bank cabang syariah yang didasarkan pada prinsip syariah disajikan sesuai dengan Pernyataan Standar Akuntansi Keuangan (PSAK) No. 101 (Revisi 2016) tentang "Penyajian Laporan Keuangan Syariah", PSAK No. 102 (Revisi 2016) tentang "Akuntansi Murabahah", PSAK No. 104 tentang "Akuntansi Istishna", PSAK No. 105 tentang "Akuntansi Mudharabah", PSAK No. 106 (Revisi 2016) tentang "Akuntansi Musyarakah" dan PSAK No. 107 tentang "Akuntansi Ijarah" yang menggantikan PSAK No. 59 tentang "Akuntansi Perbankan Syariah" yang berkaitan dengan pengakuan, pengukuran, penyajian dan pengungkapan untuk topik tersebut, PSAK No. 110 (Revisi 2015) tentang "Akuntansi Sukuk", PSAK No. 111 tentang "Akuntansi Wa'd" dan Pedoman Akuntansi Perbankan Syariah Indonesia (PAPSI Revisi 2013) yang diterbitkan oleh Bank Indonesia dan Ikatan Akuntan Indonesia (IAI).

Laporan keuangan telah disajikan berdasarkan nilai historis, kecuali untuk beberapa akun yang dinilai menggunakan dasar pengukuran lain sebagaimana dijelaskan pada kebijakan akuntansi dari akun tersebut. Laporan keuangan disusun dengan dasar akrual, kecuali pendapatan dari *istishna* dan bagi hasil dari pembiayaan *mudharabah* dan *musyarakah* serta laporan arus kas.

Laporan arus kas disusun menggunakan metode langsung dan arus kas dikelompokkan atas dasar aktivitas operasi, investasi dan pendanaan. Kas dan setara kas terdiri dari kas, giro pada Bank Indonesia dan giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, Sertifikat Bank Indonesia dan Sertifikat Deposito Bank Indonesia, yang jatuh tempo dalam waktu 3 (tiga) bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**a. Basis of Preparation of the Financial Statements (continued)**

**Statement of Compliance (continued)**

The Financial Statements is presented in conformity with the Statement of Financial Accounting Standards ("SFAS") No.1 (Amendment 2015), "Presentation of Financial Statements".

The financial statements of the Bank's sharia branches have been presented in conformity with the Statement of Financial Accounting Standards ("SFAS") No. 101 (Revised 2016) on "Sharia Financial Statements Presentation", SFAS No. 102 (Revised 2016) on "Accounting for Murabahah", SFAS No. 104 on "Accounting for Istishna", SFAS No. 105 on "Accounting for Mudharabah", SFAS No. 106 (Revised 2016) on "Accounting for Musyarakah" and SFAS No. 107 on "Accounting for Ijarah", which supersede SFAS No. 59 on "Accounting for Sharia Banking" associated with recognition, measurement, presentation and disclosure for the respective topics, SFAS No. 110 (Revised 2015) on "Accounting for Sukuk", SFAS No. 111 on "Accounting for Wa'd" and the Indonesia Sharia Banking Accounting Guidelines (PAPSI Revised 2013) issued by Bank Indonesia and Indonesian Institute of Accountants (IAI).

The Financial Statements have been prepared on a historical cost basis, except for some accounts that were assessed using another measurement basis as explained in the accounting policies of the account. The Financial Statements have been prepared on accrual basis, except for the revenue from *istishna* and the profit sharing from the *mudharabah* and *musyarakah* financing and the statement of cash flows.

The statement of cash flows have been prepared using direct method and the cash flows have been classified on the basis of operating, investing and financing activities. Cash and cash equivalents consist of cash, current accounts with Bank Indonesia and current accounts with other banks, placements with Bank Indonesia and other banks, Bank Indonesia Certificates and Deposits Certificates of Bank Indonesia maturing within 3 (three) months or less from the acquisition date provided they are neither pledged as collateral for borrowings nor restricted.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**a. Dasar Penyajian Laporan Keuangan (lanjutan)**

**Pernyataan Kepatuhan (lanjutan)**

Mata uang penyajian yang digunakan dalam laporan keuangan adalah Rupiah (Rp), yang merupakan mata uang fungsional Bank. Angka-angka yang disajikan dalam laporan keuangan, kecuali dinyatakan lain dibulatkan dalam jutaan Rupiah.

**b. Kuasi-Reorganisasi**

Berdasarkan PSAK No. 51 (Revisi 2003) tentang "Akuntansi Kuasi-Reorganisasi", kuasi-reorganisasi merupakan prosedur akuntansi yang mengatur perusahaan merestrukturisasi ekuitasnya dengan menghilangkan defisit dan menilai kembali seluruh aset dan liabilitasnya berdasarkan nilai wajar. Dengan kuasi-reorganisasi, perusahaan mendapatkan awal yang baik (fresh start) dengan laporan posisi keuangan yang menunjukkan nilai sekarang dan tanpa dibebani defisit karena defisit dieliminasi menjadi nihil.

Estimasi nilai wajar aset dan liabilitas dalam rangka kuasi-reorganisasi ditentukan berdasarkan informasi terbaik sesuai dengan karakteristik aset dan liabilitas yang bersangkutan atau nilai pasar aset dan liabilitas yang bersangkutan. Apabila nilai pasar tidak tersedia, estimasi nilai wajar dilakukan dengan mempertimbangkan harga aset sejenis, estimasi nilai sekarang atau arus kas yang didiskontokan. Untuk aset dan liabilitas tertentu, penilaian dilakukan sesuai PSAK terkait.

**c. Transaksi dengan pihak-pihak berelasi**

Dalam menjalankan usahanya, Bank melakukan transaksi dengan pihak-pihak berelasi seperti yang didefinisikan dalam PSAK No. 7 (Penyesuaian 2015) tentang "Pengungkapan Pihak-pihak Berelasi".

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**a. Basis of Preparation of the Financial Statements (continued)**

**Statement of Compliance (continued)**

The presentation currency used in the financial statements is the Indonesian Rupiah (Rp), which is the Bank's functional currency. Unless otherwise stated, all figures presented in the financial statement are rounded off to millions of Rupiah.

**b. Quasi-Reorganization**

Based on SFAS No. 51 (Revised 2003), "Accounting for Quasi-Reorganization", a quasi-reorganization is an accounting procedure that enables a company to restructure its equity by eliminating its deficit and revaluing all its assets and liabilities based on their fair values. Under a quasi-reorganization, a company will have a fresh start with its statement of financial position showing figures that represent present values and without the burden of a deficit because the deficit has been eliminated.

The fair value estimate for assets and liabilities under a quasi-reorganization is determined based on the best available information according to the characteristics of the related assets and liabilities or the market value for the related assets and liabilities. If the market value is not available, the fair value estimation is conducted by considering the value of similar assets, present value estimation, or discounted cash flows. For certain assets and liabilities, the valuation is conducted according to the related SFAS.

**c. Transactions with related parties**

In the normal course of its business, the Bank enters into transactions with related parties which are defined under SFAS No. 7 (2015 Adaptation), "Related Party Disclosures".

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**c. Transaksi dengan pihak-pihak berelasi (lanjutan)**

Suatu pihak dianggap berelasi dengan Bank jika:

- a) suatu pihak yang secara langsung, atau tidak langsung yang melalui satu atau lebih perantara, suatu pihak (i) mengendalikan, atau dikendalikan oleh, atau berada di bawah pengendalian bersama, dengan Bank; (ii) memiliki pengaruh signifikan atas Bank; atau (iii) memiliki pengendalian bersama atas Bank;
- b) suatu pihak yang berada dalam kelompok usaha yang sama dengan Bank;
- c) suatu pihak yang merupakan ventura bersama di mana Bank sebagai *venturer*;
- d) suatu pihak adalah anggota dari personil manajemen kunci Bank;
- e) suatu pihak adalah anggota keluarga dekat dari individu yang diuraikan dalam butir (a) atau (d);
- f) suatu pihak adalah suatu program imbalan pasca kerja untuk imbalan kerja dari Bank atau entitas terkait Bank;
- g) suatu pihak adalah entitas yang dikendalikan, dikendalikan bersama atau dipengaruhi signifikan oleh beberapa entitas, langsung maupun tidak langsung, individu seperti diuraikan dalam butir (d) atau (e).

Transaksi dengan pihak-pihak berelasi dilakukan dengan syarat dan kondisi yang sama dengan transaksi-transaksi dengan pihak ketiga. Transaksi yang dilakukan Bank telah memenuhi peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan No. IX.E.1 tentang "Transaksi Afiliasi dan Benturan Kepentingan Transaksi Tertentu", pada saat transaksi-transaksi tersebut dilakukan. Seluruh transaksi dan saldo yang material dengan pihak-pihak berelasi diungkapkan dalam catatan atas laporan keuangan yang relevan dan rinciannya telah disajikan dalam Catatan 44 atas laporan keuangan. Selanjutnya, saldo dan transaksi yang material antara Bank dan Pemerintah Negara Republik Indonesia (RI) dan entitas lain yang berelasi dengan Bank diungkapkan juga pada Catatan 44.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Transactions with related parties (continued)**

The Bank considers the following as its related parties:

- a) a person who, directly or indirectly through one or more intermediaries, (i) controls, or is controlled by, or under common control with the Bank; (ii) has significant influence over the Bank; or (iii) has joint control over the Bank;
- b) an entity which is a member of the same group as the Bank;
- c) an entity which is a joint venture of a third party in which the Bank has ventured in;
- d) a member of key management personnel of the Bank;
- e) a close family member of the person described in clause (a) or (d);
- f) an entity which is a post-employment benefit plan for the benefit of employees of either the Bank or an entity related to the Bank;
- g) an entity that is controlled, jointly controlled or significantly influenced, directly or indirectly by the person described in clause (d) or (e).

Transactions with related parties are made on the same term and conditions as those transactions with third parties. All transactions done by Bank have complied with Bapepam-LK Regulation No. IX.E.1 regarding "The affiliate transactions and conflict of interest of certain transactions", at the time the transactions were made. All material transactions and balances with related parties are disclosed in the relevant notes to the Financial Statements and the details have been presented in Note 44 of the Financial Statements. Furthermore, material transactions and balances between the Bank and the Government of the Republic of Indonesia (RI) and other entities related to the Bank are also disclosed in Note 44.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**d. Aset keuangan dan liabilitas keuangan**

Aset keuangan Bank terdiri dari kas, giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, efek-efek, obligasi Pemerintah, efek-efek yang dibeli dengan janji dijual kembali, tagihan derivatif, tagihan akseptasi, penyertaan saham, kredit yang diberikan dan pembiayaan/piutang syariah, bunga yang masih akan diterima dan aset lain-lain (tagihan kepada pihak ketiga).

Liabilitas keuangan Bank terdiri dari liabilitas segera, simpanan dari nasabah, simpanan dari bank lain, surat-surat berharga yang diterbitkan, liabilitas derivatif, liabilitas akseptasi, pinjaman yang diterima, pinjaman subordinasi, efek-efek yang dijual dengan janji dibeli kembali, bunga yang masih harus dibayar dan liabilitas lain-lain (setoran jaminan dan dana jaminan pengembang).

**(i) Klasifikasi**

Bank mengklasifikasi aset keuangannya berdasarkan kategori sebagai berikut pada saat pengakuan awal:

- Aset keuangan yang diukur pada nilai wajar melalui laba rugi, yang memiliki 2 (dua) sub-klasifikasi, yaitu aset keuangan yang ditetapkan demikian pada saat pengakuan awal dan aset keuangan yang diklasifikasi dalam kelompok yang diperdagangkan;
- Kredit yang diberikan dan piutang;
- Investasi dalam kelompok dimiliki hingga jatuh tempo;
- Investasi tersedia untuk dijual.

Liabilitas keuangan diklasifikasikan ke dalam kategori sebagai berikut pada saat pengakuan awal:

- Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi, yang memiliki 2 (dua) sub-klasifikasi, yaitu liabilitas keuangan yang ditetapkan demikian pada saat pengakuan awal dan liabilitas keuangan yang telah diklasifikasikan dalam kelompok diperdagangkan;

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Financial assets and liabilities**

The Bank's financial assets consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, securities, government bonds, reverse repo, derivatives receivable, acceptance receivable, investment in shares, loans and sharia financing/receivables, interest receivable and other assets (third party receivables).

The Bank's financial liabilities consist of liabilities due immediately, deposits from customers, deposits from other banks, securities issued, derivatives payable, acceptance payable, fund borrowings, subordinated loan, securities sold under repurchase agreements, interest payable and other liabilities (guarantee deposits and developers' security deposits).

**(i) Classification**

The Bank classifies its financial assets in the following categories at initial recognition:

- Financial assets at fair value through profit or loss, which have 2 (two) sub-classifications, i.e. financial assets designated as such upon initial recognition and financial assets classified as held-for-trading;
- Loans and receivables;
- Held-to-maturity investments;
- Available-for-sale investments.

Financial liabilities are classified into the following categories at initial recognition:

- Financial liabilities at fair value through profit or loss, which have 2 (two) sub-classifications, i.e. those designated as such upon initial recognition and those classified as held-for-trading;

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

**d. Financial assets and liabilities (continued)**

(i) Klasifikasi (lanjutan)

(i) Classification (continued)

Liabilitas keuangan diklasifikasikan ke dalam kategori sebagai berikut pada saat pengakuan awal: (lanjutan)

Financial liabilities are classified into the following categories at initial recognition: (continued)

- Liabilitas keuangan lain yang tidak diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi dikategorikan dan diukur dengan biaya perolehan diamortisasi.

- Other financial liabilities that are not classified as financial liabilities at fair value through profit or loss are categorized and measured at amortized cost.

Kelompok aset dan liabilitas yang diukur pada nilai wajar melalui laba rugi terdiri dari aset dan liabilitas keuangan yang diperoleh atau dimiliki Bank terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat, atau dimiliki sebagai bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama untuk memperoleh laba jangka pendek atau *position taking*.

The sub-classification of financial assets and liabilities at fair value through profit or loss consists of financial assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a financial instrument portfolio that is managed together for short-term profit or position taking.

Kredit yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif, kecuali:

Loans and receivables are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market, except:

- yang dimaksudkan oleh Bank untuk dijual segera dalam waktu dekat, yang diklasifikasikan dalam kelompok diperdagangkan, serta yang pada saat pengakuan awal ditetapkan diukur pada nilai wajar melalui laba rugi;
- yang pada saat pengakuan awal ditetapkan dalam kelompok investasi tersedia untuk dijual; atau
- dalam hal Bank tidak akan memperoleh kembali seluruh investasi awal kecuali yang disebabkan oleh penurunan kualitas kredit yang diberikan dan piutang, yang diklasifikasikan dalam kelompok tersedia untuk dijual.

- those that the Bank intends to sell immediately or in the short term, which are classified as held-for-trading, and those that the Bank upon initial recognition designates at fair value through profit or loss;
- those that upon initial recognition are designated as available-for-sale investments; or
- those for which the Bank may not recover substantially all of its initial investment, other than because of loans and receivable deterioration, which are classified as available-for-sale.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

**d. Financial assets and liabilities (continued)**

(i) Klasifikasi (lanjutan)

(i) Classification (continued)

Investasi dalam kategori dimiliki hingga jatuh tempo adalah aset keuangan non-derivatif yang dapat dikuotasikan dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan dimana Bank mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo.

*Held-to-maturity investments consist of quoted non-derivative financial assets with fixed or determinable payments and fixed maturity which the Bank has the positive intention and ability to hold until maturity.*

Setelah pengukuran awal, investasi tersedia untuk dijual diukur menggunakan nilai wajar dengan laba atau rugi yang diakui sebagai bagian dari ekuitas sampai dengan investasi dihentikan pengakuannya atau sampai investasi dinyatakan mengalami penurunan nilai dimana akumulasi laba atau rugi sebelumnya dilaporkan dalam ekuitas dilaporkan dalam laporan laba rugi dan penghasilan komprehensif lain.

*After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognized in equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gains or losses previously reported in equity is included in the statement of profit or loss and other comprehensive income.*

Hasil efektif dan hasil dari dampak nilai tukar untuk investasi tersedia dijual dan dilaporkan pada laporan laba rugi dan penghasilan komprehensif lain.

*The effective yield and results of foreign exchange impact for available-for-sale investments are reported in the statement of profit or loss and comprehensive income.*

Liabilitas keuangan lainnya merupakan liabilitas keuangan yang tidak dimiliki untuk dijual atau ditentukan sebagai nilai wajar melalui laporan laba rugi saat pengakuan liabilitas.

*Other financial liabilities represent financial liabilities that are neither held for trading nor designated at fair value through profit or loss upon the recognition of the liability.*

(ii) Pengakuan awal

(ii) Initial recognition

a. Pembelian atau penjualan aset keuangan yang memerlukan penyerahan aset dalam kurun waktu yang telah ditetapkan oleh peraturan dan kebiasaan yang berlaku di pasar (pembelian secara reguler) diakui pada tanggal penyelesaian.

*a. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way purchases) are recognized on the settlement date.*

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**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

(ii) Pengakuan awal (lanjutan)

- b. Aset keuangan dan liabilitas keuangan pada awalnya diukur pada nilai wajarnya. Dalam hal aset keuangan atau liabilitas keuangan tidak diukur pada nilai wajar melalui laba rugi, nilai wajar tersebut ditambah/dikurangkan biaya transaksi yang dapat diatribusikan secara langsung. Pengukuran aset keuangan dan liabilitas keuangan setelah pengakuan awal tergantung pada klasifikasinya.

Biaya transaksi hanya meliputi biaya-biaya yang dapat diatribusikan secara langsung untuk perolehan suatu aset keuangan atau penerbitan suatu liabilitas keuangan dan merupakan biaya tambahan yang tidak akan terjadi apabila instrumen keuangan tersebut tidak diperoleh atau diterbitkan. Untuk aset keuangan, biaya transaksi ditambahkan pada jumlah yang diakui pada awal pengakuan aset, sedangkan untuk liabilitas keuangan, biaya transaksi dikurangkan dari jumlah utang yang diakui pada pengakuan awal liabilitas.

Biaya transaksi tersebut diamortisasi selama umur instrumen berdasarkan metode suku bunga efektif dan dicatat sebagai bagian dari pendapatan bunga untuk biaya transaksi sehubungan dengan aset keuangan atau sebagai bagian dari beban bunga untuk biaya transaksi sehubungan dengan liabilitas keuangan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Financial assets and liabilities (continued)**

(ii) Initial recognition (continued)

- b. Financial assets and liabilities are initially recognised at fair value. For those financial assets or financial liabilities not measured at fair value through profit or loss. The fair value includes directly attributable transaction costs. The subsequent measurement of financial assets and liabilities depends on their classification.

Transaction costs only include costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability and an additional charge that would not occur if the instrument is not acquired or issued. For financial assets, transaction costs are added to the amount recognized in the initial recognition of the asset, while for financial liabilities, transaction costs are deducted from the amount of debt recognized on initial recognition of a liability.

The transaction costs are amortized over the terms of the instrument based on the effective interest rate method and recorded as part of interest income for transaction costs related to the financial asset or as part of interest expense for transaction costs related to financial liabilities.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

**d. Financial assets and liabilities (continued)**

(ii) Pengakuan awal (lanjutan)

(ii) Initial recognition (continued)

Bank, pada pengakuan awal, dapat menetapkan aset keuangan dan liabilitas keuangan tertentu sebagai nilai wajar melalui laba rugi (opsi nilai wajar). Opsi nilai wajar dapat digunakan hanya bila memenuhi ketentuan sebagai berikut:

The Bank, upon initial recognition, may designate certain financial assets and liabilities, at fair value through profit or loss (fair value option). The fair value option is only applied when the following conditions are met:

- penetapan sebagai opsi nilai wajar mengurangi atau mengeliminasi ketidak-konsistenan pengukuran dan pengakuan (accounting mismatch) yang dapat timbul; atau
- aset keuangan dan liabilitas keuangan merupakan bagian dari portofolio instrumen keuangan yang risikonya dikelola dan dilaporkan kepada manajemen kunci berdasarkan nilai wajar; atau
- aset keuangan dan liabilitas keuangan terdiri dari kontrak utama dan derivatif melekat yang harus dipisahkan.

- the determination of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise; or
- the financial assets and liabilities are part of a portfolio of financial instruments, the risks of which are managed and reported to key management on a fair value basis; or
- the financial assets and liabilities consist of a host contract and an embedded derivative that must be bifurcated.

Opsi nilai wajar digunakan untuk kredit yang diberikan dan piutang tertentu yang dilindungi nilai menggunakan *credit derivatives* atau *spot* suku bunga, namun tidak memenuhi kriteria untuk akuntansi lindung nilai. Jika tidak, kredit yang diberikan akan dicatat menggunakan biaya diamortisasi dan derivatif akan diukur menggunakan nilai wajar melalui laba rugi.

The fair value option is applied to certain loans and receivables that are hedged with credit derivatives or interest rate spot, but does not meet the criteria for hedge accounting. Otherwise, the loans would be recorded at amortized cost, while the derivatives are measured at fair value through profit or loss.

Opsi nilai wajar juga digunakan untuk dana investasi yang merupakan bagian dari portofolio yang dikelola dengan basis nilai wajar. Opsi nilai wajar juga digunakan untuk *structured investment* termasuk derivatif melekat.

The fair value option is also applied to investment funds that are part of a portfolio managed on a fair value basis. Furthermore, the fair value option is applied to structured investments that include embedded derivatives.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

**d. Financial assets and liabilities (continued)**

(iii) Pengukuran setelah pengakuan awal

(iii) Subsequent measurement

Aset keuangan dalam kelompok tersedia untuk dijual dan aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi diukur pada nilai wajarnya.

Available-for-sale financial assets and financial assets and liabilities measured at fair value through profit or loss are subsequently measured at fair value.

Kredit yang diberikan dan piutang serta investasi dimiliki hingga jatuh tempo dan liabilitas keuangan yang diukur pada biaya perolehan diamortisasi diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Loans and receivables and held-to-maturity investments and other financial liabilities measured at amortized cost are measured at amortized cost using the effective interest rate method.

(iv) Penghentian pengakuan

(iv) Derecognition

a. Aset keuangan dihentikan pengakuannya jika:

a. Financial assets are derecognized when:

- Hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir; atau
- Bank telah mentransfer hak-nya untuk menerima arus kas yang berasal dari aset keuangan atau menanggung liabilitas untuk membayarkan arus kas yang diterima tersebut secara penuh tanpa penundaan berarti kepada pihak ketiga di bawah kesepakatan pelepasan (pass-through arrangement); dan antara (a) Bank telah mentransfer secara substansial seluruh risiko dan manfaat atas aset, atau (b) Bank tidak mentransfer maupun tidak memiliki secara substansial seluruh risiko dan manfaat atas aset, namun telah mentransfer pengendalian atas aset.

- The contractual rights to receive cash flows from the financial assets have expired; or
- The Bank has transferred its rights to receive cash flows arising from the financial assets or has assumed an obligation to pay the cash flows in full without significant delay to a third party under a 'pass-through arrangement'; and either (a) the Bank has transferred substantially all the risks and rewards of the asset, or (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

Ketika Bank telah mentransfer hak untuk menerima arus kas dari aset atau telah memasuki *pass through arrangement* dan tidak mentransfer serta tidak mempertahankan secara substansial seluruh risiko dan manfaat atas aset atau tidak mentransfer kendali atas aset, aset diakui sebesar keterlibatan Bank yang berkelanjutan atas aset tersebut.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

**d. Financial assets and liabilities (continued)**

(iv) Penghentian pengakuan (lanjutan)

(iv) Derecognition (continued)

Kredit yang diberikan atau aset keuangan lain dihapusbukukan ketika tidak terdapat prospek yang realistis mengenai pengembalian kredit dalam waktu dekat atau hubungan normal antara Bank dan debitur telah berakhir. Kredit yang tidak dapat dilunasi dihapusbukukan dengan mendebit cadangan kerugian penurunan nilai. Penerimaan kemudian atas kredit yang telah dihapusbukukan sebelumnya, jika dihapusbukukan pada periode berjalan dikreditkan ke dalam akun cadangan kerugian penurunan nilai atas kredit yang diberikan di laporan posisi keuangan, sedangkan jika dihapusbukukan di periode sebelumnya dikreditkan sebagai pendapatan operasional lainnya dalam laporan laba rugi dan penghasilan komprehensif lain.

Loans or other financial assets are written off when there is no realistic prospect of collection in the near future or the normal relationship between the Bank and the borrowers has ceased to exist. When a loan is deemed uncollectible, it is written off against the related allowance for impairment losses. Subsequent recoveries from loans previously written off, are added to the allowance for impairment losses account in the statement of financial position, if written off in the current year and are recognized in the statement of profit or loss and other comprehensive income as other operating income, if written off in prior periods.

b. Liabilitas keuangan dihentikan pengakuannya jika liabilitas keuangan tersebut berakhir, yaitu ketika liabilitas yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluwarsa.

b. Financial liabilities are derecognized when they are extinguished, i.e. liabilities stated in the contract are discharged, cancelled or expired.

Jika suatu liabilitas keuangan yang ada digantikan dengan yang lain oleh pemberi pinjaman yang sama pada keadaan yang secara substansial berbeda, atau berdasarkan suatu liabilitas yang ada yang secara substansial telah diubah, seperti pertukaran atau modifikasi yang diperlakukan sebagai penghentian pengakuan liabilitas awal dan pengakuan liabilitas baru dan perbedaan nilai tercatat masing-masing diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

**d. Financial assets and liabilities (continued)**

(v) Pengakuan pendapatan dan beban

(v) Income and expense recognition

- a. Pendapatan dan beban bunga atas aset tersedia untuk dijual, serta aset keuangan dan liabilitas keuangan yang dicatat berdasarkan biaya perolehan diamortisasi diakui pada laporan laba rugi dan penghasilan komprehensif lain dengan menggunakan metode suku bunga efektif.
- b. Keuntungan dan kerugian yang belum terealisasi yang timbul dari perubahan nilai wajar aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi diakui pada laporan laba rugi dan penghasilan komprehensif lain.

- a. Interest income and expense on available-for-sale assets and financial assets and liabilities measured at amortized cost are recognised in the statement of profit or loss and other comprehensive income using the effective interest method.
- b. Unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities measured at fair value through profit or loss are included in the statement profit or loss and other comprehensive income.

Keuntungan dan kerugian yang belum direalisasi yang timbul dari perubahan nilai wajar aset keuangan yang diklasifikasikan dalam kelompok tersedia untuk dijual, kecuali keuntungan dan kerugian nilai tukar, diakui secara langsung dalam laba setelah pajak dalam ekuitas, sampai aset keuangan tersebut dihentikan pengakuannya atau adanya penurunan nilai.

Unrealized gains and losses arising from changes in fair value of available-for-sale, except financial assets other than foreign exchange gains and losses are recognized, net of tax, in equity, until the financial assets are derecognized or impaired.

Pada saat aset keuangan dihentikan pengakuannya atau mengalami penurunan nilai, keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam ekuitas harus diakui pada laporan laba rugi dan penghasilan komprehensif lain.

When a financial asset is derecognized or impaired, the cumulative gains or losses previously recognized in equity is recognized in the statement of profit or loss and other comprehensive income.

(vi) Reklasifikasi aset keuangan

(vi) Reclassification of financial assets

Bank tidak diperkenankan untuk mereklasifikasi setiap instrumen keuangan dari diukur pada nilai wajar melalui laba rugi, jika pada pengakuan awal instrumen keuangan tersebut ditetapkan oleh Bank sebagai diukur pada nilai wajar melalui laba rugi.

The Bank is not allowed to reclassify any financial instrument out of or into the fair value through profit or loss, if the initial recognition of financial instruments is determined by the Bank as measured at fair value through profit or loss.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

**d. Financial assets and liabilities (continued)**

(vi) Reklasifikasi aset keuangan (lanjutan)

(vi) *Reclassification of financial assets (continued)*

Bank tidak boleh mengklasifikasikan aset keuangan sebagai investasi dimiliki hingga jatuh tempo, jika dalam tahun berjalan atau dalam kurun waktu dua tahun sebelumnya, telah menjual atau mereklasifikasi investasi dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan sebelum jatuh tempo (lebih dari jumlah yang tidak signifikan dibandingkan dengan jumlah nilai investasi dimiliki hingga jatuh tempo), kecuali penjualan atau reklasifikasi tersebut:

*The Bank is not allowed to classify financial assets as held-to-maturity investments, if the Bank during the current year or in the two preceeding years, sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (more than an insignificant amount in relation to the total amount of held-to-maturity investments), other than sales or reclassifications, that:*

- a. dilakukan ketika aset keuangan sudah mendekati jatuh tempo atau tanggal pembelian kembali di mana perubahan suku bunga tidak akan berpengaruh secara signifikan terhadap nilai wajar aset keuangan tersebut;
- b. terjadi setelah Bank telah memperoleh secara substansial seluruh jumlah pokok aset keuangan tersebut sesuai jadwal pembayaran atau Bank telah memperoleh pelunasan dipercepat; atau
- c. terkait dengan kejadian tertentu yang berada di luar kendali Bank, tidak berulang, dan tidak dapat diantisipasi secara wajar oleh Bank.

- a. *are so close to maturity or repurchase date that changes in the market rate of interest would not have a significant effect on the financial assets' fair value;*

- b. *occur after the Bank has collected substantially all of the original principal of the financial assets through scheduled payments or prepayments; or*

- c. *are attributable to an isolated event, that is beyond the Bank's control, is non-recurring, and could not be reasonably anticipated by the Bank.*

Reklasifikasi aset keuangan dari kelompok dimiliki hingga jatuh tempo ke kelompok tersedia untuk dijual dicatat sebesar nilai wajarnya. Keuntungan atau kerugian yang belum direalisasi tetap dilaporkan dalam ekuitas dan diamortisasi menggunakan metode suku bunga efektif selama sisa umur aset keuangan tersebut.

*Reclassification of financial assets from held-to-maturity to available-for-sale category is recorded at fair value. Unrealized gains or losses are reported in equity and are amortized using effective interest method over the remaining life of the financial assets.*

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**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

(vii) Saling hapus

Aset keuangan dan liabilitas keuangan dilakukan saling hapus dan nilai bersihnya disajikan dalam laporan posisi keuangan jika, dan hanya jika Bank memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan adanya maksud untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

Hal yang berkekuatan hukum harus tidak kontingen atas peristiwa di masa depan dan harus dapat dipaksakan di dalam situasi bisnis yang normal, peristiwa kegagalan atau kebangkrutan dari entitas atas seluruh pihak lawan.

Pendapatan dan beban disajikan dalam jumlah neto hanya jika diperkenankan oleh Standar Akuntansi Keuangan.

(viii) Pengukuran nilai wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran.

Pengukuran nilai wajar mengasumsikan bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi:

- Di pasar utama untuk aset dan liabilitas tersebut; atau
- Jika tidak terdapat pasar utama, dipasar yang paling menguntungkan untuk aset atau liabilitas tersebut.

Nilai wajar suatu aset atau liabilitas diukur menggunakan asumsi yang akan digunakan pelaku pasar ketika menentukan harga aset dan liabilitas tersebut dengan asumsi bahwa pelaku pasar bertindak dalam kepentingan ekonomi terbaiknya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Financial assets and liabilities (continued)**

(vii) Offsetting

*Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Bank has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.*

*The legally enforceable right must not be, contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.*

*Income and expenses are presented on a net basis only when permitted by the Financial Accounting Standards.*

(viii) Fair value measurement

*Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.*

*Fair value measurement assumes the transaction to sell assets or transfer liabilities occurs:*

- *In the primary market for such assets and liabilities; or*
- *If there is no primary market, in the most profitable market for these assets or liabilities.*

*The fair value of an asset or liability is measured using the assumptions that would be use by market participants in determining the price of the asset and the liability assuming that market participants act in their best economic interests.*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

**d. Financial assets and liabilities (continued)**

(viii) Pengukuran nilai wajar (lanjutan)

(viii) Fair value measurement (continued)

Pengukuran nilai wajar aset non keuangan memperhitungkan kemampuan pelaku pasar untuk menghasilkan manfaat ekonomik dengan menggunakan aset dalam penggunaan tertinggi dan terbaiknya atau dengan menjualnya kepada pelaku pasar lain yang akan menggunakan aset tersebut dalam penggunaan tertinggi dan terbaiknya.

The measurement of the fair value of non-financial assets takes into account the ability of market participants to generate economic benefits by using the asset in the highest and best use or by selling them to other market participants that would use the asset in the highest and best use.

Bank menggunakan teknik penilaian yang sesuai dalam keadaan dan dimana data yang memadai tersedia untuk mengukur nilai wajar, mengoptimalkan penggunaan input yang dapat diobservasi yang relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi.

The Bank uses suitable valuation techniques in the circumstances and where sufficient data are available to measure fair value, optimizing the use of relevant observable inputs and minimize the use of inputs that are not observable.

Semua aset dan liabilitas dimana nilai wajar diukur atau diungkapkan dalam laporan keuangan dapat dikategorikan pada level hirarki nilai wajar, berdasarkan tingkatan input terendah yang signifikan atas pengukuran nilai wajar secara keseluruhan:

All assets and liabilities in which fair value is measured or disclosed in the financial statements can be classified in fair value hierarchy levels, based on the lowest level of input that is significant to the overall fair value measurement:

- Tingkat 1 : harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses pada tanggal pengukuran.
- Tingkat 2 : input selain harga kuotasian yang termasuk dalam level 1 yang dapat diobservasi untuk aset dan liabilitas, baik secara langsung atau tidak langsung.
- Tingkat 3 : input yang tidak dapat diobservasi untuk aset dan liabilitas.

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities which are accessible at the measurement date.
- Level 2 : inputs other than quoted prices included in level 1 that are observable for the assets and liabilities, either directly or indirectly.
- Level 3 : inputs that are not observable for the assets and liabilities.

Untuk aset dan liabilitas yang diakui pada laporan keuangan secara berulang, Bank menentukan apakah terjadi transfer antara level di dalam hirarki dengan cara mengevaluasi kategori (berdasarkan input level terendah yang signifikan dalam pengukuran nilai wajar) setiap akhir periode pelaporan.

For assets and liabilities that are recognized in the financial statements on recurring basis, the Bank determines whether there is a transfer between levels in the hierarchy by evaluating categories (based on the lowest level input that is significant to the fair value measurement) at the end of each reporting period.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

**d. Financial assets and liabilities (continued)**

(viii) Pengukuran nilai wajar (lanjutan)

(viii) Fair value measurement (continued)

Bank, untuk tujuan pengungkapan nilai wajar, telah menentukan kelas aset dan liabilitas berdasarkan sifat, karakteristik, risiko aset dan liabilitas, dan level hirarki nilai wajar (Catatan 48).

The Bank, for purposes of disclosing the fair value, has determined the classes of assets and liabilities based on the nature, characteristics, risk of assets and liabilities, and the fair value hierarchy levels (Note 48).

(ix) Pengukuran biaya diamortisasi

(ix) Amortized cost measurement

Biaya perolehan diamortisasi dari aset keuangan atau liabilitas keuangan adalah jumlah aset keuangan atau liabilitas keuangan yang diukur pada saat pengakuan awal dikurangi pembayaran pokok pinjaman, ditambah atau dikurangi amortisasi kumulatif menggunakan metode suku bunga efektif yang dihitung dari selisih antara nilai pengakuan awal dan nilai jatuh temponya, dan dikurangi penurunan nilai.

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

(x) Aset keuangan sukuk

(x) Sukuk Financial Asset

Berdasarkan PSAK No.110 (Revisi 2015), Bank menentukan investasi pada sukuk *ijarah* dan *mudharabah* sebagai diukur pada biaya perolehan, diukur pada nilai wajar melalui penghasilan komprehensif lain atau diukur pada nilai wajar melalui laba rugi.

In accordance with SFAS No.110 (Revised 2015), the Bank determines the classification of investments in sukuk *ijarah* and *mudharabah* either measured at cost, fair value through other comprehensive income or fair value through profit or loss.

Klasifikasi sukuk adalah sebagai berikut:

Sukuk classifications are as follows:

a. Diukur pada biaya perolehan

a. Measured at cost

- Investasi tersebut dimiliki dalam suatu model usaha yang bertujuan utama untuk memperoleh arus kas kontraktual dan terdapat persyaratan kontraktual dalam menentukan tanggal tertentu atas pembayaran pokok dan atau hasilnya.
- Biaya perolehan sukuk termasuk biaya transaksi, dan selisih antara biaya perolehan dan nilai nominal diamortisasi secara garis lurus selama jangka waktu sukuk dan diakui dalam laba rugi.

- The investment is held in a business model whereby the primary goal is to obtain contractual cash flows and has contractual terms in determining the specific date of principal payments and or the results.
- Sukuk acquisition cost includes transaction cost, and difference between the acquisition cost and the nominal value is amortized on a straight-line basis over the period of the sukuk and recognized to profit or loss.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Aset keuangan dan liabilitas keuangan (lanjutan)**

**d. Financial assets and liabilities (continued)**

(x) Aset keuangan sukuk (lanjutan)

(x) Sukuk Financial Asset (continued)

Klasifikasi sukuk adalah sebagai berikut: (lanjutan)

Sukuk classifications are as follows: (continued)

b. Diukur pada nilai wajar melalui penghasilan komprehensif lain

b. Measured at fair value through other comprehensive income

- Investasi tersebut dimiliki dalam suatu model usaha yang bertujuan utama untuk memperoleh arus kas kontraktual dan melakukan penjualan sukuk, terdapat persyaratan kontraktual dalam menentukan tanggal tertentu atas pembayaran pokok dan atau hasilnya.
- Biaya perolehan sukuk termasuk biaya transaksi, dan selisih antara biaya perolehan dan nilai nominal diamortisasi secara garis lurus selama jangka waktu sukuk dan diakui dalam laba rugi.
- Keuntungan atau kerugian dari perubahan nilai wajar diakui dalam penghasilan komprehensif lain setelah memperhitungkan saldo selisih biaya perolehan dan nilai nominal yang belum diamortisasi dan saldo akumulasi keuntungan atau kerugian nilai wajar yang telah diakui dalam penghasilan komprehensif lain sebelumnya. Ketika investasi sukuk dihentikan pengakuannya, akumulasi keuntungan atau kerugian yang sebelumnya diakui dalam penghasilan komprehensif lain direklasifikasi ke laba rugi.

- The investment is held in a business model whereby the primary goal is to obtain contractual cash flows and sell sukuk, has contractual terms in determining the specific date of principal payments and or the results.
- Sukuk acquisition cost includes transaction cost, and difference between the acquisition cost and the nominal value is amortized on a straight-line basis over the period of the sukuk and recognized to profit or loss.
- Gain or loss from changes of fair value is recognized in other comprehensive income after considering unamortized difference of acquisition cost and nominal value and accumulated gain or loss of fair value which has been previously recognized in other comprehensive income. When sukuk is derecognized, accumulated gain or loss which has been previously recognized in other comprehensive income is reclassified to profit or loss.

c. Diukur pada nilai wajar melalui laba rugi

c. Measured at fair value through profit or loss

Biaya perolehan sukuk tidak termasuk biaya transaksi, dan selisih antara nilai wajar dan jumlah tercatat diakui dalam laba rugi.

Sukuk acquisition cost excludes transaction cost and the difference between fair value and the carrying value is recognized in profit or loss.



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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**e. Cadangan kerugian penurunan nilai atas aset keuangan**

**e.1. Kredit yang Diberikan dan Pembiayaan/Piutang Murabahah**

Pada setiap tanggal laporan posisi keuangan, Bank mengevaluasi apakah terdapat bukti obyektif bahwa aset keuangan yang tidak dicatat pada nilai wajar melalui laporan laba rugi telah mengalami penurunan nilai.

Aset keuangan mengalami penurunan nilai jika bukti obyektif menunjukkan bahwa peristiwa yang merugikan telah terjadi setelah pengakuan awal aset keuangan dan peristiwa tersebut berdampak pada arus kas masa datang atas aset keuangan yang dapat diestimasi secara handal.

Kriteria yang digunakan oleh Bank untuk menentukan bukti obyektif dari penurunan nilai adalah sebagai berikut:

- a. kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam;
- b. pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau bunga;
- c. pihak pemberi pinjaman, dengan alasan ekonomi atau hukum sehubungan dengan kesulitan keuangan yang dialami pihak peminjam, memberikan keringanan (konsesi) pada pihak peminjam yang tidak mungkin diberikan jika pihak peminjam tidak mengalami kesulitan tersebut;
- d. terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan lainnya;
- e. hilangnya pasar aktif dari aset keuangan akibat kesulitan keuangan; atau
- f. data yang dapat diobservasi mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa datang dari kelompok aset keuangan sejak pengakuan awal aset dimaksud, meskipun penurunannya belum dapat diidentifikasi terhadap aset keuangan secara individual dalam kelompok aset tersebut, termasuk:
  1. memburuknya status pembayaran pihak peminjam dalam kelompok tersebut; dan
  2. kondisi ekonomi nasional atau lokal yang berkorelasi dengan wanprestasi atas aset dalam kelompok tersebut.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. Allowance for impairment losses on financial assets**

**e.1. Loans and Murabahah Financing Receivables**

On each statement of financial position reporting date, the Bank assesses whether there is an objective evidence that financial assets not carried at fair value through profit or loss are impaired.

Financial assets are impaired when an objective evidence demonstrate that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows of the financial asset that can be estimated reliably.

The criteria used by the Bank to determine objective evidence of impairment are as follows:

- a. significant financial difficulties by the issuer or debtor;
- b. breach of contract, like defaults or deferred principal or interest payments;
- c. the creditor, for economic or legal reasons relating to the financial difficulties of the debtor, provides relief (concession) to the debtor that the creditor would not otherwise consider;
- d. it becomes probable that the debtor will enter into bankruptcy or other financial reorganization;
- e. the loss of an active market for that financial asset due to financial difficulties; or
- f. observable data has indicated that there is measurable decrease in the estimated future cash flows of the financial assets since the initial measurement, although the decrease cannot be identified to the individual financial assets in the portfolio, including:
  1. adverse changes in the payment status of borrowers in the portfolio; and
  2. national or local economic condition related to defaults on the assets in the portfolio.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**e. Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)**

**e.1. Kredit yang Diberikan dan Pembiayaan/Piutang Murabahah (lanjutan)**

Estimasi periode antara terjadinya peristiwa dan teridentifikasinya kerugian ditentukan oleh manajemen untuk setiap portofolio yang diidentifikasi. Pada umumnya, periode tersebut bervariasi antara 3 (tiga) dan 12 (dua belas) bulan dan untuk kasus tertentu diperlukan periode yang lebih lama.

Bank pertama kali menentukan apakah terdapat bukti obyektif penurunan nilai secara individual atas aset keuangan yang signifikan secara individual atau kolektif untuk aset keuangan yang tidak signifikan secara individual. Jika Bank menentukan tidak terdapat bukti obyektif mengenai penurunan nilai atas aset keuangan yang dinilai secara individual, terlepas aset keuangan tersebut signifikan atau tidak, maka Bank memasukkan aset tersebut ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang serupa dan menilai penurunan nilai kelompok tersebut secara kolektif. Aset keuangan yang penurunan nilainya dilakukan secara individual, dan untuk itu kerugian penurunan nilai telah diakui atau tetap diakui, tidak termasuk dalam penilaian penurunan nilai secara kolektif.

Bank menetapkan kredit yang harus dievaluasi penurunan nilainya secara individual, jika memenuhi salah satu kriteria di bawah ini:

1. Kredit yang secara individual memiliki nilai signifikan dan memiliki bukti obyektif penurunan nilai;
2. Kredit yang direstrukturisasi yang secara individual memiliki nilai signifikan.

Berdasarkan kriteria diatas, Bank melakukan penilaian secara individual untuk: (a) Kredit yang diberikan dengan plafond sama dengan atau lebih besar dari Rp5.000 dengan kolektibilitas kurang lancar, diragukan dan macet; atau (b) Kredit yang diberikan dengan plafond sama dengan atau lebih besar dari Rp5.000 yang direstrukturisasi.

Bank menetapkan kredit yang harus dievaluasi penurunan nilainya secara kolektif, jika memenuhi salah satu kriteria di bawah ini:

1. Kredit yang secara individual memiliki nilai signifikan namun tidak memiliki bukti obyektif penurunan nilai;
2. Kredit yang secara individual memiliki nilai tidak signifikan;
3. Kredit yang direstrukturisasi yang secara individual memiliki nilai tidak signifikan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. Allowance for impairment losses on financial assets (continued)**

**e.1. Loans and Murabahah Financing Receivables (continued)**

The estimated period between the occurrence of events and identification of loss is determined by management for every identified portfolio. Generally, the period varies between 3 (three) and 12 (twelve) months and for specific cases, it may need longer period.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Financial assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of impairment.

The Bank determines loans to be evaluated for impairment through individual evaluation if one of the following criteria is met:

1. Loans which individually have significant value with objective evidence of impairment;
2. Restructured loans which individually have significant value.

Based on the above criteria, the Bank performs individual assessment for: (a) Loans with credit limit equal to or greater than Rp5,000 with collectibility classification of substandard, doubtful and loss; or (b) Restructured loans with credit limit equal to or greater than Rp5,000.

The Bank determines loans to be evaluated for impairment through collective assessment if one of the following criteria is met:

1. Loans which individually have significant value with no objective evidence of impairment;
2. Loans which individually have insignificant value;
3. Restructured loans which individually have insignificant value.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**e. Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)**

**e.1. Kredit yang Diberikan dan Pembiayaan/Piutang Murabahah (lanjutan)**

Berdasarkan kriteria di atas, penilaian secara kolektif dilakukan untuk: (a) Kredit yang diberikan dengan plafond sama dengan atau lebih besar dari Rp5.000 dengan kolektibilitas lancar dan dalam perhatian khusus serta tidak direstrukturisasi; atau (b) Kredit yang diberikan dengan plafond dibawah Rp5.000.

Perhitungan cadangan kerugian penurunan nilai atas aset keuangan yang dinilai secara kolektif berdasarkan karakteristik risiko kredit yang sama dengan mempertimbangkan segmentasi kredit berdasarkan pengalaman kerugian masa lalu dan kemungkinan terjadinya kegagalan (probability of default). Aset keuangan dikelompokan berdasarkan karakteristik risiko kredit yang sama antara lain dengan mempertimbangkan segmentasi kredit dan tunggakan debitur.

Bank menggunakan metode *roll rate* analisis yang merupakan suatu metode analisis statistik, untuk menilai cadangan kerugian penurunan nilai atas kredit yang diberikan secara kolektif. Dengan metode ini, Bank menggunakan data historis 3 (tiga) tahun dalam menghitung *Probability of Default* (PD) dan *Loss Given Default* (LGD).

Bank menggunakan nilai wajar agunan sebagai dasar arus kas masa datang apabila memenuhi salah satu kondisi berikut:

1. Kredit bersifat *collateral dependent*, yaitu jika pelunasan kredit hanya bersumber dari agunan;
2. Pengambilalihan agunan kemungkinan besar terjadi dan didukung dengan perjanjian legal pengikatan agunan.

Sebagai panduan praktis, Bank dapat mengukur penurunan nilai berdasarkan nilai wajar instrumen dengan menggunakan harga pasar yang dapat diobservasi, dimana perhitungan nilai kini dari estimasi arus kas masa datang atas aset keuangan dengan agunan (*collateralized financial asset*) mencerminkan arus kas yang dapat dihasilkan dari pengambilalihan agunan dikurangi biaya-biaya untuk memperoleh dan menjual agunan, terlepas apakah pengambilalihan tersebut berpeluang terjadi atau tidak.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. Allowance for impairment losses on financial assets (continued)**

**e.1. Loans and Murabahah Financing Receivables (continued)**

Based on the above criteria, the Bank performs collective assessment for: (a) Loans with credit limit equal to or greater than Rp5,000 with collectibility classification of current and special mention, and have never been restructured; or (b) Loans with credit limit below Rp5,000.

Calculation of allowance for impairment losses on financial assets assessed collectively grouped based on similar credit risk characteristics and taking into account the loan segmentation based on historical loss experience and the possibility of failure (probability of default). Financial assets are grouped on the basis of similar credit risk characteristics by considering the credit segmentation and past due status of the debtors, among others.

The Bank uses the roll rate analysis method, which is a statistical model analysis method to collectively assess allowance for impairment losses on loans. Under this method, the Bank uses 3 (three) years of historical data to compute for the Probability of Default (PD) and Loss Given Default (LGD).

The Bank uses the fair value of collateral as the basis for future cash flow if one of the following conditions is met:

1. Loans are collateral dependent, i.e. if the source of loans repayment is only from the collateral;
2. Foreclosure of collateral is most likely to occur and supported by legally binding collateral agreement.

As a practical guidance, the Bank may measure the impairment based on the instrument's fair value by using observable market price, where the calculation of the present value of estimated future cash flows on collateralized financial assets reflects the generated cash flow from the foreclosure of collateral net of costs to acquire and sell the collateral, regardless whether or not foreclosure is probable.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**e. Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)**

**e.1. Kredit yang Diberikan dan Pembiayaan/Piutang Murabahah (lanjutan)**

Kerugian penurunan nilai atas aset keuangan yang dicatat pada biaya perolehan diamortisasi diukur sebesar selisih antara nilai tercatat aset keuangan dengan nilai kini estimasi arus kas masa datang didiskonto menggunakan suku bunga efektif awal dari aset keuangan tersebut. Jika kredit yang diberikan atau surat-surat berharga yang dimiliki hingga jatuh tempo dan obligasi Pemerintah memiliki suku bunga variabel, maka tingkat diskonto yang digunakan untuk mengukur setiap kerugian penurunan nilai adalah suku bunga efektif yang berlaku yang ditetapkan dalam kontrak.

Kerugian penurunan nilai yang terjadi diakui pada laporan laba rugi dan penghasilan komprehensif lain dan dicatat pada akun "Cadangan kerugian penurunan nilai" sebagai pengurang terhadap aset keuangan yang dicatat pada biaya perolehan diamortisasi.

Pendapatan bunga atas aset keuangan yang mengalami penurunan nilai tetap diakui atas dasar suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam pengukuran kerugian penurunan nilai. Ketika peristiwa yang terjadi setelah tanggal laporan posisi keuangan menyebabkan jumlah kerugian penurunan nilai berkurang, kerugian penurunan nilai yang sebelumnya diakui harus dipulihkan dan pemulihan tersebut diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Untuk aset keuangan yang tersedia untuk dijual, pada setiap tanggal laporan posisi keuangan, Bank mengevaluasi apakah terdapat bukti obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai.

Penurunan yang signifikan atau penurunan jangka panjang atas nilai wajar investasi dalam instrumen ekuitas dibawah biaya perolehannya merupakan bukti obyektif terjadinya penurunan nilai dan menyebabkan pengakuan kerugian penurunan nilai. Kerugian penurunan nilai atas efek-efek yang tersedia untuk dijual diakui dengan mengeluarkan kerugian kumulatif yang telah diakui secara langsung dalam ekuitas ke dalam laporan laba rugi dan penghasilan komprehensif lain.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. Allowance for impairment losses on financial assets (continued)**

**e.1. Loans and Murabahah Financing Receivables (continued)**

*Impairment losses on financial assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and present value of estimated future cash flows discounted at the financial assets' original effective interest rate. If loans and receivables or held-to-maturity securities and Government bonds have variable interest rate, the discount rate used to measure impairment loss is the current effective interest rate specified in the contract.*

*Impairment losses are recognized in the statement of profit or loss and other comprehensive income and reflected in an "Allowance for impairment losses" account as a deduction from financial assets carried at amortized cost.*

*Interest income on the impaired financial assets continues to be recognized using the original rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss previously recognized and the recovery is recognized in the statement of profit or loss and other comprehensive income.*

*For financial assets classified as available-for-sale, the Bank assesses on each statement of financial position reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.*

*In the case of equity instruments, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. Impairment losses on available-for-sale marketable securities are recognized by transferring the cumulative loss that has been recognized directly in equity to the statements of profit or loss and other comprehensive income.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**e. Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)**

**e.1. Kredit yang Diberikan dan Pembiayaan/Piutang Murabahah (lanjutan)**

Jumlah kerugian kumulatif yang dikeluarkan dari ekuitas dan diakui pada laporan laba rugi dan penghasilan komprehensif lain merupakan selisih antara biaya perolehan (setelah dikurangi dengan nilai pelunasan pokok dan amortisasi) dengan nilai wajar kini, dikurangi kerugian penurunan nilai aset keuangan yang sebelumnya telah diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Jika pada periode berikutnya, nilai wajar efek-efek yang diklasifikasikan dalam kelompok tersedia untuk dijual dan obligasi Pemerintah yang mengalami penurunan nilai meningkat dan peningkatan tersebut dapat secara obyektif dihubungkan dengan peristiwa yang terjadi setelah pengakuan kerugian penurunan nilai pada laporan laba rugi dan penghasilan komprehensif lain, maka kerugian penurunan nilai tersebut harus dipulihkan dan pemulihan tersebut diakui pada tahun terjadinya.

Jika persyaratan kredit yang diberikan, piutang atau efek-efek yang dimiliki hingga jatuh tempo dinegosiasi ulang atau dimodifikasi karena debitur atau penerbit mengalami kesulitan keuangan, maka penurunan nilai diukur dengan suku bunga efektif awal yang digunakan sebelum persyaratan diubah.

Jika pada suatu periode berikutnya, jumlah cadangan kerugian penurunan nilai berkurang dan pengurangan tersebut dapat dikaitkan secara obyektif pada peristiwa yang terjadi setelah penurunan nilai diakui (seperti meningkatnya peringkat kredit debitur atau penerbit), maka kerugian penurunan nilai yang sebelumnya diakui harus dipulihkan, dengan menyesuaikan akun cadangan. Jumlah yang terpulihkan diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Penerimaan kembali atas aset keuangan yang telah dihapusbukukan pada tahun berjalan dikreditkan dengan menyesuaikan akun cadangan kerugian penurunan nilai. Penerimaan kembali atas kredit yang diberikan yang telah dihapusbukukan pada tahun-tahun sebelumnya dicatat sebagai pendapatan operasional lainnya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. Allowance for impairment losses on financial assets (continued)**

**e.1. Loans and Murabahah Financing Receivables (continued)**

*The cumulative loss that has been removed from equity and recognized in the statement of profit or loss and other comprehensive income is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in the statement of profit or loss and other comprehensive income.*

*If in a subsequent period, the fair value of an impaired available-for-sale securities and Government bonds increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statement of profit or loss and other comprehensive income, the impairment loss previously recognized must be recovered and the recovery is recognized in the year it occurred.*

*If the terms of the loans and receivables or held-to-maturity securities are renegotiated or modified since the debtor or issuer has financial difficulties, the impairment is measured using the original effective interest rate before the modification of terms.*

*If in the next period, the amount of allowance for impairment losses is decreased and the decrease can be related objectively to an event that occurred after the recognition of the impairment loss (i.e. upgrade debtor's or issuer's collectibility), the impairment loss that was previously recognized has to be reversed by adjusting the allowance account. The amount of reversal is recognized in the statement of profit or loss and other comprehensive income.*

*The recoveries of written-off financial assets in the current year are credited by adjusting the allowance for impairment losses account. Recoveries of written-off loans from previous years are recorded as other operating income.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**e. Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)**

e.2. Pembiayaan/Piutang Syariah selain Murabahah

Untuk Aset keuangan berupa piutang *istishna*, pinjaman *qardh*, pembiayaan *mudharabah*, dan pembiayaan *musyarakah*, Bank menerapkan Peraturan Bank Indonesia No. 14/15/PBI/2012 tanggal 24 Oktober 2012 tentang "Penilaian Kualitas Aset Bank Umum" dan Peraturan Otoritas Jasa Keuangan (POJK) No.16/POJK.03/2014 tanggal 18 November 2014 dan perubahannya pada POJK No. 19/POJK.03/2018 tanggal 20 September 2018 tentang "Penilaian Kualitas Aset Bank Umum Syariah dan Unit Usaha Syariah" yang berlaku efektif tanggal 1 Januari 2015.

Cadangan kerugian minimum yang harus dibentuk sesuai dengan Peraturan Bank Indonesia adalah sebagai berikut:

- a. 1% dari aset produktif yang digolongkan Lancar, di luar penempatan pada Bank Indonesia, obligasi pemerintah, instrumen hutang lain yang diterbitkan oleh Pemerintah Republik Indonesia dan aset produktif yang dijamin dengan agunan tunai;
- b. 5% dari aset produktif yang digolongkan Dalam Perhatian Khusus setelah dikurangi agunan;
- c. 15% dari aset produktif yang digolongkan Kurang Lancar setelah dikurangi agunan;
- d. 50% dari aset produktif yang digolongkan Diragukan setelah dikurangi agunan; dan
- e. 100% dari aset produktif yang digolongkan Macet setelah dikurangi agunan.

Kriteria penilaian nilai agunan yang dapat dikurangkan dalam pembentukan cadangan kerugian penurunan nilai sesuai dengan Peraturan Bank Indonesia (OJK).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. Allowance for impairment losses on financial assets (continued)**

e.2. Sharia Financing/Receivables Other Than Murabahah

For financial assets of *istishna* receivables, funds of *qardh*, *mudharabah* financing, and *musyarakah* financing, the Bank implements Bank Indonesia Regulation No. 14/15/PBI/2012 dated October 24, 2012 about "Assessment of Commercial Banks' Asset Quality" and POJK No. 16/POJK.03/2014 dated November 18, 2014 and its amendment POJK No. 19/POJK.03/2018 dated September 20, 2018 regarding "Asset Quality Ratings for Sharia Bank and Sharia Business Unit" which was effective on January 1, 2015.

The minimum allowance to be provided in accordance with Bank Indonesia Regulation is as follows:

- a. 1% of earning assets classified as Current, excluding placements with Bank Indonesia, government bonds, other debt instruments issued by the Government of the Republic of Indonesia and earning assets secured by cash collateral;
- b. 5% of earning assets classified as Special Mention, net of deductible collateral;
- c. 15% of earning assets classified as Sub-standard, net of deductible collateral;
- d. 50% of earning assets classified as Doubtful, net of deductible collateral; and
- e. 100% of earning assets classified as Loss, net of deductible collateral.

The criteria for assessment of the value of collateral that can be deducted in the calculation of allowance for impairment losses are based on Bank Indonesia Regulations (OJK).

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**f. Giro pada Bank Indonesia dan Bank lain**

Giro pada Bank Indonesia dan Bank lain dinyatakan sebesar biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi cadangan kerugian penurunan nilai. Giro pada Bank Indonesia dan Bank lain diklasifikasikan sebagai kredit yang diberikan dan piutang.

**g. Penempatan pada Bank Indonesia dan bank lain**

Penempatan pada Bank Indonesia dan bank lain merupakan penanaman dana pada Bank Indonesia berupa *deposit facility*, *term deposit* dan *deposit facility syariah*, sedangkan penempatan pada bank lain berupa deposito berjangka, *inter-bank call money* dan tabungan.

Penempatan pada Bank Indonesia dan bank lain dinyatakan sebesar biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi cadangan kerugian penurunan nilai. Penempatan pada Bank Indonesia dan bank lain diklasifikasikan sebagai kredit yang diberikan dan piutang.

**h. Efek-efek dan Obligasi Pemerintah**

Efek-efek terdiri dari surat berharga yang diperdagangkan dalam pasar modal dan pasar uang, antara lain Sertifikat Bank Indonesia (SBI), Sertifikat Deposito Bank Indonesia (SDBI), obligasi, *Negotiable Certificate of Deposit (NCD)*, *Medium Term Notes (MTN)* dan penyertaan reksadana.

Obligasi Pemerintah adalah obligasi yang diterbitkan oleh Pemerintah Indonesia termasuk obligasi rekapitalisasi yang merupakan obligasi yang diterbitkan oleh Pemerintah dalam rangka rekapitalisasi bank umum.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**f. Current accounts with Bank Indonesia and other Banks**

*Current accounts with Bank Indonesia and other Banks are stated at amortized cost using the effective interest method less allowance for impairment losses. Current accounts with Bank Indonesia and other Banks are classified under loans and receivables.*

**g. Placements with Bank Indonesia and other banks**

*Placements with Bank Indonesia and other banks represent placements of funds in Bank Indonesia in the form of deposit facility, term deposit and sharia deposit facility, whereas placement with other banks is in the form of time deposit, inter-bank call money and savings.*

*Placements with Bank Indonesia and other banks are stated at amortized cost using the effective interest method less allowance for impairment losses. Placements with Bank Indonesia and other banks are classified as loans and receivables.*

**h. Securities and Government Bonds**

*Securities consist of securities traded in the capital market and money market, such as Bank Indonesia Certificates (SBI), Deposits Certificates of Bank Indonesia (SDBI), bonds, Negotiable Certificate of Deposit (NCD), Medium Term Notes (MTN) and mutual funds.*

*Government bonds are bonds issued by the Indonesian Government including recapitalization bonds that are issued by the Government for general bank recapitalization.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**h. Efek-efek dan Obligasi Pemerintah (lanjutan)**

Efek-efek syariah diklasifikasikan sebagai diukur pada biaya perolehan dan diukur pada nilai wajar melalui penghasilan komprehensif lain.

Efek-efek dan obligasi Pemerintah pada awalnya disajikan sebesar nilai wajar. Setelah pengakuan awal, efek-efek dan obligasi Pemerintah dicatat sesuai kategorinya, yaitu dimiliki hingga jatuh tempo, tersedia untuk dijual atau nilai wajar melalui laba rugi.

Pengukuran efek-efek dan obligasi Pemerintah didasarkan atas klasifikasinya sebagai berikut:

1. Efek-efek dan obligasi Pemerintah yang dimiliki hingga jatuh tempo dicatat pada biaya perolehan yang diamortisasi menggunakan metode suku bunga efektif.

Bank tidak mengklasifikasikan efek-efek dan obligasi Pemerintah sebagai aset keuangan dimiliki hingga jatuh tempo, jika dalam tahun berjalan atau dalam kurun waktu dua tahun sebelumnya Bank telah menjual atau mereklasifikasi efek-efek dan obligasi Pemerintah dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan (more than insignificant) sebelum jatuh tempo selain dari pada penjualan atau reklasifikasi yang telah dijelaskan dalam PSAK No. 55 (Revisi 2014) yang dapat diaplikasikan dalam periode yang relevan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**h. Securities and Government Bonds (continued)**

Sharia securities are classified as measured at cost and measured at fair value through other comprehensive income.

Securities and Government bonds are initially measured at fair value. Subsequently, securities and Government bonds are accounted for depending on their classification as held-to-maturity, available-for-sale or fair value through profit or loss.

The measurement of securities and Government bonds are based on the classification of the securities as follows:

1. Held-to-maturity securities and Government bonds are carried at amortized cost using the effective interest method.

The Bank does not classify securities and Government bonds as held-to-maturity financial assets if the Bank has, during the current financial year or during the two preceding years, sold or reclassified more than an insignificant amount of held-to-maturity securities or Government bonds prior to maturity other than sales or reclassifications defined in SFAS No. 55 (Revised 2014) applicable in the relevant period.



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**h. Efek-efek dan Obligasi Pemerintah (lanjutan)**

Pengukuran efek-efek dan obligasi Pemerintah didasarkan atas klasifikasinya sebagai berikut: (lanjutan)

2. Efek-efek dan obligasi Pemerintah yang diklasifikasikan sebagai investasi tersedia untuk dijual dinyatakan pada nilai wajar. Pendapatan bunga diakui dalam laporan laba rugi dan penghasilan komprehensif lain menggunakan metode suku bunga efektif. Laba atau rugi selisih kurs atas efek-efek dan obligasi Pemerintah yang tersedia untuk dijual diakui pada laporan laba rugi dan penghasilan komprehensif lain. Perubahan nilai wajar lainnya diakui langsung dalam ekuitas sampai efek-efek dan obligasi Pemerintah dijual atau mengalami penurunan nilai, dimana akumulasi keuntungan dan kerugian yang sebelumnya diakui dalam ekuitas diakui dalam laporan laba rugi penghasilan komprehensif lain.
3. Efek-efek dan obligasi Pemerintah dalam kategori nilai wajar melalui laba rugi dinyatakan pada nilai wajar.

Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajarnya disajikan dalam laporan laba rugi dan penghasilan komprehensif lain. Pendapatan bunga dari efek-efek dan obligasi Pemerintah dalam kategori nilai wajar melalui laba rugi dicatat dalam laporan laba rugi dan penghasilan komprehensif lain sesuai dengan persyaratan dalam kontrak.

Atas penjualan portofolio efek-efek dan obligasi Pemerintah untuk nilai wajar melalui laba rugi, perbedaan antara harga jual dengan nilai pasar wajar diakui sebagai keuntungan atau kerugian penjualan pada tahun dimana efek-efek dan obligasi Pemerintah tersebut dijual.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**h. Securities and Government Bonds (continued)**

The measurement of securities and Government bonds are based on the classification of the securities as follows: (continued)

2. Securities and Government bonds which are classified under available-for-sale investments are stated at fair value. Interest income is recognized in the statement of profit or loss and other comprehensive income using the effective interest method. Foreign exchange gains or losses on available-for-sale securities and Government bonds are recognized in the statement of profit or loss and other comprehensive income. Other fair value changes are recognized directly in equity until the securities and Government bonds are sold or impaired, whereby the cumulative gains and losses previously recognized in the equity are recognized in the statement of profit or loss and other comprehensive income.
3. Fair value through profit or loss securities and Government bonds are carried at fair value.

Unrealized gains or losses resulting from changes in fair values are recognized in the statement of profit or loss and other comprehensive income. The interest income from securities and Government bonds is recorded in the statement of profit or loss and other comprehensive income according to the terms of the contract.

Upon sale of portfolio of fair value through profit or loss securities and Government bonds, the difference between the selling price and the fair value is recognized as a gain or loss in the year when the securities and Government bonds are sold.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**h. Efek-efek dan Obligasi Pemerintah (lanjutan)**

3. Efek-efek dan obligasi Pemerintah dalam kategori nilai wajar melalui laba rugi dinyatakan pada nilai wajar (lanjutan)

Efek-efek dan obligasi Pemerintah yang diperdagangkan secara aktif di pasar keuangan yang terorganisasi, nilai wajar tersebut umumnya ditentukan dengan mengacu pada harga penawaran pasar yang terjadi di bursa efek pada tanggal yang terdekat dengan tanggal laporan posisi keuangan, kemudian disesuaikan dengan biaya-biaya yang akan dikeluarkan untuk memperoleh aset tersebut. Untuk efek-efek dan obligasi Pemerintah yang tidak mempunyai harga penawaran pasar, estimasi atas nilai wajar efek-efek dan obligasi Pemerintah ditetapkan dengan mengacu pada nilai wajar instrumen lain yang substansinya adalah sama atau dihitung berdasarkan arus kas yang diharapkan terhadap aset bersih efek-efek dan obligasi Pemerintah tersebut.

**i. Kredit yang diberikan**

Kredit yang diberikan merupakan penyediaan uang atau tagihan yang dapat disamakan dengan itu, berdasarkan kesepakatan dengan pihak penerima kredit dan mewajibkan pihak penerima kredit untuk melunasi setelah jangka waktu tertentu dengan imbalan bunga.

Kredit yang diberikan (termasuk kredit yang diberikan dalam pinjaman sindikasi) pada awalnya diukur pada nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung dan biaya tambahan untuk memperoleh aset keuangan tersebut. Setelah pengakuan awal kredit yang diberikan diukur pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi dengan cadangan kerugian penurunan nilai.

Kredit yang diberikan diklasifikasikan sebagai kredit yang diberikan dan piutang.

Kredit yang diberikan dalam pinjaman sindikasi ataupun penerusan kredit dinyatakan sebesar pokok kredit sesuai dengan porsi risiko yang ditanggung oleh Bank.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**h. Securities and Government Bonds (continued)**

3. *Fair value through profit or loss securities and Government bonds are carried at fair value (continued)*

*For securities and Government bonds that are actively traded in organized financial markets, fair value is generally determined by reference to quoted market bid prices by the stock exchange at the date close to the statement of financial position date, adjusted for transaction costs necessary to realize the assets. For securities and Government bonds where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of securities and Government bonds.*

**i. Loans**

*Loans represent the lending of money or equivalent receivables under contracts with borrowers, where the borrowers are required to repay their debts with interest after a specified period of time.*

*Loans (including loans under syndication) are initially measured at fair value plus transaction costs that are directly attributable to obtaining the financial asset. After initial recognition, loans are measured at amortized cost using the effective interest method, net of allowance for impairment losses.*

*Loans are classified under loans and receivables.*

*Loans under syndication or channelling are stated at the principal amount equal to the risk portion assumed by the Bank.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**i. Kredit yang diberikan (lanjutan)**

Restrukturisasi kredit

Restrukturisasi kredit meliputi adanya perpanjangan jangka waktu pembayaran dan ketentuan kredit yang baru.

Kredit yang direstrukturisasi disajikan sebesar nilai yang lebih rendah antara nilai tercatat kredit pada tanggal restrukturisasi atau nilai tunai penerimaan kas masa depan setelah restrukturisasi. Kerugian akibat selisih antara nilai tercatat kredit pada tanggal restrukturisasi dengan nilai tunai penerimaan kas masa depan setelah restrukturisasi diakui dalam laporan laba rugi dan penghasilan komprehensif lain. Setelah restrukturisasi, semua penerimaan kas masa depan yang ditetapkan dalam persyaratan baru dicatat sebagai pengembalian pokok kredit yang diberikan dan pendapatan bunga sesuai dengan syarat-syarat restrukturisasi.

Penjualan Kredit Pemilikan Rumah (KPR)

Bank telah melakukan penjualan atas KPR kepada pihak ketiga.

Atas penjualan tersebut, Bank telah memindahkan risiko dan manfaat atas kepemilikan KPR kepada pihak lawan. Oleh karena itu, pada tanggal efektif penjualan, Bank menghentikan pengakuan atas KPR tersebut.

Penjualan tersebut telah memenuhi kriteria jual putus seperti yang tertuang dalam PBI No.7/4/PBI/2005 tanggal 20 Januari 2005.

**j. Pembiayaan/piutang syariah**

Pembiayaan/piutang syariah adalah penyediaan uang atau tagihan yang dapat disamakan dengan itu, yang timbul dari transaksi berdasarkan prinsip jual beli dan bagi hasil antara Bank dengan pihak lain selama jangka waktu tertentu. Piutang tersebut meliputi piutang *murabahah*, piutang *istishna* dan *qardh*, untuk pembiayaan meliputi pembiayaan *mudharabah* dan pembiayaan *musyarakah*.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**i. Loans (continued)**

Loan restructuring

Loan restructuring may involve extending the payment arrangements and new loan conditions.

Restructured loans are stated at the lower of carrying value on the date of restructuring or value of the future cash receipts after the restructuring. Losses resulting from the difference between the carrying value on the date of restructuring the present value of future cash receipts and the restructuring is recognized in the statement of profit or loss and other comprehensive income. After the restructuring, all future cash receipts specified by the new terms are recorded as a return of principal loans and interest income in accordance with the terms of the restructuring.

Sales of Housing Loans (KPR)

The Bank sold its KPR to third parties.

In relation to the above mentioned sale, the Bank has transferred the risks and rewards of ownership of the KPR to counterparty. Hence, at the effective date of the sale, the Bank derecognized the KPR.

The sale has fulfilled the criteria of true sale according to Bank Indonesia regulation No. 7/4/PBI/2005 dated January 20, 2005.

**j. Sharia financing/receivables**

Financing/receivables based on Sharia principles is receivables from providing funds or other similar form of receivables arising from transactions carried out based on sale or purchased arrangements and profit sharing between the Bank and other parties for a certain period of time. Such receivables consist of receivables arising from *murabahah* transactions, *istishna* transactions and *qardh* transactions, for financing consist of *mudharabah* and *musyarakah* financing.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**j. Pembiayaan/piutang syariah (lanjutan)**

*Murabahah* adalah akad jual beli antara nasabah dengan Bank, dimana Bank membiayai kebutuhan konsumsi, investasi dan modal kerja nasabah yang dijual dengan harga pokok ditambah dengan keuntungan yang diketahui dan disepakati bersama. Pembayaran atas pembiayaan ini dilakukan dengan cara mengangsur dalam jangka waktu yang ditentukan.

Piutang *murabahah* pada awalnya diukur pada nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung dan merupakan biaya tambahan untuk memperoleh aset keuangan tersebut dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi menggunakan metode margin efektif dikurangi dengan cadangan kerugian penurunan nilai.

*Mudharabah* merupakan pembiayaan kerjasama antara Bank sebagai pemilik dana (*shahibul maal*) dengan nasabah sebagai pelaksana usaha (*mudharib*) selama jangka waktu tertentu. Pembagian hasil keuntungan dari proyek atau usaha tersebut ditentukan sesuai dengan *nisbah* (*pre-determined ratio*) yang telah disepakati bersama. Pada tanggal laporan posisi keuangan, pembiayaan *mudharabah* dinyatakan sebesar saldo pembiayaan dikurangi dengan saldo cadangan kerugian penurunan nilai yang dibentuk berdasarkan hasil reviu oleh manajemen terhadap kualitas pembiayaan yang ada.

*Musyarakah* adalah akad kerjasama yang terjadi diantara para pemilik modal (*mitra musyarakah*) untuk menggabungkan modal dan melakukan usaha secara bersama dalam suatu kemitraan dengan *nisbah* pembagian hasil sesuai dengan kesepakatan, sedangkan kerugian ditanggung secara proporsional sesuai dengan kontribusi modal. Pada tanggal laporan posisi keuangan, pembiayaan *musyarakah* dinyatakan sebesar saldo pembiayaan dikurangi dengan saldo cadangan kerugian penurunan nilai yang dibentuk berdasarkan hasil reviu oleh manajemen terhadap kualitas pembiayaan yang ada.

*Istishna* adalah akad penjualan antara *al-mustashni* (pembeli) dan *al-shani* (produsen yang juga bertindak sebagai penjual). Berdasarkan akad tersebut, pembeli menugasi produsen untuk membuat atau mengadakan *al-mashnu* (barang pesanan) sesuai spesifikasi yang diisyaratkan pembeli dan menjualnya dengan harga yang disepakati. Piutang *istishna* disajikan sebesar tagihan termin kepada pembeli akhir dikurangi cadangan kerugian penurunan nilai.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**j. Sharia financing/receivables (continued)**

*Murabahah* is a sale and purchase contract between the customer and the Bank, whereby the Bank finances the consumption, investment and working capital needs of the customer which sells with a costs price plus a certain margin that is mutually informed and agreed. Repayment on this financing is made in installments within a specified period.

*Murabahah* receivables are initially measured at fair value plus direct attributable transaction costs and is an additional cost to obtain the respected financial assets and after the initial recognition are measured at amortized cost using the effective margin method less any allowance for impairment losses value.

*Mudharabah* financing is a joint financing between the Bank as the owner of the funds (*shahibul maal*) and the customer as a business executor (*mudharib*) during a certain period. The profit sharing from the project or the business is determined in accordance with the mutually agreed *nisbah* (*pre-determined ratio*). On the statement of financial position date, *mudharabah* financing is stated at the outstanding financing balance less allowance for impairment losses which is provided based on the management's review of the financing quality.

*Musyarakah* is a partnership contract among fund's owners (*musyarakah partners*) to contribute funds and conduct a business on a joint basis through partnership with the profit sharing based on a predetermined ratio, while the losses are borne proportionally based on the capital contribution. On the statement of financial position date, *musyarakah* financing is stated at the outstanding financing balance less allowance for impairment losses which is provided based on the management's review on the financing quality.

*Istishna* is a sale and purchase contract between *al-mustashni* (buyer) and *al-shani* (manufacturer also acting as the seller). Based on the contract, the buyer orders the manufacturer to produce or to supply *al-mashnu* (goods ordered) according to the specifications required by the buyer and to sell them at agreed price. *Istishna* receivables are stated at outstanding billings to final buyer less allowance for impairment losses.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**j. Pembiayaan/piutang berdasarkan prinsip syariah (lanjutan)**

*Qardh* adalah penyediaan dana atau tagihan yang dapat dipersamakan dengan itu berdasarkan persetujuan atau kesepakatan antara peminjam dan pihak yang meminjamkan yang mewajibkan peminjam melunasi hutangnya setelah jangka waktu tertentu. Pinjaman *qardh* dinyatakan sebesar saldo pinjaman dikurangi dengan saldo cadangan kerugian penurunan nilai yang dibentuk berdasarkan hasil *review* oleh manajemen terhadap kualitas pinjaman yang ada.

**k. Tagihan dan liabilitas akseptasi**

Tagihan dan liabilitas akseptasi merupakan transaksi Surat Kredit Berdokumen Dalam Negeri (SKBDN) yang diaksepi oleh bank pengaksepi (accepting bank).

Tagihan dan liabilitas akseptasi dinyatakan sebesar biaya perolehan diamortisasi. Tagihan akseptasi disajikan setelah dikurangi cadangan kerugian penurunan nilai.

Tagihan akseptasi diklasifikasikan sebagai kredit yang diberikan dan piutang. Liabilitas akseptasi diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

**l. Penyertaan Saham**

Penyertaan saham merupakan investasi jangka panjang pada perusahaan non-publik serta penyertaan modal sementara pada perusahaan debitur yang timbul akibat konversi kredit yang diberikan atau jenis transaksi tertentu yang berakibat Bank memiliki saham pada perusahaan debitur.

Penyertaan saham dengan persentase kepemilikan 20,00% sampai dengan 50,00% dicatat dengan metode ekuitas yaitu penyertaan dicatat sebesar biaya perolehan disesuaikan dengan bagian Bank atas ekuitas perusahaan asosiasi dan dikurangi dengan penerimaan dividen sejak tanggal perolehan, dikurangi cadangan kerugian penurunan nilai.

Penyertaan modal sementara dihapuskan dari laporan posisi keuangan apabila telah melampaui jangka waktu 5 (lima) tahun sesuai dengan Peraturan Bank Indonesia No. 14/15/PBI/2012 tanggal 24 Oktober 2012 tentang "Penilaian Kualitas Aset Bank Umum".

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**j. Sharia financing/receivables (continued)**

*Qardh* is the provision of funds or receivables equivalent based on agreement between the borrower and the lender that requires the borrower to repay the debts after a certain period of time. *Qardh* is stated at outstanding balance less allowance for impairment losses based on the management's review on the financing quality.

**k. Acceptances receivable and payable**

Acceptances receivable and payable represent letters of Credit by Local Document (SKBDN) transactions that have been accepted by the accepting bank.

Acceptances receivable and payable are stated at amortized cost. Acceptances receivable are stated net of allowance for impairment losses.

Acceptances receivable are classified as loans and receivables. Acceptances payable are classified as financial liabilities measured at amortized cost.

**l. Investment in shares**

Investments in shares represent long-term investments in non-publicly-listed companies and temporary investments in debtor companies arising from conversion of loans or certain of transactions which resulted the Bank having shares in debtor's company.

Investments in shares representing ownership interests of 20.00% to 50.00% are recorded using the equity method. Under this method, investments are recorded at cost and adjusted for the Bank's proportionate share in the net equity of the investees and reduced by dividends earned starting the acquisition date net of allowance for impairment losses

Temporary investment is written-off from the statement of financial position if it is held for more than 5 (five) years in accordance with Bank Indonesia No. 14/15/PBI/2012 dated October 24, 2012 regarding "Asset Quality Rating for Commercial Banks".

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**l. Penyertaan Saham (lanjutan)**

Penyertaan saham yang tidak memiliki pengaruh yang signifikan atau kepemilikan dibawah 20% dicatat sesuai dengan PSAK No. 55 (Revisi 2014) dan dikurangi dengan cadangan kerugian penurunan nilai.

**m. Aset tetap**

Aset tetap awalnya diakui sebesar biaya perolehan, yang terdiri atas harga perolehan dan biaya-biaya tambahan yang dapat diatribusikan langsung untuk membawa aset ke lokasi dan kondisi yang diinginkan supaya aset tersebut siap digunakan sesuai dengan maksud manajemen.

Setelah pengakuan awal, aset tetap selain tanah dinyatakan pada biaya perolehan dikurangi akumulasi penyusutan dan akumulasi rugi penurunan nilai.

Aset tetap yang diperoleh dalam pertukaran aset non-moneter atau kombinasi aset moneter dan non-moneter diukur pada nilai wajar, kecuali:

- (i) transaksi pertukaran tidak memiliki substansi komersial, atau
- (ii) nilai wajar dari aset yang diterima dan diserahkan tidak dapat diukur secara andal.

Penyusutan bangunan dihitung dengan menggunakan metode garis lurus (straight-line method) sedangkan peralatan kantor dan kendaraan bermotor dihitung dengan menggunakan metode saldo menurun ganda (double-declining balance method) berdasarkan taksiran masa manfaat aset tetap sebagai berikut:

	Tahun/Years
Bangunan	10 - 20
Peralatan kantor dan kendaraan bermotor	4 - 8

Penilaian aset tetap dilakukan atas penurunan dan kemungkinan penurunan nilai wajar aset jika terjadi peristiwa atau perubahan keadaan yang mengindikasikan bahwa nilai tercatat mungkin tidak dapat seluruhnya terealisasi.

Pada setiap akhir tahun buku, manajemen melakukan pengkajian ulang atas nilai residu, masa manfaat dan metode penyusutan dan disesuaikan secara prospektif, jika diperlukan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**l. Investment in shares (continued)**

Investment in shares with no significant influence or share ownership under 20% are recorded in accordance with SFAS No. 55 (Revised 2014) and deducted by allowance for impairment losses.

**m. Premises and equipment**

All premises and equipment are initially recognized at cost, which comprises its purchase price and any costs directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent to initial recognition, premises and equipment besides lands are carried at cost less any subsequent accumulated depreciation and impairment losses.

Premises and equipment acquired in exchange for a non-monetary asset or for a combination of monetary and non-monetary assets are measured at fair values, unless:

- (i) the exchange transaction lacks commercial substance, or
- (ii) the fair value of neither the assets received nor the assets given up can be measured reliably.

Depreciation of buildings is computed using the straight-line method while depreciation of office furniture and fixtures, and motor vehicles is computed using the double-declining balance method, based on the estimated useful lives of the assets as follows:

	Buildings
Office furniture and fixtures, and motor vehicles	4 - 8

The carrying amounts of premises and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.

The residual values, useful lives and methods of depreciation of premises and equipment are reviewed by the management and adjusted prospectively, if appropriate, at the end of each year, if necessary.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**m. Aset tetap (lanjutan)**

Jumlah tercatat aset tetap dihentikan pengakuannya pada saat dilepaskan atau saat tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Laba atau rugi yang timbul dari penghentian pengakuan aset (dihitung sebagai perbedaan antara jumlah neto hasil pelepasan dan jumlah tercatat dari aset) diperhitungkan dalam laporan laba rugi dan penghasilan komprehensif lain pada periode aset tersebut dihentikan pengakuannya.

Tanah awalnya dinyatakan sebesar biaya perolehan dan tidak disusutkan. Setelah pengakuan awal, tanah diukur pada nilai wajar pada tanggal revaluasi dikurangi akumulasi rugi penurunan nilai setelah tanggal revaluasi. Penilaian terhadap tanah dilakukan oleh penilai yang memiliki kualifikasi profesional, dan dilakukan secara berkala untuk memastikan bahwa jumlah tercatat tanah tidak berbeda secara material dengan jumlah yang ditentukan dengan menggunakan nilai wajarnya pada akhir periode pelaporan (Catatan 14).

Kenaikan nilai tercatat yang timbul dari revaluasi dicatat sebagai "Surplus Revaluasi Aset Tetap", dan disajikan dalam penghasilan komprehensif lain. Namun, kenaikan tersebut diakui dalam laba rugi hingga sebesar jumlah penurunan nilai aset yang sama akibat revaluasi yang pernah dilakukan sebelumnya dalam laba rugi. Penurunan nilai tercatat yang timbul dari revaluasi diakui dalam laba rugi.

Beban pemeliharaan dan perbaikan dibebankan pada operasi pada saat terjadinya. Beban pemugaran dan penambahan dalam jumlah besar dikapitalisasi kepada jumlah tercatat aset tetap terkait bila besar kemungkinan bagi Kelompok Usaha manfaat ekonomi masa depan menjadi lebih besar dari standar kinerja awal yang ditetapkan sebelumnya dan disusutkan sepanjang sisa masa manfaat aset tetap terkait.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**m. Premises and equipment (continued)**

An item of premises and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the period such asset is derecognized.

Land is initially recognized at cost and not depreciated. Subsequent to initial recognition, land is measured at fair value at the revaluation date less any subsequent accumulated impairment losses. Valuation of land is performed by appraisers with professional qualification, and is done in regular basis to ensure that the carrying amount does not differ materially from its fair value at the end of reporting period (Note 14).

Increase in the carrying amount arising from revaluation is recorded in "Fixed Asset Revaluation Surplus" of and presented in other comprehensive income. However, the increase is recognized in profit or loss, up to the amount of impairment of the same assets due to revaluation previously recognised in profit or loss. A decrease in carrying value arising as a result of a revaluation should be recognized in profit or loss.

Repairs and maintenance is charged to the profit or loss as incurred. The cost of major renovation and restoration is capitalized to the carrying amount of the related premises and equipment when it is probable that future economic benefits is in excess of the originally assessed standard of performance of the existing asset and is depreciated over the remaining useful life of the related asset.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**m. Aset tetap (lanjutan)**

Aset tetap dalam penyelesaian dicatat sebesar biaya perolehan, yang mencakup kapitalisasi beban pinjaman dan biaya-biaya lainnya yang terjadi sehubungan dengan pendanaan aset tetap dalam penyelesaian tersebut. Akumulasi biaya perolehan akan direklasifikasi ke akun "Aset Tetap" yang bersangkutan pada saat aset tetap tersebut telah selesai dikerjakan dan siap untuk digunakan. Aset tetap dalam penyelesaian tidak disusutkan karena belum tersedia untuk digunakan.

Biaya pengurusan legal hak atas tanah dalam bentuk Hak Guna Usaha ("HGU"), Hak Guna Bangunan ("HGB") dan Hak Pakai ("HP") ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan tanah pada akun "Aset Tetap". Biaya pengurusan perpanjangan atau pembaruan legal hak atas tanah diakui sebagai aset tidak berwujud dan diamortisasi sepanjang umur hak hukum atau umur ekonomi tanah, mana yang lebih pendek.

Jika nilai wajar dari aset yang direvaluasi mengalami perubahan yang signifikan dan fluktuatif, maka perlu direvaluasi secara tahunan, sedangkan jika nilai wajar dari aset yang direvaluasi tidak mengalami perubahan yang signifikan dan fluktuatif, maka perlu dilakukan revaluasi paling kurang 3 (tiga) tahun sekali.

**n. Penurunan nilai aset non-keuangan**

Pada setiap akhir periode pelaporan, Bank menilai apakah terdapat indikasi suatu aset mengalami penurunan nilai. Jika terdapat indikasi tersebut, maka Bank akan membuat estimasi atas jumlah terpulihkan aset tersebut.

Jumlah terpulihkan yang ditentukan untuk aset individual adalah jumlah yang lebih tinggi antara nilai wajar aset atau Unit Penghasil Kas (UPK) dikurangi biaya pelepasan dengan nilai pakainya, kecuali aset tersebut tidak menghasilkan arus kas masuk yang sebagian besar independen dari aset atau kelompok aset lain.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**m. Premises and equipment (continued)**

Construction in-progress are stated at cost, including capitalized borrowing costs and other charges incurred in connection with the financing of the said asset constructions. The accumulated costs will be reclassified to the appropriate "Premises and Equipment" account when the construction is completed and available for intended use. Assets under construction are not depreciated as these are not yet available for use.

The legal cost of land rights in the form of Business Usage Rights ("Hak Guna Usaha" or "HGU"), Building Usage Right ("Hak Guna Bangunan" or "HGB") and Usage Rights ("Hak Pakai" or "HP") when the land was initially acquired are recognized as part of the cost of the land under the "Premises and Equipment". The extension or the legal renewal costs of land rights were recognized as intangible assets and were amortized over the shorter of the rights' legal life and land's economic life.

If the fair value of the revalued asset change significantly, it is necessary to revalue on an annual basis, whereas if the fair value of the revalued asset does not change significantly, it is necessary to revalue at a minimum every 3 (three) years.

**n. Impairment of non-financial assets**

The Bank assesses at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Bank makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU)'s fair value less costs of disposal and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.



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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**n. Penurunan nilai aset non-keuangan (lanjutan)**

Jika nilai tercatat aset lebih besar daripada nilai terpulihkannya, maka aset tersebut dianggap mengalami penurunan nilai dan nilai tercatat aset diturunkan menjadi sebesar nilai terpulihkannya. Rugi penurunan nilai dari operasi yang berkelanjutan diakui pada laporan laba rugi dan penghasilan komprehensif lain sebagai "rugi penurunan nilai".

Dalam menghitung nilai pakai, estimasi arus kas masa depan neto didiskontokan ke nilai kini dengan menggunakan tingkat diskonto sebelum pajak yang menggambarkan penilaian pasar kini atas nilai waktu uang dan risiko spesifik aset.

Dalam menentukan nilai wajar dikurangi biaya pelepasan, mengacu pada PSAK 68: "Pengukuran Nilai Wajar" (Catatan 2d).

Kerugian penurunan nilai dari operasi yang berkelanjutan, jika ada, diakui pada laporan laba rugi dan penghasilan komprehensif lain sesuai dengan kategori biaya yang konsisten dengan fungsi aset yang diturunkan nilainya.

**o. Biaya dibayar di muka**

Biaya dibayar di muka diamortisasi selama masa manfaat dengan menggunakan metode garis lurus (straight-line method).

**p. Liabilitas segera**

Liabilitas segera dicatat pada saat timbulnya kewajiban atau diterimanya perintah pemindahbukuan dari nasabah maupun dari bank lain.

Liabilitas segera dicatat berdasarkan biaya perolehan diamortisasi dan diklasifikasikan sebagai liabilitas keuangan lainnya.

**q. Simpanan**

Giro merupakan simpanan nasabah yang dapat digunakan sebagai alat pembayaran dan penarikannya dapat dilakukan setiap saat melalui cek atau pemindahbukuan dengan bilyet giro dan sarana perintah pembayaran lainnya. Giro dinyatakan sebesar nilai titipan pemegang giro di Bank.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**n. Impairment of non-financial assets (continued)**

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the statement of profit or loss and other comprehensive income as "impairment losses".

In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, refers to SFAS 68: "Fair Value Measurements" (Note 2d).

Impairment losses of continuing operations, if any, are recognized in the statements of profit or loss and other comprehensive income under expense categories that are consistent with the functions of the impaired assets.

**o. Prepaid expenses**

Prepaid expenses are amortized over the periods benefited using the straight-line method.

**p. Liabilities due immediately**

This account is recorded at the time the obligations occur or upon receipt of transfer orders from customers or other banks.

Current liabilities are stated at amortized cost and classified as other financial liabilities.

**q. Deposits**

Demand deposits represent customer funds which can be used as payment instruments, and can be withdrawn at any time through cheque, or transferred through current account drafts and other transfer instruction media. Demand deposits are stated at the amounts entrusted to the Bank by the depositors.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**q. Simpanan (lanjutan)**

Giro *Wadiah* merupakan titipan dana pihak ketiga yang setiap saat tersedia untuk dikembalikan dan dapat diberikan bonus sesuai kebijakan Bank. Giro *Wadiah* dinyatakan sebesar nilai titipan pemegang giro di Bank.

Tabungan merupakan simpanan nasabah yang penarikannya hanya dapat dilakukan nasabah sesuai dengan persyaratan tertentu yang disepakati. Tabungan dinyatakan sebesar nilai kewajiban pada pemilik tabungan.

Tabungan *Wadiah* merupakan simpanan pihak lain yang mendapatkan bonus berdasarkan kebijaksanaan Bank. Tabungan *Wadiah* dinyatakan sebesar nilai investasi pemegang tabungan di Bank.

Deposito berjangka merupakan simpanan nasabah yang penarikannya hanya dapat dilakukan nasabah pada waktu tertentu sesuai dengan perjanjian antara pemegang deposito berjangka dengan Bank. Deposito berjangka dinyatakan sebesar nilai nominal yang tercantum dalam sertifikat yang diterbitkan oleh Bank, sesuai dengan perjanjian antara pemegang deposito berjangka dengan Bank.

Simpanan nasabah diklasifikasikan sebagai liabilitas keuangan lainnya dan diukur pada biaya perolehan diamortisasi menggunakan suku bunga efektif kecuali simpanan yang didasarkan pada prinsip perbankan syariah yang dinyatakan sebesar kewajiban Bank kepada nasabah. Biaya tambahan yang dapat diatribusikan secara langsung kepada perolehan simpanan nasabah, dikurangkan dari jumlah simpanan yang diterima.

**r. Simpanan dari bank lain**

Simpanan dari bank lain merupakan kewajiban kepada bank lain, dalam bentuk tabungan, giro, deposito berjangka dan *inter-bank call money*.

Di dalam simpanan dari bank lain termasuk simpanan syariah dalam bentuk giro *wadiah*.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**q. Deposits (continued)**

*Wadiah demand deposits represent entrusted third party funds which are available for withdrawal at any time and earn bonus based on the Bank's policy. Wadiah demand deposits are stated at the amounts invested by the depositors in the Bank.*

*Savings deposits represent customer funds which can be withdrawn by the depositors only under certain conditions. Savings deposits are stated at the agreed amounts due to the depositors.*

*Wadiah savings deposits represent third party funds which earn bonus based on the Bank's policy. Wadiah savings deposits are stated at the amounts invested by the depositors in the Bank.*

*Time deposits represent customer funds which can be withdrawn by the depositors only on specific maturity dates based on the agreements between the depositors and the Bank. Time deposits are stated at the nominal amounts stated in the certificates issued by the Bank in accordance with the agreements between the depositors and the Bank.*

*Deposits from customers are classified as other financial liabilities and measured at amortized cost using the effective interest method except for sharia deposits which are stated at the Bank's liability to the customers. Incremental costs that can be attributed directly to the acquisition of deposits from customers are deducted from total deposits received.*

**r. Deposits from other banks**

*Deposits from other banks represent liabilities to other banks, in the form of savings deposits, demand deposits, time deposits and inter-bank call money.*

*Deposits from other banks include sharia deposits in the form of wadiah demand deposits.*

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**r. Simpanan dari bank lain (lanjutan)**

Simpanan dari bank lain diklasifikasikan sebagai liabilitas keuangan lain dan diukur pada biaya perolehan diamortisasi menggunakan suku bunga efektif kecuali simpanan syariah yang dinyatakan sebesar nilai kewajiban Bank kepada nasabah. Biaya tambahan yang dapat diatribusikan secara langsung kepada perolehan simpanan dari bank lain dikurangkan dari jumlah simpanan yang diterima.

**s. Efek-efek yang dibeli dengan janji dijual kembali dan efek-efek yang dijual dengan janji dibeli kembali**

Efek-efek yang dibeli dengan janji dijual kembali

Efek-efek yang dibeli dengan janji untuk dijual kembali disajikan sebagai aset keuangan dalam laporan posisi keuangan sebesar jumlah penjualan kembali dikurangi dengan bunga yang belum diamortisasi dan cadangan kerugian penurunan nilai.

Selisih antara harga beli dan harga jual kembali diperlakukan sebagai pendapatan bunga yang ditangguhkan (belum diamortisasi) dan diakui sebagai pendapatan selama periode sejak efek-efek tersebut dibeli hingga dijual kembali dengan menggunakan suku bunga efektif.

Efek-efek yang dibeli dengan janji untuk dijual kembali diklasifikasikan sebagai kredit yang diberikan dan piutang yang diukur dengan biaya perolehan diamortisasi.

Efek-efek yang dijual dengan janji dibeli kembali

Efek-efek yang dijual dengan janji untuk dibeli kembali disajikan sebagai liabilitas dalam laporan posisi keuangan sebesar jumlah pembelian kembali, dikurangi dengan bunga dibayar di muka yang belum diamortisasi.

Selisih antara harga jual dan harga beli kembali diperlakukan sebagai biaya dibayar di muka dan diakui sebagai beban selama jangka waktu sejak efek-efek tersebut dijual hingga dibeli kembali menggunakan metode suku bunga efektif.

Efek-efek yang dijual dengan janji untuk dibeli kembali diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**r. Deposits from other banks (continued)**

Deposits from other banks are classified as other financial liabilities and measured at amortized cost using the effective interest method except for sharia deposits which are stated at the Bank's liability amount to the customer. Incremental costs that can be attributed directly to the acquisition of deposits from other banks are deducted from the total deposits received.

**s. Securities purchased under agreement to resell and securities sold under agreement to repurchase**

Securities purchased under agreement to resell

Securities purchased under agreement to resell are presented as financial assets in the statement of financial position, at the net resale price of unamortized interest and net of allowance for impairment losses.

The difference between the purchase price and the resale price is treated as unearned interest income (unamortized) and recognized as income over the period starting from when those securities are purchased until they are resell using effective interest rate.

Securities purchased under agreement to resell are classified as loans and receivables measured at amortized cost.

Securities sold under agreement to repurchase

Securities sold under agreements to repurchase are presented as liabilities in the statement of financial position, at the repurchase price, net of unamortized prepaid interest.

The difference between the selling price and the repurchase price is treated as prepaid expenses and recognized as expense over the period starting from when those securities are sold until they are repurchased using the effective interest method.

Securities sold under agreement to repurchase are classified as financial liabilities measured at amortized cost.

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**s. Efek-efek yang dibeli dengan janji dijual kembali dan efek-efek yang dijual dengan janji dibeli kembali (lanjutan)**

Efek-efek yang dibeli dengan janji dijual kembali atas surat berharga syariah

Bank mencatat transaksi efek-efek yang dibeli dengan janji dijual kembali mengacu ke PSAK No 111 tentang "Akuntansi Wa'd" yang berlaku secara prospektif. Pada saat pengakuan awal, Bank mengklasifikasikan surat berharga syariah yang diperoleh dari transaksi jual beli pertama dalam kategori diukur pada nilai wajar melalui penghasilan komprehensif lain. Keuntungan atau kerugian dari perubahan nilai wajar diakui dalam penghasilan komprehensif lain.

**t. Surat-surat berharga yang diterbitkan**

Surat-surat berharga yang diterbitkan Bank adalah Obligasi dan *Negotiable Certificate of Deposit* (NCD).

Surat berharga yang diterbitkan diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif (EIR).

Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal dan biaya transaksi yang tidak terpisah dari suku bunga efektif.

**u. Pinjaman yang diterima**

Pinjaman yang diterima merupakan dana yang diterima oleh Bank dari Bank Indonesia, Pemerintah dan lembaga pembiayaan lain dengan kewajiban pembayaran berdasarkan perjanjian pinjaman.

Pinjaman yang diterima diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif (EIR). Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal dan biaya transaksi yang tidak terpisah dari suku bunga efektif.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**s. Securities purchased under agreement to resell and securities sold under agreement to repurchase (continued)**

Securities purchased under agreement to resell of sharia-compliant securities

The Bank records securities purchased under resale agreements in accordance with SFAS No 111 on "Accounting for Wa'd" which is implemented prospectively. At initial recognition, the Bank classifies the underlying securities from the first sale and purchase transaction as at fair value through other comprehensive income. Gain or losses arising from changes in its fair value is recorded as other comprehensive income.

**t. Securities issued**

Securities issued by the Bank consist of Bonds and *Negotiable Certificate of Deposit* (NCD).

The securities issued are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method (EIR).

Amortized cost is calculated by taking into account any discount or premium associated related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

**u. Fund borrowings**

Fund borrowings are funds received by the Bank from Bank Indonesia, the Government and other financing institutions with payment obligation based on borrowing agreements.

Fund borrowings are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium associated related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**v. Pinjaman subordinasi**

Pinjaman subordinasi diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal dan biaya transaksi yang tidak terpisah dari suku bunga efektif.

**w. Modal saham**

Modal saham diukur pada nilai nominal untuk semua saham yang diterbitkan.

**x. Saldo laba**

Saldo laba merupakan saldo kumulatif dari hasil operasi Bank, pembagian dividen, penyesuaian periode sebelumnya, efek dari perubahan kebijakan akuntansi dan penyesuaian modal lainnya.

**y. Dana *syirkah* temporer**

Dana *syirkah* temporer merupakan investasi dengan akad *mudharabah mutlaqah*, yaitu pemilik dana (*shahibul maal*) memberikan kebebasan kepada pengelola dana (*mudharib*/BTN Unit Syariah) dalam pengelolaan investasinya dengan keuntungan dibagikan sesuai kesepakatan. Dana *syirkah* temporer terdiri dari giro *mudharabah*, tabungan *mudharabah*, dan deposito *mudharabah*.

Giro dan tabungan *mudharabah* merupakan investasi yang bisa ditarik kapan saja (*on call*) atau sesuai dengan persyaratan tertentu yang disepakati. Giro dan tabungan *mudharabah* dinyatakan sebesar saldo giro dan tabungan nasabah di Bank.

Deposito *mudharabah* merupakan investasi yang hanya bisa ditarik pada waktu tertentu sesuai dengan perjanjian antara pemegang deposito *mudharabah* dengan Bank. Deposito *mudharabah* dinyatakan sebesar nilai nominal sesuai dengan perjanjian antara pemegang deposito dengan Bank.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**v. Subordinated Loans**

*Subordinated loans are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium associated related to the initial recognition and transaction costs that are an integral part of the effective interest rate.*

**w. Capital stock**

*Capital stock is measured at par value for all shares issued.*

**x. Retained earnings**

*Retained earnings represent the cumulative balance of the Bank's results of operations, dividend distributions, prior period adjustments, effects of the changes in accounting policy and other capital adjustments.*

**y. Temporary *syirkah* funds**

*Temporary syirkah funds represent investments from other parties conducted on the basis of mudharabah mutlaqah contract in which the owners of the funds (shahibul maal) grant freedom to the fund manager (mudharib/BTN Sharia Unit) in the management of their investments with profit distributed based on the contract. Temporary syirkah funds consist of mudharabah current accounts, mudharabah savings deposits, and mudharabah time deposits.*

*Mudharabah current accounts and savings deposits represent investment which could be withdrawn anytime (on call) or can be withdrawn based on certain agreed terms. Mudharabah current accounts and savings deposits are stated based on the customer's demand and savings deposits balance in the Bank.*

*Mudharabah time deposits represent investment that can only be withdrawn at a certain time based on the agreement between the customer and the Bank. Mudharabah time deposits are stated at nominal amount as agreed between the deposit holder and the Bank.*

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**y. Dana *syirkah* temporer (lanjutan)**

Dana *syirkah* temporer tidak dapat digolongkan sebagai kewajiban. Hal ini karena BTN Unit Syariah tidak berkewajiban untuk mengembalikan jumlah dana awal dari pemilik dana kecuali akibat kelalaian atau wanprestasi ketika mengalami kerugian. Di sisi lain dana *syirkah* temporer tidak dapat digolongkan sebagai ekuitas karena mempunyai waktu jatuh tempo dan pemilik dana tidak mempunyai hak kepemilikan yang sama dengan pemegang saham seperti hak *voting* dan hak atas realisasi keuntungan yang berasal dari aset lancar dan aset non-investasi (current and other non-investment accounts).

Pemilik dana *syirkah* temporer mendapatkan imbalan bagi hasil sesuai dengan *nisbah* yang ditetapkan.

Hak nasabah atas bagi hasil dana *syirkah* temporer merupakan bagian bagi hasil milik nasabah yang didasarkan pada prinsip *mudharabah* atas hasil pengelolaan dana mereka oleh Bank. Pendapatan yang dibagikan adalah yang telah diterima (cash basis).

Pembagian hasil usaha dilakukan berdasarkan prinsip bagi hasil usaha yaitu dari pendapatan Bank yang diterima berupa laba kotor (gross profit margin).

Pendapatan margin dan bagi hasil atas pembiayaan yang diberikan dan atas aset produktif lainnya akan dibagikan kepada nasabah penyimpan dana dan Bank sesuai dengan proporsi dana yang dipakai dalam pembiayaan yang diberikan dan aset produktif lainnya. Selanjutnya, pendapatan margin dan bagi hasil yang tersedia untuk nasabah tersebut kemudian dibagikan ke nasabah penabung dan deposan sebagai *shahibul maal* dan Bank sebagai *mudharib* sesuai porsi *nisbah* bagi hasil yang telah disepakati bersama sebelumnya. Pendapatan margin dan bagi hasil dari pembiayaan dan aset produktif lainnya yang memakai dana Bank, seluruhnya menjadi milik Bank, termasuk pendapatan dari investasi Bank berbasis imbalan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**y. Temporary *syirkah* funds (continued)**

Temporary *syirkah* fund cannot be classified as liability. This was due to the BTN Sharia Unit does not have any liability to return the initial fund to the owners, except for losses due to BTN Sharia Unit's management negligence or default of loss is incurred. On the other hand, temporary *syirkah* fund cannot be classified as shareholders' equity, because of the maturity period and the depositors do not have the same rights as the shareholders' such as voting rights and the rights of realised gain from current assets and other non-investment accounts.

The owner of temporary *syirkah* funds receives a return from the profit sharing based on a predetermined ratio.

Third parties' share on returns of temporary *syirkah* funds represents customer's share on the Bank's income derived from the management of their funds by the Bank under *mudharabah* principles. Income that will be distributed is the cash received (cash basis) from the share.

The distribution of revenue is based on profit sharing scheme on the Bank's gross profit margin.

Margin income and profit sharing on financing facilities and other earning assets are distributed to fund owners and the Bank based on proportion of fund used in the financing and other earning assets. Margin income and profit sharing income allocated to the fund owners are then distributed to fund owners and depositors as *shahibul maal* and the Bank as *mudharib* based on a predetermined ratio (*nisbah*). Margin income and profit sharing from financing facilities and other earning assets using the Bank's funds, are entirely shared for the Bank, including income from the Bank's fee-based transactions.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**z. Pendapatan dan beban bunga**

Pendapatan dan beban bunga diakui pada laporan laba rugi dan penghasilan komprehensif lain dengan menggunakan metode suku bunga efektif. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa datang selama perkiraan umur dari aset keuangan atau liabilitas keuangan (atau, jika lebih tepat, digunakan periode yang lebih singkat) untuk memperoleh nilai tercatat bersih dari aset keuangan atau liabilitas keuangan.

Pada saat menghitung suku bunga efektif, Bank mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, tetapi tidak mempertimbangkan kerugian kredit di masa mendatang. Perhitungan ini mencakup seluruh komisi, provisi, dan bentuk lain yang diterima oleh para pihak dalam kontrak yang merupakan bagian tidak terpisahkan dari suku bunga efektif.

Jika aset keuangan atau nilai kelompok aset keuangan serupa telah diturunkan sebagai akibat kerugian penurunan nilai, maka pendapatan bunga yang diperoleh setelahnya diakui berdasarkan suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam menghitung kerugian penurunan nilai.

**aa. Pendapatan provisi dan komisi**

Pendapatan provisi dan komisi yang berkaitan langsung dengan kegiatan pinjaman, atau pendapatan provisi dan komisi yang berhubungan dengan jangka waktu tertentu, diamortisasi sesuai dengan jangka waktu kontrak menggunakan metode suku bunga efektif dan diklasifikasikan sebagai bagian dari pendapatan bunga pada laporan laba rugi dan penghasilan komprehensif lain.

Pendapatan provisi dan komisi yang tidak berkaitan dengan kegiatan pemberian kredit atau suatu jangka waktu dan/atau terkait dengan pemberian suatu jasa, diakui sebagai pendapatan pada saat terjadinya transaksi dan dicatat pada akun pendapatan operasional lainnya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**z. Interest income and expenses**

*Interest income and expenses are recognized in the statement of profit or loss and other comprehensive income using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument (or, where appropriate, a shorter period) to obtain the carrying amount of the financial asset or financial liability.*

*When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses. This calculation includes all commissions, fees, and other forms received by the parties in the contract that are an integral part of the effective interest rate.*

*If a financial asset or group of similar financial assets' value has diminished as a result of impairment losses, interest income subsequently obtained is recognized based on the interest rate used to discount future cash flows in calculating impairment losses.*

**aa. Fees and commissions**

*Fees and commissions directly related to lending activities, or fee and commission income which relates to a specific period, is amortized over the term of the contract using the effective interest method and classified as part of interest income in the statement of profit or loss and other comprehensive income.*

*Fees and commissions that are not related to the credit activity or a period of time and/or associated with the service provided, are recognized as revenue at the time of the transaction and recorded under other operating income.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**ab. Pendapatan bagi hasil dan beban bonus secara syariah**

Pendapatan bagi hasil secara syariah merupakan pendapatan *istishna*, margin *murabahah* dan bagi hasil pembiayaan *mudharabah* dan *musyarakah* serta aset produktif lainnya yang diakui dengan menggunakan metode akrual. Beban secara syariah merupakan distribusi bonus dan bagi hasil kepada pemilik dana yang diakui berdasarkan metode akrual.

Pendapatan *istishna* diakui apabila telah terjadi penyerahan barang.

Pendapatan atas piutang *murabahah* menggunakan metode setara tingkat imbal hasil efektif (margin efektif). Margin efektif adalah margin yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa datang selama perkiraan umur dari piutang *murabahah*. Pada saat menghitung margin efektif, Bank mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, tetapi tidak mempertimbangkan kerugian piutang di masa mendatang. Perhitungan ini mencakup seluruh komisi, provisi dan bentuk lain yang diterima oleh para pihak dalam kontrak yang merupakan bagian tak terpisahkan dari margin efektif, biaya transaksi, dan seluruh premi atau diskon lainnya.

Pendapatan bagi hasil pembiayaan *mudharabah* dan *musyarakah* diakui pada saat diterima atau dalam periode terjadinya hak bagi hasil sesuai porsi bagi hasil (nisbah) yang disepakati.

**ac. Imbalan kerja**

Imbalan kerja jangka pendek

Imbalan kerja jangka pendek seperti upah, iuran jaminan sosial, cuti jangka pendek, bonus dan imbalan non-moneter lainnya diakui selama periode jasa diberikan. Imbalan kerja jangka pendek dihitung sebesar jumlah yang tidak didiskontokan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ab. Sharia profit sharing income and bonus expense**

*Sharia profit sharing income represents income from istishna, margin from murabahah and profit-sharing on mudharabah and musyarakah financing and other earning assets which are recognized on the accrual basis. Sharia expense represents the bonus distribution and profit-sharing to fund owners which are recognized on an accrual basis.*

*Income from istishna is recognized at the date of transfer of assets.*

*Income from murabahah receivables is using the effective rate of return method (effective margin). Effective margin is the margin that precisely discounts the estimated future cash payments or receipts through the expected life of the murabahah receivables. When calculating the effective margin, the Bank estimates the future cash flows considering all contractual terms of the financial instrument, but does not consider the loss of receivables in the future. This calculation includes all commissions, provision fees and other forms accepted by the parties in the contract that are an inseparable part of the effective margin, transaction costs and all other premiums or discounts.*

*Mudharabah and musyarakah income are recognized when cash is received or in a period where the right of revenue sharing is due based on agreed portion (nisbah).*

**ac. Employee benefits**

Short-term employee benefits

*Short-term employee benefits such as wages, social security contributions, short-term compensated leaves, bonuses and other non-monetary benefits are recognized during the period when services have been rendered. Short-term employee benefits are measured using undiscounted amounts.*



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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**ac. Imbalan kerja (lanjutan)**

Program pensiun iuran pasti

Iuran kepada dana pensiun sebesar persentase tertentu gaji pegawai yang menjadi peserta program pensiun iuran pasti Bank, dicadangkan dan diakui sebagai biaya ketika jasa telah diberikan oleh pegawai-pegawai tersebut. Pembayaran dikurangkan dari utang iuran. Iuran terutang dihitung berdasarkan jumlah yang tidak didiskontokan.

Program imbalan pasti dan imbalan kerja jangka panjang lainnya

Imbalan pasca-kerja dicadangkan dan diakui sebagai biaya ketika jasa telah diberikan oleh pegawai yang menjadi peserta program pensiun Bank. Imbalan kerja ditentukan berdasarkan peraturan Bank dan persyaratan minimum Undang-undang Tenaga Kerja No. 13/2003, mana yang lebih tinggi.

Imbalan pasca-kerja dan imbalan kerja jangka panjang lainnya secara aktuaris ditentukan berdasarkan metode *Projected Unit Credit*.

Pengukuran kembali atas liabilitas (aset) imbalan pasti neto, yang diakui sebagai penghasilan komprehensif lain, terdiri atas:

- (i) Keuntungan dan kerugian aktuarial.
- (ii) Imbal hasil atas aset program, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas (aset).
- (iii) Setiap perubahan dampak batas aset, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas (aset).

Pengukuran kembali atas liabilitas (aset) imbalan pasti neto, yang diakui sebagai penghasilan komprehensif lain tidak direklasifikasi ke laba rugi pada periode berikutnya.

Untuk imbalan kerja jangka panjang lain atas biaya jasa kini, biaya bunga neto atas liabilitas (aset) imbalan pasti neto, dan pengukuran kembali liabilitas (aset) imbalan pasti neto langsung diakui pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ac. Employee benefits (continued)**

Defined contribution plan

Contribution payable to a pension fund equivalent to a certain percentage of salaries for qualified employees under the Bank's defined contribution plan is accrued and recognized as expense when services have been rendered by qualified employees. Actual payments are deducted from the contribution payable. Contribution payable is measured using undiscounted amounts.

Defined benefit plan and other long-term employee benefits

The post-employment benefits are accrued and recognized as expense when services have been rendered by qualified employees. The benefits are determined based on the Bank's regulations and the minimum requirements of Labor Law No. 13/2003, whichever is higher.

The post-employment benefits and other long-term employee benefits are actuarially determined using the *Projected Unit Credit Method*.

Remeasurement of defined benefit liabilities (assets) net, which is recognized as other comprehensive income consist of:

- (i) Actuarial gain and losses.
- (ii) Return on plan assets, excluding amounts that is included in net interest on liabilities (assets).
- (iii) The effect of the asset ceiling, excluding amounts included in the net interest of liabilities (assets).

Remeasurement of defined benefit liabilities (assets) - net, which is recognized as other comprehensive income is not reclassified to profit or loss in the subsequent periods.

For other long-term employee benefits which are current service cost, net interest expense of net defined benefit assets liabilities (assets), and re-measurement of liability (asset) is recognized immediately in the current year statement of profit or loss and other comprehensive income.

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**ac. Imbalan kerja (lanjutan)**

Program imbalan pasti dan imbalan kerja jangka panjang lainnya (lanjutan)

Biaya jasa lalu diakui sebagai beban pada tanggal yang lebih awal antara ketika amandemen atau kurtailmen program terjadi, dan ketika biaya restrukturisasi atau pesangon diakui, sehingga biaya jasa lalu yang belum *vested* tidak lagi dapat ditangguhkan dan diakui selama periode *vesting* masa depan.

**ad. Transaksi dan saldo dalam mata uang asing**

Transaksi dalam mata uang asing dicatat berdasarkan kurs yang berlaku pada saat transaksi dilakukan. Pada tanggal laporan posisi keuangan, aset dan liabilitas moneter dalam mata uang asing dijabarkan ke dalam mata uang Rupiah berdasarkan kurs *spot* Reuters pada tanggal tersebut pukul 16.00 WIB. Laba atau rugi kurs yang terjadi diakui di dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Pada tanggal-tanggal 31 Desember 2019 dan 2018, kurs yang digunakan untuk menjabarkan mata uang asing ke dalam Rupiah adalah sebagai berikut (Rupiah penuh):

	<b>31 Desember/ December 31, 2019</b>
1 Dolar Amerika Serikat	13.882,50
1 Dolar Australia	9.725,39
1 Pound Sterling Inggris	18.238,14
1 Euro Eropa	15.570,61
1 Yen Jepang	127,81
1 Ringgit Malaysia	3.391,77
1 Dolar Hongkong	1.782,75
1 Riyal Arab Saudi	3.701,00
1 Renminbi	1.994,18
1 Dolar Singapura	10.315,05

**ae. Pajak penghasilan**

Beban pajak tahun berjalan ditetapkan berdasarkan taksiran penghasilan kena pajak tahun berjalan. Aset dan liabilitas pajak tangguhan diakui atas perbedaan temporer aset dan liabilitas antara pelaporan komersial dan pajak pada setiap tanggal pelaporan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ac. Employee benefits (continued)**

Defined benefit plan and other long-term employee benefits (continued)

Past service costs are recognized as expense at the earlier date between the amendments or curtailment program occurred, and when the costs of restructuring or severance is recognized, therefore, unvested past service cost can no longer be deferred and recognized over the future vesting period.

**ad. Foreign currency transactions and balances**

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At statement of financial position dates, monetary assets and liabilities denominated in foreign currencies are translated into Rupiah based on Reuters' spot rates at 16.00 WIB (West Indonesian local time) on that date. The resulting gains or losses are recognized in the statement of profit or loss and other comprehensive income for the current year.

As of December 31, 2019 and 2018, the exchange rates used in translating the foreign currencies into Rupiah are as follows (full Rupiah):

	<b>31 Desember/ December 31, 2018</b>	
	14.380,00	1 United States Dollar
	10.162,35	1 Australia Dollar
	18.311,50	1 British Pound Sterling
	16.440,66	1 European Euro
	130,62	1 Japanese Yen
	3.476,79	1 Malaysian Ringgit
	1.836,28	1 Hongkong Dollar
	3.859,39	1 Saudi Arabian Riyal
	2.090,57	1 Renminbi
	10.554,91	1 Singapore Dollar

**ae. Income tax**

Current tax expense is provided based on the estimated taxable income for the current year. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date.

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**ae. Pajak penghasilan (lanjutan)**

Aset pajak tangguhan diakui untuk seluruh perbedaan temporer yang boleh dikurangkan dan saldo rugi fiskal yang belum dikompensasikan, sepanjang perbedaan temporer dan rugi fiskal yang belum dikompensasikan tersebut dapat dimanfaatkan untuk mengurangi laba fiskal pada masa yang akan datang.

Jumlah tercatat aset pajak tangguhan ditelaah pada setiap tanggal posisi keuangan dan nilai tercatat aset pajak tangguhan tersebut diturunkan apabila tidak lagi terdapat kemungkinan besar bahwa laba fiskal yang memadai akan tersedia untuk mengkompensasi sebagian atau semua manfaat aset pajak tangguhan.

Aset dan kewajiban pajak tangguhan diukur berdasarkan tarif pajak yang akan berlaku pada tahun saat aset direalisasikan atau liabilitas diselesaikan berdasarkan peraturan perpajakan yang berlaku atau yang telah secara substantif telah diberlakukan pada tanggal laporan posisi keuangan.

Pengaruh pajak terkait dengan penyisihan untuk dan/atau pembalikan seluruh perbedaan temporer selama tahun berjalan, termasuk pengaruh perubahan tarif pajak, diakui sebagai "Beban Pajak Penghasilan - Tangguhan" dan termasuk dalam laba atau rugi neto tahun berjalan, kecuali untuk transaksi-transaksi yang sebelumnya telah langsung dibebankan atau dikreditkan ke ekuitas.

Perubahan terhadap liabilitas pajak diakui pada saat surat ketetapan pajak diterima, atau apabila diajukan keberatan dan atau banding oleh Bank, pada saat telah ada keputusan atas banding dan atau keberatan tersebut.

Dalam menentukan jumlah pajak kini dan tangguhan, Bank memperhitungkan dampak atas posisi pajak yang tidak pasti dan tambahan pajak serta penalti. Hal ini termasuk juga melakukan evaluasi terhadap surat ketetapan pajak yang diterima dari kantor pajak.

Aset dan liabilitas atas pajak tangguhan dan pajak kini dapat saling hapus apabila terdapat hak yang berkekuatan hukum untuk melakukan saling hapus.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ae. Income tax (continued)**

*Deferred tax assets are recognized for all deductible temporary differences and carry forward of uncompensated tax losses to the extent that it is probable for temporary differences and carry forward of uncompensated tax losses to be utilized in deducting future taxable profit.*

*The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the benefit of the deferred tax assets to be utilized.*

*Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled based on tax laws that have been enacted or substantively enacted as at statement financial position date.*

*The related tax effects of the provisions for and/or reversals of all temporary differences during the year, including the effect of change in tax rates, are recognized as "Income Tax Expense - Deferred" and included in the determination of net profit or loss for the year, except to the extent that they relate to items previously charged or credited to equity.*

*Amendment to tax obligation is recorded when an assessment letter is received or, if objected to or appealed against by the Bank, when the result of such appeal or objection is determined.*

*In determining the amount of current and deferred tax, the Bank takes into account the impact of uncertain tax positions and any additional taxes and penalties. This includes evaluation on tax assessment letters received from tax authorities.*

*Assets and liabilities on deferred tax and current tax can be offset if there is a legal enforceable right to offset.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**af. Pelaporan segmen**

Informasi segmen diungkapkan untuk memungkinkan pengguna laporan keuangan untuk mengevaluasi sifat dan dampak keuangan dari aktivitas bisnis yang mana Bank terlibat dalam lingkungan ekonomi dimana Bank beroperasi.

Segmen operasi adalah suatu komponen dari entitas:

- a) yang terlibat dalam aktivitas bisnis yang mana memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban terkait dengan transaksi dengan komponen lain dari entitas yang sama);
- b) hasil operasinya dikaji ulang secara reguler oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- c) tersedia informasi keuangan yang dapat dipisahkan.

Bank telah mengidentifikasi dan mengungkapkan informasi keuangan berdasarkan kegiatan bisnis dimana Bank terlibat (segmen usaha). Segmen pendapatan, biaya, hasil, aset dan liabilitas, termasuk bagian yang dapat diatribusikan langsung kepada segmen, serta yang dapat dialokasikan dengan dasar yang memadai untuk segmen tersebut.

**ag. Laba per saham dasar**

Laba per saham dasar dihitung dengan membagi laba tahun berjalan dengan jumlah rata-rata tertimbang saham yang ditempatkan dan disetor penuh pada tahun yang bersangkutan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**af. Segment reporting**

Segment information is disclosed to enable users of financial statements to evaluate the nature and financial effects of the business activities in which the Bank is involved in and the economic environment where the Bank operates.

An operating segment is a component of an entity:

- a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- b) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- c) for which discrete financial information is available.

The Bank identifies and discloses financial information based on the business activities in which the Bank engages (business segments) in. Segment revenues, expenses, income, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment.

**ag. Basic earnings per share**

Basic earnings per share is computed by dividing income for the year by the weighted average number of issued and fully paid shares during the related year.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**ah. Biaya emisi penerbitan saham**

Biaya-biaya emisi efek yang terjadi sehubungan dengan penawaran saham kepada masyarakat (termasuk penerbitan hak memesan efek terlebih dahulu) dikurangkan langsung dari hasil emisi dan disajikan sebagai pengurang pada akun "Tambahkan Modal Disetor - Neto", sebagai bagian dari Ekuitas pada laporan posisi keuangan.

**ai. Provisi**

Provisi diakui jika Bank memiliki kewajiban kini (baik bersifat hukum maupun bersifat konstruktif) yang akibat peristiwa masa lalu, besar kemungkinannya penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi dan estimasi yang andal mengenai jumlah kewajiban tersebut dapat dibuat.

Provisi ditelaah pada setiap tanggal pelaporan dan disesuaikan untuk mencerminkan estimasi terbaik yang paling kini. Jika arus keluar sumber daya untuk menyelesaikan kewajiban kemungkinan besar tidak terjadi, maka provisi dibatalkan.

**aj. Agunan yang diambil alih**

Agunan yang diambil alih sehubungan dengan penyelesaian kredit (disajikan dalam akun "Aset Lain-lain") diakui sebesar nilai neto yang dapat direalisasi atau sebesar nilai tercatat dari kredit, mana yang lebih rendah. Nilai neto yang dapat direalisasi adalah nilai wajar agunan setelah dikurangi estimasi biaya pelepasan.

Kelebihan saldo kredit yang diberikan, yang belum dilunasi oleh peminjam di atas nilai dari agunan yang diambil alih, dibebankan sebagai penyisihan penghapusan kredit yang diberikan pada tahun berjalan. Selisih antara nilai agunan yang diambil alih dengan hasil penjualannya diakui sebagai keuntungan atau kerugian pada saat penjualan agunan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ah. Shares issuance costs**

Costs related to the public offering of shares (including pre-emptive rights issue) are deducted from the proceeds and presented as a deduction from the "Additional Paid-in-Capital - Net" account, under Equity section in the statement of financial position.

**ai. Provisions**

Provisions are recognized when the Bank has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

**aj. Foreclosed collaterals**

Foreclosed collaterals acquired in settlement of loans (included as part of "Other Assets") are recognized at net realizable values or loan carrying amount, whichever is lower. Net realizable value is the fair value of the collateral after deducting the estimated costs of disposal.

The excess in loan balances which has not been paid by debtors over the value of foreclosed collaterals is charged to allowance for possible loan write-off on loans in the current year. The difference between the value of the collateral and the proceeds from sale thereof is recognized as a gain or loss at the time of sale of the collateral.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**aj. Agunan yang diambil alih (lanjutan)**

Manajemen mengevaluasi nilai agunan yang diambil alih secara berkala. Penyisihan kerugian agunan yang diambil alih dibentuk berdasarkan penurunan nilai agunan yang diambil alih.

Beban perbaikan (Reconditioning costs) yang timbul setelah pengambilalihan agunan dikapitalisasi dalam akun agunan yang diambil alih tersebut.

**ak. Instrumen derivatif**

Instrumen keuangan derivatif diukur dan diakui di laporan posisi keuangan pada nilai wajar dikurangi cadangan kerugian penurunan nilai.

Setiap kontrak derivatif dicatat sebagai aset apabila memiliki nilai wajar positif dan sebagai liabilitas apabila memiliki nilai wajar negatif.

Tagihan dan liabilitas derivatif diklasifikasikan sebagai aset dan liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi.

Keuntungan atau kerugian yang terjadi dari perubahan nilai wajar diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

Nilai wajar instrumen derivatif ditentukan diskonto arus kas dan model penentu harga atau harga yang diberikan oleh broker (quoted price) atas instrumen lainnya yang memiliki karakteristik serupa, yang mengacu pada PSAK No. 68: "Pengukuran Nilai Wajar" (Catatan 2d).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**aj. Foreclosed collaterals (continued)**

Management evaluates the value of foreclosed collaterals periodically. Allowance for losses foreclosed collaterals is provided based on the impairment of foreclosed collaterals.

Reconditioning costs arising after foreclosure capitalized in the accounts of the foreclosed collaterals.

**ak. Derivatives Instrument**

Derivatives financial instruments are valued and recognized in the statement of financial position at fair value net of allowance for possible losses.

Each derivatives contract is recorded as asset when the fair value is positive and as liability when the fair value is negative.

Derivatives receivable and payable are classified as financial assets and liabilities measured at fair value through profit or loss.

Gains or losses resulting from fair value changes are recognized in the statement of profit or loss and other comprehensive income.

The fair value of derivatives instruments is determined based on discounted cash flows and pricing models or quoted prices from brokers of other instruments with similar characteristics, which refers to SFAS No. 68: "Fair Value Measurement" (Note 2d)

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**al. Perubahan atas kebijakan akuntansi dan pengungkapan**

Bank telah menerapkan standar akuntansi pada tanggal 1 Januari 2019, yang dianggap relevan dengan laporan keuangan Bank, yaitu:

- Amendemen PSAK 24 memberikan panduan yang lebih jelas bagi entitas dalam mengakui biaya jasa lalu, keuntungan dan kerugian penyelesaian, biaya jasa kini dan bunga neto setelah adanya amendemen, kurtailmen, atau penyelesaian program karena menggunakan asumsi aktuarial terbaru (sebelumnya menggunakan asumsi aktuarial pada awal periode pelaporan tahunan). Selain itu, Amendemen PSAK 24 juga mengklarifikasi bagaimana persyaratan akuntansi untuk amendemen, kurtailmen, atau penyelesaian program dapat mempengaruhi persyaratan batas atas aset yang terlihat dari pengurangan surplus yang menyebabkan
- PSAK No. 46 (Penyesuaian 2018) "Pajak Penghasilan", menegaskan mengenai konsekuensi pajak penghasilan atas dividen dengan menghapus paragraf 52B dan menambah paragraf 57A. Konsekuensi pajak penghasilan atas dividen (sebagaimana didefinisikan dalam PSAK 71: Instrumen Keuangan) timbul ketika entitas mengakui liabilitas untuk membayar dividen. Konsekuensi pajak penghasilan tersebut lebih terkait secara langsung dengan transaksi atau peristiwa masa lalu yang menghasilkan laba yang dapat didistribusikan dari pada dengan distribusi kepada pemilik. Oleh karena itu, entitas mengakui konsekuensi pajak penghasilan tersebut dalam laba rugi, penghasilan komprehensif lain atau ekuitas sesuai dengan pengakuan awal entitas atas transaksi atau peristiwa masa lalu tersebut.
- ISAK 33 mengklarifikasi penggunaan tanggal transaksi untuk menentukan kurs yang digunakan pada pengakuan awal aset, beban atau penghasilan terkait pada saat entitas telah menerima atau membayar imbalan di muka dalam valuta asing.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**al. Changes in accounting policy and disclosures**

The Bank adopted the revised accounting standard on January 1, 2019, which is considered relevant to the Bank's Financial Statements, as follows:

- Amendments to SFAS 24 provide clearer guidance for entities in recognizing past service costs, settlement gains and losses, current service costs and net interest after amendments, curtailments, or completion of programs because they use the latest actuarial assumptions (previously using actuarial assumptions at the beginning of the annual reporting period). In addition, the Amendment to SFAS 24 also clarifies how the accounting requirements for amendments, curtailments, or program completion can affect the asset boundary requirements as seen from the reduction in surplus which causes the impact of the asset limit to change.
- SFAS No. 46 (2018 Adjustment) "Income Tax", confirms the consequences of income tax on dividends by deleting paragraph 52B and adding paragraph 57A. The consequences of income tax on dividends (as defined in PSAK 71: Financial Instruments) arise when an entity recognizes a liability to pay dividends. The consequences of income tax are more directly related to past transactions or events that generate profits that can be distributed rather than distributed to the owner. Therefore, the entity recognizes the income tax consequences in profit or loss, other comprehensive income or equity in accordance with the entity's initial recognition of past transactions or events.
- ISFAS 33 clarify the use of the transaction date to determine the exchange rate used in the initial recognition of the related asset, expense or income at the time the entity has received or paid advance consideration in the foreign currency.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**al. Perubahan atas kebijakan akuntansi dan pengungkapan (lanjutan)**

Bank telah menerapkan standar akuntansi pada tanggal 1 Januari 2019, yang dianggap relevan dengan laporan keuangan Bank, yaitu: (lanjutan)

- ISAK 34 : Ketidakpastian dalam Perlakuan Pajak Penghasilan. ISAK ini bertujuan untuk mengklarifikasi dan memberikan panduan dalam merefleksikan ketidakpastian perlakuan pajak penghasilan dalam laporan keuangan.

Dampak terhadap laporan keuangan atas penerapan standar akuntansi tersebut diatas tidak signifikan terhadap laporan keuangan.

**3. PENGGUNAAN PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI YANG SIGNIFIKAN**

Penyusunan laporan keuangan Bank mengharuskan manajemen untuk membuat pertimbangan, estimasi dan asumsi yang mempengaruhi jumlah yang dilaporkan dari pendapatan, beban, aset dan liabilitas, dan pengungkapan atas liabilitas kontinjensi, pada akhir periode pelaporan. Ketidakpastian mengenai asumsi dan estimasi tersebut dapat mengakibatkan penyesuaian material terhadap nilai tercatat aset dan liabilitas dalam periode pelaporan berikutnya.

**Pertimbangan**

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Bank yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan Bank:

Usaha yang berkelanjutan

Manajemen Bank telah melakukan penilaian atas kemampuan Bank untuk melanjutkan kelangsungan usahanya dan berkeyakinan bahwa Bank memiliki sumber daya untuk melanjutkan usahanya di masa mendatang. Selain itu, manajemen Bank tidak mengetahui adanya ketidakpastian material yang dapat menimbulkan keraguan yang signifikan terhadap kemampuan Bank untuk melanjutkan usahanya. Oleh karena itu, laporan keuangan telah disusun atas dasar usaha yang berkelanjutan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**al. Changes in accounting policy and disclosures (continued)**

The Bank adopted the revised accounting standard on January 1, 2019, which is considered relevant to the Bank's Financial Statements, as follows: (continued)

- ISFAS No 34: Uncertainty over Income Tax Treatments. This ISFAS is to clarify and provides guidance of uncertainty over Income tax treatments at financial report.

The impact on the Financial Statements of the adoption of the accounting standards mentioned are not significant to the Financial Statements.

**3. USE OF SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Bank's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of the asset and liability affected in future periods.

**Judgments**

The following judgments are made by management in the process of applying the Bank's accounting policies that have the most significant effects on the amounts recognized in the Bank's Financial Statements:

Going concern

The Bank's management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue its business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt to the Bank's ability to continue as a going concern. Therefore, the Financial Statements continues to be prepared on the going concern basis.



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**3. PENGGUNAAN PERTIMBANGAN, ESTIMASI  
DAN ASUMSI AKUNTANSI YANG SIGNIFIKAN  
(lanjutan)**

**Pertimbangan (lanjutan)**

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Bank yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan Bank: (lanjutan)

Klasifikasi aset dan liabilitas keuangan

Bank menetapkan klasifikasi atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan bila definisi yang ditetapkan PSAK No. 55 (Revisi 2014) dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Bank seperti diungkapkan pada Catatan 2d.

Nilai wajar instrumen keuangan

Semua aset dan liabilitas dimana nilai wajar diukur atau diungkapkan dalam laporan keuangan dapat dikategorikan pada level hirarki nilai wajar, berdasarkan tingkatan input terendah yang signifikan atas pengukuran nilai wajar secara keseluruhan:

- Level 1 : harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses pada tanggal pengukuran.
- Level 2 : input selain harga kuotasian yang termasuk dalam level 1 yang dapat diobservasi untuk aset dan liabilitas, baik secara langsung atau tidak langsung.
- Level 3 : input yang tidak dapat diobservasi untuk aset dan liabilitas.

Investasi dimiliki hingga jatuh tempo

Surat berharga dengan klasifikasi dimiliki hingga jatuh tempo membutuhkan *judgment* yang signifikan. Dalam membuat *judgment* ini, Bank mengevaluasi intensi dan kemampuan untuk memiliki investasi tersebut hingga jatuh tempo. Jika Bank gagal untuk memiliki investasi ini hingga jatuh tempo selain dalam kondisi-kondisi tertentu sebagai contoh, menjual dalam jumlah yang insignifikan saat mendekati jatuh tempo, Bank harus mereklasifikasi seluruh portofolio tersebut menjadi surat berharga yang tersedia untuk dijual. Surat berharga yang tersedia untuk dijual tersebut akan diukur pada nilai wajar dan bukan menggunakan biaya yang diamortisasi.

**3. USE OF SIGNIFICANT ACCOUNTING  
JUDGMENTS, ESTIMATES AND ASSUMPTIONS  
(continued)**

**Judgments (continued)**

The following judgments are made by management in the process of applying the Bank's accounting policies that have the most significant effects on the amounts recognized in the Bank's Financial Statements: (continued)

Classification of financial assets and financial liabilities

The Bank determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in SFAS No. 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Bank's accounting policies disclosed in Note 2d.

Fair value of financial instruments

All assets and liabilities in which fair value is measured or disclosed in the Financial Statements can be classified in fair value hierarchy levels, based on the lowest level of input that is significant to the overall fair value measurement:

- Level 1: quoted prices (without adjustments) in active markets for identical assets or liabilities which are accessible at the measurement date.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the assets and liabilities, either directly or indirectly.
- Level 3: inputs that are not observable for the assets and liabilities.

Held-to-maturity securities

The classification under held-to-maturity securities requires significant judgment. In making this judgment, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than in certain specific circumstances for example, selling an insignificant amount close to maturity, it will be required to reclassify the entire portfolio as available-for-sale securities. The available-for-sale securities would therefore be measured at fair value and not at amortized cost.

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**3. PENGGUNAAN PERTIMBANGAN, ESTIMASI  
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(lanjutan)**

**Pertimbangan (lanjutan)**

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Bank yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan Bank: (lanjutan)

Aset keuangan yang tidak memiliki harga pasar

Bank mengklasifikasikan aset keuangan dengan mengevaluasi, antara lain, apakah nilai tersebut dikutip atau tidak di pasar aktif. Termasuk dalam evaluasi pada apakah aset keuangan yang dikutip di pasar aktif adalah penentuan apakah harga pasar dapat segera dan secara teratur tersedia, dan apakah mereka mewakili harga aktual dan teratur terjadi transaksi pasar secara *arms-length*.

Kontinjensi

Bank sedang terlibat dalam proses hukum. Perkiraan biaya kemungkinan bagi penyelesaian klaim telah dikembangkan melalui konsultasi dengan bantuan konsultan hukum Bank didasarkan pada analisis hasil yang potensial. Manajemen tidak berkeyakinan bahwa hasil dari hal ini akan mempengaruhi hasil usaha. Besar kemungkinan, bagaimanapun, bahwa hasil operasi di masa depan dapat secara material terpengaruh oleh perubahan dalam estimasi atau efektivitas dari strategi yang terkait dengan hal tersebut.

**Estimasi dan Asumsi**

Asumsi utama masa depan dan sumber utama estimasi ketidakpastian lain pada tanggal pelaporan yang memiliki risiko untuk dapat menyebabkan penyesuaian yang material terhadap nilai tercatat aset dan liabilitas untuk tahun berikutnya seperti yang diungkapkan di bawah ini. Bank mendasarkan asumsi dan estimasi yang digunakan pada parameter yang tersedia pada saat laporan keuangan disusun.

Asumsi dan situasi mengenai perkembangan masa depan dapat berubah akibat perubahan pasar atau situasi yang timbul di luar kendali Bank. Perubahan tersebut dicerminkan dalam asumsi yang digunakan pada saat terjadinya.

**3. USE OF SIGNIFICANT ACCOUNTING  
JUDGMENTS, ESTIMATES AND ASSUMPTIONS  
(continued)**

**Judgments (continued)**

The following judgments are made by management in the process of applying the Bank's accounting policies that have the most significant effects on the amounts recognized in the Bank's Financial Statements: (continued)

Financial assets not quoted in an active market

The Bank classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

Contingencies

The Bank is currently involved in legal proceedings. The estimate of the probable cost for the resolution of claims has been developed in consultation with the aid of the external legal counsel handling the Bank's defense in this matter and is based upon an analysis of potential results. Management does not believe that the outcome of this matter will affect the results of operations. It is probable, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

**Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Bank based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

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**3. PENGGUNAAN PERTIMBANGAN, ESTIMASI  
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(lanjutan)**

**Estimasi dan Asumsi (lanjutan)**

Cadangan kerugian penurunan nilai dari kredit  
dan pembiayaan/piutang syariah

Bank menelaah portofolio pinjaman dan piutang setiap tahun untuk menilai penurunan nilai dengan memperbaharui cadangan kerugian penurunan nilai yang dibentuk selama periode yang diperlukan berdasarkan analisis berkelanjutan dan pemantauan terhadap rekening individual oleh petugas kredit.

Dalam menentukan apakah penurunan nilai harus dibentuk dalam laporan laba rugi dan penghasilan komprehensif lain, Bank membuat penilaian, apakah terdapat data yang dapat diobservasi yang menunjukkan bahwa terdapat penurunan yang dapat diukur dalam laporan perkiraan arus kas masa depan dari portofolio pinjaman sebelum penurunan tersebut dapat diidentifikasi secara individual dalam portofolio tersebut.

Bukti seperti ini dapat termasuk data yang dapat diobservasi yang menunjukkan bahwa telah terjadi perubahan yang merugikan pada status pembayaran kelompok debitur, atau kondisi ekonomi nasional atau lokal yang berkorelasi dengan wanprestasi atas aset dalam kelompok. Bank menggunakan perkiraan dalam menentukan jumlah dan waktu dari arus kas masa depan ketika menentukan tingkat cadangan kerugian yang diperlukan.

Estimasi tersebut didasarkan pada asumsi mengenai sejumlah faktor dan hasil aktual yang dapat berbeda, yang mengakibatkan perubahan terhadap jumlah cadangan kerugian di masa yang akan datang.

Penurunan nilai untuk surat berharga

Bank menentukan bahwa surat berharga memiliki kriteria penurunan nilai yang sama dengan aset keuangan yang dicatat pada biaya perolehan diamortisasi.

**3. USE OF SIGNIFICANT ACCOUNTING  
JUDGMENTS, ESTIMATES AND ASSUMPTIONS  
(continued)**

**Estimates and Assumptions (continued)**

Allowance for impairment losses on loans and  
sharia financing/receivables

The Bank reviews its loan portfolio and receivables to assess impairment on an annual basis with updating allowance for impairment losses made during the intervals as necessary based on the continuing analysis and monitoring of individual accounts by credit officers.

In determining whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income, the Bank makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio.

This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Bank uses estimates in the amount and timing of future cash flows when determining the level of allowance for losses required.

Such estimates are based on assumptions about a number of factors and actual results may differ, resulting to future changes in the amount of allowance for losses.

Impairment of securities

The Bank determines that securities are impaired based on the same criteria as financial assets carried at amortized cost.

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(lanjutan)**

**Estimasi dan Asumsi (lanjutan)**

Umur ekonomis dari aset tetap

Bank memperkirakan masa manfaat aset tetap berdasarkan periode dimana aset diharapkan akan tersedia untuk digunakan. Masa manfaat ekonomis aset tetap ditinjau secara berkala dan diperbarui jika memiliki ekspektasi yang berbeda dari perkiraan sebelumnya, karena kerusakan secara fisik dan teknis, atau keusangan secara komersial dan legal atau batasan lainnya atas penggunaan aset tersebut.

Selain hal tersebut, estimasi masa manfaat dari aset tetap didasarkan pada penilaian secara kolektif dengan menggunakan praktik industri, teknik evaluasi internal dan pengalaman dengan aset serupa.

Tetap dimungkinkan, bagaimanapun, bahwa hasil masa depan dapat secara material dipengaruhi oleh perubahan estimasi yang disebabkan oleh perubahan faktor-faktor tersebut di atas.

Jumlah dan saat pencatatan biaya untuk setiap periode akan dipengaruhi oleh perubahan dari faktor dan keadaan saat pencatatan. Pengurangan taksiran masa manfaat dari aset tetap akan meningkatkan beban operasional yang diakui.

Penurunan nilai aset non-keuangan

Bank mengevaluasi penurunan nilai aset non-keuangan apabila terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa nilai tercatat aset non-keuangan tidak dapat dipulihkan kembali.

Faktor-faktor penting yang dapat menyebabkan penelaahan penurunan nilai adalah sebagai berikut:

- a) Kinerja yang rendah secara signifikan jika dibandingkan dengan ekspektasi dari hasil operasi historis maupun proyeksi hasil operasi di masa yang akan datang;
- b) perubahan yang signifikan dalam cara penggunaan aset atau strategi bisnis secara keseluruhan; dan
- c) Industri atau tren ekonomi yang secara signifikan bernilai negatif.

Bank mengakui kerugian penurunan nilai apabila nilai tercatat aset melebihi nilai yang dapat dipulihkan.

**3. USE OF SIGNIFICANT ACCOUNTING  
JUDGMENTS, ESTIMATES AND ASSUMPTIONS  
(continued)**

**Estimates and Assumptions (continued)**

Useful lives of premises and equipment

The Bank estimates the useful lives of premises and equipment based on the period over which the assets are expected to be available-for-use. The estimated useful lives of premises and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of premises and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of premises and equipment would increase the recorded operating expenses.

Impairment of non-financial assets

The Bank assesses impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of non-financial asset may not be recoverable.

The factors that the Bank considers important which could trigger an impairment review include the following:

- a) significant underperformance relative to expected historical or projected future operating results;
- b) significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- c) significant negative industry or economic trends.

The Bank recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount.

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(lanjutan)**

**Estimasi dan Asumsi (lanjutan)**

Penurunan nilai aset non-keuangan (lanjutan)

Jumlah terpulihkan adalah nilai yang lebih tinggi antara nilai wajar dikurangi biaya pelepasan dengan nilai pakai aset (atau unit penghasil kas). Jumlah terpulihkan diestimasi untuk aset individual atau, jika tidak memungkinkan, untuk unit penghasil kas yang mana aset tersebut merupakan bagian daripada unit tersebut.

Pengakuan aset pajak tangguhan

Aset pajak tangguhan diakui untuk seluruh saldo rugi fiskal yang belum digunakan sejauh terdapat kemungkinan bahwa saldo rugi tersebut dapat dikompensasikan terhadap penghasilan kena pajak di masa yang akan datang.

Pertimbangan manajemen yang signifikan diperlukan untuk menentukan jumlah aset pajak tangguhan yang dapat diakui, sesuai dengan saat dan jumlah penghasilan kena pajak di masa mendatang seiring dengan strategi perencanaan pajak.

Bank menelaah aset pajak tangguhan pada setiap tanggal laporan posisi keuangan dan mengurangi jumlah tercatat dalam hal tidak adanya lagi kemungkinan bahwa penghasilan kena pajak yang cukup akan tersedia untuk mengkompensasi sebagian atau seluruh aset pajak tangguhan.

Nilai kini atas kewajiban pensiun

Biaya atas program pensiun dan imbalan pasca kerja lainnya ditentukan dengan perhitungan aktuaris.

Perhitungan aktuaris melibatkan penggunaan asumsi mengenai tingkat diskonto, tingkat pengembalian yang diharapkan dari aset, kenaikan gaji di masa depan, tingkat kematian dan tingkat kecacatan. Karena program tersebut memiliki sifat jangka panjang, maka perkiraan tersebut memiliki ketidakpastian yang signifikan.

**3. USE OF SIGNIFICANT ACCOUNTING  
JUDGMENTS, ESTIMATES AND ASSUMPTIONS  
(continued)**

**Estimates and Assumptions (continued)**

Impairment of non-financial assets (continued)

The recoverable amount is the higher of an asset's (or Cash Generating Unit's) fair value less costs of disposals and its value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the Cash Generating Unit to which the asset belongs.

Recognition of deferred tax assets

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable income will be available against which the losses can be utilized.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

The Bank reviews its deferred tax assets at each statement of financial position date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

Present value of retirement obligation

The cost of defined retirement pension plan and other post employment benefits is determined using actuarial valuations.

The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and disability rate. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

The original financial statements included herein are in the Indonesian language.

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**4. KAS**

	31 Desember/December 31, 2019	
	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/ full amount)	Ekuivalen/ Equivalent Rupiah
Rupiah		1.363.762
Mata uang asing		
Dolar Amerika Serikat	202.309	2.809
Dolar Singapura	196.815	2.030
Euro Eropa	18.205	283
Pound Sterling Inggris	4.160	76
Dolar Australia	6.265	61
Yen Jepang	299.000	38
Riyal Arab Saudi	10.009	37
Renminbi	15.626	31
Ringgit Malaysia	7.458	25
Dolar Hong Kong	8.590	15
		5.405
<b>Total</b>		<b>1.369.167</b>

**4. CASH**

	31 Desember/December 31, 2018		
	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/ full amount)	Ekuivalen/ Equivalent Rupiah	
Rupiah		1.240.510	Rupiah
Mata uang asing			Foreign currencies
Dolar Amerika Serikat	79.540	1.144	United States Dollar
Dolar Singapura	130.629	1.379	Singapore Dollar
Euro Eropa	16.925	278	European Euro
Pound Sterling Inggris	4.675	86	Great Britain Pound Sterling
Dolar Australia	6.135	62	Australian Dollar
Yen Jepang	125.000	16	Japanese Yen
Riyal Arab Saudi	2.967	11	Saudi Arabian Riya
Renminbi	18.206	38	Renminbi
Ringgit Malaysia	11.078	39	Malaysia Ringgit
Dolar Hong Kong	28.190	52	Hong Kong Dollar
		3.105	
<b>Total</b>		<b>1.243.615</b>	<b>Total</b>

Saldo dalam mata uang Rupiah termasuk uang pada Anjungan Tunai Mandiri (ATM) sebesar Rp256.677 dan Rp244.754, masing-masing pada tanggal 31 Desember 2019 dan 2018.

The Rupiah balance includes cash in ATMs (Automated Teller Machines) of Rp256,677 and Rp244,754, as of December 31, 2019 and 2018, respectively.

**5. GIRO PADA BANK INDONESIA**

	31 Desember/ December 31, 2019	
	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/ full amount)	Ekuivalen/ Equivalent Rupiah
Rupiah		15.036.853
Mata uang asing		
Dolar Amerika Serikat	34.250.000	475.476
<b>Total</b>		<b>15.512.329</b>

**5. CURRENT ACCOUNTS WITH BANK INDONESIA**

	31 Desember/ December 31, 2018		
	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/ full amount)	Ekuivalen/ Equivalent Rupiah	
Rupiah		15.151.113	Rupiah
Mata uang asing			Foreign currency
Dolar Amerika Serikat	18.550.000	266.749	United States Dollar
<b>Total</b>		<b>15.417.862</b>	<b>Total</b>

Dalam giro pada Bank Indonesia termasuk giro yang didasarkan pada prinsip perbankan syariah sebesar Rp1.359.320 dan Rp1.337.912 masing-masing pada tanggal 31 Desember 2019 dan 2018.

Current accounts with Bank Indonesia include current accounts based on sharia banking principles amounting to Rp1,359,320 and Rp1,337,912 as of December 31, 2019 and 2018, respectively.

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**5. GIRO PADA BANK INDONESIA (lanjutan)**

Rasio GWM Bank pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

	31 Desember December 31, 2019	31 Desember December 31, 2018
<u>Konvensional</u> Rupiah		
Utama	6,19%	6,61%
Harian	3,00%	3,50%
Rata-rata	3,19%	3,11%
PLM	5,24%	5,45%
Dolar Amerika Serikat	8,28%	8,69%
<u>Syariah</u> Rupiah	4,64%	5,30%

Saldo giro pada Bank Indonesia disediakan untuk memenuhi persyaratan Giro Wajib Minimum (GWM) dari Bank Indonesia.

Rasio GWM pada tanggal 31 Desember 2019 dan 2018 dihitung berdasarkan Peraturan Bank Indonesia Nomor 15/15/PBI/2013 tanggal 24 Desember 2013 sebagaimana telah diubah beberapa kali dengan PBI No. 17/11/PBI/2015 tanggal 25 Juni 2015, PBI No. 17/21/PBI/2015 tanggal 25 November 2015, PBI No. 18/3/PBI/2016 tanggal 10 Maret 2016, PBI No. 18/14/PBI/2016 tanggal 18 Agustus 2016, PBI No. 19/6/PBI/2017 tanggal 17 April 2017, PBI No. 20/3/2018 tanggal 29 Maret 2018 dan Peraturan Anggota Dewan Gubernur (PADG) No. 20/10/PADG/2018 tanggal 31 Mei 2018 sebagaimana telah diubah beberapa kali dengan PADG No. 20/30/PADG/2018 tanggal 30 November 2018 dan perubahan terakhir PADG No. 21/14/PADG/2019 tanggal 26 Juni 2019 tentang "Giro Wajib Minimum dalam Rupiah dan Valuta Asing bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah".

Pada tanggal-tanggal 31 Desember 2019 dan 2018, sesuai dengan ketentuan Bank Indonesia tersebut di atas, Bank harus memenuhi persyaratan GWM Utama dalam Rupiah masing-masing sebesar 6,00% dan 6,50%, sedangkan untuk mata uang asing masing-masing sebesar 8,00%. Untuk PLM adalah sebesar 4,00% dalam Rupiah pada tanggal 31 Desember 2019 dan 2018.

**5. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)**

The minimum reserve requirement ratios of the Bank as of December 31, 2019 and 2018, are as follows:

	31 Desember December 31, 2019	31 Desember December 31, 2018
<u>Conventional</u> Rupiah		
Primary	6,19%	6,61%
Daily	3,00%	3,50%
Average	3,19%	3,11%
PLM	5,24%	5,45%
United States Dollar	8,28%	8,69%
<u>Sharia</u> Rupiah	4,64%	5,30%

Current accounts with Bank Indonesia are maintained to comply with Bank Indonesia's Minimum Legal Reserve Requirements (GWM).

The calculation of the GWM ratios as of December 31, 2019 and 2018 is based on Bank Indonesia regulation (PBI) 15/15/PBI/2013 dated December 24, 2013 which has been amended several times with PBI No. 17/11/PBI/2015 dated June 25, 2015, PBI No. 17/21/PBI/2015 dated November 25, 2015, PBI No. 18/3/PBI/2016 dated March 10, 2016, PBI No. 18/14/PBI/2016 dated August 18, 2016, PBI No. 19/6/PBI/2017 dated April 17, 2017, PBI No. 20/3/2018 dated March 29, 2018 and Regulations of Members of the Board of Governors (PADG) 20/10/PADG/2018 dated May 31, 2018 which has been amended several times with PADG No. 20/30/PADG/2018 dated November 30, 2018 and the latest amendment by PADG No. 21/14/PADG/2019 dated June 26, 2019 "Minimum Statutory Reserve Requirements in Rupiah and Foreign Currencies of Conventional Commercial Banking, Sharia Commercial Banking and Sharia Business Units".

As of December 31, 2019 and 2018, based on the above Bank Indonesia regulations, The Bank is required to maintain primary GWM in Rupiah amounting to 6.00% and 6.50%, respectively, while GWM for foreign currency amounting to 8.00%, respectively. PLM amounting to 4.00% in Rupiah as of December 31, 2019 and 2018.

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**5. GIRO PADA BANK INDONESIA (lanjutan)**

Pada tanggal-tanggal 31 Desember 2019 dan 2018, sesuai dengan ketentuan Bank Indonesia tersebut berdasarkan prinsip syariah Bank harus memenuhi persyaratan GWM dalam Rupiah masing-masing sebesar 4,50% dan 5,00%. Untuk mata uang asing masing-masing sebesar 1,00%.

Pada tanggal-tanggal 31 Desember 2019 dan 2018, Bank juga harus memenuhi PBI No. 20/4/PBI/2018 tanggal 29 Maret 2018 sebagaimana telah diubah dengan PBI No. 21/12/PBI/2019 tanggal 25 November 2019 tentang "Perubahan atas Peraturan Bank Indonesia Nomor 20/4/PBI/2018 Tentang Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah" yang dijelaskan melalui Peraturan Anggota Dewan Gubernur No.21/22/PADG/2019 tanggal 28 November 2019 tentang "Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah".

GWM Primer adalah simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia. GWM Sekunder dan Penyangga Likuiditas Makroprudensial (PLM) adalah cadangan minimum yang wajib dipelihara oleh Bank berupa Sertifikat Bank Indonesia (SBI), Surat Utang Negara (SUN), Surat Berharga Syariah Negara (SBSN) dan/atau excess reserve yang merupakan kelebihan saldo Rekening Giro Rupiah Bank dari GWM Primer, GWM LFR dan Rasio Intermediasi Makroprudensial (RIM). GWM LFR dan RIM adalah tambahan simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia, jika LFR dan RIM target Bank Indonesia (84%) atau jika di atas maksimum LFR dan RIM target BI (94%) dan Kewajiban Penyediaan Modal Minimum (KPMM) Bank lebih kecil dari KPMM Insentif BI sebesar 14%.

Bank telah memenuhi ketentuan Bank Indonesia tentang Giro Wajib Minimum pada tanggal-tanggal 31 Desember 2019 dan 2018.

Sisa umur jatuh tempo atas giro pada Bank Indonesia dikategorikan sebagai kurang dari satu bulan (Catatan 47).

**5. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)**

As of December 31, 2019 and 2018, based on the above Bank Indonesia regulations, based on sharia principle, The Bank is required to maintain GWM in Rupiah of 4.50% and 5.00%. For foreign currencies of 1.00%, respectively.

As of December 31, 2019 and 2018, The Bank must also comply with Bank Indonesia Regulation (PBI) 20/4/PBI/2018 dated March 29, 2018 which has been amended with PBI 21/12/PBI/2019 dated November 25, 2019 regarding "Changes to Bank Indonesia Regulation No.20/4/PBI/2018 regarding Macroprudential Intermediation Ratios and Macroprudential Liquidity Buffers for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Unit" which is explained through PADG No. 21/22/PADG/2019 concerning "Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units".

Primary Minimum Statutory Reserve is a minimum reserve that should be maintained by the Bank in Current Accounts with Bank Indonesia. Secondary Minimum Statutory Reserve and Macroprudential Liquidity Buffer are the minimum reserves that should be maintained by the Bank which comprise of Certificates of Bank Indonesia (SBI), Government Debenture Debt (SUN), Sharia Government Securities (SBSN), and/or excess reserve which represents the excess reserve of the Bank's Current Accounts in Rupiah over the Primary Minimum Statutory Reserve, Minimum Statutory Reserve on LFR and Macroprudential Intermediation Ratio (RIM). Minimum Statutory Reserve on LFR and RIM is the additional reserve that should be maintained by the Bank in the form of Current Accounts with Bank Indonesia, if the Bank's LFR and RIM is below the minimum of LFR and RIM targeted by Bank Indonesia (84%) or if the Bank's LFR and RIM is above the maximum of LFR and RIM targeted by BI (94%) and the Capital Adequacy Ratio (CAR) is below BI requirement of 14%.

The Bank has complied with Bank Indonesia regulations concerning the minimum reserve requirements as of December 31, 2019 and 2018.

The remaining period of current accounts with Bank Indonesia is categorized as less than one month (Note 47).



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**6. GIRO PADA BANK LAIN**

a. Berdasarkan mata uang

	31 Desember/Desember 31, 2019		31 Desember/December 31, 2018		
	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/ full amount)	Ekuivalen/ Equivalent Rupiah	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/ full amount)	Ekuivalen/ Equivalent Rupiah	
Rupiah		160.984		110.735	Rupiah
Mata uang asing					Foreign currencies
Dolar Amerika Serikat	24.365.550	338.255	92.897.525	1.335.866	United States Dollar
Yen Jepang	1.565.602.333	200.100	724.394.891	94.620	Japanese Yen
Dolar Australia	3.307.204	32.164	-	-	Australian Dollar
Singapura Dollar	1.567.830	16.172	4.321.332	45.611	Singapore Dollar
Euro Eropa	104.380	1.625	104.380	1.716	European Euro
Renminbi	100.692	201	105.639	221	Renminbi
		588.517		1.478.034	
Total		749.501		1.588.769	Total
Dikurangi cadangan kerugian penurunan nilai		(1.632)		(1.718)	Less allowance for impairment losses
<b>Neto</b>		<b>747.869</b>		<b>1.587.051</b>	<b>Net</b>

b. Berdasarkan bank

b. By bank

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<u>Rupiah</u>			<u>Rupiah</u>
<u>Pihak Ketiga</u>			<u>Third Parties</u>
PT Bank Maybank Indonesia Tbk	12.496	97.661	PT Bank Maybank Indonesia Tbk
Standard Chartered Bank, Jakarta	7.296	4.630	Standard Chartered Bank, Jakarta
PT Bank Central Asia Tbk	5.026	5.602	PT Bank Central Asia Tbk
PT Bank Pembangunan Daerah Jawa Tengah	3.639	707	PT Bank Pembangunan Daerah Jawa Tengah
Citibank N.A., Jakarta	925	925	Citibank N.A., Jakarta
Lainnya	429	361	Others
	29.811	109.886	
<u>Pihak Berelasi (Catatan 44)</u>			<u>Related Parties (Note 44)</u>
PT Bank Rakyat Indonesia (Persero) Tbk	131.028	741	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Syariah Mandiri	145	108	PT Bank Syariah Mandiri
	131.173	849	

The original financial statements included herein are in the Indonesian language.

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**6. GIRO PADA BANK LAIN (lanjutan)**

**6. CURRENT ACCOUNTS WITH OTHER BANKS (continued)**

b. Berdasarkan bank (lanjutan)

b. By bank (continued)

	<u>31 Desember/ December 31, 2019</u>	<u>31 Desember/ December 31, 2018</u>	
<u>Mata uang asing</u>			<u>Foreign currencies</u>
<u>Pihak Ketiga</u>			<u>Third Parties</u>
Standard Chartered Bank, Jakarta	274.913	283.211	Standard Chartered Bank, Jakarta
PT Bank ANZ Indonesia	32.164	-	PT Bank ANZ Indonesia
PT Bank Central Asia Tbk	30.363	270.865	PT Bank Central Asia Tbk
PT Bank DBS Indonesia	16.172	45.611	PT Bank DBS Indonesia
Citibank N.A., Jakarta	6.628	6.865	Citibank N.A., Jakarta
Indonesische Overzeese Bank N.V., Amsterdam	1.625	1.718	Indonesische Overzeese Bank N.V., Amsterdam
PT Bank ICBC Indonesia	201	221	PT Bank ICBC Indonesia
	<u>362.066</u>	<u>608.491</u>	
<u>Pihak Berelasi (Catatan 44)</u>			<u>Related Parties (Note 44)</u>
PT Bank Negara Indonesia (Persero) Tbk	205.329	99.907	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk	21.122	769.636	PT Bank Mandiri (Persero) Tbk
	<u>226.451</u>	<u>869.543</u>	
Total	749.501	1.588.769	Total
Dikurangi cadangan kerugian penurunan nilai	(1.632)	(1.718)	Less allowance for impairment losses
<b>Neto</b>	<b><u>747.869</u></b>	<b><u>1.587.051</u></b>	<b>Net</b>

Dalam giro pada bank lain termasuk giro yang didasarkan pada prinsip perbankan syariah sebesar Rp145 dan Rp108, masing-masing pada tanggal 31 Desember 2019 dan 2018.

Current accounts with other banks include current accounts based on sharia banking principles amounting to Rp145 and Rp108, as of December 31, 2019 and 2018, respectively.

c. Tingkat suku bunga rata-rata per tahun untuk giro pada bank lain adalah sebagai berikut:

c. Average annual interest rates for current accounts with other banks are as follows:

	<u>2019</u>	<u>2018</u>	
Rupiah	0,81%	1,23%	Rupiah
Mata uang asing	0,01%	2,19%	Foreign currencies

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**6. GIRO PADA BANK LAIN (lanjutan)**

d. Kolektibilitas

Pada tanggal 31 Desember 2019 dan 2018, kolektibilitas giro pada bank lain adalah sebagai berikut :

	<b>31 Desember/ December 31, 2019</b>	<b>31 Desember/ December 31, 2018</b>
Lancar	747.869	1.587.051
Macet	1.632	1.718
Total	749.501	1.588.769
Dikurangi cadangan kerugian penurunan nilai	(1.632)	(1.718)
<b>Neto</b>	<b>747.869</b>	<b>1.587.051</b>

e. Pada tanggal 31 Desember 2019 dan 2018, tidak terdapat saldo giro pada bank lain yang digunakan sebagai agunan.

f. Perubahan cadangan kerugian penurunan nilai giro pada bank lain adalah sebagai berikut:

	<b>31 Desember/ December 31, 2019</b>	<b>31 Desember/ December 31, 2018</b>
Saldo awal tahun	1.718	1.696
Penyisihan (pembalikan) kerugian penurunan selama tahun berjalan (Catatan 34)	(86)	22
<b>Saldo akhir tahun</b>	<b>1.632</b>	<b>1.718</b>

Manajemen berpendapat bahwa jumlah cadangan kerugian atas giro pada bank lain yang dibentuk telah memadai.

g. Informasi mengenai klasifikasi aset keuangan yang mengalami penurunan nilai dan tidak mengalami penurunan nilai diungkapkan pada Catatan 47.

**6. CURRENT ACCOUNTS WITH OTHER BANKS (continued)**

d. Collectibility

As of December 31, 2019 and 2018, the collectibility of current accounts with other banks are as follows:

	<b>31 Desember/ December 31, 2019</b>	<b>31 Desember/ December 31, 2018</b>
Lancar	747.869	1.587.051
Macet	1.632	1.718
Total	749.501	1.588.769
Dikurangi cadangan kerugian penurunan nilai	(1.632)	(1.718)
<b>Neto</b>	<b>747.869</b>	<b>1.587.051</b>

e. As of December 31, 2019 and 2018, there are no current accounts with other banks which are pledged as collateral.

f. The movements in the allowance for impairment losses on current accounts with other banks are as follows:

	<b>31 Desember/ December 31, 2019</b>	<b>31 Desember/ December 31, 2018</b>
Saldo awal tahun	1.718	1.696
Penyisihan (pembalikan) kerugian penurunan selama tahun berjalan (Catatan 34)	(86)	22
<b>Saldo akhir tahun</b>	<b>1.632</b>	<b>1.718</b>

The management believes that the allowance for impairment losses provided on current accounts with other banks is adequate.

g. Information with respect to classification of impaired and not impaired of financial assets are disclosed in Note 47.

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**7. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN**

**7. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS**

a. Berdasarkan mata uang dan jenis

a. Based on currency and type

	<b>31 Desember/ December 31, 2019</b>	<b>31 Desember/ December 31, 2018</b>	
<u>Rupiah</u>			<u>Rupiah</u>
<u>Pihak Ketiga</u>			<u>Third Parties</u>
Deposit Facility Bank Indonesia	4.299.861	7.198.950	Deposit Facility Bank Indonesia
Term Deposit Bank Indonesia	-	12.496.316	Term Deposit Bank Indonesia
Deposit Facility Syariah			Deposit Facility Sharia
Bank Indonesia	1.834.000	4.005.000	Bank Indonesia
Sertifikat Bank Indonesia Syariah	350.000	100.000	Bank Indonesia Sharia Certificate
	<u>6.483.861</u>	<u>23.800.266</u>	
<u>Pihak Berelasi (Catatan 44)</u>			<u>Related Party (Note 44)</u>
<u>Inter-bank call Money</u>			<u>Inter-bank call Money</u>
PT Bank Rakyat			PT Bank Rakyat
Indonesia (Persero) Tbk	100.000	-	Indonesia (Persero) Tbk
Tabungan			Savings Deposits
PT Bank Mandiri (Persero) Tbk	1.078	3.644	PT Bank Mandiri (Persero) Tbk
	<u>101.078</u>	<u>3.644</u>	
<u>Mata uang asing</u>			<u>Foreign currencies</u>
<u>Pihak Ketiga</u>			<u>Third Parties</u>
Term Deposit Bank Indonesia	4.512.254	2.660.850	Term Deposit Bank Indonesia
<b>Total</b>	<b>11.097.193</b>	<b>26.464.760</b>	<b>Total</b>

Dalam penempatan pada Bank Indonesia dan bank lain termasuk penempatan yang didasarkan pada prinsip perbankan syariah sebesar Rp2.184.000 dan Rp4.105.000, masing-masing pada tanggal 31 Desember 2019 dan 2018.

As of December 31, 2019 and 2018, placements with Bank Indonesia and other banks include placements based on sharia banking principles amounting to Rp2,184,000 and Rp4,105,000, respectively.

b. Berdasarkan Sisa Umur Hingga Jatuh Tempo

b. Based on Remaining Period Until Maturity

	<b>31 Desember/ December 31, 2019</b>	<b>31 Desember/ December 31, 2018</b>	
≤ 1 bulan	10.745.393	26.364.760	≤ 1 month
> 1 bulan ≤ 6 bulan	236.800	25.000	> 1 month ≤ 6 months
>6 bulan ≤ 12 bulan	115.000	75.000	> 6 months ≤ 12 months
<b>Total</b>	<b>11.097.193</b>	<b>26.464.760</b>	<b>Total</b>

c. Tingkat suku bunga rata-rata per tahun untuk penempatan pada Bank Indonesia dan bank lain:

c. Average annual interest rates for placement with Bank Indonesia and other banks:

	<b>Tahun yang berakhir pada tanggal 31 Desember/Year Ended December 31</b>		
	<b>2019</b>	<b>2018</b>	
Rupiah	5,98%	4,39%	Rupiah
Mata Uang Asing	0,47%	0,81%	Foreign Currencies

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**7. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN (lanjutan)**

- d. Seluruh penempatan pada bank lain dan Bank Indonesia pada tanggal-tanggal 31 Desember 2019 dan 2018 diklasifikasikan sebagai lancar.
- e. Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai tidak diperlukan pada tanggal 31 Desember 2019 dan 2018, karena manajemen berkeyakinan bahwa penempatan pada Bank Indonesia dan bank lain dapat ditagih.
- f. Informasi mengenai klasifikasi aset keuangan yang mengalami penurunan nilai dan tidak mengalami penurunan nilai diungkapkan pada Catatan 47.

**7. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)**

- d. All placements with other banks and Bank Indonesia as of December 31, 2019 and 2018, are classified as current.
- e. Management believes no allowance for impairment losses is required as of December 31, 2019 and 2018, because management believes that placements with Bank Indonesia and other banks are fully collectible.
- f. Information with respect to classification of impaired and not impaired of financial assets are disclosed in Note 47.

**8. EFEK-EFEK**

- a. Berdasarkan mata uang, jenis dan penerbit

**8. SECURITIES**

- a. Based on currency, type and issuer

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<u>Nilai wajar melalui laba rugi</u>			<u>Fair value through profit or loss</u>
<u>Rupiah</u>			<u>Rupiah</u>
<u>Pihak Ketiga</u>			<u>Third Parties</u>
Sertifikat Bank Indonesia	4.189.398	3.005.636	Certificates of Bank Indonesia
Sertifikat Deposito Bank Indonesia	-	1.141.501	Deposits Certificates of Bank Indonesia
	4.189.398	4.147.137	
<u>Tersedia untuk dijual</u>			<u>Available-for-sale</u>
<u>Rupiah</u>			<u>Rupiah</u>
<u>Pihak Ketiga</u>			<u>Third Parties</u>
Sertifikat Bank Indonesia	676.423	-	Certificates of Bank Indonesia
<u>Obligasi</u>			<u>Bonds</u>
PT BPD Sulawesi Selatan dan Barat (Sulselbar) Sukuk Mudharabah II 2016	16.462	15.458	PT BPD Sulawesi Selatan dan Barat (Sulselbar) Sukuk Mudharabah II 2016
PT BPD Jawa Barat dan Banten Tbk Tahap III Seri A 2019	13.004	-	PT BPD Jawa Barat dan Banten Tbk Phase III Series A 2019
PT BPD Sumatera Barat (Bank Nagari) Sukuk Mudharabah II 2015	10.266	10.108	PT BPD Sumatera Barat (Bank Nagari) Sukuk Mudharabah II 2015
<u>Negotiable Certificate of Deposits</u>			<u>Negotiable Certificate of Deposits</u>
PT BPD DKI Tahap I Seri A 2019	49.495	-	PT BPD DKI Phases I Series A 2019
PT Bank KEB Hana Indonesia Tahap V 2019	47.850	-	PT Bank KEB Hana Indonesia Phases V 2019
PT BPD Jawa Barat dan Banten Tbk Tahap II Seri B 2017	-	95.160	PT BPD Jawa Barat dan Banten Tbk Phases II Series B 2017
PT BPD Jawa Tengah Seri A Tahun 2018	-	48.695	PT BPD Jawa Tengah Series A Year 2018

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**8. EFEK-EFEK (lanjutan)**

a. Berdasarkan mata uang, jenis dan penerbit (lanjutan)

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<u>Tersedia untuk dijual (lanjutan)</u>		
<u>Rupiah (lanjutan)</u>		
<u>Pihak Ketiga (lanjutan)</u>		
<i>Medium Term Notes</i>		
PT BPD Jawa Tengah		
MTN Syariah <i>Mudharabah</i>		
Tahap I 2017	25.136	24.339
<b>Efek Beragun Aset</b>		
EBA - SP - BTN05		
Kelas B	226.151	-
EBA - SP - BTN04		
Kelas B	171.251	154.216
EBA - SP - BTN02		
Kelas B	69.503	107.178
EBA - SP - BTN03		
Kelas B	73.507	78.109
KIK EBA BTN 04		
Kelas B	23.040	60.329
EBA - SP - BTN01		
Kelas B	9.554	17.040
EBA - SP - BTN04		
Kelas A	7.553	19.156
EBA - SP - BTN03		
Kelas A	3.616	7.724
	1.422.811	637.512

Pihak Berelasi (Catatan 44)

Obligasi

PT Bank Rakyat Indonesia (Persero) Tbk		
Tahap III Seri A 2017	201.570	198.072
Tahap I Seri C 2016	10.200	-
PT Bank Mandiri (Persero) Tbk		
Tahap II 2017 Seri D	145.430	133.551
Tahap I 2016 Seri A	25.254	24.860
Lembaga Pembiayaan Ekspor Indonesia		
Tahap IV Seri B 2017	80.157	-
PT Perusahaan Listrik Negara (Persero)		
Sukuk Tahap II 2017 Seri B	50.321	46.522
Sukuk Tahap II 2017 Seri A	25.086	23.456
PT Bank Mandiri Taspen		
Tahap I Seri A 2017	35.248	34.710
Tahap I Seri A 2019	18.067	-
PT Kereta Api Indonesia (Persero)		
Tahun 2017 Seri A	30.485	28.662
PT Timah (Persero) Tbk		
Tahap II Seri A 2019	49.634	-
Tahap I Tahun 2017	5.042	4.884

Negotiable Certificate of Deposits

PT Bank Mandiri Taspen		
Seri B 2019	19.846	-
PT Bank Negara Indonesia (Persero) Tbk		
Seri F 2016	-	97.060

**8. SECURITIES (continued)**

a. Based on currency, type and issuer (continued)

Available-for-sale (continued)  
Rupiah (continued)  
Third Parties (continued)  
*Medium Term Notes*  
PT BPD Jawa Tengah  
MTN Syariah *Mudharabah*  
Phase I 2017

*Asset Backed Securities*  
EBA - SP - BTN05  
Class B  
EBA - SP - BTN04  
Class B  
EBA - SP - BTN02  
Class B  
EBA - SP - BTN03  
Class B  
KIK EBA BTN 04  
Class B  
EBA - SP - BTN01  
Class B  
EBA - SP - BTN04  
Class A  
EBA - SP - BTN03  
Class A

Related Parties (Note 44)

Bonds  
PT Bank Rakyat Indonesia (Persero) Tbk  
Phase III Series A 2017  
Phase I Series C 2016  
PT Bank Mandiri (Persero) Tbk  
Phase II Series D 2017  
Phase I Series A 2016  
Lembaga Pembiayaan Ekspor Indonesia  
Phase IV Series B 2017  
PT Perusahaan Listrik Negara (Persero)  
Sukuk Phase II Series B 2017  
Sukuk Phase II Series A 2017  
PT Bank Mandiri Taspen  
Phase I Series A 2017  
Phase I Series A 2019  
PT Kereta Api Indonesia (Persero)  
Year 2017 Series A  
PT Timah (Persero) Tbk  
Phase II Series A 2019  
Phase I 2017

Negotiable Certificate of Deposits

PT Bank Mandiri Taspen  
Series B 2019  
PT Bank Negara Indonesia (Persero) Tbk  
Series F 2016

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**8. EFEK-EFEK (lanjutan)**

a. Berdasarkan mata uang, jenis dan penerbit (lanjutan)

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<u>Tersedia untuk dijual (lanjutan)</u>		
<u>Rupiah (lanjutan)</u>		
<u>Pihak Berelasi (Catatan 44) (lanjutan)</u>		
Efek Beragunan Aset		
PT Indonesia Power		
KIK EBA IP PLN		
Seri A Tahun 2017	88.365	112.276
<i>Medium Term Notes</i>		
Perum Perumnas		
Tahap III 2018 Seri A	102.270	101.709
	886.975	805.762

Mata Uang Asing  
Dolar Amerika Serikat  
Pihak Berelasi (Catatan 44)

Obligasi		
PT Bank Rakyat Indonesia (Persero) Tbk		
Senior Unsecured Notes Due 2024	116.008	-
PT Perusahaan Gas Negara (Persero) Tbk		
Unsecured Fixed Rate Notes	110.298	-
PT Bank Mandiri (Persero) Tbk		
Euro Medium Term Notes (EMTN) - 2024	20.712	-
<i>Medium Term Notes</i>		
Lembaga Pembiayaan Ekspor Indonesia		
EMTN Programme		
Indonesia Eximbank - 2017	72.543	68.350
	319.561	68.350
	2.629.347	1.511.624

Dimiliki hingga jatuh tempo  
Rupiah  
Pihak Ketiga

Obligasi		
PT Bank CIMB Niaga Tbk		
Tahap III Seri B 2017	39.145	-
Tahap II Seri B 2017	10.039	-
PT Bank Maybank		
Indonesia Tbk		
Tahap I Seri A 2019	10.028	-
PT Berlian Laju Tanker Tbk		
Sukuk Ijarah 2007	2.000	2.000

**8. SECURITIES (continued)**

a. Based on currency, type and issuer (continued)

Available-for-sale (continued)  
Rupiah (continued)  
Related Parties (Note 44) (continued)

*Asset Backed Securities*  
*PT Indonesia Power*  
*KIK EBA IP PLN*  
*Series A Year 2017*

*Medium Term Notes*  
*Perum Perumnas*  
*Phase III 2018 Series A*

Foreign Currencies  
United States Dollar  
Related Parties (Note 44)

*Bonds*  
*PT Bank Rakyat Indonesia (Persero) Tbk*  
*Senior Unsecured Notes Due 2024*  
*PT Perusahaan Gas Negara (Persero) Tbk*  
*Unsecured Fixed Rate Notes*  
*PT Bank Mandiri (Persero) Tbk*  
*Euro Medium Term Notes (EMTN) - 2024*

*Medium Term Notes*  
*Lembaga Pembiayaan Ekspor Indonesia*  
*EMTN Programme*  
*Indonesia Eximbank - 2017*

Held-to-maturity  
Rupiah  
Third Parties  
Bonds

*PT Bank CIMB Niaga Tbk*  
*Phases III Series B 2017*  
*Phases II Series B 2017*  
*PT Bank Maybank*  
*Indonesia Tbk*  
*Phases I Series A 2019*  
*PT Berlian Laju Tanker Tbk*  
*Sukuk Ijarah 2007*

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**8. EFEK-EFEK (lanjutan)**

a. Berdasarkan mata uang, jenis dan penerbit (lanjutan)

**8. SECURITIES (continued)**

a. Based on currency, type and issuer (continued)

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<u>Dimiliki hingga jatuh tempo (lanjutan)</u>			<u>Held-to-maturity (continued)</u>
<u>Rupiah (lanjutan)</u>			<u>Rupiah (continued)</u>
<u>Pihak Ketiga (lanjutan)</u>			<u>Third Parties (lanjutan)</u>
Efek Beragunan Aset			Asset Backed Securities
KIK EBA BTN 05			KIK EBA BTN 05
Kelas B	120.000	120.000	Class B
KIK EBA BTN 03			KIK EBA BTN 03
Kelas B	31.041	60.000	Class B
KIK EBA BTN 02			KIK EBA BTN 02
Kelas B	9.623	19.415	Class B
EBA-SP-BTN 02			EBA - SP-BTN02
Kelas A1	-	5.482	Class A1
<i>Negotiable Certificate of Deposits</i>			<i>Negotiable Certificate of Deposits</i>
PT Bank Commonwealth			PT Bank Commonwealth
Tahap II Seri A 2019	29.577	-	Phases II Series A 2019
MUFG Bank Ltd., Jakarta			MUFG Bank Ltd., Jakarta
Tahap IV Seri C 2019	96.373	-	Phases IV Series C 2019
Surat Kredit Berdokumen			<i>Domestic Documentary</i>
Dalam Negeri (SKBDN)	25.553	-	<i>Letters of Credit</i>
	373.379	206.897	
<u>Pihak Berelasi (Catatan 44)</u>			<u>Related Parties (Note 44)</u>
<u>Obligasi</u>			<u>Bonds</u>
PT Bank Rakyat Indonesia (Persero) Tbk			PT Bank Rakyat Indonesia (Persero) Tbk
Tahap I Seri A 2019	235.000	-	Phases I Series A 2019
Tahap II Seri B 2017	20.113	-	Phases II Series B 2017
PT Perusahaan Listrik Negara (Persero)			PT Perusahaan Listrik Negara (Persero)
Sukuk Ijarah IV 2010	3.000	3.000	Sukuk Ijarah IV 2010
<i>Negotiable Certificate of Deposits</i>			<i>Negotiable Certificate of Deposits</i>
PT Bank Negara Indonesia (Persero) Tbk			PT Bank Negara Indonesia (Persero) Tbk
Tahap III Seri A 2019	199.897	-	Phase III Series A 2019
Tahap III Seri D 2019	47.593	-	Phase III Series D 2019
Tahap III Seri C 2019	47.409	-	Phase III Series C 2019
Surat Kredit Berdokumen			<i>Domestic Documentary</i>
Dalam Negeri (SKBDN)	366.913	-	<i>Letters of Credit</i>
	919.925	3.000	
	1.293.304	209.897	
Total	8.112.049	5.868.658	Total
Cadangan kerugian penurunan nilai	(27.378)	(20.173)	Allowance for impairment losses
<b>Neto</b>	<b>8.084.671</b>	<b>5.848.485</b>	<b>Net</b>



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**8. EFEK-EFEK (lanjutan)**

b. Jatuh tempo dan suku bunga

**8. SECURITIES (continued)**

b. Maturity and interest rate

Penerbit	Jenis/ Type	Tanggal Jatuh Tempo/ Maturity Date	Suku Bunga/ Bagi Hasil Per Tahun/ Annual Interest Rate/ Profit Sharing	Issuer
Rupiah Bank Indonesia	Sertifikat Bank Indonesia, Sertifikat Deposito Bank Indonesia/ Bank Indonesia Certificates, Deposits Certificates Of Bank Indonesia	< 1 tahun/ < 1 year	4,60% s.d 5,70%, dan 5,70% s.d 6,66% untuk periode yang berakhir masing masing pada tanggal 31 Desember 2019 dan 2018/ 4.60% to 5.70% and 5.70% to 6.66% for periods ended December 31, 2019 and 2018, respectively	Rupiah Bank Indonesia
PT BPD Sulawesi Selatan dan Barat (Sulselbar) Sukuk Mudharabah II 2016	Obligasi/Bonds	15 Juli/ July 15, 2021	9,35% tetap/ fixed	PT BPD Sulawesi Selatan dan Barat (Sulselbar) Sukuk Mudharabah II 2016
PT BPD Jawa Barat dan Banten Tbk Tahap III Seri A 2019 Tahap II Seri B 2017	Obligasi/Bonds Negotiable Certificate of Deposits	18 Oktober/ October 18, 2022 2 Oktober/ October 2, 2019	8,25% tetap/ fixed 7,20% tetap/ fixed	PT BPD Jawa Barat dan Banten Tbk Phase III Series A 2019 Phase II Series B 2017
PT BPD Sumatera Barat (Bank Nagari) Sukuk Mudharabah II 2015	Obligasi/Bonds	8 Januari/ January 8, 2021	10,99% tetap/ fixed	PT BPD Sumatera Barat (Bank Nagari) Sukuk Mudharabah II 2015
PT Bank Rakyat Indonesia (Persero) Tbk Tahap III Seri A 2017	Obligasi/Bonds	24 Agustus/ August 24, 2020	7,60% tetap/ fixed	PT Bank Rakyat Indonesia (Persero) Tbk Phase III Series A 2017
Tahap I Seri C 2016	Obligasi/Bonds	1 Desember/ December 1, 2021	8,20% tetap/ fixed	Phase I Series C 2016
Tahap I Seri A 2019	Obligasi/Bonds	17 November/ November 17, 2020	6,50% tetap/ fixed	Phase I Series A 2019
Tahap II Seri B 2017	Obligasi/Bonds	11 April/ April 11, 2020	8,10% tetap/ fixed	Phase II Series B 2017
PT Bank Mandiri (Persero) Tbk Tahap II Seri D 2017	Obligasi/Bonds	15 Juni/ June 15, 2020	7,80% tetap/ fixed	PT Bank Mandiri (Persero) Tbk Phase II Series D 2017
Tahap I Seri A 2016	Obligasi/Bonds	30 September/ September 30, 2021	7,95% tetap/ fixed	Phase I Series A 2016
Lembaga Pembiayaan Ekspor Indonesia Tahap IV Seri B 2017	Obligasi/Bonds	23 Februari/ February 23, 2020	8,40% tetap/ fixed	Lembaga Pembiayaan Ekspor Indonesia Phase IV Seri B 2017
PT Mandiri Taspen Pos Tahap I 2017 Seri A Tahap I Seri A 2019	Obligasi/Bonds Obligasi/Bonds	11 Juli/ July 11, 2020 26 November/ November 26, 2022	8,50% tetap/ fixed 7,90% tetap/ fixed	PT Mandiri Taspen Pos Phase I Series A 2017 Phase I Series A 2019
Seri B 2019	Negotiable Certificate of Deposits	20 Februari/ February 20, 2020	8,40% tetap/ fixed	Series B 2019
PT Kereta Api Indonesia (Persero) Tahun 2017 Seri A	Obligasi/Bonds	21 November/ November 21, 2022	7,75% tetap/ fixed	PT Kereta Api Indonesia (Persero) Year 2017 Series A
PT Timah (Persero) Tbk Tahap I Tahun 2017 Tahap II Seri A 2019	Obligasi/Bonds Obligasi/Bonds	28 September/ September 28, 2020 15 Agustus/ August 15, 2022	8,50% tetap/ fixed 8,50% tetap/ fixed	PT Timah (Persero) Tbk Phase I 2017 Phase II Series A 2019

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**8. EFEK-EFEK (lanjutan)**

**8. SECURITIES (continued)**

b. Jatuh tempo dan suku bunga (lanjutan)

b. Maturity and interest rate (continued)

Penerbit	Jenis/ Type	Tanggal Jatuh Tempo/ Maturity Date	Suku Bunga/ Bagi Hasil Per Tahun/ Annual Interest Rate/ Profit Sharing	Issuer
Rupiah (lanjutan)				Rupiah (continued)
PT Bank CIMB Niaga Tbk Tahap III Seri B 2017	Obligasi/Bonds	2 November / November 2, 2020	7,50% tetap/ fixed	PT Bank CIMB Niaga Tbk Phase III Series B 2017
Tahap II Seri B 2017	Obligasi/Bonds	23 Agustus / August 23, 2020	7,70% tetap/ fixed	Phase II Series B 2017
PT Bank Maybank Indonesia Tbk Tahap I Seri A 2019	Obligasi/Bonds	13 Juli/ July 13, 2020	7,55% tetap/ fixed	PT Bank Maybank Indonesia Tbk Phase I Series A 2019
PT Berlian Laju Tanker Tbk Sukuk Ijarah 2007	Obligasi/Bonds	5 Juli/ July 5, 2012	10,35% tetap/ fixed	PT Berlian Laju Tanker Tbk Sukuk Ijarah 2007
PT Bank KEB Hana Indonesia Tahap V 2019	Obligasi/Bonds	17 September/ September 17, 2020	6,89% tetap/ fixed	PT Bank KEB Hana Indonesia Phase V 2019
PT BPD DKI Tahap I Seri A 2019	Negotiable Certificate of Deposits	10 Maret/ March 10, 2020	6,20% tetap/ fixed	PT BPD DKI Phase I Series A 2019
PT BPD Jawa Tengah MTN Syariah Mudharabah Tahap I 2017	Medium Term Notes Negotiable	12 Desember/ December 12, 2020	8,05% tetap/ fixed	PT BPD Jawa Tengah MTN Syariah Mudharabah Phase I 2017
Seri A Tahun 2018	Certificate of Deposits	21 Mei/ May 21, 2019	8,50% tetap/ fixed	Series A Year 2018
PT Bank Commonwealth Indonesia Tahap II Seri A 2019	Negotiable Certificate of Deposits	20 Maret/ March 20, 2020	6,55% tetap/ fixed	PT Bank Commonwealth Indonesia Phase II Series A 2019
MUFG Bank Ltd., Jakarta Tahap IV Seri C 2019	Negotiable Certificate of Deposits	14 Agustus/ August 14, 2020	6,95% tetap/ fixed	MUFG Bank Ltd., Jakarta Phase IV Series C 2019
PT Perusahaan Listrik Negara (Persero) Sukuk Ijarah IV 2010	Obligasi/Bonds	12 Januari/ January 12, 2020	12,55% tetap/ fixed	PT Perusahaan Listrik Negara (Persero) Sukuk Ijarah IV 2010
Sukuk Tahap II 2017 Seri A	Obligasi/Bonds	3 November/ November 3, 2022	7,20% tetap/ fixed	Sukuk Phase II Series A 2017
Sukuk Tahap II 2017 Seri B	Obligasi/Bonds	3 November/ November 3, 2027	8,20% tetap/ fixed	Sukuk Phase II Series B 2017
PT Bank Negara Indonesia (Persero) Tbk Tahap III Seri A 2019	Negotiable Certificate of Deposits	3 Januari/ January 3, 2020	6,31% tetap/ fixed	PT Bank Negara Indonesia (Persero) Tbk Phase III Series A 2019
Tahap III Seri D 2019	Negotiable Certificate of Deposits	1 Oktober/ October 1, 2020	6,70% tetap/ fixed	Phase III Series D 2019
Tahap III Seri C 2019	Negotiable Certificate of Deposits	20 Maret/ March 20, 2020	7,59% tetap/ fixed	Phase III Series C 2019
Seri F 2016	Negotiable Certificate of Deposits	14 Juni/ June 14, 2019	8,40% tetap/ fixed	Series F 2016
Perum Perumnas MTN Tahap III Tahun 2018 Seri A	Medium Term Notes	10 Desember/ December 10, 2021	10,75% tetap/ fixed	Perum Perumnas MTN Phase III Year 2018 Series A
PT Indonesia Power KIK EBA IP PLN Seri A Tahun 2017	Efek Beragunan Aset/ Asset Backed Securities	19 September/ September 19, 2022	8,02% tetap/ fixed	PT Indonesia Power KIK EBA IP PLN Series A Year 2017

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**8. EFEK-EFEK (lanjutan)**

b. Jatuh tempo dan suku bunga (lanjutan)

**8. SECURITIES (continued)**

b. Maturity and interest rate (continued)

Penerbit	Jenis/ Type	Tanggal Jatuh Tempo/ Maturity Date	Suku Bunga/ Bagi Hasil Per Tahun/ Annual Interest Rate/ Profit Sharing	Issuer
Rupiah (lanjutan)				Rupiah (continued)
EBA - SP - BTN01 Kelas B	Efek Beragunan Aset/ Asset Backed Securities	7 Maret/ March 7, 2022	Arus kas tidak tetap/ Variable cash flows	EBA - SP - BTN 01 Class B
EBA - SP - BTN02 Kelas B	Efek Beragunan Aset/ Asset Backed Securities	7 Juni/ June 7, 2027	Arus kas tidak tetap/ Variable cash flows	EBA - SP - BTN02 Class B
EBA - SP - BTN03 Kelas A	Efek Beragunan Aset/ Asset Backed Securities	7 Juli/ July 7, 2029	8,00%	EBA - SP - BTN03 Class A
EBA - SP - BTN03 Kelas B	Efek Beragunan Aset/ Asset Backed Securities	7 Juli/ July 7, 2029	Arus kas tidak tetap/ Variable cash flows	EBA - SP - BTN03 Class B
EBA - SP - BTN04 Kelas A	Efek Beragunan Aset/ Asset Backed Securities	7 Mei/ May 7, 2029	7,00%	EBA - SP - BTN04 Class A
EBA - SP - BTN04 Kelas B	Efek Beragunan Aset/ Asset Backed Securities	7 Mei/ May 7, 2029	Arus kas tidak tetap/ Variable cash flows	EBA - SP - BTN04 Class B
EBA - SP - BTN05 Kelas B	Efek Beragunan Aset/ Asset Backed Securities	7 Mei/ May 7, 2032	Arus kas tidak tetap/ Variable cash flows	EBA - SP - BTN05 Class B
KIK - EBA BTN 02 Kelas B	Efek Beragunan Aset / Asset Backed Securities	27 Februari/ February 27, 2021	Arus kas tidak tetap/ Variable cash flows	KIK - EBA BTN 02 Class B
KIK - EBA BTN 03 Kelas B	Efek Beragunan Aset/ Asset Backed Securities	7 Januari/ January 7, 2023	Arus kas tidak tetap/ Variable cash flows	KIK - EBA BTN 03 Class B
KIK - EBA BTN 04 Kelas B	Efek Beragunan Aset/ Asset Backed Securities	26 Februari/ February 26, 2022	Arus kas tidak tetap/ Variable cash flows	KIK - EBA BTN 04 Class B
KIK - EBA BTN 05 Kelas B	Efek Beragunan Aset / Asset Backed Securities	7 September/ September 7, 2025	Arus kas tidak tetap/ Variable cash flows	KIK - EBA BTN 05 Class B

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**8. EFEK-EFEK (lanjutan)**

b. Jatuh tempo dan suku bunga (lanjutan)

Penerbit	Jenis/ Type	Tanggal Jatuh Tempo/ Maturity Date	Suku Bunga/ Bagi Hasil Per Tahun/ Annual Interest Rate/ Profit Sharing	Issuer
<u>Mata Uang Asing</u>				<u>Foreign Currencies</u>
Dolar Amerika Serikat Lembaga Pembiayaan Ekspor Indonesia EMTN Programme Indonesia Eximbank - 2017	Medium Term Notes	6 April/ April 6, 2024	3,88% tetap/ fixed	United States Dollar Lembaga Pembiayaan Ekspor Indonesia EMTN Programme Indonesia Eximbank - 2017
PT Bank Rakyat Indonesia (Persero) Tbk Senior Unsecured Notes Due 2024	Obligasi/Bonds	28 Maret/ March 28, 2024	3,95% tetap/ fixed	PT Bank Rakyat Indonesia (Persero) Tbk Senior Unsecured Notes Due 2024
PT Perusahaan Gas Negara (Persero) Tbk Unsecured Fixed Rate Notes	Obligasi/Bonds	16 Mei/ May 16, 2024	3,95% tetap/ fixed	PT Perusahaan Gas Negara (Persero) Tbk Unsecured Fixed Rate Notes
PT Bank Mandiri (Persero) Tbk Euro Medium Term Notes (EMTN) - 2024	Obligasi/Bonds	11 April/ April 11, 2024	3,75% tetap/ fixed	PT Bank Mandiri (Persero) Tbk Euro Medium Term Notes (EMTN) - 2024

**8. SECURITIES (continued)**

b. Maturity and interest rate (continued)

c. Berdasarkan sisa umur hingga jatuh tempo  
(efek-efek yang dimiliki hingga jatuh tempo)

c. Remaining period to maturity (held-to-maturity  
securities)

	31 Desember December 31, 2019	31 Desember December 31, 2018	
≤ 1 tahun	1.130.640	-	≤ 1 year
> 1 tahun ≤ 5 tahun	40.664	87.897	> 1 year ≤ 5 years
> 5 tahun ≤ 10 tahun	120.000	120.000	> 5 years ≤ 10 years
> 10 tahun	2.000	2.000	> 10 years
	<b>1.293.304</b>	<b>209.897</b>	

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**8. EFEK-EFEK (lanjutan)**

d. Peringkat

Daftar peringkat efek-efek seperti yang dilaporkan oleh PT Pemeringkat Efek Indonesia adalah sebagai berikut:

Penerbit	Jenis/ Type	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	Issuer
PT BPD Sulawesi Selatan dan Barat (Sulselbar) Sukuk Mudharabah II 2016	Obligasi/Bonds	idA+(sy)	idA+(sy)	PT BPD Sulawesi Selatan dan Barat (Sulselbar) Sukuk Mudharabah II 2016
PT BPD Sumatera Barat (Bank Nagari) Sukuk Mudharabah II 2015	Obligasi/Bonds	idA(sy)	idA(sy)	PT BPD Sumatera Barat (Bank Nagari) Sukuk Mudharabah II 2015
PT BPD Jawa Barat dan Banten Tbk Tahap III Seri A 2019	Obligasi/Bonds	idAA-	-	PT BPD Jawa Barat dan Banten Tbk Phase III Series A 2019
PT BPD Jawa Tengah MTN Syariah Mudharabah Tahap I 2017	Medium Term Notes	idAA-(sy)	idAA-(sy)	PT BPD Jawa Tengah MTN Mudharabah Shariah Phase I 2017
PT Bank Rakyat Indonesia (Persero) Tbk Tahap III Seri A 2017	Obligasi/Bonds	idAAA	idAAA	PT Bank Rakyat Indonesia (Persero) Tbk Phase III Series A 2017
Tahap I Seri C 2016	Obligasi/Bonds	idAAA	-	Phase I Series C 2016
Tahap I Seri A 2019	Obligasi/Bonds	idAAA	-	Phase I Series A 2019
Tahap II Seri B 2017	Obligasi/Bonds	idAAA	-	Phase II Series B 2017
Senior Unsecured Notes Due 2024	Obligasi/Bonds	Baa2 <sup>*)</sup>	-	Senior Unsecured Notes Due 2024
PT Bank Mandiri (Persero) Tbk Tahap I Seri A 2016	Obligasi/Bonds	idAAA	idAAA	PT Bank Mandiri (Persero) Tbk Phase I Series A 2016
Tahap II Seri D 2017	Obligasi/Bonds	idAAA	idAAA	Phase II Series D 2017
Euro Medium Term Notes (EMTN) - 2024	Obligasi/Bonds	Baa2 <sup>*)</sup>	-	Euro Medium Term Notes (EMTN) - 2024
PT Perusahaan Listrik Negara (Persero) Sukuk Ijarah IV 2010	Obligasi/Bonds	idAAA(sy)	idAAA(sy)	PT Perusahaan Listrik Negara (Persero) Sukuk Ijarah IV 2010
Sukuk Tahap II 2017 Seri A	Obligasi/Bonds	idAAA(sy)	idAAA(sy)	Sukuk Phase II 2017 Series A
Sukuk Tahap II 2017 Seri B	Obligasi/Bonds	idAAA(sy)	idAAA(sy)	Sukuk Phase II 2017 Series B
PT Mandiri Taspen Pos Tahap I Seri A 2017	Obligasi/Bonds	AA(idn)	AA(idn)	PT Mandiri Taspen Pos Phase I Series A 2017
Tahap I Seri A 2019	Obligasi/Bonds	AA(idn)	-	Phase I Series A 2019
PT Kereta Api Indonesia (Persero) Tahun 2017 Seri A	Obligasi/Bonds	idAAA	idAAA	PT Kereta Api Indonesia (Persero) Year 2017 Series A
PT Timah (Persero) Tbk Tahap I 2017	Obligasi/Bonds	idA+	idA+	PT Timah (Persero) Tbk Phase I 2017
Tahap II Seri A 2019	Obligasi/Bonds	idA+	idA+	Phase II Series A 2019
PT Bank Maybank Indonesia Tbk Tahap I Seri A 2019	Obligasi/Bonds	idAAA	-	PT Bank Maybank Indonesia Tbk Phase I Series A 2019
PT Bank CIMB Niaga Tbk Tahap III Seri B 2017	Obligasi/Bonds	idAAA	-	PT Bank CIMB Niaga Tbk Phase III Series B 2017
Tahap II Seri B 2017	Obligasi/Bonds	idAAA	-	Phase II Series B 2017
PT Perusahaan Gas Negara (Persero) Tbk Unsecured Fixed Rate Notes	Medium Term Notes	Baa2 <sup>*)</sup>	-	PT Perusahaan Gas Negara (Persero) Tbk Unsecured Fixed Rate Notes

<sup>\*)</sup> Berdasarkan peringkat yang diterbitkan oleh Moody's

<sup>\*)</sup> Based on ratings published by Moody's

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**8. EFEK-EFEK (lanjutan)**

d. Peringkat (lanjutan)

Daftar peringkat efek-efek seperti yang dilaporkan oleh PT Pemeringkat Efek Indonesia adalah sebagai berikut: (lanjutan)

Penerbit	Jenis/ Type	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	Issuer
PT Indonesia Power KIK EBA IP PLN Seri A Tahun 2017	Efek Beragunan Aset/ Asset Backed Securities	idAAA(sf)	idAAA(sf)	PT Indonesia Power KIK EBA IP PLN Series A Year 2017
Perum Perumnas MTN Tahap III Tahun 2018 Seri A	Medium Term Notes	idBBB+	idBBB+	Perum Perumnas MTN Phase III Year 2018 Series A
Lembaga Pembiayaan Ekspor Indonesia EMTN Programme Indonesia Eximbank - 2017 Tahap IV Seri B 2017	Medium Term Notes Obligasi/Bonds	Baa2*) idAAA	Baa2*) -	Lembaga Pembiayaan Ekspor Indonesia EMTN Programme Indonesia Eximbank - 2017 Phase IV Seri B 2017
PT Berlian Laju Tanker Tbk Sukuk Ijarah 2007	Obligasi/Bonds	idD (sy)	idD (sy)	PT Berlian Laju Tanker Tbk Sukuk Ijarah 2007
EBA - SP -BTN 03 KPR BTN Kelas A	Efek Beragunan Aset/ Asset Backed Securities	idAAA	idAAA	EBA - SP - BTN 03 KPR BTN Class A
EBA - SP -BTN 04 KPR BTN Kelas A	Efek Beragunan Aset/ Asset Backed Securities	idAAA	idAAA	EBA - SP - BTN 04 KPR BTN Class A

\*) Berdasarkan peringkat yang diterbitkan oleh Moody's

\*) Based on ratings published by Moody's

e. Kolektibilitas

Kolektibilitas efek-efek adalah sebagai berikut:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
Lancar	7.974.134	5.723.571
Dalam Perhatian Khusus	60.632	72.382
Kurang Lancar	6.070	6.922
Diragukan	6.432	10.952
Macet	64.781	54.831
Total	8.112.049	5.868.658
Cadangan kerugian penurunan nilai	(27.378)	(20.173)
<b>Neto</b>	<b>8.084.671</b>	<b>5.848.485</b>

e. Collectibility

The collectibility of securities are as follows:

Current  
Special Mention  
Substandard  
Doubtful  
Loss  
  
Total  
Allowance for  
impairment losses

**Net**

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**8. EFEK-EFEK (lanjutan)**

- f. Perubahan cadangan kerugian penurunan nilai efek-efek adalah sebagai berikut:

	31 Desember December 31, 2019	31 Desember/ December 31, 2018
Rupiah		
Saldo awal tahun	20.173	14.923
Penyisihan		
kerugian penurunan nilai selama tahun berjalan (Catatan 34)	7.205	5.250
<b>Saldo akhir</b>	<b>27.378</b>	<b>20.173</b>

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai efek-efek yang dibentuk telah memadai.

- g. Bank mengakui keuntungan bersih atas penjualan efek-efek masing-masing sebesar Rp478.339 dan Rp437.553, masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 yang disajikan dalam akun "Keuntungan dari penjualan efek-efek - neto" di laporan laba rugi dan penghasilan komprehensif lain.
- h. Bank mengakui keuntungan yang belum direalisasi-neto dari kenaikan nilai efek-efek untuk nilai wajar melalui laba rugi sebesar Rp20.894 dan Rp30.316, masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018, yang disajikan dalam akun "Keuntungan yang belum direalisasi dari perubahan nilai wajar efek-efek-neto" di laporan laba rugi dan penghasilan komprehensif lain.
- i. Nilai pasar efek-efek yang diklasifikasikan sebagai "Nilai Wajar melalui laporan Laba Rugi dan Tersedia untuk Dijual" pada tanggal 31 Desember 2019 dan 2018, masing-masing berkisar dari 95,70% sampai dengan 100,84% dan 89,03% sampai dengan 101,71%.

**8. SECURITIES (continued)**

- f. The movements in the allowance for impairment losses on securities are as follows:

	Rupiah Balance at beginning of year
Provision for impairment losses during the year (Note 34)	5.250
<b>Balance at end</b>	<b>20.173</b>

Management believes that the allowance for impairment losses provided on securities is adequate.

- g. The Bank recognized net gain on sale of securities amounting to Rp478,339 and Rp437,553, for the year ended December 31, 2019 and 2018, respectively, which is presented in the statement of profit or loss and other comprehensive income as "Gain on sale of securities - net".
- h. The Bank's unrealized gain - net from the increase in value of fair value through profit or loss securities amounting to Rp20,894 and Rp30,316, for the year ended December 31, 2019 and 2018, respectively, which is presented in the statement of profit or loss and other comprehensive income as "Unrealized gain on changes in fair value of securities - net".
- i. As of December 31, 2019 and 2018, the market values of securities classified as fair value through profit or loss and available for sale range from 95.70% to 100.84% and range from 89.03% to 101.71%, respectively.

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**8. EFEK-EFEK (lanjutan)**

- j. Bank mengakui keuntungan yang belum direalisasi bersih (setelah pajak tangguhan) sebesar Rp15.661 dan Rp2.472 dari perubahan nilai wajar efek-efek yang tersedia untuk dijual masing-masing pada posisi 31 Desember 2019 dan 2018 dalam akun keuntungan (kerugian) dan kerugian neto yang belum direalisasi atas efek-efek dan obligasi pemerintah yang tersedia untuk dijual, setelah pajak tangguhan net dalam laporan posisi keuangan.
- k. Mutasi keuntungan/(kerugian) efek-efek tersedia untuk dijual yang belum direalisasi adalah sebagai berikut:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Saldo awal tahun	2.472	17.425	Balance at beginning of year
Rugi yang belum direalisasi yang diakui di ekuitas	17.156	(10.610)	Unrealized loss recognized in equity
Jumlah yang direalisasi ke laba rugi	(876)	(9.327)	Amount realized to profit or loss
Efek pajak	(3.091)	4.984	Tax effect
<b>Saldo akhir tahun</b>	<b>15.661</b>	<b>2.472</b>	<b>Balance at end of year</b>

- l. Terdapat investasi efek-efek dengan pihak - pihak berelasi sebesar Rp2.126.461 dan Rp877.112, masing-masing pada tanggal 31 Desember 2019 dan 2018 (Catatan 44).
- m. Informasi mengenai klasifikasi aset keuangan yang mengalami penurunan nilai dan tidak mengalami penurunan nilai diungkapkan pada Catatan 47.

**8. SECURITIES (continued)**

- j. The Bank recognized unrealized gain - net (after deferred tax) of Rp15,661 and Rp2,472 from the changes in fair values of available-for-sale securities as of December 31, 2019 and 2018, which are presented as unrealized gain (loss) on available-for-sale securities and government bonds, net of deferred tax in the statement of financial position.

- k. Movements in unrealized gain/(loss) on available-for-sale securities are as follows:

- l. As of December 31, 2019 and 2018, investments in securities with related parties amounted to Rp2,126,461 and Rp877,112, respectively (Note 44).

- m. Information with respect to classification of impaired and not impaired financial assets are disclosed in Note 47.



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**9. OBLIGASI PEMERINTAH**

a. Berdasarkan mata uang dan jenis

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<b>Pihak berelasi</b>		
<u>Nilai wajar melalui laba rugi</u>		
<u>Rupiah</u>		
Tingkat bunga tetap		
FR 0083	73.793	-
FR 0059	50.117	-
FR 0068	42.839	-
ORI 016	40.683	-
FR 0065	39.885	26.058
FR 0082	39.813	-
FR 0078	32.414	20.425
FR 0080	29.592	-
FR 0075	11.272	6.311
FR 0071	11.234	-
FR 0079	10.731	-
SR 0011	5.710	-
FR 0062	3.605	-
ORI 015	3.423	7.560
SR 0010	1.510	75
SR 0009	1.295	183
FR 0076	194	-
ORI 014	10	445
FR 0070	-	30.441
FR 0069	-	19.073
FR 0056	-	10.148
FR 0064	-	8.776
SR 0008	-	598
ORI 013	-	354
	398.120	130.447
<u>Zero Coupon Bonds</u>		
SPN12200106	373.000	-
SPN12200619	195.578	-
SPNS02042020	52.852	-
SPNS11042019	-	575.669
SPN03190207	-	497.095
SPNS08052019	-	490.110
SPN03190124	-	298.968
SPN03190222	-	268.312
SPN03190110	-	249.713
SPN12190214	-	148.951
SPN12190131	-	99.533
SPN12190314	-	18.776
	621.430	2.647.127
	1.019.550	2.777.574
<u>Mata uang asing</u>		
<u>Dolar Amerika Serikat</u>		
Tingkat bunga tetap		
INDON 2029	111.293	-
INDON 2029N	101.361	-
	212.654	-
	1.232.204	2.777.574
<u>Tersedia untuk dijual</u>		
<u>Rupiah</u>		
Tingkat bunga tetap		
FR 0064	477.799	447.551
SR 0010	235.047	225.720
FR 0065	157.685	147.662
FR 0063	135.847	127.241
FR 0075	108.035	99.937
FR 0061	61.113	58.609
FR 0062	54.284	49.880
FR 0070	53.503	50.735

**9. GOVERNMENT BONDS**

a. Based on currency and type

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<b>Related parties</b>		
<u>Fair value through profit or loss</u>		
<u>Rupiah</u>		
Fixed interest rate		
FR 0083	-	-
FR 0059	-	-
FR 0068	-	-
ORI 016	-	-
FR 0065	26.058	-
FR 0082	-	-
FR 0078	20.425	-
FR 0080	-	-
FR 0075	6.311	-
FR 0071	-	-
FR 0079	-	-
SR 0011	-	-
FR 0062	-	-
ORI 015	7.560	-
SR 0010	75	-
SR 0009	183	-
FR 0076	-	-
ORI 014	445	-
FR 0070	30.441	-
FR 0069	19.073	-
FR 0056	10.148	-
FR 0064	8.776	-
SR 0008	598	-
ORI 013	354	-
	130.447	-
<u>Zero Coupon Bonds</u>		
SPN12200106	-	-
SPN12200619	-	-
SPNS02042020	-	-
SPNS11042019	575.669	-
SPN03190207	497.095	-
SPNS08052019	490.110	-
SPN03190124	298.968	-
SPN03190222	268.312	-
SPN03190110	249.713	-
SPN12190214	148.951	-
SPN12190131	99.533	-
SPN12190314	18.776	-
	2.647.127	-
	2.777.574	-
<u>Foreign Currencies</u>		
<u>United States Dollar</u>		
Fixed interest rate		
INDON 2029	111.293	-
INDON 2029N	101.361	-
	212.654	-
	2.777.574	-
<u>Available-for-sale</u>		
<u>Rupiah</u>		
Fixed interest rate		
FR 0064	477.799	447.551
SR 0010	235.047	225.720
FR 0065	157.685	147.662
FR 0063	135.847	127.241
FR 0075	108.035	99.937
FR 0061	61.113	58.609
FR 0062	54.284	49.880
FR 0070	53.503	50.735

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**9. OBLIGASI PEMERINTAH (lanjutan)**

**9. GOVERNMENT BONDS (continued)**

a. Berdasarkan mata uang dan jenis (lanjutan)

a. Based on currency and type (continued)

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<u>Tersedia untuk dijual (lanjutan)</u>			<u>Available-for-sale (continued)</u>
<u>Rupiah (lanjutan)</u>			<u>Rupiah (continued)</u>
<u>Tingkat bunga tetap (lanjutan)</u>			<u>Fixed interest rate (continued)</u>
FR 0072	52.728	49.316	FR 0072
FR 0059	40.094	46.636	FR 0059
FR 0074	39.903	37.344	FR 0074
FR 0056	32.351	30.443	FR 0056
FR 0076	19.378	-	FR 0076
ORI 013	-	278.799	ORI 013
SR 0008	-	30.158	SR 0008
	1.467.767	1.680.031	
<u>Zero Coupon Bonds</u>			<u>Zero Coupon Bonds</u>
SPN12200106	676.358	-	SPN12200106
SPN12200619	254.252	-	SPN12200619
SPNS02042020	245.384	-	SPNS02042020
SPN12200130	199.316	-	SPN12200130
SPNS10012020	173.142	-	SPNS10012020
SPN03200123	156.909	-	SPN03200123
SPN12201009	144.341	-	SPN12201009
SPN12200508	98.349	-	SPN12200508
SPNS15052020	98.060	-	SPNS15052020
SPNS04032020	97.331	-	SPNS04032020
SPN12200313	81.101	-	SPN12200313
SPNS07022020	49.736	-	SPNS07022020
	2.274.279	-	
<u>Tingkat bunga mengambang</u>			<u>Floating interest rate</u>
VR 0031	1.121.749	1.108.811	VR 0031
VR 0029	-	708.036	VR 0029
<u>Obligasi Syariah Negara</u>			<u>Government Sharia Bond</u>
PBS 019	107.453	101.735	PBS 019
PBS 016	60.154	59.115	PBS 016
PBS 011	8.578	8.133	PBS 011
PBS 014	4.228	4.076	PBS 014
PBS 022	74.727	-	PBS 022
PBS 021	70.829	-	PBS 021
PBS 013	-	24.893	PBS 013
SPNS08022019	-	49.030	SPNS08022019
SPNS05032019	-	710	SPNS05032019
SPNS03042019	-	22.134	SPNS03042019
	1.447.718	2.086.673	
<u>Tersedia untuk dijual</u>			<u>Available-for-sale</u>
<u>Mata uang asing</u>			<u>Foreign Currencies</u>
<u>Dolar Amerika Serikat</u>			<u>United States Dollar</u>
<u>Tingkat bunga tetap</u>			<u>Fixed interest rate</u>
INDON 2029N	205.618	-	INDON 2029N
INDOIS 2028	142.484	-	INDOIS 2028
INDON 2029	127.191	-	INDON 2029
INDON 2025	104.252	-	INDON 2025
INDON 2028	97.941	-	INDON 2028
INDON 2047N	64.177	54.028	INDON 2047N
INDON 2048	45.952	-	INDON 2048
INDON 2049	44.789	-	INDON 2049
INDON 2049N	43.000	-	INDON 2049N
INDON 2022	42.964	-	INDON 2022
INDON 2042	25.087	-	INDON 2042
INDON 2028N	14.510	-	INDON 2028N
INDOIS 2023	-	70.402	INDOIS 2023
INDON 2048	-	13.101	INDON 2048
	957.965	137.531	
	6.147.729	3.904.235	

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**9. OBLIGASI PEMERINTAH (lanjutan)**

**9. GOVERNMENT BONDS (continued)**

a. Berdasarkan mata uang dan jenis (lanjutan)

a. Based on currency and type (continued)

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<u>Dimiliki hingga jatuh tempo</u>			<u>Held-to-maturity</u>
<u>Rupiah</u>			<u>Rupiah</u>
Tingkat bunga tetap			Fixed interest rate
FR 0063	302.941	296.250	FR 0063
FR 0053	248.798	248.098	FR 0053
FR 0056	215.695	215.247	FR 0056
FR 0070	126.377	125.704	FR 0070
FR 0031	115.218	-	FR 0031
PBS 016	100.207	-	PBS 016
FR 0034	63.020	64.875	FR 0034
FR 0043	21.757	-	FR 0043
FR 0069	-	12.933	FR 0069
	1.194.013	963.107	
Tingkat bunga mengambang			Floating interest rate
VR 0031	1.124.754	1.124.338	VR 0031
VR 0029	-	199.946	VR 0029
Obligasi Syariah Negara Sukuk BI	679.701	300.000	Government Sharia Bond Sukuk BI
	1.804.455	1.624.284	
	2.998.468	2.587.391	
<u>Mata uang asing</u>			<u>Foreign Currencies</u>
<u>Dolar Amerika Serikat</u>			<u>United States Dollar</u>
Tingkat bunga tetap			Fixed interest rate
INDON 2020	267.897	-	INDON 2020
INDOIS 2022N	146.271	-	INDOIS 2022N
INDOIS 2024	93.430	-	INDOIS 2024
INDON 2021	70.361	-	INDON 2021
INDON 2022	41.454	-	INDON 2022
INDOIS 2021	28.023	29.235	INDOIS 2021
INDOIS 2024N	27.764	-	INDOIS 2024N
INDON 2019	-	58.474	INDON 2019
INDOIS 2019	-	36.229	INDOIS 2019
	675.200	123.938	
	3.673.668	2.711.329	
<b>Total</b>	<b>11.053.601</b>	<b>9.393.138</b>	<b>Total</b>

b. Berdasarkan jatuh tempo dan suku bunga

b. Based on maturity and interest rate

Keterangan	Tanggal jatuh tempo/ Maturity date	Suku Bunga/ Interest Rate	Description
<u>Nilai wajar melalui laporan laba rugi</u>			
<u>Rupiah</u>			
Tingkat bunga tetap			Fixed interest rate
FR 0056	15 September/ September 15, 2026	8,38% tetap/ fixed	FR 0056
FR 0059	15 Mei/ May 15, 2027	7,00% tetap/ fixed	FR 0059
FR 0062	15 April/ April 15, 2042	6,38% tetap/ fixed	FR 0062
FR 0064	15 Mei/ May 15, 2028	6,13% tetap/ fixed	FR 0064
FR 0065	15 Mei/ May 15, 2033	6,63% tetap/ fixed	FR 0065
FR 0068	15 Maret/ March 15, 2034	8,38% tetap/ fixed	FR 0068
FR 0069	15 April/ April 15, 2019	7,87% tetap/ fixed	FR 0069
FR 0070	15 Maret/ March 15, 2024	8,38% tetap/ fixed	FR 0070

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**9. OBLIGASI PEMERINTAH (lanjutan)**

b. Berdasarkan jatuh tempo dan suku bunga (lanjutan)

**9. GOVERNMENT BONDS (continued)**

b. Based on maturity and interest rate (continued)

<b>Keterangan</b>	<b>Tanggal jatuh tempo/ Maturity date</b>	<b>Suku Bunga/ Interest Rate</b>	<b>Description</b>
<u>Nilai wajar melalui laporan laba rugi (lanjutan) Rupiah (lanjutan)</u>			<u>Fair value through profit or loss (continued) Rupiah (continued)</u>
Tingkat bunga tetap (lanjutan)			<u>Fixed interest rate (continued)</u>
FR 0071	15 Maret/ March 15, 2029	9,00% tetap/ fixed	FR 0071
FR 0075	15 Mei/ May 15, 2038	7,50% tetap/ fixed	FR 0075
FR 0076	15 Mei/ May 15, 2048	7,38% tetap/ fixed	FR 0076
FR 0078	15 Mei/ May 15, 2029	8,25% tetap/ fixed	FR 0078
FR 0079	15 April/ April 15, 2039	8,38% tetap/ fixed	FR 0079
FR 0080	15 Juni/ June 15, 2035	7,50% tetap/ fixed	FR 0080
FR 0082	15 September/ September 15, 2030	7,00% tetap/ fixed	FR 0082
FR 0083	15 April/ April 15, 2040	7,50% tetap/ fixed	FR 0083
ORI 013	15 Oktober/ October 15, 2019	6,60% tetap/ fixed	ORI 013
ORI 015	15 Oktober/ October 15, 2021	8,25% tetap/ fixed	ORI 015
ORI 014	15 Oktober/ October 15, 2020	5,85% tetap/ fixed	ORI 014
ORI 016	15 Oktober/ October 15, 2022	6,80% tetap/ fixed	ORI 016
SR 0008	10 Maret/ March 10, 2019	8,30% tetap/ fixed	SR 0008
SR 0009	10 Maret/ March 10, 2020	6,90% tetap/ fixed	SR 0009
SR 0010	10 Maret/ March 10, 2021	5,90% tetap/ fixed	SR 0010
SR 0011	10 Maret/ March 10, 2022	8,05% tetap/ fixed	SR 0011
Zero Coupon Bonds SPN	Beragam/ Various	Beragam/ Various	Zero Coupon Bonds SPN
<u>Dolar Amerika Serikat</u>			<u>United States Dollar</u>
Tingkat bunga tetap INDON 2029			<u>Fixed interest rate INDON 2029</u>
INDON 2029N	11 Februari/ February 11, 2029	4,75% tetap/ fixed	INDON 2029
	18 September/ September 18, 2029	3,40% tetap/ fixed	INDON 2029N
<u>Tersedia untuk dijual Rupiah</u>			<u>Available-for-sale Rupiah</u>
Tingkat bunga tetap			<u>Fixed interest rate</u>
FR 0056	15 September/ September 15, 2026	8,38% tetap/ fixed	FR 0056
FR 0059	15 Mei/ May 15, 2027	7,00% tetap/ fixed	FR 0059
FR 0061	15 Mei/ May 15, 2022	7,00% tetap/ fixed	FR 0061
FR 0062	15 April/ April 15, 2042	6,38% tetap/ fixed	FR 0062
FR 0063	15 Mei/ May 15, 2023	5,63% tetap/ fixed	FR 0063
FR 0064	15 Mei/ May 15, 2028	6,13% tetap/ fixed	FR 0064
FR 0065	15 Mei/ May 15, 2033	6,63% tetap/ fixed	FR 0065
FR 0070	15 Maret/ March 15, 2024	8,38% tetap/ fixed	FR 0070
FR 0072	15 Mei/ May 15, 2036	8,25% tetap/ fixed	FR 0072
FR 0074	15 Agustus/ August 15, 2032	7,50% tetap/ fixed	FR 0074
FR 0075	15 Mei/ May 15, 2038	7,50% tetap/ fixed	FR 0075
FR 0076	15 Mei/ May 15, 2048	7,38% tetap/ fixed	FR 0076
ORI 013	15 Oktober/ October 15, 2019	6,60% tetap/ fixed	ORI 013

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**9. OBLIGASI PEMERINTAH (lanjutan)**

b. Berdasarkan jatuh tempo dan suku bunga (lanjutan)

Keterangan	Tanggal jatuh tempo/ Maturity date	Suku Bunga/ Interest Rate	Description
<u>Tersedia untuk dijual (lanjutan)</u>			<u>Available-for-sale (continued)</u>
<u>Rupiah (lanjutan)</u>			<u>Rupiah (continued)</u>
Tingkat bunga tetap (lanjutan)			Fixed interest rate (continued)
SR 008	10 Maret/ March 10, 2019	8,30% tetap/ fixed	SR 008
SR 010	10 Maret/ March 10, 2021	5,90% tetap/ fixed	SR 010
Zero Coupon Bonds			Zero Coupon Bonds
SPN	Beragam/ Various	Beragam/ Various	SPN
Tingkat bunga mengambang			Floating interest rate
VR 0029	25 Agustus/ August 25, 2019	SPN 3 bulan/ months	VR 0029
VR 0031	25 Juli/ July 25, 2020	SPN 3 bulan/ months	VR 0031
Obligasi Syariah Negara			Government Sharia Bonds
PBS 011	15 Agustus/ August 15, 2023	8,75% tetap/ fixed	PBS 011
PBS 013	15 Mei/ May 15, 2019	6,25% tetap/ fixed	PBS 013
PBS 014	15 Mei/ May 15, 2021	6,50% tetap/ fixed	PBS 014
PBS 016	15 Maret/ March 15, 2020	6,25% tetap/ fixed	PBS 016
PBS 019	15 September/ September 15, 2023	8,25% tetap/ fixed	PBS 019
PBS 021	15 November/ November 15, 2026	8,50% tetap/ fixed	PBS 021
PBS 022	15 April/ April 15, 2034	8,63% tetap/ fixed	PBS 022
SPNS05032019	5 Maret/ March 5, 2019	Beragam/ Various	SPNS05032019
SPNS03042019	3 April/ April 3, 2019	Beragam/ Various	SPNS03042019
SPNS08022019	8 Februari/ February 8, 2019	Beragam/ Various	SPNS08022019
<u>Dolar Amerika Serikat</u>			<u>United States Dollar</u>
Tingkat bunga tetap			Fixed interest rate
INDOIS 2023	1 Maret/ March 1, 2023	3,75% tetap/ fixed	INDOIS 2023
INDOIS 2028	1 Maret/ March 1, 2028	4,40% tetap/ fixed	INDOIS 2028
INDON 2022	25 April/ April 25, 2022	3,75% tetap/ fixed	INDON 2022
INDON 2025	15 Januari/ January 15, 2025	4,13% tetap/ fixed	INDON 2025
INDON 2028	24 April/ April 24, 2028	4,10% tetap/ fixed	INDON 2028
INDON 2029	11 Februari/ February 11, 2029	4,75% tetap/ fixed	INDON 2029
INDON 2042	17 Januari / January 17, 2042	5,25% tetap/ fixed	INDON 2042
INDON 2048	11 Januari/ January 11, 2048	4,35% tetap/ fixed	INDON 2048
INDON 2049	11 Februari/ February 11, 2049	5,35% tetap/ fixed	INDON 2049
INDON 2028N	11 Januari / January 11, 2028	3,50% tetap/ fixed	INDON 2028N
INDON 2029N	18 September/ September 18, 2029	3,40% tetap/ fixed	INDON 2029N
INDON 2047N	18 Juli/ July 18, 2047	4,75% tetap/ fixed	INDON 2047N
INDON 2048N	11 Januari/ January 11, 2048	4,35% tetap/ fixed	INDON 2048N
INDON 2049N	30 Oktober/ October 30, 2049	3,70% tetap/ fixed	INDON 2049N

**9. GOVERNMENT BONDS (continued)**

b. Based on maturity and interest rate (continued)

Keterangan	Tanggal jatuh tempo/ Maturity date	Suku Bunga/ Interest Rate	Description
<u>Tersedia untuk dijual (lanjutan)</u>			<u>Available-for-sale (continued)</u>
<u>Rupiah (lanjutan)</u>			<u>Rupiah (continued)</u>
Tingkat bunga tetap (lanjutan)			Fixed interest rate (continued)
SR 008	10 Maret/ March 10, 2019	8,30% tetap/ fixed	SR 008
SR 010	10 Maret/ March 10, 2021	5,90% tetap/ fixed	SR 010
Zero Coupon Bonds			Zero Coupon Bonds
SPN	Beragam/ Various	Beragam/ Various	SPN
Tingkat bunga mengambang			Floating interest rate
VR 0029	25 Agustus/ August 25, 2019	SPN 3 bulan/ months	VR 0029
VR 0031	25 Juli/ July 25, 2020	SPN 3 bulan/ months	VR 0031
Obligasi Syariah Negara			Government Sharia Bonds
PBS 011	15 Agustus/ August 15, 2023	8,75% tetap/ fixed	PBS 011
PBS 013	15 Mei/ May 15, 2019	6,25% tetap/ fixed	PBS 013
PBS 014	15 Mei/ May 15, 2021	6,50% tetap/ fixed	PBS 014
PBS 016	15 Maret/ March 15, 2020	6,25% tetap/ fixed	PBS 016
PBS 019	15 September/ September 15, 2023	8,25% tetap/ fixed	PBS 019
PBS 021	15 November/ November 15, 2026	8,50% tetap/ fixed	PBS 021
PBS 022	15 April/ April 15, 2034	8,63% tetap/ fixed	PBS 022
SPNS05032019	5 Maret/ March 5, 2019	Beragam/ Various	SPNS05032019
SPNS03042019	3 April/ April 3, 2019	Beragam/ Various	SPNS03042019
SPNS08022019	8 Februari/ February 8, 2019	Beragam/ Various	SPNS08022019
<u>Dolar Amerika Serikat</u>			<u>United States Dollar</u>
Tingkat bunga tetap			Fixed interest rate
INDOIS 2023	1 Maret/ March 1, 2023	3,75% tetap/ fixed	INDOIS 2023
INDOIS 2028	1 Maret/ March 1, 2028	4,40% tetap/ fixed	INDOIS 2028
INDON 2022	25 April/ April 25, 2022	3,75% tetap/ fixed	INDON 2022
INDON 2025	15 Januari/ January 15, 2025	4,13% tetap/ fixed	INDON 2025
INDON 2028	24 April/ April 24, 2028	4,10% tetap/ fixed	INDON 2028
INDON 2029	11 Februari/ February 11, 2029	4,75% tetap/ fixed	INDON 2029
INDON 2042	17 Januari / January 17, 2042	5,25% tetap/ fixed	INDON 2042
INDON 2048	11 Januari/ January 11, 2048	4,35% tetap/ fixed	INDON 2048
INDON 2049	11 Februari/ February 11, 2049	5,35% tetap/ fixed	INDON 2049
INDON 2028N	11 Januari / January 11, 2028	3,50% tetap/ fixed	INDON 2028N
INDON 2029N	18 September/ September 18, 2029	3,40% tetap/ fixed	INDON 2029N
INDON 2047N	18 Juli/ July 18, 2047	4,75% tetap/ fixed	INDON 2047N
INDON 2048N	11 Januari/ January 11, 2048	4,35% tetap/ fixed	INDON 2048N
INDON 2049N	30 Oktober/ October 30, 2049	3,70% tetap/ fixed	INDON 2049N

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**9. OBLIGASI PEMERINTAH (lanjutan)**

b. Berdasarkan jatuh tempo dan suku bunga (lanjutan)

**9. GOVERNMENT BONDS (continued)**

b. Based on maturity and interest rate (continued)

Keterangan	Tanggal jatuh tempo/ Maturity date	Suku Bunga/ Interest Rate	Description
<u>Dimiliki hingga jatuh tempo</u>			<u>Held-to-maturity</u>
<u>Rupiah</u>			<u>Rupiah</u>
Tingkat bunga tetap			Fixed interest rate
FR 0031	15 November/ November 15, 2020	11,00% tetap/ fixed	FR 0031
FR 0034	15 Juni/ June 15, 2021	12,80% tetap/ fixed	FR 0034
FR 0043	15 Juli/ July 15, 2022	10,25% tetap/ fixed	FR 0043
FR 0053	15 Juli/ July 15, 2021	8,25% tetap/ fixed	FR 0053
FR 0056	15 September/ September 15, 2026	8,38% tetap/ fixed	FR 0056
FR 0063	15 Mei/ May 15, 2023	5,63% tetap/ fixed	FR 0063
FR 0069	15 April/ April 15, 2019	7,88% tetap/ fixed	FR 0069
FR 0070	15 Maret/ March 15, 2024	8,38% tetap/ fixed	FR 0070
PBS 016	15 Maret/ March 15, 2020	6,25% tetap/ fixed	PBS 016
Tingkat bunga mengambang			Floating interest rate
VR 0029	25 Agustus/ August 25, 2019	SPN 3 bulan/ months	VR 0029
VR 0031	25 Juli/ July 25, 2020	SPN 3 bulan/ months	VR 0031
Obligasi Syariah Negara			Government Sharia Bond
Sukuk BI	4 Januari/ January 4, 2019	6,20% tetap/ fixed	Sukuk BI
Sukuk BI	2 Januari/ January 2, 2020	5,00% tetap/ fixed	Sukuk BI
Sukuk BI	2 Januari/ January 2, 2020	5,34% tetap/ fixed	Sukuk BI
Sukuk BI	8 Januari/ January 8, 2020	5,34% tetap/ fixed	Sukuk BI
Sukuk BI	22 Januari/ January 22, 2020	5,34% tetap/ fixed	Sukuk BI
Sukuk BI	29 Januari/ January 29, 2020	5,09% tetap/ fixed	Sukuk BI
Sukuk BI	5 Februari/ February 5, 2020	5,09% tetap/ fixed	Sukuk BI
Sukuk BI	12 Februari/ February 12, 2020	5,09% tetap/ fixed	Sukuk BI
Sukuk BI	19 Februari/ February 19, 2020	5,09% tetap/ fixed	Sukuk BI
Sukuk BI	26 Februari/ February 26, 2020	5,05% tetap/ fixed	Sukuk BI
<u>Dolar Amerika Serikat</u>			<u>United States Dollar</u>
Tingkat bunga tetap			Fixed interest rate
INDOIS 2019	15 Maret/ March 15, 2019	6,13% tetap/ fixed	INDOIS 2019
INDOIS 2021	29 Maret/ March 29, 2021	3,40% tetap/ fixed	INDOIS 2021
INDOIS 2022N	29 Maret/ March 29, 2020	3,40% tetap/ fixed	INDOIS 2022N
INDOIS 2024	10 September/ September 10, 2024	4,35% tetap/ fixed	INDOIS 2024
INDOIS 2024N	20 Agustus/ August 20, 2024	3,90% tetap/ fixed	INDOIS 2024N
INDON 2020	13 Maret/ March 13, 2020	5,88% tetap/ fixed	INDON 2020
INDON 2021	5 Mei/ May 5, 2021	4,88% tetap/ fixed	INDON 2021
INDON 2022	25 April/ April 25, 2022	3,75% tetap/ fixed	INDON 2022

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**9. OBLIGASI PEMERINTAH (lanjutan)**

Obligasi pemerintah (tersedia untuk dijual) sejumlah nominal Rp1.075.000 dan Rp1.075.000, masing-masing pada tanggal 31 Desember 2019 dan 31 Desember 2018, telah dijual dengan janji dibeli kembali (Catatan 22).

Pembayaran kupon obligasi pemerintah dengan tingkat bunga tetap dan mengambang masing-masing dibayarkan tiap semester dan triwulanan.

Obligasi pemerintah syariah seri ORI, PBS dan seri SR, masing-masing dibayarkan secara bulanan dan semester.

Nilai pasar obligasi pemerintah yang diklasifikasikan sebagai Nilai Wajar melalui laporan Laba Rugi dan Tersedia untuk Dijual berkisar dari 83,84% sampai dengan 129,05% dan 77,03% sampai dengan 102,12% masing-masing pada tanggal 31 Desember 2019 dan 2018.

Kerugian yang belum direalisasi akibat penurunan nilai wajar obligasi pemerintah yang tersedia untuk dijual (setelah pajak tangguhan) pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp4.201 dan Rp109.902, yang disajikan dalam akun "Kerugian neto yang belum direalisasi atas obligasi pemerintah yang tersedia untuk dijual setelah pajak tangguhan" pada ekuitas dalam laporan posisi keuangan.

Mutasi keuntungan/(kerugian) obligasi pemerintah tersedia untuk dijual yang belum direalisasi adalah sebagai berikut:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Saldo awal tahun	(109.902)	(39.167)	Balance at beginning of year
Laba yang belum direalisasi yang diakui di ekuitas	121.135	(100.457)	Unrealized gain recognized in equity
Jumlah yang direalisasi ke laba rugi	11.198	6.144	Amount realized to profit or loss
Efek pajak	(26.632)	23.578	Tax effect
<b>Saldo akhir tahun</b>	<b>(4.201)</b>	<b>(109.902)</b>	<b>Balance at end of year</b>

Bank mengakui keuntungan bersih atas penjualan obligasi pemerintah masing-masing sebesar Rp144.553 dan Rp8.586, untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018, yang disajikan dalam akun "Keuntungan dari penjualan obligasi pemerintah - neto" di laporan laba rugi dan penghasilan komprehensif lain.

**9. GOVERNMENT BONDS (continued)**

As of December 31, 2019 and December 31, 2018, government bonds (available-for-sale) with nominal amounts of Rp1,075,000 and Rp1,075,000, respectively, were sold under repurchase agreements (Note 22).

Coupon payments of government bonds with fixed and floating interest rates are payable semi-annually and quarterly, respectively.

SR series and ORI series sharia government bonds are paid monthly and semi-annually, respectively.

The market values of government bonds classified as fair value through profit or loss and available for sale range from 83.84% to 129.05% and 77.03% to 102.12% of nominal amounts as of December 31, 2019 and 2018, respectively.

As of December 31, 2019 and 2018, the unrealized loss due to the decrease in the fair value of available-for-sale government bonds (after deferred tax) amounted to Rp4,201 and Rp109,902, respectively, which are presented as "Net-unrealized losses on available-for-sale government bonds net of deferred tax" in the equity section of the statement of financial position.

Movements in unrealized gain/(loss) on available-for-sale government bonds are as follows:

The Bank recognized net gain on sale of government bonds amounting to Rp144,553 and Rp8,586 for the year ended December 31, 2019 and 2018, respectively, which is presented in the statement of profit or loss and other comprehensive income as "Gain on sale of government bonds - net".

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**9. OBLIGASI PEMERINTAH (lanjutan)**

Bank mengakui keuntungan dan kerugian yang belum direalisasi-neto atas perubahan nilai wajar obligasi pemerintah melalui laba rugi sebesar Rp1.745 dan Rp11.999 masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018, yang disajikan dalam akun "Keuntungan (Kerugian) yang belum direalisasi dari perubahan nilai wajar obligasi pemerintah - neto" di laporan laba rugi dan penghasilan komprehensif lain.

Sebagai bagian dari pengelolaan risiko Bank, manajemen telah memitigasi risiko dari dampak fluktuasi harga pasar terhadap obligasi yang dimiliki dengan melakukan investasi dalam reksadana terproteksi yang dimiliki hingga jatuh tempo yang mempunyai *underlying* obligasi pemerintah seri FR63. Pada tanggal-tanggal 31 Desember 2019 dan 2018, Bank merupakan satu-satunya pihak yang memegang unit reksadana tersebut.

**9. GOVERNMENT BONDS (continued)**

The Bank recognized unrealized gain and loss-net from the change in fair value of government bonds classified as at fair value through profit or loss amounting to Rp1,745 and Rp11,999 for the year ended December 31, 2019 and 2018, respectively, which is presented in the statement of profit and loss in other comprehensive income as "Unrealized gain (loss) from change in fair value of government bonds - net".

As part of the Bank's risk management, the management has mitigated the risk of market price fluctuation in relation with the bonds owned by investing in protected mutual fund which is held to maturity and has underlying of government bonds series FR63. As of December 31, 2019 and 2018, the Bank is the only party who holds the mutual fund unit.

**10. EFEK-EFEK YANG DIBELI DENGAN JANJI DIJUAL KEMBALI**

Efek-efek yang dibeli dengan janji dijual kembali terdiri dari:

**10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL**

Securities purchased under agreement to resell consist of:

31 Desember/December 31, 2019

Nasabah/ Customer	Jenis Surat Berharga/ Type of Securities	Suku Bunga/ Interest rate	Nilai Nominal/ Nominal Amount	Tanggal Dimulai/ Commencement Date	Tanggal Penjualan Kembali/ Resell Date	Harga Pen- jualan Kembali/ Resell Price	Pendapatan Bunga yang Belum Direalisasi/ Unrealized Interest	Nilai Tercatat/ Carrying Value
<b>Pihak Ketiga/Third Parties</b>								
Bank Indonesia	SPN12200313	5,00%	98.761	26 Desember/ December 26, 2019	2 Januari/ January 2, 2020	92.932	14	92.918
Bank Indonesia	SPN12200410	5,00%	901.239	26 Desember/ December 26, 2019	2 Januari/ January 2, 2020	844.380	117	844.263
Bank Indonesia	SPN12200703	5,00%	400.000	27 Desember/ December 27, 2019	3 Januari/ January 3, 2020	370.348	103	370.245
Bank Indonesia	SPN12200703	5,00%	400.000	27 Desember/ December 27, 2019	3 Januari/ January 3, 2020	367.897	102	367.795
<b>Total Pihak Ketiga/Total Third Parties</b>			<b>1.800.000</b>			<b>1.675.557</b>	<b>336</b>	<b>1.675.221</b>
<b>Pihak Berelasi/Related Parties</b>								
Asuransi Jiwasraya	WSKT02ACN3	5,75%	200.000	6 September/ September 6, 2019	21 Februari/ February 21, 2020	89.888	-	89.888
Asuransi Jiwasraya	WSKT02ACN2	5,75%	195.000	6 September/ September 6, 2019	28 September/ September 28, 2021	87.640	-	87.640
Asuransi Jiwasraya	WSKT03ACN1	5,75%	25.000	6 September/ September 6, 2019	6 Oktober/ October 6, 2020	11.236	-	11.236
Asuransi Jiwasraya	SMII01BCN1	5,75%	20.000	6 September/ September 6, 2019	18 November/ November 18, 2021	8.989	-	8.989
Asuransi Jiwasraya	PTPP01CN2	5,75%	5.000	6 September/ September 6, 2019	24 Februari/ February 24, 2020	2.247	-	2.247
<b>Total Pihak Berelasi/Related Parties</b>			<b>445.000</b>			<b>200.000</b>	<b>-</b>	<b>200.000</b>
<b>Total</b>			<b>2.245.000</b>			<b>1.875.557</b>	<b>336</b>	<b>1.875.221</b>



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**11. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN/ PIUTANG SYARIAH**

Seluruh kredit yang diberikan oleh Bank, termasuk pembiayaan/piutang syariah adalah dalam Rupiah. Rincian kredit dan pembiayaan/piutang syariah yang diberikan oleh Bank berdasarkan jenis, transaksi dengan pihak-pihak berelasi, sektor ekonomi, jangka waktu sesuai dengan perjanjian, sisa umur jatuh tempo dan kolektibilitas adalah sebagai berikut:

a. Jenis Kredit dan Pembiayaan/Piutang Syariah

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<u>Konvensional</u>		
Konsumsi		
Pemilikan rumah (KPR)	172.701.455	159.359.501
Non-kepemilikan rumah	10.177.545	11.259.553
	182.879.000	170.619.054
Modal kerja	36.734.973	36.734.329
Investasi	10.378.286	6.711.315
Sindikasi	70.925	77.033
Direksi dan karyawan		
- Pihak ketiga	2.046.347	2.007.106
- Pihak yang berelasi	103.008	107.468
	232.212.539	216.256.305
<u>Syariah</u>		
Konsumsi		
Pemilikan rumah (KPR)	19.490.225	17.077.295
Non-kepemilikan rumah	184.235	242.278
	19.674.460	17.319.573
Modal kerja	3.609.382	4.265.861
Investasi	325.362	452.397
Direksi dan karyawan		
- Pihak yang berelasi	3.416	3.596
	23.612.620	22.041.427
Total	255.825.159	238.297.732
Dikurangi cadangan kerugian penurunan nilai	(6.116.166)	(3.298.132)
<b>Neto</b>	<b>249.708.993</b>	<b>234.999.600</b>

**11. LOANS AND SHARIA FINANCING/ RECEIVABLES**

All loans provided by the Bank, including sharia financing/receivables are in Rupiah. The details of loans and sharia financing/receivables classified by type, transactions with related parties, economic sector, period based on agreements, remaining period to maturity and collectibility are as follows:

a. Types of Loans and Sharia Financing/Receivables

<u>Conventional</u>
Consumer
Housing loan
Non-housing loan
Working capital
Investment
Syndicated
Directors and employees
Third parties
Related parties
<u>Sharia</u>
Consumer
Housing loan
Non-housing loan
Working capital
Investment
Directors and employees
Related parties
Total
Less allowance for impairment losses
<b>Net</b>

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**11. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN/**  
**PIUTANG SYARIAH (lanjutan)**

**11. LOANS AND SHARIA FINANCING/**  
**RECEIVABLES (continued)**

b. Sektor Ekonomi

b. Economic Sector

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<u>Konvensional</u>			<u>Conventional</u>
Perumahan	210.201.524	198.084.109	Property
Konstruksi	7.429.315	7.842.439	Construction
Jasa usaha	4.920.595	6.038.298	Business service
Perdagangan, restoran, dan hotel	1.196.227	1.303.412	Trading, restaurant and hotel
Jasa-jasa sosial	1.997.275	780.783	Social service
Transportasi, Pergudangan, dan Komunikasi	4.421.513	1.225.355	Transportation, warehousing, and communication
Manufaktur	107.752	157.818	Manufacturing
Pertambangan	51.066	87.799	Mining
Listrik, gas dan air	1.568.016	89.603	Electricity, gas and water
Pertanian	28.237	37.055	Farming
Lain-lain <sup>*)</sup>	291.019	609.634	Other <sup>*)</sup>
	<u>232.212.539</u>	<u>216.256.305</u>	
<u>Syariah</u>			<u>Sharia</u>
Perumahan	19.492.212	17.079.613	Property
Jasa usaha	1.488.813	1.966.834	Business service
Konstruksi	2.631.595	2.994.980	Construction
	<u>23.612.620</u>	<u>22.041.427</u>	
Total	255.825.159	238.297.732	Total
Dikurangi cadangan kerugian penurunan nilai	(6.116.166)	(3.298.132)	Less allowance for impairment losses
<b>Neto</b>	<b>249.708.993</b>	<b>234.999.600</b>	<b>Net</b>

\*) Terdiri dari rumah tangga dan sektor ekonomi lainnya

\*) Consists of household and other economic sectors

c. Kolektibilitas

c. Collectibility

	31 Desember/December 31, 2019		31 Desember/December 31, 2018		
	Nilai tercatat/ Carrying amount	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	Nilai tercatat/ Carrying amount	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	
<u>Konvensional</u>					<u>Conventional</u>
Individual					Individual
Lancar	4.513.426	528.435	1.961.445	430.427	Current
Dalam perhatian khusus	2.283.433	721.262	2.077.246	449.313	Special mention
Kurang lancar	2.154.485	476.092	313.999	47.706	Substandard
Diragukan	677.954	387.446	148.137	46.505	Doubtful
Macet	2.169.877	1.865.237	466.620	369.568	Loss
	<u>11.799.175</u>	<u>3.978.472</u>	<u>4.967.447</u>	<u>1.343.519</u>	
Kolektif					Collective
Lancar	192.882.717	8.910	189.737.457	7.600	Current
Dalam perhatian khusus	22.087.063	4.772	16.943.868	4.327	Special mention
Kurang lancar	413.344	2.639	164.063	642	Substandard
Diragukan	545.383	10.048	242.231	5.453	Doubtful
Macet	4.484.857	1.421.067	4.201.239	1.416.304	Loss
	<u>220.413.364</u>	<u>1.447.436</u>	<u>211.288.858</u>	<u>1.434.326</u>	
<u>Syariah</u>					<u>Sharia</u>
Lancar	19.948.272	182.314	19.589.972	49.135	Current
Dalam perhatian khusus	1.880.014	7.044	1.288.049	8.915	Special mention
Kurang lancar	519.838	31.293	91.940	2.932	Substandard
Diragukan	172.291	11.876	83.092	13.855	Doubtful
Macet	1.092.205	457.731	988.374	445.450	Loss
	<u>23.612.620</u>	<u>690.258</u>	<u>22.041.427</u>	<u>520.287</u>	
<b>Total</b>	<b>255.825.159</b>	<b>6.116.166</b>	<b>238.297.732</b>	<b>3.298.132</b>	<b>Total</b>

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**11. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)**

d. Transaksi dengan pihak-pihak berelasi

d. Transactions with related parties

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<u>Konvensional</u>			<u>Conventional</u>
Konsumsi			Consumer
Pemilikan rumah (KPR)	7.747	8.118	Housing Loan
Non-kepemilikan rumah	108.308	113.479	Non-housing loan
	116.055	121.597	
Modal Kerja	11.186.598	10.051.669	Working capital
Investasi	6.031.698	1.354.992	Investment
Sindikasi	70.925	77.033	Syndicated
	17.405.276	11.605.291	
<u>Syariah</u>			<u>Sharia</u>
Konsumsi			Consumer
Pemilikan rumah (KPR)	1.987	2.318	Housing Loan
Non- kepemilikan rumah	1.429	1.278	Non-housing loan
	3.416	3.596	
<b>Total</b>	<b>17.408.692</b>	<b>11.608.887</b>	<b>Total</b>

e. Jangka waktu (sesuai dengan perjanjian kredit dan pembiayaan/piutang syariah)

e. Loan period (based on agreements covering loan and sharia financing/receivables)

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<u>Konvensional</u>			<u>Conventional</u>
≤ 1 tahun	3.480.210	4.367.964	≤ 1 year
> 1 tahun ≤ 2 tahun	2.311.365	3.198.280	> 1 year ≤ 2 years
> 2 tahun ≤ 5 tahun	14.380.583	15.879.928	> 2 years ≤ 5 years
> 5 tahun	212.040.381	192.810.133	> 5 years
	232.212.539	216.256.305	
<u>Syariah</u>			<u>Sharia</u>
≤ 1 tahun	38.263	93.225	≤ 1 year
> 1 tahun ≤ 2 tahun	1.183.015	1.897.087	> 1 year ≤ 2 years
> 2 tahun ≤ 5 tahun	2.387.298	2.452.388	> 2 years ≤ 5 years
> 5 tahun	20.004.044	17.598.727	> 5 years
	23.612.620	22.041.427	
Total	255.825.159	238.297.732	Total
Dikurangi Cadangan kerugian penurunan nilai	(6.116.166)	(3.298.132)	Less allowance for impairment losses
<b>Neto</b>	<b>249.708.993</b>	<b>234.999.600</b>	<b>Net</b>

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**PIUTANG SYARIAH (lanjutan)**

**11. LOANS AND SHARIA FINANCING/**  
**RECEIVABLES (continued)**

f. Sisa Umur Jatuh Tempo

f. Remaining Period to Maturity

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<u>Konvensional</u>			<u>Conventional</u>
≤ 1 tahun	13.975.881	15.080.578	≤ 1 year
> 1 tahun ≤ 2 tahun	8.437.350	8.665.118	> 1 year ≤ 2 years
> 2 tahun ≤ 5 tahun	25.420.228	25.173.653	> 2 years ≤ 5 years
> 5 tahun	184.379.080	167.336.956	> 5 years
	<u>232.212.539</u>	<u>216.256.305</u>	
<u>Syariah</u>			<u>Sharia</u>
≤ 1 tahun	2.286.349	2.800.179	≤ 1 year
> 1 tahun ≤ 2 tahun	1.017.290	1.507.452	> 1 year ≤ 2 years
> 2 tahun ≤ 5 tahun	1.685.096	1.452.323	> 2 years ≤ 5 years
> 5 tahun	18.623.885	16.281.473	> 5 years
	<u>23.612.620</u>	<u>22.041.427</u>	
Total	255.825.159	238.297.732	Total
Dikurangi Cadangan kerugian penurunan nilai	(6.116.166)	(3.298.132)	Less Allowance for impairment losses
<b>Neto</b>	<b><u>249.708.993</u></b>	<b><u>234.999.600</u></b>	<b>Net</b>

g. Informasi pokok lainnya

g. Other significant information

- i. Termasuk di dalam kredit yang diberikan adalah pembiayaan/piutang syariah yang diberikan dengan rincian sebagai berikut:

- i. Loans include sharia financing/receivables with details, as follows:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Piutang <i>Murabahah</i>	17.432.498	15.839.440	<i>Murabahah receivables</i>
Pembiayaan <i>Musyarakah</i>	3.702.276	3.994.172	<i>Musyarakah financing</i>
Piutang <i>Istishna</i>	2.028.282	1.522.644	<i>Istishna receivables</i>
Pembiayaan <i>Mudharabah</i>	418.625	616.198	<i>Mudharabah financing</i>
Pinjaman <i>Qardh</i>	30.939	68.973	<i>Funds of Qardh</i>
	<u>23.612.620</u>	<u>22.041.427</u>	
Total	23.612.620	22.041.427	Total
Dikurangi Cadangan kerugian penurunan nilai	(690.258)	(520.287)	Less Allowance for impairment losses
<b>Neto</b>	<b><u>22.922.362</u></b>	<b><u>21.521.140</u></b>	<b>Net</b>

- ii. Tingkat suku bunga rata-rata per tahun untuk kredit konsumen sebesar 11,30% dan 11,43% masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018. Tingkat suku bunga rata-rata per tahun untuk kredit komersial masing-masing sebesar 9,75% dan 11,50% masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018.

- ii. Average annual interest rates for consumer loans are 11.30% and 11.43% for the year ended December 31, 2019 and 2018, respectively. Average annual interest rates for commercial loans are 9.75% and 11.50% for the year ended December 31, 2019 and 2018, respectively.

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**11. LOANS AND SHARIA FINANCING/  
RECEIVABLES (continued)**

g. Informasi pokok lainnya (lanjutan)

g. Other significant information (continued)

- iii. Kredit yang diberikan dijamin dengan hak tanggungan atau surat kuasa memasang hak tanggungan atau surat kuasa untuk menjual, giro, tabungan, deposito berjangka atau jaminan lain yang umumnya diterima oleh Bank (Catatan 18, 19 dan 20).

- iii. The loans are collateralized by registered mortgages or by powers of attorney to mortgage or sell, demand deposits, savings deposits, time deposits, or by other collaterals generally acceptable by the Bank (Notes 18, 19 and 20).

- iv. Bank telah menjual dan mengalihkan Kredit Pemilikan Rumah (KPR) yang dimilikinya kepada penerbit PT Sarana Multigriya Finansial (Persero) yang tertuang dalam Akta Jual Beli No. 23 tanggal 12 Februari 2018 dan Akta Cessie No. 41 tanggal 28 Februari 2018.

- iv. The Bank has sold and transferred its housing loans (KPR) to PT Sarana Multigriya Finansial (Persero) based on sale-purchase deed No. 23 dated February 12, 2018 and Deed of Cessie No. 41 dated February 28, 2018.

Nilai KPR yang dijual tersebut adalah sebesar Rp2.000.000 yang terdiri dari 18.728 debitur dengan harga jual sebesar nilai pokok KPR pada tanggal *cut-off* final (8 Februari 2018). Penjualan ini memenuhi kriteria penjualan putus karena risiko dan manfaat atas kepemilikan KPR secara signifikan telah dialihkan kepada pembeli.

The principal amount of KPR sold amounted to Rp2,000,000 which consists of 18,728 debtors with selling price at the principal amount of KPR as of final cut off date (February 8, 2018). This sale qualified for derecognition as the risks and rewards of ownership over the KPR have been substantially transferred to the buyer.

- v. Bank telah menjual dan mengalihkan Kredit Pemilikan Rumah (KPR) yang dimilikinya kepada penerbit PT Sarana Multigriya Finansial (Persero) yang tertuang dalam Akta Jual Beli No. 31 tanggal 15 Oktober 2019 dan Akta Cessie No. 49 tanggal 27 November 2019.

- v. The Bank has sold and transferred its housing loans (KPR) to PT Sarana Multigriya Finansial (Persero) based on sale-purchase deed No. 31 dated October 15, 2019 and Deed of Cessie No. 49 dated November 27, 2019.

Nilai KPR yang dijual tersebut adalah sebesar Rp2.000.000 yang terdiri dari 16.476 debitur dengan harga jual sebesar nilai pokok KPR pada tanggal *cut-off* final (8 Oktober 2019). Penjualan ini memenuhi kriteria penjualan putus karena risiko dan manfaat atas kepemilikan KPR secara signifikan telah dialihkan kepada pembeli.

The principal amount of KPR sold amounted to Rp2,000,000 which consists of 16,476 debtors with selling price at the principal amount of KPR as of final cut off date (October 8, 2019). This sale qualified for derecognition as the risks and rewards of ownership over the KPR have been substantially transferred to the buyer.

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**11. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN/**  
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**11. LOANS AND SHARIA FINANCING/**  
**RECEIVABLES (continued)**

g. Informasi pokok lainnya (lanjutan)

g. Other significant information (continued)

- vi. Kredit yang diberikan kepada direksi dan karyawan Bank merupakan kredit untuk membeli kendaraan dan keperluan pribadi lainnya yang dibebani bunga dengan suku bunga rata-rata pada periode yang berakhir pada tanggal 31 Desember 2019 dan 2018 sebesar 3,17% dan 6,37%, dengan jangka waktu berkisar antara 1 sampai dengan 15 tahun. Kredit ini akan dibayar kembali melalui pemotongan gaji setiap bulan. Perbedaan antara tingkat bunga pinjaman karyawan dan *Base Lending Rate* (BLR) ditangguhkan dan dicatat sebagai beban yang ditangguhkan untuk pinjaman karyawan, bagian dari aset lain-lain. Besarnya akun beban yang ditangguhkan untuk pinjaman karyawan sebesar Rp288.899 dan Rp174.336 pada tanggal 31 Desember 2019 dan 2018 (Catatan 16).
- vii. Kredit yang diberikan dan pembiayaan/piutang syariah kepada pihak-pihak berelasi pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp17.408.692 dan Rp11.608.887 (Catatan 44). Persentase kredit yang diberikan dan pembiayaan/piutang syariah dari pihak-pihak berelasi terhadap jumlah kredit yang diberikan dan pembiayaan/piutang syariah masing-masing pada tanggal 31 Desember 2019 dan 2018 adalah sebesar 6,80% dan 4,87%.
- viii. Perubahan cadangan kerugian penurunan nilai kredit yang diberikan dan pembiayaan/piutang syariah adalah sebagai berikut:

- vi. The loans given to the Bank's directors and employees consist of loans intended for purchase of vehicles and other personal necessities. These loans earn an average interest of 3.17% and 6.37%, for year ended December 31, 2019 and 2018, with term ranging from 1 to 15 years. This loan will be repaid through employee deduction salary. Difference between employee loan's interest rates and *Base Lending Rate* (BLR) is deferred and recorded as deferred expense for employee loans as part of other assets. Deferred expense for employee loans amounted to Rp288,899 and Rp174,336 as of December 31, 2019 and 2018, respectively (Note 16).
- vii. As of December 31, 2019 and 2018, the outstanding balances of loans and sharia financing/receivables from related parties amounted to Rp17,408,692 and Rp11,608,887, respectively (Note 44). As of December 31, 2019 and 2018, the percentage of loans and sharia financing/receivables from related parties represent approximately 6.80% and 4.87%, respectively, of the total loans and sharia financing/receivables.
- viii. The movements in the allowance for impairment losses on loans and sharia financing/receivables are as follows:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Saldo awal tahun	3.298.132	2.355.987	Balance at beginning of year
Penyisihan kerugian penurunan nilai selama tahun berjalan (Catatan 34)	3.479.546	1.709.059	Provision for impairment losses during the year (Note 34)
Penerimaan kembali kredit yang telah dihapusbukukan	40.598	20.288	Recovery of loans written-off
Penghapusbukuan kredit	(702.110)	(787.202)	Loans written-off
<b>Saldo akhir tahun</b>	<b>6.116.166</b>	<b>3.298.132</b>	<b>Balance at the end of year</b>

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**11. LOANS AND SHARIA FINANCING/  
RECEIVABLES (continued)**

g. Informasi pokok lainnya (lanjutan)

g. Other significant information (continued)

- viii. Perubahan cadangan kerugian penurunan nilai kredit yang diberikan dan pembiayaan/piutang syariah adalah sebagai berikut (lanjutan):

- viii. The movements in the allowance for impairment losses on loans and sharia financing/receivables are as follows (continued):

Termasuk di dalam saldo cadangan kerugian adalah cadangan kerugian pembiayaan/piutang syariah sebesar Rp690.258 dan Rp520.287, masing-masing pada tanggal 31 Desember 2019 dan 2018.

As of December 31, 2019 and 2018, the balance of allowance for impairment losses includes allowance for impairment losses on sharia financing/receivables amounting to Rp690,258 and Rp520,287, respectively.

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai kredit yang diberikan dan pembiayaan/piutang syariah yang dibentuk telah memadai.

Management believes that the amount of allowance for impairment losses on the loans and sharia financing/receivables is adequate.

- ix. Fungsi pengawasan kredit Bank berfokus pada pencegahan penurunan kualitas portofolio kredit dan aktivitas penyaluran kredit yang tidak sehat yang dapat mengakibatkan timbulnya kerugian. Risiko kredit dikelola dan diatasi dengan membuat pembatasan penyaluran kredit (credit limit) dan kebijakan penyaluran kredit yang seragam, melakukan pengawasan individual portofolio secara periodik dan pengukuran tingkat kolektibilitas portofolio kredit.

- ix. The credit control function of the Bank focuses on preventing the deterioration of the quality of credit portfolio and unsound practices in granting credit facilities that may result in losses. Credit risks are managed by establishing credit limits and setting consistent lending policies, periodic monitoring of individual portfolio, and measuring the collectibility level of credit portfolio.

- x. Dalam laporan Bank ke Otoritas Jasa Keuangan (OJK) disebutkan bahwa pada tanggal 31 Desember 2019 dan 2018, Bank telah mematuhi ketentuan Batas Maksimum Pemberian Kredit (BMPK), baik terhadap pihak-pihak berelasi maupun kepada pihak yang tidak berelasi.

- x. Based on the report submitted by the Bank to Financial Services Authority (OJK) as of December 31, 2019 and 2018, the Bank is in compliance with the legal lending limit (BMPK) regulations, both for the related and non-related party borrowers.

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**11. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)**

g. Informasi pokok lainnya (lanjutan)

g. Other significant information (continued)

xi. Rasio kredit dan pembiayaan/piutang syariah yang diklasifikasikan *non-performing* terhadap jumlah kredit dan pembiayaan/piutang syariah (metode gross dan net) adalah seperti yang terlihat pada tabel berikut:

xi. The ratios of non-performing loans and sharia financing/receivables to total loans and sharia financing/receivables (using the gross and net methods) are shown in the following table:

Kolektibilitas	31 Desember/December 31, 2019		31 Desember/December 31, 2018		Collectibility
	Konvensional/ Conventional	Syariah/ Sharia	Konvensional/ Conventional	Syariah/ Sharia	
Kurang Lancar	2.567.829	519.838	478.062	91.940	Substandard Doubtful Loss
Diragukan	1.223.337	172.291	390.368	83.092	
Macet	6.654.734	1.092.205	4.667.859	988.374	
	10.445.900	1.784.334	5.536.289	1.163.406	
Cadangan kerugian Penurunan nilai atas NPL/NPF	(4.162.529)	(500.900)	(1.886.178)	(462.237)	Allowance for impairment losses for NPL/NPF
	<b>6.283.371</b>	<b>1.283.434</b>	<b>3.650.111</b>	<b>701.169</b>	
Kredit yang diberikan dan pembiayaan/piutang syariah	232.212.539	23.612.620	216.256.305	22.041.427	Loans and sharia financing/receivables
% Non-performing kredit yang diberikan dan pembiayaan/piutang syariah - Gross (Gross NPL/NPF)	4,50%	7,56%	2,56%	5,28%	% of Non-performing loans and sharia financing/receivables - Gross (Gross NPL/NPF)
% Non-performing kredit yang diberikan dan pembiayaan/piutang syariah - Neto (Neto NPL/NPF)	2,71%	5,44%	1,69%	3,18%	% of Non-performing loans and sharia financing/receivables - Net (Net NPL/NPF)

NPL/NPF Neto dihitung dengan membagi antara jumlah kredit/pembiayaan/piutang syariah bermasalah setelah dikurangi cadangan kerugian dan jumlah kredit/pembiayaan/piutang syariah keseluruhan.

The Net NPL/NPF ratios are computed by dividing the total non-performing loans/sharia financing/receivables, net of allowance for possible losses, by the total loans and sharia financing/receivables.

Rasio NPL/NPF Gross (total konvensional dan syariah) adalah 4,78% dan 2,81% masing-masing pada tanggal 31 Desember 2019 dan 2018.

The Gross NPL/NPF Ratio (total conventional and sharia) is 4.78% and 2.81% as of December 31, 2019 and 2018, respectively.

Rasio NPL/NPF Neto (total konvensional dan syariah) adalah 2,96% dan 1,83% masing-masing pada tanggal 31 Desember 2019 dan 2018.

The Net NPL/NPF Ratio (total conventional and sharia) is 2.96% and 1.83% as of December 31, 2019 and 2018, respectively.



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**11. LOANS AND SHARIA FINANCING/**  
**RECEIVABLES (continued)**

g. Informasi pokok lainnya (lanjutan)

g. Other significant information (continued)

xii. Kredit yang diberikan dan pembiayaan/  
 piutang syariah *non-performing*  
 berdasarkan sektor ekonomi:

xii. *Non-performing loans and sharia*  
*financing/receivables by economic*  
*sectors:*

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<u>Konvensional</u>		
Perumahan	8.970.472	4.680.049
Perdagangan, restoran dan hotel	496.253	223.969
Konstruksi	503.378	287.513
Jasa Usaha	168.672	111.591
Manufaktur	59.378	53.942
Jasa-jasa sosial	80.955	42.613
Pertanian	19.979	29.792
Transportasi, Pergudangan, dan Komunikasi	38.482	13.661
Pertambangan	33.114	13.068
Listrik, gas dan air	10.747	1.275
Lain-lain <sup>*)</sup>	64.470	78.816
	10.445.900	5.536.289
<u>Syariah</u>		
Perumahan	619.879	133.825
Jasa usaha	208.256	507.084
Konstruksi	956.199	522.497
	1.784.334	1.163.406
Total	12.230.234	6.699.695
Dikurangi cadangan kerugian penurunan nilai	(4.663.429)	(2.348.415)
<b>Neto</b>	<b>7.566.805</b>	<b>4.351.280</b>

Conventional  
 Property  
 Trading, restaurant and hotel  
 Construction  
 Business service  
 Manufacturing  
 Social service  
 Farming  
 Transportation, warehousing,  
 and communication  
 Mining  
 Electricity, gas and water  
 Other<sup>\*)</sup>

Sharia  
 Property  
 Business service  
 Construction

Total  
 Less allowance  
 for impairment losses

**Net**

<sup>\*)</sup> Terdiri dari rumah tangga dan sektor ekonomi lainnya

<sup>\*)</sup> Consists of household and other economic sectors

xiii. Rasio kredit usaha kecil (KUK) terhadap  
 total kredit adalah sebesar 0,45% dan  
 0,40% masing-masing pada tanggal  
 31 Desember 2019 dan 2018.

xiii. *The ratio of small-scale enterprise loans to*  
*total loans is 0.45% and 0.40% as of*  
*December 31, 2019 and 2018,*  
*respectively.*

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**11. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN/ PIUTANG SYARIAH (lanjutan)**

**11. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)**

g. Informasi pokok lainnya (lanjutan)

g. Other significant information (continued)

- xiv. Kredit sindikasi merupakan kredit yang diberikan kepada nasabah di bawah perjanjian pembiayaan bersama dengan bank-bank lain. Keikutsertaan Bank sebagai anggota sindikasi dengan persentase penyertaan sebesar 7,03% dan 6,00% (tidak diaudit) dari jumlah kredit sindikasi masing-masing pada tanggal 31 Desember 2019 dan 2018.
- xv. Kredit dan pembiayaan/piutang syariah yang direstrukturisasi berdasarkan kolektibilitas dan sektor ekonomi:

- xiv. Syndicated loans represent loans provided to customers under syndication agreements with other banks. As of December 31, 2019 and 2018, the Bank's share as a co-lender in syndicated loans is 7.03% and 6.00% (unaudited) for each, respectively, of the total syndicated loans.
- xv. Restructured loans and sharia financing/receivables by collectibility and economic sector:

31 Desember/December 31, 2019

	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Total	
Perumahan	8.510.874	10.075.429	1.372.947	757.929	2.565.026	23.282.205	Property
Konstruksi	958.367	310.536	296.855	72.980	380.382	2.019.120	Construction
Perdagangan, restoran dan hotel	35.519	294.772	226.666	53.591	101.124	711.672	Trading, restaurant and hotel
Jasa usaha	329.073	71.600	34.170	9.662	225.054	669.559	Business service
Listrik, gas dan air	5.089	-	-	-	2.381	7.470	Electricity, gas and water
Jasa-jasa sosial	46.518	19.897	-	2.255	32.687	101.357	Social services
Manufaktur	2.575	2.937	-	636	24.994	31.142	Manufacturing
Pertambangan	6.849	7.176	9.569	-	5.851	29.445	Mining
Transportasi, pergudangan dan komunikasi	-	15.187	-	2.983	26.118	44.288	Transportation, warehousing and communication
Pertanian	-	-	-	-	543	543	Farming
Lain-lain <sup>1)</sup>	13.090	5.706	494	28	4.966	24.284	Other <sup>1)</sup>
<b>Total</b>	<b>9.907.954</b>	<b>10.803.240</b>	<b>1.940.701</b>	<b>900.064</b>	<b>3.369.126</b>	<b>26.921.085</b>	<b>Total</b>

31 Desember/December 31, 2018

	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Total	
Perumahan	8.567.715	7.866.991	390.958	256.270	1.189.555	18.271.489	Property
Konstruksi	565.961	300.253	12.081	24.146	313.896	1.216.337	Construction
Perdagangan, restoran dan hotel	140.702	518.159	41.852	-	86.214	786.927	Trading, restaurant and hotel
Jasa usaha	225.221	89.258	6.784	13.999	194.392	529.654	Business service
Listrik, gas dan air	8.029	2.895	-	-	-	10.924	Electricity, gas and water
Jasa-jasa sosial	59.431	19.236	-	5.664	19.706	104.037	Social services
Manufaktur	11.044	16.400	-	3.943	4.941	36.328	Manufacturing
Pertambangan	54.064	2.516	-	-	8.247	64.827	Mining
Transportasi, pergudangan dan komunikasi	1.323	37.317	-	-	3.260	41.900	Transportation, warehousing and communication
Pertanian	-	873	-	-	9.377	10.250	Farming
Lain-lain <sup>1)</sup>	5.103	16.373	572	975	8.659	31.682	Other <sup>1)</sup>
<b>Total</b>	<b>9.638.593</b>	<b>8.870.271</b>	<b>452.247</b>	<b>304.997</b>	<b>1.838.247</b>	<b>21.104.355</b>	<b>Total</b>

<sup>1)</sup> Terdiri dari rumah tangga dan sektor ekonomi lainnya

<sup>1)</sup> Consists of household and other economic sectors

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**11. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN/  
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**11. LOANS AND SHARIA FINANCING/  
RECEIVABLES (continued)**

g. Informasi pokok lainnya (lanjutan)

g. Other significant information (continued)

- xv. Kredit dan pembiayaan/piutang syariah yang direstrukturisasi berdasarkan kolektibilitas dan sektor ekonomi: (lanjutan)

- xv. Restructured loans and sharia financing/receivables by collectability and economic sector: (continued)

Skema restrukturisasi yang disepakati oleh Bank dan debitur meliputi antara lain penjadwalan ulang pembayaran pokok kredit dan bunga, pembebasan tunggakan bunga, penurunan suku bunga, penambahan fasilitas kredit, novasi dan lain-lain.

Restructured loans scheme agreed by the Bank and its debtors include loans principal and interest rescheduling, overdue interest exemption, reduction of interest rates, additional loan facilities, novation and others.

Dalam menerapkan kolektibilitas kredit dan pembiayaan/piutang syariah, Bank telah menerapkan Peraturan Otoritas Jasa Keuangan (POJK) Nomor 45/POJK.03/2017 tanggal 12 Juli 2017 tentang Perlakuan Khusus terhadap Kredit atau Pembiayaan Bank Bagi Daerah Tertentu di Indonesia yang Terkena Bencana Alam terhadap debitur-debitur yang terkena dampak bencana alam.

In determining collectability for loans and sharia financing/receivables, the Bank has implemented the Financial Services Authority Regulation (POJK) No. 45/POJK.03/2017 dated July 12, 2017 concerning Special Treatment of Bank Credit or Financing for Certain Areas in Indonesia Affected by Natural Disasters for debtors affected by disasters natural.

- xvi. Kredit yang telah dihapusbukukan oleh Bank dicatat sebagai kredit ekstra-komtabel di dalam rekening administratif.

- xvi. The loans written-off by the Bank are recorded as extra-comptable in the administrative account.

- xvii. Jumlah minimum cadangan kerugian penurunan nilai kredit yang diberikan dan pembiayaan/piutang syariah, yang wajib dibentuk sesuai dengan ketentuan Otoritas Jasa Keuangan adalah sebesar Rp7.400.201 dan Rp4.854.997, masing-masing pada tanggal 31 Desember 2019 dan 2018.

- xvii. Minimum allowance for impairment losses for loans and sharia financing receivables required by Financial Service Authority amounted to Rp7,400,201 and Rp4,854,997 as of December 31, 2019 and 2018, respectively.

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai kredit yang diberikan dan pembiayaan/piutang syariah yang dibentuk telah memadai.

Management believes that the amount of allowance for impairment losses on the loans and sharia financing/receivables is adequate.

- h. Informasi mengenai klasifikasi aset keuangan yang mengalami penurunan nilai dan tidak mengalami penurunan nilai dan kualitas kredit diungkapkan pada Catatan 47.

- h. Information with respect to classification of impaired and not impaired and credit quality of financial assets are disclosed in Note 47.

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**12. TAGIHAN AKSEPTASI**

Rincian tagihan akseptasi kepada nasabah adalah sebagai berikut:

a. Berdasarkan Jenis dan Mata Uang

	<u>31 Desember/ December 31, 2019</u>	<u>31 Desember/ December 31, 2018</u>
<u>Rupiah</u>		
<u>Pihak Berelasi</u>		
Surat Kredit Berdokumen	487.052	528.148
Dalam Negeri (SKBDN)		
<b>Total</b>	<b><u>487.052</u></b>	<b><u>528.148</u></b>

b. Berdasarkan Kolektibilitas

Pada tanggal-tanggal 31 Desember 2019 dan Desember 2018, semua tagihan akseptasi diklasifikasikan sebagai lancar.

c. Berdasarkan Jangka Waktu

	<u>31 Desember/ December 31, 2019</u>	<u>31 Desember/ December 31, 2018</u>
≤ 1 bulan	142.780	-
> 1 bulan - 3 bulan	65.159	362.388
> 3 bulan - 1 tahun	279.113	165.760
<b>Total</b>	<b><u>487.052</u></b>	<b><u>528.148</u></b>

Bank melakukan penilaian atas penurunan nilai tagihan akseptasi secara individual dengan adanya bukti obyektif penurunan nilai.

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai tidak diperlukan pada tanggal 31 Desember 2019 dan 2018, karena Manajemen berkeyakinan bahwa tagihan akseptasi dapat ditagih.

**12. ACCEPTANCES RECEIVABLE**

The details of acceptances receivable from customers are as follows:

a. By Type and Currency

<u>Rupiah</u>
<u>Related Parties</u>
Domestic Document
Letter of Credit
<b>Total</b>

b. By Collectibility

All acceptances receivable were classified as current as of December 31, 2019 and December 31, 2018.

c. By Period

≤ 1 month
> 1 month - 3 months
> 3 months - 1 year

The Bank assessed acceptance receivables individually for impairment based on whether an objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of December 31, 2019 and 2018, because Management believes that acceptances receivable are fully collectible.

The original financial statements included herein are in the Indonesian language.

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**13. PENYERTAAN SAHAM**

Rincian penyertaan saham adalah sebagai berikut

**13. INVESTMENT IN SHARES**

The details of investment in shares are as follows:

31 Desember/December 31, 2019 and 2018				
Nama Perusahaan	Jenis usaha/ Type of business	Persentase kepemilikan/ Percentage of ownership	Nilai tercatat/ Carrying value	Company name
PT Berlian Laju Tanker Tbk	Jasa pelayaran angkutan laut/ Marine transportation service	0,01%	270	PT Berlian Laju Tanker Tbk
Cadangan kerugian penurunan nilai			(270)	Allowances for impairment losses
<b>Neto</b>			<b>-</b>	<b>Net</b>

Perubahan cadangan kerugian penurunan nilai penyertaan saham adalah sebagai berikut:

The movements in the allowance for impairment losses on investment in shares are as follows:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Saldo awal	270	270	Beginning balance
Penyisihan kerugian penurunan nilai selama tahun berjalan	-	-	Provision for impairment losses during the year
<b>Total</b>	<b>270</b>	<b>270</b>	<b>Total</b>

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai atas penyertaan saham yang dibentuk telah memadai.

Management believes that the allowance for impairment losses provided on investment in shares is adequate.

Informasi mengenai klasifikasi aset keuangan yang mengalami penurunan nilai dan tidak mengalami penurunan nilai diungkapkan pada Catatan 47.

Information with respect to classification of impaired and not impaired of financial assets are disclosed in Note 47.

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**14. ASET TETAP**

Akun ini terdiri dari:

**14. PREMISES AND EQUIPMENT**

This account consists of:

31 Desember/December 31, 2019					
	Saldo Awal/ Beginning Balance	Penambahan/ Reklasifikasi <sup>*)</sup> / Additions/ Reclassifications <sup>*)</sup>	Pengurangan/ Reklasifikasi/ Deductions/ Reclassifications	Saldo Akhir/ Ending Balance	
<u>Biaya/nilai revaluasi</u>					<u>Cost/revaluation value</u>
Tanah	3.628.606	341.786	-	3.970.392	Land
Bangunan	1.498.583	9.307	3	1.507.887	Buildings
Peralatan kantor dan kendaraan bermotor	2.265.131	284.679	4.729	2.545.081	Office furniture, fixtures and motor vehicle
	7.392.320	635.772	4.732	8.023.360	
Aset dalam penyelesaian	19.206	65.824	304	84.726	Constructions in progress
	7.411.526	701.596	5.036	8.108.086	
<u>Akumulasi Penyusutan</u>					<u>Accumulated Depreciation</u>
Bangunan	565.012	72.293	181	637.124	Buildings
Peralatan kantor dan kendaraan bermotor	1.828.820	241.940	456	2.070.304	Office furniture, fixtures and motor vehicles
	2.393.832	314.233	637	2.707.428	
<b>Nilai Buku Neto</b>	<b>5.017.694</b>			<b>5.400.658</b>	<b>Net Book Value</b>

31 Desember/December 31, 2018					
	Saldo Awal/ Beginning Balance	Penambahan/ Reklasifikasi <sup>*)</sup> / Additions/ Reclassifications <sup>*)</sup>	Pengurangan/ Reklasifikasi/ Deductions/ Reclassifications	Saldo Akhir <sup>*)</sup> / Ending Balance <sup>*)</sup>	
<u>Biaya/nilai revaluasi</u>					<u>Cost/revaluation value</u>
Tanah	3.579.953	48.653	-	3.628.606	Land
Bangunan	1.354.709	226.217	82.343	1.498.583	Buildings
Peralatan kantor dan kendaraan bermotor	1.946.112	321.990	2.971	2.265.131	Office furniture, fixtures and motor vehicle
	6.880.774	596.860	85.314	7.392.320	
Aset dalam penyelesaian	60.159	180.234	221.187	19.206	Constructions in progress
	6.940.933	777.094	306.501	7.411.526	
<u>Akumulasi Penyusutan</u>					<u>Accumulated Depreciation</u>
Bangunan	500.796	64.997	781	565.012	Buildings
Peralatan kantor dan kendaraan bermotor	1.602.818	228.051	2.049	1.828.820	Office furniture, fixtures and motor vehicles
	2.103.614	293.048	2.830	2.393.832	
<b>Nilai Buku Neto</b>	<b>4.837.319</b>			<b>5.017.694</b>	<b>Net Book Value</b>

\*) Termasuk reklasifikasi dari aset lain-lain dengan nilai perolehan dan akumulasi depresiasi masing-masing sebesar Rp29.164.  
 \*\*) Termasuk dalam penambahan aset tetap adalah surplus revaluasi atas tanah sebesar Rp3.042.739 yang dibukukan oleh Bank pada tanggal 13 Juni 2016.

\*\*) Termasuk dalam penambahan aset tetap adalah surplus revaluasi atas tanah sebesar Rp334.731 yang dibukukan oleh Bank pada tanggal 31 Desember 2019.

\*) Included reclassification from other assets which consist of cost and accumulated depreciation amounting to Rp29,164, respectively.  
 \*\*) Included in additions of premises and equipment is gain on revaluation of land amounting to Rp3,042,739, recorded by Bank on June 13, 2016.

\*\*) Included in additions of premises and equipment is gain on revaluation of land amounting to Rp334,731, recorded by Bank on December 31, 2019.

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**14. ASET TETAP (lanjutan)**

Jumlah penyusutan aset tetap yang dibebankan pada periode yang berakhir pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp314.233 dan Rp263.884 (Catatan 35).

Nilai tercatat bruto dari aset tetap yang telah didepresiasi penuh oleh Bank namun masih digunakan masing-masing adalah sebesar Rp1.551.685 dan Rp625.279 pada tanggal 31 Desember 2019 dan 2018.

Hak atas tanah terdiri dari hak milik dan hak guna bangunan. Manajemen berpendapat bahwa jangka waktu hak atas tanah dapat diperbaharui atau diperpanjang kembali.

Bank telah mengasuransikan aset tetap kecuali tanah untuk menutup kemungkinan kerugian terhadap risiko kebakaran dan pencurian kepada PT Asuransi Bina Griya (pihak berelasi) pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp 4.451.320 dan Rp2.894.763.

Persentase tingkat penyelesaian aset dalam penyelesaian pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar 24,38% dan 22,07%.

Penilaian atas tanah di tahun 2016 dilakukan oleh penilai independen eksternal KJPP Immanuel, Johnny, dan Rekan melalui laporannya pada tanggal 19 April 2016. Bank melakukan penilaian kembali atas tanah yang dimiliki di tahun 2019 yang dilakukan oleh penilai independen eksternal KJPP Agus, Ali, Firdaus dan Rekan dengan laporan tertanggal 22 Oktober 2019. Penilaian dilakukan sesuai dengan dan tunduk kepada ketentuan-ketentuan dari Kode Etik Penilai Indonesia (KEPI) dan Standar Penilaian Indonesia serta Peraturan No. VIII.C.4 tentang Pedoman Penilaian dan Penyajian Laporan Penilaian di Pasar Modal, ditentukan berdasarkan transaksi pasar terkini dan dilakukan dengan ketentuan-ketentuan yang lazim dan menggunakan pendekatan penilaian.

Dalam pengukuran nilai wajar tanah, Penilai Independen memperhitungkan kemampuan peserta pasar untuk menghasilkan manfaat ekonomi dengan penggunaan tertinggi dan terbaik atas aset atau dengan menjual aset ke peserta pasar lain yang akan menggunakan aset pada kondisi tertinggi dan penggunaan terbaik. Metode penilaian yang digunakan oleh Penilai Independen adalah pendekatan pasar.

**14. PREMISES AND EQUIPMENT (continued)**

*Depreciation of premises and equipment charged to operations amounted to Rp314,233 and Rp263,884, for the year ended December 31, 2019 and 2018, respectively (Note 35).*

*The gross carrying amount of the Bank's fully depreciated premises and equipment that are still in use amounted to Rp1,551,685 and Rp625,279 as of December 31, 2019 and 2018, respectively.*

*Landrights consist of ownership rights and rights to use. Management has the opinion that the terms of the landrights can be renewed or extended upon their expiration.*

*The Bank insured its premises and equipment from losses due to risks of fire and theft to PT Asuransi Bina Griya (related party) on date December 31, 2019 and 2018 amounting to Rp 4,451,320 and Rp2,894,763, respectively.*

*The percentage of completion of the constructions in progress as of December 31, 2019 and 2018, is 24.38% and 22.07%, respectively.*

*The valuations of land in 2016 were performed by an external independent appraiser KJPP Immanuel, Johnny, dan Rekan through its report dated April 19, 2016. The bank revalued its land in 2019 which was done by an external independent appraiser KJPP Agus, Ali, Firdaus and Partners with its report dated October 22, 2019. Appraisals are performed based on Indonesian Appraisers Ethics Code and Indonesian Appraise Standards, and regulation No. VIII.C.4 concerning the guidance on valuation and presentation for the appraisal report on the capital market based on references from recent market transactions and ensue within the clause.*

*In the fair value measurement of the land, the Independent Appraisers takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The valuation method used by the Independent Appraiser is market approach.*

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**14. ASET TETAP (lanjutan)**

Informasi mengenai penilaian kembali aset tetap untuk kelompok aset tanah yang dilakukan Bank tahun 2016 dan 2019 adalah sebagai berikut:

**14. PREMISES AND EQUIPMENT (continued)**

Information on the revaluation of land performed by the Bank are as follows:

31 Desember/December 31, 2019

	Nilai Buku sebelum Revaluasi/ Carrying Amount Before Revaluation	Nilai Buku setelah Revaluasi/ Carrying Amount after Revaluation	Keuntungan/(Kerugian) Revaluasi/ Gain/(Loss) on Revaluation	
Tanah	3.635.660	3.970.391	334.731	Land

31 Desember/December 31, 2016

	Nilai Buku sebelum Revaluasi/ Carrying Amount Before Revaluation	Nilai Buku setelah Revaluasi/ Carrying Amount after Revaluation	Keuntungan/(Kerugian) Revaluasi/ Gain/(Loss) on Revaluation	
Tanah	537.559	3.580.298	3.042.739	Land

Penilaian kembali yang dilakukan atas tanah pada tahun 2019, menghasilkan jumlah kenaikan nilai tercatat sebesar Rp334.731 yang terdiri dari kenaikan nilai tanah yang dicatat sebagai "Penghasilan Komprehensif Lain" sebesar Rp341.000 dan penurunan nilai tanah yang diakui sebagai beban tahun berjalan sebesar Rp6.269. Sedangkan kenaikan nilai tercatat yang timbul dari revaluasi tahun 2016 dicatat sebagai "Surplus Revaluasi Aset Tetap", dan disajikan dalam penghasilan komprehensif lain sebesar Rp3.042.739.

Pada tahun 2019, Bank melakukan penilaian kembali atas tanah tersebut bukan untuk tujuan perpajakan tetapi hanya untuk tujuan akuntansi sesuai dengan Standar Akuntansi Keuangan.

Penilaian kembali tanah pada tahun 2016 adalah untuk tujuan perpajakan dilakukan setelah mendapatkan persetujuan dari Direktorat Jenderal Pajak dengan Surat Keputusan No. KEP-435/WPJ.19/2016 tanggal 8 Juni 2016. Jumlah pajak yang telah dibayar oleh Bank sehubungan penilaian kembali tersebut adalah sebesar Rp75.748.

Jika tanah dicatat sebesar harga perolehan, maka pada tanggal 31 Desember 2019 dan 2018 adalah sebesar Rp595.922 dan Rp585.867.

Nilai wajar atas tanah termasuk pada hirarki nilai wajar level 3.

Tidak ada aset tetap yang dimiliki Bank yang dijadikan jaminan pada tanggal-tanggal 31 Desember 2019 dan 2018.

Manajemen berpendapat bahwa tidak terdapat penurunan nilai aset tetap dan jumlah nilai pertanggungan asuransi cukup untuk menutup risiko kerugian yang mungkin timbul atas aset tetap pada tanggal-tanggal 31 Desember 2019 dan 2018.

The revaluation of land in 2019, resulted in an increase in the carrying amount of land amounting to Rp334.731 which consists of the increase in the carrying amount of land recognised as "Other Comprehensive Income" amounting to Rp341.000 and a decrease in carrying amount of land recognised in the current year expenses amounting to Rp6.269. However, Increase in the carrying amount arising from revaluation in 2016 is recorded in "Fixed Asset Revaluation Surplus" and presented in other comprehensive income amounting to Rp3,042,739.

In 2019, Bank has revalued the value of that land not for tax purpose rather for the accounting purpose according to the Financial Accounting Standard.

Revaluation of land in 2016, for tax purposes is performed after the approval from Directorate General of Tax through its letter No. KEP-435/WPJ.19/2016 dated June 8, 2016. The amount of tax which has been paid by the Bank in relation with the revaluation was amounting to Rp75,748.

If land is recorded at historical cost basis, the amount as of December 31, 2019 and 2018, would be Rp595,922 and Rp585,867.

The fair value of land included in the fair value hierarchy as level 3.

As of December 31, 2019 and 2018, there are no fixed assets owned by the Bank which are pledged as collateral.

Management believes that there is no impairment in value of premises and equipments and the amount of insurance coverage is adequate to cover the risk of loss that may arise on the premises and equipments as of December 31, 2019 and 2018.



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**15. BUNGA YANG MASIH AKAN DITERIMA**

Akun ini terdiri dari:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Kredit yang diberikan	3.077.639	2.859.189	Loans
Obligasi pemerintah	89.554	77.753	Government bonds
Efek-efek dan penempatan pada bank lain	43.579	22.560	Securities and placement with other Banks
<b>Total</b>	<b>3.210.772</b>	<b>2.959.502</b>	<b>Total</b>

**15. INTERESTS RECEIVABLE**

This account consists of:

**16. ASET LAIN-LAIN**

Akun ini terdiri dari:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<u>Pihak ketiga</u>			<u>Third party</u>
Tagihan kepada pihak ketiga	920.408	1.100.960	Third party receivables
Biaya dibayar di muka	803.479	730.817	Prepaid expenses
Beban yang ditangguhkan untuk pinjaman karyawan (Catatan 11g)	288.899	174.336	Deferred expense for employee loan (Note 11g)
Agunan yang diambil alih	77.591	77.591	Foreclosed collateral
Uang muka pajak (Catatan 39)	402.428	409.138	Prepaid taxes (Note 39)
Lainnya	107.392	223.079	Others
<b>Total</b>	<b>2.600.197</b>	<b>2.715.921</b>	<b>Total</b>

**16. OTHER ASSETS**

This account consists of:

Tagihan kepada pihak ketiga merupakan tagihan kepada nasabah dan pihak lainnya seperti tagihan kepada Pemerintah Republik Indonesia (Perumpera), tagihan kepada PT Pos Indonesia (Persero) sehubungan dengan kerja sama penyelenggaraan Tabungan Batara Kantor Pos, serta tagihan kepada PT Artajasa terkait dengan transaksi ATM Bersama, PT Finnet Indonesia atas transaksi ATM Link, PT Alto Network atas transaksi ATM Alto, dan PT Rintis Sejahtera atas transaksi ATM Prima.

Third party receivables represent receivables from customers and other parties such as the receivables from the Government of the Republic of Indonesia, (Perumpera) receivables from PT Pos Indonesia (Persero) regarding collaboration on holding Tabungan Batara Kantor Pos, and receivables from PT Artajasa arising from transactions with ATM Bersama, receivables from PT Finnet Indonesia arising from ATM Link's transactions, receivables from PT Alto Network arising from transaction with ATM Alto, and receivables from PT Rintis Sejahtera arising from transaction with ATM Prima.

Rincian biaya dibayar dimuka terutama terdiri dari biaya sewa dan biaya pemeliharaan gedung dan peralatan kantor.

Details of prepaid expenses consist mainly of rent expenses and building and office furnitures maintenance expenses.

Berdasarkan surat Kementerian Pekerjaan Umum dan Perumahan Rakyat No. UM.01.03-Dp/374 tanggal 23 Desember 2016, tagihan Fasilitas Likuiditas Pembiayaan Perumahan (FLPP) dari Bank atas KPR Sejahtera FLPP tahun 2015 dikonversi menjadi subsidi bunga. Pada tanggal 31 Desember 2019 dan 2018, tagihan Bank kepada Pemerintah Republik Indonesia terkait transaksi tersebut masing-masing sebesar Rp126.368 dan Rp108.829 yang termasuk dalam tagihan kepada pihak ketiga.

Based on a letter from the Ministry of Public Works and Public Housing No. UM.01.03-Dp/374 dated December 23, 2016, the Bank's FLPP receivable from KPR Sejahtera FLPP 2015 was converted to interest subsidy. On December 31, 2019 and 2018, the Bank's receivable from the Government of the Republic of Indonesia on such transactions amounted to Rp126,368 and Rp108,829, respectively, which are included in Third Party Receivables.

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**17. LIABILITAS SEGERA**

Akun ini terdiri dari:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Kewajiban kepada pihak ketiga	1.742.653	1.983.330	Third party payables
Hutang pajak			Taxes payable
Pajak penghasilan			Income tax
Pasal 29 (Catatan 39)	1.679	3.425	Article 29 (Note 39)
Pasal 4 ayat (2)	153.872	134.445	Article (4) paragraph 2
Pajak pertambahan nilai	4.467	9.607	Value added tax
Pasal 21	29.586	47.117	Article 21
Bagi hasil yang belum dibagikan	35.472	44.622	Undistributed profit sharing
Deposito berjangka jatuh tempo	17.284	62.874	Matured time deposits
Bunga atas deposito berjangka yang belum diambil nasabah	7.763	1.677	Interest on time deposits which is not yet collected by customers
Lainnya	6.407	14.833	Others
<b>Total</b>	<b>1.999.183</b>	<b>2.301.930</b>	<b>Total</b>

**17. LIABILITIES DUE IMMEDIATELY**

This account consists of:

**18. GIRO**

Akun ini terdiri dari:

	31 Desember/December 31, 2019		31 Desember/December 31, 2018		
	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/full amount)	Ekuivalen/ Equivalent Rupiah	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/full amount)	Ekuivalen/ Equivalent Rupiah	
Pihak ketiga					Third parties
Rupiah		10.494.469		19.076.586	Rupiah
Dolar Amerika Serikat	471.512	6.546	848.351	12.199	United States Dollar
		10.501.015		19.088.785	
Pihak berelasi (Catatan 44)					Related parties (Note 44)
Rupiah		40.199.584		37.366.188	Rupiah
Dolar Amerika Serikat	37.961	527	4.802	69	United States Dollar
		40.200.111		37.366.257	
<b>Total</b>		<b>50.701.126</b>		<b>56.455.042</b>	<b>Total</b>

**18. DEMAND DEPOSITS**

This account consists of:

Pada tanggal 31 Desember 2019 dan 2018, saldo giro termasuk giro yang didasarkan pada prinsip perbankan syariah adalah masing-masing sebesar Rp2.593.010 dan Rp2.781.854.

As of December 31, 2019 and 2018, demand deposits balance include deposits based on sharia banking principles amounting to Rp2,593,010 and Rp2,781,854, respectively.

Tingkat suku bunga rata-rata untuk giro Rupiah adalah sebesar 1,89% dan 1,84% masing-masing tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018, dan tingkat suku bunga rata-rata untuk giro Dolar Amerika Serikat adalah sebesar 0,00% dan 0,02% untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018.

The average annual interest rates for Rupiah demand deposits are 1.89% and 1.84% for the year ended December 31, 2019 and 2018, respectively, and for United States Dollar denominated demand deposits are 0.00% and 0.02% for the year ended December 31, 2019 and 2018, respectively.

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**18. GIRO (lanjutan)**

Giro yang digunakan sebagai jaminan atas fasilitas kredit yang diberikan oleh Bank pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp1.519.442 dan Rp160.511 (Catatan 11).

Dana Syirkah Temporer - Giro Mudharabah

a. Berdasarkan jenis produk

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
Giro BTN Prima iB	1.414.712	1.594.272
<b>Total</b>	<b>1.414.712</b>	<b>1.594.272</b>

b. Berdasarkan hubungan

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
Pihak Ketiga	826.682	1.059.570
Pihak Berelasi (Catatan 44)	588.030	534.702
<b>Total</b>	<b>1.414.712</b>	<b>1.594.272</b>

Nisbah dan tingkat bagi hasil rata-rata untuk giro *Mudharabah* untuk tahun yang berakhir pada 31 Desember 2019 dan 2018 adalah sebagai berikut:

	2019		
	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	
Giro <i>Mudharabah</i>	14 : 86	1,57	<i>Mudharabah current accounts</i>
	2018		
	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	
Giro <i>Mudharabah</i>	14 : 86	1,50	<i>Mudharabah current accounts</i>

Pada tanggal 31 Desember 2019 dan 2018 tidak terdapat giro *mudharabah* yang dijadikan jaminan.

**18. DEMAND DEPOSITS (continued)**

Demand deposits amounting to Rp1,519,442 and Rp160,511 as of December 31, 2019 and 2018, respectively, are pledged as collateral for loans provided by the Bank (Note 11).

Temporary Syirkah Funds - Mudharabah Current Accounts

a. By product

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
Giro BTN Prima iB	1.414.712	1.594.272
<b>Total</b>	<b>1.414.712</b>	<b>1.594.272</b>

b. By relationship

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
Third Parties Related Party (Note 44)	826.682	1.059.570
	588.030	534.702
<b>Total</b>	<b>1.414.712</b>	<b>1.594.272</b>

The average rate of ratio and profit sharing for *Mudharabah current accounts* for the year ended December 31, 2019 and 2018 are as follows:

	2019		
	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	
Giro <i>Mudharabah</i>	14 : 86	1,57	<i>Mudharabah current accounts</i>
	2018		
	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	
Giro <i>Mudharabah</i>	14 : 86	1,50	<i>Mudharabah current accounts</i>

As of December 31, 2019 and 2018, there are no *mudharabah demand deposits* which are pledged as collateral.

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**19. TABUNGAN**

**19. SAVINGS DEPOSITS**

	31 Desember/December 31, 2019		31 Desember/December 31, 2018		
	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/full amount)	Ekuivalen/ Equivalent Rupiah	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/full amount)	Ekuivalen/ Equivalent Rupiah	
<u>Rupiah</u>					<u>Rupiah</u>
Tabungan Batara		41.426.261		38.322.138	Batara savings deposits
Tabungan Batara Wadiah		789.889		766.324	Batara Wadiah savings deposit
		42.216.150		39.088.462	
<u>Dolar Amerika Serikat</u>					<u>United States Dollar</u>
Tabungan Batara	3.984.344	55.313	1.824.309	26.234	Batara savings deposits
<u>Dolar Singapura</u>					<u>Singapore Dollar</u>
Tabungan Batara	323.318	3.335	233.731	2.467	Batara savings deposits
		58.648		28.701	
<b>Total</b>		<b>42.274.798</b>		<b>39.117.163</b>	<b>Total</b>

Pada tanggal 31 Desember 2019 dan 2018, saldo tabungan termasuk tabungan yang didasarkan pada prinsip perbankan syariah masing-masing sebesar Rp789.889 dan Rp766.324.

As of December 31, 2019 and 2018, savings deposits balance include savings deposits based on sharia banking principles amounted to Rp789,889 and Rp766,324, respectively.

Tingkat suku bunga rata-rata untuk tabungan rupiah sebesar 4,17% dan 3,75% masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018. Tingkat suku bunga rata-rata untuk tabungan valas sebesar 0,30% dan 0,39% masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018.

The average annual interest rates for rupiah savings deposits are 4.17% and 3.75%, for the year ended December 31, 2019 and 2018, respectively. The average annual interest rates for foreign currencies savings deposits are 0.30% and 0.39%, for the year ended December 31, 2019 and 2018, respectively.

Tabungan yang digunakan sebagai jaminan atas fasilitas kredit yang diberikan oleh Bank pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp343.370 dan Rp1.423.373 (Catatan 11).

Savings deposits amounting to Rp343,370 and Rp1,423,373 as of December 31, 2019 and 2018, respectively, are pledged as collateral for loans provided by the Bank to its customers (Note 11).

Tabungan Batara dan wadiah dari pihak-pihak berelasi pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp272.851 dan Rp359.710 (Catatan 44).

As of December 31, 2019 and 2018, Batara and wadiah savings deposits from depositors who are related parties of the Bank amounted to Rp272,851 and Rp359,710, respectively (Note 44).

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**19. TABUNGAN (lanjutan)**

Dana Syirkah Temporer - Tabungan Mudharabah

a. Berdasarkan jenis produk

	<u>31 Desember/ December 31, 2019</u>	<u>31 Desember/ December 31, 2018</u>
<u>Rupiah</u>		
Tabungan BTN Prima iB	3.166.824	2.664.925
Tabungan BTN Haji & Umroh iB	191.923	92.296
Tabungan <i>Qurban</i> BTN iB	2.588	2.147
Tabungan BTN Emas iB	1.591	701
<b>Total</b>	<b><u>3.362.926</u></b>	<b><u>2.760.069</u></b>

b. Berdasarkan hubungan

	<u>31 Desember/ December 31, 2019</u>	<u>31 Desember/ December 31, 2018</u>
Pihak Ketiga	3.226.349	2.675.780
Pihak Berelasi (Catatan 44)	136.577	84.289
<b>Total</b>	<b><u>3.362.926</u></b>	<b><u>2.760.069</u></b>

Tabungan *Mudharabah* merupakan simpanan dana pihak lain yang mendapatkan imbalan bagi hasil dari pendapatan Bank atas penggunaan dana tersebut dengan *nisbah* yang ditetapkan dan disetujui sebelumnya.

**19. SAVINGS DEPOSITS (continued)**

Temporary Syirkah Funds – Mudharabah Savings Deposits

a. By product

	<u>Rupiah</u>
Tabungan BTN Prima iB	2.664.925
Tabungan BTN Haji & Umroh iB	92.296
Tabungan <i>Qurban</i> BTN iB	2.147
Tabungan BTN Emas iB	701
<b>Total</b>	<b><u>2.760.069</u></b>

b. By relationship

	<u>Third Parties Related Party (Note 44)</u>
Pihak Ketiga	2.675.780
Pihak Berelasi (Catatan 44)	84.289
<b>Total</b>	<b><u>2.760.069</u></b>

*Mudharabah* savings deposits represent deposits from third parties who receive a share in the revenue derived by the Bank from the use of such funds based on a pre-determined and pre-agreed ratio.

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**19. TABUNGAN (lanjutan)**

Dana Syirkah Temporer - Tabungan Mudharabah (lanjutan)

Nisbah dan tingkat bagi hasil rata-rata untuk tabungan Mudharabah untuk periode dan tahun yang berakhir pada 31 Desember 2019 dan 2018 adalah sebagai berikut:

**19. SAVINGS DEPOSITS (continued)**

Temporary Syirkah Funds - Mudharabah Savings Deposits (continued)

The average rate of ratio and profit sharing for Mudharabah savings deposits for the year ended 31 December 2019 and 2018 are as follows:

2019			
	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	
Tabungan BTN Prima iB	25 : 75	2,80	Tabungan BTN Prima iB
Tabungan BTN Haji & Umroh iB	15,50 : 84,50	1,73	Tabungan BTN Haji & Umroh iB
Tabungan Qurban BTN iB	15,50 : 84,50	1,73	Tabungan Qurban BTN iB
Tabungan BTN Emas iB	25 : 75	2,80	Tabungan BTN Emas iB
2018			
	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	
Tabungan BTN Prima iB	25 : 75	2,67	Tabungan BTN Prima iB
Tabungan BTN Haji & Umroh iB	15,50 : 84,50	1,66	Tabungan BTN Haji & Umroh iB
Tabungan Qurban BTN iB	15,50 : 84,50	1,66	Tabungan Qurban BTN iB
Tabungan BTN Emas iB	25 : 75	2,67	Tabungan BTN Emas iB

Pada tanggal 31 Desember 2019 dan 2018 tidak terdapat tabungan mudharabah yang dijadikan jaminan.

As of December 31, 2019 and 2018, there are no mudharabah saving deposits which are pledged as collateral.

**20. DEPOSITO BERJANGKA**

a. Tingkat suku bunga rata-rata per tahun untuk deposito berjangka adalah sebagai berikut:

**20. TIME DEPOSITS**

a. Average annual interest rates for time deposits are as follows:

	2019	2018	
<u>Rupiah</u>			<u>Rupiah</u>
1 bulan	5,39%	5,36%	1 month
3 bulan	5,60%	5,46%	3 months
6 bulan	5,52%	5,58%	6 months
12 bulan	5,58%	5,39%	12 months
24 bulan	5,88%	5,77%	24 months
Dolar Amerika Serikat	3,47%	0,76%	United States Dollar

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**20. DEPOSITO BERJANGKA (lanjutan)**

**20. TIME DEPOSITS (continued)**

- b. Rincian deposito berjangka berdasarkan mata uang dan jangka waktu kontrak:

- b. The details of time deposits by currency and contract period are as follows:

	31 Desember/December 31, 2019		31 Desember/December 31, 2018		
	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/full amount)	Ekuivalen/ Equivalent Rupiah	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/full amount)	Ekuivalen/ Equivalent Rupiah	
<u>Rupiah</u>					<u>Rupiah</u>
1 bulan		44.872.614		56.863.504	1 month
3 bulan		39.590.353		37.997.222	3 months
6 bulan		5.460.901		5.790.978	6 months
12 bulan		3.451.974		2.163.461	12 months
24 bulan		15.216.547		9.657.257	24 months
		<u>108.592.389</u>		<u>112.472.422</u>	
<u>Dolar Amerika Serikat</u>					<u>United States Dollar</u>
1 bulan	360.247.279	5.001.133	180.969.246	2.602.338	1 month
3 bulan	23.390.102	324.713	26.137.123	375.852	3 months
6 bulan	819.086	11.371	-	-	6 months
12 bulan	8.538	119	808.538	11.627	12 months
		<u>5.337.336</u>		<u>2.989.817</u>	
<u>Dolar Singapura</u>					<u>Singapore Dollar</u>
3 bulan	4.211	43	4.203	44	3 months
		<u>43</u>		<u>44</u>	
<b>Total</b>		<b>113.929.768</b>		<b>115.462.283</b>	<b>Total</b>

- c. Rincian deposito berjangka berdasarkan mata uang dan sisa umur hingga jatuh tempo:

- c. Details of time deposits by currency and remaining period to maturity are as follows:

	31 Desember/ December 31, 2019		31 Desember/ December 31, 2018		
<u>Rupiah</u>					<u>Rupiah</u>
≤ 1 bulan		66.952.126		66.126.560	≤ 1 month
> 1 bulan ≤ 3 bulan		25.087.533		30.251.503	> 1 month ≤ 3 months
> 3 bulan ≤ 6 bulan		2.133.063		5.046.891	> 3 months ≤ 6 months
> 6 bulan ≤ 12 bulan		10.965.305		1.393.904	> 6 months ≤ 12 months
> 12 bulan ≤ 24 bulan		3.454.362		9.653.564	> 12 months ≤ 24 months
		<u>108.592.389</u>		<u>112.472.422</u>	
<u>Dolar Amerika Serikat</u>					<u>United States Dollar</u>
≤ 1 bulan		5.001.984		2.602.338	≤ 1 month
> 1 bulan ≤ 3 bulan		323.862		375.852	> 1 month ≤ 3 months
> 3 bulan ≤ 6 bulan		11.371		-	> 3 months ≤ 6 months
> 6 bulan ≤ 12 bulan		119		11.627	> 6 months ≤ 12 months
		<u>5.337.336</u>		<u>2.989.817</u>	
<u>Dolar Singapura</u>					<u>Singapore Dollar</u>
> 1 bulan ≤ 3 bulan		43		44	> 1 month ≤ 3 months
		<u>43</u>		<u>44</u>	
<b>Total</b>		<b>113.929.768</b>		<b>115.462.283</b>	<b>Total</b>

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**20. DEPOSITO BERJANGKA (lanjutan)**

Deposito berjangka yang dijadikan jaminan atas fasilitas kredit yang diberikan oleh Bank kepada konsumennya pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp1.268.569 dan Rp1.342.090 (Catatan 11).

Deposito berjangka dari pihak-pihak berelasi pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp52.648.592 dan Rp45.472.777 (Catatan 44).

Dana Syirkah Temporer - Deposito Mudharabah

a. Berdasarkan jangka waktu kontrak

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
1 bulan	7.563.271	8.444.297	1 month
3 bulan	3.260.248	5.901.271	3 months
6 bulan	795.326	67.976	6 months
12 bulan	2.081.034	26.590	12 months
24 bulan	22	22	24 months
<b>Total</b>	<b>13.699.901</b>	<b>14.440.156</b>	<b>Total</b>

b. Berdasarkan sisa umur jatuh tempo

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
≤ 1 bulan	9.146.586	9.307.359	≤ 1 month
> 1 bulan ≤ 3 bulan	2.402.492	5.073.509	> 1 month ≤ 3 months
> 3 bulan ≤ 6 bulan	2.134.438	40.372	> 3 months ≤ 6 months
> 6 bulan ≤ 12 bulan	16.382	18.897	> 6 months ≤ 12 months
> 12 bulan ≤ 24 bulan	3	19	> 12 months ≤ 24 months
<b>Total</b>	<b>13.699.901</b>	<b>14.440.156</b>	<b>Total</b>

c. Berdasarkan hubungan

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Pihak Ketiga	11.661.400	8.814.203	Third Parties
Pihak Berelasi (Catatan 44)	2.038.501	5.625.953	Related Party (Note 44)
<b>Total</b>	<b>13.699.901</b>	<b>14.440.156</b>	<b>Total</b>

**20. TIME DEPOSITS (continued)**

As of December 31, 2019 and 2018, time deposits amounting to Rp1,268,569 and Rp1,342,090, respectively, are pledged as collateral for loans provided by the Bank to its customers (Note 11).

As of December 31, 2019 and 2018, time deposits from depositors who are related parties of the Bank amounted to Rp52,648,592 and Rp45,472,777, respectively (Note 44).

Temporary Syirkah Funds – Mudharabah Time Deposits

a. By contractual period

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
1 bulan	7.563.271	8.444.297	1 month
3 bulan	3.260.248	5.901.271	3 months
6 bulan	795.326	67.976	6 months
12 bulan	2.081.034	26.590	12 months
24 bulan	22	22	24 months
<b>Total</b>	<b>13.699.901</b>	<b>14.440.156</b>	<b>Total</b>

b. By remaining period to maturity

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
≤ 1 bulan	9.146.586	9.307.359	≤ 1 month
> 1 bulan ≤ 3 bulan	2.402.492	5.073.509	> 1 month ≤ 3 months
> 3 bulan ≤ 6 bulan	2.134.438	40.372	> 3 months ≤ 6 months
> 6 bulan ≤ 12 bulan	16.382	18.897	> 6 months ≤ 12 months
> 12 bulan ≤ 24 bulan	3	19	> 12 months ≤ 24 months
<b>Total</b>	<b>13.699.901</b>	<b>14.440.156</b>	<b>Total</b>

c. By relationship

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Pihak Ketiga	11.661.400	8.814.203	Third Parties
Pihak Berelasi (Catatan 44)	2.038.501	5.625.953	Related Party (Note 44)
<b>Total</b>	<b>13.699.901</b>	<b>14.440.156</b>	<b>Total</b>



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**20. DEPOSITO BERJANGKA (lanjutan)**

Dana Syirkah Temporer - Deposito Mudharabah (lanjutan)

Deposito *mudharabah* merupakan investasi pihak lain yang mendapatkan imbalan bagi hasil dari pendapatan atas penggunaan dana tersebut dengan *nisbah* yang ditetapkan dan disetujui sebelumnya.

Nisbah dan tingkat bagi hasil rata-rata untuk deposito *mudharabah* untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

	2019		2018		
	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	
1 bulan	40 : 60	4,48	40 : 60	4,27	1 month
3 bulan	43 : 57	4,81	43 : 57	4,60	3 months
6 bulan	44 : 56	4,92	44 : 56	4,70	6 months
12 bulan	44 : 56	4,92	44 : 56	4,70	12 months
24 bulan	39 : 61	4,36	39 : 61	4,17	24 months

Pada tanggal 31 Desember 2019 dan 2018 tidak terdapat deposito *mudharabah* yang dijadikan jaminan.

*Mudharabah time deposits represent investment from other parties who receive share in the income derived from the use of such funds based on a predetermined and pre-agreed ratio.*

*The average rate of ratio and profit sharing for mudharabah time deposits for the year ended 31 December 2019 and 2018, are as follows:*

*As of December 31, 2019 and 2018, there are no mudharabah time deposits which are pledged as collateral.*

**21. SIMPANAN DARI BANK LAIN**

Tingkat suku bunga rata-rata per tahun untuk simpanan dari bank lain adalah sebagai berikut:

	2019	2018	
Giro	1,73%	1,82%	Demand Deposit
Deposito	7,17%	5,90%	Time Deposits
Inter-bank call money	6,06%	5,25%	Inter-bank call money

**21. DEPOSITS FROM OTHER BANKS**

*Average annual interest rates for deposits from other banks are as follows:*

Rincian simpanan dari bank lain berdasarkan sisa umur sampai dengan saat jatuh tempo adalah sebagai berikut:

*Details of deposits from other banks by remaining period to maturity are as follows:*

	31 Desember/December 31, 2019				Total	
	≤ 1 bulan/ month	> 1 - 3 bulan/ months	> 3 - 6 bulan/ months	> 6 - 12 bulan/ months		
Rupiah						Rupiah
Deposito	4.493.870	5.300	-	-	4.499.170	Time deposits
Giro	10.068	-	-	-	10.068	Demand deposits
<b>Total</b>	<b>4.503.938</b>	<b>5.300</b>	<b>-</b>	<b>-</b>	<b>4.509.238</b>	<b>Total</b>

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**21. SIMPANAN DARI BANK LAIN (lanjutan)**

Rincian simpanan dari bank lain berdasarkan sisa umur sampai dengan saat jatuh tempo adalah sebagai berikut: (lanjutan)

		31 Desember/December 31, 2018				
		≤ 1 bulan/ month	> 1 - 3 bulan/ months	> 3 - 6 bulan/ months	> 6 - 12 bulan/ months	Total
<u>Rupiah</u>						<u>Rupiah</u>
Deposito	2.972.970	-	-	-	2.972.970	Time deposits
Giro	19.609	-	-	-	19.609	Demand deposits
<b>Total</b>	<b>2.992.579</b>	-	-	-	<b>2.992.579</b>	<b>Total</b>

Simpanan dari bank lain yang termasuk pihak-pihak berelasi pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar RpNihil (Catatan 44).

Pada tanggal 31 Desember 2019 dan 2018 tidak terdapat simpanan dari bank lain yang dijadikan jaminan.

Dana Syirkah Temporer - Simpanan Dari Bank Lain

Akun ini terdiri dari:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<u>Pihak Ketiga</u>			<u>Third Parties</u>
<u>Rupiah</u>			<u>Rupiah</u>
Deposito berjangka Mudharabah	7.870	8.060	Mudharabah Time deposits
Tabungan Mudharabah	3.299	8.857	Mudharabah Saving deposits
Giro Mudharabah	243	315	Mudharabah Current accounts
<b>Total</b>	<b>11.412</b>	<b>17.232</b>	<b>Total</b>

Simpanan bank lain berdasarkan dana syirkah temporer yang termasuk pihak-pihak berelasi pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar RpNihil.

Tabungan dan giro Mudharabah merupakan simpanan dana pihak lain yang mendapatkan imbalan bagi hasil dari pendapatan Bank atas penggunaan dana tersebut dengan nisbah yang ditetapkan dan disetujui sebelumnya.

Deposito Mudharabah merupakan investasi pihak lain yang mendapatkan imbalan bagi hasil dari pendapatan atas penggunaan dana tersebut dengan nisbah yang ditetapkan dan disetujui sebelumnya.

**21. DEPOSITS FROM OTHER BANKS (continued)**

Details of deposits from other banks by remaining period to maturity are as follows: (continued)

As of December 31, 2019 and 2018, deposits from other banks which are related parties of the Bank amounted to RpNil, respectively (Note 44).

As of December 31, 2019 and 2018, there are no deposits from other banks which are pledged as collateral.

Temporary Syirkah Funds - Deposits From Other Banks

This account consists of:

Deposits from other banks based on temporary syirkah funds which are related parties of the Bank as of December 31, 2019 and 2018 amounted to RpNil, respectively.

Mudharabah savings deposits and current account represent deposits from third parties who receive a share in the revenue earned by the Bank from the use of such funds based on a pre-determined and pre-agreed ratio.

Mudharabah time deposits represent investment from other parties who receive share in the income derived from the use of such funds based on a predetermined and pre-agreed ratio.

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**21. SIMPANAN DARI BANK LAIN (lanjutan)**

Dana Syirkah Temporer - Simpanan Dari Bank Lain (lanjutan)

Berdasarkan tingkat suku bunga dan bagi hasil per tahun

	2019	2018
Giro <i>mudharabah</i>	1,05%	1,50%
Tabungan <i>mudharabah</i>	2,44%	2,67%
Deposito berjangka <i>mudharabah</i>	4,96%	4,27%

Pada tanggal 31 Desember 2019 dan 2018 tidak terdapat simpanan dari bank lain *mudharabah* yang dijadikan jaminan.

**21. DEPOSITS FROM OTHER BANKS (continued)**

Temporary Syirkah Funds - Deposits From Other Banks (continued)

By annual interest rates and profit sharing

	2019	2018
Giro <i>mudharabah</i>	1,05%	1,50%
Tabungan <i>mudharabah</i>	2,44%	2,67%
Deposito berjangka <i>mudharabah</i>	4,96%	4,27%

As of December 31, 2019 and 2018, there are no *mudharabah* deposits from other banks which are pledged as collateral.

**22. EFEK-EFEK YANG DIJUAL DENGAN JANJI DIBELI KEMBALI**

Rincian efek-efek yang dijual dengan janji dibeli kembali adalah sebagai berikut:

**22. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS**

The details of securities sold under repurchase agreements with third parties are as follows:

**31 Desember/December 31, 2019**

Nasabah/ Customer	Jenis Surat Berharga/ Type of Securities	Suku Bunga/ Interest rate	Nilai Nominal/ Nominal Amount	Tanggal Dimulai/ Commencement Date	Tanggal Pembelian Kembali/ Repurchase Date	Harga Pembelian Kembali/ Repurchase Price	Beban Bunga yang Belum Diamortisasi/ Unamortized Interest Expense	Nilai Tercatat/ Carrying Value
<b>Pihak ketiga/Third parties</b>								
Deutsche Bank	VR0031	SPN+1,25%	575.000	14 Januari/ January 14, 2011	23 Juli/ July 23, 2020	500.000	-	500.000
Standard Chartered Bank	VR0031	SPN+1,40%	500.000	18 Januari/ January 18, 2011	22 Juli/ July 22, 2020	435.000	-	435.000
<b>Total</b>			<b>1.075.000</b>			<b>935.000</b>	<b>-</b>	<b>935.000</b>

**31 Desember/December 31, 2018**

Nasabah/ Customer	Jenis Surat Berharga/ Type of Securities	Suku Bunga/ Interest rate	Nilai Nominal/ Nominal Amount	Tanggal Dimulai/ Commencement Date	Tanggal Pembelian Kembali/ Repurchase Date	Harga Pembelian Kembali/ Repurchase Price	Beban Bunga yang Belum Diamortisasi/ Unamortized Interest Expense	Nilai Tercatat/ Carrying Value
<b>Pihak ketiga/Third parties</b>								
Deutsche Bank	VR0031	SPN+1,25%	575.000	14 Januari/ January 14, 2011	23 Juli/ July 23, 2020	500.000	-	500.000
Standard Chartered Bank	VR0031	SPN+1,40%	500.000	18 Januari/ January 18, 2011	22 Juli/ July 22, 2020	435.000	-	435.000
<b>Total</b>			<b>1.075.000</b>			<b>935.000</b>	<b>-</b>	<b>935.000</b>

Efek-efek yang dijual dengan janji dibeli kembali dengan pihak-pihak berelasi pada tanggal 31 Desember 2019 dan 2018 sebesar RpNihil (Catatan 44).

As of December 31, 2019 and 2018, securities sold under repurchase agreement with related parties amounted to RpNil (Note 44).

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**23. LIABILITAS AKSEPTASI**

Rincian liabilitas akseptasi kepada nasabah adalah sebagai berikut:

a. Berdasarkan Jenis dan Mata Uang

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<u>Rupiah</u> Pihak Berelasi (Catatan 44)		
Surat Kredit Berdokumen Dalam Negeri (SKBDN)	487.052	528.148
<b>Total</b>	<b>487.052</b>	<b>528.148</b>

b. Berdasarkan Jangka Waktu:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
≤ 1 bulan	142.780	-
> 1 bulan - 3 bulan	65.159	362.388
> 3 bulan - 1 tahun	279.113	165.760
<b>Total</b>	<b>487.052</b>	<b>528.148</b>

**23. ACCEPTANCES PAYABLE**

The details of acceptances payable from customers are as follows:

a. By Type and Currency

	<u>Rupiah</u> Related Parties (Note 44)
Domestic Document Letter of Credit	
<b>Total</b>	

b. By Period

	≤ 1 month	> 1 month - 3 month	> 3 month - 1 year
<b>Total</b>			

**24. SURAT-SURAT BERHARGA YANG DITERBITKAN**

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<u>Rupiah</u>		
Obligasi Berkelanjutan III Tahap II setelah dikurangi biaya emisi yang belum diamortisasi masing-masing sebesar Rp4.307 dan RpNihil pada tanggal 31 Desember 2019 dan 2018		
Pihak ketiga	3.430.430	-
Pihak berelasi (Catatan 44)	709.263	-
Obligasi Berkelanjutan III Tahap I setelah dikurangi biaya emisi yang belum diamortisasi masing-masing sebesar Rp3.883 dan Rp5.275 pada tanggal 31 Desember 2019 dan 2018		
Pihak ketiga	2.775.827	3.021.809
Pihak berelasi (Catatan 44)	2.185.290	1.972.916
Obligasi Berkelanjutan II Tahap II setelah dikurangi biaya emisi yang belum diamortisasi masing-masing sebesar Rp623 dan Rp1.277 pada tanggal 31 Desember 2019 dan 2018		
Pihak ketiga	727.726	1.531.348
Pihak berelasi (Catatan 44)	924.651	1.467.375

**24. SECURITIES ISSUED**

	<u>Rupiah</u>
Continuing Bonds III Phase II net of unamortized issuance cost amounting to Rp4,307 and RpNil as of December 31, 2019 and 2018, respectively	
Third parties	
Related parties (Note 44)	
Continuing Bonds III Phase I net of unamortized issuance cost amounting to Rp3,883 and Rp5,275 as of December 31, 2019 and 2018, respectively	
Third parties	
Related parties (Note 44)	
Continuing Bonds II Phase II net of unamortized issuance cost amounting to Rp623 and Rp1,277 as of December 31, 2019 and 2018, respectively	
Third parties	
Related parties (Note 44)	

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24. SURAT-SURAT BERHARGA YANG DITERBITKAN (lanjutan)	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	24. SECURITIES ISSUED (continued)
Rupiah (lanjutan)			<i>Rupiah (continued)</i>
Obligasi Berkelanjutan II Tahap I setelah dikurangi biaya emisi yang belum diamortisasi masing-masing sebesar Rp1.348 dan Rp1.956 pada tanggal 31 Desember 2019 dan 2018			<i>Continuing Bonds II Phase I net of unamortized issuance cost amounting to Rp1,348 and Rp1,956 as of Desember 31, 2019 and 2018, respectively</i>
Pihak ketiga	1.936.757	1.331.758	<i>Third parties</i>
Pihak berelasi (Catatan 44)	161.895	766.286	<i>Related parties (Note 44)</i>
Obligasi Berkelanjutan I Tahap II setelah dikurangi biaya emisi yang belum diamortisasi masing-masing sebesar Rp998 dan Rp1.259 pada tanggal 31 Desember 2019 dan 2018			<i>Continuing Bonds I Phase II net of unamortized issuance cost amounting to Rp998 and Rp1,259 as of Desember 31, 2019 and 2018, respectively</i>
Pihak ketiga	1.600.201	1.614.983	<i>Third parties</i>
Pihak berelasi (Catatan 44)	398.801	383.758	<i>Related parties (Note 44)</i>
Obligasi Berkelanjutan I Tahap I setelah dikurangi biaya emisi yang belum diamortisasi masing-masing sebesar Rp1.263 dan Rp1.716 pada tanggal 31 Desember 2019 dan 2018			<i>Continuing Bonds I Phase I net of unamortized issuance cost amounting to Rp1,263 and Rp1,716 as of Desember 31, 2019 and 2018, respectively</i>
Pihak ketiga	1.738.400	1.768.480	<i>Third parties</i>
Pihak berelasi (Catatan 44)	260.336	229.803	<i>Related parties (Note 44)</i>
Obligasi BTN XV setelah dikurangi biaya emisi yang belum diamortisasi masing-masing sebesar Rp762 dan Rp1.218 pada tanggal 31 Desember 2019 dan 2018			<i>BTN Bonds XV net of unamortized issuance cost amounting to Rp762 and Rp1,218 as of Desember 31, 2019 and 2018, respectively</i>
Pihak ketiga	1.191.301	1.190.884	<i>Third parties</i>
Pihak berelasi (Catatan 44)	107.937	107.898	<i>Related parties (Note 44)</i>
Obligasi BTN XIV setelah dikurangi biaya emisi yang belum diamortisasi masing-masing sebesar Rp263 dan Rp818 pada tanggal 31 Desember 2019 dan 2018			<i>BTN Bonds XIV net of unamortized issuance cost amounting to Rp263 and Rp818 as of Desember 31, 2019 and 2018, respectively</i>
Pihak ketiga	1.005.338	1.014.997	<i>Third parties</i>
Pihak berelasi (Catatan 44)	629.399	634.185	<i>Related parties (Note 44)</i>
<i>Negotiable Certificate of Deposits (NCD)</i> setelah dikurangi diskonto masing-masing sebesar RpNihil dan Rp111.719 pada tanggal 31 Desember 2019 dan 2018			<i>Negotiable Certificate of Deposits (NCD) net of discounts amounting to RpNil and Rp111,719 as of Desember 31, 2019 and 2018, respectively</i>
Pihak ketiga	-	2.245.475	<i>Third parties</i>
Pihak berelasi (Catatan 44)	-	1.362.805	<i>Related parties (Note 44)</i>
<b>Total</b>	<b>19.783.552</b>	<b>20.644.760</b>	<b>Total</b>

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**24. SURAT-SURAT BERTAHAP YANG  
DITERBITKAN (lanjutan)**

a. Obligasi

i. Obligasi Berkelanjutan III Tahap II

Bank menerbitkan Obligasi Berkelanjutan III BTN Tahap II Tahun 2019 dengan jumlah nilai nominal sebesar Rp4.144.000 yang terdaftar di Bursa Efek Indonesia (BEI). Obligasi tersebut diterbitkan senilai 100% dari nilai nominalnya dengan tingkat bunga tetap tahunan sebesar 7,75%, 8,75% dan 9,00% yang dibayarkan tiap tiga bulanan masing-masing untuk Obligasi Berkelanjutan III Tahap II Seri A, Seri B dan Seri C dan akan jatuh tempo masing-masing pada tanggal 8 Juli 2020, 28 Juni 2022, 28 Juni 2024. Penerbitan Obligasi Berkelanjutan III Tahap II tahun 2019 tersebut telah dinyatakan efektif berdasarkan surat Dewan Komisiner Otoritas Jasa Keuangan No. S-352/D.04/2017 tanggal 22 Juni 2017.

Penerimaan bersih dari penerbitan obligasi tersebut digunakan sebagai sumber pembiayaan kredit. Hak pemegang obligasi adalah paripassu tanpa hak preferen dengan hak-hak kreditur Bank lainnya baik yang ada sekarang maupun dikemudian hari, kecuali hak-hak kreditur Bank yang dijamin secara khusus dengan kekayaan Bank baik yang telah ada maupun yang akan ada dikemudian hari. Obligasi ini tidak termasuk dalam program jaminan Pemerintah terhadap kewajiban pembayaran bank umum.

Pada tanggal 31 Desember 2019, Obligasi Berkelanjutan III BTN Tahap II mendapat penilaian peringkat idAA+ dari PT Pemeringkat Efek Indonesia (PT Pefindo).

Bertindak sebagai wali amanat Obligasi Berkelanjutan III Tahap II adalah PT Bank Mega Tbk.

**24. SECURITIES ISSUED (continued)**

a. Bonds

i. Continuing Bonds III Phase II

The Bank issued Continuing Bonds III Phase II of 2019 with a total nominal value of Rp4,144,000, which are registered in the Indonesia Stock Exchange (IDX). Such bonds were issued at 100% of their nominal value with an annual fixed interest rates of 7.75%, 8.75% and 9.00%, payable every three months for Continuing Bonds III Phase II Series A, Series B and Series C, respectively, and will mature on July 8, 2020, June 28, 2022, and June 28, 2024, respectively. The issuance of Continuing Bonds III Phase II of 2019 became effective based on Letter No. S-352/D.04/2017 dated June 22, 2017 of the Commissioner Board of the Financial Services Authority.

The net proceeds from the issuance of the bonds were used to finance loans. The rights of the bondholders rank paripassu, without preferential rights, with those of the Bank's other creditors for existing or future creditor rights, except for the Bank's creditors' rights which are guaranteed specifically by the Bank's existing or future assets. The bonds are not included in the Government's guarantee program on the obligations of commercial banks.

As of December 31, 2019, Continuing Bonds III Phase I are rated idAA+ by PT Pemeringkat Efek Indonesia (PT Pefindo).

The trustee for Continuing Bonds III Phase II is PT Bank Mega Tbk.

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**24. SURAT-SURAT BERHARGA YANG  
DITERBITKAN (lanjutan)**

a. Obligasi (lanjutan)

ii. Obligasi Berkelanjutan III Tahap I

Bank menerbitkan Obligasi Berkelanjutan III BTN Tahap I Tahun 2017 dengan jumlah nilai nominal sebesar Rp5.000.000 yang terdaftar di Bursa Efek Indonesia (BEI). Obligasi tersebut diterbitkan senilai 100% dari nilai nominalnya dengan tingkat bunga tetap tahunan sebesar 8,30%, 8,50%, 8,70% dan 8,90% yang dibayarkan tiap tiga bulanan masing-masing untuk Obligasi Berkelanjutan III Tahap I Seri A, Seri B, Seri C dan Seri D dan akan jatuh tempo masing-masing pada tanggal 13 Juli 2020, 13 Juli 2022, 13 Juli 2024 dan 13 Juli 2027. Penerbitan Obligasi Berkelanjutan III Tahap I tahun 2017 tersebut telah dinyatakan efektif berdasarkan surat Dewan Komisiner Otoritas Jasa Keuangan No. S-352/D.04/2017 tanggal 22 Juni 2017.

Penerimaan bersih dari penerbitan obligasi tersebut digunakan sebagai sumber pembiayaan kredit. Hak pemegang obligasi adalah paripassu tanpa hak preferen dengan hak-hak kreditur Bank lainnya baik yang ada sekarang maupun dikemudian hari, kecuali hak-hak kreditur Bank yang dijamin secara khusus dengan kekayaan Bank baik yang telah ada maupun yang akan ada dikemudian hari. Obligasi ini tidak termasuk dalam program jaminan Pemerintah terhadap kewajiban pembayaran bank umum.

Pada tanggal 31 Desember 2019 dan 2018, Obligasi Berkelanjutan III BTN Tahap I mendapat penilaian peringkat idAA+ dari PT Pemeringkat Efek Indonesia (PT Pefindo).

Pada tanggal 31 Desember 2019, Bank melakukan pembelian kembali Obligasi III Tahap I dengan nilai nominal sebesar Rp35.000 dengan harga beli Rp35.257.

Bertindak sebagai wali amanat Obligasi Berkelanjutan III Tahap I adalah PT Bank Mandiri (Persero) Tbk.

**24. SECURITIES ISSUED (continued)**

a. Bonds (continued)

ii. Continuing Bonds III Phase I

The Bank issued Continuing Bonds III Phase I of 2017 with a total nominal value of Rp5,000,000, which are registered in the Indonesia Stock Exchange (IDX). Such bonds were issued at 100% of their nominal value with an annual fixed interest rates of 8.30%, 8.50%, 8.70% and 8.90%, payable every three months for Continuing Bonds III Phase I Series A, Series B, Series C and Series D, respectively, and will mature on July 13, 2020, July 13, 2022, July 13, 2024 and July 13, 2027, respectively. The issuance of Continuing Bonds III Phase I of 2017 became effective based on Letter No. S-352/D.04/2017 dated June 22, 2017 of the Commissioner Board of the Financial Services Authority.

The net proceeds from the issuance of the bonds were used to finance loans. The rights of the bondholders rank paripassu, without preferential rights, with those of the Bank's other creditors for existing or future creditor rights, except for the Bank's creditors' rights which are guaranteed specifically by the Bank's existing or future assets. The bonds are not included in the Government's guarantee program on the obligations of commercial banks.

As of December 31, 2019 and 2018, Continuing Bonds III Phase I are rated idAA+ by PT Pemeringkat Efek Indonesia (PT Pefindo).

As of December 31, 2019, the Bank bought back BTN Continuing Bonds III Phase I Bonds with nominal value of Rp35,000 with repurchased price of Rp35,257.

The trustee for Continuing Bonds III Phase I is PT Bank Mandiri (Persero) Tbk.

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**24. SECURITIES ISSUED (continued)**

a. Obligasi (lanjutan)

a. Bonds (continued)

iii. Obligasi Berkelanjutan II Tahap II

iii. Continuing Bonds II Phase II

Bank menerbitkan Obligasi Berkelanjutan II Tahap II Tahun 2016 dengan jumlah nilai nominal sebesar Rp3.000.000 yang terdaftar di Bursa Efek Indonesia (BEI). Obligasi tersebut diterbitkan senilai 100% dari nilai nominalnya dengan tingkat bunga tetap tahunan sebesar 8,20% dan 8,75% yang dibayarkan tiap tiga bulanan masing-masing untuk Obligasi Berkelanjutan II Tahap II Seri A dan Seri B dan akan jatuh tempo masing-masing pada tanggal 30 Agustus 2019 dan 30 Agustus 2021. Penerbitan Obligasi Berkelanjutan II Tahap II tahun 2016 tersebut telah dinyatakan efektif berdasarkan surat Dewan Komisiner Otoritas Jasa Keuangan No. S-297/D.04/2015 tanggal 30 Juni 2015.

The Bank issued Continuing Bonds II Phase II of 2016 with a total nominal value of Rp3,000,000, which are registered in the Indonesia Stock Exchange (IDX). Such bonds were issued at 100% of their nominal value with an annual fixed interest rates of 8.20% and 8.75%, payable every three months for Continuing Bonds II Phase II Series A and Series B, respectively, and will mature on August 30, 2019 and August 30, 2021, respectively. The issuance of Continuing Bonds II Phase II of 2016 became effective based on Letter No. S-297/D.04/2015 dated June 30, 2015 of the Commissioner Board of the Financial Services Authority.

Penerimaan bersih dari penerbitan obligasi tersebut digunakan sebagai sumber pembiayaan kredit. Hak pemegang obligasi adalah paripassu tanpa hak preferen dengan hak-hak kreditor Bank lainnya baik yang ada sekarang maupun dikemudian hari, kecuali hak-hak kreditor Bank yang dijamin secara khusus dengan kekayaan Bank baik yang telah ada maupun yang akan ada dikemudian hari. Obligasi ini tidak termasuk dalam program jaminan Pemerintah terhadap kewajiban pembayaran bank umum.

The net proceeds from the issuance of the bonds were used to finance loans. The rights of the bondholders rank paripassu, without preferential rights, with those of the Bank's other creditors for existing or future creditor rights, except for the Bank's creditors' rights which are guaranteed specifically by the Bank's existing or future assets. The bonds are not included in the Government's guarantee program on the obligations of commercial banks.

Pada tanggal 31 Desember 2019 dan 2018, Obligasi Berkelanjutan II Tahap II mendapat penilaian peringkat idAA+ dari PT Pemeringkat Efek Indonesia (PT Pefindo).

As of December 31, 2019 and 2018, Continuing Bonds II Phase II are rated idAA+ by PT Pemeringkat Efek Indonesia (PT Pefindo).

Bertindak sebagai wali amanat Obligasi Berkelanjutan II Tahap II adalah PT Bank Mega Tbk.

The trustee for Continuing Bonds II Phase II is PT Bank Mega Tbk.

Pada tanggal 31 Desember 2019, Obligasi Berkelanjutan II Tahap II Seri A telah dilunasi oleh Bank pada tanggal jatuh tempo.

As of December 31, 2019, Continuing Bonds II Phase II Series A has been redeemed by the Bank on the maturity date.



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a. Obligasi (lanjutan)

iv. Obligasi Berkelanjutan II Tahap I

Bank menerbitkan Obligasi Berkelanjutan II Tahap I Tahun 2015 dengan jumlah nilai nominal sebesar Rp3.000.000 yang terdaftar di Bursa Efek Indonesia (BEI). Obligasi tersebut diterbitkan senilai 100% dari nilai nominalnya dengan tingkat bunga tetap tahunan sebesar 9,63%, 9,88%, 10,00% dan 10,50% yang dibayarkan tiap tiga bulanan masing-masing untuk Obligasi Berkelanjutan II Tahap I Seri A, Seri B, Seri C dan Seri D dan akan jatuh tempo masing-masing pada tanggal 8 Juli 2018, 8 Juli 2020, 8 Juli 2022 dan 8 Juli 2025. Penerbitan Obligasi Berkelanjutan II Tahap I tahun 2015 tersebut telah dinyatakan efektif berdasarkan surat Dewan Komisiner Otoritas Jasa Keuangan No. S-207/D.04/2015 tanggal 30 Juni 2015.

Penerimaan bersih dari penerbitan obligasi tersebut digunakan sebagai sumber pembiayaan kredit. Hak pemegang obligasi adalah paripassu tanpa hak preferen dengan hak-hak kreditur Bank lainnya baik yang ada sekarang maupun dikemudian hari, kecuali hak-hak kreditur Bank yang dijamin secara khusus dengan kekayaan Bank baik yang telah ada maupun yang akan ada dikemudian hari. Obligasi ini tidak termasuk dalam program jaminan Pemerintah terhadap kewajiban pembayaran bank umum.

Pada tanggal 31 Desember 2019 dan 2018, Obligasi Berkelanjutan II Tahap I mendapat penilaian peringkat idAA+ dari PT Pemeringkat Efek Indonesia (PT Pefindo).

Bertindak sebagai wali amanat Obligasi Berkelanjutan II Tahap I adalah PT Bank Mega Tbk.

Pada tanggal 31 Desember 2018, Obligasi Berkelanjutan II Tahap I Seri A telah dilunasi oleh Bank pada tanggal jatuh tempo.

**24. SECURITIES ISSUED (continued)**

a. Bonds (continued)

iv. Continuing Bonds II Phase I

The Bank issued Continuing Bonds II Phase I of 2015 with a total nominal value of Rp3,000,000, which are registered in the Indonesia Stock Exchange (IDX). Such bonds were issued at 100% of their nominal value with an annual fixed interest rates of 9.63%, 9.88%, 10.00% and 10.50%, payable every three months for Continuing Bonds II Phase I Series A, Series B, Series C and Series D, respectively, and will mature on July 8, 2018, July 8, 2020, July 8, 2022 and July 8, 2025, respectively. The issuance of Continuing Bonds II Phase I of 2015 became effective based on Letter No. S-207/D.04/2015 dated June 30, 2015 of the Commissioner Board of the Financial Services Authority.

The net proceeds from the issuance of the bonds were used to finance loans. The rights of the bondholders rank paripassu, without preferential rights, with those of the Bank's other creditors for existing or future creditor rights, except for the Bank's creditors' rights which are guaranteed specifically by the Bank's existing or future assets. The bonds are not included in the Government's guarantee program on the obligations of commercial banks.

As of December 31, 2019 and 2018, Continuing Bonds II Phase I are rated idAA+ by PT Pemeringkat Efek Indonesia (PT Pefindo).

The trustee for Continuing II Phase I is PT Bank Mega Tbk.

As of December 31, 2018, Continuing II Phase I Series A has been redeemed by the Bank on the maturity date.

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**24. SURAT-SURAT BERHARGA YANG  
DITERBITKAN (lanjutan)**

a. Obligasi (lanjutan)

v. Obligasi Berkelanjutan I Tahap II

Bank menerbitkan Obligasi Berkelanjutan I Tahap II Tahun 2013 dengan jumlah nilai nominal sebesar Rp2.000.000 yang terdaftar di Bursa Efek Indonesia (BEI). Obligasi tersebut diterbitkan senilai 100% dari nilai nominalnya dengan tingkat bunga tetap tahunan sebesar 7,90% yang dibayarkan tiap tiga bulanan dan akan jatuh tempo pada tanggal 27 Maret 2023. Penerbitan Obligasi Berkelanjutan I Tahap II tahun 2013 tersebut telah dinyatakan efektif berdasarkan surat Ketua BAPEPAM-LK No. S-6349/BL/2012 tanggal 28 Mei 2012.

Penerimaan bersih dari penerbitan obligasi tersebut digunakan sebagai sumber pembiayaan kredit. Hak pemegang obligasi adalah paripassu tanpa hak preferen dengan hak-hak kreditur Bank lainnya baik yang ada sekarang maupun di kemudian hari, kecuali hak-hak kreditur Bank yang dijamin secara khusus dengan kekayaan Bank baik yang telah ada maupun yang akan ada di kemudian hari. Obligasi ini tidak dijamin dengan jaminan khusus, tetapi dijamin dengan seluruh harta kekayaan Bank, baik barang bergerak maupun barang tidak bergerak, baik yang telah ada maupun yang akan ada di kemudian hari menjadi jaminan bagi pemegang obligasi.

Pada tanggal 31 Desember 2019 dan 2018, Obligasi Berkelanjutan I BTN Tahap II mendapat penilaian peringkat idAA+, dari PT Pemeringkat Efek Indonesia (PT Pefindo).

Bertindak sebagai wali amanat Obligasi Berkelanjutan I BTN Tahap II adalah PT Bank Mega Tbk.

**24. SECURITIES ISSUED (continued)**

a. Bonds (continued)

v. Continuing Bonds I Phase II

The Bank issued Continuing Bonds I Phase II 2013 with a total nominal value of Rp2,000,000, which are registered in the Indonesia Stock Exchange (IDX). Such bonds were issued at 100% of their nominal value with an annual fixed interest rate of 7.90%, payable every three months and will mature on March 27, 2023. The issuance of Continuing Bonds I Phase II of 2013 became effective based on Letter No. S-6349/BL/2012 dated May 28, 2012 of the Chairman of BAPEPAM-LK.

The net proceeds from the issuance of the bonds were used to finance loans. The rights of the bondholders rank paripassu, without preferential rights, with those of the Bank's other creditors for existing or future creditor rights, except for the Bank's creditors' rights which are guaranteed specifically by the Bank's existing or future assets. The bonds are not secured by specific collateral, but are secured by all assets of the Bank, both movable and immovable, and those that are existing and will exist in the future, which are attributable to the Bank's bondholders.

As of December 31, 2019 and 2018, Continuing Bonds I Phase II were rated idAA+, respectively, by PT Pemeringkat Efek Indonesia (PT Pefindo).

The trustee for Continuing Bonds I Phase II is PT Bank Mega Tbk.

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**24. SURAT-SURAT BERHARGA YANG  
DITERBITKAN (lanjutan)**

a. Obligasi (lanjutan)

vi. Obligasi Berkelanjutan I BTN Tahap I

Bank menerbitkan Obligasi Berkelanjutan I BTN Tahap I Tahun 2012 dengan jumlah nilai nominal sebesar Rp2.000.000 yang terdaftar di Bursa Efek Indonesia (BEI). Obligasi tersebut diterbitkan senilai 100% dari nilai nominalnya dengan tingkat bunga tetap tahunan sebesar 7,90% yang dibayarkan tiap tiga bulanan dan akan jatuh tempo pada tanggal 5 Juni 2022. Penerbitan Obligasi Berkelanjutan BTN I Tahap I tahun 2012 tersebut telah dinyatakan efektif berdasarkan surat Ketua BAPEPAM-LK No. S-6349/BL/2012 tanggal 28 Mei 2012.

Penerimaan bersih dari penerbitan obligasi tersebut digunakan sebagai sumber pembiayaan kredit. Hak pemegang obligasi adalah paripassu tanpa hak preferen dengan hak-hak kreditur Bank lainnya baik yang ada sekarang maupun di kemudian hari, kecuali hak-hak kreditur Bank yang dijamin secara khusus dengan kekayaan Bank baik yang telah ada maupun yang akan ada di kemudian hari. Obligasi ini tidak dijamin dengan jaminan khusus, tetapi dijamin dengan seluruh harta kekayaan Bank, baik barang bergerak maupun barang tidak bergerak, baik yang telah ada maupun yang akan ada di kemudian hari menjadi jaminan bagi pemegang obligasi.

Pada tanggal 31 Desember 2019 dan 2018, Obligasi Berkelanjutan I BTN tahap I mendapat penilaian peringkat idAA+, dari PT Pemeringkat Efek Indonesia (PT Pefindo).

Bertindak sebagai wali amanat Obligasi Berkelanjutan I BTN tahap I adalah PT Bank Mega Tbk.

**24. SECURITIES ISSUED (continued)**

a. Bonds (continued)

vi. Continuing Bonds I Phase I

The Bank issued Continuing Bonds I Phase I 2012 with a total nominal value of Rp2,000,000, which are registered in the Indonesia Stock Exchange (IDX). Such bonds were issued at 100% of their nominal value with an annual fixed interest rate of 7.90%, payable every three months and are due on June 5, 2022. The issuance of Continuing Bonds I Phase I of 2012 became effective based on Letter No. S-6349/BL/2012 dated May 28, 2012 of the Chairman of BAPEPAM-LK.

The net proceeds from the issuance of the bonds were used to finance loans. The rights of the bondholders rank paripassu, without preferential rights, with those of the Bank's other creditors for existing or future creditor rights, except for the Bank's creditors' rights which are guaranteed specifically by the Bank's existing or future assets. The bonds are not secured by specific collateral, but are secured by all assets of the Bank, both movable and immovable, and those that are existing and will exist in the future, which are attributable to the Bank's bondholders.

As of December 31, 2019 and 2018, Continuing Bonds I BTN Phase I were rated idAA+, respectively, by PT Pemeringkat Efek Indonesia (PT Pefindo).

The trustee for Continuing Bonds I Phase I is PT Bank Mega Tbk.

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**24. SURAT-SURAT BERHARGA YANG  
DITERBITKAN (lanjutan)**

a. Obligasi (lanjutan)

vii. Obligasi BTN XV

Bank menerbitkan Obligasi BTN XV Tahun 2011 dengan jumlah nilai nominal sebesar Rp1.300.000 yang terdaftar di Bursa Efek Indonesia (BEI). Obligasi tersebut diterbitkan senilai 100% dari nilai nominalnya dengan tingkat bunga tetap tahunan sebesar 9,50% yang dibayarkan tiap tiga bulanan dan akan jatuh tempo pada tanggal 28 Juni 2021. Penerbitan Obligasi BTN XV tahun 2011 tersebut telah dinyatakan efektif berdasarkan surat Ketua BAPEPAM-LK No. S-6928/BL/2011 tanggal 21 Juni 2011.

Penerimaan bersih dari penerbitan obligasi tersebut digunakan sebagai sumber pembiayaan kredit. Hak pemegang obligasi adalah paripassu tanpa hak preferen dengan hak-hak kreditur Bank lainnya baik yang ada sekarang maupun di kemudian hari, kecuali hak-hak kreditur Bank yang dijamin secara khusus dengan kekayaan Bank baik yang telah ada maupun yang akan ada di kemudian hari. Obligasi ini tidak dijamin dengan jaminan khusus, tetapi dijamin dengan seluruh harta kekayaan Bank, baik barang bergerak maupun barang tidak bergerak, baik yang telah ada maupun yang akan ada di kemudian hari menjadi jaminan bagi pemegang obligasi.

Pada tanggal 31 Desember 2019 dan 2018, Obligasi BTN XV mendapat penilaian peringkat idAA+, dari PT Pemeringkat Efek Indonesia (PT Pefindo).

Bertindak sebagai wali amanat Obligasi BTN XV adalah PT Bank Mega Tbk.

**24. SECURITIES ISSUED (continued)**

a. Bonds (continued)

vii. BTN Bonds XV

The Bank issued BTN Bonds XV of 2011 with a total nominal value of Rp1,300,000, which are registered in the Indonesia Stock Exchange (IDX). Such bonds were issued at 100% of their nominal value with an annual fixed interest rate of 9.50%, payable every three months and will mature on June 28, 2021. The issuance of BTN Bonds XV of 2011 became effective based on Letter No. S-6928/BL/2011 dated June 21, 2011 of the Chairman of BAPEPAM-LK.

The net proceeds from the issuance of the bonds were used to finance loans. The rights of the bondholders rank paripassu, without preferential rights, with those of the Bank's other creditors for existing or future creditor rights, except for the Bank's creditors' rights which are guaranteed specifically by the Bank's existing or future assets. The bonds are not secured by specific collateral, but are secured by all assets of the Bank, both movable and immovable, and those that are existing and will exist in the future, which are attributable to the Bank's bondholders.

As of December 31, 2019 and 2018, BTN Bonds XV were rated idAA+, respectively, by PT Pemeringkat Efek Indonesia (PT Pefindo).

The trustee for BTN Bonds XV is PT Bank Mega Tbk.

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**24. SURAT-SURAT BERHARGA YANG  
DITERBITKAN (lanjutan)**

a. Obligasi (lanjutan)

viii. Obligasi BTN XIV

Bank menerbitkan Obligasi BTN XIV Tahun 2010 dengan jumlah nilai nominal sebesar Rp1.650.000 yang terdaftar di Bursa Efek Indonesia (BEI). Obligasi tersebut diterbitkan senilai 100% dari nilai nominalnya dengan tingkat bunga tetap tahunan sebesar 10,25% yang dibayarkan tiap tiga bulanan dan akan jatuh tempo pada tanggal 11 Juni 2020. Penerbitan Obligasi BTN XIV tahun 2010 tersebut telah dinyatakan efektif berdasarkan surat Ketua BAPEPAM-LK No. S-4916/BL/2010 tanggal 3 Juni 2010.

Penerimaan bersih dari penerbitan obligasi tersebut digunakan sebagai sumber pembiayaan kredit. Hak pemegang obligasi adalah paripassu tanpa hak preferen dengan hak-hak kreditur Bank lainnya baik yang ada sekarang maupun dikemudian hari, kecuali hak-hak kreditur Bank yang dijamin secara khusus dengan kekayaan Bank baik yang telah ada maupun yang akan ada dikemudian hari. Obligasi ini tidak dijamin dengan jaminan khusus, tetapi dijamin dengan seluruh harta kekayaan Bank, baik barang bergerak maupun barang tidak bergerak, baik yang telah ada maupun yang akan ada di kemudian hari menjadi jaminan bagi pemegang obligasi.

Pada tanggal 31 Desember 2019 dan 2018, Obligasi BTN XIV mendapat penilaian peringkat idAA+ dari PT Pemeringkat Efek Indonesia (PT Pefindo).

Pada tanggal 31 Desember 2019, Bank melakukan pembelian kembali Obligasi XIV dengan nilai nominal sebesar Rp15.000 dengan harga beli Rp15.348.

Bertindak sebagai wali amanat Obligasi BTN XIV adalah PT Bank Mega Tbk.

**24. SECURITIES ISSUED (continued)**

a. Bonds (continued)

viii. BTN Bonds XIV

The Bank issued BTN Bonds XIV of 2010 with a total nominal value of Rp1,650,000, which are registered in the Indonesia Stock Exchange (IDX). Such bonds were issued at 100% of their nominal value with an annual fixed interest rate of 10.25%, payable every three months and will mature on June 11, 2020. The issuance of BTN Bonds XIV of 2010 became effective based on Letter No. S-4916/BL/2010 dated June 3, 2010 of the Chairman of BAPEPAM-LK.

The net proceeds from the issuance of the bonds were used to finance loans. The rights of the bondholders rank paripassu, without preferential rights, with those of the Bank's other creditors for existing or future creditor rights, except for the Bank's creditors' rights which are guaranteed specifically by the Bank's existing or future assets. The bonds are not secured by specific collateral, but are secured by all assets of the Bank, both movable and immovable, and those that are existing and will exist in the future, which are attributable to the Bank's bondholders.

As of December 31, 2019 and 2018, BTN Bonds XIV are rated idAA+, respectively, by PT Pemeringkat Efek Indonesia (PT Pefindo).

As of December 31, 2019, the Bank bought back BTN XIV Bonds with nominal value of Rp15,000 with repurchased price of Rp15,348.

The trustee for BTN Bonds XIV is PT Bank Mega Tbk.

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**24. SURAT-SURAT BERTAHAP YANG  
DITERBITKAN (lanjutan)**

a. Obligasi (lanjutan)

Perjanjian perwalianan atas seluruh obligasi memuat beberapa pembatasan terhadap Bank dan memerlukan persetujuan tertulis dari wali amanat sebelum melakukan hal-hal berikut:

- Mengalihkan, melepaskan hak, atau menjadikan jaminan hutang seluruh atau lebih dari 50% dari seluruh kekayaan Bank.
- Melakukan penggabungan, peleburan dan/atau akuisisi yang secara material akan mempunyai akibat negatif terhadap kelangsungan usaha Bank atau kemampuan Bank dalam memenuhi kewajiban Bank terhadap pemegang obligasi, kecuali atas permintaan dan/atau perintah Pemerintah dan/atau otoritas yang berwenang.
- Mengubah bidang usaha Bank yang secara material akan mempunyai akibat negatif terhadap kelangsungan usaha Bank atau kemampuan Bank dalam memenuhi kewajiban Bank terhadap pemegang obligasi, kecuali atas permintaan dan/atau perintah Pemerintah dan/atau otoritas yang berwenang.
- Mengurangi modal dasar dan modal disetor kecuali jika pengurangan tersebut dilakukan atas dasar permintaan/perintah dari Pemerintah Republik Indonesia dan/atau otoritas yang berwenang.

Selama tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018, Bank telah mengamortisasi biaya emisi obligasi masing-masing sebesar Rp6.001 dan Rp4.460 yang dicatat dalam laporan laba rugi dan penghasilan komprehensif lain.

Pada tanggal-tanggal 31 Desember 2019 dan 2018, Bank telah memenuhi ketentuan dan kondisi yang ada dalam perjanjian perwalianan tersebut.

Untuk periode yang berakhir pada tanggal 31 Desember 2019 dan 2018, Bank telah melakukan pembayaran bunga sesuai nilai kupon kepada pemegang obligasi yang diterbitkan Bank pada saat jatuh tempo pembayaran bunga.

**24. SECURITIES ISSUED (continued)**

a. Bonds (continued)

The trusteeship agreements covering all the bonds imposed several restrictive covenants on the Bank and require the trustees' written approval prior to perform the following:

- Transfer, the right to, or pledge as collateral, all or more than 50% of the Bank's total assets.
- Enter into consolidation or merger and/or acquire entities that would result in a material negative impact to the Bank's going concern status or the ability of the Bank to fulfil its obligations to the bondholders, except when required and/or directed by the Government and/or any governing authority.
- Change the main business of the Bank resulting in a material negative impact to the Bank's going concern status or the ability of the Bank to fulfill its obligations to the bondholders, except when required and/or directed by the Government and/or any governing authority.
- Reduce the authorized capital and paid-in capital except when required or directed by the Government and/or any governing authority

For the year ended December 31, 2019 and 2018, the Bank has amortized the bonds issuance cost amounting to Rp6,001 and Rp4,460, respectively, recorded in the statements of profit or loss and other comprehensive income.

As of December 31, 2019 and 2018, the Bank has complied with the existing terms and conditions of the above trusteeship agreements.

For year ended December 31, 2019 and 2018, coupon payments to all bond holders have been made by the Bank on the respective interest payment due dates.

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**24. SURAT-SURAT BERHARGA YANG  
DITERBITKAN (lanjutan)**

**24. SECURITIES ISSUED (continued)**

b. *Negotiable Certificate of Deposits*

Pada tanggal 13 Desember 2017, Bank menerbitkan *Negotiable Certificate of Deposits* (NCD) Tahap IV Tahun 2017 dengan nilai pokok sebesar Rp540.000 dalam 3 (tiga) seri sebagai berikut:

- Seri A: Nilai pokok NCD sebesar Rp160.000 dengan tingkat bunga tetap sebesar 5,90% per tahun, untuk jangka waktu 181 (seratus delapan puluh satu) hari dan akan jatuh tempo pada tanggal 12 Juni 2018. NCD tersebut diterbitkan sebesar 97,12%.
- Seri B: Nilai pokok NCD sebesar Rp320.000 dengan tingkat bunga tetap sebesar 6,20% per tahun, untuk jangka waktu 365 (tiga ratus enam puluh lima) hari dan akan jatuh tempo pada tanggal 13 Desember 2018. NCD tersebut diterbitkan sebesar 94,08%.
- Seri C: Nilai pokok NCD sebesar Rp60.000 dengan tingkat bunga tetap sebesar 6,60% per tahun, untuk jangka waktu 730 (tujuh ratus tiga puluh) hari dan akan jatuh tempo pada tanggal 13 Desember 2019. NCD tersebut diterbitkan sebesar 88,19%.

*Negotiable Certificate of Deposits* (NCD) Tahap IV Seri A, Seri B dan Seri C dengan nilai nominal Rp540.000 telah dilunasi oleh Bank pada tanggal jatuh tempo.

Pada tanggal 3 April 2018, Bank menerbitkan *Negotiable Certificate of Deposits* (NCD) Tahap I Tahun 2018 dengan nilai pokok sebesar Rp1.440.000 dalam 2 (dua) seri sebagai berikut:

- Seri A: Nilai pokok NCD sebesar Rp830.000 dengan tingkat bunga tetap sebesar 5,90% per tahun, untuk jangka waktu 182 (seratus delapan puluh dua) hari dan akan jatuh tempo pada tanggal 2 Oktober 2018. NCD tersebut diterbitkan sebesar 97,10%.
- Seri B: Nilai pokok NCD sebesar Rp610.000 dengan tingkat bunga tetap sebesar 6,20% per tahun, untuk jangka waktu 364 (tiga ratus enam puluh empat) hari dan akan jatuh tempo pada tanggal 2 April 2019. NCD tersebut diterbitkan sebesar 94,10%.

b. *Negotiable Certificate of Deposits*

On December 13, 2017, Bank issued *Negotiable Certificate of Deposits* (NCD) Phase IV year 2017 with principal value amounting to Rp540,000 within 3 (three) series as follows:

- A Series: NCD principal value amounting to Rp160,000 with a fixed interest rate of 5.90% per annum, for 181 (one hundred and eighty one) days period and will mature on June 12, 2018. The NCD were issued at 97.12%.
- B Series: NCD principal value amounting to Rp320,000 with a fixed interest rate of 6.20% per annum, for 365 (three hundred and sixty five) days period and will mature on December 13, 2018. The NCD were issued at 94.08%.
- C Series: NCD principal value amounting to Rp60,000 with a fixed interest rate of 6.60% per annum, for 730 (seven hundred and thirty) days period and will mature on December 13, 2019. The NCD were issued at 88.19%.

*Negotiable Certificate of Deposits* (NCD) Phase IV Series A, Series B and Series C with nominal value of Rp540,000 has been redeemed by the Bank on the maturity date.

On April 3, 2018, the Bank issued *Negotiable Certificate of Deposits* (NCD) Phase I year 2018 with principal value amounting to Rp1,440,000 within 2 (two) series as follows:

- A Series: NCD principal value amounting to Rp830,000 with a fixed interest rate of 5.90% per annum, for 182 (one hundred and eighty two) days period and will mature on October 2, 2018. The NCD were issued at 97.10%.
- B Series: NCD principal value amounting to Rp610,000 with a fixed interest rate of 6.20% per annum, for 364 (three hundred and sixty four) days period and will mature on April 2, 2019. The NCD were issued at 94.10%.

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**24. SURAT-SURAT BERHARGA YANG  
DITERBITKAN (lanjutan)**

**24. SECURITIES ISSUED (continued)**

b. *Negotiable Certificate of Deposits* (lanjutan)

b. *Negotiable Certificate of Deposits* (continued)

Pada tanggal 3 April 2018, Bank menerbitkan *Negotiable Certificate of Deposits* (NCD) Tahap I Tahun 2018 dengan nilai pokok sebesar Rp1.440.000 dalam 2 (dua) seri sebagai berikut: (lanjutan)

On April 3, 2018, Bank issued *Negotiable Certificate of Deposits* (NCD) Phase I year 2018 with principal value amounting to Rp1,440,000 within 2 (two) series as follows: (continued)

*Negotiable Certificate of Deposits* (NCD) Tahap I Seri A dan Seri B dengan nilai nominal Rp830.000 dan Rp610.000 telah dilunasi oleh Bank pada tanggal jatuh tempo.

*Negotiable Certificate of Deposits* (NCD) Phase I Series A and Series B with nominal value of Rp830,000 and Rp610,000 have been redeemed by the Bank on the maturity date.

Pada tanggal 18 Juli 2018, Bank menerbitkan *Negotiable Certificate of Deposits* (NCD) Tahap II Tahun 2018 dengan nilai pokok sebesar Rp690.000 dalam 2 (dua) seri sebagai berikut:

On July 18, 2018, the Bank issued *Negotiable Certificate of Deposits* (NCD) Phase II year 2018 with principal value amounting to Rp690,000 within 2 (two) series as follows:

- Seri A: Nilai pokok NCD sebesar Rp520.000 dengan tingkat bunga tetap sebesar 7,60% per tahun, untuk jangka waktu 181 (seratus delapan puluh satu) hari dan akan jatuh tempo pada tanggal 15 Januari 2019. NCD tersebut diterbitkan sebesar 96,32%.
- Seri B: Nilai pokok NCD sebesar Rp170.000 dengan tingkat bunga tetap sebesar 7,70% per tahun, untuk jangka waktu 363 (tiga ratus enam puluh tiga) hari dan akan jatuh tempo pada tanggal 16 Juli 2019. NCD tersebut diterbitkan sebesar 92,80%.

- A Series: NCD principal value amounting to Rp520,000 with a fixed interest rate of 7.60% per annum, for 181 (one hundred and eighty one) days period and will mature on January 15, 2019. The NCD were issued at 96.32%.

- B Series: NCD principal value amounting to Rp170,000 with a fixed interest rate of 7.70% per annum, for 363 (three hundred and sixty three) days period and will mature on July 16, 2019. The NCD were issued at 92.80%.

*Negotiable Certificate of Deposits* (NCD) Tahap II Seri A dan Seri B dengan nilai nominal Rp520.000 dan Rp170.000 telah dilunasi oleh Bank pada tanggal jatuh tempo.

*Negotiable Certificate of Deposits* (NCD) Phase II Series A and Series B with nominal value of Rp520,000 and Rp170,000 have been redeemed by the Bank on the maturity date.

Pada tanggal 5 November 2018, Bank menerbitkan *Negotiable Certificate of Deposits* (NCD) Tahap III Tahun 2018 dengan nilai pokok sebesar Rp2.020.000 dalam 3 (tiga) seri sebagai berikut:

On November 5, 2018, the Bank issued *Negotiable Certificate of Deposits* (NCD) Phase III year 2018 with principal value amounting to Rp2,020,000 within 3 (three) series as follows:

- Seri A: Nilai pokok NCD sebesar Rp1.340.000 dengan tingkat bunga tetap sebesar 8,30% per tahun, untuk jangka waktu 183 (seratus delapan puluh tiga) hari dan akan jatuh tempo pada tanggal 7 Mei 2019. NCD tersebut diterbitkan sebesar 95,95%.

- A Series: NCD principal value amounting to Rp1,340,000 with a fixed interest rate of 8.30% per annum, for 183 (one hundred and eighty three) days period and will mature on May 7, 2019. The NCD were issued at 95.95%.



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**24. SURAT-SURAT BERTAHAP YANG  
DITERBITKAN (lanjutan)**

**24. SECURITIES ISSUED (continued)**

b. *Negotiable Certificate of Deposits* (lanjutan)

b. *Negotiable Certificate of Deposits* (continued)

Pada tanggal 5 November 2018, Bank menerbitkan *Negotiable Certificate of Deposits* (NCD) Tahap III Tahun 2018 dengan nilai pokok sebesar Rp2.020.000 dalam 3 (tiga) seri sebagai berikut: (lanjutan)

On November 5, 2018, the Bank issued *Negotiable Certificate of Deposits* (NCD) Phase III year 2018 with principal value amounting to Rp2,020,000 within 3 (three) series as follows: (continued)

- Seri B: Nilai pokok NCD sebesar Rp170.000 dengan tingkat bunga tetap sebesar 8,40% per tahun, untuk jangka waktu 270 (dua ratus tujuh puluh) hari dan akan jatuh tempo pada tanggal 2 Agustus 2019. NCD tersebut diterbitkan sebesar 94,07%.
- Seri C: Nilai pokok NCD sebesar Rp510.000 dengan tingkat bunga tetap sebesar 8,50% per tahun, untuk jangka waktu 365 (tiga ratus enam puluh lima) hari dan akan jatuh tempo pada tanggal 5 November 2019. NCD tersebut diterbitkan sebesar 92,07%.

- *B Series: NCD principal value amounting to Rp170,000 with a fixed interest rate of 8.40% per annum, for 270 (two hundred and seventy) days period and will mature on August 2, 2019. The NCD were issued at 94.07%.*
- *C Series: NCD principal value amounting to Rp510,000 with a fixed interest rate of 8.50% per annum, for 365 (three hundred and sixty five) days period and will mature on November 5, 2019. The NCD were issued at 92.07%.*

*Negotiable Certificate of Deposits* (NCD) Tahap III Seri A, Seri B dan Seri C dengan nilai nominal Rp1.340.000, Rp170.000 dan Rp510.000 telah dilunasi oleh Bank pada tanggal jatuh tempo.

*Negotiable Certificate of Deposits* (NCD) Phase II Series A, Series B and Series C with nominal value of Rp1,340,000, Rp170,000 and Rp510,000 have been redeemed by the Bank on the maturity date.

Pada tanggal 10 Desember 2018, Bank menerbitkan *Negotiable Certificate of Deposits* (NCD) Tahap IV Tahun 2018 dengan nilai pokok sebesar Rp340.000 dalam 2 (dua) seri sebagai berikut:

On December 10, 2018, the Bank issued *Negotiable Certificate of Deposits* (NCD) Phase IV year 2018 with principal value amounted to Rp340,000 within 2 (two) series as follows:

- Seri A: Nilai pokok NCD sebesar Rp80.000 dengan tingkat bunga tetap sebesar 8,00% per tahun, untuk jangka waktu 90 (sembilan puluh) hari dan akan jatuh tempo pada tanggal 12 Maret 2019. NCD tersebut diterbitkan sebesar 97,99%.
- Seri B: Nilai pokok NCD sebesar Rp260.000 dengan tingkat bunga tetap sebesar 8,40% per tahun, untuk jangka waktu 180 (seratus delapan puluh) hari dan akan jatuh tempo pada tanggal 11 Juni 2019. NCD tersebut diterbitkan sebesar 95,90%.

- *A Series: NCD principal value amounting to Rp80,000 with a fixed interest rate of 8.00% per annum, for 90 (ninety) days period and will mature on March 12, 2019. The NCD were issued at 97.99%.*
- *B Series: NCD principal value amounting to Rp260,000 with a fixed interest rate of 8.40% per annum, for 180 (one hundred and eighty) days period and will mature on June 11, 2019. The NCD were issued at 95.90%.*

*Negotiable Certificate of Deposits* (NCD) Tahap IV Seri A dan Seri B dengan nilai nominal Rp80.000 dan Rp260.000 telah dilunasi oleh Bank pada tanggal jatuh tempo.

*Negotiable Certificate of Deposits* (NCD) Phase II Series A and Series B with nominal value of Rp80,000 and Rp260,000 have been redeemed by the Bank on the maturity date.

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**25. PINJAMAN YANG DITERIMA**

	31 Desember/ December 31, 2019
<u>Pihak Ketiga</u>	
<u>Rupiah</u>	
PT Bank Central Asia Tbk	5.000.000
PT Bank DKI	997.581
PT Bank ICBC Indonesia	798.644
PT Bank OCBC NISP Tbk	499.152
	<u>7.295.377</u>
<u>Mata Uang Asing</u>	
<u>Dolar Amerika Serikat</u>	
PT Bank ANZ Indonesia	1.385.991
	<u>8.681.368</u>
<u>Pihak Berelasi (Catatan 44)</u>	
<u>Rupiah</u>	
PT Sarana Multigriya Finansial (Persero)	12.785.356
PT Bank Mandiri (Persero) Tbk	998.933
	<u>13.784.289</u>
<b>Total</b>	<b><u>22.465.657</u></b>

**25. FUND BORROWINGS**

	31 Desember/ December 31, 2018	
		<u>Third Parties</u>
		<u>Rupiah</u>
	4.999.958	PT Bank Central Asia Tbk
	998.071	PT Bank DKI
	-	PT Bank ICBC Indonesia
	-	PT Bank OCBC NISP Tbk
	<u>5.998.029</u>	
		<u>Foreign Currencies</u>
		<u>United States Dollar</u>
	1.432.313	PT Bank ANZ Indonesia
	<u>7.430.342</u>	
		<u>Related Parties (Note 44)</u>
		<u>Rupiah</u>
	8.069.151	PT Sarana Multigriya Finansial (Persero)
	-	PT Bank Mandiri (Persero) Tbk
	<u>8.069.151</u>	
<b>Total</b>	<b><u>15.499.493</u></b>	<b>Total</b>

a. Pinjaman dari PT Bank Central Asia Tbk

Akun ini merupakan fasilitas pinjaman yang diperoleh dari PT Bank Central Asia Tbk ditujukan untuk pembiayaan Kredit Pemilikan Rumah (KPR) kepada debitur Bank.

Perjanjian pinjaman dengan PT Bank Central Asia Tbk telah mengalami beberapa kali perubahan. Perubahan terakhir didokumentasikan dalam Perjanjian No. 166/Add-KCK/2019 tanggal 25 April 2019 yang terdiri dari:

- *Term Loan* I, II dan III yang dilakukan perpanjangan selama 12 (dua belas) bulan atas pinjaman tersebut sebesar masing-masing Rp1 triliun yang memiliki suku bunga mengambang sebesar JIBOR 3 (tiga) bulan ditambah margin 0,70% dan akan jatuh tempo masing-masing pada tanggal 28 Juni 2020, 21 Juni 2020 dan 14 Juni 2020.
- *Term Loan* IV sebesar Rp 2 triliun yang memiliki suku bunga mengambang sebesar JIBOR 3 (tiga) bulan ditambah margin 0,70% dengan jangka waktu perpanjangan selama 12 (dua belas) bulan yang akan jatuh tempo masing-masing sebesar Rp1 triliun pada 25 April 2020 dan sebesar Rp1 triliun pada 8 Mei 2020.

a. Loan from PT Bank Central Asia Tbk

This account represents loan facility obtained from PT Bank Central Asia Tbk which is intended to Finance Housing Loans (KPR) of the Bank's debtors.

The loan agreement with PT Bank Central Asia Tbk has been amended several times. The last amendment was documented under the loan agreement No. 166/Add-KCK/2019 dated April 25, 2019 and which consists of:

- For the *Term Loan* I, II, and III the loan were extended for 12 (twelve) months, each amounting to Rp1 trillion, with floating interest rate of 3 (three) months JIBOR plus margin of 0.70% and will mature on June 28, 2020, June 21, 2020 and June 14, 2020, respectively.
- For the *Term Loan* IV amounting to Rp2 trillion with floating interest rate of 3 (three) months JIBOR plus margin of 0.70% which were extended for 12 (twelve) months period and will mature amounting to Rp1 trillion on April 25, 2020 and amounting to Rp1 trillion on May 8, 2020, respectively.

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**25. PINJAMAN YANG DITERIMA (lanjutan)**

b. Pinjaman dari PT Bank DKI

Akun ini merupakan fasilitas pinjaman yang diperoleh dari pinjaman bilateral PT Bank DKI ditujukan untuk mendukung pengembangan bisnis dan operasional Bank.

Bank memiliki beberapa perjanjian pinjaman dengan PT Bank DKI sebagai berikut:

Pada tanggal 16 Desember 2019, Bank mendapatkan pinjaman bilateral dengan plafond sebesar Rp1 triliun dengan suku bunga tetap sebesar 7,40% dan akan jatuh tempo pada tanggal 15 Desember 2020.

Pada tanggal 14 Desember 2018, Bank mendapatkan pinjaman bilateral dengan plafond sebesar Rp1 triliun dengan bunga mengambang sebesar JIBOR 3 (tiga) bulan ditambah 1,20%.

Bank telah melakukan pelunasan atas pinjaman tersebut saat jatuh tempo pada tanggal 13 Desember 2019.

c. Pinjaman dari PT ANZ Indonesia Bank

Akun ini merupakan fasilitas pinjaman yang diperoleh dari pinjaman sindikasi luar negeri dengan konsorsium bank yang terdiri dari PT Bank SBI Indonesia, PT Bank Shinhan Indonesia, The Korea Development Bank Cabang Singapura, DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited dan PT ANZ Indonesia Bank. Pinjaman ini ditujukan untuk mendukung pengembangan bisnis dan operasional PT Bank Tabungan Negara (Persero) Tbk.

Pada tanggal 2 Desember 2019, Bank mendapatkan pinjaman sindikasi dengan plafond sebesar USD100 juta (nilai penuh) dengan bunga mengambang sebesar LIBOR ditambah margin 0,50% untuk *offshore* dan LIBOR ditambah margin 0,70% untuk *onshore* dan akan jatuh tempo pada tanggal 25 November 2020.

**25. FUND BORROWINGS (continued)**

b. Loan from PT Bank DKI

*This account represents loan facility obtained from a bilateral loan from PT Bank DKI which is intended to support the business and operational development of the Bank.*

*The Bank has several loan agreements with PT Bank DKI as follow:*

*On December 16, 2019, the Bank received bilateral loan with plafond amounting to Rp1 trillion with fixed interest rate 7.40% and will mature on December 15, 2020.*

*On December 14, 2018, the Bank received bilateral loan with plafond amounting to Rp1 trillion with floating interest rate of 3 (three) months JIBOR plus 1.20%.*

*The Bank has fully repaid the loan at maturity date on December 13, 2019.*

c. Loan from PT ANZ Indonesia Bank

*This account represents loan facility obtained from a offshore bank syndicated loan with consortium of banks consisting of PT Bank SBI Indonesia, PT Bank Shinhan Indonesia, The Korea Development Bank Singapore Branch, DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and PT ANZ Indonesia Bank. This loan is intended to support the business and operational development of PT Bank Tabungan Negara (Persero) Tbk.*

*On December 2, 2019, the Bank received syndicated loan with plafond amounting to USD100 million (full amount) with floating interest rate of LIBOR plus margin 0.50% for offshore and LIBOR plus margin 0.70% for onshore and will mature on November 25, 2020.*

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**25. PINJAMAN YANG DITERIMA (lanjutan)**

c. Pinjaman dari PT ANZ Indonesia Bank (lanjutan)

Persyaratan-persyaratan penting (financial covenants) dalam perjanjian pinjaman Bank antara lain:

- Rasio *Non-Performing Loan* (NPL) maksimal 5,00%
- Nilai *Capital Adequacy Ratio* (CAR) minimal 9,00%
- Nilai Rasio Modal Inti (Tier 1 Ratio) minimal 6,00%
- Nilai Rasio Modal Inti Utama (Core Tier 1 Ratio) minimal 5,00%
- Rasio Giro Wajib Minimum (GWM) minimal 8,00%
- Rasio *Return on Average Assets* minimal 0,6%, dengan ketentuan bahwa nilai *Capital Adequacy Ratio* (CAR) sama dengan atau lebih besar dari 12,50%.

Pada tanggal 12 Desember 2018, Bank mendapatkan pinjaman sindikasi dengan plafond sebesar USD130 juta (nilai penuh) dengan bunga mengambang sebesar LIBOR 3 (tiga) bulan ditambah 0,65% untuk *offshore* dan LIBOR 3 (tiga) bulan ditambah 0,85% untuk *onshore*.

Bank telah melakukan pelunasan atas pinjaman tersebut saat jatuh tempo pada tanggal 6 Desember 2019.

d. Pinjaman dari PT Bank OCBC NISP Tbk

Akun ini merupakan fasilitas pinjaman yang diperoleh dari PT Bank OCBC NISP Tbk ditujukan untuk mendukung modal kerja PT Bank Tabungan Negara (Persero) Tbk.

Pada tanggal 22 Agustus 2019, Bank mendapatkan pinjaman dengan plafond sebesar Rp500 miliar dengan bunga mengambang sebesar JIBOR 3 (tiga) bulan ditambah 1,00% dan akan jatuh tempo pada tanggal 22 September 2020.

**25. FUND BORROWINGS (continued)**

c. Loan from PT ANZ Indonesia Bank (continued)

The significant requirements (financial covenants) in the Bank's loan agreement include the following:

- *Non-Performing Loan* (NPL) ratio maximum of 5.00%
- *Capital Adequacy Ratio* (CAR) minimum of 9.00%
- *Tier 1 Ratio* minimum of 6.00%
- *Core Tier 1 Ratio* minimum of 5.00%
- *Minimum Statutory Reserve* minimum of 8.00%
- *Return on Average Assets* ratio minimum of 0.6%, provided that *Capital Adequacy Ratio* (CAR) is equal to or greater than 12.50%

On December 12, 2018, the Bank received syndicated loan with plafond amounting to USD130 million (full amount) with floating interest rate of 3 (three) months LIBOR plus 0.65% for *offshore* and 3 (three) months LIBOR plus 0.85% for *onshore*.

The Bank has fully repaid the loan at maturity date on December 6, 2019.

d. Loan from PT OCBC NISP Tbk

This account represents loan facility obtained from PT Bank OCBC NISP Tbk which is intended to support working capital of PT Bank Tabungan Negara (Persero) Tbk.

On August 22, 2019, the Bank received loan with plafond amounting to Rp500 billion with floating interest rate of 3 (three) months JIBOR plus margin 1.00% and will mature on September 22, 2020.

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**25. PINJAMAN YANG DITERIMA (lanjutan)**

d. Pinjaman dari PT Bank OCBC NISP Tbk (lanjutan)

Persyaratan-persyaratan penting dalam perjanjian pinjaman Bank antara lain:

- Nilai *Capital Adequacy Ratio* (CAR) minimal 14,00%
- Rasio *Non-Performing Loan* (NPL) Gross maksimal 5,00%
- Wajib menjaga kepemilikan saham pemerintah RI (baik langsung maupun tidak langsung) dalam jumlah minimum 60%
- Tidak akan menurunkan modal disetor perusahaan, tanpa pemberitahuan tertulis selambat-lambatnya 7 (tujuh) hari setelahnya
- Menyampaikan pemberitahuan tertulis kepada OCBC selambat-lambatnya 7 (tujuh) hari setelah RUPS yang terkait, dapat membayar dividen ataupun membagikan kekayaan debitor dengan cara apapun kepada pemegang saham.

e. Pinjaman dari PT Bank ICBC Indonesia

Akun ini merupakan fasilitas pinjaman yang diperoleh dari PT Bank ICBC Indonesia ditujukan untuk mendukung pengembangan bisnis dan operasional Bank.

Berdasarkan *covernote* No 100/N/XII/2019 tanggal 23 Desember 2019, Bank mendapatkan pinjaman dengan plafond sebesar Rp800 miliar dengan bunga tetap sebesar 7,30% dan jatuh tempo pada tanggal 23 Desember 2020.

Persyaratan-persyaratan penting dalam perjanjian pinjaman Bank antara lain:

- Nilai *Capital Adequacy Ratio* (CAR) minimal 14,00%
- Rasio *Non-Performing Loan* (NPL) Gross maksimal 5,00%
- Net income tahun berjalan dengan angka positif
- Nilai *Liquidity Coverage Ratio* minimal sebesar 100%

**25. FUND BORROWINGS (continued)**

d. Loan from PT OCBC NISP Tbk (continued)

The significant requirements in the Bank's loan agreement include the following:

- *Capital Adequacy Ratio* (CAR) minimum of 14.00%
- *Non-Performing Loan* (NPL) Gross ratio maximum of 5.00%.
- Obligated to maintain share ownership of the Indonesian government (both directly and indirectly) in a minimum amount of 60%
- Will not reduce the company's paid-up capital, without written notice no later than 7 (seven) days after
- Communicate to OCBC about written information no later than 7 (seven) days after the relevant General Meeting of Shareholders, could settle dividends or distribute debtor wealth in a way to shareholders.

e. Loan from PT ICBC Indonesia

This account represents loan facility obtained from PT Bank ICBC Indonesia which is intended to support the business and operational development of the Bank.

Based on *covernote* No. 100/N/XII/2019 dated December 23, 2019, the Bank received a loan with plafond amounting to Rp800 billion with fixed interest rate of 7.30% and mature on December 23, 2020.

The significant requirements in the Bank's loan agreement include the following:

- *Capital Adequacy Ratio* (CAR) minimum of 14.00%
- *Non-Performing Loan* (NPL) Gross ratio maximum of 5.00%.
- Net income for the current year with positive numbers
- *Liquidity coverage ratio* minimum 100%

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**25. PINJAMAN YANG DITERIMA (lanjutan)**

f. Pinjaman dari PT Bank Mandiri (Persero) Tbk (pihak berelasi)

Akun ini merupakan fasilitas pinjaman yang diperoleh dari PT Bank Mandiri (Persero) Tbk ditujukan untuk mendukung pengembangan ekspansi kredit PT Bank Tabungan Negara (Persero) Tbk.

Berdasarkan perjanjian No. CRO.KP/344/BL/2019 No. 66 tanggal 30 Agustus 2019, Bank mendapatkan pinjaman dengan plafond sebesar Rp1 triliun dengan bunga tetap sebesar 8,00% dan jatuh tempo pada tanggal 29 September 2020.

Persyaratan-persyaratan penting dalam perjanjian pinjaman Bank antara lain:

- Nilai *Capital Adequacy Ratio* (CAR) minimal sesuai dengan ketentuan OJK untuk Buku triwulan III dan profil risiko bank
- Rasio *Non-Performing Loan* (NPL) *Net* maksimal 5,00%
- *Net income* tahun berjalan dengan angka positif
- Nilai *Liquidity Coverage Ratio* minimal sebesar 100%

g. Pinjaman dari PT Sarana Multigriya Finansial (Persero) (pihak berelasi) (SMF)

Bank memiliki beberapa perjanjian pinjaman dengan SMF sebagai berikut:

- Pinjaman SMF Tahap 1 Tahun 2019

Berdasarkan perjanjian No. 028/PP/SMF-BTN/II/2019 tanggal 12 Februari 2019, Bank mendapatkan pinjaman dengan plafond sebesar Rp1,8 triliun dengan bunga tetap 9,20% dan akan jatuh tempo pada tanggal 12 Februari 2022.

- Pinjaman SMF Tahap 2 Tahun 2019

Berdasarkan perjanjian No. 055/PP/SMF-BTN/IV/2019 tanggal 11 April 2019, Bank mendapatkan pinjaman dengan plafond sebesar Rp1,5 triliun yang terdiri atas sebesar Rp1 triliun dan Rp500 miliar dengan bunga tetap 8,60% yang akan jatuh tempo masing-masing pada tanggal 11 April 2022 dan 2 Mei 2022.

**25. FUND BORROWINGS (continued)**

f. Loan from PT Bank Mandiri (Persero) Tbk (related parties)

This account represents loan facility obtained from PT Bank Mandiri (Persero) Tbk which is intended to support credit expansion development of PT Bank Tabungan Negara (Persero) Tbk.

Based on loan agreement No. CRO.KP/344/BL/2019 No. 66 dated August 30, 2019, the Bank received a loan with plafond amounting to Rp1 trillion with fixed interest rate of 8.00% and mature on September 29, 2020.

The significant requirements in the Bank's loan agreement include the following:

- *Capital Adequacy Ratio* (CAR) minimum is in accordance with OJK regulations for third quarter books and bank risk profiles
- *Non-Performing Loan* (NPL) *Net* ratio maximum of 5.00%
- *Net income* for the current year with positive numbers
- *Liquidity coverage ratio* minimum of 100%

g. Loan from PT Sarana Multigriya Finansial (Persero) (related parties) (SMF)

The Bank has several loan agreements with SMF as follow:

- SMF Loan Phase 1 Year 2019

Based on loan agreement No. 028/PP/SMF-BTN/II/2019 dated February 12, 2019, the Bank received a loan with plafond amounting to Rp1.8 trillion with fixed interest rate of 9.20% and will mature on February 12, 2022.

- SMF Loan Phase 2 Year 2019

Based on loan agreement No. 055/PP/SMF-BTN/IV/2019 dated April 11, 2019, the Bank received a loan with plafond amounting to Rp1.5 trillion with details of amounting to Rp1 trillion and Rp500 billion with interest rate of 8.60% and will mature on April 11, 2022 and May 2, 2022.

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**25. PINJAMAN YANG DITERIMA (lanjutan)**

**g. Pinjaman dari PT Sarana Multigriya Finansial (Persero) (pihak berelasi) (SMF) (lanjutan)**

Bank memiliki beberapa perjanjian pinjaman dengan SMF sebagai berikut (lanjutan):

- Pinjaman SMF Tahap 3 Tahun 2019

Berdasarkan perjanjian No. 088/PP/SMF-BTN/V/2019 tanggal 29 Mei 2019, Bank mendapatkan pinjaman dengan plafond sebesar Rp1 triliun dengan bunga tetap 8,79% yang akan jatuh tempo pada tanggal 31 Mei 2022.

- Pinjaman SMF Tahap 4 Tahun 2019

Berdasarkan perjanjian No. 092/PP/SMF-BTN/VII/2019 tanggal 9 Juli 2019, Bank mendapatkan pinjaman dengan plafond sebesar Rp2.095 miliar yang terdiri atas sebesar Rp640 miliar dengan bunga tetap 8,87% yang akan jatuh tempo pada tanggal 9 Juli 2022 dan sebesar Rp1.455 miliar dengan bunga tetap 9,09% yang akan jatuh tempo pada tanggal 9 Juli 2024.

- Pinjaman SMF FLPP 2019

Berdasarkan perjanjian No. 009/PP/FLPP/SMF-BTN/I/2019 tanggal 17 Januari 2019, Bank mendapatkan pinjaman dalam rangka penyaluran kredit pemilikan rumah sejahtera untuk masyarakat berpenghasilan rendah.

Pencairan atas fasilitas ini dilakukan selama *availability period* sampai dengan tanggal 31 Desember 2019. Baki Debet pada tanggal 31 Desember 2019 adalah sebesar Rp933.759 dengan suku bunga paling rendah sebesar 4,45% dengan jangka waktu paling lama 15 (lima belas) tahun. Pengembalian dana pinjaman (angsuran pokok dan bunga) kepada SMF dilaksanakan paling lambat tanggal 10 setiap bulannya, apabila tanggal jatuh tempo pembayaran pokok dan bunga jatuh pada hari libur nasional, maka pembayaran dilakukan pada hari kerja sesudah tanggal jatuh tempo pembayaran.

**25. FUND BORROWINGS (continued)**

**g. Loan from PT Sarana Multigriya Finansial (Persero) (related parties) (SMF) (continued)**

The Bank has several loan agreements with SMF as follow (continued):

- SMF Loan Phase 3 Year 2019

Based on loan agreement No. 088/PP/SMF-BTN/V/2019 dated May 29, 2019, the Bank received a loan with plafond amounting to Rp1 trillion with fixed interest rate of 8.79% and will mature on May 31, 2022.

- SMF Loan Phase 4 Year 2019

Based on loan agreement No. 092/PP/SMF-BTN/VII/2019 dated July 9, 2019, the Bank received a loan with plafond amounting to Rp2,095 billion with details of amounting to Rp640 billion with interest rate of 8.87% and will mature on July 9, 2022, and amounting to Rp1,455 billion with interest rate of 9.09% and will mature on July 9, 2024.

- SMF Loan FLPP 2019

Based on loan agreement 009/PP/FLPP/SMF-BTN/I/2019 dated January 17, 2019, the Bank received a loan which is intended for distributing housing loans for low-income communities.

This disbursement of facility is carried out during the *availability period* until December 31, 2019. The Outstanding Balance as of December 31, 2019 is amounting to Rp933,759 with the lowest interest rate of 4.45% for a maximum period of 15 (fifteen) years. Loan repayments (principal and interest instalments) to SMF is no later than the 10<sup>th</sup> of each month, if the due date of principal and interest payments falls on a national holiday, the payment is made on the working day after the payment due date.

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**25. PINJAMAN YANG DITERIMA (lanjutan)**

g. Pinjaman dari PT Sarana Multigriya Finansial (Persero) (pihak berelasi) (SMF) (lanjutan)

Bank memiliki beberapa perjanjian pinjaman dengan SMF sebagai berikut (lanjutan):

- Pinjaman SMF FLPP Percepatan 2019

Berdasarkan perjanjian No. 203/FLPP/PP/SMF-BTN/XI/2019 tanggal 28 November 2019, Bank mendapatkan pinjaman dalam rangka penyaluran kredit pemilikan rumah sejahtera untuk masyarakat berpenghasilan rendah.

Pencairan atas fasilitas ini dilakukan selama *availability period* sampai dengan tanggal 31 Desember 2019. Baki Debet pada tanggal 31 Desember 2019 adalah sebesar Rp455.108 dengan suku bunga paling rendah sebesar 4,45% dengan jangka waktu paling lama 15 (lima belas) tahun. Pengembalian dana pinjaman (angsuran pokok dan bunga) kepada SMF dilaksanakan paling lambat tanggal 10 setiap bulannya, apabila tanggal jatuh tempo pembayaran pokok dan bunga jatuh pada hari libur nasional, maka pembayaran dilakukan pada hari kerja sesudah tanggal jatuh tempo pembayaran.

- Pinjaman SMF *Mudharabah Muqayadah* FLPP 2019

Berdasarkan perjanjian No. 017A/AKAD/FLPP/SMF-BTNSy/I/2019 tanggal 21 Januari 2019, Bank mendapatkan pinjaman dalam rangka penyaluran kredit pemilikan rumah sejahtera untuk masyarakat berpenghasilan rendah.

**25. FUND BORROWINGS (continued)**

g. Loan from PT Sarana Multigriya Finansial (Persero) (related parties) (SMF) (continued)

The Bank has several loan agreements with SMF as follow (continued):

- SMF Loan FLPP Percepatan 2019

Based on loan agreement 203/FLPP/PP/SMF-BTN/XI/2019 dated November 28, 2019, the Bank received a loan which is intended for distributing housing loans for low-income communities.

This disbursement of facility is carried out during the *availability period* until December 31, 2019. The Outstanding Balance as of December 31, 2019 is amounting to Rp455,108 with the lowest interest rate of 4.45% for a maximum period of 15 (fifteen) years. Loan repayments (principal and interest instalments) to SMF is no later than the 10<sup>th</sup> of each month, if the due date of principal and interest payments falls on a national holiday, the payment is made on the working day after the payment due date.

- SMF Loan *Mudharabah Muqayadah* FLPP 2019

Based on loan agreement No. 017A/AKAD/FLPP/SMF-BTNSy/I/2019 dated January 21, 2019, the Bank received a loan which is intended for distributing housing loans for low-income communities.



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**25. PINJAMAN YANG DITERIMA (lanjutan)**

g. Pinjaman dari PT Sarana Multiqriya Finansial (Persero) (pihak berelasi) (SMF) (lanjutan)

Bank memiliki beberapa perjanjian pinjaman dengan SMF sebagai berikut (lanjutan):

- Pinjaman SMF *Mudharabah Muqayadah* FLPP 2019 (lanjutan)

Pencairan atas fasilitas ini dilakukan selama *availability period* sampai dengan tanggal 31 Desember 2019. Baki Debet pada tanggal 31 Desember 2019 adalah sebesar Rp113.958 dengan *nisbah* bagi hasil sebesar 22,25% yang dihitung dari pendapatan bagi hasil yang ditawarkan atas fasilitas pembiayaan yang ditarik selama *availability period* atau dengan ekuivalen sebesar setara dengan 4,45% per tahun dengan pendapatan yang dibagihasilkan yang menggunakan rata-rata tingkat imbal hasil kas efektif dari Pembiayaan KPR Sejahtera sebesar setara dengan 5% per tahun dengan jangka waktu paling lama 15 (lima belas) tahun. Pengembalian dana pinjaman (angsuran pokok dan bunga) kepada SMF dilaksanakan paling lambat tanggal 10 setiap bulannya, apabila tanggal jatuh tempo pembayaran pokok dan bunga jatuh pada hari libur nasional, maka pembayaran dilakukan pada hari kerja sesudah tanggal jatuh tempo pembayaran.

- Pinjaman SMF *Mudharabah Muqayadah* FLPP Percepatan 2019

Berdasarkan perjanjian No. 216/FLPP/AKAD/SMF-BTN/XII/2019 tanggal 20 Desember 2019, Bank mendapatkan pinjaman dalam rangka penyaluran kredit pemilikan rumah sejahtera untuk masyarakat berpenghasilan rendah.

**25. FUND BORROWINGS (continued)**

g. Loan from PT Sarana Multiqriya Finansial (Persero) (related parties) (SMF) (continued)

The Bank has several loan agreements with SMF as follow (continued):

- SMF Loan *Mudharabah Muqayadah* FLPP 2019 (continued)

This disbursement of facility is carried out during the *availability period* until December 31, 2019. The Outstanding Balance as of December 31, 2019 is Rp113,958 with a profit sharing ratio of 22.25%, which is calculated from profit sharing income offered for financing facilities drawn during *availability period* or an equivalent of 4.45% per annum with revenue divided by using the average yield rate effective cash financing for KPR Sejahtera Financing equal to 5% per year for a maximum period of 15 (fifteen) years. Loan repayments (principal and interest instalments) to the SMF are held no later than the 10<sup>th</sup> of each month, if the due date of principal and interest payments falls on a national holiday, the payment is made on the working day after the payment due date.

- SMF Loan *Mudharabah Muqayadah* FLPP Percepatan 2019

Based on loan agreement No. 216/FLPP/AKAD/SMF-BTN/XII/2019 dated December 20, 2019, the Bank received loan which is intended for distributing housing loans for low-income communities.

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**25. PINJAMAN YANG DITERIMA (lanjutan)**

g. Pinjaman dari PT Sarana Multigriya Finansial (Persero) (pihak berelasi) (SMF) (lanjutan)

Bank memiliki beberapa perjanjian pinjaman dengan SMF sebagai berikut (lanjutan):

- Pinjaman SMF *Mudharabah Muqayadah* FLPP Percepatan 2019 (lanjutan)

Pencairan atas fasilitas ini dilakukan selama availability period sampai dengan tanggal 31 Desember 2019. Baki Debet pada tanggal 31 Desember 2019 adalah sebesar Rp31.092 dengan nisbah bagi hasil sebesar 22,25% yang dihitung dari pendapatan bagi hasil yang ditawarkan atas fasilitas pembiayaan yang ditarik selama availability period atau dengan ekuivalen sebesar setara dengan 4,45% per tahun dengan pendapatan yang dibagihasilkan yang menggunakan rata-rata tingkat imbal hasil kas efektif dari Pembiayaan KPR Sejahtera sebesar setara dengan 5% per tahun dengan jangka waktu paling lama 15 (lima belas) tahun. Pengembalian dana pinjaman (angsuran pokok dan bunga) kepada SMF dilaksanakan paling lambat tanggal 10 setiap bulannya, apabila tanggal jatuh tempo pembayaran pokok dan bunga jatuh pada hari libur nasional, maka pembayaran dilakukan pada hari kerja sesudah tanggal jatuh tempo pembayaran.

- Pinjaman SMF Tahap 1 Tahun 2018

Berdasarkan perjanjian No. 021/PP/SMF-BTN/II/2018 tanggal 20 Februari 2018, Bank mendapatkan pinjaman dengan plafond sebesar Rp500 miliar dengan bunga variabel setiap 6 (enam) bulan yaitu sebesar 6,50% dan 6,60%.

Bank telah melakukan pelunasan atas pinjaman tersebut saat jatuh tempo pada tanggal 20 Februari 2019 sebesar Rp500 miliar.

**25. FUND BORROWINGS (continued)**

g. Loan from PT Sarana Multigriya Finansial (Persero) (related parties) (SMF) (continued)

The Bank has several loan agreements with SMF as follow (continued):

- SMF Loan *Mudharabah Muqayadah* FLPP Percepatan 2019 (continued)

This disbursement of facility is carried out during the availability period until December 31, 2019. The Outstanding Balance as of December 31, 2019 is Rp31,092 with a profit sharing ratio of 22.25%, which is calculated from profit sharing income offered for financing facilities drawn during availability period or an equivalent of 4.45% per annum with revenue divided by using the average yield rate effective cash financing for KPR Sejahtera Financing equal to 5% per year for a maximum period of 15 (fifteen) years. Loan repayments (principal and interest instalments) to the SMF are held no later than the 10<sup>th</sup> of each month, if the due date of principal and interest payments falls on a national holiday, the payment is made on the working day after the payment due date.

- SMF Loan Phases 1 Year 2018

Based on loan agreement No. 021/ PP/SMF-BTN/II/2018 dated February 20, 2018, the Bank received loan with plafond amounting to Rp500 billion with variable interest rate every 6 (six) months are 6.50% and 6.60%.

The Bank has fully repaid the loan at maturity date on February 20, 2019 amounting to Rp500 billion.

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**25. PINJAMAN YANG DITERIMA (lanjutan)**

**g. Pinjaman dari PT Sarana Multigriya Finansial (Persero) (pihak berelasi) (SMF) (lanjutan)**

Bank memiliki beberapa perjanjian pinjaman dengan SMF sebagai berikut (lanjutan):

- Pinjaman SMF Tahap 2 Tahun 2018

Berdasarkan perjanjian No. 022/PP/SMF-BTN/II/2018 tanggal 23 Februari 2018, Bank mendapatkan pinjaman dengan plafond sebesar Rp1,3 triliun dengan bunga variabel setiap 6 (enam) bulan yaitu sebesar 6,50% dan 6,60%.

Bank telah melakukan pelunasan atas pinjaman tersebut saat jatuh tempo pada tanggal 23 Februari 2019 sebesar Rp1triliun dan pada 27 Februari 2019 sebesar Rp300 miliar.

- Pinjaman SMF Tahap 3 Tahun 2018

Berdasarkan perjanjian No. 059/PP/SMF-BTN/V/2018 tanggal 31 Mei 2018, Bank mendapatkan pinjaman dengan plafond sebesar Rp1 triliun dengan bunga tetap 6,60%.

Bank telah melakukan pelunasan atas pinjaman tersebut saat jatuh tempo pada tanggal 31 Mei 2019 sebesar Rp500 miliar dan pada 7 Juni 2019 sebesar Rp500 miliar.

- Pinjaman SMF Tahap 4 Tahun 2018

Berdasarkan perjanjian No. 116/PP/SMF-BTN/VIII/2018 tanggal 28 Agustus 2018, Bank mendapatkan pinjaman dengan plafond sebesar Rp1,5 triliun dengan bunga tetap 8,40% dan akan jatuh tempo pada tanggal 28 Agustus 2021.

- Pinjaman SMF Tahap 5 Tahun 2018

Berdasarkan perjanjian No. 154/PP/SMF-BTN/X/2018 tanggal 26 Oktober 2018, Bank mendapatkan pinjaman dengan plafond sebesar Rp500 miliar yang terdiri atas sebesar Rp382 miliar dengan bunga tetap 8,75% yang akan jatuh tempo pada tanggal 26 Oktober 2019, dan sebesar Rp118 miliar dengan bunga tetap 9,10% yang akan jatuh tempo pada tanggal 26 Oktober 2021.

**25. FUND BORROWINGS (continued)**

**g. Loan from PT Sarana Multigriya Finansial (Persero) (related parties) (SMF) (continued)**

The Bank has several loan agreements with SMF as follow (continued):

- SMF Loan Phases 2 Year 2018

Based on loan agreement No. 022/PP/SMF-BTN/II/2018 dated February 23, 2018, the Bank received loan with plafond amounting to Rp1.3 trillion with variable interest rate every 6 (six) months are 6.50% and 6.60%.

The Bank has fully repaid the loan at maturity date on February 23, 2019 amounting to Rp1 trillion and on February 27, 2019 amounting to Rp300 billion.

- SMF Loan Phases 3 Year 2018

Based on loan agreement No. 059/PP/SMF-BTN/V/2018 dated May 31, 2018, the Bank received loan with plafond amounting to Rp1 trillion with fixed interest rate of 6.60%.

The Bank has fully repaid the loan at maturity date on May 31, 2019 amounting to Rp500 billion and on June 7, 2019 amounting to Rp500 billion.

- SMF Loan Phases 4 Year 2018

Based on loan agreement No.116/PP/SMF-BTN/VIII/2018 dated August 28, 2018, the Bank received loan with plafond amounting to Rp1.5 trillion with interest rate of 8.40% and will mature on August 28, 2021.

- SMF Loan Phases 5 Year 2018

Based on loan agreement No. 154/PP/SMF-BTN/X/2018 dated October 26, 2018, the Bank received loan with plafond amounting to Rp500 billion with details of amounting to Rp382 billion with interest rate of 8.75% and will mature on October 26, 2019, and amounting to Rp118 billion with interest rate of 9.10% and will mature on October 26, 2021.

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**25. PINJAMAN YANG DITERIMA (lanjutan)**

g. Pinjaman dari PT Sarana Multigriya Finansial (Persero) (SMF) (pihak berelasi) (lanjutan)

Bank memiliki beberapa perjanjian pinjaman dengan SMF sebagai berikut (lanjutan):

- Pinjaman SMF Tahap 6 Tahun 2018

Berdasarkan perjanjian No. 161/PP/SMF-BTN/XI/2018 tanggal 22 November 2018, Bank mendapatkan pinjaman dengan plafond sebesar Rp1 triliun dengan bunga tetap 9,20% dan akan jatuh tempo pada tanggal 22 November 2021.

- Pinjaman SMF FLPP 2018

Berdasarkan perjanjian No.81/PP/SMF-BTN/VIII/2018 tanggal 14 Agustus 2018, Bank mendapatkan pinjaman dalam rangka penyaluran kredit pemilikan rumah sejahtera untuk masyarakat berpenghasilan rendah.

Pencairan atas fasilitas ini dilakukan selama *availability period* sampai dengan tanggal 28 Desember 2018. Baki Debet pada tanggal 31 Desember 2019 dan 31 Desember 2018 masing-masing sebesar Rp707.124 dan Rp736.037 dengan suku bunga paling rendah sebesar 4,45% dengan jangka waktu paling lama 15 (lima belas) tahun. Pengembalian dana pinjaman (angsuran pokok dan bunga) kepada SMF dilaksanakan paling lambat tanggal 10 setiap bulannya, apabila tanggal jatuh tempo pembayaran pokok dan bunga jatuh pada hari libur nasional, maka pembayaran dilakukan pada hari kerja sesudah tanggal jatuh tempo pembayaran.

- Pinjaman SMF *Mudharabah Muqayadah* 2018

Berdasarkan perjanjian No.153/AKAD/SMF-BTNS/X/2018 tanggal 25 Oktober 2018, Bank mendapatkan pinjaman dengan plafond sebesar Rp500 miliar dengan *nisbah* bagi hasil sebesar 76,22%.

Bank telah melakukan pelunasan atas pinjaman tersebut saat jatuh tempo pada tanggal 25 Oktober 2019 sebesar Rp500 miliar.

**25. FUND BORROWINGS (continued)**

g. Loan from PT Sarana Multigriya Finansial (Persero) (SMF) (related parties) (continued)

The Bank has several loan agreements with SMF as follow (continued):

- SMF Loan Phases 6 Year 2018

Based on loan agreement No. 161/PP/SMF-BTN/XI/2018 dated November 22, 2018, the Bank received loan with plafond amounting to Rp1 trillion with interest rate of 9.20% and will mature on November 22, 2021.

- SMF Loan FLPP 2018

Based on loan agreement No.81/PP/SMF-BTN/VIII/2018 dated August 14, 2018, the Bank received a loan which is intended for distributing housing loans for low-income communities.

This disbursement of facility is carried out during the *availability period* until December 28, 2018. The Outstanding Balance as of December 31, 2019 and December 31, 2018 amounting to Rp707,124 and Rp736,037, respectively with the lowest interest rate of 4.45% for a maximum period of 15 (fifteen) years. Loan repayments (principal and interest instalments) to the SMF are held no later than the 10<sup>th</sup> of each month, if the due date of principal and interest payments falls on a national holiday, the payment is made on the working day after the payment due date.

- SMF Loan *Mudharabah Muqayadah* 2018

Based on loan agreement No.153/AKAD/SMF-BTNS/X/2018 dated October 25, 2018, the Bank received a loan with plafond amounting to Rp500 billion with *nisbah* ratio of 76.22%.

The Bank has fully repaid the loan at maturity date on October 25, 2019 amounting to Rp500 billion.

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**25. PINJAMAN YANG DITERIMA (lanjutan)**

g. Pinjaman dari PT Sarana Multigriya Finansial (Persero) (SMF) (pihak berelasi) (lanjutan)

Bank memiliki beberapa perjanjian pinjaman dengan SMF sebagai berikut (lanjutan):

- Pinjaman SMF *Mudharabah Muqayadah* 2019

Berdasarkan perjanjian No.217/AKAD/SMF-BTNS/XII/2019 tanggal 20 Desember 2019, Bank mendapatkan pinjaman dengan plafond sebesar Rp500 miliar dengan nisbah bagi hasil sebesar 65,33% dari Pendapatan Bagi Hasil Yang Ditawarkan atas Fasilitas Pembiayaan yang ditarik dan akan jatuh tempo pada tanggal 19 Desember 2020.

- Pinjaman SMF *Mudharabah Muqayadah* FLPP 2018

Berdasarkan perjanjian No.103A/AKAD/SMF-BTNSy/VIII/2018 tanggal 14 Agustus 2018, Bank mendapatkan pinjaman dalam rangka penyaluran kredit pemilikan rumah sejahtera untuk masyarakat berpenghasilan rendah.

Pencairan atas fasilitas ini dilakukan selama *availability period* sampai dengan tanggal 28 Desember 2018. Baki Debet pada tanggal 31 Desember 2019 dan 31 Desember 2018 masing-masing sebesar Rp31.745 dan Rp33.218 dengan nisbah bagi hasil sebesar 22,25% yang dihitung dari pendapatan bagi hasil yang ditawarkan atas fasilitas pembiayaan yang ditarik selama *availability period* atau dengan ekuivalen sebesar setara dengan 4,45% per tahun dengan pendapatan yang dibagihasilkan yang menggunakan rata-rata tingkat imbal hasil kas efektif dari Pembiayaan KPR Sejahtera sebesar setara dengan 5% per tahun dengan jangka waktu paling lama 15 (lima belas) tahun. Pengembalian dana pinjaman (angsuran pokok dan bunga) kepada SMF dilaksanakan paling lambat tanggal 10 setiap bulannya, apabila tanggal jatuh tempo pembayaran pokok dan bunga jatuh pada hari libur nasional, maka pembayaran dilakukan pada hari kerja sesudah tanggal jatuh tempo pembayaran.

**25. FUND BORROWINGS (continued)**

g. Loan from PT Sarana Multigriya Finansial (Persero) (SMF) (related parties) (continued)

The Bank has several loan agreements with SMF as follow (continued):

- SMF Loan *Mudharabah Muqayadah* 2019

Based on loan agreement No.217/AKAD/SMF-BTNS/XII/2019 dated December 20, 2019, the Bank received a loan with plafond amounting to Rp500 billion with nisbah ratio of 65.33% from profit sharing of financing facilities and will mature on December 19, 2020.

- SMF Loan *Mudharabah Muqayadah* FLPP 2018

Based on loan agreement No.103A/AKAD/SMF-BTNSy/VIII/2018 dated August 14, 2018, the Bank received a loan which is intended for distributing housing loans for low-income communities.

This disbursement of facility is carried out during the *availability period* until December 28, 2018. The Outstanding Balance as of December 31, 2019 and December 31, 2018 is amounting to Rp31,745 and Rp33,218 respectively with a profit sharing ratio of 22.25%, which is calculated from profit sharing income offered for financing facilities drawn during *availability period* or an equivalent of 4.45% per annum with revenue divided by using the average yield rate effective cash financing for KPR Sejahtera Financing equal to 5% per year for a maximum period of 15 (fifteen) years. Loan repayments (principal and interest instalments) to the SMF are held no later than the 10 of each month, if the due date of principal and interest payments falls on a national holiday, the payment is made on the working day after the payment due date.

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**25. PINJAMAN YANG DITERIMA (lanjutan)**

g. Pinjaman dari PT Sarana Multigriya Finansial (Persero) (SMF) (pihak berelasi) (lanjutan)

Bank memiliki beberapa perjanjian pinjaman dengan SMF sebagai berikut (lanjutan):

- Pinjaman SMF Tahap 1 Tahun 2017

Berdasarkan perjanjian No. 009/PP/SMF-BTN/II/2017 tanggal 3 Februari 2017, Bank mendapatkan pinjaman dengan plafond sebesar Rp1 triliun dengan bunga tetap sebesar 8,55% dan akan jatuh tempo pada tanggal 3 Januari 2020.

Pinjaman yang diterima dari pihak-pihak berelasi pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp13.784.289 dan Rp8.069.151 (Catatan 44).

Pada tanggal 31 Desember 2019 dan 2018, Bank telah memenuhi ketentuan dan kondisi yang ada dalam seluruh perjanjian pinjaman yang diterima.

**25. FUND BORROWINGS (continued)**

g. Loan from PT Sarana Multigriya Finansial (Persero) (SMF) (related parties) (continued)

The Bank has several loan agreements with SMF as follow (continued):

- SMF Loan Phases 1 Year 2017

Based on loan agreement No. 009/PP/SMF-BTN/II/2017 dated February 3, 2017, the Bank received loan with plafond amounting to Rp1 trillion with fixed interest rate of 8.55% and will mature on January 3, 2020.

As of December 31, 2019 and 2018, fund borrowings received from related parties amounted to Rp13,784,289 and Rp8,069,151, respectively (Note 44).

As of December 31, 2019 and 2018, the Bank has complied with all of the existing terms and condition of the fund borrowing agreements.

**26. PINJAMAN SUBORDINASI**

**26. SUBORDINATED LOAN**

	<u>31 Desember/ December 31, 2019</u>	<u>31 Desember/ December 31, 2018</u>	
<u>Rupiah</u>			<u>Rupiah</u>
<u>Pihak Berelasi (Catatan 44)</u>			<u>Related Parties (Note 44)</u>
PT Sarana Multigriya Finansial (Persero)	5.999.669	2.999.519	PT Sarana Multigriya Finansial (Persero)

Akun ini merupakan fasilitas pemberian Pinjaman Subordinasi yang diperoleh dari PT SMF (Persero) yang ditujukan untuk mendukung Program Sejuta Rumah. Pinjaman Subordinasi sebesar Rp6 triliun. Pinjaman pertama dengan suku bunga 9,00% dilakukan dalam 2 (dua) kali tahapan pencairan. Pencairan tahap ke-1 pada 30 Mei 2016 sebesar Rp1,5 triliun dan tahap ke-2 pada 20 Juni 2016 sebesar Rp1,5 triliun. Pinjaman kedua dengan suku bunga sebesar 8,90% dengan pencairan pinjaman sebesar Rp3 triliun pada 27 Desember 2019. Jangka waktu Pinjaman Subordinasi adalah 5 tahun (60 bulan) yang akan jatuh tempo masing-masing pada 30 Mei 2021, 20 Juni 2021 dan 27 Desember 2024.

Pinjaman subordinasi telah mendapat persetujuan dari Otoritas Jasa Keuangan (OJK) melalui surat No. S-59/PB.31/2016 tanggal 30 Juni 2016 dan S-21/PB.31/2020 tanggal 4 Februari 2020.

Pada tanggal 31 Desember 2019 dan 2018, Bank telah memenuhi ketentuan dan kondisi yang ada dalam seluruh perjanjian pinjaman subordinasi yang diterima.

This account is a subordinated loan that was obtained from PT SMF (Persero) that is aimed to support the one million housing program. Subordinated loan is the amount of Rp6 trillion. First subordinated loan facility with interest rate of 9.00% is done in 2 (two) steps credit disbursement. The first disbursement is done on May 30, 2016 in the amount of Rp1.5 trillion and the second disbursement is done on June 20, 2016 in the amount of Rp1.5 trillion. Second subordinated loan facility with interest rate of 8.90%. Disbursement is done on December 27, 2019. The time period of the subordinated loan is 5 years (60 months) that will mature on May 30, 2021, June 20, 2021 and December 27, 2024.

Subordinated loan has been approved by Financial Service Authority through letter No. S-59/PB.31/2016 dated June 30, 2016 and S-21/PB.31/2020 dated February 4, 2020.

As of December 31, 2019 and 2018, the Bank has complied with all of the existing terms and conditions of the subordinated loan agreements.

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**27. BUNGA YANG MASIH HARUS DIBAYAR**

**27. INTEREST PAYABLE**

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Deposito berjangka	350.839	378.627	Time deposits
Surat-surat berharga yang diterbitkan	181.161	187.772	Securities issued
Efek yang dijual dengan janji dibeli kembali	11.852	12.579	Securities sold under repurchase agreements
Pinjaman yang diterima	71.503	35.567	Fund borrowings
Pinjaman subordinasi	11.216	8.250	Subordinated loan
Simpanan dari bank lain	3.431	7.120	Deposits from other Banks
Lain-lain	-	219	Others
<b>Total</b>	<b>630.002</b>	<b>630.134</b>	<b>Total</b>

**28. ESTIMASI KERUGIAN KOMITMEN DAN KONTINJENSI**

**28. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES**

Bank melakukan penilaian atas transaksi komitmen dan kontinjensi yang mempunyai risiko kredit secara individual dengan menggunakan bukti obyektif, kecuali transaksi berdasarkan prinsip syariah penilaian dilakukan menggunakan panduan kolektibilitas Otoritas Jasa Keuangan (OJK).

The Bank assessed commitment and contingency transaction which have credit risk individually for impairment based on whether an objective evidence of impairment exists, except transaction based on sharia principles, assessment was performed using a collectability guidance of Otoritas Jasa Keuangan (OJK).

Kolektibilitas garansi yang diterbitkan dan fasilitas kredit yang belum ditarik yang mempunyai risiko kredit adalah sebagai berikut:

The collectability classification of guarantees issued and unused loan facility bearing credit risks are as follows:

	31 Desember/December 31, 2019		31 Desember/December 31, 2018		
	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/ full amount)	Ekuivalen/ Equivalent Rupiah	Jumlah nosional mata uang asing/ Notional amount in foreign currencies (angka penuh/ full amount)	Ekuivalen/ Equivalent Rupiah	
<u>Lancar</u>					<u>Current</u>
<u>Rupiah</u>					<u>Rupiah</u>
Garansi yang diterbitkan (Catatan 40)	1.969.793		3.712.682		Guarantees issued (Note 40)
Fasilitas kredit yang belum ditarik (committed)	178.693		224.440		Unused loan facility (committed)
	<u>2.148.486</u>		<u>3.937.122</u>		
<u>Mata uang asing</u>					<u>Foreign currencies</u>
Garansi yang diterbitkan (Catatan 40)					Guarantees issued (Note 40)
Dolar Amerika Serikat	2.286.869	31.747	5.275.284	75.859	United States Dollar
Euro Eropa	184.351	2.870	184.351	3.031	European Euro
Jepang Yen	41.250.000	5.272		-	Japanese Yen
Dolar Singapura		-	226.676	2.393	Singapore Dollar
		<u>39.889</u>		<u>81.283</u>	
		<u>2.188.375</u>		<u>4.018.405</u>	
<u>Dalam Perhatian Khusus</u>					<u>Special mention</u>
<u>Rupiah</u>					<u>Rupiah</u>
Fasilitas kredit yang belum ditarik (committed)	10.876		45.128		Unused loan facility (committed)
<b>Total</b>	<b>2.199.251</b>		<b>4.063.533</b>		<b>Total</b>

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**28. ESTIMASI KERUGIAN KOMITMEN DAN KONTINJENSI (lanjutan)**

Pada tanggal 31 Desember 2019 dan 2018 terdapat transaksi dengan pihak-pihak berelasi untuk fasilitas kredit yang belum ditarik masing-masing sebesar RpNihil.

Pada tanggal 31 Desember 2019 dan 2018, garansi bank yang diterbitkan kepada pihak-pihak berelasi, masing-masing sebesar Rp364.059 dan Rp834.470 (Catatan 44).

Manajemen berpendapat bahwa tidak diperlukan penyisihan estimasi kerugian komitmen dan kontinjensi yang perlu dibentuk oleh manajemen.

**28. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)**

As of December 31, 2019 and 2018, there are transaction with related parties for unused loan facility amounting to RpNil, respectively.

As of December 31, 2019 and 2018, guarantees issued to related parties amounted to Rp364,059 and Rp834,470, respectively (Note 44).

Based on management's judgment, there is no provision for estimated losses on commitments and contingencies that should be provided by management.

**29. LIABILITAS IMBALAN KERJA DAN LAIN-LAIN**

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<u>Liabilitas imbalan kerja</u>		
Bonus dan tantiem	351.402	272.915
Imbalan kerja jangka panjang (Catatan 41b)	404.408	297.317
	<u>755.810</u>	<u>570.232</u>
<u>Liabilitas lain-lain</u>		
Dana jaminan pengembang (kewajiban pada pihak ketiga)	4.578.611	5.354.174
Lainnya	402.216	293.408
	<u>4.980.827</u>	<u>5.647.582</u>
<b>Total</b>	<b><u>5.736.637</u></b>	<b><u>6.217.814</u></b>

**29. EMPLOYEE BENEFITS AND OTHER LIABILITIES**

Employee benefits liabilities  
Bonuses and tantiem  
Long term employee benefits  
(Note 41b)

Other liabilities  
Developers' security deposits  
(liabilities to third party)  
Others

Cadangan atas bonus merupakan kewajiban atas jasa produksi karyawan pada tahun berjalan yang belum dibagikan pada akhir tahun.

Dana jaminan pengembang merupakan setoran jaminan dari pengembang untuk menjamin penyelesaian kewajiban pengembang di Bank.

Bank telah mengidentifikasi dugaan pemalsuan bilyet deposito Bank dan dari hasil pemeriksaan Bank menunjukkan bahwa terdapat beberapa bilyet deposito Bank yang diduga dipalsukan oleh pihak lain di luar Bank sehingga tidak tercatat dalam sistem Bank. Bank telah melaporkan kasus tersebut kepada pihak berwajib dan saat ini sedang dalam proses penyidikan sehingga jumlah pasti atas potensi kerugian dari kasus tersebut belum dapat ditentukan. Sebagai bentuk penerapan prinsip kehati-hatian, Bank telah membentuk cadangan atas potensi kerugian operasional masing-masing per tanggal 31 Desember 2019 dan 31 Desember 2018 sebesar Rp165.090 juta dan Rp165.090 juta.

Provision for bonus represents unpaid employees' bonus for the current year which has not yet been distributed at the end of the year.

Developer's security deposits represent security deposit from developer to ensure that the developer settle its obligation to the Bank.

The Bank has identified an indication of forged transaction in the Bank's certificate of time deposits and based on the Bank's investigation, there were several Bank's certificate of time deposits forged by third party, therefore it is not recorded in the Bank's system. The Bank has reported this case to the authority and currently it is in the process of investigation, therefore the definite amount of potential loss from this case is still cannot be determined yet. In view of implementation of prudential banking principle, the Bank has provided allowance for potential operational losses as of December 31, 2019 and 2018 amounting to Rp165,090 million and Rp165,090 million, respectively.



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**30. EKUITAS**

a. Modal Saham

Rincian modal dasar, modal ditempatkan dan disetor penuh Bank adalah sebagai berikut:

31 Desember/December 31, 2019					
	Jumlah lembar saham/ Number of shares	Nilai nominal per lembar saham (Rupiah penuh)/ Par value per share (Full Rupiah)	Jumlah nilai saham/ Total value of shares	Persentase kepemilikan/ Percentage ownership	
<b>Modal Dasar</b>					<b>Authorized Capital</b>
Saham Seri A Dwiwarna	1	500	-	0,00%	Series A Dwiwarna Stock
Saham Biasa atas nama Seri B	20.478.431.999	500	10.239.216	100,00%	Series B Common Stock
	<b>20.478.432.000</b>		<b>10.239.216</b>	<b>100,00%</b>	
<b>Modal Ditempatkan dan Disetor Penuh</b>					<b>Issued and Fully Paid Capital</b>
Saham Seri A Dwiwarna Pemerintah	1	500	-	0,00%	Series A Dwiwarna Stock Government
Saham Seri B Pemerintah	6.353.999.999	500	3.177.000	60,00%	Series B Stock Government
Dewan Direksi:					Board of Directors:
Pahala Nugraha Mansury	453.100	500	227	0,00%	Pahala Nugraha Mansury
Hirwandi Gafar	56.000	500	28	0,00%	Hirwandi Gafar
Nixon L.P Napitupulu	236.600	500	118	0,00%	Nixon L.P Napitupulu
Yossi Istanto	70.200	500	35	0,00%	Yossi Istanto
Elisabeth Novie Riswati	25.000	500	13	0,00%	Elisabeth Novie Riswati
Andi Nirwoto	70.200	500	35	0,00%	Andi Nirwoto
Masyarakat (kepemilikan masing-masing dibawah 5% untuk setiap pihak)	4.235.088.900	500	2.117.544	40,00%	Public (ownership less than 5% each)
<b>Total</b>	<b>10.590.000.000</b>		<b>5.295.000</b>	<b>100,00%</b>	<b>Total</b>

**30. EQUITY**

a. Capital Stock

The details of the Bank's authorized capital stock and issued and fully paid capital stock are as follows:

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**30. EKUITAS (lanjutan)**

a. Modal Saham (lanjutan)

Rincian modal dasar, modal ditempatkan dan disetor penuh Bank adalah sebagai berikut (lanjutan):

31 Desember/December 31, 2018					
	Jumlah lembar saham/ Number of shares	Nilai nominal per lembar saham (Rupiah penuh)/ Par value per share (Full Rupiah)	Jumlah nilai saham/ Total value of shares	Persentase kepemilikan/ Percentage ownership	
<b>Modal Dasar</b>					<b>Authorized Capital</b>
Saham Seri A Dwiwarna	1	500	-	0,00%	Series A Dwiwarna Stock
Saham Biasa atas nama Seri B	20.478.431.999	500	10.239.216	100,00%	Series B Common Stock
	<b>20.478.432.000</b>		<b>10.239.216</b>	<b>100,00%</b>	
<b>Modal Ditempatkan dan Disetor Penuh</b>					<b>Issued and Fully Paid Capital</b>
Saham Seri A Dwiwarna Pemerintah	1	500	-	0,00%	Series A Dwiwarna Stock Government
Saham Seri B Pemerintah	6.353.999.999	500	3.177.000	60,00%	Series B Stock Government
Dewan Komisaris:					Board of Commissioners:
Iman Sugema	82.900	500	42	0,00%	Iman Sugema
Maurin Sitorus	82.900	500	42	0,00%	Maurin Sitorus
Sumiyati	82.900	500	42	0,00%	Sumiyati
Dewan Direksi:					Board of Directors:
Maryono	346.800	500	173	0,00%	Maryono
Iman Nugroho Soeko	184.300	500	92	0,00%	Iman Nugroho Soeko
Oni Febriarto Rahardjo	184.300	500	92	0,00%	Oni Febriarto Rahardjo
Budi Satria	146.400	500	73	0,00%	Budi Satria
R. Mahelan					R. Mahelan
Prabantarikso	210.400	500	105	0,00%	Prabantarikso
Nixon L.P. Napitupulu	146.400	500	73	0,00%	Nixon L.P. Napitupulu
Dasuki Amsir	2.000	500	1	0,00%	Dasuki Amsir
Masyarakat (kepemilikan masing-masing dibawah 5% untuk setiap pihak)	4.234.530.700	500	2.117.265	40,00%	Public (ownership less than 5% each)
<b>Total</b>	<b>10.590.000.000</b>		<b>5.295.000</b>	<b>100,00%</b>	<b>Total</b>

Saham Seri A Dwiwarna adalah saham yang memberikan hak-hak preferen kepada pemegangnya untuk menyetujui pengangkatan dan pemberhentian Dewan Komisaris dan Direksi, perubahan anggaran dasar, menyetujui penggabungan, peleburan, pengambilalihan dan pemisahan Bank, pengajuan permohonan agar Bank dinyatakan pailit dan pembubaran Bank.

Saham Seri B adalah saham biasa atas nama yang dapat dimiliki oleh masyarakat.

Series A Dwiwarna share is the share that gives the shareholder preferential rights to approve the appointment or dismissal of Commissioners and Directors, changes in Articles of Association, approve on Bank's merger, dissolution, acquisition and separation, submission of request for bankruptcy and liquidation of the Bank.

Series B shares are common shares that can be owned by the public.

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**30. EKUITAS (lanjutan)**

a. Modal Saham (lanjutan)

Kepemilikan saham oleh Dewan Komisaris dan Direksi adalah dalam rangka Peraturan Otoritas Jasa Keuangan (POJK) No. 45/POJK.03/2015 tanggal 23 Desember 2015 tentang Penerapan Tata Kelola dalam Pemberian Remunerasi Bagi Bank Umum, dimana anggota Direksi dan Dewan Komisaris Non-Independen diberikan remunerasi yang bersifat variabel dalam bentuk saham Perseroan.

Saham yang dimiliki oleh Dewan Komisaris dan Direksi untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar 911.100 lembar saham dan 1.469.300 lembar saham atau 0,01% dan 0,01% dari jumlah modal dasar.

b. Tambahan modal disetor

Perubahan tambahan modal disetor adalah sebagai berikut:

Saldo pada tanggal 1 Januari 2009	-
Tambahan Modal disetor akibat penawaran umum perdana tahun 2009	708.017
Biaya emisi penerbitan saham	(68.391)
	639.626
Tambahan Modal disetor akibat adanya pelaksanaan opsi pembelian (eksekusi) saham MESOP I tahap 1 dan 2 Tahun 2011	94.733
	734.359
Tambahan Modal disetor akibat adanya pelaksanaan opsi pembelian (eksekusi) saham MESOP I tahap 3 dan 4 Tahun 2012	5.219
Tambahan Modal disetor akibat adanya pelaksanaan opsi pembelian (eksekusi) saham MESOP II tahap 1 dan 2 Tahun 2012	1.130
	740.708

**30. EQUITY (continued)**

a. Capital Stock (continued)

The shares ownership by board of commissioners and director follows the Financial Services Authority Regulation (POJK) No. 45/POJK.03/2015 dated December 23, 2015 concerning Implementation of Governance in the Provision of Remuneration for Commercial Banks, where members of the Non-Independent Board of Directors and Board of Commissioners are given variable remuneration in the form of the Company's shares.

Shares held by the Board of Commissioners and Directors for the years ended December 31, 2019 and 2018 amounted to 911,100 shares and 1,469,300 shares or 0.01% and 0.01% of the total authorized capital, respectively.

b. Additional Paid In Capital

The movements in additional paid in capital are as follows:

Balance as January 1, 2009	-
Additional Paid in capital due to Initial Public Offering in 2009	708.017
Shares Issuance Cost	(68.391)
	639.626
Additional Paid in capital due to purchased stock option during phases 1 and 2 of MESOP I in 2011	94.733
	734.359
Additional Paid in capital due to purchased stock option during phases 3 and 4 of MESOP I in 2012	5.219
Additional Paid in capital due to purchased stock option during phases 1 and 2 of MESOP II in 2012	1.130
	740.708

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**30. EKUITAS (lanjutan)**

b. Tambahan modal disetor (lanjutan)

Perubahan tambahan modal disetor adalah sebagai berikut: (lanjutan)

Tambahan Modal disetor akibat Penawaran Umum Saham Terbatas I pada tahun 2012	1.111.949
Biaya emisi penerbitan saham	(59.154)
	<u>1.793.503</u>
Tambahan Modal disetor akibat adanya pelaksanaan opsi pembelian (eksekusi) saham MESOP I tahap 5 dan 6 Tahun 2013	11.063
Tambahan Modal disetor akibat adanya pelaksanaan opsi pembelian (eksekusi) saham MESOP II tahap 3 dan 4 Tahun 2013	117.623
Tambahan Modal disetor akibat adanya pelaksanaan opsi pembelian (eksekusi) saham MESOP III tahap 1 dan 2 Tahun 2013	103.575
	<u>2.025.764</u>
Tambahan Modal disetor akibat adanya pelaksanaan opsi pembelian (eksekusi) saham MESOP I tahap 7 dan 8 Tahun 2014	1.840
Tambahan Modal disetor akibat adanya pelaksanaan opsi pembelian (eksekusi) saham MESOP II tahap 5 dan 6 Tahun 2014	243
Tambahan Modal disetor akibat adanya pelaksanaan opsi pembelian (eksekusi) saham MESOP III tahap 3 dan 4 Tahun 2014	289
	<u>2.028.136</u>
Tambahan Modal disetor akibat adanya pelaksanaan opsi pembelian (eksekusi) saham MESOP II tahap 7 dan 8 serta MESOP III tahap 5 dan 6 Tahun 2015	18.462
	<u>2.046.598</u>
Tambahan Modal disetor akibat adanya pelaksanaan opsi pembelian (eksekusi) saham MESOP III tahap 7 Tahun 2016	7.856
	<u><u>2.054.454</u></u>

**30. EQUITY (continued)**

b. Additional paid-in capital (continued)

The movements in additional paid in capital are as follows: (continued)

	<i>Additional paid in capital due to Right Issue I in 2012</i>
	<i>Shares Issuance Cost</i>
	<i>Additional Paid in capital due to purchased stock option during phases 5 and 6 of MESOP I in 2013</i>
	<i>Additional Paid in capital due to purchased stock option during phases 3 and 4 of MESOP II in 2013</i>
	<i>Additional Paid in capital due to purchased stock option during phases 1 and 2 of MESOP III in 2013</i>
	<i>Additional Paid in capital due to purchased stock option during phases 7 and 8 of MESOP I in 2014</i>
	<i>Additional Paid in capital due to purchased stock option during phases 5 and 6 of MESOP II in 2014</i>
	<i>Additional Paid in capital due to purchased stock option during phases 3 and 4 of MESOP III in 2014</i>
	<i>Additional Paid in capital due to purchased stock option during phases 7 and 8 of MESOP II and phases 5 and 6 of MESOP III in 2015</i>
	<i>Additional Paid in capital due to purchased stock option during phase 7 of MESOP III in 2016</i>

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**30. EKUITAS (lanjutan)**

c. Penggunaan Laba

Penggunaan Laba Tahun 2018

Alokasi penggunaan laba untuk tahun yang berakhir pada tanggal 31 Desember 2018 adalah sebagai berikut:

- a. Dividen sebesar Rp561.585  
 b. Laba ditahan Rp2.246.338

Penggunaan Laba Tahun 2017

Alokasi penggunaan laba untuk tahun yang berakhir pada tanggal 31 Desember 2017 adalah sebagai berikut:

- a. Dividen sebesar Rp605.493  
 b. Laba ditahan yang telah ditentukan penggunaannya Rp2.421.973

**31. PENDAPATAN BUNGA DAN BAGI HASIL**

a. Pendapatan Bunga

Akun ini terdiri dari:

**30. EQUITY (continued)**

c. Profit Distribution

Profit Distribution for Year 2018

Allocation of profit distribution for the year ended December 31, 2018 are as follow:

- a. Dividends amounted to Rp561,585  
 b. Retained earnings amounted to Rp2,246,338

Profit Distribution for Year 2017

Allocation of profit distribution for the year ended December 31, 2017 are as follow:

- a. Dividends amounted to Rp605,493  
 b. Appropriated retained earnings amounted to Rp2,421,973

**31. INTEREST INCOME AND INCOME FROM PROFIT SHARING**

a. Interest Income

This account consists of:

	Tahun yang berakhir pada tanggal 31 Desember/ For the Year Ended December 31		
	2019	2018	
<b>Kredit yang diberikan dan piutang</b>			<b>Loans and receivables</b>
Kredit yang diberikan	22.259.815	19.860.531	Loans
Giro pada Bank Indonesia	73.906	59.382	Current accounts with Bank Indonesia
Giro pada bank lain	1.962	1.357	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	236.862	214.578	Placements with Bank Indonesia and other banks
Efek dibeli dengan janji dijual kembali	3.952	-	Securities purchased under agreement to resell
<b>Nilai wajar melalui Laba rugi</b>			<b>Fair value through profit or loss</b>
Obligasi pemerintah	29.697	22.353	Government bonds
Efek-efek	7.522	1.649	Securities
<b>Tersedia untuk dijual</b>			<b>Available-for-sale</b>
Obligasi pemerintah	248.110	223.308	Government bonds
Efek-efek	181.557	168.981	Securities
<b>Dimiliki hingga jatuh tempo</b>			<b>Held-to-maturity</b>
Obligasi pemerintah	134.669	168.081	Government bonds
Efek-efek	93.380	61.292	Securities
<b>Total</b>	<b>23.271.432</b>	<b>20.781.512</b>	<b>Total</b>

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**31. PENDAPATAN BUNGA DAN BAGI HASIL**  
**(lanjutan)**

b. Bagi hasil dan marjin unit syariah

Akun ini terdiri dari:

	Tahun yang berakhir pada tanggal 31 Desember/ For the Year Ended December 31	
	2019	2018
Pendapatan <i>murabahah</i>	1.775.424	1.419.649
Pendapatan bagi hasil <i>musyarakah</i>	265.349	358.858
Pendapatan <i>istishna</i>	184.071	142.611
Pendapatan bagi hasil <i>mudharabah</i>	12.504	25.733
Pendapatan usaha utama lainnya	211.094	123.395
<b>Total</b>	<b>2.448.442</b>	<b>2.070.246</b>

**31. INTEREST INCOME AND INCOME FROM PROFIT**  
**SHARING (continued)**

b. Profit Sharing and Margin from Sharia Unit

This account consists of:

*Income from murabahah*  
*Musyarakah profit sharing income*  
*Income from istishna*  
*Mudharabah profit sharing income*  
*Other main operating income*

**Total**

**32. BEBAN BUNGA, BAGI HASIL DAN BONUS**

a. Beban Bunga

Akun ini terdiri dari:

	Tahun yang berakhir pada tanggal 31 Desember/ For the Year Ended December 31	
	2019	2018
Deposito berjangka	8.770.985	6.121.822
Surat-surat berharga yang diterbitkan	1.763.945	1.753.488
Tabungan	1.580.734	1.433.139
Pinjaman yang diterima	1.390.262	737.136
Giro	910.075	925.651
Simpanan dari bank lain	405.373	291.627
Pinjaman Subordinasi	273.167	270.200
Efek yang dijual dengan janji dibeli kembali	72.753	94.491
<b>Total</b>	<b>15.167.294</b>	<b>11.627.554</b>

**32. INTEREST, PROFIT SHARING AND BONUS**  
**EXPENSES**

a. Interest Expense

This account consists of:

*Time deposits*  
*Securities issued*  
*Savings deposits*  
*Fund borrowings*  
*Demand deposits*  
*Deposits from other banks*  
*Subordinated Loan*  
*Securities sold under*  
*repurchase agreements*

**Total**

b. Bonus Simpanan *Wadiah* dan Hak Pihak Ketiga  
 atas Bagi hasil *Mudharabah*

Bonus simpanan *wadiah*:

	Tahun yang berakhir pada tanggal 31 Desember/ For the Year Ended December 31	
	2019	2018
Beban bonus simpanan <i>wadiah</i> :		
Giro <i>wadiah</i>	13.055	10.270
Tabungan <i>wadiah</i>	2.586	2.166
	<b>15.641</b>	<b>12.436</b>

b. *Wadiah* Deposit Bonus and Third Parties' Share  
 on Return of *Mudharabah*

*Wadiah* deposit bonus:

*Wadiah* bonus expenses:  
*Wadiah demand deposit*  
*Wadiah saving deposit*

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**32. BEBAN BUNGA, BAGI HASIL DAN BONUS  
(lanjutan)**

- b. Bonus Simpanan *Wadiah* dan Hak Pihak Ketiga atas Bagi hasil *Mudharabah* (lanjutan)

Hak bagi hasil *mudharabah*:

	Tahun yang berakhir pada tanggal 31 Desember/ For the Year Ended December 31	
	2019	2018
Hak Pihak Ketiga atas Bagi hasil <i>Mudharabah</i> :		
Deposito <i>mudharabah</i>	1.225.139	803.413
Giro <i>mudharabah</i>	24.595	66.362
Tabungan <i>mudharabah</i>	142.479	105.345
Pinjaman <i>mudharabah</i>	25.217	18.645
<b>Total</b>	<b>1.417.430</b>	<b>993.765</b>

**32. INTEREST, PROFIT SHARING AND BONUS  
EXPENSES (continued)**

- b. *Wadiah* Deposit Bonus and Third Parties' Share on Return of *Mudharabah* (continued)

*Mudharabah* share on return:

Third Parties' Share on Return  
of *Mudharabah*:  
*Mudharabah* time deposit  
*Mudharabah* demand deposit  
*Mudharabah* saving deposit  
*Mudharabah* borrowing

**Total**

**33. PENDAPATAN OPERASIONAL LAINNYA -  
LAIN-LAIN**

Akun ini terdiri dari:

	Tahun yang berakhir pada tanggal 31 Desember/ For the Year Ended December 31	
	2019	2018
Jasa perbankan	151.997	163.551
Jasa penagihan - <i>payment points</i>	16.265	21.253
<i>Servicing Fee</i> Sekuritisasi Aset	116.995	117.658
Lainnya	233.109	329.941
<b>Total</b>	<b>518.366</b>	<b>632.403</b>

**33. OTHER OPERATING INCOME - OTHERS**

This account consists of:

Bank services  
Collection services - *payment points*  
*Servicing Fee* Securitization Assets  
Others

**Total**

Jasa perbankan terdiri dari pendapatan dari transaksi transfer dana, pendapatan sewa *safe deposit box* dan pendapatan administrasi layanan ATM.

*Bank services* pertains to income from fund transfer transactions, *safety deposit box* rentals and ATM service charges.

Lainnya terutama terdiri dari provisi atas garansi bank yang diterbitkan, komisi yang diterima dari perusahaan asuransi atas produk asuransi yang terjual melalui Bank, pembalikan atas cadangan risiko pajak serta pembalikan cadangan operasional terkait dengan kasus pemalsuan bilyet deposito yang kasusnya telah dimenangkan oleh Bank di tingkat Mahkamah Agung.

*Others* consist mainly of provision from bank guarantee issued, commission received from insurance companies for insurance products sold by the Bank to its borrowers, reversal of tax risks reserves and reversal of operational reserves related to cases of fictitious deposit bills which has been won by the Bank in Supreme Court.

The original financial statements included herein are in the Indonesian language.

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**34. PENYISIHAN (PEMBALIKAN) KERUGIAN  
 PENURUNAN NILAI ASET KEUANGAN DAN  
 NON- ASET KEUANGAN**

**34. PROVISION FOR (REVERSAL OF) IMPAIRMENT  
 LOSSES ON FINANCIAL AND NON-FINANCIAL  
 ASSETS**

Akun ini terdiri dari:

This account consists of:

	Tahun yang berakhir pada tanggal 31 Desember/ For the Year Ended December 31		
	2019	2018	
Kredit yang diberikan dan pembiayaan/piutang syariah (Catatan 11)	3.479.546	1.709.059	Loans and sharia financing/ receivables (Note 11)
Efek-efek (Catatan 8)	7.205	5.250	Securities (Note 8)
Giro pada bank lain (Catatan 6)	(86)	22	Current accounts with other banks (Note 6)
Properti terbengkalai	-	96	Abandoned properties
<b>Total</b>	<b>3.486.665</b>	<b>1.714.427</b>	<b>Total</b>

**35. BEBAN UMUM DAN ADMINISTRASI**

**35. GENERAL AND ADMINISTRATIVE EXPENSES**

Akun ini terdiri dari:

This account consists of:

	Tahun yang berakhir pada tanggal 31 Desember/ For the Year Ended December 31		
	2019	2018	
Perbaikan dan pemeliharaan	1.036.317	924.065	Repairs and maintenance
Sewa	594.761	529.059	Rent
Promosi	455.292	597.337	Promotion
Beban kantor	350.709	219.039	Office expenses
Penyusutan (Catatan 14)	314.233	263.884	Depreciation (Note 14)
Listrik, air dan komunikasi	263.847	286.390	Electricity, water and telecommunications
Transportasi	130.414	157.771	Transportation
Jasa profesional	113.041	100.811	Professional fees
Outsourcing	90.122	81.961	Outsourcing
Lainnya	76.286	65.036	Others
<b>Total</b>	<b>3.425.022</b>	<b>3.225.353</b>	<b>Total</b>

Lainnya terutama terdiri dari beban administrasi *branchless banking*, biaya operasional program pemerintah, premi asuransi untuk gedung, premi asuransi kas dalam perjalanan serta kas dalam khazanah.

Others consist mainly of *branchless banking administration expense*, government program operational expense insurance premium on the building, insurance premium on cash in transit and cash in vault.



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**36. GAJI DAN TUNJANGAN KARYAWAN**

Akun ini terdiri dari:

	Tahun yang berakhir pada tanggal 31 Desember/ For the Year Ended December 31	
	2019	2018
Gaji dan upah		
Rutin	1.876.710	1.800.749
Tidak rutin	868.902	881.187
Pelatihan dan pengembangan	95.714	138.272
Lainnya	22.629	56.354
<b>Total</b>	<b>2.863.955</b>	<b>2.876.562</b>

Lainnya terdiri dari beban imbalan kerja, biaya perekrutan, pesangon dan tunjangan rekreasi karyawan.

**36. SALARIES AND EMPLOYEE BENEFITS**

This account consists of:

Salaries and wages
Recurring
Non-recurring
Training and development
Others
<b>Total</b>

Others consists mainly of employee benefits expense, recruitment costs, severance costs and employee recreational costs.

**37. BEBAN OPERASIONAL LAINNYA - LAIN-LAIN**

Akun ini terdiri dari:

	Tahun yang berakhir pada tanggal 31 Desember/ For the Year Ended December 31	
	2019	2018
Imbalan atas jasa penagihan	76.665	82.539
Kerugian atas penyelesaian kredit bermasalah	38.046	48.190
Lainnya	191.736	218.368
<b>Total</b>	<b>306.447</b>	<b>349.097</b>

Lainnya terutama terdiri dari beban representasi dan jamuan makan dan minum rapat, beban terkait dengan restrukturisasi struktur organisasi Bank, serta beban cadangan atas potensi risiko operasional.

**37. OTHER OPERATING EXPENSES - OTHERS**

This account consists of:

Fees for collection services
Loss on bad debt settlement
Others
<b>Total</b>

Others consist mainly of representation and entertainment expense, expense related to the restructuring of the Bank's organization structure and provision for potential operational risk.

**38. PENDAPATAN (BEBAN) BUKAN OPERASIONAL - NETO**

Akun ini terdiri dari:

	Tahun yang berakhir pada tanggal 31 Desember/ For the Year Ended December 31	
	2019	2018
Pendapatan sewa gedung	127	157
Pendapatan (beban) lainnya - neto	(110.838)	16.318
<b>Total</b>	<b>(110.711)</b>	<b>16.475</b>

Lainnya terutama terdiri dari beban denda administrasi, keuntungan/(kerugian) jual beli mata uang asing dan beban bina lingkungan.

**38. NON-OPERATING INCOME (EXPENSES) - NET**

This account consists of:

Building rental income equipment
Other income (expense) - net
<b>Total</b>

Others consist mainly of administration penalty expense, gain/(loss) on trading of foreign currency and community development expense.

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**39. PERPAJAKAN**

- a. Rekonsiliasi antara laba sebelum beban pajak menurut laporan laba rugi dan penghasilan komprehensif lain dengan taksiran penghasilan kena pajak, adalah sebagai berikut:

	<b>Tahun yang berakhir pada</b> <b>tanggal 31 Desember/</b> <b>For the Year Ended December 31</b>		
	<b>2019</b>	<b>2018</b>	
Laba sebelum beban pajak	411.062	3.610.275	<i>Income before tax expense</i>
Beda temporer:			<i>Temporary differences:</i>
Pembentukan cadangan kerugian penurunan nilai aset keuangan dan non-aset keuangan	1.939.322	224.613	<i>Provision for allowance for impairment losses on financial assets and non-financial assets</i>
Penyisihan untuk imbalan kerja	(25.777)	117.364	<i>Provision for employee benefits</i>
Penurunan (kenaikan) nilai efek-efek yang dimiliki untuk diperdagangkan	18.865	(33.068)	<i>Decrease (increase) in fair value of trading securities</i>
	<u>1.932.410</u>	<u>308.909</u>	
Beda tetap:			<i>Permanent differences:</i>
Kenikmatan karyawan	240.378	230.268	<i>Employee welfare</i>
Beban kantor	37.891	38.163	<i>Office expense</i>
Sewa	105.390	69.852	<i>Rent</i>
Sumbangan	26.703	24.903	<i>Donations</i>
Perbaikan dan pemeliharaan	11.771	13.135	<i>Repairs and maintenance</i>
Dana sosial dan representasi	53.334	98.982	<i>Social funds and representation</i>
Penyusutan atas aset tetap yang tidak dapat disusutkan menurut pajak	1.972	1.782	<i>Depreciation of premises and equipment which are non-depreciable for tax purposes</i>
Lain-lain	120.619	1.788	<i>Others</i>
Pendapatan sewa tarif final	(127)	(158)	<i>Rent income subject to final tax</i>
	<u>597.931</u>	<u>478.715</u>	
Taksiran penghasilan kena pajak	<u>2.941.403</u>	<u>4.397.899</u>	<i>Estimated taxable income</i>
Beban pajak penghasilan	588.281	879.580	<i>Income tax expense</i>
Pajak penghasilan Pasal 25	(586.602)	(876.155)	<i>Income tax - Article 25</i>
<b>Hutang pajak penghasilan badan (Catatan 17)</b>	<b><u>1.679</u></b>	<b><u>3.425</u></b>	<b><i>Corporate income tax payable (Note 17)</i></b>

Berdasarkan Undang-undang Perpajakan yang berlaku di Indonesia, Bank menghitung, menetapkan dan membayar sendiri besarnya jumlah pajak yang terutang. Direktur Jendral Pajak ("DJP") dapat menetapkan atau mengubah liabilitas pajak dalam batas waktu 5 (lima) tahun sejak saat terutangnya pajak.

*Under the prevailing Taxation Laws of Indonesia, the Bank calculates, determines and pays tax payable based on self-assessment. The Directorate General of Taxes ("DGT") may assess or amend taxes within 5 (five) years from the time the tax becomes due.*

**39. TAXATION**

- a. *The reconciliation between income before tax expense, as shown in the statement of profit or loss and other comprehensive income are as follows:*

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**39. PERPAJAKAN (lanjutan)**

- b. Rincian pendapatan (beban) pajak tangguhan - neto dengan memperhitungkan pengaruh beda temporer pada tarif pajak adalah sebagai berikut:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
Pembentukan atas kerugian penurunan nilai aset keuangan dan non-aset keuangan	387.864	56.153
Penyisihan untuk imbalan kerja	(5.155)	29.341
Kenaikan (penurunan) nilai wajar efek-efek yang dimiliki untuk diperdagangkan	3.773	(8.267)
<b>Pendapatan (beban) Pajak Tangguhan - Neto</b>	<b>386.482</b>	<b>77.227</b>

**39. TAXATION (continued)**

- b. The details of deferred tax benefit (expense)-net computed by computing the effect of temporary differences on tax rate are as follows:

Provision for allowance for impairment losses on financial and non-financial assets
Provision for employee benefits
Increase (decrease) in fair value of trading securities
<b>Deferred Tax benefit (expense) - Net</b>

- c. Aset (Liabilitas) Pajak Tangguhan

Pengaruh pajak atas perbedaan temporer yang signifikan antara pelaporan keuangan dan pajak adalah sebagai berikut:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<b>Aset (liabilitas) pajak tangguhan - dampak dari laporan laba rugi</b>		
Penyisihan untuk imbalan kerja	41.546	46.701
Cadangan kerugian penurunan nilai aset keuangan dan non-aset keuangan	548.554	160.690
(Kenaikan) penurunan nilai efek-efek yang dimiliki untuk diperdagangkan	(6.807)	(10.579)
	583.293	196.812
<b>Aset (liabilitas) Pajak Tangguhan - efek dari ekuitas</b>		
Kerugian yang belum direalisasi atas efek-efek dan obligasi Pemerintah yang tersedia untuk dijual	(2.865)	35.810
Pengukuran kembali imbalan pasti	48.677	27.629
	45.812	63.439
<b>Aset/(Liabilitas) Pajak Tangguhan - Neto</b>	<b>629.105</b>	<b>260.251</b>

- c. Deferred tax assets (liabilities)

The tax effects on significant outstanding temporary differences between financial and tax reporting purposes are as follows:

<b>Deferred tax assets (liabilities) - effect from statement of profit or loss</b>
Provision for employee benefits
Allowance for impairment losses on financial and non-financial assets
(Increase) decrease in fair value of trading securities
<b>Deferred Tax Assets (Liabilities) - effect from equity</b>
Unrealized loss in fair value of - available for sale securities and government bonds
Remeasurement of defined benefit obligation
<b>Deferred Tax Assets/ (Liabilities) - Net</b>

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**39. PERPAJAKAN (lanjutan)**

c. Aset (Liabilitas) Pajak Tangguhan (lanjutan)

Pada tanggal 31 Desember 2019 dan 2018, manajemen berkeyakinan bahwa estimasi Bank terhadap penghasilan pajak masa mendatang menyatakan bahwa penghasilan pajak masa mendatang akan tersedia untuk merealisasikan aset pajak tangguhan.

d. Rekonsiliasi antara beban pajak penghasilan dengan menggunakan tarif pajak yang berlaku dari laba sebelum beban pajak dan beban pajak penghasilan seperti yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain untuk periode yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Laba sebelum beban pajak	411.062	3.610.275	<i>Income before tax expense</i>
Beban pajak dengan tarif pajak yang berlaku	(82.212)	(722.055)	<i>Tax expense at the applicable tax rate</i>
Beda tetap	(119.587)	(95.743)	<i>Permanent differences</i>
Selisih Tarif Pajak	-	15.446	<i>Tax Rate Difference</i>
<b>Beban pajak</b>	<b>(201.799)</b>	<b>(802.352)</b>	<b><i>Tax expense</i></b>

e. Uang Muka Pajak

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Tahun Pajak 2012	48.683	48.683	<i>Fiscal Year 2012</i>
Tahun Pajak 2013	156.774	163.484	<i>Fiscal Year 2013</i>
Tahun Pajak 2014	196.971	196.971	<i>Fiscal Year 2014</i>
<b>Saldo akhir tahun (Catatan 16)</b>	<b>402.428</b>	<b>409.138</b>	<b><i>Balance at end of year (Note 16)</i></b>

**Penurunan Tarif Pajak Penghasilan Badan**

Berdasarkan pasal 17 ayat 2 Undang-undang No. 7 tahun 1983 mengenai "Pajak Penghasilan" yang telah diubah untuk keempat kalinya dengan Undang-undang No. 36 tahun 2008, tarif Pajak Penghasilan Badan adalah sebesar 25%.

**39. TAXATION (continued)**

c. *Deferred tax assets (liabilities) (continued)*

*As of December 31, 2019 and 2018, management believes that the Bank's estimates of future taxable income indicate that the future income will be available to the realize the deferred tax assets.*

*d. The reconciliation between the tax expense computed by applying the applicable tax rate on the income before tax expense and the tax expense shown in the statement of profit or loss and other comprehensive income for the year ended December 31, 2019 and, 2018, are as follows:*

e. *Prepaid Tax*

***Reduction of the Tax Rate of Corporate Income Tax***

*Under article paragraph 17 (2) of Law No. 7 year 1983 regarding "Income Tax" which was revised for the fourth time by Law No. 36 year 2008, the corporate tax rate is 25%.*

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**39. PERPAJAKAN (lanjutan)**

**Penurunan Tarif Pajak Penghasilan Badan  
(lanjutan)**

Namun demikian, berdasarkan Undang-undang No. 36 tahun 2008 tanggal 23 September 2008 tersebut, Peraturan Pemerintah No. 81 Tahun 2007 tanggal 28 Desember 2007, yang kemudian dicabut dan digantikan oleh Peraturan Pemerintah (PP) No. 77 tahun 2013 tanggal 21 November 2013 dan terakhir diganti dengan Peraturan Pemerintah (PP) No. 56 tahun 2015 tertanggal 3 Agustus 2015 tentang "Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka" dan Peraturan Menteri Keuangan No. 238/PMK.03/2008 tanggal 30 Desember 2008 tentang "Tata Cara Pelaksanaan dan Pengawasan Pemberian Penurunan Tarif Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka" mengatur bahwa Perseroan Terbuka dalam negeri di Indonesia dapat memperoleh fasilitas penurunan tarif Pajak Penghasilan sebesar 5% lebih rendah dari tarif tertinggi Pajak Penghasilan yang ada, dengan memenuhi kriteria yang ditentukan, yaitu Perseroan Terbuka yang paling sedikit 40% dari jumlah keseluruhan saham yang disetor diperdagangkan di Bursa Efek Indonesia dan saham tersebut dimiliki paling sedikit oleh 300 (tiga ratus) pihak dan masing-masing pihak hanya boleh memiliki saham kurang dari 5% dari keseluruhan saham yang disetor. Ketentuan sebagaimana dimaksud di atas harus dipenuhi oleh Perseroan Terbuka dalam waktu paling singkat 183 (seratus delapan puluh tiga) hari dalam jangka waktu 1 (satu) tahun pajak.

Berdasarkan surat keterangan No. DE/I/2020-0148 tanggal 6 Januari 2020 dan laporan bulanan kepemilikan saham (Formulir No. X.H.I-2 tanggal 3 Januari 2020 dari Biro Administrasi Efek, Datindo Entrycom atas kepemilikan saham Bank selama periode 2019 yang berakhir pada tanggal 31 Desember 2019) semua kriteria di atas untuk memperoleh fasilitas penurunan tarif pajak tersebut atas laporan keuangan Bank untuk tahun yang berakhir pada tanggal 31 Desember 2019 telah terpenuhi.

Berdasarkan surat keterangan No. DE/I/2019-0145 tanggal 4 Januari 2019 dan laporan bulanan kepemilikan saham (Formulir No. X.H.I-2 tanggal 2 Januari 2019 dari Biro Administrasi Efek, Datindo Entrycom atas kepemilikan saham Bank selama periode 2018 yang berakhir pada tanggal 31 Desember 2018) semua kriteria di atas untuk memperoleh fasilitas penurunan tarif pajak tersebut atas laporan keuangan Bank untuk periode yang berakhir pada tanggal 31 Desember 2018 telah terpenuhi.

**39. TAXATION (continued)**

**Reduction of the Tax Rate of Corporate Income  
Tax (continued)**

In addition, based on the above Law No. 36 year 2008 dated September 23, 2008, the Government Regulation No. 81 year 2007 dated December 28, 2007, which subsequently has been revoked and replaced by Government Regulation (GR) No. 77 Year 2013 dated November 21, 2013 and replaced by Government Regulation (GR) No. 56 Year 2015 dated August 3, 2015 on "Reduction of the Income Tax Rate on Resident Corporate Tax Payers in the Form of Public Companies" and the Ministry of Finance Regulation No. 238/PMK.03/2008 dated December 30, 2008 on "The Guidelines on the Implementation and Supervision on the Rate Reduction for Domestic Corporate Tax Payers in the Form of Public Companies" stipulates that resident public companies in Indonesia can obtain the reduced income tax rate at 5% lower than the highest existing income tax rate, provided they meet the prescribed criteria, public companies whose shares are owned by the public at a minimum of 40% or more of the total paid-up shares are traded in the Indonesia Stock Exchange and such shares are owned by at least 300 (three hundred) parties and each party owning only less than 5% of the total paid-up shares. These requirements should be fulfilled by the public companies for a minimum period of 183 (one hundred and eighty three) days in 1 (one) fiscal year.

Based on Letter No. DE/I/2020-0148 dated January 6, 2020 and the monthly report of shares ownerships (form No. X.H.I-2 dated January 3, 2020 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of Bank's shares during the period ended December 31, 2019), all of the above mentioned required criteria to obtain the tax rate reduction on Bank's financial statements for the year ended December 31, 2019 were fulfilled by the Bank.

Based on Letter No. DE/I/2019-0145 dated January 4, 2019 and the monthly report of shares ownerships (form No. X.H.I-2 dated January 2, 2019 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of Bank's shares during the period ended December 31, 2018), all of the above mentioned required criteria to obtain the tax rate reduction on Bank's financial statements for the period ended December 31, 2018 were fulfilled by the Bank.

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**39. PERPAJAKAN (lanjutan)**

**Pemeriksaan tahun pajak 2012**

Pada tanggal 30 September 2014, Bank telah menerima Surat Pemberitahuan Hasil Pemeriksaan Pajak (SPHP) No. PHP-201/WPJ.02/KP.10/2014 mengenai kekurangan pembayaran pajak PPh Pasal 4 ayat (2) untuk tahun pajak 2012 atas Kantor Cabang Pekanbaru. Atas SPHP tersebut, pada tanggal 10 November 2014, Bank telah menerima Surat Ketetapan Pajak Kurang Bayar (SKPKB) dengan rincian sebagai berikut:

	Pokok/ Principal (Rp)	Denda/ Penalty (Rp)	
<b>Tahun 2012</b>			<b>Year 2012</b>
SKPKB PPh Pasal 4 ayat 2 No.00095/240/12/218/14	191	92	SKPKB Article 4 (2) No.00095/240/12/218/14
SKPKB PPh Pasal 4 ayat 2 No.00096/240/12/218/14	191	92	SKPKB Article 4 (2) No.00096/240/12/218/14
SKPKB PPh Pasal 4 ayat 2 No.00097/240/12/218/14	190	91	SKPKB Article 4 (2) No.00097/240/12/218/14
SKPKB PPh Pasal 4 ayat 2 No.00098/240/12/218/14	168	81	SKPKB Article 4 (2) No.00098/240/12/218/14
SKPKB PPh Pasal 4 ayat 2 No.00099/240/12/218/14	214	103	SKPKB Article 4 (2) No.00099/240/12/218/14
SKPKB PPh Pasal 4 ayat 2 No.00100/240/12/218/14	196	94	SKPKB Article 4 (2) No.00100/240/12/218/14
SKPKB PPh Pasal 4 ayat 2 No.00101/240/12/218/14	207	99	SKPKB Article 4 (2) No.00101/240/12/218/14
SKPKB PPh Pasal 4 ayat 2 No.00102/240/12/218/14	245	118	SKPKB Article 4 (2) No.00102/240/12/218/14
SKPKB PPh Pasal 4 ayat 2 No.00103/240/12/218/14	238	114	SKPKB Article 4 (2) No.00103/240/12/218/14
SKPKB PPh Pasal 4 ayat 2 No.00104/240/12/218/14	229	110	SKPKB Article 4 (2) No.00104/240/12/218/14
SKPKB PPh Pasal 4 ayat 2 No.00105/240/12/218/14	250	120	SKPKB Article 4 (2) No.00105/240/12/218/14
SKPKB PPh Pasal 4 ayat 2 No.00106/240/12/218/14	305	146	SKPKB Article 4 (2) No.00106/240/12/218/14
<b>Total</b>	<b>2.624</b>	<b>1.260</b>	<b>Total</b>

Pada tanggal 8 Desember 2014, Bank telah melakukan pembayaran atas seluruh tagihan dalam Surat Ketetapan Pajak Kurang Bayar (SKPKB) tersebut yaitu sebesar Rp3.884. Pembayaran tersebut dicatat oleh Bank pada aset lain-lain (Catatan 16).

On December 8, 2014, the Bank has paid the entire amount in the Tax Assessment Letter of Tax Underpayment (SKPKB) amounting to Rp3,884. The payment is recorded as other assets (Note 16).

Pada tanggal 20 Januari 2015, Bank mengajukan surat keberatan atas seluruh SKPKB tersebut di atas. Pada tanggal 14 Januari 2016, Kantor Pajak telah menerbitkan Surat Keputusan Keberatan yang menolak seluruh permohonan keberatan Bank. Pada tanggal 2 April 2016 Bank mengajukan permohonan banding atas Surat Keputusan Keberatan tersebut ke Pengadilan Pajak. Pada tanggal 19 Oktober 2017 Pengadilan Pajak telah menerbitkan surat keputusan yang memenangkan Wajib Pajak dan memerintahkan kantor pajak untuk membayar kembali uang muka pajak tersebut.

On January 20, 2015, the Bank filed letters of tax objection on all of the aforementioned underpayment TAL. On January 14, 2016, the Tax Office has issued Objection Decision Letters which has rejected all of the Bank's objections. On April 2, 2016, the Bank filed the appeal letters to the Tax Court on all of the aforementioned objection decision letters. On October 19, 2017, Tax Court has issued an appeal decision in favour of the Bank's Tax Appeal and order tax office to refund the prepaid tax.

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**39. PERPAJAKAN (lanjutan)**

**Pemeriksaan tahun pajak 2012 (lanjutan)**

Berdasarkan Surat Pemberitahuan Hasil Pemeriksaan Pajak (SPHP) No. SPHP-03/PJ.0401/2017 tanggal 22 Mei 2017 mengenai hasil pemeriksaan pajak untuk tahun 2012, Bank telah menerima Surat Ketetapan Pajak Kurang Bayar (SKPKB) PPh Badan Tahun 2012 sebesar Rp59.307 dengan rincian sebagai berikut:

	Pokok/ Principal (Rp)
Tahun 2012 SKPKB PPh Badan No.00003/206/12/093/17	40.073

Selain itu, Bank juga telah menerima SKPKB PPh Pasal 21, 23, 4 ayat (2) dan PPN sebesar Rp4.834 (termasuk penalti). Seluruh SKPKB tersebut termasuk SKPKB PPh Badan telah dibayar pada tanggal 21 Agustus 2017.

Namun demikian Bank tidak setuju dengan SKPKB PPh Badan sebesar Rp48.683 dan mengajukan Surat Keberatan kepada Direktorat Jenderal Pajak tanggal 10 Oktober 2017 yang diterima oleh DJP pada tanggal 12 Oktober 2017. Pembayaran tersebut dicatat oleh Bank pada aset lain-lain (Catatan 16).

Kantor Pajak telah menerbitkan Surat Keputusan Keberatan yang menolak permohonan Bank pada tanggal 25 September 2018. Kemudian Bank mengajukan Surat Permohonan Banding ke Pengadilan Pajak pada tanggal 14 Desember 2018. Sampai dengan tanggal laporan ini proses Banding tersebut masih berjalan.

**39. TAXATION (continued)**

**Assessment for fiscal year 2012 (continued)**

Based on Notification of Tax Audit Findings No. SPHP-03/PJ.0401/2017 dated May 22, 2017, regarding tax audit result for the year of 2012, the Bank has received issued Tax Assessment Letter of Tax Underpayment (SKPKB) of Corporate Income Tax for the year of 2012 amounting to Rp59,307 as follows:

	Denda/ Penalty (Rp)	Year 2012
	19.234	SKPKB Article Corporate Income Tax No.00003/206/12/093/17

Other than that, the Bank has also received the Tax Assessment Letters of Tax Underpayment (SKPKB) of Article 21, 23, 4 paragraph (2) Income Tax and VAT amounting to Rp4,834 (including penalties). The entire SKPKB including for the Corporate Income Tax has been paid on August 21, 2017.

However, the Bank does not agree with the SKPKB of the Corporate Income Tax amounting to Rp48,683 and has submitted the objection letter dated October 10, 2017 which has been received by the Tax Office on October 12, 2017. This payment is recorded as other assets (Note 16).

The Tax Office has issued an Objection Decision Letter, which has rejected all of the Bank's objection request, on September 25, 2018. Therefore, the Bank has filed an appeal letter dated December 14, 2018 to the Tax Court. As the date of this report, the appeal process is still in progress.

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**39. PERPAJAKAN (lanjutan)**

**Pemeriksaan tahun pajak 2013**

Berdasarkan Surat Pemberitahuan Hasil Pemeriksaan Pajak (SPHP) No. SPHP-294/WPJ.10/KP.1005/RIK.SIS/2016 tanggal 21 September 2016 mengenai hasil pemeriksaan terhadap Kantor Cabang Semarang untuk tahun 2013, Bank telah menerima Surat Ketetapan Pajak Kurang Bayar (SKPKB) dengan rincian sebagai berikut:

	Pokok/ Principal (Rp)	Denda/ Penalty (Rp)
<b>Tahun 2013</b>		
SKPKB PPh Pasal 21 No.00001/243/13/511/16	64	30
SKPKB PPh Pasal 23 No.00060/203/13/511/16	0,2	0,1
<b>Total</b>	<b>64,2</b>	<b>30,1</b>

	Pokok/ Principal (Rp)	Denda/ Penalty (Rp)
SKPKB PPh Pasal 4 ayat 2 No.00012/240/13/511/16	381	183
SKPKB PPh Pasal 4 ayat 2 No.00013/240/13/511/16	381	183
SKPKB PPh Pasal 4 ayat 2 No.00014/240/13/511/16	381	183
SKPKB PPh Pasal 4 ayat 2 No.00015/240/13/511/16	381	183
SKPKB PPh Pasal 4 ayat 2 No.00016/240/13/511/16	381	183
SKPKB PPh Pasal 4 ayat 2 No.00017/240/13/511/16	381	183
SKPKB PPh Pasal 4 ayat 2 No.00018/240/13/511/16	381	183
SKPKB PPh Pasal 4 ayat 2 No.00019/240/13/511/16	381	183
SKPKB PPh Pasal 4 ayat 2 No.00020/240/13/511/16	381	183
SKPKB PPh Pasal 4 ayat 2 No.00021/240/13/511/16	381	183
SKPKB PPh Pasal 4 ayat 2 No.00022/240/13/511/16	381	183
SKPKB PPh Pasal 4 ayat 2 No.00023/240/13/511/16	381	183
<b>Total</b>	<b>4.572</b>	<b>2.196</b>

Pada tanggal 17 November 2016, Bank telah melakukan pembayaran atas seluruh tagihan dalam Surat Ketetapan Pajak Kurang Bayar (SKPKB). Pembayaran atas SKPKB PPh Pasal 21 dan Pasal 23 yaitu sebesar Rp94 telah dicatat sebagai biaya pajak di tahun 2016 karena bank setuju atas SKPKB tersebut. Sedangkan pembayaran atas SKPKB PPh Pasal 4 ayat (2) yaitu sebesar Rp6.768 dicatat sebagai uang muka pajak (Catatan 16) karena Bank tidak setuju dengan SKPKB tersebut. Pada tanggal 6 Januari 2017, Bank mengajukan surat keberatan atas SKPKB PPh Pasal 4 ayat (2) tersebut di atas.

**39. TAXATION (continued)**

**Assessment for fiscal year 2013**

Based on Notification of Tax Audit Findings No. SPHP-294/WPJ.10/KP.1005/RIK.SIS/2016 dated September 21, 2016, regarding tax audit result on the Semarang Branch Office for the year of 2013, Bank has received Tax Assessment Letter of Tax Underpayment (SKPKB) as follows:

Year 2013
SKPKB Article 21 No.00001/243/13/511/16
SKPKB Article 23 No.00060/203/13/511/16

**Total**

SKPKB Article 4 (2) No.00012/240/13/511/16
SKPKB Article 4 (2) No.00013/240/13/511/16
SKPKB Article 4 (2) No.00014/240/13/511/16
SKPKB Article 4 (2) No.00015/240/13/511/16
SKPKB Article 4 (2) No.00016/240/13/511/16
SKPKB Article 4 (2) No.00017/240/13/511/16
SKPKB Article 4 (2) No.00018/240/13/511/16
SKPKB Article 4 (2) No.00019/240/13/511/16
SKPKB Article 4 (2) No.00020/240/13/511/16
SKPKB Article 4 (2) No.00021/240/13/511/16
SKPKB Article 4 (2) No.00022/240/13/511/16
SKPKB Article 4 (2) No.00023/240/13/511/16

**Total**

On November 17, 2016, the Bank has paid the entire amount in the Tax Assessment Letters (TAL) of Tax Underpayment (SKPKB). The payment of the TAL of Article 21 and Article 23 amounted to Rp94 has been charged as tax expenses in 2016 since the Bank has agreed with the said SKPKB. However, in regard to the payment of the SKPKB of Article 4 paragraph (2) amounting to Rp6,768 has been recognized as prepaid tax (Note 16) since Bank did not agree with the SKPKB. On January 6, 2017, the Bank filed letters of tax objection on the aforementioned TAL of Article 4 paragraph (2).



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**39. PERPAJAKAN (lanjutan)**

**Pemeriksaan tahun pajak 2013 (lanjutan)**

Pada tanggal 16 Oktober 2017, Kantor Pajak telah menerbitkan Surat Keputusan Keberatan yang menerima sebagian dari permohonan Bank. Berdasarkan Keputusan Keberatan tersebut, Kantor Pajak telah mengembalikan kelebihan pembayaran pajak sebesar Rp57 yang telah dicatat sebagai pengurang uang muka pajak (catatan 16). Atas pajak yang masih belum diterima, kemudian Bank mengajukan Surat Permohonan Banding ke Pengadilan Pajak pada tanggal 12 Januari 2018.

Pada tanggal 2 Mei 2019, Pengadilan pajak telah menerbitkan Putusan Pengadilan Pajak yang memenangkan sebagian dari Banding oleh Bank. Pengembalian pajak tersebut telah diterima pada tanggal 20 Juni 2019 dan 28 Oktober 2019.

Berdasarkan Surat Pemberitahuan Hasil Pemeriksaan Pajak (SPHP) No. SPHP-00011/WPJ.19/KP.040/RIKSIS/2017 tanggal 19 Juli 2017 mengenai hasil pemeriksaan pajak untuk tahun 2013, Bank telah menerima Surat Ketetapan Pajak Kurang Bayar (SKPKB) PPh Badan Tahun 2013 sebesar Rp183.958 dengan rincian sebagai berikut:

	Pokok/ Principal (Rp)	Denda/ Penalty (Rp)
<b>Tahun 2013</b>		
SKPKB PPh Badan No.00006/206/13/093/17	124.296	59.662

Selain itu, Bank juga telah menerima SKPKB PPh Pasal 21, 4 ayat (2) dan PPN sebesar Rp9.945 (termasuk penalti). Seluruh SKPKB tersebut termasuk SKPKB PPh Badan telah dibayar pada tanggal 4 September 2017.

Namun demikian Bank tidak sepenuhnya setuju dengan SKPKB PPh Badan sebesar Rp156.773 dan mengajukan Surat Keberatan kepada Direktorat Jenderal Pajak melalui surat tanggal 26 Oktober 2017. Pembayaran tersebut dicatat oleh Bank pada aset lain-lain (Catatan 16).

**39. TAXATION (continued)**

**Assessment for fiscal year 2013 (continued)**

On October 16, 2017, the Tax Office has issued an Objection Decision Letter, which has partially granted the Bank's objection request. Based on the said Objection Decision Letter the Tax Office has paid the tax overpayment amounting to Rp57 which was booked as a deduction to the prepaid taxes (Note 16). Therefore, the Bank has filed an appeal letter dated January 12, 2018 to the Tax Court for the remaining ungranted amounts.

On May 2, 2019 The Tax Court has issued a decision letter which has partially granted the Bank's appeal. The refund has been received on June 20, 2019 and October 28, 2019.

Based on Notification of Tax Audit Findings No. SPHP-00011/WPJ.19/KP.040/RIKSIS/2017 dated July 19, 2017, regarding tax audit result for the year of 2013, the Bank has received issued Tax Assessment Letter of Tax Underpayment (SKPKB) of Corporate Income Tax for the year of 2013 amounting to Rp183,958 as follows:

Year 2013
SKPKB Article Corporate Income Tax No.00006/206/13/093/17

Other than that, the Bank has also received the Tax Assessment Letters of Tax Underpayment (SKPKB) of Article 21, 4 paragraph (2) Income Tax and VAT amounting to Rp9,945 (including penalties). The entire SKPKB including for the Corporate Income Tax has been paid on September 4, 2017.

However, the Bank did not fully agree with the SKPKB of the Corporate Income Tax amounting to Rp156,773 and has submitted the objection letter dated October 26, 2017. The payment is recorded as other assets (Note 16).

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**39 . PERPAJAKAN (lanjutan)**

**Pemeriksaan tahun pajak 2013 (lanjutan)**

Kantor Pajak telah menerbitkan Surat Keputusan Keberatan yang menolak permohonan Bank pada tanggal 18 September 2018. Kemudian Bank mengajukan Surat Permohonan Banding ke Pengadilan Pajak pada tanggal 14 Desember 2018. Sampai dengan tanggal laporan ini proses Banding tersebut masih berjalan.

**Pemeriksaan tahun pajak 2014**

Berdasarkan Surat Pemberitahuan Hasil Pemeriksaan Pajak (SPHP) No. SPHP-00016/WPJ.19/KP.04/2017 tanggal 5 Desember 2017 mengenai hasil pemeriksaan pajak untuk tahun 2014, Bank telah menerima Surat Ketetapan Pajak Kurang Bayar (SKPKB) PPh Badan Tahun 2014 sebesar Rp206.337 dengan rincian sebagai berikut:

	<b>Pokok/ Principal (Rp)</b>	<b>Denda/ Penalty (Rp)</b>
<b>Tahun 2014</b> SKPKB PPh Badan No.00008/206/14/093/17	139.417	66.920

Selain itu, Bank juga telah menerima SKPKB PPh Pasal 21, 23, 4 ayat (2) dan PPN sebesar Rp 13.530 (termasuk penalti). Seluruh SKPKB tersebut termasuk SKPKB PPh Badan telah dibayar pada tanggal 28 Desember 2017.

Namun demikian Bank tidak sepenuhnya setuju dengan SKPKB PPh Badan sebesar Rp196.971 dan akan mengajukan Surat Keberatan kepada Direktorat Jenderal Pajak pada tanggal 9 Maret 2018.

Kantor Pajak telah menerbitkan Surat Keputusan Keberatan yang menolak permohonan Bank pada tanggal 2 November 2018. Kemudian Bank mengajukan Surat Permohonan Banding ke Pengadilan Pajak pada tanggal 31 Januari 2019. Sampai dengan tanggal laporan ini proses Banding tersebut masih berjalan.

**39. TAXATION (continued)**

**Assessment for fiscal year 2013 (continued)**

The Tax Office has issued an Objection Decision Letter, which has rejected the Bank's objection request, on September 18, 2018. Therefore, the Bank has filed an appeal letter dated December 14, 2018 to the Tax Court. As the date of this report, the appeal process is still being processed by the Tax Court.

**Assessment for fiscal year 2014**

Based on Notification of Tax Audit Findings No. SPHP-00016/WPJ.19/KP.04/2017 dated December 5, 2017, regarding tax audit result for the year of 2014, the Bank has received issued Tax Assessment Letter of Tax Underpayment (SKPKB) of Corporate Income Tax amounting to Rp206,337 for the year of 2014 as follows:

<b>Year 2014</b>
SKPKB Article Corporate Income Tax No.00008/206/14/093/17

Other than that, the Bank has also received the Tax Assessment Letters of Tax Underpayment (SKPKB) of Article 21, 23, 4 paragraph (2) Income Tax and VAT amounting to Rp13,530 (including penalties). The entire SKPKB including for the Corporate Income Tax has been paid on December 28, 2017.

However, the Bank did not fully agree with the SKPKB of Corporate Income Tax amounting to Rp196,971 and submitted the objection letter to the Tax Office dated March 9, 2018.

The Tax Office has issued an Objection Decision Letter, which has rejected the Bank's objection request, on November 2, 2018. Therefore, the Bank has filed an appeal letter dated January 31, 2019 to the Tax Court. As the date of this report, the appeal process is still in progress.

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**39. PERPAJAKAN (lanjutan)**

**Pajak atas penilaian kembali aset tetap**

Bank berdasarkan surat No.1195/S/DIR/XII/2015 tanggal 8 Desember 2015 mengajukan kepada Kepala Kantor Wilayah DJP WP Besar "Permohonan penilaian kembali aset tetap untuk tujuan perpajakan yang diajukan tahun 2016 oleh wajib pajak yang belum melakukan penilaian kembali aset tetap".

Berdasarkan Peraturan Menteri Keuangan No.191/PMK.010/2015 tanggal 15 Oktober 2015, permohonan yang diajukan sampai dengan tanggal 31 Desember 2015, akan mendapatkan perlakuan khusus berupa pajak penghasilan yang bersifat final menjadi sebesar 3%. Sehubungan dengan estimasi atas kenaikan nilai wajar tanah, Bank telah melakukan pembayaran pajak sebesar Rp40.035 pada tanggal 10 Desember 2015.

Kemudian berdasarkan hasil penilaian dari Kantor Jasa Penilai Publik (KJPP), Bank telah menyampaikan surat No.473/S/DIR/V/2016 tanggal 23 Mei 2016 perihal tambahan dokumen terkait proses penilaian kembali aset tetap dimana pada tanggal 20 Mei 2016, Bank telah melunasi sisa pembayaran pajak sebesar Rp35.713. Kemudian Kantor Pajak telah menerbitkan surat Keputusan DJP No.KEP-435/WPJ.19/2016 tanggal 8 Juni 2016 mengenai persetujuan atas permohonan penilaian kembali aset tetap yang dilakukan oleh Bank.

**39. TAXATION (continued)**

**Tax for revaluation of fixed assets**

The Bank based on the letter No. 1195/S/DIR/XII/2015 dated December 8, 2015 have submitted an application regarding "Revaluation of fixed assets for tax purposes on 2016 by tax payer that have not revalued fixed assets".

Based on the regulation No.191/PMK.010/2015 on October 15, 2015, from the Ministry of Finance, applications that are submitted up to December 31, 2015 will receive special treatment in the form of final tax rate of 3%. In connection with the estimated increase in fair value of land, the Bank has made tax payment amounting to Rp40,035 on December 10, 2015.

Based on the revaluation report issued by Public Appraisal Company, the Bank has reported a letter No.473/S/DIR/V/2016 dated May 23, 2016 regarding additional data for assets revaluation, in which on May 20, 2016, the Bank has paid the remaining tax of Rp35,713. Furthermore, the Tax Office has issued a Decision Letter No.KEP-435/WPJ.19/2016 dated June 8, 2016 that has granted the Bank's request for assets revaluation.

**40. KOMITMEN DAN KONTINJENSI**

Saldo komitmen dan kontinjensi pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

**40. COMMITMENTS AND CONTINGENCIES**

The outstanding commitments and contingencies as of December 31, 2019 and 2018 are as follows:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<b>KOMITMEN</b>			<b>COMMITMENTS</b>
Liabilitas Komitmen			Commitments payable
Fasilitas kredit kepada nasabah yang belum ditarik	15.865.327	21.892.927	Unused loan facility commitments
<b>KONTINJENSI</b>			<b>CONTINGENCIES</b>
Tagihan Kontinjensi			Contingent receivables
Pendapatan bunga dalam penyelesaian	2.793.877	2.818.535	Interest income on non-performing assets
Liabilitas Kontinjensi			Contingent payables
Garansi yang diterbitkan (Catatan 28)	(2.009.682)	(3.793.965)	Guarantees issued (Note 28)
<b>Kontinjensi - neto</b>	<b>784.195</b>	<b>(975.430)</b>	<b>Contingencies - net</b>

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**41. IMBALAN KERJA**

Program pensiun imbalan pasti

Program dana Pensiun diadministrasikan dan dikelola oleh Dana Pensiun PT Bank Tabungan Negara (Persero) Tbk (DPBTN).

Sesuai dengan ketentuan Dana Pensiun, Program Pensiun dibiayai dari iuran karyawan dan iuran Bank. Iuran karyawan adalah sebesar 5% dari penghasilan dasar pensiun karyawan dan atas sisa jumlah yang perlu didanakan kepada DPBTN merupakan kontribusi Bank.

Program pensiun iuran pasti

Efektif tanggal 1 Januari 2004, semua pekerja yang baru diangkat sebagai pekerja tetap tidak diikutsertakan dalam program pensiun imbalan pasti (DPBTN), namun demikian, karyawan Bank diikutsertakan dalam program pensiun iuran pasti yang berlaku efektif sejak bulan Januari 2004. Program Pensiun ini dikelola oleh Dana Pensiun Lembaga Keuangan PT Bank Negara Indonesia (Persero) Tbk (DPLK).

Beban pensiun iuran pasti yang telah dibebankan pada laporan laba rugi adalah sebesar Rp29.059 dan Rp24.375 masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018.

Imbalan kerja jangka panjang lainnya

Bank memberikan imbalan kerja kepada pegawai berupa penghargaan masa kerja dan Masa Persiapan Pensiun (MPP) yaitu 1 (satu) tahun sebelum pegawai mencapai usia pensiun normal (usia 56 tahun).

Karyawan Bank juga memperoleh manfaat dari pemberian program kesejahteraan, kontribusi karyawan terhadap dana kesejahteraan sebesar 2,57% dikali gaji bersih dan kontribusi Bank sebesar 8,93%. Aset program diadministrasikan dan dikelola oleh Yayasan Kesejahteraan Pegawai PT Bank Tabungan Negara (YKPBTN).

Perhitungan aktuaris atas imbalan kerja pada tanggal 31 Desember 2019 dan 2018 adalah berdasarkan laporan aktuaris tanggal 3 Januari 2020 dan 4 Januari 2019 dari aktuaris independen Bestama Aktuarial dengan menggunakan metode "Projected Unit Credit".

**41. EMPLOYEE BENEFITS**

Defined benefit pension plan

The Pension Plan's assets are being administered and managed by Dana Pensiun PT Bank Tabungan Negara (Persero) Tbk (DPBTN).

According to the Pension Fund regulation, the pension plan is funded through contributions from both the employees and the Bank. Employees' contributions are computed at 5% of the employees' basic pension salaries and any remaining amount required to fund DPBTN represents the contributions by the Bank.

Defined contribution plan

Effective January 1, 2004, all newly appointed permanent employees are not included in the defined benefit pension plan (DPBTN), instead, the Bank's employees are included in the defined contribution pension plan which was effective since January 2004. This defined contribution pension plan is managed by Dana Pensiun Lembaga Keuangan PT Bank Negara Indonesia (Persero) Tbk (DPLK).

Defined contribution pension expense that was charged to profit or loss amounted to Rp29,059 and Rp24,375 for the years ended December 31, 2019 and 2018, respectively.

Other long-term employee benefits

The Bank provides employee benefits in the form of allowance for gratuity for services and retirement preparation period (MPP), which is within 1 (one) year before the normal pension age (56 years old).

Bank employees are also given welfare program, employees' contributions are 2.57% of their net wages for welfare program benefits and the Bank contributions are 8.93%. The plan assets are being administered and managed by Yayasan Kesejahteraan Pegawai PT Bank Tabungan Negara (YKPBTN).

The actuarial valuation of employee benefits as of December 31, 2019 and 2018 is based on the actuarial reports dated January 3, 2020 and January 4, 2019, of Bestama Aktuarial, an independent actuary using the "Projected Unit Credit" method.

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**41. IMBALAN KERJA (lanjutan)**

**41. EMPLOYEE BENEFITS (continued)**

	<u>31 Desember/ December 31, 2019</u>	<u>31 Desember/ December 31, 2018</u>	
<b>Asumsi ekonomi:</b>			<b>Economics assumptions:</b>
Tingkat kenaikan penghasilan dasar pensiun	6,00%	6,00%	Basic pensionable annual salary increase rate
Tingkat diskonto per tahun sebelum usia pensiun normal	8,20%	9,20%	Annual discount rate before normal retirement age
<b>Asumsi lainnya:</b>			<b>Other assumptions:</b>
Usia pensiun normal	56 tahun/years	56 tahun/years	Normal retirement age
Tingkat mortalita (kematian)	TMI-2011	TMI-2011	Mortality rate
Tingkat cacat	1,00% mortalita/ mortality	1,00% mortalita/ mortality	Disability rate
Tingkat Diskonto per tahun untuk:			Annual Discount rate:
Imbalan Jangka Panjang Lainnya -			Other long-term benefits
Penghargaan Masa Kerja	7,70%	9,20%	Gratuity
Program Pesangon Pensiun -			Retirement severance program
Selisih DPLK	8,20%	9,20%	Difference from DPLK
Masa Persiapan Pensiun	8,00%	8,20%	Retirement Preparation Period
Program Pensiun Imbalan Pasti	8,20%	8,90%	Deferred Benefit Pension Plan
Program Kesejahteraan	6,70%	8,00%	Welfare Program
Tingkat pengunduran diri			Turnover rate
Sampai dengan umur 45	5,00%	5,00%	Up to age 45
Umur 46-50	3,00%	3,00%	Age 46-50
Umur 51	4,00%	4,00%	Age 51
Umur 52	5,00%	5,00%	Age 52
Umur 53	6,00%	6,00%	Age 53
Umur 54	7,00%	7,00%	Age 54
Umur 55	9,00%	9,00%	Age 55
Penghargaan masa kerja, program pesangon pensiun-selisih DPLK, masa persiapan pensiun dan program kesejahteraan dicantumkan dalam program lainnya.			Gratuity for services, retirement severance program-difference from DPLK, retirement preparation period and welfare program are included in other benefits.

a. Biaya imbalan kerja

a. Employee benefits expense

	<u>31 Desember/December 31, 2019</u>			
	<u>Program Pensiun/ Pension Plan</u>	<u>Program Lainnya/ Other Benefits</u>	<u>Total</u>	
Biaya jasa kini luran peserta	32.736	49.271	82.007	Current service cost
Beban (pendapatan) bunga neto	(7.603)	(7.548)	(15.151)	Contribution from participant
Kerugian aktuarial	(639)	24.587	23.948	Net interest (income) cost
Biaya jasa lalu	-	(1.491)	(1.491)	Actuarial loss
	4.699	-	4.699	Past service cost
<b>Beban imbalan kerja - neto</b>	<b>29.193</b>	<b>64.819</b>	<b>94.012</b>	<b>Employee benefits expense - net</b>

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**41. IMBALAN KERJA (lanjutan)**

**41. EMPLOYEE BENEFITS (continued)**

a. Biaya imbalan kerja (lanjutan)

a. Employee benefits expense (continued)

31 Desember/December 31, 2018

	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total	
Biaya jasa kini	33.252	127.716	160.968	Current service cost
Iuran peserta	(7.908)	(8.106)	(16.014)	Contribution from participant
Beban (pendapatan) bunga neto	(536)	20.998	20.462	Net interest (income) cost
Kerugian aktuarial	-	13.823	13.823	Actuarial loss
Biaya jasa lalu	50.913	-	50.913	Past service cost
<b>Beban imbalan kerja - neto</b>	<b>75.721</b>	<b>154.431</b>	<b>230.152</b>	<b>Employee benefits expense - net</b>

b. Mutasi atas kewajiban imbalan kerja

b. Movements of liabilities for employee benefits

31 Desember/December 31, 2019

	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total	
Saldo pada awal tahun	-	297.317	297.317	Balance at beginning of year
Beban imbalan kerja tahun berjalan - neto	29.193	64.819	94.012	Employee benefits expense during the year - net
Pengukuran kembali liabilitas (aset) imbalan kerja - neto	10.296	122.573	132.869	Reameasurement of employee benefit liability (asset) - net
Pembayaran iuran tahun berjalan	(39.489)	(80.301)	(119.790)	Payment contribution from current year
<b>Saldo kewajiban pada akhir tahun (Catatan 29)</b>	<b>-</b>	<b>404.408</b>	<b>404.408</b>	<b>Balance liabilities at end of year (Note 29)</b>

31 Desember/December 31, 2018

	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total	
Saldo pada awal tahun	-	260.316	260.316	Balance at beginning of year
Beban imbalan kerja tahun berjalan - neto	75.721	154.431	230.152	Employee benefits expense during the year - net
Pengukuran kembali liabilitas (aset) imbalan kerja - neto	(36.635)	(43.727)	(80.362)	Reameasurement of employee benefit liability (asset) - net
Pembayaran iuran tahun berjalan	(39.086)	(73.703)	(112.789)	Payment contribution from current year
<b>Saldo kewajiban pada akhir tahun (Catatan 29)</b>	<b>-</b>	<b>297.317</b>	<b>297.317</b>	<b>Balance liabilities at end of year (Note 29)</b>

c. Mutasi nilai kini liabilitas imbalan kerja adalah sebagai berikut:

c. The movements in the present value of liabilities for employee benefits are as follows:

31 Desember/December 31, 2019

	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total	
Saldo pada awal tahun	1.613.352	1.058.758	2.672.110	Balance at beginning of year
Biaya jasa kini	32.736	49.271	82.007	Current service cost
Beban bunga	140.355	84.736	225.091	Interest cost
Biaya jasa lalu	4.699	-	4.699	Past service cost
Manfaat yang dibayarkan Kerugian/(keuntungan) aktuarial	(105.392)	(107.006)	(212.398)	Benefits paid
	138.171	207.934	346.105	Actuarial loss/(gain)
<b>Saldo pada akhir tahun</b>	<b>1.823.921</b>	<b>1.293.693</b>	<b>3.117.614</b>	<b>Balance at end of year</b>

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**41. IMBALAN KERJA (lanjutan)**

**41. EMPLOYEE BENEFITS (continued)**

- c. Mutasi nilai kini liabilitas imbalan kerja adalah sebagai berikut: (lanjutan)

- c. The movements in the present value of liabilities for employee benefits are as follows: (continued)

31 Desember/December 31, 2018

	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total	
Saldo pada awal tahun	1.487.751	1.078.194	2.565.945	Balance at beginning of year
Biaya jasa kini	33.252	127.716	160.968	Current service cost
Beban bunga	113.391	72.395	185.786	Interest cost
Biaya jasa lalu	50.913	-	50.913	Past service cost
Manfaat yang dibayarkan	(101.291)	(111.414)	(212.705)	Benefits paid
Kerugian/(keuntungan) aktuarial	29.336	(108.133)	(78.797)	Actuarial loss/(gain)
<b>Saldo pada akhir tahun</b>	<b>1.613.352</b>	<b>1.058.758</b>	<b>2.672.110</b>	<b>Balance at end of year</b>

- d. Mutasi nilai wajar aset program adalah sebagai berikut: (tidak diaudit)

- d. The movements in the fair value of plan assets are as follows: (unaudited)

31 Desember/December 31, 2019

	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total	
Saldo pada awal tahun	1.807.331	890.313	2.697.644	Balance at beginning of year
Hasil pengembangan aset program	185.315	44.699	230.014	Return on plan asset
Kontribusi Bank	39.489	36.164	75.653	Contributions by the Bank
Kontribusi pegawai	7.603	7.548	15.151	Employees contribution
Manfaat yang dibayarkan	(105.392)	(62.870)	(168.262)	Benefits paid
<b>Saldo pada akhir tahun</b>	<b>1.934.346</b>	<b>915.854</b>	<b>2.850.200</b>	<b>Balance at end of year</b>

31 Desember/December 31, 2018

	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total	
Saldo pada awal tahun	1.743.289	817.877	2.561.166	Balance at beginning of year
Hasil pengembangan aset program	118.339	102.041	220.380	Return on plan asset
Kontribusi Bank	39.086	31.361	70.447	Contributions by the Bank
Kontribusi pegawai	7.908	8.106	16.014	Employees contribution
Manfaat yang dibayarkan	(101.291)	(69.072)	(170.363)	Benefits paid
<b>Saldo pada akhir tahun</b>	<b>1.807.331</b>	<b>890.313</b>	<b>2.697.644</b>	<b>Balance at end of year</b>

- e. Pengukuran kembali (aset) liabilitas imbalan kerja neto:

- e. Remeasurement of net employee benefit (asset) liabilities:

31 Desember/December 31, 2019

	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total	
Saldo pada awal tahun	44.584	65.931	110.515	Balance at beginning of year
Kerugian aktuarial	138.171	209.425	347.596	Actuarial loss
Imbal hasil atas aset program	(27.056)	25.760	(1.296)	Return on plan assets
Perubahan atas dampak atas aset diluar bunga neto aset/liabilitas	(100.820)	(112.611)	(213.431)	Change in effect of the asset ceiling excluding net interest of asset/liabilities
<b>Saldo pada akhir tahun</b>	<b>54.879</b>	<b>188.505</b>	<b>243.384</b>	<b>Balance at the end of year</b>

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**41. IMBALAN KERJA (lanjutan)**

**41. EMPLOYEE BENEFITS (continued)**

- e. Pengukuran kembali (aset) liabilitas imbalan kerja neto: (lanjutan)

- e. Remeasurement of net employee benefit (asset) liabilities: (continued)

31 Desember/December 31, 2018

	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total	
Saldo pada awal tahun	81.219	109.658	190.877	Balance at beginning of year
Kerugian aktuaris	29.336	(121.956)	(92.620)	Actuary loss
Imbal hasil atas aset program	15.520	(50.644)	(35.124)	Return on plan assets
Perubahan atas dampak atas aset diluar bunga neto aset/liabilitas	(81.491)	128.873	47.382	Change in effect of the asset ceiling excluding net interest of asset/liabilities
<b>Saldo pada akhir tahun</b>	<b>44.584</b>	<b>65.931</b>	<b>110.515</b>	<b>Balance at the end of year</b>

- f. Portofolio investasi aset program yang ditempatkan dalam bentuk instrumen keuangan yang terdiri dari reksadana, efek beragunan aset, surat berharga negara, obligasi, deposito berjangka dan saham.

- f. The asset program's investment portfolio is placed in the form of financial instruments including mutual funds, asset backed securities, government securities, bonds, time deposits and shares of stocks.

Status pendanaan imbalan kerja per 31 Desember 2019 dan 2018 disajikan sebagai berikut:

Funding status of employee benefit as of December 31, 2019 and 2018 are as follow:

31 Desember/December 31, 2019

	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total	
Nilai wajar aset dana (tidak diaudit)	1.934.346	915.853	2.850.199	Fair value of plan assets (unaudited)
Nilai kini liabilitas manfaat pasti yang didanai	(1.823.924)	(889.281)	(2.713.205)	Present value of funded defined benefit obligation
Selisih lebih (kurang) pendanaan	110.422	26.572	136.994	Funding surplus (deficit)
Selisih lebih pendanaan yang tidak diakui	(110.422)	(26.572)	(136.994)	Asset adjustment
<b>Kewajiban - neto</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Liabilities - net</b>

31 Desember/December 31, 2018

	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total	
Nilai wajar aset dana (tidak diaudit)	1.807.331	890.313	2.697.644	Fair value of plan assets (unaudited)
Nilai kini liabilitas manfaat pasti yang didanai	(1.613.352)	(761.438)	(2.374.790)	Present value of funded defined benefit obligation
Selisih lebih (kurang) pendanaan	193.979	128.875	322.854	Funding surplus (deficit)
Selisih lebih pendanaan yang tidak diakui	(193.979)	(128.875)	(322.854)	Asset adjustment
<b>Kewajiban - neto</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Liabilities - net</b>

Per tanggal 31 Desember 2019 dan 2018, tidak ada aset Program Pensiun yang diakui di laporan posisi keuangan karena ketentuan untuk pengakuan aset dari selisih lebih pendanaan yang disyaratkan dalam standar akuntansi tidak terpenuhi.

As of December 31, 2019 and 2018, there were no recognition of Pension Plan assets in the statement of financial position as the funding surplus did not meet the recognition criteria of assets under the accounting standards.



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**41. IMBALAN KERJA (lanjutan)**

**41. EMPLOYEE BENEFITS (continued)**

- g. Sensitivitas dari kewajiban imbalan kerja (tidak diaudit) terhadap perubahan asumsi aktuarial sebagai berikut:

- g. The sensitivity of employee benefit liability (unaudited) to the changes in actuarial assumptions is as follow:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<b>Tingkat diskonto</b>			<b>Discount rate:</b>
Kenaikan 1%	(136.766)	(1.678)	Increase 1%
Penurunan 1%	185.820	21.938	Decrease 1%
<b>Tingkat kenaikan gaji</b>			<b>Salary increase rate:</b>
Kenaikan 1%	121.943	91.832	Increase 1%
Penurunan 1%	(85.268)	(73.410)	Decrease 1%

- h. Analisis jatuh tempo yang diharapkan dari manfaat pension yang tidak terdiskonto adalah sebagai berikut: (tidak diaudit)

- h. Expected maturity analysis of undiscounted pension benefit is as follows: (unaudited)

31 Desember/December 31, 2019			
	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total
Kurang dari 1 tahun	72.267	109.270	181.537
2 sampai 5 tahun	89.900	222.813	312.713
Lebih dari 5 tahun	58.340	8.611.415	8.669.755
<b>Total</b>	<b>220.507</b>	<b>8.943.498</b>	<b>9.164.005</b>

Less than a year  
Between 2 to 5 years  
Over 5 years

31 Desember/December 31, 2018			
	Program Pensiun/ Pension Plan	Program Lainnya/ Other Benefits	Total
Kurang dari 1 tahun	66.983	151.361	218.344
2 sampai 5 tahun	88.415	273.177	361.592
Lebih dari 5 tahun	83.877	31.322.636	31.406.513
<b>Total</b>	<b>239.275</b>	<b>31.747.174</b>	<b>31.986.449</b>

Less than a year  
Between 2 to 5 years  
Over 5 years

- i. Risiko

- i. Risk

Bank terespos beberapa risiko atas program imbalan kerja antara lain:

The Bank is exposed to a number of risks through its employee benefit plans as follows:

- Risiko yang terekspos pada program iuran pasti adalah hasil investasi dibawah tingkat diskonto. Akumulasi iuran aktual lebih kecil dari nilai yang diasumsikan sehingga mengakibatkan selisih pembayaran terhadap Undang-Undang Ketenagakerjaan akan meningkat dan berdampak pada beban dan liabilitas yang akan meningkat pula.
- Risiko yang terekspos pada program manfaat pasti adalah adanya tingkat hasil investasi dibawah asumsi *discount rate* dan kenaikan gaji aktual yang lebih besar dari asumsi. Hal tersebut menimbulkan peningkatan iuran yang dibayarkan kepada Dana Pensiun.
- The exposed risks in defined contribution plan is lower return on investment compared to assumption on discount rate. The accumulated actual contribution to be lower than its assumption resulted increase the difference in the amount of contribution based on Labor Law, and will also increase the amount of the related expenses and liabilities.
- The exposed risks in defined benefit pension plan is the lower return on investment compared to assumption on discount rate and the increase in the actual salary is higher than its assumption. These will cause an increase in contribution paid to Pension Fund.

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**42. PELAPORAN SEGMENT**

Informasi segmen usaha berdasarkan jenis usaha adalah sebagai berikut:

**42. SEGMENT REPORTING**

Segment information based on business type are as follows:

31 Desember/December 31, 2019					
	Konvensional/ Conventional	Syariah/ Sharia	Eliminasi/ Elimination	Total	
Pendapatan segmen	23.271.432	2.448.442	-	25.719.874	Segment income
Beban segmen	(15.325.002)	(1.433.071)	-	(16.758.073)	Segment expenses
Pendapatan segmen - neto	7.946.430	1.015.371	-	8.961.801	Segment Income - net
Pendapatan operasional lainnya	2.035.424	74.428	-	2.109.852	Other operating income
Penyisihan kerugian penurunan nilai aset keuangan dan non-aset keuangan	(3.099.614)	(387.051)	-	(3.486.665)	Provision for impairment losses on financial assets and non-financial assets
Beban operasional lainnya	(6.599.177)	(464.038)	-	(7.063.215)	Other operating expenses
Laba operasional	283.063	238.710	-	521.773	Income from operations
Pendapatan (beban) bukan operasional - neto	(110.461)	(250)	-	(110.711)	Non-operating income (expenses) - net
Tidak dialokasi				(201.799)	Unallocated
<b>Laba tahun berjalan</b>				<b>209.263</b>	<b>Income for the year</b>
<b>Total aset</b>	<b>288.173.171</b>	<b>28.385.675</b>	<b>(4.782.019)</b>	<b>311.776.828</b>	<b>Total assets</b>
<b>Total liabilitas dan dana syirkah temporer</b>	<b>268.291.413</b>	<b>24.431.238</b>	<b>(4.782.019)</b>	<b>287.940.633</b>	<b>Total liabilities and temporary syirkah fund</b>

31 Desember/December 31, 2018					
	Konvensional/ Conventional	Syariah/ Sharia	Eliminasi/ Elimination	Total	
Pendapatan segmen	20.781.512	2.070.246	-	22.851.758	Segment income
Beban segmen	(11.756.380)	(1.006.201)	-	(12.762.581)	Segment expenses
Pendapatan segmen - neto	9.025.132	1.064.045	-	10.089.177	Segment Income - net
Pendapatan operasional lainnya	1.979.067	92.527	-	2.071.594	Other operating income
Penyisihan kerugian penurunan nilai aset keuangan dan non-aset keuangan	(1.273.482)	(440.945)	-	(1.714.427)	Provision for impairment losses on financial assets and non-financial assets
Beban operasional lainnya	(6.462.296)	(390.248)	-	(6.852.544)	Other operating expenses
Laba operasional	3.268.421	325.379	-	3.593.800	Income from operations
Pendapatan (beban) bukan operasional - neto	126.086	(109.611)	-	16.475	Non-operating income (expenses) - net
Tidak dialokasi				(802.352)	Unallocated
<b>Laba tahun berjalan</b>				<b>2.807.923</b>	<b>Income for the year</b>
<b>Total aset</b>	<b>280.367.092</b>	<b>28.399.275</b>	<b>(2.330.173)</b>	<b>306.436.194</b>	<b>Total assets</b>
<b>Total liabilitas dan dana syirkah temporer</b>	<b>259.995.522</b>	<b>24.930.397</b>	<b>(2.330.173)</b>	<b>282.595.746</b>	<b>Total liabilities and temporary syirkah fund</b>

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**43. JAMINAN PEMERINTAH TERHADAP  
KEWAJIBAN PEMBAYARAN BANK UMUM**

Berdasarkan Keputusan Presiden Republik Indonesia No. 15 tahun 2004 tentang pengakhiran tugas dan pembubaran BPPN, dinyatakan dalam pasal 8 bahwa dengan diakhirinya tugas dan dibubarkannya BPPN, Program Penjaminan Pemerintah terhadap kewajiban pembayaran bank umum yang semula dilakukan oleh BPPN berdasarkan Keputusan Presiden Republik Indonesia No. 26 tahun 1998 dan Keputusan Presiden Republik Indonesia No. 27 tahun 1998, selanjutnya dilaksanakan oleh Menteri Keuangan melalui Unit Pelaksanaan Penjaminan Pemerintah (UP3) sebagaimana diatur oleh Keputusan Presiden Republik Indonesia No. 17 tahun 2004, yang diatur lebih lanjut dengan Keputusan Menteri Keuangan No. 84/KMK.06/2004 tanggal 27 Februari 2004 tentang Perubahan atas Keputusan Menteri Keuangan Republik Indonesia No.179/KMK.017/2000 tentang Syarat, Tata cara dan Ketentuan Pelaksanaan Jaminan Pemerintah terhadap Kewajiban Pembayaran Bank Umum.

Program Penjaminan Pemerintah melalui UP3 telah berakhir pada tanggal 22 September 2005, sebagaimana dinyatakan dalam Peraturan Menteri Keuangan Republik Indonesia No. 68/PMK.05/2005 tanggal 10 Agustus 2005 tentang Perhitungan Dan Pembayaran Premi Program Penjaminan Terhadap Pembayaran Bank Umum untuk periode 1 Juli sampai 21 September 2005. Sebagai pengganti UP3 Pemerintah telah membentuk Lembaga Independen, yaitu Lembaga Penjamin Simpanan (LPS) berdasarkan Undang-undang Republik Indonesia No. 24 tahun 2004 tanggal 22 September 2004 tentang Lembaga Penjamin Simpanan dimana LPS menjamin dana masyarakat termasuk dana dari bank lain dalam bentuk giro, deposito, sertifikat deposito, tabungan dan/atau bentuk lainnya yang dipersamakan dengan itu.

Berdasarkan salinan Peraturan LPS No. 1/PLPS/2006 tanggal 9 Maret 2006 tentang "Program Penjaminan Simpanan" diatur besarnya saldo yang dijamin untuk setiap nasabah pada satu bank adalah paling tinggi sebesar Rp100 juta.

Sesuai dengan Peraturan Pemerintah No. 66 Tahun 2008 tanggal 13 Oktober 2008 tentang "Besaran Nilai Simpanan yang Dijamin Lembaga Penjamin Simpanan" maka nilai simpanan setiap nasabah pada satu bank yang dijamin oleh Pemerintah naik menjadi sebesar Rp2 miliar dari semula Rp100 juta, efektif sejak tanggal tersebut di atas.

**43. GOVERNMENT GUARANTEES ON THE  
OBLIGATIONS OF COMMERCIAL BANKS**

*Based on Article 8 of the Decision No. 15 year 2004 of the President of the Republic of Indonesia regarding the termination of the role and winding-up of IBRA, stated on article 8 that in relation with the task completion and dismissal of IBRA the Government Guarantee Program on the obligations of domestic banks which was originally handled by IBRA based on the Decisions of the President of the Republic of Indonesia No. 26 year 1998 and No. 27 year 1998 would be handled by the Ministry of Finance, specifically by the Government Guarantee Implementation Unit Pelaksanaan Penjaminan Pemerintah (UP3) as provided in the Decision of the President of the Republic of Indonesia No. 17 year 2004, which was further regulated by the Decision No. 84/KMK.06/2004 dated February 27, 2004 of the Ministry of Finance regarding the Amendment of Decision No. 179/KMK.017/2000 of the Ministry of Finance on the Terms, Implementation Guidelines, and Conditions of the Government Guarantees on the obligations of commercial banks.*

*The Guarantee Program by the Government through UP3 ended on September 22, 2005, as stated in Regulation No. 68/PMK.05/2005 dated August 10, 2005 of the Ministry of Finance concerning the Calculation and Payments of Premium on Guarantee Program from Commercial Banks for the period July 1 to September 21, 2005. The Government established the Deposit Insurance Corporation (LPS), an independent agency, to replace UP3, based on Law No. 24 year 2004 dated September 22, 2004 of the Republic of Indonesia regarding the establishment Deposit Insurance Corporation (LPS) to guarantee public funds including funds from other banks in the form of demand deposits, time deposits, certificates of deposit, savings deposits and/or other equivalent form.*

*Based on LPS regulation No. 1/PLPS/2006 dated March 9, 2006 regarding "Government Guarantee Program on Saving Account", the balance of saving accounts guaranteed for each customer is at a maximum of Rp100 million.*

*In accordance with Government Regulation No. 66 of 2008, dated October 13, 2008 regarding "The Amount of Public Savings Guaranteed by the Indonesia Deposit Insurance Corporation", the total amount of customers' saving accounts in banks which is guaranteed by the Government has increased to Rp2 billion, from the previous Rp100 million, effective on the date stated above.*

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**43. JAMINAN PEMERINTAH TERHADAP  
KEWAJIBAN PEMBAYARAN BANK UMUM  
(lanjutan)**

Suku bunga penjaminan LPS pada tanggal 31 Desember 2019 dan 2018 masing-masing adalah sebesar 6,00% dan 6,75% untuk simpanan dalam mata uang Rupiah, dan masing-masing sebesar 1,75% dan 2,00% untuk simpanan dalam mata uang asing.

Pada tanggal 31 Desember 2019 dan 2018, Bank telah membayar premi program penjaminan masing-masing sebesar Rp467.791 dan Rp401.532.

**43. GOVERNMENT GUARANTEES ON THE  
OBLIGATIONS OF COMMERCIAL BANKS  
(continued)**

LPS interest rates guarantee as of December 31, 2019 and 2018 were 6.00% and 6.75% for each deposits in Rupiah and 1.75% and 2.00% for deposits in foreign currencies.

The Bank paid a premium on the guarantee program amounting to Rp467,791 and Rp401,532 as of December 31, 2019 and 2018, respectively.

**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI**

Dalam kegiatan normal usaha, Bank melakukan transaksi dengan pihak berelasi karena hubungan kepemilikan dan/atau kepengurusan. Semua transaksi dengan pihak-pihak berelasi telah dilakukan dengan kebijakan dan syarat yang telah disepakati bersama.

Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018:

**44. TRANSACTIONS WITH RELATED PARTIES**

In the normal course of business, the Bank enters into certain transactions with parties which are related to the management and/or owned by the same ultimate shareholder. All transactions with related parties have been entered into the agreed terms and conditions.

The table below details the related parties of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018:

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
Pemerintah Republik Indonesia (RI)	Pemegang saham mayoritas melalui Kementerian Keuangan RI/ Majority shareholder through the Ministry of Finance of the Republic of Indonesia	Obligasi Pemerintah / Government Bonds
PT Bank Mandiri (Persero) Tbk	Dalam pengendalian yang sama melalui pemerintah pusat RI/ Under common control through the Central Government of the Republic of Indonesia	Giro pada bank lain, Penempatan pada Bank Indonesia dan Bank Lain, Efek-efek, Simpanan dari Bank Lain, Pinjaman yang diterima dan Surat Berharga yang Diterbitkan / Current accounts with other banks, Placement with Bank Indonesia and Other Banks, Securities, Deposits from Other Banks, Fund Borrowing and Securities issued
PT Bank Negara Indonesia (Persero) Tbk	Dalam pengendalian yang sama melalui pemerintah pusat RI/ Under common control through the Central Government of the Republic of Indonesia	Giro pada bank lain, Penempatan pada Bank Indonesia dan Bank Lain, Efek-efek, Simpanan dari Bank Lain, Tagihan Derivatif, Surat Berharga yang Diterbitkan dan Pinjaman yang Diterima / Current accounts with other banks, Placement with Bank Indonesia and Other Banks, Securities, Deposits from Other Banks, Derivative Receivable, Securities issued and Fund borrowings

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(lanjutan)**

**44. TRANSACTIONS WITH RELATED PARTIES  
(continued)**

Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018 (lanjutan):

The table below details the related parties with of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018 (continued):

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
PT Bank Rakyat Indonesia (Persero) Tbk	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Giro pada bank lain, Penempatan pada Bank Indonesia dan Bank Lain, Efek-efek, Simpanan dari Bank Lain, dan Surat Berharga yang Diterbitkan / <i>Current accounts with other banks, Placement with Bank Indonesia and Other Banks, Securities, Deposits from Other Banks, and Securities issued</i>
PT Bank Syariah Mandiri	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Giro pada bank lain, dan Penempatan pada Bank Indonesia dan Bank Lain / <i>Current accounts with other banks, and Placement with Bank Indonesia and Other Banks</i>
PT Bank Mandiri Taspen Pos	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Penempatan pada Bank Indonesia dan Bank Lain, Efek-efek, dan Simpanan dari Bank Lain / <i>Placement with Bank Indonesia and Other Banks, Securities, and Deposits from Other Banks</i>
PT BRI Agroniaga Tbk	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Penempatan pada Bank Indonesia dan Bank Lain, Simpanan dari Bank Lain, Surat Berharga yang Diterbitkan / <i>Placement with Bank Indonesia and Other Banks, Deposits from Other Banks, Securities issued</i>
Lembaga Pembiayaan Ekspor Indonesia	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Penempatan pada Bank Indonesia dan Bank Lain, Efek-efek, dan Simpanan dari Bank Lain / <i>Placement with Bank Indonesia and Other Banks, Securities, and Deposits from Other Banks</i>
PT Utama Karya (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Indonesia Power	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Efek-efek / <i>Securities</i>
PT Kereta Api Indonesia (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Efek-efek / <i>Securities</i>

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
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**44. TRANSACTIONS WITH RELATED PARTIES  
(continued)**

Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018 (lanjutan):

The table below details the related parties with of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018 (continued):

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
PT Pupuk Indonesia (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Garansi yang diterbitkan / <i>Guarantees issued</i>
PT Timah (Persero) Tbk	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Efek-efek / <i>Securities</i>
Perum Perumnas	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Efek-efek, dan Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Securities, and Loans and sharia financing/receivables</i>
PT PP Properti Tbk	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Tagihan Akseptasi dan Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Acceptances Receivable and Loans and sharia financing/receivables</i>
PT Waskita Beton Precast Tbk	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Tagihan Akseptasi dan Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Acceptances Receivable and Loans and sharia financing/receivables</i>
PT Wijaya Karya Bangunan Gedung Tbk	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Tagihan Akseptasi dan Garansi yang diterbitkan / <i>Acceptances Receivable and Guarantees issued</i>
PT Wijaya Karya Industri Energi	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Tagihan Akseptasi / <i>Acceptances Receivable</i>
PT Wijaya Karya Industri & Konstruksi	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Tagihan Akseptasi, Kredit yang diberikan dan pembiayaan/piutang syariah dan Garansi yang diterbitkan / <i>Acceptances Receivable, Loans and sharia financing/receivables and Guarantees issued</i>
Perum Percetakan Negara Republik Indonesia (Perum PNR)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI**  
**(lanjutan)**

**44. TRANSACTIONS WITH RELATED PARTIES**  
**(continued)**

Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018 (lanjutan):

The table below details the related parties with of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018 (continued):

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
PT Adhi Karya (Persero) Tbk	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Angkasa Pura II (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah dan Surat Berharga yang Diterbitkan / <i>Loans and sharia financing/receivables and Securities issued</i>
PT Asuransi Jiwasraya (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang Syariah, Efek-efek yang dibeli dengan janji dijual kembali dan Surat Berharga yang Diterbitkan/ <i>Loans and sharia financing/receivables, Securities purchased under agreement to resell and Securities issued</i>
PT Brantas Abipraya (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Dok Dan Perkapalan Surabaya (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT HK Realtindo	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Indah Karya (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Jasamarga Bali Tol	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah dan Garansi yang diterbitkan / <i>Loans and sharia financing/receivables and Guarantees issued</i>

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
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**44. TRANSACTIONS WITH RELATED PARTIES  
(continued)**

Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018 (lanjutan):

The table below details the related parties with of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018 (continued):

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
PT Permodalan Nasional Madani	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Peruri Properti	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Perusahaan Pengelola Aset (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT PP Urban	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Taspen (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah dan Surat Berharga yang Diterbitkan / <i>Loans and sharia financing/receivables and Securities issued</i>
PT Trans Jawa Paspro Jalan Tol	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Virama Karya (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah dan Garansi yang diterbitkan / <i>Loans and sharia financing/receivables and Guarantees issued</i>
PT Waskita Bumi Wira	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Waskita Karya Realty	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah dan Garansi yang diterbitkan / <i>Loans and sharia financing/receivables and Guarantees issued</i>
PT Pembangunan Perumahan (Persero) Tbk	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>



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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
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Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018 (lanjutan):

**44. TRANSACTIONS WITH RELATED PARTIES  
(continued)**

The table below details the related parties with of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018 (continued):

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
PT Wijaya Karya Realty	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Kredit yang diberikan dan pembiayaan/piutang syariah dan Garansi yang diterbitkan / Loans and sharia financing/receivables and Guarantees issued
PT Wisma Seratus Sejahtera	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Kredit yang diberikan dan pembiayaan/piutang syariah / Loans and sharia financing/receivables
PT Yodya Karya (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ Under common control through the Central Government of the Republic of Indonesia	Kredit yang diberikan dan pembiayaan/piutang syariah dan Garansi yang diterbitkan / Loans and sharia financing/receivables and Guarantees issued
Perum Jaminan Kredit Indonesia	Dalam pengendalian yang sama melalui pemerintah pusat RI/ Under common control through the Central Government of the Republic of Indonesia	Surat Berharga yang Diterbitkan / Securities issued
PT Anugrah Bhumi Amaya S	Dalam pengendalian yang sama melalui pemerintah pusat RI/ Under common control through the Central Government of the Republic of Indonesia	Kredit yang diberikan dan pembiayaan/piutang syariah / Loans and sharia financing/receivables
PT PP Properti Jababeka Residen	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Kredit yang diberikan dan pembiayaan/piutang syariah / Loans and sharia financing/receivables
PT Adhi Persada Properti	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Kredit yang diberikan dan pembiayaan/piutang syariah / Loans and sharia financing/receivables
PT Perumnas Jakabaring	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Kredit yang diberikan dan pembiayaan/piutang syariah / Loans and sharia financing/receivables
PT Perumnas Sentraland	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Kredit yang diberikan dan pembiayaan/piutang syariah / Loans and sharia financing/receivables
PT Perumnas TOD Tanjung	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Kredit yang diberikan dan pembiayaan/piutang syariah / Loans and sharia financing/receivables

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
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Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018 (lanjutan):

**44. TRANSACTIONS WITH RELATED PARTIES  
(continued)**

The table below details the related parties with of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018 (continued):

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
PT Perum Pengangkutan Penumpang Djakarta	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Sinergi Investasi	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Perumnas Pondok Cina	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Kawasan Berikat Nusantara	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Adhi Commuter Property	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Angkasa Pura I (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Koperasi Karyawan WIKA	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Rekayasa Engineering	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Jalin Pembayaran Nusantara	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Wijaya Karya Krakatau	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
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Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018 (lanjutan):

**44. TRANSACTIONS WITH RELATED PARTIES  
(continued)**

The table below details the related parties with of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018 (continued):

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
PT Rajawali Nusantara Indonesia (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Puspेतindo	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Yayasan Kesejahteraan Karyawan Pembangunan Perumahan	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Jasamarga Toll Road	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Garansi yang diterbitkan / <i>Guarantees issued</i>
PT Inhutani IV	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Garansi yang diterbitkan / <i>Guarantees issued</i>
PT Asuransi Kredit Indonesia (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Surat Berharga yang Diterbitkan dan Garansi yang diterbitkan / <i>Securities Issued and Guarantees issued</i>
PT Asuransi Jasa Indonesia (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Surat Berharga yang Diterbitkan / <i>Securities issued</i>
PT Asuransi Jiwa Bringin dan Jiwa Sejahtera	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Surat Berharga yang Diterbitkan/ <i>Securities issued</i>
PT Asuransi Jasa Raharja (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Surat Berharga yang Diterbitkan/ <i>Securities issued</i>

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
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Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018 (lanjutan):

**44. TRANSACTIONS WITH RELATED PARTIES  
(continued)**

The table below details the related parties with of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018 (continued):

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
PT AXA Mandiri Financial Services	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Surat Berharga yang Diterbitkan / <i>Securities issued</i>
PT BNI Life Insurance	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Surat Berharga yang Diterbitkan / <i>Securities issued</i>
PT Jasaraharja Putera	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Surat Berharga yang Diterbitkan / <i>Securities issued</i>
PT Penjaminan Infrastruktur Indonesia (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Surat Berharga yang Diterbitkan / <i>Securities issued</i>
PT Pertamina Bina Medika	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Surat Berharga yang Diterbitkan/ <i>Securities Issued</i>
PT Reasuransi Indonesia Utama (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Surat Berharga yang Diterbitkan dan Garansi yang diterbitkan/ <i>Securities issued and Guarantees issued</i>
PT Tugu Pratama Indonesia	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Surat Berharga yang Diterbitkan/ <i>Securities issued</i>
PT Sarana Multigriya Finance (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Pinjaman yang diterima dan Pinjaman Subordinasi / <i>Fund borrowings and Subordinated Loan</i>
PT Sinergi Colomadu	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Kredit yang diberikan dan pembiayaan/piutang syariah / <i>Loans and sharia financing/receivables</i>
PT Perusahaan Gas Negara (Persero) Tbk	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Efek - Efek / <i>Securities</i>

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
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**44. TRANSACTIONS WITH RELATED PARTIES  
(continued)**

Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018 (lanjutan):

The table below details the related parties with of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018 (continued):

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
PT Reasuransi Nasional Indonesia	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Surat Berharga yang Diterbitkan dan Garansi yang diterbitkan/ Securities issued and Guarantees issued
Perum Damri	Dalam pengendalian yang sama melalui pemerintah pusat RI/ Under common control through the Central Government of the Republic of Indonesia	Garansi yang diterbitkan / Guarantees issued
PT Infomedia Nusantara	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Garansi yang diterbitkan / Guarantees issued
PT Infomedia Solusi Humanika	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Garansi yang diterbitkan / Guarantees issued
PT Energi Pelabuhan Indonesia	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Garansi yang diterbitkan / Guarantees issued
PT Jasamarga Toll Road Operator	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Garansi yang diterbitkan / Guarantees issued
PT. Sucofindo Prima Internasional Konsultan	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Garansi yang diterbitkan / Guarantees issued
PT. Jasa Marga Toll Road Maintenance	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Garansi yang diterbitkan / Guarantees issued
PT Perusahaan Listrik Negara (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ Under common control through the Central Government of the Republic of Indonesia	Kredit yang diberikan, Efek-efek dan Garansi yang diterbitkan / Loans and sharia financing/receivables, Securities and Guarantees issued
PT PNM Ventura Syariah	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ Subsidiary of State Owned Enterprise (SOE)	Kredit yang diberikan dan pembiayaan/piutang syariah / Loans and sharia financing/receivables

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
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**44. TRANSACTIONS WITH RELATED PARTIES  
(continued)**

Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018 (lanjutan):

The table below details the related parties with of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018 (continued):

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
Perum Jasa Tirta I	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Garansi yang diterbitkan/ <i>Guarantees issued</i>
PT Asuransi Asei Indonesia	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Garansi yang diterbitkan/ <i>Guarantees issued</i>
PT Barata Indonesia (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Garansi yang diterbitkan/ <i>Guarantees issued</i>
PT Jasa Layanan Pemeliharaan	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Garansi yang diterbitkan/ <i>Guarantees issued</i>
PT LEN Railway Systems	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Garansi yang diterbitkan/ <i>Guarantees issued</i>
PT Nindya Karya (Persero)	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Garansi yang diterbitkan/ <i>Guarantees issued</i>
PT Pelabuhan Indonesia III (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Garansi yang diterbitkan/ <i>Guarantees issued</i>
PT Patra Trading	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Garansi yang diterbitkan/ <i>Guarantees issued</i>
PT Pos Indonesia (Persero)	Dalam pengendalian yang sama melalui pemerintah pusat RI/ <i>Under common control through the Central Government of the Republic of Indonesia</i>	Garansi yang diterbitkan/ <i>Guarantees issued</i>
PT Peruri Digital Security	Entitas Anak dari Badan Usaha Milik Negara (BUMN)/ <i>Subsidiary of State Owned Enterprise (SOE)</i>	Garansi yang diterbitkan/ <i>Guarantees issued</i>

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(lanjutan)**

**44. TRANSACTIONS WITH RELATED PARTIES  
(continued)**

Tabel di bawah menunjukkan rincian pihak-pihak berelasi dengan Bank beserta sifat dari transaksi yang dilakukan oleh Bank tersebut pada tahun 31 Desember 2019 dan 2018 (lanjutan):

The table below details the related parties with of the Bank along with the nature of transactions entered into by the Bank during December 31, 2019 and 2018 (continued):

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Jenis hubungan/ Type of relationship</u>	<u>Unsur transaksi pihak berelasi/ Nature of related party transactions</u>
Manajemen Kunci termasuk Direksi, Komisaris, Komite Audit, Kepala Divisi dan Kepala Cabang/ <i>Key Management including Director, Commissioner, Audit Committee, Head Division and Branch Manager</i>	Hubungan pengendalian kegiatan perusahaan/ <i>Control on company's activities</i>	Kredit yang Diberikan dan Pembiayaan/piutang Syariah, Simpanan dari Nasabah, dan Dana Syirkah Temporer / <i>Loans and sharia financing/receivables, Deposit from Customers and Temporary Syirkah Fund</i>
a. Transaksi dengan pihak berelasi karena hubungan kepemilikan dengan pemerintah Republik Indonesia:		a. <i>Transactions with related parties due to ownership relation with government of the Republic of Indonesia:</i>
	<u>31 Desember/ December 31, 2019</u>	<u>31 Desember/ December 31, 2018</u>
<b>Aset</b>		<b>Assets</b>
Giro pada bank lain (Catatan 6)	357.624	870.392
Penempatan pada Bank Indonesia dan bank lain (Catatan 7)	101.078	3.644
Efek-efek (Catatan 8)	2.126.461	877.112
Obligasi pemerintah (Catatan 9)	11.053.601	9.393.138
Efek-efek yang dibeli dengan janji dijual kembali (Catatan 10)	200.000	-
Kredit yang diberikan dan pembiayaan/piutang syariah (Catatan 11)	17.289.222	11.483.694
Tagihan Akseptasi (Catatan 12)	487.052	528.148
<b>Total aset untuk pihak-pihak berelasi</b>	<b>31.615.038</b>	<b>23.156.128</b>
Cadangan kerugian penurunan nilai dari pihak-pihak berelasi	(11.060)	(2.153)
<b>Total dari aset pihak-pihak berelasi - neto</b>	<b>31.603.978</b>	<b>23.153.975</b>
<b>Persentase total aset pihak berelasi terhadap total aset</b>	<b>10,14%</b>	<b>7,56%</b>
		<b>Current accounts with other banks (Note 6)</b>
		<b>Placements with Bank Indonesia and other banks (Note 7)</b>
		<b>Securities (Note 8)</b>
		<b>Government bonds (Note 9)</b>
		<b>Securities purchased under agreement to resell (Note 10)</b>
		<b>Loans and sharia financing/ receivables (Note 11)</b>
		<b>Acceptance Receivable (Note 12)</b>
		<b>Total assets to related parties</b>
		<b>Allowance for impairment losses for related parties</b>
		<b>Total assets from related parties - net</b>
		<b>Percentage of total assets from related parties to total assets</b>

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI**  
**(lanjutan)**

**44. TRANSACTIONS WITH RELATED PARTIES**  
**(continued)**

a. Transaksi dengan pihak berelasi karena hubungan kepemilikan dengan pemerintah Republik Indonesia (lanjutan):

a. Transactions with related parties due to ownership relation with government of the Republic of Indonesia (continued):

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<b>Liabilitas</b>			<b>Liabilities</b>
Simpanan dari nasabah (Catatan 18, 19 dan 20)	93.053.060	83.098.406	Deposits from customers (Notes 18, 19 and 20)
Liabilitas Akseptasi (Catatan 23)	487.052	528.148	Acceptance Payable (Note 23)
Surat-surat Berharga yang Diterbitkan (Catatan 24)	5.377.572	6.925.026	Securities Issued (Note 24)
Pinjaman yang diterima (Catatan 25)	13.784.289	8.069.151	Fund borrowings (Note 25)
Pinjaman Subordinasi (Catatan 26)	5.999.669	2.999.519	Subordinated Loan (Note 26)
<b>Total liabilitas untuk pihak- pihak berelasi</b>	<b>118.701.642</b>	<b>101.620.250</b>	<b>Total liabilities to related parties</b>
<b>Persentase total liabilitas pihak berelasi terhadap total liabilitas</b>	<b>44,05%</b>	<b>38,52%</b>	<b>Percentage of total liabilities from related parties to total liabilities</b>
<b>Dana Syirkah Temporer</b>			<b>Temporary Syirkah Funds</b>
Giro <i>Mudharabah</i> (Catatan 18)	588.030	534.702	<i>Mudharabah</i> current accounts (Note 18)
Tabungan <i>Mudharabah</i> (Catatan 19)	134.558	81.973	<i>Mudharabah</i> savings deposits (Note 19)
Deposito <i>Mudharabah</i> (Catatan 20)	2.034.644	5.623.470	<i>Mudharabah</i> time deposits (Note 20)
<b>Total dana syirkah temporer untuk pihak-pihak berelasi</b>	<b>2.757.232</b>	<b>6.240.145</b>	<b>Total temporary syirkah funds to related parties</b>
<b>Persentase total dana syirkah temporer berelasi terhadap dana syirkah temporer</b>	<b>14,91%</b>	<b>33,17%</b>	<b>Percentage of total temporary syirkah funds related parties to total temporary syirkah funds</b>
	<b>2019</b>	<b>2018</b>	
<b>Pendapatan bunga dan bagi hasil</b>			<b>Interest income and income from profit sharing</b>
Penempatan pada Bank Indonesia dan bank lain	18.351	10.154	Placements with Bank Indonesia and other banks
Efek-efek	151.664	57.921	Securities
Obligasi pemerintah	475.846	413.742	Government bonds
Efek-efek yang dibeli dengan janji dijual kembali	3.347	-	Securities Purchased Under agreement to resell
Kredit yang diberikan dan pembiayaan/piutang syariah	1.004.323	461.592	Loans and sharia financing/ receivables
<b>Total pendapatan bunga dan bagi hasil dari pihak-pihak berelasi</b>	<b>1.653.531</b>	<b>943.409</b>	<b>Total interest income and income from profit sharing from related parties</b>
<b>Persentase terhadap total pendapatan bunga dan bagi hasil</b>	<b>6,43%</b>	<b>4,13%</b>	<b>Percentage to total interest income and income from profit sharing</b>



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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI**  
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**44. TRANSACTIONS WITH RELATED PARTIES**  
**(continued)**

a. Transaksi dengan pihak berelasi karena hubungan kepemilikan dengan pemerintah Republik Indonesia (lanjutan):

a. Transactions with related parties due to ownership relation with government of the Republic of Indonesia (continued):

	2019	2018	
<b>Beban bunga, bagi hasil dan bonus</b>			<b>Interest, profit sharing and bonus expenses</b>
Simpanan dari nasabah Surat-surat Berharga yang Diterbitkan	4.762.165	1.111.531	Deposits from customers
Pinjaman yang diterima	1.207.510	588.407	Securities Issued
Pinjaman Subordinasi	860.282	423.810	Fund borrowings
Giro <i>Mudharabah</i>	273.167	270.200	Subordinated Loan
Tabungan <i>Mudharabah</i>	4.978	3.264	<i>Mudharabah</i> current accounts
Deposito <i>Mudharabah</i>	3.792	5.625	<i>Mudharabah</i> savings deposits
	49.426	30.364	<i>Mudharabah</i> time deposits
<b>Total beban bunga dan bonus dari pihak berelasi</b>	<b>7.161.320</b>	<b>2.433.201</b>	<b>Total interest and bonus expenses from related parties</b>
<b>Persentase terhadap total beban bunga, bagi hasil dan bonus</b>	<b>42,73%</b>	<b>19,07%</b>	<b>Percentage to total interest, profit sharing and bonus expense</b>

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<b>Komitmen dan Kontinjensi pada Rekening Administratif (Catatan 28)</b>			<b>Commitments and Contingencies in Administrative Accounts (Note 28)</b>
Garansi yang diterbitkan	364.059	834.470	Guarantees issued
<b>Persentase terhadap total komitmen dan kontinjensi pada rekening administratif</b>	<b>18,12%</b>	<b>22,00%</b>	<b>Percentage to total commitments and contingencies in administrative accounts</b>

b. Transaksi dengan manajemen kunci

b. Transactions with key management personnel

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
<b>Aset</b>			<b>Assets</b>
Kredit yang diberikan dan piutang/ pembiayaan syariah (Catatan 11)	119.470	125.193	Loan and sharia financing/receivables (Note 11)
Cadangan kerugian penurunan nilai dari pihak-pihak berelasi	(18)	(19)	Allowance for impairment losses for related parties
<b>Total dari aset pihak-pihak berelasi - neto</b>	<b>119.452</b>	<b>125.174</b>	<b>Total assets from related parties - net</b>
<b>Persentase terhadap total aset</b>	<b>0,04%</b>	<b>0,04%</b>	<b>Percentage to total assets</b>

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI**  
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**44. TRANSACTIONS WITH RELATED PARTIES**  
**(continued)**

b. Transaksi dengan manajemen kunci (lanjutan)

b. Transactions with key management personnel  
 (continued)

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<b>Liabilitas</b>		
Simpanan dari nasabah (Catatan 18, 19 dan 20)	68.494	100.338
Liabilitas imbalan kerja	210.427	216.319
<b>Total liabilitas dari manajemen kunci</b>	<b>278.921</b>	<b>316.657</b>
<b>Persentase terhadap total liabilitas</b>	<b>0,10%</b>	<b>0,12%</b>

<b>Liabilities</b>
Deposits from customers (Notes 18, 19 and 20)
Employee benefits liability
<b>Total liabilities from key management personnel</b>
<b>Percentage to total liabilities</b>

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<b>Dana Syirkah Temporer</b>		
Tabungan <i>Mudharabah</i> (Catatan 19)	2.019	2.316
Deposito <i>Mudharabah</i> (Catatan 20)	3.857	2.483
<b>Total dana syirkah temporer untuk pihak-pihak berelasi</b>	<b>5.876</b>	<b>4.799</b>
<b>Persentase total dana syirkah temporer berelasi terhadap dana syirkah temporer</b>	<b>0,03%</b>	<b>0,03%</b>

<b>Temporary Syirkah Funds</b>
<i>Mudharabah savings deposits (Note 19)</i>
<i>Mudharabah time deposits (Note 20)</i>
<b>Total temporary syirkah funds to related parties</b>
<b>Percentage of total temporary syirkah funds related parties to total temporary syirkah funds</b>

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<b>Pendapatan bunga dan bagi hasil</b>		
Kredit yang diberikan dan pembiayaan/piutang syariah	7.591	6.155
<b>Persentase terhadap total pendapatan bunga dan bagi hasil</b>	<b>0,03%</b>	<b>0,03%</b>

<b>Interest income and income from profit sharing</b>
<i>Loans and sharia financing/ receivables</i>
<b>Percentage to total interest income and income from profit sharing</b>

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<b>Beban bunga, bagi hasil dan bonus</b>		
Simpanan dari nasabah	3.182	2.914
<b>Persentase terhadap total beban bunga, bagi hasil, dan bonus</b>	<b>0,02%</b>	<b>0,02%</b>

<b>Interest, profit sharing and bonus expenses</b>
<i>Deposits from customers</i>
<b>Percentage to total interest, profit sharing and bonus expense</b>

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**44. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(lanjutan)**

b. Transaksi dengan manajemen kunci

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
<b>Beban gaji dan tunjangan:</b>		
Direksi (Catatan 1f)	72.567	85.289
Dewan Komisaris (Catatan 1f)	32.033	36.673
Karyawan Kunci Lain	362.575	145.555
<b>Total</b>	<b>467.175</b>	<b>267.517</b>
<b>Persentase terhadap total beban gaji dan tunjangan karyawan</b>	<b>16,31%</b>	<b>9,30%</b>

**44. TRANSACTIONS WITH RELATED PARTIES  
(continued)**

b. Transactions with key management personnel  
(continued)

**Salaries and employee benefits:**  
Board of Directors (Note 1f)  
Board of Commissioners (Note 1f)  
Other Key Employees

**Total**

**Percentage to total salaries  
and employee benefits**

**45. ASET DAN LIABILITAS MONETER DALAM MATA  
UANG ASING**

Posisi Devisa Neto

Perhitungan Posisi Devisa Neto (PDN) didasarkan pada Peraturan Bank Indonesia No. 5/13/PBI/2003 tanggal 17 Juli 2003 sebagaimana telah diubah dengan perubahan keempat Peraturan Bank Indonesia No. 17/5/PBI/2015 tanggal 29 Mei 2015. Berdasarkan peraturan tersebut, Bank diwajibkan untuk menjaga rasio PDN laporan posisi keuangan dan secara keseluruhan maksimum 20% dari jumlah modal. PDN adalah penjumlahan nilai absolut yang dinyatakan dalam Rupiah dari selisih bersih antara aset dan liabilitas dalam mata uang asing dan selisih bersih dari tagihan dan liabilitas komitmen dan kontinjensi yang dicatat dalam rekening administratif yang didenominasi dalam setiap mata uang asing.

PDN Bank pada tanggal-tanggal 31 Desember 2019 dan 2018:

**45. ASSETS AND LIABILITIES DENOMINATED IN  
FOREIGN CURRENCIES**

Net Open Position

The Net Open Position (NOP) is calculated based on Bank Indonesia Regulation No. 5/13/ PBI/2003 dated July 17, 2003 which was fourth amended by Bank Indonesia Regulation No. 17/5/PBI/2015 dated May 29, 2015. Based on this regulation, the Bank is required to maintain Net Open Position ratio of the overall statement of financial position at a maximum of 20% of the total capital. The NOP is the sum of the absolute values, which are stated in Rupiah, of the net difference between the assets and liabilities denominated in each foreign currency and the net difference of the receivables and payables of both commitments and contingencies recorded in the administrative accounts denominated in each foreign currency.

The Bank's NOP as of December 31, 2019 and 2018 are as follows:

	31 Desember/December 31, 2019		
	Aset/ Assets	Liabilitas/ Liabilities	Posisi Devisa Neto/ Net Open Position
<u>Laporan posisi keuangan dan Rekening administratif</u>			
Dolar Amerika Serikat	7.559.184	6.845.122	714.062
Yen Jepang	200.140	-	200.140
Dolar Australia	37.087	10	37.077
Dolar Singapura	18.539	3.438	15.101
Euro Eropa	283	162	121
Renminbi	232	-	232
Pound Sterling Inggris	76	12	64
Riyal Arab Saudi	37	-	37
Dolar Hongkong	15	-	15
Ringgit Malaysia	25	9	16
			<b>966.865</b>
<b>Modal (Catatan 46)</b>			<b>23.350.625</b>
<b>Rasio PDN</b>			<b>4,14%</b>

Statement of financial position  
and Administrative accounts  
United States Dollar  
Japanese Yen  
Australian Dollar  
Singapore Dollar  
European Euro  
Renminbi  
Great Britain Pound Sterling  
Saudi Arabian Riyal  
Hongkong Dollar  
Malaysian Ringgit

**Capital (Note 46)**

**NOP ratio**

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**45. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING (lanjutan)**

**45. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES (continued)**

PDN Bank pada tanggal-tanggal 31 Desember 2019 dan 2018 (lanjutan):

The Bank's NOP as of December 31, 2019 and 2018 are as follows (continued):

31 Desember/December 31, 2018			
	Aset/ Assets	Liabilitas/ Liabilities	Posisi Devisa Neto/ Net Open Position
<u>Laporan posisi keuangan dan Rekening administratif</u>			<u>Statement of financial position and Administrative accounts</u>
Dolar Amerika Serikat	4.777.623	4.576.632	200.991 United States Dollar
Yen Jepang	94.638	-	94.638 Japanese Yen
Dolar Singapura	67.923	2.512	65.411 Singapore Dollar
Euro Eropa	278	-	278 European Euro
Renminbi	259	-	259 Renminbi
Pound Sterling Inggris	86	-	86 Great Britain Pound Sterling
Dolar Australia	62	-	62 Australian Dollar
Dolar Hongkong	52	-	52 Hongkong Dollar
Ringgit Malaysia	39	-	39 Malaysian Ringgit
Riyal Arab Saudi	11	-	11 Saudi Arabian Riyal
			<b>361.827</b>
<b>Modal (Catatan 46)</b>			<b>23.328.446</b> <b>Capital (Note 46)</b>
<b>Rasio PDN</b>			<b>1,55%</b> <b>NOP ratio</b>

**46. RASIO KEWAJIBAN PENYEDIAAN MODAL MINIMUM (KPMU)**

**46. MINIMUM REQUIRED CAPITAL ADEQUACY RATIO (CAR)**

Bank secara aktif mengelola modalnya sesuai dengan peraturan yang berlaku. Tujuan utamanya adalah untuk memastikan bahwa setiap saat Bank dapat menjaga kecukupan modalnya untuk menutup risiko bawaan (inherent risks) pada kegiatan perbankan tanpa mengurangi optimalisasi nilai pemegang saham.

The Bank actively manages its capital in accordance with the regulatory requirements. The primary objective of which is to ensure that the Bank, at all times, maintains adequate capital to cover inherent risks to its banking activities without prejudice to optimizing shareholder's value.

CAR pada tanggal 31 Desember 2019 dan 2018 dihitung berdasarkan Peraturan Otoritas Jasa Keuangan (OJK) No. 34/POJK.03/2016 tanggal 22 September 2016 tentang Perubahan atas Peraturan OJK No. 11/POJK.03/2016 tanggal 29 Januari 2016 tentang Kewajiban Penyediaan Modal Minimum Bank Umum.

CAR on December 31, 2019 and 2018 was calculated based on Otoritas Jasa Keuangan (OJK) No. 34/POJK.03/2016 on date September 22, 2016 concerning of Change regulation No. 11/POJK.03/2016 on date January 29, 2016 concerning the Minimum Capital Requirement for Commercial Banks.

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**46. RASIO KEWAJIBAN PENYEDIAAN MODAL  
MINIMUM (KPMM) (lanjutan)**

Berdasarkan POJK No. 34/POJK.03/2016 tentang Kewajiban Penyediaan Modal Minimum Bank Umum, PBI No. 17/22/PBI/2015 tentang Kewajiban Pembentukan *Countercyclical Buffer* dan POJK No. 46/POJK.03/2015 tentang Penetapan *Systemically Important Bank* dan *Capital Surcharge*, Bank diwajibkan membentuk tambahan modal sebagai penyangga (buffer) yang berlaku secara bertahap mulai 1 Januari 2016. Pembentukan modal *buffer* yaitu *Capital Conservation Buffer*, *Countercyclical Buffer* dan *Capital Surcharge* untuk D-SIB yang wajib dibentuk berdasarkan persentase tertentu dari Aset Tertimbang Menurut Risiko (ATMR) masing-masing sebesar 2,50%, 0,00% dan 1,00%.

Berdasarkan profil risiko Bank masing-masing per 31 Desember 2019 dan 2018, yaitu *low to moderate*, maka rasio kecukupan modal (KPMM) minimum per 31 Desember 2019 dan 2018 ditetapkan masing-masing sebesar 9% sampai dengan 10%.

Penentuan kepatuhan Bank terhadap peraturan dan rasio yang berlaku didasarkan pada peraturan praktik akuntansi yang berbeda dalam beberapa hal dengan Standar Akuntansi Keuangan di Indonesia.

Pada tanggal-tanggal 31 Desember 2019 dan 2018, Bank telah memenuhi rasio sesuai yang disyaratkan Bank Indonesia dan/atau Otoritas Jasa Keuangan untuk KPMM.

Perhitungan KPMM Bank pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

		31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
Modal Inti	a	21.037.417	20.460.086
Modal Pelengkap (Maksimal 100% dari Modal Inti)	b	2.313.208	2.868.360
Modal Pelengkap Tambahan yang Dialokasikan untuk Mengantisipasi Risiko Pasar	c	-	-
<b>Jumlah Modal Inti dan Modal Pelengkap</b>	<b>d=a+b</b>	<b>23.350.625</b>	<b>23.328.446</b>

**46. MINIMUM REQUIRED CAPITAL ADEQUACY  
RATIO (CAR) (continued)**

Based on POJK No. 34/POJK.03/2016 concerning the Minimum Capital Requirement for Commercial Banks, PBI No. 17/22/PBI/2015 concerning the Establishment of *Countercyclical Buffer Requirement*, and POJK No. 46/POJK.03/2015 concerning the Determination of *Systemically Important Bank* and *Capital Surcharge*, the Bank is required to form additional capital as a buffer that apply in stages starting on January 1, 2016. The establishment of buffer capital consists of *Capital Conservation Buffer*, *Countercyclical Buffer*, and *Capital Surcharge* for D-SIB which shall be established based on a percentage of *Risk Weighted Assets (RWA)* of 2.50%, 0.00% and 1.00%, respectively.

Based on the risk profile as of December 31, 2019 and 2018, respectively, which are both *low to moderate*, the minimum CAR for December 31, 2019 and 2018, is set at 9% to less than 10%, respectively.

The determination of the Bank's compliance with regulations and applicable ratios are based on the accounting rules which is differ in several aspects with the Financial Accounting Standards in Indonesia.

As of December 31, 2019 and 2018, the Bank has fulfilled the required ratios of Bank Indonesia and/or Financial Services Authority for the CAR.

The computation of the Bank's CAR as of December 31, 2019 and 2018 follows:

Core Capital  
Supplementary Capital  
(Maximum of 100% of  
Core Capital)  
Additional Supplementary  
Capital Allocated  
for Anticipation  
of Market Risk  
  
**Total Core Capital and  
Supplementary Capital**

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**46. RASIO KEWAJIBAN PENYEDIAAN MODAL**  
**MINIMUM (KPMM) (lanjutan)**

Perhitungan KPMM Bank pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut (lanjutan):

**46. MINIMUM REQUIRED CAPITAL ADEQUACY**  
**RATIO (CAR) (continued)**

The computation of the Bank's CAR as of December 31, 2019 and 2018 follows (continued):

		<u>31 Desember/ December 31, 2019</u>	<u>31 Desember/ December 31, 2018</u>	
Jumlah Modal Inti, Modal Pelengkap dan Modal Pelengkap Tambahan yang Dialokasikan untuk Mengantisipasi Risiko Pasar	e=c+d	23.350.625	23.328.446	<i>Total Core Capital, Supplementary Capital and Additional Capital Allocated for Anticipation of Market Risk Investment</i>
Penyertaan	f	-	-	
Jumlah Modal untuk Risiko Kredit	g=d-f	23.350.625	23.328.446	<i>Total Capital for Credit Risk</i>
Jumlah Modal untuk Risiko Kredit dan Risiko Pasar	h=e-f	23.350.625	23.328.446	<i>Total Capital for Credit Risk and Market Risk</i>
Aset Tertimbang Menurut Risiko Kredit	i	113.079.144	109.507.283	<i>Risk Weighted Assets</i>
ATMR untuk Risiko Pasar	j	801.774	1.007.249	<i>Credit Risk</i>
ATMR untuk risiko operasional	k	20.963.355	17.623.217	<i>RWA for Market Risk</i>
Jumlah ATMR untuk Risiko Kredit dan Risiko operasional	l=i+k	134.042.499	127.130.500	<i>Total RWA for Credit Risk and Operational Risk</i>
Jumlah ATMR untuk Risiko Kredit, Risiko Operasional dan Risiko Pasar	m=i+j+k	134.844.273	128.137.749	<i>RWA for Credit Risk, Operational Risk and Market Risk</i>
CAR untuk Risiko Kredit dan Risiko Operasional	n=g/l	17,42%	18,35%	<i>CAR for Credit Risk and Operational Risk</i>
CAR untuk Risiko Kredit Risiko Operasional dan Risiko Pasar	o=h/m	17,32%	18,21%	<i>CAR for Credit Risk Operational Risk and Market Risk</i>
CAR Minimum yang Diwajibkan		9%	9%	<i>Minimum CAR</i>

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**47. MANAJEMEN RISIKO**

Bank portofolio asetnya didominasi oleh Kredit Pemilikan Rumah (KPR) yang dipengaruhi oleh adanya perubahan iklim bisnis eksternal seperti inflasi dan tingkat BI rate. Upaya meminimalkan dampak negatif tersebut dilakukan dengan pengelolaan risiko secara *day to day risk management activities*, dengan berlandaskan prinsip *Good Corporate Governance* (GCG) untuk memastikan seluruh proses dan mekanisme yang terjadi dalam mencapai tujuan perusahaan, mencegah perusahaan dari penyimpangan dan risiko yang dapat mengakibatkan kegagalan pencapaian tujuan perusahaan, serta berlandaskan prinsip kehati-hatian untuk memastikan pertumbuhan kinerja Bank yang sehat dan berkesinambungan.

Sebagai tindak lanjut penerapan Pilar 1 Basel II, Bank telah mengimplementasikan pengukuran risiko kredit dengan menggunakan *Standardized Approach* sesuai dengan SEOJK No. 11/SEOJK.03/2018 tentang perubahan atas SEOJK No. 42/SEOJK.03/2016 perihal Pedoman Perhitungan Aset Tertimbang Menurut Risiko (ATMR) untuk Risiko Kredit dengan menggunakan Pendekatan Standar. Selain dari itu Bank juga telah melakukan perhitungan kebutuhan modal minimum dengan menggunakan *Basic Indicator Approach* untuk risiko operasional sesuai dengan SEOJK No. 24/SEOJK.03/2016 tanggal 14 Juli 2016 perihal Perhitungan Aset Tertimbang Menurut Risiko untuk Risiko Operasional. Penggunaan *Standardized Model* untuk risiko pasar sesuai dengan SEOJK No. 38/SEOJK.03/2016 tanggal 8 September 2016 perihal Pedoman Penggunaan Metode Standar dalam Perhitungan Kewajiban Penyediaan Modal Minimum Bank Umum dengan Memperhitungkan Risiko Pasar.

Guna melengkapi pengukuran risiko khususnya risiko pasar dan risiko likuiditas, Bank melakukan *stress test* dengan *worst case scenario*. Selain melakukan *scenario analysis* terhadap aktivitas bank secara keseluruhan, Bank juga melakukan *scenario analysis* terhadap aktivitas tertentu, khususnya aktivitas baru, yang berpotensi meningkatkan eksposur risiko suku bunga. *Stress Test* yang dilakukan oleh Bank fokus pada 3 (tiga) jenis risiko yaitu risiko kredit, risiko pasar dan risiko likuiditas. Untuk menyempurnakan pengukuran risiko khususnya risiko pasar, risiko likuiditas dan risiko kredit, Bank melakukan *stress test* terhadap *worst case scenario* sebagaimana diatur dalam SE Direksi No. 21/SE/DIR/ERMD/2019 tanggal 15 Mei 2019 perihal Petunjuk Pelaksanaan *Stress Testing* dengan frekuensi minimal 1 (satu) tahun sekali untuk risiko kredit dan risiko pasar serta per triwulan untuk risiko likuiditas.

**47. RISK MANAGEMENT**

*The bulk of the Bank's loan portfolio consists of mortgage loans (KPR) that are affected by changes in the external business environment such as inflation and the BI rate. Efforts to minimize the negative impact is being done through risk management activities on a daily basis, with the principles of Good Corporate Governance (GCG) as the basis to ensure that all the processes and mechanisms in connection to achieve the Bank's objectives, to prevent the bank from deviations and risks that can lead to failure in achieving corporate objectives. The principle of prudence is the basis of risk management activities to ensure the healthy growth of the Bank's performance and sustainability.*

*As a follow up to the implementation of Pillar 1 of Basel II, the Bank has implemented a credit risk measurement using the Standardized Approach in accordance with SEOJK No.11/SEOJK.03/2018 in changed from SEOJK No. 42/SEOJK.03/2016 regarding the Guidelines for Calculation of Risk Weighted Assets (RWA) for Credit Risk by using Standardized Approach. Apart from that, the Bank has been calculating the minimum capital requirements using the Basic Indicator Approach for operational risk in accordance with SEOJK No. 24/SEOJK.03/2016 dated in July 14, 2016 regarding the calculation of risk weighted assets (RWA) for Operational Risk. The use of Standardized Method for market risk are in accordance with SEOJK No. 38/SEOJK.03/2016 dated in September 8, 2016 regarding the Guidelines for the Use of Standardized Method in the Calculation of Capital Adequacy Ratio on Market Risk for Commercial Banks.*

*In measuring risks, particularly market risk and liquidity risk, the Bank conducts stress testing using worst case scenario in addition to scenario analysis of the Bank's activities as a whole. The Bank also performs scenario analysis on specific activities, especially new activity, which could potentially increase the interest rate risk exposure. Currently, the stress tests conducted by the Bank is focused on 3 (three) types of risks, namely, credit risk, market risk (including interest rate risk) and liquidity risk. To improve the measurement of market risk, liquidity risk and credit risk, the Bank conduct stress test on worst case scenario as regulated in Director Circular Letter No. 21/SE/DIR/ERMD/2019 dated in May 15, 2019 regarding The Guidelines of Implementation for Stress Testing with a minimum frequency of 1 (one) year for credit risk and market risk and quarterly for liquidity risk.*

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**47. MANAJEMEN RISIKO (lanjutan)**

Bank melakukan *stress testing* secara berkala untuk menilai kecukupan modal dalam hal terjadinya kejadian-kejadian risiko yang bersifat ekstrim atau *catastrophy*. *Stress Testing* Risiko Likuiditas telah dilakukan sebanyak 4 kali yaitu disampaikan melalui laporan Profil Risiko Triwulan IV/2018, Triwulan I/2019, Triwulan II/2019, Triwulan III/2019. *Stress Testing* Risiko Kredit dan Risiko Pasar dilakukan sedikitnya sekali dalam satu tahun dan telah dilakukan sebanyak 2 kali pada bulan Maret 2019 dan November 2019. Untuk bulan Maret 2019 pelaporannya telah disampaikan kepada OJK dan Untuk bulan November 2019 dilakukan *update* untuk kebutuhan pelaporan Dokumen *Recovery Plan*.

**Struktur Manajemen Risiko**

Tata kelola risiko Bank yang berlandaskan prinsip GCG terwujud dari terlibatnya seluruh organ Bank dalam pengelolaan manajemen risiko. Hal ini dapat dilihat dari susunan organisasi manajemen risiko Bank. Dewan Komisaris dan Direksi bertanggung jawab untuk memastikan penerapan Manajemen Risiko telah memadai sesuai dengan karakteristik, kompleksitas dan profil risiko Bank. Dewan Komisaris dan Direksi berperan aktif pada proses manajemen risiko dalam rangka memitigasi risiko Bank melalui Kualitas Penerapan Manajemen Risiko yang meliputi tata kelola risiko, kerangka manajemen risiko, proses manajemen risiko, kecukupan sumber daya manusia, dan kecukupan sistem informasi manajemen risiko, serta kecukupan sistem pengendalian risiko.

Komite Manajemen Risiko

Komite Manajemen Risiko (KMR) berperan aktif dalam memberikan pertimbangan-pertimbangan terhadap risiko yang melekat pada kebijakan yang akan ditetapkan Direksi maupun memberikan evaluasi terhadap ketentuan-ketentuan yang dinilai kurang sesuai dengan perkembangan terkini dan perlu dilakukan penyesuaian. KMR terlibat secara aktif dalam melakukan penilaian risiko yang melekat pada setiap produk dan/atau jasa/aktivitas baru sehingga Bank dapat melakukan langkah-langkah mitigasi yang diperlukan. Selain itu apabila dipandang perlu, KMR dapat melakukan evaluasi terhadap Pedoman Kebijakan Manajemen Risiko (PKMR).

**47. RISK MANAGEMENT (continued)**

The Bank conducts periodic *stress testing* to assess capital adequacy in anticipation of the occurrence of risk events that are extreme or catastrophic. *Stress Testing* for liquidity risk has been carried out 4 times, which is submitted through the Risk Profile report for Quarter IV / 2018, Quarter I / 2019, Quarter II / 2019 and Quarter III / 2019. Market Risk and Credit Risk *Stress Testing* is conducted at least once a year and has been conducted twice in March 2019 and November 2019. For March 2019, the report has been submitted to the OJK and for November 2019, an update is made to the reporting requirements of the *Recovery Plan Document*.

**Risk Management Structure**

The Bank's risk governance, which is based on the principles of GCG, involves the entire Bank in managing risks. This can be seen in the composition of the Bank's risk management organizational structure. The Board of Commissioners (BOC) and Board of Directors (BOD) are responsible for ensuring the proper implementation of risk management in accordance to the characteristics, complexity and risk profile of the Bank. The BOC and BOD play an active role in the risk management process in order to mitigate the risk of the Bank through Quality of Risk Management Implementation which covers risk governance, risk management framework, risk management process, the adequacy of human resources and risk management information systems, as well as the adequacy of risk management systems.

Risk Management Committee

The Bank's Risk Management Committee (RMC) is actively involved in providing advice on the inherent risks associated to new policies to be established by the BOD and providing evaluation to the regulations that are considered to be outdated and require updating. The RMC is also actively involved in conducting risk measurement of the risks associated to new products and/or services to enable the Bank to take the necessary mitigating actions. The RMC may evaluate the Risk Management Policy Guidelines, if necessary.



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**47. MANAJEMEN RISIKO (lanjutan)**

**Struktur Manajemen Risiko (lanjutan)**

Satuan Kerja Manajemen Risiko

*Risk Management Division (RMD)* merupakan Satuan Kerja Manajemen Risiko (SKMR) pada Bank, dipimpin oleh seorang Kepala Divisi yang bertanggung jawab langsung kepada *Risk, Compliance & Strategic Director*. Struktur organisasi *Risk Management Division* terdiri dari *Market Risk Management Department*, *Credit Risk Management Department*, *Operational Risk Management Department* dan *Risk Officer Coordination Department*.

*Market Risk Management Department* berfungsi untuk melakukan pengelolaan Risiko Pasar dan Risiko Likuiditas. Fungsi *Credit Risk Management Department* melakukan pengelolaan Risiko Kredit sedangkan *Operational Risk Management Department* berfungsi mengelola Risiko Operasional, Risiko Kepatuhan, Risiko Strategik, Risiko Reputasi dan Risiko Hukum. Setiap *Department Head* dibantu oleh Unit *Policy & Procedure* dan Unit *Assessment & Measurement*.

*Risk Officer Coordination (ROC)* bertanggung jawab melakukan koordinasi dan supervisi terhadap *Risk Officer* dalam melakukan pemantauan implementasi manajemen risiko di Bank. Dalam menjalankan fungsi pemantauan risiko, ROC dibantu oleh *Risk Superintendent (RS)* pada tingkat Divisi, *Regional Risk Superintendent (RRS)* pada tingkat Kantor Wilayah dan *Branch Risk Officer (BRO)* di Kantor Cabang di bawah koordinasi *Risk Officer Coordination (ROC)* yang bertanggung jawab langsung kepada Kepala *Risk Management Division (RMD)*.

RS dan RRS merupakan pejabat yang bertanggung jawab langsung pada ROC dan bertugas melakukan pemantauan implementasi manajemen risiko di Divisi dan Kantor Wilayah (Regional Office) dengan melakukan proses identifikasi, pengukuran, pemantauan dan merekomendasikan pengendalian risiko kepada Divisi dan Kantor Wilayah dimana RS dan RRS bertugas. BRO adalah pejabat yang bertanggung jawab langsung kepada ROC dan bertugas melakukan pemantauan implementasi manajemen risiko di Kantor Cabang dengan melakukan proses identifikasi, pengukuran, pemantauan dan merekomendasikan pengendalian risiko kepada Kantor Cabang dimana BRO bertugas.

**47. RISK MANAGEMENT (continued)**

**Risk Management Structure (continued)**

Risk Management Division

*Risk Management Division (RMD)* is a *Risk Management Working Unit (RMWU)* at the Bank, led by a *Division Head* that is responsible directly to the *Risk, Compliance & Strategic Director*. The organizational structure of the *RMD* consists of the *Market Risk Management Department*, *Credit Risk Management Department*, *Operational Risk Management Department* and *Risk Officer Coordination Department*.

*Market Risk Management Department* is responsible for managing market risk and liquidity risk. *Credit Risk Management Department* is responsible for credit risk management, while *Operational Risk Management Department* is responsible for managing operational risk, compliance risk, strategic risk, reputational risk and legal risk. The *Department Head* is assisted by *Policy & Procedure Unit* and *Assessment & Measurement Unit*.

*Risk Officer Coordination (ROC)* has a responsibility in coordinating and supervising the *Risk Officer* during monitoring the implementation of risk management in the Bank. In performing risk monitoring functions, ROC is assisted by the *Risk Superintendent (RS)* at the Division level, and the *Regional Risk Superintendent (RRS)* at the level of the *Regional Office* and *Branch Risk Officer (BRO)* in the *Branch Office* under the coordination of *Risk Coordination Officer (ROC)* which is directly responsible to the *Head of Risk Management Division (RMD)*.

RS and RRS is directly responsible to the ROC and is responsible for the monitoring of the implementation of risk management in the *Division* and *Regional Office*, including the process of identification, measurement, monitoring and recommending risk controls to the *Division* and *Regional office* where the RS and RRS is assigned. The BRO is also directly responsible to the ROC and is responsible for the monitoring of the implementation of risk management at branch offices, including the process of identification, measurement, monitoring and recommending risk controls to the branch office where the BRO is assigned.

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**47. MANAJEMEN RISIKO (lanjutan)**

**Kebijakan dan Prosedur Pengelolaan Manajemen Risiko**

Bank telah memiliki panduan kebijakan di bidang manajemen risiko yaitu Pedoman Kebijakan Manajemen Risiko (PKMR) di mana di dalamnya telah mencakup ketentuan-ketentuan minimal yang disyaratkan di dalam Peraturan Bank Indonesia. Pengkajian ulang terhadap kebijakan internal juga dilakukan agar sesuai dengan ketentuan terkini dari regulator dengan melakukan *gap analysis* serta mengakomodasi *best practices* yang lazim digunakan untuk meningkatkan kualitas penerapan manajemen risiko.

Sistem informasi manajemen risiko pada tahap awal difokuskan pada pengumpulan dan perbaikan *database* risiko yang diharapkan dapat dikembangkan dan diaplikasikan ke dalam sistem teknologi informasi secara bertahap agar proses pengukuran risiko dan pemantauan risiko dapat dilakukan secara terintegrasi dan dapat disajikan secara tepat waktu.

**Profil Risiko**

Sesuai dengan POJK No. 18/POJK.03/2016 tanggal 16 Maret 2016 dan SE OJK No. 34/SEOJK.03/2016 tanggal 1 September 2016 tentang Penerapan Manajemen Risiko Bagi Bank Umum, ERMD menyampaikan laporan profil risiko kepada Otoritas Jasa Keuangan per triwulan yang memuat tentang eksposur risiko kredit, risiko pasar, risiko likuiditas, risiko operasional, risiko kepatuhan, risiko hukum, risiko reputasi dan risiko strategik. Selanjutnya berdasarkan POJK No. 4/POJK.03/2016 tanggal 26 Januari 2016 dan SEOJK No.14/SEOJK.03/2017 tanggal 17 Maret 2017 tentang Penilaian Tingkat Kesehatan Bank Umum, meliputi penilaian faktor profil risiko yang meliputi penilaian terhadap risiko inheren dan kualitas penerapan manajemen risiko dalam aktivitas operasional Bank.

Secara umum risiko komposit profil risiko Bank berada pada peringkat *low to moderate*, yang tercermin dari tingkat risiko *inherent moderate* dan tingkat kualitas penerapan manajemen risiko dengan peringkat *satisfactory*. Risiko Inheren meliputi strategi bisnis, karakteristik bisnis, kompleksitas produk dan aktivitas Bank, industri dimana Bank melakukan kegiatan usaha, serta kondisi makro ekonomi. Kualitas Penerapan Manajemen Risiko meliputi tata kelola risiko, kerangka manajemen risiko, proses manajemen risiko, kecukupan sumber daya manusia, dan kecukupan sistem informasi manajemen risiko, serta kecukupan sistem pengendalian risiko.

**47. RISK MANAGEMENT (continued)**

**Risk Management Policies and Procedures**

The Bank's risk management policies are formalized in the RMPM. RMPM sets out the minimum requirements based on Bank Indonesia regulations. A regular review is conducted on internal policies to comply with the prevailing regulations from regulatory bodies. Gap analysis are performed and best practices are applied to enhance the quality of the risk management implementation.

The Bank also performs risk management on information systems which focuses on risk database collection and improvement. The data is gradually developed and applied in the information technology system so that risk measurement and monitoring can be integrated into the Bank's risk management on a timely basis.

**Risk Profile**

In accordance with POJK No.18/POJK.03/2016 dated March 16, 2016 and SE OJK No. 34/SEOJK.03/2016 dated September 1, 2016 regarding on Risk Management for Commercial Banks, ERMD submits on a quarterly basis a risk profile report to the Financial Services Authority, which contains exposure to credit risk, market risk, liquidity risk, operational risk, compliance risk, legal risk, reputational risk and strategic risk. Furthermore, based on POJK No. 4/POJK.03/2016 dated January 26, 2016 and SEOJK No. 14/SEOJK.03/2017 dated March 17, 2017 regarding a Bank's health level, the assessment of the risk profile will cover the inherent risk and quality of risk management implementation through the operational activities of the Bank.

In general, the Bank's composite risk profile is low to moderate, which is reflected in the moderate inherent risk level and satisfactory level of quality of risk management implementation. Inherent risks include business strategy, business characteristics, complexity of products and activities of the Bank, the industry in which the Bank conducts business, as well as macroeconomic conditions. The quality of risk management implementation covers risk governance, risk management framework, risk management process, the adequacy of human resources and risk management information systems, as well as the adequacy of the risk management system.

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kredit**

Pengelolaan risiko kredit merupakan bagian dari pengelolaan manajemen risiko secara keseluruhan, yang mengacu pada Peraturan Bank Indonesia (PBI) No. 11/25/PBI/2009 tanggal 1 Juli 2009 tentang Perubahan atas Peraturan Bank Indonesia No.5/8/PBI/2003 tentang Penerapan Manajemen Risiko bagi Bank Umum dimana Risiko Kredit merupakan risiko yang terjadi akibat kegagalan debitur dan/atau pihak lain dalam memenuhi kewajiban mereka kepada Bank.

Bank secara teratur meninjau dan memperbarui Pedoman Kebijakan Manajemen Risiko serta Pedoman Kebijakan Kredit dan Pembiayaan.

Eksposur Risiko Kredit dipantau sejak proses pemberian kredit sampai dengan jatuh tempo kredit. Pemantauan risiko diantaranya adalah memastikan kepatuhan dengan persyaratan kredit, kecukupan agunan dan penanganan kredit bermasalah.

Pemantauan risiko secara reguler dilakukan oleh RMD, RS, RRS dan BRO untuk memastikan bahwa unit kerja melakukan kegiatan kredit secara konsisten menerapkan ketentuan dan Standar Operasional Prosedur (SOP) sesuai dengan batasan yang ditetapkan oleh Bank.

Langkah strategis lainnya dalam penerapan manajemen risiko kredit Bank adalah dengan melakukan penyebaran risiko kredit dan pengendalian konsentrasi kredit dengan meningkatkan portofolio kredit maupun pembiayaan di luar sektor perumahan (non-housing related).

- (i) Analisa eksposur maksimum terhadap risiko kredit setelah memperhitungkan dampak agunan dan mitigasi risiko kredit lainnya:

Nilai tercatat dari aset keuangan Bank selain kredit yang diberikan menggambarkan eksposur maksimum atas risiko kredit.

**47. RISK MANAGEMENT (continued)**

**Credit Risk**

Credit risk management is part of the overall risk management, which is defined in Bank Indonesia Regulation (PBI) No. 11/25/PBI/2009 dated July 1, 2009 regarding the Amendment to Bank Indonesia Regulation No. 5/8/PBI/2003 regarding Risk Management Implementation for Commercial Banks, as the risk arising from the failure of debtors and/or other parties to fulfill their obligations to the Bank.

The Bank regularly reviews and updates the RMPM Guidelines as well as the Credit and Financing Manual Policy.

Credit risk exposure is monitored from the credit granting process until the maturity of the credit. Credit risk monitoring includes, among others, ensuring compliance with the terms of the loan, adequacy of collateral and handling of non-performing loans.

Regular risk monitoring is undertaken by RMD, RS, RRS, and BRO to ensure that the business units carrying out credit activities are consistently implementing regulation and Standard Operating Procedures (SOP) based on the limits set by the Bank.

Another strategic step in the implementation of the Bank's credit risk management is to distribute credit risk and minimize credit concentration by increasing the loan portfolio as well as financing non-housing related sectors.

- (i) Analysis on maximum exposures against credit risks considering the impact of collateral and other credit risks mitigation:

The carrying value of the Bank's financial assets other than loans represents its maximum exposure to credit risk.

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kredit (lanjutan)**

- (i) Analisa eksposur maksimum terhadap risiko kredit setelah memperhitungkan dampak agunan dan mitigasi risiko kredit lainnya: (lanjutan)

Bank menetapkan jenis dan nilai agunan yang dijamin sesuai skema kredit dan perkiraan tingkat risiko kredit dari *counterparty* sebagai *second way out* yang ditetapkan. Jenis dari agunan terdiri dari:

- a) *Physical collateral*, berupa tanah dan bangunan.
- b) *Financial collateral*, berupa simpanan (tabungan, giro dan deposito), surat berharga, dan lain-lain.
- c) Lainnya berupa garansi, lembaga penjamin, dan lain-lain.

Pemberian kredit yang dilaksanakan oleh Bank diatur dalam kebijakan dan prosedur perkreditan dimana untuk setiap jenis atau skema kredit telah ditentukan agunan minimal yang harus dipenuhi.

Untuk segmen kredit komersial yang umumnya merupakan kredit yasa griya, sesuai ketentuan perkreditan wajib dijamin oleh agunan yang memadai. Agunan dapat berupa *physical collateral*, *financial collateral* atau lainnya berupa tagihan usaha atau garansi. Untuk seluruh agunan khususnya *physical collateral* akan dilakukan retaksasi dimana nilai likuidasi atas agunan tersebut yang akan dipergunakan dalam menentukan kecukupan nilai agunan (coverage ratio).

Selain aspek agunan untuk meminimalkan risiko kredit, pemberian kredit oleh Bank selalu dilakukan berdasarkan evaluasi dan analisa kelayakan sehingga kemampuan pengembalian kredit (*first way out*) dapat dipastikan.

Adanya keharusan bagi debitur untuk memenuhi agunan yang dipersyaratkan, evaluasi atas kelayakan kredit, pengikatan kredit secara legal dan prosedur *pre screening* akan menurunkan *credit risk* eksposur Bank ke tingkat yang layak dan dapat diterima.

**47. RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

- (i) *Analysis on maximum exposures against credit risks considering the impact of collateral and other credit risks mitigation: (continued)*

*The Bank determined the type and value of collateral according to the loan scheme as well as estimated credit risk level from the counterparty as a determined second way out. The types of collateral are as follows:*

- a) *Physical collateral, such as land and buildings.*
- b) *Financial collateral, such as third party funds (saving deposits, demand deposits and time deposits), securities, etc.*
- c) *Others, such as guarantees, guarantee institution, etc.*

*The loan granting conducted by the Bank is stipulated in the loan policy and procedure in which every loan type or scheme has minimum determinable collaterals that should be fulfilled.*

*For commercial loans segment which generally represent yasa griya loan, according to the loan policy has to be collateralized adequately. The collaterals can be physical collateral, financial collateral or others such as accounts receivable or guarantees. All collaterals particularly for physical collateral will be assessed in which the collateral's liquidation value will be used in determining the coverage ratio.*

*In addition to collateral aspect to minimize credit risk, loan granting is conducted based on evaluation and feasibility analysis so that the loan repayment ability (first way out) can be ascertained.*

*The necessity for debtors to comply with collaterals requirement, loan feasibility evaluation, notarial agreement and pre screening procedures will decrease the Bank's credit risk exposure to the acceptable level.*

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kredit (lanjutan)**

(ii) Konsentrasi risiko aset keuangan dengan eksposur risiko kredit

a) Sektor geografis

Tabel berikut menggambarkan rincian eksposur kredit Bank pada nilai tercatat, yang dikategorikan berdasarkan area geografis pada tanggal 31 Desember 2019 dan 2018. Untuk tabel ini, Bank telah mengalokasikan eksposur area berdasarkan wilayah geografis tempat mereka beroperasi.

**47. RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

(ii) Concentration of risks of financial assets with credit risk exposure

a) Geographical sectors

The following tables provide details of the Bank's credit exposures at their carrying amounts, as categorized by geographical region as of December 31, 2019 and 2018. For these tables, the Bank has allocated exposures to the regions based on the geographical area where activities are undertaken.

31 Desember/December 31, 2019

	Kantor Pusat/ Head Office	Jabodetabek	Jawa selain Jabodetabek/ Java other than Jabodetabek	Sumatera	Lain-lain/ Others**)	Total	
Giro pada Bank Indonesia	15.512.329	-	-	-	-	15.512.329	Current accounts with Bank Indonesia
Giro pada bank lain Penempatan pada Bank Indonesia dan bank lain	745.287	-	3.845	342	27	749.501	Current accounts with other banks
Efek-efek Obligasi Pemerintah	11.097.193	-	-	-	-	11.097.193	Placements with Bank Indonesia and other banks
Tagihan Akseptasi Efek-efek yang Dibeli dengan Janji Dijual Kembali	8.112.049	-	-	-	-	8.112.049	Securities
Penyertaan Saham	11.053.601	-	-	-	-	11.053.601	Government bonds
Kredit yang diberikan dan piutang/pendanaan syariah	-	487.052	-	-	-	487.052	Acceptance Receivable
Konsumer	1.875.221	-	-	-	-	1.875.221	Securities purchased under agreement to resell
Pemilikan rumah Non-kepemilikan rumah	270	-	-	-	-	270	Investment in Shares
Modal kerja	-	-	-	-	-	-	Loans and sharia financing/receivables
Investasi	-	79.619.786	47.672.420	32.407.778	32.491.696	192.191.680	Consumer
Sindikasi	-	2.846.773	3.934.990	1.164.891	2.415.126	10.361.780	Housing loan
Direksi dan karyawan:	-	23.280.969	9.362.966	3.593.708	4.106.712	40.344.355	Non-housing loan
- Pihak ketiga	-	8.000.376	1.748.939	600.624	353.709	10.703.648	Working capital
- Pihak berelasi	-	70.925	-	-	-	70.925	Investment
Bunga yang masih akan diterima	133.129	1.370.170	829.395	360.471	517.607	3.210.772	Syndicated
Aset lain-lain <sup>1)</sup>	889.042	21.397	4.623	1.800	3.546	920.408	Director and Employees
<b>Total kotor</b>	<b>49.418.121</b>	<b>116.699.415</b>	<b>64.119.094</b>	<b>38.404.999</b>	<b>40.201.926</b>	<b>308.843.555</b>	Third parties - Related parties -
Cadangan kerugian penurunan nilai						(6.145.446)	Interest receivable
<b>Neto</b>						<b>302.698.109</b>	Other assets <sup>1)</sup>

31 Desember/December 31, 2018

	Kantor Pusat/ Head Office	Jabodetabek	Jawa selain Jabodetabek/ Java other than Jabodetabek	Sumatera	Lain-lain/ Others**)	Total	
Giro pada Bank Indonesia	15.417.862	-	-	-	-	15.417.862	Current accounts with Bank Indonesia
Giro pada bank lain Penempatan pada Bank Indonesia dan bank lain	1.587.595	-	916	231	27	1.588.769	Current accounts with other banks
	26.464.760	-	-	-	-	26.464.760	Placements with Bank Indonesia and other banks

<sup>1)</sup> Terdiri atas tagihan kepada pihak ketiga  
<sup>\*\*)</sup> Lain-lain terdiri atas Kalimantan, Sulawesi, Bali, Maluku dan Papua.

<sup>1)</sup> Consists of third parties receivables  
<sup>\*\*)</sup> Others consists of Kalimantan, Sulawesi, Bali, Maluku and Papua.

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**47. MANAJEMEN RISIKO (lanjutan)**

**47. RISK MANAGEMENT (continued)**

**Risiko Kredit (lanjutan)**

**Credit Risk (continued)**

(ii) Konsentrasi risiko aset keuangan dengan eksposur risiko kredit (lanjutan)

(ii) Concentration of risks of financial assets with credit risk exposure (continued)

a) Sektor geografis (lanjutan)

a) Geographical sectors (continued)

31 Desember/December 31, 2018

	Kantor Pusat/ Head Office	Jabodetabek	Jawa selain Jabodetabek/ Java other than Jabodetabek	Sumatera	Lain-lain/ Others <sup>*)</sup>	Total	
Efek-efek	5.868.658	-	-	-	-	5.868.658	Securities
Obligasi Pemerintah	9.393.138	-	-	-	-	9.393.138	Government bonds
Tagihan Akseptasi	-	528.148	-	-	-	528.148	Acceptance Receivable
Tagihan Spot	-	-	-	-	-	-	Interest Rate
Suku Bunga	167	-	-	-	-	167	Spot Receivable
Penyertaan Saham	270	-	-	-	-	270	Investment in Shares
Kredit yang diberikan dan piutang/pembiayaan syariah	-	-	-	-	-	-	Loans and sharia financing/receivables
Konsumer	-	-	-	-	-	-	Consumer
Pemilikan rumah	-	72.838.728	44.094.458	29.013.786	30.489.824	176.436.796	Housing loan
Non-kepemilikan rumah	-	3.210.950	4.313.881	1.376.266	2.600.734	11.501.831	Non-housing loan
Modal kerja	-	23.039.651	9.905.251	3.849.541	4.205.747	41.000.190	Working capital
Investasi	-	4.247.565	1.906.544	479.711	529.892	7.163.712	Investment
Sindikasi	-	77.033	-	-	-	77.033	Syndicated
Direksi dan karyawan:	-	-	-	-	-	-	Director and Employees
- Pihak ketiga	-	916.583	528.200	261.188	301.135	2.007.106	Third parties -
- Pihak berelasi	-	60.617	22.310	13.346	14.791	111.064	Related parties -
Bunga yang masih akan diterima	100.312	1.155.166	763.116	362.312	578.596	2.959.502	Interest receivable
Aset lain-lain <sup>**)</sup>	1.089.426	5.822	2.676	1.482	1.554	1.100.960	Other assets <sup>**)</sup>
<b>Total kotor</b>	<b>59.922.188</b>	<b>106.080.263</b>	<b>61.537.352</b>	<b>35.357.863</b>	<b>38.722.300</b>	<b>301.619.966</b>	<b>Total gross</b>
Cadangan kerugian penurunan nilai	-	-	-	-	-	(3.320.293)	Allowances for impairment losses
<b>Neto</b>						<b>298.299.673</b>	<b>Net</b>

<sup>\*)</sup> Terdiri atas tagihan kepada pihak ketiga

<sup>\*)</sup> Consists of third parties receivables

<sup>\*\*)</sup> Lain-lain terdiri atas Kalimantan, Sulawesi, Bali, Maluku dan Papua.

<sup>\*\*)</sup> Others consists of Kalimantan, Sulawesi, Bali, Maluku and Papua.

Eksposur risiko kredit atas rekening administratif pada tanggal-tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

Credit risk exposure related to administrative accounts as of December 31, 2019 and 2018 are as follows:

31 Desember/December 31, 2019

	Kantor Pusat/ Head Office	Jabodetabek	Jawa selain Jabodetabek/ Java other than Jabodetabek	Sumatera	Lain-lain/ Others <sup>*)</sup>	Total	
Fasilitas kredit yang belum ditarik <sup>**)</sup>	-	48.604	82.083	39.998	18.884	189.569	Unused loan facilities <sup>**)</sup>
Garansi yang diterbitkan	-	1.837.018	138.133	11.844	22.687	2.009.682	Guarantees issued
<b>Total</b>	<b>-</b>	<b>1.885.622</b>	<b>220.216</b>	<b>51.842</b>	<b>41.571</b>	<b>2.199.251</b>	<b>Total</b>

31 Desember/December 31, 2018

	Kantor Pusat/ Head Office	Jabodetabek	Jawa selain Jabodetabek/ Java other than Jabodetabek	Sumatera	Lain-lain/ Others <sup>*)</sup>	Total	
Fasilitas kredit yang belum ditarik <sup>**)</sup>	-	62.120	114.577	74.934	17.937	269.568	Unused loan facilities <sup>**)</sup>
Garansi yang diterbitkan	-	3.035.052	683.178	36.617	39.118	3.793.965	Guarantees issued
<b>Total</b>	<b>-</b>	<b>3.097.172</b>	<b>797.755</b>	<b>111.551</b>	<b>57.055</b>	<b>4.063.533</b>	<b>Total</b>

<sup>\*)</sup> Lain-lain terdiri atas Kalimantan, Sulawesi, Bali, Maluku dan Papua

<sup>\*)</sup> Others consists of Kalimantan, Sulawesi, Bali, Maluku and Papua

<sup>\*\*)</sup> Hanya fasilitas kredit committed yang belum ditarik

<sup>\*\*)</sup> Only for committed unused loan facility

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kredit (lanjutan)**

(ii) Konsentrasi risiko aset keuangan dengan eksposur risiko kredit (lanjutan)

b) Sektor industri

Tabel berikut ini menggambarkan rincian eksposur kredit Bank pada nilai tercatat (tanpa memperhitungkan agunan atau pendukung kredit lainnya), yang dikategorikan berdasarkan sektor industri pada tanggal-tanggal 31 Desember 2019 dan 2018:

**47. RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

(ii) Concentration of risks of financial assets with credit risk exposure (continued)

b) Industry sectors

The following tables provide the details of the Bank's credit exposure at carrying amounts (without taking into account any collateral held or other credit enhancements), categorized based on industry sectors as of December 31, 2019 and 2018:

31 Desember/December 31, 2019

	Pemerintah (termasuk Bank Indonesia)/ Government (including Bank Indonesia)	Bank/ Banks	Lembaga keuangan bukan bank/ Non-bank financial institutions	Perusahaan lainnya/ Other companies <sup>*)</sup>	Perseorangan/ Individuals	Total	
Giro pada Bank Indonesia	15.512.329	-	-	-	-	15.512.329	Current accounts with Bank Indonesia
Giro pada bank lain	-	749.501	-	-	-	749.501	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	10.996.115	101.078	-	-	-	11.097.193	Placements with Bank Indonesia and other banks
Efek-efek	4.865.821	1.882.188	897.539	466.501	-	8.112.049	Securities
Obligasi Pemerintah	11.053.601	-	-	-	-	11.053.601	Government bonds
Efek-efek yang Dibeli dengan Janji Dijual Kembali	1.675.221	-	200.000	-	-	1.875.221	Securities purchased under agreement to resell
Tagihan Akseptasi	-	-	-	487.052	-	487.052	Acceptance Receivable
Penyertaan Saham	-	-	-	270	-	270	Investment in Shares
Kredit yang diberikan dan pembiayaan/piutang syariah	4.035.376	16.959	2.320.937	42.191.720	207.260.167	255.825.159	Loans and sharia financing/receivables
Bunga yang masih akan akan diterima	122.298	7.415	14.883	1.008.913	2.057.263	3.210.772	Interest receivable
Aset lain-lain <sup>*)</sup>	58.429	247.592	32.508	254.957	326.922	920.408	Other assets <sup>*)</sup>
<b>Total kotor</b>	<b>48.319.190</b>	<b>3.004.733</b>	<b>3.465.867</b>	<b>44.409.413</b>	<b>209.644.352</b>	<b>308.843.555</b>	<b>Total gross</b>
Cadangan kerugian penurunan nilai						(6.145.446)	Allowances for impairment losses
<b>Neto</b>						<b>302.698.109</b>	<b>Net</b>

31 Desember/December 31, 2018

	Pemerintah (termasuk Bank Indonesia)/ Government (including Bank Indonesia)	Bank/ Banks	Lembaga keuangan bukan bank/ Non-bank financial institutions	Perusahaan lainnya/ Other companies <sup>*)</sup>	Perseorangan/ Individuals	Total	
Giro pada Bank Indonesia	15.417.862	-	-	-	-	15.417.862	Current accounts with Bank Indonesia
Giro pada bank lain	-	1.588.769	-	-	-	1.588.769	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	26.461.116	3.644	-	-	-	26.464.760	Placements with Bank Indonesia and other banks
Efek-efek	859.203	3.969.947	717.000	322.508	-	5.868.658	Securities
Obligasi Pemerintah	9.393.138	-	-	-	-	9.393.138	Government bonds
Tagihan Akseptasi	-	-	-	528.148	-	528.148	Acceptance Receivable
Tagihan Spot Suku Bunga	167	-	-	-	-	167	Interest Rate Spot Receivable

<sup>\*)</sup> Terdiri atas tagihan kepada pihak ketiga.

<sup>\*\*)</sup> Termasuk perusahaan yang bergerak di industri perumahan, konstruksi, manufaktur, transportasi, pergudangan dan komunikasi, perdagangan, pertanian, pertambangan dan industri lainnya.

<sup>\*)</sup> Consists of third party receivables.

<sup>\*\*)</sup> Includes other companies under real estate, construction, manufacturing, transportation, warehousing and communication, trading, farming, mining and other industries.

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kredit (lanjutan)**

(ii) Konsentrasi risiko aset keuangan dengan eksposur risiko kredit (lanjutan)

b) Sektor industri (lanjutan)

Tabel berikut ini menggambarkan rincian eksposur kredit Bank pada nilai tercatat (tanpa memperhitungkan agunan atau pendukung kredit lainnya), yang dikategorikan berdasarkan sektor industri pada tanggal-tanggal 31 Desember 2019 dan 2018: (lanjutan)

31 Desember/December 31, 2018

	Pemerintah (termasuk Bank Indonesia)/ Government (including Bank Indonesia)	Bank/ Banks	Lembaga keuangan bukan bank/ Non-bank financial institutions	Perusahaan lainnya/ Other companies <sup>*)</sup>	Perseorangan/ Individuals	Total	
Penyertaan Saham Kredit yang diberikan dan pembiayaan/piutang syariah	-	-	-	270	-	270	Investment in Shares
Bunga yang masih akan diterima Aset lain-lain <sup>*)</sup>	1.052.971	538.511	2.225.513	41.137.277	193.343.460	238.297.732	Loans and sharia financing/ receivables
	87.277	3.186	24.583	927.068	1.917.388	2.959.502	Interest receivable
	210.542	203.584	-	396.325	290.509	1.100.960	Other assets <sup>*)</sup>
<b>Total kotor</b>	<b>53.482.276</b>	<b>6.307.641</b>	<b>2.967.096</b>	<b>43.311.596</b>	<b>195.551.357</b>	<b>301.619.966</b>	<b>Total gross</b>
Cadangan kerugian penurunan nilai						(3.320.293)	Allowances for impairment losses
<b>Neto</b>						<b>298.299.673</b>	<b>Net</b>

<sup>\*)</sup> Terdiri atas tagihan kepada pihak ketiga.

<sup>\*\*)</sup> Termasuk perusahaan yang bergerak di industri perumahan, konstruksi, manufaktur, transportasi, perdagangan dan komunikasi, perdagangan, pertanian, pertambangan dan industri lainnya.

<sup>\*)</sup> Consists of third party receivables.

<sup>\*\*)</sup> Includes other companies under real estate, construction, manufacturing, transportation, warehousing and communication, trading, farming, mining and other industries.

Eksposur risiko kredit yang terkait dengan unsur rekening administratif adalah sebagai berikut pada tanggal-tanggal 31 Desember 2019 dan 2018:

Credit risk exposure relating to administrative account items as of December 31, 2019 and 2018, are as follows:

31 Desember/December 31, 2019

	Pemerintah (termasuk Bank Indonesia)/ Government (including Bank Indonesia)	Bank/ Banks	Lembaga keuangan bukan bank/ Non-bank financial institutions	Perusahaan lainnya/ Other companies <sup>*)</sup>	Perseorangan/ Individuals	Total	
Fasilitas kredit yang belum ditarik <sup>**)</sup>	-	-	-	151.740	37.829	189.569	Unused loan facilities <sup>**)</sup>
Garansi yang diterbitkan	-	-	-	2.008.357	1.325	2.009.682	Guarantees issued
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.160.097</b>	<b>39.154</b>	<b>2.199.251</b>	<b>Total</b>

<sup>\*)</sup> Termasuk perusahaan yang bergerak di industri perumahan, konstruksi, manufaktur, transportasi, perdagangan dan komunikasi, perdagangan, pertanian, pertambangan dan industri lainnya.

<sup>\*\*)</sup> Hanya fasilitas kredit komitmen yang belum ditarik

<sup>\*)</sup> Includes other companies under real estate, construction, manufacturing, transportation, warehousing and communication, trading, farming, mining and other industries.

<sup>\*\*)</sup> Only for committed unused loan facility



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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kredit (lanjutan)**

(ii) Konsentrasi risiko aset keuangan dengan eksposur risiko kredit (lanjutan)

b) Sektor industri (lanjutan)

Eksposur risiko kredit yang terkait dengan unsur rekening administratif adalah sebagai berikut pada tanggal-tanggal 31 Desember 2019 dan 2018: (lanjutan)

31 Desember/December 31, 2018

	Pemerintah (termasuk Bank Indonesia)/ Government (including Bank Indonesia)	Bank/ Banks	Lembaga keuangan bukan bank/ Non-bank financial institutions	Perusahaan lainnya/ Other companies <sup>*)</sup>	Perseorangan/ Individuals	Total	
Fasilitas kredit yang belum ditarik <sup>**)</sup>	-	-	1.028	225.103	43.437	269.568	Unused loan facilities <sup>**)</sup>
Garansi yang diterbitkan	-	-	-	3.793.965	-	3.793.965	Guarantees issued
<b>Total</b>	-	-	<b>1.028</b>	<b>4.019.068</b>	<b>43.437</b>	<b>4.063.533</b>	<b>Total</b>

<sup>\*)</sup> Termasuk perusahaan yang bergerak di industri perumahan, konstruksi, manufaktur, transportasi, perdagangan dan komunikasi, perdagangan, pertanian, pertambangan dan industri lainnya.

<sup>\*\*)</sup> Hanya fasilitas kredit komitmen yang belum ditarik

<sup>\*)</sup> Includes other companies under real estate, construction, manufacturing, transportation, warehousing and communication, trading, farming, mining and other industries.

<sup>\*\*)</sup> Only for committed unused loan facility

(iii) Informasi mengenai aset keuangan yang mengalami dan tidak mengalami penurunan nilai

1. Giro pada Bank Lain

31 Desember/December 31, 2019

	Tidak mengalami penurunan nilai/ Not Impaired	Mengalami penurunan nilai/ Impaired	Total	
Rupiah	160.984	-	160.984	Rupiah
Mata Uang Asing	586.885	1.632	588.517	Foreign currencies
<b>Total</b>	<b>747.869</b>	<b>1.632</b>	<b>749.501</b>	<b>Total</b>
Cadangan kerugian penurunan nilai			(1.632)	Allowance for impairment losses
<b>Neto</b>			<b>747.869</b>	<b>Net</b>

(iii) Information about impaired and not impaired financial assets

1. Current Accounts with Other Banks

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kredit (lanjutan)**

(iii) Informasi mengenai aset keuangan yang mengalami dan tidak mengalami penurunan nilai (lanjutan)

1. Giro pada Bank Lain (lanjutan)

	31 Desember/December 31, 2018		
	Tidak mengalami penurunan nilai/ Not Impaired	Mengalami penurunan nilai/ Impaired	Total
Rupiah	110.735	-	110.735
Mata Uang Asing	1.476.316	1.718	1.478.034
<b>Total</b>	<b>1.587.051</b>	<b>1.718</b>	<b>1.588.769</b>
Cadangan kerugian penurunan nilai			(1.718)
<b>Neto</b>			<b>1.587.051</b>

2. Penempatan pada Bank Indonesia dan bank lain

Per 31 Desember 2019 dan 2018, aset keuangan ini tidak mengalami penurunan nilai secara individual maupun kolektif.

3. Efek-efek

	31 Desember/December 31, 2019		
	Tidak mengalami penurunan nilai/ Not Impaired	Mengalami penurunan nilai/ Impaired	Total
Sertifikat Bank Indonesia	4.865.821	-	4.865.821
Obligasi	1.280.569	2.000	1.282.569
Negotiable certificate of deposits	538.040	-	538.040
Medium Term Notes	199.949	-	199.949
Efek Beragunan Aset	833.204	-	833.204
Surat Kredit Berdokumen Dalam Negeri	392.466	-	392.466
<b>Total</b>	<b>8.110.049</b>	<b>2.000</b>	<b>8.112.049</b>
Cadangan kerugian penurunan nilai			(27.378)
<b>Neto</b>			<b>8.084.671</b>

**47. RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

(iii) Information about impaired and not impaired financial assets (continued)

1. Current Accounts with Other Bank (continued)

	31 Desember/December 31, 2018		
	Tidak mengalami penurunan nilai/ Not Impaired	Mengalami penurunan nilai/ Impaired	Total
Rupiah	110.735	-	110.735
Foreign currencies	1.476.316	1.718	1.478.034
<b>Total</b>	<b>1.587.051</b>	<b>1.718</b>	<b>1.588.769</b>
Allowance for impairment losses			(1.718)
<b>Net</b>			<b>1.587.051</b>

2. Placements with Bank Indonesia and other banks

As of December 31, 2019 and 2018, these financial assets are not impaired individually as well as collectively.

3. Securities

	31 Desember/December 31, 2019		
	Tidak mengalami penurunan nilai/ Not Impaired	Mengalami penurunan nilai/ Impaired	Total
Certificates of Bank Indonesia	4.865.821	-	4.865.821
Bonds	1.280.569	2.000	1.282.569
Negotiable certificate of deposits	538.040	-	538.040
Medium Term Notes	199.949	-	199.949
Asset-Backed Securities	833.204	-	833.204
Letter of Credit by Local Document	392.466	-	392.466
<b>Total</b>	<b>8.110.049</b>	<b>2.000</b>	<b>8.112.049</b>
Allowance for impairment losses			(27.378)
<b>Net</b>			<b>8.084.671</b>

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kredit (lanjutan)**

(iii) Informasi mengenai aset keuangan yang mengalami dan tidak mengalami penurunan nilai (lanjutan)

3. Efek-efek (lanjutan)

	31 Desember/December 31, 2018		
	Tidak mengalami penurunan nilai/ Not Impaired	Mengalami penurunan nilai/ Impaired	Total
Sertifikat Bank Indonesia	3.005.636	-	3.005.636
Sertifikat Deposito Bank Indonesia	1.141.501	-	1.141.501
Obligasi	523.283	2.000	525.283
Negotiable certificate of deposits	240.915	-	240.915
Medium Term Notes	194.398	-	194.398
Efek Beragunan Aset	760.925	-	760.925
<b>Total</b>	<b>5.866.658</b>	<b>2.000</b>	<b>5.868.658</b>
Cadangan kerugian penurunan nilai			(20.173)
<b>Neto</b>			<b>5.848.485</b>

4. Rekening administratif

Per 31 Desember 2019 dan 2018, rekening administratif tidak mengalami penurunan nilai secara individual maupun kolektif.

5. Penyertaan saham

Per 31 Desember 2019 dan 2018, penyertaan saham mengalami penurunan nilai masing-masing sebesar RpNihil dan RpNihil.

6. Efek-efek yang dibeli dengan janji dijual kembali

Per 31 Desember 2019 dan 2018, efek-efek yang dibeli dengan janji dijual kembali tidak mengalami penurunan nilai.

7. Tagihan Akseptasi

Per 31 Desember 2019 dan 2018, tagihan akseptasi tidak mengalami penurunan nilai.

8. Kredit yang diberikan dan pembiayaan/ piutang syariah

Per 31 Desember 2019 dan 2018, aset keuangan ini mengalami penurunan nilai secara individual maupun kolektif sesuai ketentuan dalam PSAK No. 55 dan Peraturan Otoritas Jasa Keuangan (POJK).

**47. RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

(iii) Information about impaired and not impaired financial assets (continued)

3. Securities (continued)

	31 Desember/December 31, 2018		
	Tidak mengalami penurunan nilai/ Not Impaired	Mengalami penurunan nilai/ Impaired	Total
Sertifikat Bank Indonesia	3.005.636	-	3.005.636
Sertifikat Deposito Bank Indonesia	1.141.501	-	1.141.501
Obligasi	523.283	2.000	525.283
Negotiable certificate of deposits	240.915	-	240.915
Medium Term Notes	194.398	-	194.398
Efek Beragunan Aset	760.925	-	760.925
<b>Total</b>	<b>5.866.658</b>	<b>2.000</b>	<b>5.868.658</b>
Cadangan kerugian penurunan nilai			(20.173)
<b>Neto</b>			<b>5.848.485</b>

4. Administrative account

As of December 31, 2019 and 2018, these administrative account items are not impaired individually as well as collectively.

5. Investment in Shares

As of December 31, 2019 and 2018, investment in shares which are impaired amounting to RpNil and RpNil, respectively.

6. Securities Purchased Under Agreement to Resell

As of December 31, 2019 and 2018, securities purchased under agreement to resell are not impaired.

7. Acceptance Receivable

As of December 31, 2019 and 2018, acceptance receivable are not impaired.

8. Loans and sharia financing/receivables

As of December 31, 2019 and 2018, these financial assets are impaired calculated by individual and collective impairment according to SFAS No. 55 and Financial Service Authority Regulations (POJK).

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kredit (lanjutan)**

(iii) Informasi mengenai aset keuangan yang mengalami dan tidak mengalami penurunan nilai (lanjutan)

8. Kredit yang diberikan dan pembiayaan/ piutang syariah (lanjutan)

Ikhtisar kredit yang diberikan dan pembiayaan/ piutang syariah yang diberikan pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

**47. RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

(iii) Information about impaired and not impaired financial assets (continued)

8. Loans and sharia financing/receivables (continued)

Loans and sharia financing/receivables, as of December 31, 2019 and 2018, are summarized as follows:

31 Desember/December 31, 2019

	Belum jatuh tempo atau tidak mengalami penurunan nilai/Neither past due nor impaired		Telah jatuh tempo tetapi tidak mengalami penurunan nilai/Past-due but not impaired	Mengalami penurunan nilai/Impaired	Total	
	Tingkat tinggi/High grade	Tingkat standar/Standard grade				
Perumahan	161.736.456	33.137.872	22.055.990	12.763.418	229.693.736	Property
Konstruksi	6.664.907	547.449	1.403.458	1.445.096	10.060.910	Construction
Jasa-jasa dunia usaha	4.579.076	676.054	448.869	705.409	6.409.408	Business services
Perdagangan, restoran dan hotel	272.275	69.215	45.238	809.499	1.196.227	Trading, restaurants and hotels
Jasa-jasa sosial	1.702.487	32.784	133.399	128.605	1.997.275	Social services
Manufaktur	37.137	5.281	6.387	58.947	107.752	Manufacturing
Transportasi, pergudangan dan komunikasi	4.281.469	82.381	6.185	51.478	4.421.513	Transportation, warehousing and communications
Pertanian	7.843	415	-	19.979	28.237	Farming
Pertambangan	-	8.258	15.882	26.926	51.066	Mining
Listrik, gas dan air	1.537.206	17.164	4.465	9.181	1.568.016	Electricity, gas and water
Lain-lain	176.033	16.994	13.194	84.798	291.019	Others
<b>Total</b>	<b>180.994.889</b>	<b>34.593.867</b>	<b>24.133.067</b>	<b>16.103.336</b>	<b>255.825.159</b>	<b>Total</b>
Cadangan kerugian penurunan nilai					(6.116.166)	Allowance for impairment losses
<b>Neto</b>					<b>249.708.993</b>	<b>Net</b>

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	Belum jatuh tempo atau tidak mengalami penurunan nilai/Neither past due nor impaired		Telah jatuh tempo tetapi tidak mengalami penurunan nilai/Past-due but not impaired	Mengalami penurunan nilai/Impaired	Total	
	Tingkat tinggi/High grade	Tingkat standar/Standard grade				
Perumahan	158.007.562	35.380.167	14.820.631	6.955.362	215.163.722	Property
Konstruksi	8.940.459	443.280	840.802	612.878	10.837.419	Construction
Jasa-jasa dunia usaha	6.275.580	716.760	629.458	383.334	8.005.132	Business services
Perdagangan, restoran dan hotel	299.236	179.004	178.913	646.259	1.303.412	Trading, restaurants and hotels
Jasa-jasa sosial	598.743	51.117	47.811	83.112	780.783	Social services
Manufaktur	49.531	23.628	34.906	49.753	157.818	Manufacturing
Transportasi, pergudangan dan komunikasi	1.069.154	22.316	97.219	36.666	1.225.355	Transportation, warehousing and communications
Pertanian	4.358	399	2.829	29.469	37.055	Farming
Pertambangan	12.514	45.721	2.635	26.929	87.799	Mining
Listrik, gas dan air	53.121	25.594	7.988	2.900	89.603	Electricity, gas and water
Lain-lain	464.159	38.852	23.581	83.042	609.634	Others
<b>Total</b>	<b>175.774.417</b>	<b>36.926.838</b>	<b>16.686.773</b>	<b>8.909.704</b>	<b>238.297.732</b>	<b>Total</b>
Cadangan kerugian penurunan nilai					(3.298.132)	Allowance for impairment losses
<b>Neto</b>					<b>234.999.600</b>	<b>Net</b>

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**47. MANAJEMEN RISIKO (lanjutan)**

**47. RISK MANAGEMENT (continued)**

**Risiko Kredit (lanjutan)**

**Credit Risk (continued)**

(iv) Tabel di bawah menunjukkan kualitas aset keuangan berdasarkan golongan aset untuk semua aset keuangan yang mempunyai risiko kredit (cadangan kerugian penurunan nilai bruto):

(iv) The tables below shows the quality of financial assets by class of assets for all financial assets with credit risk (gross of allowance for impairment losses):

		31 Desember/December 31, 2019				
		Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>neither past due nor impaired</i>	Jatuh tempo dan tidak mengalami penurunan nilai/ <i>Past due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Total	
		Tingkat tinggi/ <i>High Grade<sup>*)</sup></i>	Tingkat standar/ <i>Standard grade<sup>**)</sup></i>			
<b>Efek-efek</b>						
<b>Securities</b>						
<i>Fair value through profit -or- loss</i>						
Nilai wajar melalui laba rugi Tersedia untuk dijual	4.189.398	-	-	-	4.189.398	<i>Available-for-sale</i>
Dimiliki hingga jatuh tempo	2.629.347	-	-	-	2.629.347	<i>Held-to-maturity</i>
	1.291.304	-	-	2.000	1.293.304	
<b>Obligasi Pemerintah</b>						
<b>Government Bonds</b>						
<i>Fair value through profit -or- loss</i>						
Nilai wajar melalui laba rugi Tersedia untuk dijual	1.232.204	-	-	-	1.232.204	<i>Available-for-sale</i>
Dimiliki hingga jatuh tempo	6.147.729	-	-	-	6.147.729	<i>Held-to-maturity</i>
	3.673.668	-	-	-	3.673.668	
<b>Kredit dan piutang</b>						
<b>Loans and receivables</b>						
<i>Current accounts with Bank Indonesia</i>						
Giro pada bank Indonesia	15.512.329	-	-	-	15.512.329	<i>Current accounts with other banks</i>
<i>Placements with Bank Indonesia and other banks</i>						
Giro pada bank lain	747.869	-	-	1.632	749.501	<i>Acceptance Receivable</i>
Penempatan pada Bank Indonesia dan bank lain	11.097.193	-	-	-	11.097.193	<i>Securities Purchased Under Agreement to Resell</i>
Tagihan Akseptasi Efek-efek yang Dibeli dengan Janji Dijual Kembali	487.052	-	-	-	487.052	<i>Investment in Shares</i>
Pernyataan Saham Kredit yang diberikan dan piutang/ pembiayaan syariah	1.875.221	-	-	270	1.875.221	<i>Loans and sharia financing/ receivables</i>
Konsumer	-	-	-	-	270	<i>Consumer Housing loan</i>
Pemilikan rumah Non kepemilikan rumah	139.593.435	29.942.214	19.593.253	3.062.778	192.191.680	<i>Non-housing loan</i>
rumah	7.108.711	1.832.013	1.085.063	335.993	10.361.780	<i>Working capital</i>
Modal kerja	24.595.608	1.937.119	3.007.369	10.804.259	40.344.355	<i>Investment</i>
Investasi	7.607.002	847.105	431.348	1.818.193	10.703.648	<i>Syndicated</i>
Sindikasi	-	-	-	70.925	70.925	<i>Directors and employees</i>
Direksi dan karyawan	-	-	-	-	-	<i>Third parties - Related parties -</i>
- Pihak ketiga	1.984.043	35.082	16.034	11.188	2.046.347	
- Pihak yang berelasi	106.090	334	-	-	106.424	
Bunga yang masih akan diterima	3.210.772	-	-	-	3.210.772	<i>Interests receivable</i>
Aset lain-lain <sup>1)</sup>	920.408	-	-	-	920.408	<i>Other assets<sup>1)</sup></i>
<b>Total</b>	<b>234.009.383</b>	<b>34.593.867</b>	<b>24.133.067</b>	<b>16.107.238</b>	<b>308.843.555</b>	<b>Total</b>
Cadangan kerugian nilai					(6.145.446)	<i>Allowance for impairment losses</i>
<b>Neto</b>					<b>302.698.109</b>	<b>Net</b>

\*) Terdiri atas tagihan kepada pihak ketiga  
 \*\*) Tidak diaudit

\*) *Consists of third party receivables*  
 \*\*) *Unaudited*

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kredit (lanjutan)**

(iv) Tabel di bawah menunjukkan kualitas aset keuangan berdasarkan golongan aset untuk semua aset keuangan yang mempunyai risiko kredit (cadangan kerugian penurunan nilai bruto) (lanjutan):

**47. RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

(iv) The tables below shows the quality of financial assets by class of assets for all financial assets with credit risk (gross of allowance for impairment losses) (continued):

31 Desember/December 31, 2018						
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>neither past due nor impaired</i>		Jatuh tempo dan tidak mengalami penurunan nilai/ <i>Past due but not impaired</i>		Mengalami penurunan nilai/ <i>Impaired</i>	Total
	Tingkat tinggi/ <i>High Grade<sup>*)</sup></i>	Tingkat standar/ <i>Standard grade<sup>**)</sup></i>				
<b>Efek-efek</b>						<b>Securities</b>
Nilai wajar melalui laba rugi	4.147.137	-	-	-	4.147.137	<i>Fair value through profit -or-loss</i>
Tersedia untuk dijual	1.511.624	-	-	-	1.511.624	<i>Available-for-sale</i>
Dimiliki hingga jatuh tempo	207.897	-	-	2.000	209.897	<i>Held-to-maturity</i>
<b>Obligasi Pemerintah</b>						<b>Government Bonds</b>
Nilai wajar melalui laba rugi	2.777.574	-	-	-	2.777.574	<i>Fair value through profit -or-loss</i>
Tersedia untuk dijual	3.904.235	-	-	-	3.904.235	<i>Available-for-sale</i>
Dimiliki hingga jatuh tempo	2.711.329	-	-	-	2.711.329	<i>Held-to-maturity</i>
<b>Kredit dan piutang</b>						<b>Loans and receivables</b>
Giro pada bank Indonesia	15.417.862	-	-	-	15.417.862	<i>Current accounts with Bank Indonesia</i>
Giro pada bank lain	1.587.051	-	-	1.718	1.588.769	<i>Current accounts with other banks</i>
Penempatan pada Bank Indonesia dan bank lain	26.464.760	-	-	-	26.464.760	<i>Placements with Bank Indonesia and other banks</i>
Tagihan Akseptasi	528.148	-	-	-	528.148	<i>Acceptance Receivable</i>
Tagihan Spot	167	-	-	-	167	<i>Interest Rate Spot Receivable</i>
Suku Bunga	167	-	-	-	167	<i>Investment in Shares</i>
Penyertaan Saham	-	-	-	270	270	<i>Loans and sharia financing/ receivables</i>
Kredit yang diberikan dan piutang/ pembiayaan syariah						<i>Consumer Housing loan</i>
Konsumer						<i>Non-housing loan</i>
Pemilikan rumah Non kepemilikan rumah	131.937.455	29.236.882	12.783.635	2.478.824	176.436.796	<i>Working capital</i>
Modal kerja	8.328.337	2.046.217	821.030	306.247	11.501.831	<i>Investment</i>
Investasi	28.817.049	4.615.115	2.585.634	4.982.392	41.000.190	<i>Syndicated</i>
Sindikasi	4.611.745	1.003.922	488.502	1.059.543	7.163.712	<i>Directors and employees</i>
Direksi dan karyawan						<i>Third parties - Related parties -</i>
- Pihak ketiga	1.969.274	24.195	7.972	5.665	2.007.106	<i>Interests receivable</i>
- Pihak yang berelasi	110.557	507	-	-	111.064	<i>Other assets<sup>1)</sup></i>
Bunga yang masih akan diterima	2.959.502	-	-	-	2.959.502	
Aset lain-lain <sup>1)</sup>	1.100.960	-	-	-	1.100.960	
<b>Total</b>	<b>239.092.663</b>	<b>36.926.838</b>	<b>16.686.773</b>	<b>8.913.692</b>	<b>301.619.966</b>	<b>Total</b>
Cadangan kerugian nilai					(3.320.293)	<i>Allowance for impairment losses</i>
<b>Neto</b>					<b>298.299.673</b>	<b>Net</b>

<sup>\*)</sup> Terdiri atas tagihan kepada pihak ketiga

<sup>\*\*)</sup> Tidak diaudit

<sup>\*)</sup> Consists of third party receivables

<sup>\*\*)</sup> Unaudited

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kredit (lanjutan)**

- (iv) Tabel di bawah menunjukkan kualitas aset keuangan berdasarkan golongan aset untuk semua aset keuangan yang mempunyai risiko kredit (cadangan kerugian penurunan nilai bruto) (lanjutan):

Kualitas kredit didefinisikan sebagai berikut:

Tingkat tinggi

- (a) Giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain yaitu giro atau penempatan pada institusi Pemerintah, transaksi dengan bank yang memiliki reputasi baik dengan tingkat kemungkinan gagal bayar atas kewajiban yang rendah.
- (b) Efek-efek dan obligasi pemerintah yaitu efek-efek yang dikeluarkan oleh Pemerintah RI, efek-efek dan obligasi yang termasuk dalam *investment grade* dengan rating minimal BBB- (Pefindo) atau Baa3 (Moody's).

Tingkat standar

- (a) Giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain yaitu giro atau penempatan pada bank lokal yang tidak terdaftar di bursa.
- (b) Kredit yang diberikan dan piutang/pembiayaan syariah, bunga yang masih akan diterima, dan tagihan kepada pihak ketiga yaitu debitur dengan riwayat pembayaran yang baik dan tidak pernah menunggak 90 hari atau lebih.
- (c) Efek-efek dan obligasi Pemerintah yaitu efek-efek dan obligasi dengan rating antara idBB+ sampai dengan idB (Pefindo) atau Ba1 sampai dengan B2 (Moody's).

**47. RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

- (iv) The tables below shows the quality of financial assets by class of assets for all financial assets with credit risk (gross of allowance for impairment losses) (continued):

The credit quality is defined as follows:

High grade

- (a) Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements with government institution, transaction with reputable banks with low probability of default for its liabilities.
- (b) Securities and government bonds are Sovereign securities issued by government of RI, investment grade securities and bonds with a rating of at least BBB- (Pefindo) or Baa3 (Moody's).

Standard grade

- (a) Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements with the local banks not listed in the stock exchange.
- (b) Loans and sharia financing/receivables, interests receivables and third party receivables are receivables from borrowers who have an average track record of loan repayment and whose account did not turn past due for 90 days.
- (c) Securities and Government bonds with a rating between idBB+ to idB (Pefindo) or Ba1 to B2 (Moody's).

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**47. MANAJEMEN RISIKO (lanjutan)**

**47. RISK MANAGEMENT (continued)**

**Risiko Kredit (lanjutan)**

**Credit Risk (continued)**

(v) Analisis umur pinjaman yang jatuh tempo tetapi tidak mengalami penurunan nilai pada tanggal 31 Desember 2019 dan 2018, sebagai berikut:

(v) The aging analysis of past due but not impaired loans as of December 31, 2019 and 2018, follows:

31 Desember/December 31, 2019						
	1 sampai 90 hari/ 1 to 90 days	91 sampai 120 hari/ 91 to 120 days	121 sampai 180 hari/ 121 to 180 days	180 sampai 270 hari/ 180 to 270 days	Total	
Konsumer						Consumer
Pemilikan rumah	18.449.669	262.576	396.078	484.930	19.593.253	Housing Loan
Non kepemilikan rumah	988.838	21.917	28.391	45.917	1.085.063	Non housing loan
Modal kerja	1.724.687	543.367	243.707	495.608	3.007.369	Working capital
Investasi	317.660	33.141	9.052	71.495	431.348	Investment
Direktur dan karyawan	9.813	-	2.937	3.284	16.034	Directors and employees
<b>Total</b>	<b>21.490.667</b>	<b>861.001</b>	<b>680.165</b>	<b>1.101.234</b>	<b>24.133.067</b>	<b>Total</b>
Cadangan kerugian nilai					(261.153)	Allowance for impairment losses
<b>Neto</b>					<b>23.871.914</b>	<b>Net</b>

31 Desember/December 31, 2018						
	1 sampai 90 hari/ 1 to 90 days	91 sampai 120 hari/ 91 to 120 days	121 sampai 180 hari/ 121 to 180 days	180 sampai 270 hari/ 180 to 270 days	Total	
Konsumer						Consumer
Pemilikan rumah	11.520.844	251.405	688.260	323.126	12.783.635	Housing Loan
Non kepemilikan rumah	778.095	5.560	19.284	18.091	821.030	Non housing loan
Modal kerja	2.380.466	20.027	83.445	101.696	2.585.634	Working capital
Investasi	460.646	2.604	12.253	12.999	488.502	Investment
Direktur dan karyawan	4.890	607	1.178	1.297	7.972	Directors and employees
<b>Total</b>	<b>15.144.941</b>	<b>280.203</b>	<b>804.420</b>	<b>457.209</b>	<b>16.686.773</b>	<b>Total</b>
Cadangan kerugian nilai					(430.641)	Allowance for impairment losses
<b>Neto</b>					<b>16.256.132</b>	<b>Net</b>

(vi) Mutasi cadangan berdasarkan jenis kredit yang diberikan adalah sebagai berikut:

(vi) Movements in allowance for impairment losses by type of loans are as follows:

31 Desember/December 31, 2019							
	Konsumsi/Consumer					Direksi dan Karyawan/ Directors and Employees	
	Pemilikan Rumah/ Housing Loan	Non-kepemilikan rumah/ Non-Housing Loan	Modal Kerja/ Working Capital	Investasi/ Investment	Sindikasi/ Syndicated		
Saldo awal tahun	838.558	136.572	1.999.292	314.966	4.492	4.252	Balance at beginning of year
Penyisihan kerugian penurunan nilai selama tahun berjalan	533.115	34.543	2.573.116	332.782	-	5.990	Provision for impairment losses during the year
Penerimaan kembali kredit yang telah dihapus-bukukan	7.525	3.831	26.345	2.897	-	-	Recovery of loans written-off
Penghapusbukuan kredit	(51.398)	(18.790)	(490.903)	(140.430)	-	(589)	Loans written-off
<b>Saldo akhir tahun</b>	<b>1.327.800</b>	<b>156.156</b>	<b>4.107.850</b>	<b>510.215</b>	<b>4.492</b>	<b>9.653</b>	<b>Balance at end of year</b>
Penurunan nilai individual	420.046	24.059	3.088.836	438.798	4.492	2.241	Individual impairment
Penurunan nilai kolektif	907.754	132.097	1.019.014	71.417	-	7.412	Collective impairment
Jumlah kotor kredit yang secara individu ditentukan sebagai mengalami penurunan nilai sebelum dikurangi kerugian penurunan nilai atas penilaian secara individual	455.299	25.463	9.595.195	1.650.044	70.925	2.249	Gross amount of loans individually determined to be impaired, before deducting any individually assessed impairment losses



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**47. MANAJEMEN RISIKO (lanjutan)**

**47. RISK MANAGEMENT (continued)**

**Risiko Kredit (lanjutan)**

**Credit Risk (continued)**

(vi) Mutasi cadangan berdasarkan jenis kredit yang diberikan adalah sebagai berikut: (lanjutan)

(vi) Movements in allowance for impairment losses by type of loans are as follows: (continued)

31 Desember/December 31, 2018							
	Konsumsi/Consumer			Investasi/ Investment	Sindikasi/ Syndicated	Direksi dan Karyawan/ Directors and Employees	
	Pemilikan Rumah/ Housing Loan	Non-kepemilikan rumah/Non- Housing Loan	Modal Kerja/ Working Capital				
Saldo awal tahun	926.078	128.641	987.427	311.114	61	2.666	Balance at beginning of year
Penyisihan kerugian penurunan nilai selama tahun berjalan	(33.311)	15.312	1.522.237	197.398	4.431	2.992	Provision for impairment losses during the year
Penerimaan kembali kredit yang telah dihapus-bukukan	8.815	373	10.060	1.040	-	-	Recovery of loans written-off
Penghapusbukuan kredit	(63.024)	(7.754)	(520.432)	(194.586)	-	(1.406)	Loans written-off
<b>Saldo akhir tahun</b>	<b>838.558</b>	<b>136.572</b>	<b>1.999.292</b>	<b>314.966</b>	<b>4.492</b>	<b>4.252</b>	<b>Balance at end of year</b>
Penurunan nilai individual	67.070	3.885	1.071.174	196.296	4.492	602	Individual impairment
Penurunan nilai kolektif	771.488	132.687	928.118	118.670	-	3.650	Collective impairment
Jumlah kotor kredit yang secara individu ditentukan sebagai mengalami penurunan nilai sebelum dikurangi kerugian penurunan nilai atas penilaian secara individual	75.131	3.885	3.929.694	881.102	77.033	602	Gross amount of loans individually determined to be impaired, before deducting any individually assessed impairment losses

**Risiko Likuiditas**

**Liquidity Risk**

Risiko Likuiditas merupakan risiko akibat ketidakmampuan Bank untuk memenuhi kewajiban yang jatuh tempo dari sumber pendanaan arus kas dan/atau dari aset likuid berkualitas tinggi yang dapat diagunkan, tanpa mengganggu aktivitas dan kondisi keuangan Bank. Ketidakmampuan memperoleh sumber pendanaan arus kas sehingga menimbulkan Risiko Likuiditas dapat disebabkan antara lain oleh:

Liquidity risk is the risk arising from the inability of the Bank to meet the maturing obligations from cash flow funding sources and/or from high-quality liquid assets that can be pledged, without disturbing the activities and financial condition of the Bank. The inability to obtain funding for cash flows resulting to liquidity risk can be contributed, among others, by:

- ketidakmampuan menghasilkan arus kas yang berasal dari aset produktif maupun yang berasal dari penjualan aset termasuk aset likuid; dan/atau
- ketidakmampuan menghasilkan arus kas yang berasal dari penghimpunan dana, transaksi antar Bank, dan pinjaman yang diterima.

- inability to generate cash flows from productive assets as well as from the sale of assets, including liquid assets; and/or
- inability to generate cash flows from funding, inter-bank transactions and fund borrowings.

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Likuiditas (lanjutan)**

Secara umum, tujuan utama manajemen risiko untuk risiko likuiditas adalah untuk meminimalkan kemungkinan ketidakmampuan Bank dalam memperoleh sumber pendanaan arus kas. Dengan demikian Bank dapat memenuhi setiap kewajiban finansial yang sudah diperjanjikan secara tepat waktu, dan agar senantiasa dapat memelihara tingkat likuiditas yang memadai dan optimal. Kebijakan pengelolaan risiko likuiditas antara lain mencakup pengawasan aktif Dewan Komisaris dan Direksi, yang pada intinya mengatur penerapan Manajemen Risiko likuiditas pada Bank, Kebijakan, Prosedur dan Penetapan Limit yang secara umum mencakup strategi manajemen risiko likuiditas, tingkat risiko yang akan diambil (risk appetite) dan toleransi risiko (risk tolerance) dan Sistem Informasi Manajemen Risiko serta Sistem Pengendalian Internal dengan menerapkan pengendalian internal dan kaji ulang independen yang memadai terhadap penerapan Manajemen Risiko untuk Risiko likuiditas yang dilaksanakan oleh *Internal Audit Division* (IAD) dan *Risk Management Division* (RMD).

Pengendalian Risiko Likuiditas melalui strategi pendanaan, pengelolaan posisi likuiditas dan pemantauan risiko likuiditas harian, pengelolaan aset likuid yang berkualitas tinggi, dan rencana pendanaan darurat serta penerapan sistem informasi manajemen risiko secara wajar untuk mendukung pelaksanaan proses identifikasi, pengukuran, pemantauan, dan pengendalian, serta pelaporan risiko likuiditas dalam kondisi normal dan kondisi krisis secara lengkap, akurat, terkini dan berkesinambungan.

Alat pengukuran yang digunakan dalam pengukuran Risiko Likuiditas antara lain adalah Rasio Likuiditas, Profil Maturitas, Proyeksi Arus Kas, dan *Stress Testing* (pengujian terhadap kemampuan Bank untuk memenuhi kebutuhan likuiditas pada kondisi krisis dengan menggunakan skenario stress secara spesifik pada Bank maupun skenario stress pada faktor pasar).

**47. RISK MANAGEMENT (continued)**

**Liquidity Risk (continued)**

*In general, the main objective of risk management for liquidity risk is to minimize the possibility of the Bank's inability to obtain source of cash flow funding. Thus, the Bank can meet some financial obligations that have been agreed upon in a timely manner, and to always be able to maintain adequate and optimal levels of liquidity. Liquidity risk management policies include the active supervision of the BOC and BOD who basically set the implementation of the Bank's liquidity risk management, policy, procedures and determination of limits, which generally includes the liquidity risk management strategy, level of risk to be taken (risk appetite) and risk tolerance, and risk management process, information systems and internal control systems by implementing internal controls and adequate independent review of the risk management implementation for liquidity risk which are being carried out by the Management and conducted by the Internal Audit Division (IAD) and Risk Management Division (RMD).*

*Liquidity risk management is being carried out through funding strategy, liquidity positions and monitoring of daily liquidity, management of high quality liquid assets, planning the emergency funding as well as implementation of a sound risk management information system to support the process of identification, measurement, monitoring and control, as well as reporting of liquidity risk under normal and extreme conditions in a comprehensive, accurate, timely and sustainable manner.*

*The tools used in the measurement of liquidity risk among others are Liquidity Ratio, Maturity Profile, Cash Flow Projection, and Stress Testing (testing the Bank's ability to meet liquidity needs on a state of crisis by using the specific stress scenarios on the Bank as well as on the market factor).*

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Likuiditas (lanjutan)**

Tabel jatuh tempo berikut menyajikan informasi mengenai perkiraan sisa jatuh tempo dari aset dan liabilitas keuangan:

**47. RISK MANAGEMENT (continued)**

**Liquidity Risk (continued)**

The following maturity tables provide information about the expected maturities of the Bank's financial assets and liabilities:

31 Desember/December 31, 2019							
	Total	Lainnya/ Others *)	≤ 1 Bulan/ ≤ 1 Month	> 1 - 6 Bulan/ Months	> 6 - 12 Bulan/ >6 - 12 Months	> 12 Bulan/ >12 Months	
<b>ASET</b>							<b>ASSETS</b>
Kas	1.369.167	-	1.369.167	-	-	-	Cash
Giro pada Bank Indonesia	15.512.329	-	15.512.329	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain	747.869	(1.632)	749.501	-	-	-	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	11.097.193	-	10.745.393	236.800	115.000	-	Placements with Bank Indonesia and other banks
Efek-efek	8.084.671	(27.378)	7.143.578	367.628	438.179	162.664	Securities
Obligasi Pemerintah	11.053.601	-	7.922.598	505.140	1.239.973	1.385.890	Government bonds
Efek-efek yang Dibeli dengan Janji Dijual Kembali	1.875.221	-	1.675.221	92.135	11.236	96.629	Securities purchased under agreement to resell
Tagihan Akseptasi	487.052	-	142.780	226.412	117.860	-	Acceptance Receivable
Penyertaan saham	-	(270)	-	-	-	270	Investment in Shares
Kredit yang diberikan dan pembiayaan/piutang syariah	249.708.993	(6.116.166)	4.895.096	5.279.059	6.088.075	239.562.929	Loans and sharia financing/receivables
Bunga yang masih akan diterima	3.210.772	-	3.210.772	-	-	-	Interest receivable
Aset lain-lain**)	920.408	-	920.408	-	-	-	Other assets**)
<b>Total</b>	<b>304.067.276</b>	<b>(6.145.446)</b>	<b>54.286.843</b>	<b>6.707.174</b>	<b>8.010.323</b>	<b>241.208.382</b>	<b>Total</b>
<b>LIABILITAS</b>							<b>LIABILITIES</b>
Liabilitas segera ***)	1.803.172	-	1.803.172	-	-	-	Liabilities due immediately***)
Simpanan nasabah	206.905.692	-	158.169.456	40.216.607	3.405.058	5.114.571	Deposits from customers
Simpanan dari bank lain	4.509.238	-	4.503.938	5.300	-	-	Deposits from other banks
Efek-efek yang dijual dengan janji dibeli kembali	935.000	-	-	-	935.000	-	Securities sold under repurchase agreements
Surat berharga yang diterbitkan	19.783.552	-	-	2.134.415	3.184.556	14.464.581	Securities issued
Liabilitas akseptasi	487.052	-	142.780	226.412	117.860	-	Acceptance payable
Pinjaman yang diterima	22.465.657	-	999.990	5.000.000	5.180.301	11.285.366	Fund borrowings
Bunga yang masih harus dibayar	630.002	-	630.002	-	-	-	Interest payables
Liabilitas lain-lain****)	4.592.582	-	4.592.582	-	-	-	Other liabilities****)
Pinjaman subordinasi	5.999.669	-	-	-	-	5.999.669	Subordinated Loans
<b>Total</b>	<b>268.111.616</b>	<b>-</b>	<b>170.841.920</b>	<b>47.582.734</b>	<b>12.822.775</b>	<b>36.864.187</b>	<b>Total</b>
<b>Perbedaan jatuh tempo</b>	<b>35.955.660</b>	<b>(6.145.446)</b>	<b>(116.555.077)</b>	<b>(40.875.560)</b>	<b>(4.812.452)</b>	<b>204.344.195</b>	<b>Maturity gap</b>

\*) Cadangan kerugian penurunan nilai atas aset keuangan.

\*\*\*) Terdiri atas tagihan pihak ketiga.

\*\*\*\*) Terdiri atas kewajiban kepada pihak ketiga, bagi hasil yang belum dibagikan, deposito berjangka jatuh tempo dan bunga atas deposito berjangka namun belum diambil nasabah.

\*\*\*\*\*) Terdiri atas setoran jaminan dan dana jaminan pengembang (kewajiban kepada pihak ketiga).

\*) Allowance for impairment losses on financial assets.

\*\*\*) Consists of third party receivables.

\*\*\*\*) Consists of third party payables, undistributed profit sharing, matured time deposits and interest on time deposits not collected by customers.

\*\*\*\*\*) Consists of guarantee deposits and developers' security deposits (liabilities to third party).

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Likuiditas (lanjutan)**

Tabel jatuh tempo berikut menyajikan informasi mengenai perkiraan sisa jatuh tempo dari aset dan liabilitas keuangan (lanjutan):

**47. RISK MANAGEMENT (continued)**

**Liquidity Risk (continued)**

The following maturity tables provide information about the expected maturities of the Bank's financial assets and liabilities (continued):

31 Desember/December 31, 2018						
	Total	Lainnya/ Others *)	≤ 1 Bulan/ ≤ 1 Month	> 1 - 6 Bulan/ Months	> 6 - 12 Bulan/ >6 - 12 Months	> 12 Bulan/ >12 Months
<b>ASET</b>						
Kas	1.243.615	-	1.243.615	-	-	-
Giro pada Bank Indonesia	15.417.862	-	15.417.862	-	-	-
Giro pada bank lain	1.587.051	(1.718)	1.588.769	-	-	-
Penempatan pada Bank Indonesia dan bank lain	26.464.760	-	26.364.760	25.000	75.000	-
Efek-efek	5.848.485	(20.173)	5.658.761	-	-	209.897
Obligasi Pemerintah	9.393.138	-	6.981.809	107.635	199.946	2.103.748
Tagihan Akseptasi	528.148	-	-	528.148	-	-
Tagihan Spot						
Suku Bunga	167	-	167	-	-	-
Penyertaan saham	-	(270)	-	-	-	270
Kredit yang diberikan dan pembiayaan/piutang syariah	234.999.600	(3.298.132)	5.969.746	5.389.395	6.521.616	220.416.975
Bunga yang masih akan diterima	2.959.502	-	2.959.502	-	-	-
Aset lain-lain**)	1.100.960	-	1.100.960	-	-	-
<b>Total</b>	<b>299.543.288</b>	<b>(3.320.293)</b>	<b>67.285.951</b>	<b>6.050.178</b>	<b>6.796.562</b>	<b>222.730.890</b>
<b>LIABILITAS</b>						
Liabilitas segera ***)	2.092.503	-	2.092.503	-	-	-
Simpanan nasabah	211.034.488	-	159.137.118	35.518.200	1.413.904	14.965.266
Simpanan dari bank lain	2.992.579	-	2.992.579	-	-	-
Efek-efek yang dijual dengan janji dibeli kembali	935.000	-	-	-	-	935.000
Surat berharga yang diterbitkan	20.644.760	-	504.383	2.221.227	4.227.380	13.691.770
Liabilitas akseptasi	528.148	-	-	528.148	-	-
Liabilitas spot suku bunga	152	-	152	-	-	-
Pinjaman yang diterima	15.499.493	-	-	7.799.922	3.312.372	4.387.199
Bunga yang masih harus dibayar	630.134	-	630.134	-	-	-
Liabilitas lain-lain****)	5.366.155	-	5.366.155	-	-	-
Pinjaman subordinasi	2.999.519	-	-	-	-	2.999.519
<b>Total</b>	<b>262.722.931</b>	<b>-</b>	<b>170.723.024</b>	<b>46.067.497</b>	<b>8.953.656</b>	<b>36.978.754</b>
<b>Perbedaan jatuh tempo</b>	<b>36.820.357</b>	<b>(3.320.293)</b>	<b>(103.437.073)</b>	<b>(40.017.319)</b>	<b>(2.157.094)</b>	<b>185.752.136</b>

\*) Cadangan kerugian penurunan nilai atas aset keuangan.

\*\*) Terdiri atas tagihan pihak ketiga.

\*\*\*) Terdiri atas kewajiban kepada pihak ketiga, bagi hasil yang belum dibagikan, deposito berjangka jatuh tempo dan bunga atas deposito berjangka namun belum diambil nasabah.

\*\*\*\*) Terdiri atas setoran jaminan dan dana jaminan pengembang (kewajiban kepada pihak ketiga).

\*) Allowance for impairment losses on financial assets.

\*\*) Consists of third party receivables.

\*\*\*) Consists of third party payables, undistributed profit sharing, matured time deposits and interest on time deposits not collected by customers.

\*\*\*\*) Consists of guarantee deposits and developers' security deposits (liabilities to third party).

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Likuiditas (lanjutan)**

Tabel di bawah ini menunjukkan sisa jatuh tempo kontraktual dari liabilitas keuangan berdasarkan pada arus kas yang tidak didiskonto (pokok dan bunga):

31 Desember/December 31, 2019						
	Total	On demand	≤ 1 Bulan/ Month	> 1 - 6 Bulan/ Months	> 6 - 12 Bulan/ Months	> 12 Bulan/ Months
<b>LIABILITAS</b>						
Liabilitas segera*)	1.803.172	-	1.803.172	-	-	-
Simpanan nasabah						
Deposito berjangka	137.072.728	-	78.050.996	47.692.879	6.025.031	5.303.822
Tabungan	43.131.341	43.131.341	-	-	-	-
Giro	51.566.011	49.403.881	-	-	-	2.162.130
Simpanan dari bank lain	4.194.434	10.315	4.184.119	-	-	-
Efek-efek yang dijual						
dengan janji dibeli kembali	980.318	-	15.106	-	15.106	950.106
Liabilitas akseptasi	487.052	-	142.780	226.412	117.860	-
Surat berharga yang diterbitkan	24.534.117	-	160.362	2.311.234	4.417.850	17.644.671
Pinjaman yang diterima	27.227.928	-	1.119.833	6.753.297	5.632.304	13.722.494
Bunga yang masih harus dibayar	630.002	-	630.002	-	-	-
Liabilitas lain-lain**)	4.592.582	-	4.592.582	-	-	-
Pinjaman Subordinasi	8.132.250	-	44.750	223.750	268.500	7.595.250
<b>Total</b>	<b>304.351.935</b>	<b>92.545.537</b>	<b>90.743.702</b>	<b>57.207.572</b>	<b>16.476.651</b>	<b>47.378.473</b>

31 Desember/December 31, 2019						
	Total	On demand	≤ 1 Bulan/ Month	> 1 - 6 Bulan/ Months	> 6 - 12 Bulan/ Months	> 12 Bulan/ Months
<b>LIABILITIES</b>						
Liabilities due immediately*)	1.803.172	-	1.803.172	-	-	-
Deposits from customers						
Time deposits	137.072.728	-	78.050.996	47.692.879	6.025.031	5.303.822
Savings deposits	43.131.341	43.131.341	-	-	-	-
Demand deposits	51.566.011	49.403.881	-	-	-	2.162.130
Deposits from other banks	4.194.434	10.315	4.184.119	-	-	-
Securities sold under repurchase agreements	980.318	-	15.106	-	15.106	950.106
Acceptance payable	487.052	-	142.780	226.412	117.860	-
Securities issued	24.534.117	-	160.362	2.311.234	4.417.850	17.644.671
Fund borrowings	27.227.928	-	1.119.833	6.753.297	5.632.304	13.722.494
Interest payables	630.002	-	630.002	-	-	-
Other liabilities**)	4.592.582	-	4.592.582	-	-	-
Subordinated Loan	8.132.250	-	44.750	223.750	268.500	7.595.250
<b>Total</b>	<b>304.351.935</b>	<b>92.545.537</b>	<b>90.743.702</b>	<b>57.207.572</b>	<b>16.476.651</b>	<b>47.378.473</b>

31 Desember/December 31, 2018						
	Total	On demand	≤ 1 Bulan/ Month	> 1 - 6 Bulan/ Months	> 6 - 12 Bulan/ Months	> 12 Bulan/ Months
<b>LIABILITAS</b>						
Liabilitas segera*)	2.092.503	-	2.092.503	-	-	-
Simpanan nasabah						
Deposito berjangka	136.024.263	-	68.058.821	42.813.938	1.521.266	23.630.238
Tabungan	40.552.467	40.552.467	-	-	-	-
Giro	57.390.964	55.334.069	-	-	-	2.056.895
Simpanan dari bank lain	3.284.206	21.520	3.262.686	-	-	-
Efek-efek yang dijual						
dengan janji dibeli kembali	1.052.578	-	16.797	16.797	33.594	985.390
Liabilitas akseptasi	528.148	-	-	528.148	-	-
Liabilitas spot suku bunga	152	-	152	-	-	-
Surat berharga yang diterbitkan	27.302.913	-	627.330	2.882.532	2.982.591	20.810.460
Pinjaman yang diterima	16.945.930	-	133.720	8.397.039	3.227.002	5.188.169
Bunga yang masih harus dibayar	630.134	-	630.134	-	-	-
Liabilitas lain-lain**)	5.366.155	-	5.366.155	-	-	-
Pinjaman Subordinasi	3.663.750	-	22.500	112.500	135.000	3.393.750
<b>Total</b>	<b>294.834.163</b>	<b>95.908.056</b>	<b>80.210.798</b>	<b>54.750.954</b>	<b>7.899.453</b>	<b>56.064.902</b>

31 Desember/December 31, 2018						
	Total	On demand	≤ 1 Bulan/ Month	> 1 - 6 Bulan/ Months	> 6 - 12 Bulan/ Months	> 12 Bulan/ Months
<b>LIABILITIES</b>						
Liabilities due immediately*)	2.092.503	-	2.092.503	-	-	-
Deposits from customers						
Time deposits	136.024.263	-	68.058.821	42.813.938	1.521.266	23.630.238
Savings deposits	40.552.467	40.552.467	-	-	-	-
Demand deposits	57.390.964	55.334.069	-	-	-	2.056.895
Deposits from other banks	3.284.206	21.520	3.262.686	-	-	-
Securities sold under repurchase agreements	1.052.578	-	16.797	16.797	33.594	985.390
Acceptance payable	528.148	-	-	528.148	-	-
Interest rate spot liabilities	152	-	152	-	-	-
Securities issued	27.302.913	-	627.330	2.882.532	2.982.591	20.810.460
Fund borrowings	16.945.930	-	133.720	8.397.039	3.227.002	5.188.169
Interest payables	630.134	-	630.134	-	-	-
Other liabilities**)	5.366.155	-	5.366.155	-	-	-
Subordinated Loan	3.663.750	-	22.500	112.500	135.000	3.393.750
<b>Total</b>	<b>294.834.163</b>	<b>95.908.056</b>	<b>80.210.798</b>	<b>54.750.954</b>	<b>7.899.453</b>	<b>56.064.902</b>

\*) Terdiri atas kewajiban kepada pihak ketiga, bagi hasil yang belum dibagikan, deposito berjangka jatuh tempo dan bunga atas deposito berjangka namun belum diambil nasabah.

\*\*\*) Terdiri atas setoran jaminan dan dana jaminan pengembang (kewajiban kepada pihak ketiga).

\*) Consists of third party payables, undistributed profit sharing, matured time deposits and interest on time deposits not collected by customers.

\*\*\*) Consists of guarantee deposits and developers' security deposits (liabilities to third party).

**Risiko Pasar**

Risiko Pasar merupakan risiko pada laporan posisi keuangan dan rekening administratif, akibat perubahan secara keseluruhan dari kondisi pasar.

**Market Risk**

Market risk is the risk on statement of financial position and administrative accounts, due to changes in overall market conditions.

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Pasar (lanjutan)**

Sesuai Surat Edaran Otoritas Jasa Keuangan Nomor 12 /SEOJK.03/2018 tanggal 21 Agustus 2018 tentang Penerapan Manajemen Risiko dan Pengukuran Risiko Pendekatan Standar, Bank menggunakan perhitungan *Standardized Method* yang digunakan untuk menghitung Kewajiban Penyediaan Modal Minimum (KPMM) untuk Risiko Pasar. Risiko nilai tukar yang timbul dari fluktuasi nilai tukar dikelola dengan cara menjaga Posisi Devisa Neto sesuai dengan peraturan Bank Indonesia. Gejolak eksternal juga diakomodasi dengan dilakukan *stress testing* untuk melihat sejauh mana Bank dapat bertahan dengan beberapa skenario perubahan kondisi eksternal, khususnya perubahan suku bunga pasar.

Termasuk di dalam risiko pasar adalah risiko perubahan harga instrumen keuangan akibat perubahan faktor-faktor pasar, seperti perubahan suku bunga dan perubahan nilai tukar.

**i. Risiko tingkat suku bunga**

Risiko tingkat bunga timbul dari adanya kemungkinan bahwa perubahan tingkat suku bunga akan mempengaruhi arus kas di masa yang akan datang dari nilai wajar instrumen keuangan.

Tabel di bawah ini menyajikan informasi mengenai tingkat suku bunga rata-rata per tahun untuk aset dan liabilitas keuangan yang penting untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018:

Aset	31 Desember/December 31, 2019		31 Desember/December, 2018		Assets
	Rupiah	Mata Uang Asing/ Foreign currencies	Rupiah	Mata Uang Asing/ Foreign currencies	
Giro pada bank lain	0,81%	0,01%	1,23%	2,19%	Current accounts with other Bank
Penempatan pada Bank Indonesia dan Bank Lain	5,98%	0,47%	4,39%	0,81%	Placements with Bank Indonesia and other Banks
Efek-efek	9,05%	3,14%	6,40%	2,46%	Securities
Obligasi Pemerintah					Government bonds
Tingkat bunga tetap	9,22%	11,48%	8,28%	3,53%	Fixed interest rate
Tingkat bunga Mengambang	5,90%	-	9,43%	-	Variable interest rate
Kredit yang diberikan dan Piutang Syariah	9,88%	-	11,47%	-	Loans and sharia financing/receivables
<b>Liabilitas</b>					<b>Liabilities</b>
Simpanan nasabah					Deposits from customers
Giro	1,89%	0,00%	1,84%	0,02%	Demand deposits
Tabungan	4,17%	0,30%	3,75%	0,39%	Savings deposits
Deposito Berjangka	5,59%	3,47%	5,50%	0,76%	Time deposits
Simpanan dari Bank lain					Deposits from other banks
Giro	1,73%	-	1,82%	-	Demand deposits
Deposito Berjangka	7,17%	-	5,90%	-	Time deposits
Inter-bank call money	6,06%	-	5,25%	-	Inter-bank call money
Efek-efek yang dijual dengan janji dibeli kembali	6,51%	-	5,52%	-	Securities sold under repurchase agreements
Surat berharga yang diterbitkan	8,73%	-	9,13%	-	Securities issued

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**47. RISK MANAGEMENT (continued)**

**Market Risk (continued)**

In accordance with the Financial Services Authority Circular No.12 /SEOJK.03/2018 dated in August 21, 2018 regarding the Implementation of Risk Management and Measurement of Risk in the Standard Approach In measuring market risk, the Bank uses the Standardized Method in calculating CAR for market risk. Exchange rate risk arises from fluctuations in exchange rates maintained by keeping the net open position in accordance with Bank Indonesia regulations. External shocks are also being considered by stress testing, which is done to measure the extent to which the Bank can survive some scenario changes in external conditions, particularly changes in market interest rates.

Market risk includes the risk of price changes of financial instruments due to changes in market factors, such as changes in interest rates and exchange rates.

**i. Interest rate risk**

Interest rate risks arise from the possibility that changes in interest rates will affect future cash flows from the fair values of financial instruments.

The following table presents information on the average annual interest rates for significant financial assets and liabilities for the year ended December 31, 2019 and 2018:

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**47. MANAJEMEN RISIKO (lanjutan)**

**47. RISK MANAGEMENT (continued)**

**Risiko Pasar (lanjutan)**

**Market Risk (continued)**

i. Risiko tingkat suku bunga (lanjutan)

i. Interest rate risk (continued)

Tabel di bawah ini mengikhtisarkan eksposur Bank terhadap risiko tingkat suku bunga (gross):

The tables below summarize the Bank's exposure to interest rate risk (gross):

31 Desember/December 31, 2019						
Suku bunga mengambang/Variable interest rate						
	Tidak lebih dari 3 bulan/ Not more than 3 months	Lebih dari 3 bulan tetapi tidak lebih dari 1 tahun/ More than 3 months but less than 1 year	Lebih dari 1 tahun/ More than 1 year	Suku bunga tetap/ Fixed interest rate	Tidak dikenakan bunga/syariah Non-interest bearing/sharia	Total
<b>Aset Keuangan</b>						
Kas	-	-	-	-	1.369.167	1.369.167
Giro pada Bank Indonesia	14.153.009	-	-	-	1.359.320	15.512.329
Giro pada bank lain	749.356	-	-	-	145	749.501
Penempatan pada Bank Indonesia dan bank lain	-	-	-	8.913.193	2.184.000	11.097.193
Efek-efek	733.670	-	-	7.246.108	132.271	8.112.049
Obligasi Pemerintah	2.246.503	-	-	7.801.428	1.005.670	11.053.601
Efek-efek yang Dibeli dengan Janji Dijual Kembali	200.000	-	-	1.675.221	-	1.875.221
Tagihan Akseptasi	-	-	-	487.052	-	487.052
Penyertaan Saham	-	-	-	-	270	270
Kredit yang diberikan dan piutang /pembiayaan syariah	4.398.474	8.656.844	176.191.398	42.965.823	23.612.620	255.825.159
Bunga yang masih akan diterima	-	-	-	-	3.210.772	3.210.772
Aset lain-lain <sup>*)</sup>	-	-	-	-	920.408	920.408
<b>Total aset keuangan</b>	<b>22.481.012</b>	<b>8.656.844</b>	<b>176.191.398</b>	<b>69.088.825</b>	<b>33.794.643</b>	<b>310.212.722</b>
<b>Liabilitas Keuangan</b>						
Liabilitas segera <sup>**)</sup>	-	-	-	-	1.803.172	1.803.172
Simpanan dari nasabah	-	-	-	-	-	-
Giro	-	-	-	48.108.116	2.593.010	50.701.126
Tabungan	-	-	-	41.484.909	789.889	42.274.798
Deposito berjangka	-	-	-	113.929.768	-	113.929.768
Simpanan dari bank lain	-	-	-	4.509.238	-	4.509.238
Liabilitas akseptasi	-	-	-	-	487.052	487.052
Surat-surat berharga diterbitkan	-	-	-	19.783.552	-	19.783.552
Efek-efek yang dijual dengan janji dibeli kembali	935.000	-	-	-	-	935.000
Pinjaman yang diterima	6.885.143	-	-	14.904.078	676.436	22.465.657
Bunga yang masih harus dibayar	-	-	-	-	630.002	630.002
Liabilitas lain-lain <sup>***)</sup>	-	-	-	-	4.592.582	4.592.582
Pinjaman subordinasi	-	-	-	5.999.669	-	5.999.669
<b>Total liabilitas keuangan</b>	<b>7.820.143</b>	<b>-</b>	<b>-</b>	<b>249.206.382</b>	<b>11.085.091</b>	<b>268.111.616</b>
<b>Gap repricing suku bunga-kotor</b>	<b>14.660.869</b>	<b>8.656.844</b>	<b>176.191.398</b>	<b>(180.117.557)</b>	<b>22.709.552</b>	<b>42.101.106</b>

31 Desember/December 31, 2018						
Suku bunga mengambang/Variable interest rate						
	Tidak lebih dari 3 bulan/ Not more than 3 months	Lebih dari 3 bulan tetapi tidak lebih dari 1 tahun/ More than 3 months but less than 1 year	Lebih dari 1 tahun/ More than 1 year	Suku bunga tetap/ Fixed interest rate	Tidak dikenakan bunga/syariah Non-interest bearing/sharia	Total
<b>Aset Keuangan</b>						
Kas	-	-	-	-	1.243.615	1.243.615
Giro pada Bank Indonesia	14.079.950	-	-	-	1.337.912	15.417.862
Giro pada bank lain	1.588.661	-	-	-	108	1.588.769
Penempatan pada Bank Indonesia dan bank lain	-	-	-	22.359.760	4.105.000	26.464.760
Efek-efek	616.287	-	-	5.127.488	124.883	5.868.658
Obligasi Pemerintah	3.141.131	-	-	5.682.181	569.826	9.393.138
Tagihan Akseptasi	-	-	-	-	528.148	528.148
Tagihan spot suku bunga	-	-	-	-	167	167
Penyertaan Saham	-	-	-	-	270	270
Kredit yang diberikan dan piutang /pembiayaan syariah	5.326.203	8.276.069	108.620.296	94.033.737	22.041.427	238.297.732
Bunga yang masih akan diterima	-	-	-	-	2.959.502	2.959.502
Aset lain-lain <sup>*)</sup>	-	-	-	-	1.100.960	1.100.960
<b>Total aset keuangan</b>	<b>24.752.232</b>	<b>8.276.069</b>	<b>108.620.296</b>	<b>127.203.166</b>	<b>34.011.818</b>	<b>302.863.581</b>

\*) Terdiri dari tagihan kepada pihak ketiga.

\*) Consists of third party receivables.

\*\*) Terdiri dari kewajiban kepada pihak ketiga, bagi hasil yang belum dibagikan, deposito berjangka jatuh tempo dan bunga atas deposito berjangka namun belum diambil nasabah.

\*\*) Consists of third party payables, undistributed profit sharing, matured time deposits and interest on time deposits not collected by customers.

\*\*\*) Terdiri atas setoran jaminan dan dana jaminan pengembang (kewajiban kepada pihak ketiga).

\*\*\*) Consists of guarantee deposits and developers' security deposits (liabilities to third party).

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**47. MANAJEMEN RISIKO (lanjutan)**

**47. RISK MANAGEMENT (continued)**

**Risiko Pasar (lanjutan)**

**Market Risk (continued)**

i. Risiko tingkat suku bunga (lanjutan)

i. Interest rate risk (continued)

Tabel di bawah ini mengikhtisarkan eksposur Bank terhadap risiko tingkat suku bunga (gross) (lanjutan):

The tables below summarize the Bank's exposure to interest rate risk (gross) (continued):

31 Desember/December 31, 2018							
Suku bunga mengambang/ Variable interest rate							
	Tidak lebih dari 3 bulan/ Not more than 3 months	Lebih dari 3 bulan tetapi tidak lebih dari 1 tahun/ More than 3 months but less than 1 year	Lebih dari 1 tahun/ More than 1 year	Suku bunga tetap/ Fixed interest rate	Tidak dikenakan bunga/syariah Non-interest bearing/sharia	Total	
<b>Liabilitas Keuangan</b>							<b>Financial Liabilities</b>
Liabilitas segera <sup>*)</sup>	-	-	-	-	2.092.503	2.092.503	Liabilities due immediately <sup>*)</sup>
Simpanan dari nasabah							Deposits from customers
Giro	51.649.837	-	-	2.023.351	2.781.854	56.455.042	Demand deposits
Tabungan	37.532.184	-	-	818.655	766.324	39.117.163	Savings deposits
Deposito berjangka	-	-	-	115.462.283	-	115.462.283	Time deposits
Simpanan dari bank lain	19.609	-	-	2.972.970	-	2.992.579	Deposits from other banks
Liabilitas akseptasi	-	-	-	-	528.148	528.148	Acceptance payable
Liabilitas Spot suku bunga	-	-	-	-	152	152	Interest rate Spot payable
Surat-surat berharga diterbitkan	-	-	-	20.644.760	-	20.644.760	Securities issued
Efek-efek yang dijual	-	-	-	-	-	-	Securities sold under repurchase agreements
dengan janji dibeli kembali	935.000	-	-	-	-	935.000	Fund Borrowings
Pinjaman yang diterima	2.430.383	-	-	12.535.892	533.218	15.499.493	Interest payables
Bunga yang masih harus dibayar	-	-	-	-	630.134	630.134	Other liabilities <sup>**)</sup>
Liabilitas lain-lain <sup>**)</sup>	-	-	-	-	5.366.155	5.366.155	Subordinated Loan
Pinjaman subordinasi	-	-	-	2.999.519	-	2.999.519	
Total liabilitas keuangan	92.567.013	-	-	157.457.430	12.698.488	262.722.931	Total financial liabilities
<b>Gap repricing suku bunga-kotor</b>	<b>(67.814.781)</b>	<b>8.276.069</b>	<b>108.620.296</b>	<b>(30.254.264)</b>	<b>21.313.330</b>	<b>40.140.650</b>	<b>Gross interest repricing gap</b>

\*) Terdiri dari tagihan kepada pihak ketiga.

\*) Consists of third party receivables.

\*\*) Terdiri dari kewajiban kepada pihak ketiga, bagi hasil yang belum dibagikan, deposito berjangka jatuh tempo dan bunga atas deposito berjangka namun belum diambil nasabah.

\*\*) Consists of third party payables, undistributed profit sharing, matured time deposits and interest on time deposits not collected by customers.

\*\*\*) Terdiri atas setoran jaminan dan dana jaminan pengembang (kewajiban kepada pihak ketiga).

\*\*\*) Consists of guarantee deposits and developers' security deposits (liabilities to third party).

Analisis sensitivitas untuk beberapa faktor pasar menunjukkan bagaimana laba atau rugi dan ekuitas dapat dipengaruhi oleh perubahan dari beberapa faktor risiko sesuai dengan tabel dibawah ini. Secara umum, sensitivitas diestimasi dengan membandingkan suatu nilai awal ke nilai tertentu setelah perubahan tertentu dari faktor pasar, dengan mengasumsikan seluruh variabel lainnya tetap. Sensitivitas atas laporan laba rugi dan penghasilan komprehensif lain merupakan efek atas perubahan estimasi suku bunga atas laba rugi untuk suatu periode, berdasarkan nilai suku bunga mengambang atas aset dan liabilitas yang diperdagangkan dan tidak diperdagangkan yang dimiliki Bank pada tanggal-tanggal 31 Desember 2019 dan 2018. Analisis sensitivitas atas ekuitas dihitung dengan menilai kembali perubahan estimasi suku bunga tetap atas aset keuangan yang tersedia untuk dijual dan nilai wajar melalui laporan laba rugi pada tanggal-tanggal 31 Desember 2019 dan 2018. Jumlah sensitivitas atas ekuitas didasarkan pada asumsi bahwa terdapat perubahan paralel dalam kurva imbal hasil.

Sensitivity analyses for several market factors showing how profit or loss and equity could be affected by changes in the relevant risk factor are shown in the tables below. In general, sensitivity is estimated by comparing an initial value to the value derived after a specified change in the market factor, assuming all other variables are constant. The sensitivity of the statement of profit or loss and other comprehensive income is the effect of the assumed changes in interest rates on the profit or loss for a period, based on the variable rate trading and non-trading financial assets and liabilities held by the Bank as of December 31, 2019 and 2018. The sensitivity of equity is calculated by revaluing fixed interest rate available-for-sale and fair value to profit or loss financial assets as of December 31, 2019 and 2018 for the effects of the assumed changes in interest rates. The total sensitivity of equity is based on the assumption that there are parallel shifts in the yield curve.



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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Pasar (lanjutan)**

i. Risiko tingkat suku bunga (lanjutan)

Tabel dibawah ini menunjukkan sensitivitas dari laporan laba rugi dan penghasilan komprehensif lain dan ekuitas Bank terhadap kemungkinan perubahan wajar atas suku bunga untuk aset dan liabilitas keuangan dengan suku bunga tetap pada tanggal-tanggal 31 Desember 2019 dan 2018:

**47. RISK MANAGEMENT (continued)**

**Market Risk (continued)**

i. Interest rate risk (continued)

The tables below demonstrate the sensitivity of the Bank's statement of profit or loss and other comprehensive income and equity to reasonably possible changes in interest rates for fixed rate financial assets and liabilities as of December 31, 2019 and 2018:

31 Desember/December 31, 2019

	Perubahan basis poin/Change in basis point	Dampak ke laporan laba rugi dan penghasilan komprehensif lainnya sebelum pajak/ Impact to Statement of profit or loss and Other Comprehensive Income before tax	Dampak ke ekuitas/ Impact to Equity	
Rupiah	+125	(34.453)	(109.946)	Rupiah
	+50	(14.380)	(45.495)	
	-50	15.248	47.679	
	-125	39.898	123.626	
Dolar Amerika Serikat	+125	(19.742)	(114.494)	United States Dollar
	+50	(8.180)	(48.045)	
	-50	8.581	51.403	
	-125	22.256	135.598	

31 Desember/December 31, 2018

	Perubahan basis poin/Change in basis point	Dampak ke laporan laba rugi dan penghasilan komprehensif lainnya sebelum pajak/ Impact to Statement of profit or loss and Other Comprehensive Income before tax	Dampak ke ekuitas/ Impact to Equity	
Rupiah	+125	(8.177)	(91.929)	Rupiah
	+50	(3.386)	(38.185)	
	-50	3.550	40.220	
	-125	9.206	104.677	
Dolar Amerika Serikat	+125	-	(14.485)	United States Dollar
	+50	-	(6.187)	
	-50	-	6.790	
	-125	-	18.285	

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Pasar (lanjutan)**

i. Risiko tingkat suku bunga (lanjutan)

Tabel dibawah ini menunjukkan sensitivitas dari laporan laba rugi dan penghasilan komprehensif lain terhadap kemungkinan perubahan suku bunga untuk aset dan liabilitas keuangan dengan suku bunga *variable* pada tanggal-tanggal 31 Desember 2019 dan 2018:

31 Desember/December 31, 2019	
Perubahan basis poin/ Change in basis point	Pengaruh ke laporan laba rugi dan penghasilan komprehensif lainnya/ Impact to Statement of profit or loss and other comprehensive income
Rupiah	±125 ±50
	± 4.308 ± 1.723
	Rupiah

31 Desember/December 31, 2018	
Perubahan basis poin/ Change in basis point	Pengaruh ke laporan laba rugi dan penghasilan komprehensif lainnya/ Impact to Statement of profit or loss and other comprehensive income
Rupiah	±125 ±50
	± 7.378 ± 2.951
	Rupiah

ii. Risiko Nilai Tukar

Risiko nilai tukar adalah kemungkinan kerugian yang timbul dari perubahan kurs valuta asing. Bank mengelola paparan terhadap pengaruh fluktuasi nilai tukar dengan Posisi Devisa Neto sesuai dengan peraturan OJK.

ii. Exchange rate risk

Exchange rate risk is the probability of loss to earnings arising from changes in foreign exchange rates. The Bank manages exposure to effects of fluctuations in exchange rates with Net Open Position based on OJK regulations.

31 Desember/December 31, 2019	
Perubahan persentase nilai tukar mata uang asing/ Percentage change in foreign currency rate	Pengaruh ke laporan laba rugi dan penghasilan komprehensif lainnya/ Impact to Statement of profit or loss and other comprehensive income
Dolar Amerika Serikat	±0,30% ±0,35%
	±2.888 ±3.370
	United States Dollar

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Pasar (lanjutan)**

ii. Risiko Nilai Tukar (lanjutan)

Risiko nilai tukar adalah kemungkinan kerugian yang timbul dari perubahan kurs valuta asing. Bank mengelola paparan terhadap pengaruh fluktuasi nilai tukar dengan Posisi Devisa Neto sesuai dengan peraturan OJK (tidak diaudit). (lanjutan)

**47. RISK MANAGEMENT (continued)**

**Market Risk (continued)**

ii. Exchange rate risk (continued)

Exchange rate risk is the probability of loss to earnings arising from changes in foreign exchange rates. The Bank manages exposure to effects of fluctuations in exchange rates with Net Open Position based on OJK regulations (unaudited). (continued)

31 Desember/December 31, 2018

	Perubahan persentase nilai tukar mata uang asing/ Percentage change in foreign currency rate	Pengaruh ke laporan laba rugi dan penghasilan komprehensif lainnya/ Impact to Statement of profit or loss and other comprehensive income	
Dolar Amerika Serikat	±0,30% ±0,35%	±923 ±1.007	United States Dollar

Sensitivitas atas laporan laba rugi dan penghasilan komprehensif lain merupakan dampak yang diestimasi atas perubahan yang diasumsikan atas perubahan nilai tukar berdasarkan aset dan liabilitas keuangan dalam mata uang asing.

The sensitivity of the statement of profit or loss and other comprehensive income is the estimated effect of the assumed change in foreign currency exchange rates on income, based on foreign currency denominated assets and liabilities.

Pada tanggal 31 Desember 2019 dan 2018, dampak atas perubahan nilai tukar mata uang lainnya seperti Pound Sterling Inggris, Euro Eropa, Yen Jepang, Dolar Singapura, Dolar Australia dan Dolar Hongkong tidak material.

As of December 31, 2019 and 2018, the effect of fluctuations in exchange rates of other currencies, such as British Pound Sterling, European Euro, Japanese Yen, Singapore Dollar, Australian Dollar and Hongkong Dollar, is not material.

**Risiko Operasional**

Risiko Operasional merupakan risiko akibat ketidakcukupan dan/atau tidak berfungsinya proses internal, kesalahan manusia, kegagalan sistem, dan/atau adanya kejadian-kejadian eksternal yang mempengaruhi operasional Bank.

**Operational Risk**

Operational risk is a risk arising from the inadequacy and/or failure of internal processes, human error, system failure, and/or the presence of external events that can affect the operations of the Bank.

Risiko Operasional yang timbul harus segera diantisipasi. Pencadangan modal yang dilakukan Bank dihitung berdasarkan kebutuhan modal minimum (CAR) merupakan salah satu langkah antisipasi agar eksposur Risiko Operasional tidak sampai mengganggu permodalan.

Operational risk arising should be anticipated. Provision of capital held by bank is calculated based on minimum Capital Adequacy Ratio (CAR) which is one of anticipatory measures in order the operational risk exposure not interfere Bank's capital structure.

Dalam rangka menghitung kebutuhan modal minimum (CAR) untuk risiko operasional, Bank menerapkan Pendekatan Indikator Dasar (Basic Indicator Approach), sesuai Surat Edaran Otoritas Jasa Keuangan Nomor 24/SEOJK.03/2016 tanggal 14 Juli 2016 tentang Perhitungan Aset Tertimbang Menurut Risiko untuk Risiko Operasional dengan Menggunakan Pendekatan Indikator Dasar.

In order to calculate the minimum Capital Adequacy Ratio (CAR) for operational risk, the Bank applies the Basic Indicator Approach, in accordance with Financial Services Authority Circular Letter No. 24/SEOJK.03/2016 dated July 14, 2016 regarding the calculation of Risk Weighted Assets (RWA) for Operational Risk Calculated using Basic Indicator Approach (PID).

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Operasional (lanjutan)**

Dalam pemantauan risiko operasional, fungsi Internal Audit melaksanakan penilaian terhadap implementasi kebijakan dan prosedur manajemen risiko pada setiap aktivitas fungsional, produk atau layanan baru dan *Risk Management Division* (RMD) berfungsi memastikan proses identifikasi, pengukuran, pemantauan dan pengendalian risiko berjalan dengan efektif pada setiap aktivitas fungsional, produk atau layanan baru.

Dalam rangka melakukan proses identifikasi risiko, saat ini Bank sedang mengembangkan aplikasi *BTN Loss Event Database* (BTN-LED). Aplikasi BTN LED ini dirancang terhubung dengan Kantor Wilayah dan Kantor Cabang. Dengan demikian Kantor Wilayah dan Kantor Cabang dapat secara periodik mengirimkan data *loss event* masing-masing kantor secara online melalui media *web* (web based).

Data yang terkumpul selanjutnya akan diolah dan dianalisis. Dari hasil pengolahan dan analisis tersebut diharapkan akan teridentifikasi peta eksposur risiko yang diperoleh, selanjutnya akan dilakukan langkah mitigasi terhadap eksposur risiko yang teridentifikasi tersebut.

Pengendalian dan mitigasi risiko operasional dilaksanakan oleh seluruh satuan kerja Bank. *Risk Management Division* bertugas untuk memastikan bahwa Bank telah memiliki kebijakan dan prosedur pengendalian dan mitigasi risiko operasional yang memadai yang wajib dipatuhi dan dilaksanakan oleh setiap satuan kerja dalam melaksanakan transaksi dan aktivitas dengan akurat, efisien dan tepat waktu.

Bank melaksanakan identifikasi risiko hukum berdasarkan faktor-faktor penyebab timbulnya risiko yang meliputi tuntutan hukum, tidak adanya peraturan atau regulasi yang mendukung dan kelemahan perjanjian atau perikatan. Di samping itu, setiap divisi bersama-sama dengan *Risk Management Division* dan *Legal Division* secara berkala menganalisis dampak perubahan ketentuan atau peraturan tertentu terhadap eksposur risiko hukum.

**47. RISK MANAGEMENT (continued)**

**Operational Risk (continued)**

*In monitoring operational risk, Internal Audit performs an assessment of the implementation of risk management policies and procedures at each functional activity, product or new service and the RMD also ensures that the identification, measurement, monitoring and risk control, work effectively on any functional activity, product or new services.*

*In order to make the process of identifying risks, the Bank is currently developing applications *BTN Loss Event Database* (BTN-LED). The application of LED was designed BTN connected with regional offices and branch offices. Thus, regional offices and branch offices can periodically send data loss event each office online through media web (web based).*

*The Data collected will be processed and analyzed. Processing and analysis of the results are expected to be identified as a risk exposure maps are obtained, further mitigation measures will be performed against the identified risk exposures.*

*Controlling and mitigating operational risk is conducted by risk taking units within the Bank. The Risk Management Division ensures that the Bank has adequate policies and procedures, which must be complied and carried out by each risk taking unit in conducting its daily transactions and activities accurately, efficiently and in a timely manner.*

*The Bank identifies legal risk based on its causes which include legal litigation, absence of support in policy or regulation and weak agreement or engagement. At the same time, each division together with Risk Management Division and Legal Division, analyzes periodically the impact of changes in certain rules and regulations on the Bank's legal risk exposures.*

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Hukum**

Pengukuran risiko hukum dilaksanakan oleh *Risk Management Division* bersama-sama *Legal Division* berdasarkan laporan hasil evaluasi atas analisis kasus-kasus hukum secara individual terhadap liabilitas kontinjensi yang timbul dari tuntutan hukum yang terjadi.

Pemantauan risiko hukum dilaksanakan oleh *Legal Division* untuk mengevaluasi efektivitas dari implementasi kebijakan, prosedur dan kepatuhan terhadap kebijakan, regulasi hukum serta ketentuan limit Bank. Pemantauan dilaksanakan secara berkala terhadap seluruh posisi risiko hukum.

Dalam melaksanakan pengendalian risiko hukum, *Legal Division* memberi masukan hukum dan rekomendasi kepada setiap divisi dan satuan kerja serta melakukan *review* secara berkala terhadap perjanjian dan kontrak kerjasama dengan *counterparty*.

**Risiko Reputasi**

Identifikasi risiko reputasi dilakukan pada faktor-faktor risiko yang melekat pada aktivitas fungsional yang mencakup keterbukaan (*disclosure requirement*), keluhan nasabah terhadap pelayanan Bank, perilaku karyawan Bank dalam melayani nasabah dan sistem komunikasi Bank.

Pengukuran risiko reputasi dilakukan berdasarkan hasil *assessment* terhadap faktor-faktor risiko reputasi. Risiko reputasi Bank dikelola oleh *Corporate Secretary Division* (CSD) dan dilaporkan ke Bank Indonesia oleh *Customer Care Division* (CCD).

Dalam rangka pemantauan risiko reputasi, dikembangkan aplikasi Sistem Pengaduan Nasabah (SPN) untuk mendukung layanan dan penanganan pengaduan nasabah yang memungkinkan proses penanganan pengaduan secara *online* antar pihak-pihak yang terkait dengan permasalahan di Kantor Cabang dan Kantor Pusat. Hal ini berguna untuk memastikan terjaganya kepuasan nasabah.

Dalam pengendalian risiko reputasi, satuan kerja yang berfungsi sebagai *corporate secretary* bertanggung jawab dalam penerapan kebijakan yang berkaitan dengan penanganan dan penyelesaian berita negatif atau menghindari informasi kontra produktif serta untuk menjalankan fungsi *Public Service Obligation* (PSO) dalam rangka melaksanakan tanggung jawab sosial perusahaan (*corporate social responsibility*).

**47. RISK MANAGEMENT (continued)**

**Legal Risk**

*Legal risk measurement is conducted together by Risk Management Division and Legal Division based on the evaluation report resulting from the analysis of individual legal cases on contingent liabilities arising from legal litigation.*

*Legal risk monitoring is conducted by Legal Division to evaluate the effectiveness of policies, procedures and compliance with the Bank's policies and prevailing laws and regulations. Periodic monitoring is conducted on all legal risk exposures.*

*To mitigate legal risk, Legal Division provides legal advice and recommendation to each division and risk taking units and also conducts a regular review of agreements and partnership contracts with counterparty.*

**Reputational Risk**

*Reputational risk is identified an inherent risk factors associated to functional activities including disclosure requirements, customer complaints against the Bank, employee attitude when providing services to customers and the Bank's communication systems.*

*Reputation risk measurement is based on the results of assessment on the reputation risk factors. Bank reputation risk is managed by CSD and being reported to Bank Indonesia by Customer Care Division (CCD).*

*In order to monitor reputational risk, the Bank developed an application called Customer Complaint System (CCS) to support customer service and complaint handling that allows online complaints handling process between the parties related to the issues at branch offices and head office. This will be useful to ensure sustained customer satisfaction.*

*CSD is responsible for implementing policies related to managing and settling negative issues or avoiding counter-productive information and performs the Public Service Obligation (PSO) function in connection with carrying out corporate social responsibility.*

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Reputasi (lanjutan)**

Kegiatan *Corporate Social Responsibility* tidak terfokus kepada kegiatan *charity* saja, tetapi juga dalam bentuk program yang berkesinambungan. Hal ini dapat diwujudkan dalam bentuk pemberian kredit subsidi dan pelaksanaan Program Kemitraan dan Bina Lingkungan (PKBL).

**Risiko Strategik**

Risiko Strategik merupakan risiko akibat ketidaktepatan Bank dalam pengambilan dan/atau pelaksanaan suatu keputusan strategik serta kegagalan dalam mengantisipasi perubahan lingkungan bisnis. Identifikasi risiko strategik dilakukan berdasarkan atas faktor-faktor risiko strategik pada aktivitas fungsional tertentu, seperti aktivitas perkreditan, treasuri dan investasi, serta operasional dan jasa melalui *business plan* yang disusun oleh *Strategy and Performance Management Division* (SPMD) sebagaimana yang dijabarkan dalam Kebijakan Umum Direksi (KUD).

Pengukuran Risiko Strategik dan parameter pengukurannya dilakukan berdasarkan kinerja Bank yaitu dengan membandingkan hasil aktual dengan target yang telah ditetapkan. Pemantauan risiko strategik dilakukan oleh SPMD secara berkala dengan memonitor pencapaian *Key Performance Indicator* dan *risk exposure* dibandingkan dengan *risk appetite* bank.

Selanjutnya, Dewan Komisaris, Direksi, Divisi dan Kantor Cabang me-*review* strategi dasar yang fokus pada perubahan-perubahan antara lain struktur organisasi Bank, perkreditan komersial, pembiayaan perdagangan, treasuri, operasional dan kekuatan serta kelemahan sistem teknologi informasi.

Dalam pengendalian risiko strategik, *Strategy & Performance Management Division* (SPMD) berfungsi menganalisa laporan aktual dan target rencana bisnis dan menyampaikannya kepada Direksi secara berkala.

**Risiko Kepatuhan**

Risiko Kepatuhan merupakan risiko yang timbul akibat Bank tidak mematuhi dan/atau tidak melaksanakan peraturan perundang-undangan dan ketentuan yang berlaku. Dalam mengidentifikasi risiko kepatuhan, *Compliance Division* (CMPD) melakukan kajian terkait dengan eksposur Risiko Kepatuhan terhadap ketentuan eksternal yang melekat pada ketentuan internal. Di samping itu, CMPD menganalisis kejadian yang menyebabkan timbulnya risiko kepatuhan dan menginformasikan hal tersebut ke RMD dan RMC untuk di-*review*.

**47. RISK MANAGEMENT (continued)**

**Reputational Risk (continued)**

*Corporate Social Responsibility* is not focused only on *charity*, but also in the form of a sustainable program. This can be realized in the form of credit subsidies and implementation of the Partnership and Community Development Program (PCDP).

**Strategic Risk**

*Strategic risk* is the risk arising from the inaccuracies in the decision making and/or the execution of a strategic decision and failure to anticipate changes in the business environment. Strategic Risk identification is based on the strategic risk factors on specific functional activities, such as lending, treasury and investment activities, as well as operations and services through a business plan prepared by the Strategy and Performance Management Division (SPMD) as elaborated in the General Policy of the BOD.

*Strategic risk* and parameter measurement are based on the Bank's performance by comparing actual results with targets that have been set. Strategic risk monitoring is carried out by SPMD periodically to monitor the achievement of Key Performance Indicator and risk exposure compared to the Bank's risk appetite.

Furthermore, the BOC, BOD, Divisions and Branch Offices are reviewing the basic strategy that focuses on changes in among others, the organizational structure of the Bank, commercial lending, trade finance, treasury, operations and the strengths and weaknesses of information technology systems.

In controlling strategic risk, the Strategy & Performance Management Division (SPMD) analyzes actual results against target and periodically reports to the BOD.

**Compliance Risk**

*Compliance risk* is the risk arising from the Bank's inability to comply and/or carry out laws and regulations. In identifying compliance risks, Compliance Division (CMPD) conducts a review regarding compliance risk associated with exposure to external provision inherent in internal regulations. In addition, CMPD analyzes the events that led to the emergence of risk, which are reported to and reviewed by RMD and RMC.

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**47. MANAJEMEN RISIKO (lanjutan)**

**Risiko Kepatuhan (lanjutan)**

Dalam rangka meminimalkan timbulnya Risiko Kepatuhan, *Legal Division* (LGD) telah menyediakan portal khusus yang bernama Akses Internal Manajemen Standar (AIMS) untuk memudahkan seluruh unit bisnis melakukan akses terhadap ketentuan internal Bank. Di samping itu, *Compliance Division* melakukan monitoring terhadap kejadian-kejadian yang menyebabkan timbulnya risiko kepatuhan dan menginformasikan hal tersebut ke RMD.

Pengukuran risiko kepatuhan dilakukan untuk mengukur potensi kerugian yang disebabkan oleh ketidakpatuhan dan ketidakmampuan Bank dalam memenuhi ketentuan yang berlaku. Besarnya risiko kepatuhan diestimasi berdasarkan kemampuan Bank untuk memenuhi seluruh peraturan pada waktu yang lampau dan yang akan datang. Kegiatan-kegiatan ini termasuk mereviu semua penalti, litigasi, dan keluhan yang pernah diterima Bank.

Dalam pemantauan risiko kepatuhan, RMD dan CMPD bertugas untuk mengevaluasi efektivitas implementasi manajemen risiko dengan memantau secara berkala seluruh jenis kegiatan yang berpotensi menimbulkan risiko kepatuhan.

Secara berkala, IAD melakukan pemantauan terhadap hasil tindak lanjut audit baik dari intern maupun ekstern. BRO memastikan bahwa kantor cabang telah menyelesaikan temuan/hasil pemeriksaan tersebut.

**48. NILAI WAJAR ASET DAN LIABILITAS KEUANGAN**

Tabel di bawah ini menyajikan perbandingan antara nilai tercatat dan nilai wajar dari semua aset dan liabilitas keuangan. Nilai wajar yang diungkapkan adalah berdasarkan informasi relevan yang tersedia pada tanggal 31 Desember 2019 dan 2018, dan tidak diperbaharui untuk mencerminkan perubahan dalam kondisi pasar yang telah terjadi setelah tanggal ini.

	31 Desember/December 31, 2019		31 Desember/December 31, 2018		
	Nilai Tercatat/ Carrying Value	Nilai wajar/ Fair value	Nilai Tercatat/ Carrying Value	Nilai wajar/ Fair value	
<u>Aset Keuangan</u>					<u>Financial Assets</u>
Kas	1.369.167	1.369.167	1.243.615	1.243.615	Cash
Nilai wajar melalui					Fair value through
laba rugi					profit or loss
Efek-efek	4.189.398	4.189.398	4.147.137	4.147.137	Securities
Obligasi Pemerintah	1.232.204	1.232.204	2.777.574	2.777.574	Government bonds
Tagihan Spot suku bunga	-	-	167	167	Interest rate Spot receivable
Tersedia untuk dijual					Available for sale
Efek-efek	2.615.895	2.615.895	1.503.858	1.503.858	Securities
Obligasi Pemerintah	6.147.729	6.147.729	3.904.235	3.904.235	Government bonds

**47. RISK MANAGEMENT (continued)**

**Compliance Risk (continued)**

In order to minimize the Compliance Risk, *Legal Division* (LGD) has provided a special access called *Internal Access Management Standards* (AIMS) for easy access to the internal regulations of the Bank for the entire business units. In addition, *CMPD* monitors the events that contributed to compliance risk and reports these matters to RMD.

Compliance risk is assessed by measuring the potential loss caused by the Bank's non-compliance or inability to comply with prevailing regulations. The level of compliance risk is estimated based on the Bank's ability to comply with prevailing and upcoming regulations. These activities include reviewing all penalties, litigations and complaints received by the Bank.

In monitoring compliance risk, RMD and CMPD are responsible to evaluate the effectiveness of the implementation of risk management by monitoring regularly all kinds of activities that could potentially pose a compliance risk.

Periodically, IAD monitors and follow-up results of both internal and external audits. BRO ensures that the branch offices have completed the findings/results of the related audit.

**48. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The table below summarizes the comparison between the carrying amounts and fair values of all financial assets and liabilities of the Bank. The fair values disclosed are based on relevant information available as of December 31, 2019 and 2018 and are not updated to reflect changes in market conditions which have occurred after these dates.

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**48. NILAI WAJAR ASET DAN LIABILITAS KEUANGAN (lanjutan)**

Tabel di bawah ini menyajikan perbandingan antara nilai tercatat dan nilai wajar dari semua aset dan liabilitas keuangan. Nilai wajar yang diungkapkan adalah berdasarkan informasi relevan yang tersedia pada tanggal 31 Desember 2019 dan 2018, dan tidak diperbaharui untuk mencerminkan perubahan dalam kondisi pasar yang telah terjadi setelah tanggal ini (lanjutan).

**48. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)**

The table below summarizes the comparison between the carrying amounts and fair values of all financial assets and liabilities of the Bank. The fair values disclosed are based on relevant information available as of December 31, 2019 and 2018 and are not updated to reflect changes in market conditions which have occurred after these dates (continued).

	31 Desember/December 31, 2019		31 Desember/December 31, 2018		
	Nilai Tercatat/ Carrying Value	Nilai wajar/ Fair value	Nilai Tercatat/ Carrying Value	Nilai wajar/ Fair value	
<b>Aset Keuangan</b>					<b>Financial Assets</b>
Dimiliki hingga jatuh tempo					Held to maturity
Efek-efek	1.279.378	1.238.051	197.490	199.462	Securities
Obligasi Pemerintah	3.673.668	3.752.552	2.711.329	2.721.058	Government bonds
Efek-efek yang Dibeli dengan Janji Dijual Kembali	1.875.221	1.875.221	-	-	Reverse Repo
Tagihan Akseptasi	487.052	487.052	528.148	528.148	Acceptance Receivable
Giro pada Bank Indonesia	15.512.329	15.512.329	15.417.862	15.417.862	Current accounts with Bank Indonesia
Giro pada bank lain	747.869	747.869	1.587.051	1.587.051	Current accounts with other Bank
Penempatan pada Bank Indonesia dan Bank Lain	11.097.193	11.097.193	26.464.760	26.464.760	Placements with Bank Indonesia and other Banks
Kredit yang diberikan dan Piutang Syariah					Loans and sharia financing/receivables
Konsumsi					Consumer
Pemilikan rumah	190.863.880	190.468.217	175.598.238	175.024.574	Housing loan
Non-kepemilikan Rumah	10.205.624	10.205.623	11.365.259	11.365.259	Non-housing loan
Modal Kerja	36.236.505	36.236.504	39.000.898	39.000.898	Working capital
Investasi	10.193.433	10.193.434	6.848.746	6.848.746	Investment
Sindikasi	66.433	66.433	72.541	72.541	Syndicated
Direksi dan karyawan	2.143.118	2.143.117	2.113.918	2.113.918	Directors and employees
Bunga yang masih akan diterima	3.210.772	3.210.772	2.959.502	2.959.502	Interest receivable
Aset lain-lain <sup>*)</sup>	920.408	920.408	1.100.960	1.100.960	Other assets <sup>*)</sup>
<b>Total aset keuangan</b>	<b>304.067.276</b>	<b>303.709.168</b>	<b>299.543.288</b>	<b>298.981.325</b>	<b>Total financial assets</b>
<b>Liabilitas Keuangan</b>					<b>Financial Liabilities</b>
Nilai wajar melalui laba rugi					Fair value through profit or loss
Liabilitas Spot suku bunga	-	-	152	152	Interest rate Spot liability
Liabilitas segera <sup>**)</sup>	1.803.172	1.803.172	2.092.503	2.092.503	Current liabilities <sup>**)</sup>
Simpanan nasabah					Deposits from customers
Giro	50.701.126	50.701.126	56.455.042	56.455.042	Demand deposits
Tabungan	42.274.798	42.274.798	39.117.163	39.117.163	Savings deposits
Deposito Berjangka	113.929.768	113.929.768	115.462.283	115.462.283	Time deposits
Simpanan dari Bank Lain					Deposits from other banks
Giro	10.068	10.068	19.609	19.609	Demand deposits
Deposito Berjangka	4.499.170	4.499.170	2.972.970	2.972.970	Time deposits
Efek-efek yang dijual dengan janji dibeli kembali	935.000	935.000	935.000	935.000	Securities sold under repurchase agreements
Surat berharga yang Diterbitkan	19.783.552	20.154.706	20.644.760	20.903.003	Securities issued
Liabilitas akseptasi	487.052	487.052	528.148	528.148	Acceptance Payable
Pinjaman yang diterima	22.465.657	22.130.449	15.499.493	15.499.493	Fund Borrowings
Bunga yang masih harus dibayar	630.002	630.002	630.134	630.134	Interest payables
Liabilitas lain-lain <sup>***)</sup>	4.592.582	4.592.582	5.366.155	5.366.155	Other liabilities <sup>***)</sup>
Pinjaman Subordinasi	5.999.669	6.093.868	2.999.519	2.999.519	Subordinated Loan
<b>Total liabilitas keuangan</b>	<b>268.111.616</b>	<b>268.241.761</b>	<b>262.722.931</b>	<b>262.981.174</b>	<b>Total financial liabilities</b>

\*) Terdiri dari tagihan pihak ketiga.

\*\*) Terdiri dari kewajiban kepada pihak ketiga, bagi hasil yang belum dibagikan, deposito berjangka jatuh tempo dan bunga atas deposito berjangka namun belum diambil nasabah.

\*\*\*) Terdiri atas setoran jaminan dan dana jaminan pengembang (kewajiban kepada pihak ketiga).

\*) Consists of third party receivables.

\*\*) Consists of third party payables, undistributed profit sharing, matured time deposits and interest on time deposits not collected by customers.

\*\*\*) Consists of guarantee deposits and developers' security deposits (liabilities to third party).



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**48. NILAI WAJAR ASET DAN LIABILITAS KEUANGAN (lanjutan)**

Tabel di bawah ini menyajikan instrumen keuangan yang diakui pada nilai wajar berdasarkan hirarki yang digunakan Bank untuk menentukan dan mengungkapkan nilai wajar dari instrumen keuangan:

- (i) Tingkat 1: harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses pada tanggal pengukuran;
- (ii) Tingkat 2: input selain harga kuotasian yang termasuk dalam level 1 yang dapat diobservasi untuk aset dan liabilitas, baik secara langsung atau tidak langsung;
- (iii) Tingkat 3: input yang tidak dapat diobservasi untuk aset dan liabilitas.

**48. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)**

The tables below show the financial instruments recognized at fair value based on the hierarchy used by the Bank in determining and disclosing the fair value of financial instruments:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities which are accessible at the measurement date;
- (ii) Level 2: inputs other than quoted prices included in level 1 that are observable for the assets and liabilities, either directly or indirectly;
- (iii) Level 3: inputs that are not observable for the assets and liabilities.

	31 Desember/December 31, 2019				
	Nilai Wajar/ Fair Value	Tingkat/ Level 1	Tingkat/ Level 2	Tingkat/ Level 3	
<b>Aset Keuangan</b>					<b>Financial Assets</b>
Nilai wajar melalui laba rugi					Fair value through profit or loss
Efek-efek	4.189.398	4.189.398	-	-	Securities
Obligasi Pemerintah	1.232.204	1.232.204	-	-	Government bonds
Total nilai wajar melalui laporan laba rugi	5.421.602	5.421.602	-	-	Total fair value through profit or loss
<b>Tersedia untuk dijual</b>					<b>Available-for-sale</b>
Efek-efek	2.615.895	1.943.355	672.540	-	Securities
Obligasi Pemerintah	6.147.729	6.147.729	-	-	Government bonds
Total tersedia untuk dijual	8.763.624	8.091.084	672.540	-	Total available-for-sale
<b>Dimiliki hingga jatuh tempo</b>					<b>Held-to-maturities</b>
Efek-efek	1.238.051	1.238.051	-	-	Securities
Obligasi Pemerintah	3.752.552	3.752.552	-	-	Government bonds
Efek-efek yang Dibeli dengan Janji Dijual Kembali	1.875.221	-	1.875.221	-	Securities purchased under agreement/Reverse Repo
Total dimiliki hingga jatuh tempo	6.865.824	4.990.603	1.875.221	-	Total held-to-maturities
<b>Kredit yang diberikan dan piutang</b>					<b>Loan and receivables</b>
Kredit yang diberikan, piutang dan pembiayaan Syariah - Net	249.313.328	-	241.492.625	7.820.703	Loan and sharia financing receivables
<b>Liabilitas Keuangan</b>					<b>Financial Liabilities</b>
Surat berharga yang Diterbitkan	20.154.706	-	20.154.706	-	Securities issued

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**48. NILAI WAJAR ASET DAN LIABILITAS  
KEUANGAN (lanjutan)**

Tabel di bawah ini menyajikan instrumen keuangan yang diakui pada nilai wajar berdasarkan hirarki yang digunakan Bank untuk menentukan dan mengungkapkan nilai wajar dari instrumen keuangan: (lanjutan)

**48. FAIR VALUE OF FINANCIAL ASSETS AND  
LIABILITIES (continued)**

The tables below show the financial instruments recognized at fair value based on the hierarchy used by the Bank in determining and disclosing the fair value of financial instruments: (continued)

	31 Desember/December 31, 2018				
	Nilai Wajar/ Fair Value	Tingkat/ Level 1	Tingkat/ Level 2	Tingkat/ Level 3	
<b>Aset Keuangan</b>					<b>Financial Assets</b>
Nilai wajar melalui laba rugi					Fair value through profit or loss
Efek-efek	4.147.137	4.147.137	-	-	Securities
Obligasi Pemerintah	2.777.574	2.777.574	-	-	Government bonds
Tagihan Spot suku bunga	167	167	-	-	Interest rate Spot receivable
Total nilai wajar melalui laporan laba rugi	6.924.878	6.924.878	-	-	Total fair value through profit or loss
Tersedia untuk dijual					Available-for-sale
Efek-efek	1.503.858	947.830	556.028	-	Securities
Obligasi Pemerintah	3.904.235	3.904.235	-	-	Government bonds
Total tersedia untuk dijual	5.408.093	4.852.065	556.028	-	Total available-for-sale
Dimiliki hingga jatuh tempo					Held-to-maturities
Efek-efek	199.462	199.462	-	-	Securities
Obligasi Pemerintah	2.721.058	2.721.058	-	-	Government bonds
Total dimiliki hingga jatuh tempo	2.920.520	2.920.520	-	-	Total held-to-maturities
Kredit yang diberikan dan piutang					Loan and receivables
Kredit yang diberikan, piutang dan pembiayaan Syariah - Neto	234.425.936	-	230.802.008	3.623.928	Loan and sharia financing receivables - Net
<b>Liabilitas Keuangan</b>					<b>Financial Liabilities</b>
Surat berharga yang Diterbitkan	20.903.003	-	20.903.003	-	Securities issued

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**48. NILAI WAJAR ASET DAN LIABILITAS  
KEUANGAN (lanjutan)**

**48. FAIR VALUE OF FINANCIAL ASSETS AND  
LIABILITIES (continued)**

- a. Nilai wajar aset dan kewajiban keuangan tertentu, kecuali efek-efek dan Obligasi Pemerintah yang dimiliki hingga jatuh tempo, kredit yang diberikan, pinjaman yang diterima, dan surat berharga yang diterbitkan, mendekati nilai tercatatnya karena mempunyai jangka waktu jatuh tempo yang singkat.

- a. *The fair values of certain financial assets and liabilities, except for securities and Government Bonds classified as held to maturity, loans, fund borrowings, and marketable securities issued approximate to their carrying values due to their short-term maturities.*

Estimasi nilai wajar terhadap aset keuangan tertentu ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga pasar uang yang berlaku untuk utang dengan risiko kredit dan sisa jatuh tempo yang serupa.

*The estimated fair values of certain financial assets are determined based on discounted cash flows using money market interest rates for debt instruments with similar credit risk and remaining maturities.*

Estimasi nilai wajar terhadap kewajiban keuangan tertentu yang tidak memiliki kuotasi di pasar aktif ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga utang baru dengan sisa jatuh tempo yang serupa.

*The estimated fair values of certain financial obligations which are not quoted in an active market are determined based on discounted cash flows using interest rates of instruments with similar remaining maturities.*

- b. Kredit yang diberikan

- b. *Loans*

Portofolio kredit Bank secara umum terdiri dari kredit yang diberikan dengan suku bunga mengambang dan kredit yang diberikan dengan jangka pendek dengan suku bunga tetap. Kredit yang diberikan dinyatakan berdasarkan *amortized cost*. Nilai wajar dari kredit yang diberikan menunjukkan nilai diskon dari perkiraan arus kas masa depan yang diharapkan akan diterima oleh Bank dengan menggunakan suku bunga pasar saat ini.

*Generally, the Bank's loan portfolio consists of loans with variable interest rate and short-term loans with fixed interest rate. Loans are stated at amortized cost. The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received by the Bank using the current market rates.*

Nilai tercatat dari kredit yang diberikan dengan suku bunga mengambang dan nilai tercatat atas kredit jangka pendek dengan suku bunga tetap adalah perkiraan yang layak atas nilai wajar.

*The carrying amounts of variable rate loans and short-term fixed rate loans are the reasonable approximation of their fair values.*

- c. Efek-efek dan Obligasi Pemerintah

- c. *Securities and Government Bonds*

Nilai wajar untuk surat-surat berharga dan Obligasi Pemerintah yang dimiliki hingga jatuh tempo ditetapkan berdasarkan harga pasar atau harga kuotasi perantara (broker)/pedagang efek (dealer). Jika informasi ini tidak tersedia, nilai wajar diestimasi dengan menggunakan harga pasar kuotasi efek yang memiliki karakteristik kredit, jatuh tempo dan *yield* yang serupa atau dinilai dengan menggunakan metode penilaian internal.

*The fair values of held-to-maturity marketable securities and Government Bonds are based on the market prices or broker/dealer price quotations. When this information is not available, the fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics or using internal valuation model.*

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**48. NILAI WAJAR ASET DAN LIABILITAS KEUANGAN (lanjutan)**

- d. Surat-surat berharga yang diterbitkan, pinjaman yang diterima dan pinjaman subordinasi

Nilai wajar agregat berdasarkan model diskonto arus kas menggunakan tingkat suku bunga pasar untuk sisa periode jatuh temponya.

**48. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)**

- d. Securities issued, fund borrowings and subordinated loan

The aggregate fair values are based on discounted cash flow model using current market rate for the remaining term to maturity.

**49. LABA PER SAHAM**

Rekonsiliasi faktor-faktor penentu perhitungan laba per saham dasar untuk tahun yang berakhir tanggal 31 Desember 2019 dan 2018, adalah sebagai berikut:

**49. EARNINGS PER SHARE**

The reconciliation of the factors used in calculating the basic earnings per share, for the year ended December 31, 2019 and 2018, are as follows:

	<b>31 Desember/ December 31, 2019</b>		
(i) Laba tahun berjalan	209.263	(a)	Income for the year (i)
(ii) Rata-rata tertimbang saham biasa yang beredar	10.590.000	(b)	Weighted average (ii) number of shares outstanding
(iii) Laba per saham dasar	20	(a/b)	Basic earnings per share (iii)

	<b>31 Desember/ December 31, 2018</b>		
(i) Laba tahun berjalan	2.807.923	(a)	Income for the year (i)
(ii) Rata-rata tertimbang saham biasa yang beredar	10.590.000	(b)	Weighted average (ii) number of shares outstanding
(iii) Laba per saham dasar	265	(a/b)	Basic earnings per share (iii)

**50. PERJANJIAN DAN KONTINJENSI SIGNIFIKAN**

a. Perjanjian Signifikan

Pada tanggal 23 Desember 2019, Bank mengadakan perjanjian dengan PT Taruna Bangun Perkasa sehubungan dengan Renovasi Mekanikal Elektrikal Gedung KC Depok dengan nilai kontrak sebesar Rp5.350.

Pada tanggal 11 Desember 2019, Bank mengadakan perjanjian dengan PT Aleksa Putra Sejati sehubungan dengan Renovasi dan Relayout KC Ciputat dengan nilai kontrak sebesar Rp5.340.

Pada tanggal 7 Oktober 2019, Bank mengadakan perjanjian dengan PT Aleksa Putra Sejati sehubungan dengan Renovasi dan Relayout Gedung KC Malang dengan nilai kontrak sebesar Rp5.250.

**50. SIGNIFICANT AGREEMENTS AND CONTINGENCIES**

a. Significant Agreements

On September 23, 2019, the Bank signed an agreement with PT Taruna Bangun Perkasa in relation to electrical mechanical renovation of Bank BTN KC Depok with contract value of Rp5,350.

On December 11, 2019, the Bank signed an agreement with PT Aleksa Putra Sejati in relation to renovation and relayout of Bank BTN KC Ciputat with contract value of Rp5,340.

On October 7, 2019, the Bank signed an agreement with PT Aleksa Putra Sejati in relation to renovation and relayout of Bank BTN KC Malang with contract value of Rp5,250.

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**50. PERJANJIAN DAN KONTINJENSI SIGNIFIKAN  
(lanjutan)**

a. Perjanjian Signifikan (lanjutan)

Pada tanggal 23 September 2019, Bank mengadakan perjanjian dengan PT Casa Prima Indonesia sehubungan dengan Renovasi Gedung Bank BTN KC Jakarta Kuningan dengan nilai kontrak sebesar Rp5.285.

Pada tanggal 9 Januari 2019, Bank mengadakan perjanjian dengan PT Casa Prima Indonesia sehubungan dengan Renovasi dan Relayout Gedung Bank BTN KC Pekanbaru dengan nilai kontrak sebesar Rp5.930.

Pada tanggal 7 Januari 2019, Bank mengadakan perjanjian dengan PT Emerio Indonesia sehubungan dengan Pengadaan Implementasi Sistem PSAK 71 selama 175 (seratus tujuh puluh lima hari) dengan masa garansi 10 (sepuluh) bulan dengan nilai kontrak sebesar Rp8.000.

Pada tanggal 21 Mei 2018, Bank mengadakan perjanjian dengan PT Binayasa Putra Batara sehubungan dengan pengelolaan gedung Menara Bank BTN selama tiga tahun dengan nilai kontrak sebesar Rp62.123.

Pada tanggal 20 April 2018, Bank mengadakan perjanjian dengan PT Integra Dayacipta Grahatama sehubungan dengan renovasi LC lantai 2, 3, 4, dan 5 Gedung Exitama dengan nilai kontrak sebesar Rp8.235.

Pada tanggal 6 Desember 2018, Bank BTN mengadakan perjanjian dengan PT Halik Selindo Alpha sehubungan dengan pengadaan perangkat contact center dengan nilai kontrak sebesar Rp4.950.

b. Liabilitas Kontinjensi

Dalam melakukan usahanya, Bank menghadapi berbagai perkara hukum dan tuntutan di mana Bank sebagai tergugat, terutama sehubungan dengan kepatuhan dengan kontrak. Walaupun belum ada kepastian yang jelas, Bank berpendapat bahwa berdasarkan informasi yang ada dan keputusan terakhir dari perkara bahwa tuntutan hukum ini tidak akan berdampak secara material pada operasi, posisi keuangan atau tingkat likuiditas Bank.

**50. SIGNIFICANT AGREEMENTS AND  
CONTINGENCIES (continued)**

a. Significant Agreements (continued)

*On September 23, 2019, the Bank signed an agreement with PT Casa Prima Indonesia in relation to renovation of Bank BTN KC Jakarta Kuningan with contract value of Rp5,285.*

*On January 9, 2019, the Bank signed an agreement with PT Casa Prima Indonesia in relation to renovation and relayout of Bank BTN KC Pekanbaru with contract value of Rp5,930.*

*On January 7, 2019, the Bank signed an agreement with PT Emerio Indonesia in relation to procurement of system Implementation for PSAK 71 for 175 (one hundred seventy five) days with guaranteed time of 10 (ten) month land with contract value of Rp8,000.*

*On May 21, 2018, the Bank signed an agreement with PT Binayasa Putra Batara in relation to provide maintenance of Menara Bank BTN Building for 3 years with a contract value amounting to Rp62,123.*

*On April 20, 2018, the Bank signed an agreement with PT Integra Dayacipta Grahatama in relation to provide LC renovation of 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> floor Gedung Exitama with a contract value amounting to Rp8,235.*

*On December 6, 2018, the Bank signed an agreement with PT Halik Selindo Alpha in relation to provide procurement contact center device with a contract value amounting to Rp4,950.*

b. Contingent Liabilities

*In conducting its business, the Bank is a defendant with various litigation proceedings and legal claims mainly with respect to matters of contractual compliance. Although there is no clear assurance yet, the Bank believes that based on information currently available, the ultimate resolution of these legal proceedings and legal claims will not likely have a material effect on the operations, financial position or liquidity level of Bank.*

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**50. PERJANJIAN DAN KONTINJENSI SIGNIFIKAN  
(lanjutan)**

b. Liabilitas Kontinjensi (lanjutan)

Jumlah klaim terhadap Bank atas tuntutan hukum yang belum selesai pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp7.984 dan Rp7.984. Pada tanggal-tanggal 31 Desember 2019 dan 2018, Bank telah membentuk cadangan (disajikan dalam akun "Liabilitas Imbalan Kerja dan Lain-lain") untuk sejumlah tuntutan hukum yang belum diputuskan masing-masing adalah sebesar Rp7.984 dan Rp7.984. Manajemen berpendapat bahwa jumlah cadangan yang dibentuk atas kemungkinan timbulnya kerugian akibat tuntutan hukum yang belum diputuskan atau masih dalam proses tersebut telah memadai.

**50. SIGNIFICANT AGREEMENTS AND  
CONTINGENCIES (continued)**

b. *Contingent Liabilities (continued)*

*The Bank's total potential financial exposure arising from outstanding lawsuits as of December 31, 2019 and 2018 amounted to Rp7,984 and Rp7,984, respectively. As of December 31, 2019 and 2018, Bank has established an allowance (included in "Employee Benefits and Other Liabilities") for several pending lawsuits filed against Bank amounted to Rp7,984 and Rp7,984. Management believes that the allowance is adequate to cover possible losses arising from pending litigations or legal claims that are currently in progress.*

**51. PERNYATAAN STANDAR AKUNTANSI  
KEUANGAN YANG DIKELUARKAN DAN  
DIREVISI**

Berikut ini ikhtisar beberapa Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan (DSAK) - IAI yang relevan untuk Bank, namun belum berlaku efektif untuk laporan keuangan 31 Desember 2019:

- a. PSAK 71: Instrumen Keuangan, yang diadopsi dari IFRS 9, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan.

PSAK ini mengatur klasifikasi dan pengukuran instrumen keuangan berdasarkan karakteristik dari arus kas kontraktual dan model bisnis entitas; metode kerugian kredit ekspektasian untuk penurunan nilai yang menghasilkan informasi yang lebih tepat waktu, relevan dan dimengerti oleh pemakai laporan keuangan; akuntansi untuk lindung nilai yang merefleksikan manajemen risiko entitas lebih baik dengan memperkenalkan persyaratan yang lebih umum berdasarkan pertimbangan manajemen.

**51. REVISED AND ISSUED STATEMENTS OF  
FINANCIAL ACCOUNTING STANDARDS**

*The following summarizes the Several Statement of Financial Accounting Standards (SFAS) and the Interpretation of Financial Accounting Standards (IFAS) which were issued by the Financial Accounting Standards Board (FASB) and are relevant to the Bank, but not yet effective to the Bank on financial statements as of December 31, 2019:*

- a. *SFAS 71: Financial Instruments, adopted from IFRS 9, effective January 1, 2020 with earlier application.*

*This SFAS provides for classification and measurement of financial instruments based on the characteristics of contractual cash flows and business model of the entity; expected credit loss impairment model that resulting information more timely, relevant and understandable to users of financial statements; accounting for hedging that reflect that entity's risk management better by introduce a more general requirements based on management's judgement.*

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**51. PERNYATAAN STANDAR AKUNTANSI KEUANGAN YANG DIKELUARKAN DAN DIREVISI (lanjutan)**

Berikut ini ikhtisar beberapa Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan (DSAK) - IAI yang relevan untuk Bank, namun belum berlaku efektif untuk laporan keuangan 31 Desember 2019: (lanjutan)

- b. PSAK 72: Pendapatan dari Kontrak dengan Pelanggan, yang diadopsi dari IFRS 15, berlaku sejak 1 Januari 2020 dengan penerapan dini diperkenankan.

PSAK ini adalah standar tunggal untuk pengakuan pendapatan yang merupakan hasil dari *joint project* yang sukses antar Dewan Standar Akuntansi Internasional dan Dewan Standar Akuntansi Keuangan, mengatur model pengakuan pendapatan dari kontrak dengan pelanggan, sehingga entitas diharapkan dapat melakukan analisis sebelum mengakui pendapatan.

- c. PSAK 73: Sewa, yang diadopsi dari IFRS 16, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan untuk entitas yang juga telah menerapkan PSAK 72: Pendapatan dari Kontrak dengan Pelanggan.

PSAK ini menetapkan prinsip pengakuan, pengukuran, penyajian, dan pengungkapan atas sewa dengan memperkenalkan model akuntansi tunggal dengan mensyaratkan untuk mengakui aset hak-guna (*right-of-use assets*) dan liabilitas sewa. Terdapat 2 pengecualian opsional dalam pengakuan aset dan liabilitas sewa, yakni untuk: (i) sewa jangka-pendek dan (ii) sewa yang aset dasarnya (*underlying assets*) bernilai rendah.

- d. Amendemen PSAK 62: Kontrak Asuransi tentang Menerapkan PSAK 71 Instrumen Keuangan dengan PSAK 62 Kontrak Asuransi, berlaku efektif 1 Januari 2020

Amandemen ini mengizinkan asurandur yang memenuhi kriteria tertentu untuk menerapkan pengecualian sementara dari PSAK 71 (*deferral approach*) atau memilih untuk menerapkan pendekatan berlapis (*overlay approach*) untuk aset keuangan yang ditetapkan.

**51. REVISED AND ISSUED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (continued)**

The following summarizes the Several Statement of Financial Accounting Standards (SFAS) and the Interpretation of Financial Accounting Standards (IFAS) which were issued by the Financial Accounting Standards Board (FASB) and are relevant to the Bank, but not yet effective to the Bank on financial statements as of December 31, 2019: (continued)

- b. PSAK 72: Revenue from Contracts with Customers, adopted from IFRS 15, effective January 1, 2020 with earlier application is permitted.

This SFAS is a single standards that a joint project between the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB), provides revenue recognition from contracts with customers, and the entity is expected to have analyzing before recognizing the revenue.

- c. SFAS 73: Leases, adopted from IFRS 16, effective January 1, 2020 with earlier application is permitted, but not before an entity applies SFAS 72: Revenue from Contracts with Customers.

This SFAS establish the principles of recognition, measurement, presentation, and disclosure of the lease by introducing a single accounting model, with the requirement to recognize the *right-of-use assets* and liability of the lease; there are 2 optional exclusions in the recognition of the lease assets and liabilities: (i) short-term lease and (ii) lease with low-value underlying assets.

- d. Amendments to SFAS 62: Insurance Contract on Applying PSAK 71 Financial Instruments with SFAS 62 Insurance Contract, effective January 1, 2020.

This amendments allows those who meet certain criteria to apply a temporary exclusion of SFAS 71 (*deferral approach*) or choose to implement *overlay approach* for financial assets designated.

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**51. PERNYATAAN STANDAR AKUNTANSI  
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DIREVISI (lanjutan)**

Berikut ini ikhtisar beberapa Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan (DSAK) - IAI yang relevan untuk Bank, namun belum berlaku efektif untuk laporan keuangan 31 Desember 2019: (lanjutan)

- e. Amandemen PSAK 1: Penyajian Laporan Keuangan tentang Definisi Material dan Amandemen PSAK 25: Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan tentang Definisi Material, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan.

Amandemen ini mengklarifikasi definisi material dengan tujuan untuk menyelaraskan definisi yang digunakan dalam kerangka konseptual dan beberapa PSAK yang relevan. Amendemen tersebut juga memberikan panduan yang lebih jelas terkait definisi material dalam konteks *over disclosure* karena perubahan ambang batas (thresholds) dari definisi material tersebut. Secara garis besar, amandemen PSAK 1 dan PSAK 25:

- menambahkan istilah "obscuring" (pengaburan), penjelasan dan contoh mengenai istilah tersebut;
- mengubah istilah "dapat mempengaruhi" menjadi "diperkirakan cukup dapat mempengaruhi" dalam konteks pengambilan keputusan oleh pengguna utama;
- mengubah istilah "pengguna" menjadi "pengguna utama" dalam konteks pengguna laporan keuangan dan terdapat penambahan penjelasan terkait pengguna utama tersebut.

**51. REVISED AND ISSUED STATEMENTS OF  
FINANCIAL ACCOUNTING STANDARDS  
(continued)**

The following summarizes the Several Statement of Financial Accounting Standards (SFAS) and the Interpretation of Financial Accounting Standards (IFAS) which were issued by the Financial Accounting Standards Board (FASB) and are relevant to the Bank, but not yet effective to the Bank on financial statements as of December 31, 2019: (continued)

- e. Amendments to SFAS 1: Presentation of Financial Statements on Material Definitions and Amendments to SFAS 25: Accounting Policies, Changes in Accounting Estimates and Errors on Material Definition, effective January 1, 2020 with earlier application permitted.

This amendment clarifies the definition of material with the aim of harmonizing the definitions used in the conceptual framework and some relevant SFAS. The amendment also provides clearer guidance regarding the definition of material in the context of *over disclosure* due to changes in the thresholds of the material definition. Broadly speaking, amendments to SFAS 1 and SFAS 25:

- add the term "obscuring" (explanation), explanation and examples of the term;
- changing the term "can affect" to be "reasonably expected to affect" in the context of decision making by key users;
- change the term "user" to "main user" in the context of financial statement users and there are additional explanations regarding the main user.



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**51. PERNYATAAN STANDAR AKUNTANSI KEUANGAN YANG DIKELUARKAN DAN DIREVISI (lanjutan)**

Berikut ini ikhtisar beberapa Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan (DSAK) - IAI yang relevan untuk Bank, namun belum berlaku efektif untuk laporan keuangan 31 Desember 2019: (lanjutan)

- f. Amandemen PSAK 22: Definisi Bisnis, berlaku efektif 1 Januari 2021. Amandemen ini dikeluarkan untuk membantu entitas menentukan apakah serangkaian kegiatan dan aset yang diperoleh adalah bisnis atau tidak. Mereka mengklarifikasi persyaratan minimum untuk bisnis, menghapus penilaian apakah pelaku pasar mampu mengganti elemen yang hilang, menambah panduan untuk membantu entitas menilai apakah proses yang diperoleh adalah substantif, mempersempit definisi bisnis dan output, dan memperkenalkan uji konsentrasi nilai wajar opsional. Contoh ilustratif baru diberikan bersama dengan amandemen.

Bank masih dalam proses finalisasi perhitungan dampak dari pernyataan Standar Akuntansi Keuangan tersebut terhadap laporan keuangan Bank.

**51. REVISED AND ISSUED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (continued)**

The following summarizes the Several Statement of Financial Accounting Standards (SFAS) and the Interpretation of Financial Accounting Standards (IFAS) which were issued by the Financial Accounting Standards Board (FASB) and are relevant to the Bank, but not yet effective to the Bank on financial statements as of December 31, 2019: (continued)

- f. Amendments to SFAS 22: Definition of Business, effective from January 1, 2021. These amendments were issued to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

The Bank is still in the process of finalizing the impact of those accounting standards on its financial statements.

**52. TAMBAHAN INFORMASI ARUS KAS**

Perubahan pada liabilitas yang timbul dari aktivitas pendanaan pada laporan arus kas adalah sebagai berikut:

	Arus Kas/Cash Flow					
	31 Desember/ December 31, 2017	Penerimaan/ Receipts	Pembayaran/ Payment	Perubahan Non-Kas/ Non-Cash Changes	31 Desember/ December 31, 2018	
Surat Berharga yang Diterbitkan	20.480.459	3.660.000	(3.520.000)	24.301	20.644.760	Securities Issued
Efek-efek yang Dijual dengan Janji Dibeli Kembali	1.385.000	-	(450.000)	-	935.000	Securities Sold Under Repurchase Agreements
Pinjaman yang Diterima	7.991.053	7.550.287	(36.490)	(5.357)	15.499.493	Fund Borrowings
<b>Total</b>	<b>29.856.512</b>	<b>11.210.287</b>	<b>(4.006.490)</b>	<b>18.944</b>	<b>37.079.253</b>	<b>Total</b>

	Arus Kas/Cash Flow					
	31 Desember/ December 31, 2018	Penerimaan/ Receipts	Pembayaran/ Payment	Perubahan Non-Kas/ Non-Cash Changes	31 Desember/ December 31, 2019	
Surat Berharga yang Diterbitkan	20.644.760	4.144.000	(5.122.930)	117.722	19.783.552	Securities Issued
Pinjaman yang Diterima	15.499.493	11.001.654	(4.020.720)	(14.770)	22.465.657	Fund Borrowings
Pinjaman Subordinasi	2.999.519	2.999.950	-	200	5.999.669	Subordinated Loan
<b>Total</b>	<b>39.143.772</b>	<b>18.145.604</b>	<b>(9.143.650)</b>	<b>103.152</b>	<b>48.248.878</b>	<b>Total</b>

**52. SUPPLEMENTARY CASH FLOW INFORMATION**

Changes in liabilities arising from financing activities in the cash flow statement are as follows:

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Tanggal 31 Desember 2019 dan untuk  
Tahun yang Berakhir pada Tanggal Tersebut  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BANK TABUNGAN NEGARA (PERSERO) TBK  
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(Expressed in millions of Rupiah,  
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**53. INFORMASI TAMBAHAN**

- a. Pada tanggal 31 Desember 2019 dan 2018, rasio aset produktif yang diklasifikasikan *non-performing* terhadap jumlah aset produktif (*non-performing ratio*) masing-masing adalah sebesar 4,42% dan 2,65%.
- b. Pada tanggal 31 Desember 2019 dan 2018, rasio jumlah cadangan kerugian penurunan nilai aset keuangan yang telah dibentuk berdasarkan PSAK No. 55 (Revisi 2014) terhadap jumlah minimum cadangan kerugian penurunan nilai aset keuangan sesuai ketentuan Otoritas Jasa Keuangan masing-masing sebesar 100,84% dan 65,47%.

**54. PERISTIWA SETELAH TANGGAL PERIODE PELAPORAN**

Pada tanggal 23 Januari 2020, Bank telah menerbitkan obligasi subordinasi sebesar USD300 juta atau ekuivalen Rp4.089.000 dengan tenor 5 tahun dan bunga 4,2% per tahun dan dicatatkan di Bursa Efek Singapura.

Sampai dengan tanggal laporan ini, Bank masih menunggu persetujuan dari OJK untuk dapat memperhitungkan obligasi ini sebagai komponen modal inti tambahan dalam perhitungan Rasio Kewajiban Penyedia Modal Minimum.

Biaya penerbitan obligasi subordinasi tersebut sebesar Rp17.651 dicatat mengurangi nilai obligasi subordinasi dan akan diamortisasi sampai dengan tanggal jatuh tempo.

**55. PENYELESAIAN LAPORAN KEUANGAN**

Manajemen Bank bertanggung jawab penuh terhadap penyajian laporan keuangan terlampir yang diselesaikan dan disetujui untuk diterbitkan pada tanggal 14 Februari 2020.

**53. ADDITIONAL INFORMATION**

- a. As of December 31, 2019 and 2018, the Bank's *non-performing assets to total earning assets (non-performing ratio)* are 4.42% and 2.65%, respectively.
- b. As of December 31, 2019 and 2018, the ratio of allowance for impairment losses on financial assets based on SFAS No. 55 (Revised 2014) to minimum allowance for impairment losses based on Financial Service Authority regulation is 100.84% and 65.47%, respectively.

**54. EVENT AFTER THE REPORTING DATE**

On January 23, 2020, the Bank issued subordinated bonds with a total nominal value of USD300 million or the equivalent to Rp4,089,000, with tenor of 5 years and interest of 4.2% per annum and listed in the Singapore Stock Exchange.

Until the date of this report, the Bank is still waiting for OJK's approval to include this subordinated bonds as component of additional tier 1 of Capital in the Calculation of Required Capital Adequacy Ratio.

The issuance costs of the subordinated bonds amounting to Rp17,651 was recorded as deduction to the amount of the subordinated bonds and amortised until the maturity date.

**55. COMPLETION OF THE FINANCIAL STATEMENTS**

The management of the Bank is fully responsible for the preparation of the accompanying Financial Statements which were completed and authorized for issuance on February 14, 2020.



# CROSS REFERENCE OF ARA'S CRITERIA 2018

	Criteria	Explanation	Page
<b>I</b>	<b>GENERAL</b>		✓
1	The annual report is presented in good and correct Indonesian and also recommended in English		
2	Annual reports is printed in good quality and use easy-to-read type and letter sizes		✓
3	The annual report clearly identifies the identity of the company		✓
5	Name of company and year of annual report shown on:	<ol style="list-style-type: none"> <li>1. Front cover;</li> <li>2. Side;</li> <li>3. Back cover; and</li> <li>4. Every page.</li> </ol>	✓
4	Information on the Company Website including the latest annual report and at least for the last 4 years.		✓
<b>II</b>	<b>SUMMARY OF IMPORTANT FINANCIAL DATA</b>		
	Information on business results of the company in the form of comparison for 3 (three) financial years, or since starting business if the Company's business activities are less than 3 (three) years	<p>Information includes among others:</p> <ol style="list-style-type: none"> <li>1. Sales/operating revenues;</li> <li>2. Profit and loss);</li> <li>3. Attributed to the owner of the parent;</li> <li>4. Attributed to non-controlling interests;</li> <li>5. Comprehensive income for the current period;</li> <li>6. Attributed to the owner of the parent;</li> <li>7. Attributed to non-controlling interests;</li> <li>8. Earnings (loss) per share.</li> </ol> <p>Note: If the company does not have a subsidiary, the company presents the total current profit (loss) and total income for the current year.</p>	12-14
2	Company's financial position information in the form of comparison for 3 (three) financial years, or since starting business if the Company's business activities are less than 3 (three) years	<p>Information includes among others:</p> <ol style="list-style-type: none"> <li>1. Amount of investment in associate entity;</li> <li>2. Total assets;</li> <li>3. Amount of liabilities; and</li> <li>4. Total equity.</li> </ol>	12-14
3	Financial ratios in the form of comparisons for 3 (three) fiscal years or since the start of business business if the the Company's business activities are less than 3 (three) years	Information contains 5 (five) financial ratios that are common and relevant to the company's industry.	14-15



	Criteria	Explanation	Page
4	Stock price information in tables and graphs	<ol style="list-style-type: none"> <li>1. Number of shares outstanding;</li> <li>2. Information in tabular form which contains:               <ol style="list-style-type: none"> <li>a. Market capitalization based on the price at the Stock Exchange where the shares are listed;</li> <li>b. The highest, lowest, and closing prices are based on the price at the Stock Exchange where the shares are listed; and</li> <li>c. Stock trading volume on the Stock Exchange where the shares are listed.</li> </ol> </li> <li>3. Information in graphical form containing at least:               <ol style="list-style-type: none"> <li>a. The closing price based on the price at the Stock Exchange where the shares are listed; and</li> <li>b. Stock trading volume on the Stock Exchange where the shares are listed.</li> </ol> </li> </ol> <p>for each quarter for the last 2 (two) fiscal years.</p> <p>Note: if the company does not have market capitalization, stock price information, and stock trading volume, to be disclosed.</p>	17-24
5	Information on bonds, sukuk or convertible bonds outstanding in the last 2 (two) fiscal years	<p>Information includes:</p> <ol style="list-style-type: none"> <li>1. Number of bonds/sukuk/bonds of conversion in circulation (outstanding);</li> <li>2. Interest rate/reward;</li> <li>3. Due date; and</li> <li>4. Rating for bonds/sukuk in 2017 and 2018</li> </ol> <p>Note: if the company does not have bonds/sukuk/convertible bonds, to be disclosed.</p>	25-26
<b>III BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS REPORT</b>			
1	Board of Commissioners Report	<p>Including the following:</p> <ol style="list-style-type: none"> <li>1. Assessment of the Board of Directors' performance on the management of the company and scoring basis;</li> <li>2. A view of the business prospects of the company drawn up by the Board of Directors and the basis for their consideration;</li> <li>3. The views on the whistleblowing system (WBS) in the company and the role of the Board of Commissioners in the WBS; and</li> <li>4. Changes in the composition of the Board of Commissioners (if any) and reasons for the change.</li> </ol>	35-43
2	Board of Directors Report	<p>Including the following:</p> <ol style="list-style-type: none"> <li>1. An analysis of the company's performance, which includes among others:               <ol style="list-style-type: none"> <li>a. strategic policy;</li> <li>b. comparison between results achieved and targeted; and</li> <li>c. constraints faced by the company and its settlement measures;</li> </ol> </li> <li>2. Analysis of business prospects;</li> <li>3. The development of corporate governance in the fiscal year; and</li> <li>4. Changes in the composition of the Board of Directors members (if any) and reasons for the change.</li> </ol>	45-53



## CROSS REFERENCE OF ARA's CRITERIA 2018

	Criteria	Explanation	Page
3	Signatures of members of the Board of Commissioners and members of the Board of Directors	Including the following: 1. The signature are contained on a separate sheet; 2. A statement that the Board of Commissioners and the Board of Directors are fully responsible for the accuracy of the contents of the annual report; 3. Signed by all members of the Board of Commissioners and members of the Board of Directors by stating their names and positions; and 4. A written explanation in a separate letter from individuals in the event that there are members of the Board of Commissioners or members of the Board of Directors who do not sign the annual report, or written explanation in separate letters from other members in the absence of written explanation from the concerned.	✓
<b>IV COMPANY PROFILE</b>			
1	The full name and address of the company	The information includes: name and address, zip code, no. Tel, no. Fax, email, and website.	58-59
2	Company brief history	Includes: date/year of establishment, name, change of company name (if any), and effective date of change of company name.  Note: if the company has never changes its name, to disclose it	60-61
3	Business fields	Description of: 1. Company's business activities according to the latest articles of association; 2. Business activities carried out; and 3. Products and/or services produced.	70-83
4	Organizational structure	In the form of a chart, including the names and positions, at least up to 1 (one) level below the board of directors.	86-87
5	Vision, Mission, and Corporate Culture	Includes: 1. Company vision; 2. Company Mission; 3. Information that the vision and mission have been reviewed and approved by the Board of Directors/Board of Commissioners in the fiscal year; and 4. Statement about corporate culture owned by the company.	64-66
6	Identity and brief biography of members of the Board of Commissioners	Information includes: 1. Name; 2. Position and term of office (including position in company or other institution); 3. Age; 4. Domicile; 5. Education (Field of Study and Educational Institution); 6. Work experience (Position, Institution, and Period of Service); and 7. The history of appointment (period and position) as a member of the Board of Commissioners in the Company since first appointed.	88-93



	Criteria	Explanation	Page
7	Identity and brief biography of members of the Board of Directors	Information includes: 1. Name; 2. Position (including position in company or other institution); 3. Age; 4. Domicile; 5. Education (Field of Study and Educational Institution) 6. Work experience (Position, Institution, and Period of Service); and 7. The history of appointment (period and position) as a member of the Board of Directors in the Company since first appointed.	97-104
8	Number of employees (2 years comparative) and employee competency development data reflecting the opportunities at each level of organization	Information includes: 1. Number of employees for each level of organization; 2. Number of employees for each level of education; 3. Number of employees by employment status; 4. Data of employee competency development that has been done in the fiscal year consisting of position levels for those who participated in training, type of training, and training objectives; and 5. Employee competency development costs incurred during the fiscal year.	116-123
9	Shareholder Composition	Includes: 1. Details of the shareholder's name including the 20 largest shareholders and the percentage of ownership; 2. Shareholder details and percentage of ownership include: 3. Name of shareholder owning 5% or more shares; and 4. Groups of public shareholders with share ownership of less than 5% each. 5. Name of Directors and Commissioners as well as the percentage of ownership of shares directly and indirectly.  Note: if the Director and Commissioner have no direct and indirect shares to disclose.	124-129
10	List of subsidiaries and/or associates	In the form of the table containing information, including: 1. Name of subsidiary and/or associate; 2. Percentage of share ownership; 3. Description of the business of the subsidiary and/or associate; and 4. Description of the operating status of the subsidiary and/or associate entity (already in operation or not yet operating).	131
11	Company group structure	The group structure of the company in the form of a chart showing subsidiaries, associates, joint ventures, and special purpose vehicles (SPV).	132



## CROSS REFERENCE OF ARA's CRITERIA 2018

	Criteria	Explanation	Page
12	Chronology of shares issuance (including private placement) and/or stock listing from initial offering up to the end of the fiscal year	Includes: 1. Year of issuance, number of shares, par value of shares, and stock quotation price for each corporate action; 2. Number of shares registered after each corporate action; and 3. The name of the stock where the company's shares are listed.  Note: if the company does not have a share listing chronology, it should be disclosed.	133
13	The chronology of the issuance and/or listing of other securities from the initial publication until the end of the fiscal year	Includes: 1. Other securities name, other issuance year, other securities interest rate/reward, and maturity date of the securities; 2. The value of other securities offerings; 3. Name of exchange where other securities are listed; and 4. Securities Ranking.  Note: if the company does not have a chronology for other securities listing, to be disclosed.	134-139
14	Name and address of supporting institutions and/or professions	Information includes: 1. Name and address of BAE/party administering shares of the company; 2. Name and address of Public Accounting Firm; and 3. Name and address of the rating agency.	140-143
15	Awards received in the last fiscal year and/or certification that is still valid in the last fiscal year both nationally and internationally	Information includes: 1. Name of award and/or certificate; 2. Year of acquisition; 3. Awarding bodies and/or certificates; and 4. Validity period (for certification).	144-148
16	Names and addresses of subsidiaries and/or branch offices or representative offices (if any)	Information includes: 1. Name and address the subsidiaries; and 2. Name and address of branch offices/representatives.  Note: if the company does not have subsidiaries/branches/representatives, to be disclosed.	149-156
17	Information on the Company Website	Information includes: 1. Shareholder information up to the individual end owner; 2. Code of Ethics Content; 3. General Meeting of Shareholders (GMS) at least includes the agenda items discussed in the GMS, summaries of minutes of the GMS, and important information, namely the date of the GMS announcement, the date of the GMS call, the GMS, the date of the minutes of the GMS; 4. Separate annual financial statements (last 5 years); 5. Profile of Board of Commissioners and Board of Directors; and 6. Board of Commissioners, Directors, Committees, and Internal Audit Unit Charter.	158



	Criteria	Explanation	Page
18	Education and/or training for the Board of Commissioners, Directors, Committees, Corporate Secretary, and Internal Audit Unit	Includes at least (types and relevant parties): <ol style="list-style-type: none"> <li>1. Education and/or training for the Board of Commissioners;</li> <li>2. Education and/or training for Directors;</li> <li>3. Education and/or training for the Audit Committee;</li> <li>4. Education and/or training for the Nomination and Remuneration Committee;</li> <li>5. Education and/or training for Other Committees;</li> <li>6. Education and/or training for Corporate Secretary; and</li> <li>7. Education and/or training for the Internal Audit Unit. which is followed in the book year.</li> </ol> <p>Note: if there is no education and/or training in the fiscal year, to be disclosed</p>	159-166
<b>V MANAGEMENT DISCUSSION AND ANALYSIS ON COMPANY PERFORMANCE</b>			
1	Overview of operations per business segment	Information includes: <ol style="list-style-type: none"> <li>1. Explanation of each business segment.</li> <li>2. Per business segment performance, including:</li> <li>3. Production;</li> <li>4. Increased/decreased production capacity;</li> <li>5. Sales/operating revenues; and</li> <li>6. Profitability</li> </ol>	175-215
2	Description of the company's financial performance	Financial performance analysis which includes comparison between financial performance for the year concerned with previous year and reason for increase/decrease (in the form of narration and table), among others concerning: <ol style="list-style-type: none"> <li>1. Current assets, non-current assets, and total assets;</li> <li>2. Short-term liabilities, long-term liabilities, and total liabilities;</li> <li>3. Equity;</li> <li>4. Sales/operating revenue, expenses and profits (loss), other comprehensive income, and total profit (loss) and other comprehensive income; and</li> <li>5. Cash flow.</li> </ol>	219-256
3	Discussion and analysis of debt ability and collectibility level of the company, by presenting the calculation of relevant ratios according to the type of industrial company	Explanation of: The ability to pay the debt, both short-term and long-term; and Collectibility of receivables.	257-263
4	Discussion about capital structure and management policy on capital structure policy	Explanation of: <ol style="list-style-type: none"> <li>1. Details of capital structure consisting of interest-based/sukuk and equity debts; and</li> <li>2. Management policy on capital structure policies; and</li> <li>3. Basic selection of management policies on capital structure.</li> </ol>	263-265





## CROSS REFERENCE OF ARA's CRITERIA 2018

	Criteria	Explanation	Page
5	Discussion of material ties to capital investment (not funding ties) in the last fiscal year	<p>Explanation of:</p> <ol style="list-style-type: none"> <li>1. Name of the party making the bond;</li> <li>2. The purpose of the bond;</li> <li>3. Sources of funds expected to fulfill such commitments;</li> <li>4. Denominated currency; and</li> <li>5. Measures planned by the company to protect the risk of foreign currency positions.</li> </ol> <p>Note: if the company does not have capital investment related bonds in the last fiscal year to disclose.</p>	251-252
6	Discussion on capital goods investment realized in the last fiscal year	<p>Explanation of:</p> <ol style="list-style-type: none"> <li>1. Type of investment of capital goods;</li> <li>2. The purpose of investment of capital goods; and</li> <li>3. The investment value of capital goods issued in the last fiscal year.</li> </ol> <p>Note: if there is no realization of investment in capital goods, to disclose.</p>	266
7	Comparative information between the targets at the beginning of the fiscal year and the results achieved (realization), and the target or projection to be achieved for the coming 1 (one) year for revenue, profits, and others deemed important to the enterprise	<p>Information includes:</p> <ol style="list-style-type: none"> <li>1. Comparison between targets at the beginning of the fiscal year and the results achieved (realization); and</li> <li>2. Target or projection to be achieved 1 (one) year ahead.</li> </ol>	266-267
8	Material information and facts occurring after the date of the accountant's report	<p>Description of important events after the date of the accountant's report including impact on future performance and business risks.</p> <p>Note: if there are no important events after the date of the accountant's report, to be disclosed.</p>	266
9	A description of the business prospects of the company	Description of the company prospects attributed to industry and the economy in general along with quantitative support data from reliable data sources.	287-290
10	A description of the marketing aspects	Description of the marketing aspects of a company's products and/or services, among others, marketing strategy and market share.	216-218
11	Description on dividend policy and amount of cash dividend per share and the amount of dividend per annum announced or paid during the last 2 (two)	<ol style="list-style-type: none"> <li>1. Description of:</li> <li>2. Dividend distribution policy;</li> <li>3. Total dividends distributed;</li> <li>4. Amount of cash dividend per share;</li> <li>5. Payout ratio; and</li> <li>6. Date of announcement and payment of cash dividend. for each year.</li> </ol> <p>Note: if there is no dividend distribution, please disclose the reason.</p>	268-269



	Criteria	Explanation	Page
12	Company's existing employee and/or management shareholding (ESOP/MSOP) program for the fiscal year	<p>Description of:</p> <ol style="list-style-type: none"> <li>1. Number of shares of ESOP/MSOP and realization;</li> <li>2. Time period;</li> <li>3. Eligible employee and/or management requirements; and</li> <li>4. Exercise price.</li> </ol> <p>Note: if it does not have the intended program, to be disclosed.</p>	270-273
13	Use of proceeds from the public offering (in case the company is still required to submit a report on the realization of the use of funds)	<p>Description of:</p> <ol style="list-style-type: none"> <li>1. Total acquisition of funds;</li> <li>2. Plan for the use of funds;</li> <li>3. Details of the use of funds;</li> <li>4. Fund balance; and</li> <li>5. Date of AGM/RUPO approval on changes in use of funds (if any).</li> </ol> <p>Note: if no realization information on the use of proceeds from the public offering, to be disclosed.</p>	
14	Material transaction information containing conflict of interest and/or transaction with affiliates	<p>Description of:</p> <ol style="list-style-type: none"> <li>1. The name of the transacting party and the nature of the affiliate relationship;</li> <li>2. Explanation of the fairness of transactions;</li> <li>3. The reason for the transaction;</li> <li>4. Actual transactions during the last fiscal year;</li> <li>5. Company policy related to review mechanism of transaction; and</li> <li>6. Compliance with relevant rules and regulations.</li> </ol> <p>Note: if no such transaction, to be disclosed.</p>	273-281
15	A description of legislation changes in the last fiscal year	<p>Description of:</p> <ol style="list-style-type: none"> <li>1. The name of the changed legislation; and</li> <li>2. The impact (quantitative and/or qualitative) on the firm (if significant) or the statement that the impact is insignificant.</li> </ol> <p>Note: if there is no change in legislation that has any significant effect, to be disclosed.</p>	282
16	A description of the accounting policy changes adopted by the company in the last fiscal year	<p>Description of:</p> <ol style="list-style-type: none"> <li>1. Changes in accounting policies;</li> <li>2. Reasons for changes in accounting policies; and</li> <li>3. The quantitative impact on the financial statements.</li> </ol> <p>Note: if there is no change in accounting policy in the last fiscal year, to disclose.</p>	282-284



## CROSS REFERENCE OF ARA's CRITERIA 2018

	Criteria	Explanation	Page
17	Information on business continuity	<p>Information disclosure regarding:</p> <ol style="list-style-type: none"> <li>1. Potential issues significantly affecting the company's business sustainability during the last financial year;</li> <li>2. Management assessment for issues mentioned above;</li> <li>3. Basic assumptions used by the management in conducting the assessment.</li> </ol> <p>Note: if there is no potential issues significantly affecting the company's business sustainability during the last financial year, disclose assumptions as the management basis in believing that there is no potential issues significantly affecting the company's business sustainability during the last financial year.</p>	285-286
<b>VI Good Corporate Governance</b>			
1.	Description of the Board of Commissioners	<p>Description of:</p> <ol style="list-style-type: none"> <li>1. Description of the responsibilities of the Board of Commissioners;</li> <li>2. Assessment of the performance of each committee under the Board of Commissioners and the basis of its assessment; and</li> <li>3. Disclosure of Board Charter (Code of Conduct and Board of Commissioners).</li> </ol>	438-449
2.	Independent Commissioners (at least 30% of the total Board of Commissioners)	<p>Includes:</p> <ol style="list-style-type: none"> <li>1. Criteria for determining Independent Commissioners; and</li> <li>2. Statement on the independence of each Independent Commissioner.</li> </ol>	450-451
3.	Description of the Board of Directors	<p>Description of:</p> <ol style="list-style-type: none"> <li>1. The scope of work and responsibilities of each member of the Board of Directors;</li> <li>2. Assessment of the performance of committees under the Board of Directors (if any); and</li> <li>3. Disclosure of Board Charter (guidelines and work discipline of the Board of Directors).</li> </ol>	452-479
4.	Assessment of GCG Implementation for the fiscal year 2018 covering at least the aspect of the Board of Commissioners and the Board of Directors	<p>Includes:</p> <ol style="list-style-type: none"> <li>1. Criteria used in the assessment;</li> <li>2. The party conducting the assessment;</li> <li>3. Scoring scores for each criterion;</li> <li>4. Recommendation of assessment results; and</li> <li>5. Reason for not yet/not implementing recommendation.</li> </ol> <p>Note: if there is no GCG implementation assessment for the fiscal year 2016, to be disclosed.</p>	394-405



	Criteria	Explanation	Page
5.	Description of remuneration policy for Board of Commissioners and Board of Directors	<p>Includes:</p> <ol style="list-style-type: none"> <li>1. Disclosure of procedure up to the determination of remuneration of the Board of Commissioners;</li> <li>2. Disclosure of procedure up to the determination of the remuneration of the Board of Directors;</li> <li>3. Remuneration structure showing remuneration component and nominal amount per component for each member of the Board of Commissioners;</li> <li>4. Remuneration structure showing remuneration component and nominal amount per component for each member of the Board of Directors;</li> <li>5. Disclosure of indicators for the Board of Directors' remuneration; and</li> <li>6. Disclosure of performance bonuses, non performance bonuses, and/or stock options received by each member of the Board of Commissioners and Board of Directors (if any).</li> </ol> <p>Note: where there are no performance bonuses, non performance bonuses, and stock options received by each member of the Board of Commissioners and Board of Directors, to be disclosed.</p>	480-490
6.	Frequency and Attendance by members at Board of Commissioners meetings (at least 1 times in 2 months), Board of Directors Meetings (at least 1 time in 1 month), and Joint Meeting of Board of Commissioners with Board of Directors (minimum 1 time in 4 months)	<p>Information includes:</p> <ol style="list-style-type: none"> <li>1. Date of Meeting;</li> <li>2. Meeting participants; and</li> <li>3. Meeting agenda.</li> </ol> <p>for each meeting of the Board of Commissioners, Board of Directors, and joint meetings.</p>	490-536
7.	Information on the major and controlling shareholders, either directly or indirectly, to individual owners	<p>In the form of schematics or diagrams that separate major shareholders with controlling shareholders.</p> <p>Note: the major shareholder is a party, directly or indirectly, with at least 20% (twenty percent) of the voting rights of all voting shares issued by a Company, but not the controlling shareholder.</p>	124-125, 130-131, 408
8.	Disclosure of affiliate relationships between members of the Board of Directors, the Board of Commissioners, and the Principal and/or controlling Shareholders	<p>Includes:</p> <ol style="list-style-type: none"> <li>1. Affiliation relationships between members of the Board of Directors and other members of the Board of Directors;</li> <li>2. Affiliation relationships between members of the Board of Directors and members of the Board of Commissioners;</li> <li>3. Affiliation relationships between members of the Board of Directors and the Majority and/or Controlling Shareholders;</li> <li>4. Affiliated relationships between members of the Board of Commissioners and other members of the Board of Commissioners; and</li> <li>5. Affiliated relationships between members of the Board of Commissioners and the Majority and/or Controlling Shareholders.</li> </ol> <p>Note: if it has no such affiliate relationship, it should be disclosed.</p>	543-546



## CROSS REFERENCE OF ARA's CRITERIA 2018

	Criteria	Explanation	Page
9.	Audit Committee	Includes: 1. Name and position of audit committee members; 2. Education history (Study Field and Educational Institution) and work experience (Position, Institution, and Period of Work) of audit committee members; 3. Independence of audit committee members; 4. Description of duties and responsibilities; 5. Description of the audit committee activities in the fiscal year; and 6. The frequency of meetings and attendance of the audit committee.	550-559
10.	Nomination and/or Remuneration Committee Functions	Includes: 1. Name, position, and brief biography of nomination and/or remuneration committee members; 2. Independence of nomination and/or remuneration committee members; 3. Description of duties and responsibilities; 4. Description of the nomination and/or remuneration committee activities; 5. The frequency of meetings and the attendance of the nomination and/or remuneration committee; 6. Statement of the nomination and/or remuneration committee members guidelines; and 7. Policy on the succession of the Board of Directors.	569-589
11.	Other Committees under the Board of Commissioners	Includes: 1. Name, position, and brief biography of committee members; 2. Independence of committees; 3. Description of duties and responsibilities; 4. Description of the implementation of the activities of committees; and 5. The frequency of meetings and the attendance levels of committees.	559-568
12.	Job Description and Function of Corporate Secretary	Includes: 1. Name, and history of the corporate secretary; 2. Domicile; 3. Description of duties and responsibilities; and 4. Description on execution of the tasks of corporate secretary in the fiscal year.	603-610
13.	Description of the internal audit unit	Includes: 1. Name of the head of the internal audit unit; 2. Number of employees (internal auditors) in the internal audit unit; 3. Certification in an internal audit profession; 4. The position of the internal audit unit within the company structure; 5. Description of the internal audit unit activities in the fiscal year; and 6. Parties who appoint and dismiss the chair of the internal audit unit.	626-639



	Criteria	Explanation	Page
14.	Public Accountant	<p>Information includes:</p> <ol style="list-style-type: none"> <li>1. Name and year the public accountant who audited the annual financial statements for the last 5 years;</li> <li>2. Name and year of the Public Accounting Firm who audited the annual financial statements for the last 5 years;</li> <li>3. The amount of fee for each type of services provided by the public accountant in the last fiscal year; and</li> <li>4. Other services provided by the accountant in addition to the annual financial statement audit services in the last fiscal year.</li> </ol> <p>Note: if no other services are provided, to be disclosed.</p>	639-642
15.	Description of the company's risk management	<p>Includes:</p> <ol style="list-style-type: none"> <li>1. A description of the company's risk management system;</li> <li>2. A description of the evaluation of the effectiveness of the risk management system;</li> <li>3. A description of the risks facing the company; and</li> <li>4. Efforts to manage those risks.</li> </ol>	291-346, 620-662
16.	Description of the internal control system	<p>Includes:</p> <ol style="list-style-type: none"> <li>1. Brief explanation of the internal control system, including financial and operational controls, among others;</li> <li>2. Explanation of conformity of internal control system with internationally recognized framework (COSO - internal control framework); and</li> <li>3. An explanation of the results of reviews conducted on the implementation of the internal control system in the financial year.</li> </ol>	663-667
17.	A description of corporate social responsibility related to social responsibility governance	<ol style="list-style-type: none"> <li>1. Information on commitment to social responsibility</li> <li>2. Information on methods and scope of due diligence on the social, economic and environmental impacts from corporate activities</li> <li>3. Information on important stakeholders affected or influences impacts from corporate activities</li> <li>4. Information on important socio-economic and environmental issues related to impacts from corporate activities</li> <li>5. Information about the scope of corporate social responsibility that is both an obligation and beyond obligation</li> <li>6. Information on the company's strategies and work programs in handling social, economic and environmental issues in stakeholders engagement and increasing value for stakeholders and shareholders</li> <li>7. Information about various programs that exceeds the company's minimum responsibilities that are relevant to the ongoing business</li> <li>8. Information about financing and budgeting for social responsibility</li> </ol>	731-741



## CROSS REFERENCE OF ARA's CRITERIA 2018

	Criteria	Explanation	Page
18.	A description of corporate social responsibility related to core subject of human rights	<ol style="list-style-type: none"> <li>1. Information about social responsibility commitments and policies, core subject: Human Rights</li> <li>2. Information about the company's formulation of the scope of social responsibility, core subject: Human Rights</li> <li>3. Information about plans for corporate social responsibility in the field of Human Rights</li> <li>4. Information about implementing CSR initiatives in the field of Human Rights</li> <li>5. Information about achievements and awards for CSR initiatives in the field of of Human Rights</li> </ol>	742-743
19.	A description of corporate social responsibility related to core subject of fair operations	<ol style="list-style-type: none"> <li>1. Information about social responsibility commitments and policies, core subject: Fair operation</li> <li>2. Information about the company's formulation of the scope of social responsibility, core subject: fair operation</li> <li>3. Information about plans for corporate social responsibility in the field of fair operations</li> <li>4. Information about implementing CSR initiatives in the field of fair operations</li> <li>5. Information about achievements and awards for CSR initiatives in the field of fair operations</li> </ol>	744-745
20.	A description of corporate social responsibility related to environment	<p>Information disclosure on:</p> <ol style="list-style-type: none"> <li>1. Information about environmental commitments and policies</li> <li>2. Information about important environmental impacts and risks that are directly or indirectly related to the company</li> <li>3. Information about the 2018 target/activity plan determined by the management;</li> <li>4. Information on activities undertaken and environmental programs related to the company's operations</li> <li>5. Information about CSR initiative implementation related to the environment</li> <li>6. Information about the results of quantitative impacts on these activities; such as the use of environmentally-friendly and recycleable materials and energy, the company's waste treatment system, complaint mechanism for environmental issues, consideration of environmental aspects in providing credit to customers, and others.</li> <li>7. Certification in environmental issues..</li> </ol>	746-753
21	Description of corporate social responsibility related to employment, occupational health and safety	<p>Includes information about:</p> <ol style="list-style-type: none"> <li>1. Corporate social responsibility policy and commitment, with core subject of social and community development</li> <li>2. Information about social issues that are relevant to the Company</li> <li>3. Information about social risks managed by the company</li> <li>4. Information on the scope and formulation of social responsibility in social and community development</li> <li>5. Activity target/plan in 2018 set by management; Activities carried out and impacts of these activities; and Cost incurred Related to social and community development, such as the use of local labor, empowerment of communities around the Company, improvement of social facilities and infrastructure, other forms of donations, communication about anti-corruption policies and procedures, anti-corruption training, and others.</li> </ol>	754-760



	Criteria	Explanation	Page
22	Description of corporate social responsibility related to responsibility to customers	Includes among others: <ol style="list-style-type: none"> <li>1. Activity target/plan in 2018 set by management; and</li> <li>2. Activities carried out and impacts of these activities</li> <li>3. Related to product responsibility, such as customer health and safety, product information, facilities, number and countermeasures for customer complaints, and others.</li> </ol>	761-765
23	description of corporate social responsibility related to social and community development	Includes information about: <ol style="list-style-type: none"> <li>1. Corporate social responsibility policy and commitment, with core subject of social and community development</li> <li>2. Information about social issues that are relevant to the Company</li> <li>3. Information about social risks managed by the company</li> <li>4. Information on the scope and formulation of social responsibility in social and community development</li> <li>5. Activity target/plan in 2018 set by management;</li> <li>6. Activities carried out and impacts of these activities; and</li> <li>7. Cost incurred</li> <li>8. Related to social and community development, such as the use of local labor, empowerment of communities around the Company, improvement of social facilities and infrastructure, other forms of donations, communication about anti-corruption policies and procedures, anti-corruption training, and others.</li> </ol>	766-783
24	Important matters currently faced by the company, subsidiaries, and members of the Board of Commissioners and members of the Board of Directors serving during the annual reporting period	Includes: <ol style="list-style-type: none"> <li>1. Principal cases/lawsuits;</li> <li>2. Court settlement/lawsuit status;</li> <li>3. Risks facing the company and the value of claims; and</li> <li>4. Administrative sanctions imposed on corporations, members of the Board of Commissioners and the Board of Directors, by the relevant authorities (capital market, banking and others) in the last fiscal year (or there is a statement that it is not subject to administrative sanctions).</li> </ol> <p>Note: In the case that a company, subsidiary, member of the Board of Commissioners, and member of the Board of Directors is involved in no important cases, it is disclosed.</p>	668
25	Access to company information and data	Description of availability of access to information and corporate data for the public, for example through the website (in Indonesian and English), mass media, mailing lists, newsletters, meetings with analysts, and so forth.	669-675





## CROSS REFERENCE OF ARA's CRITERIA 2018

	Criteria	Explanation	Page
26	Discussion of codes of conduct	Description of: 1. Key points of ethics; 2. Disclosure that the code of ethics applies to all levels of the organization; 3. Dissemination of codes of ethics; 4. Sanctions for each type of offense set out in the code of ethics (normative); and 5. Number of code violations and sanctions given in the last fiscal year.  Note: if there are no violations of the code of ethics in the last fiscal year, to be disclosed	676-680
27	Disclosure of the whistleblowing system	Description of the whistleblowing system mechanism: 1. Submission of violation reports; 2. Protection for whistleblowers; 3. The handling of complaints; 4. The party managing the complaint; and 5. Number of incoming and processed complaints in the last fiscal year; and 6. Sanctions/follow-up on complaints that have been processed in the fiscal year.  Note: if there are no incoming complaints in the last fiscal year, to be disclosed	692-696
28.	Policy on the composition of the Board of Commissioners and the Board of Directors	The Company's policy description on the composition of the Board of Commissioners and the Board of Directors in education (field of study), work experience, age, and gender.  Note: if there is no such policy, to disclose the reasons and considerations.	465-469
<b>VII FINANCIAL INFORMATION</b>			
1	Letter of the Board of Directors and/or Board of Commissioners on the Responsibility of the Financial Statement	Compliance with relevant regulations on Liability to Financial Statements.	785
2.	Opinion of independent auditors for financial statements		788
3.	Description of Independent Auditor for Opinion	Description of: 1. Name & signature; 2. Date of Audit Report; and 3. KAP license number and license number of a Public Accountant.	788



	Criteria	Explanation	Page
4.	Complete financial statements	Complete financial statements: <ol style="list-style-type: none"> <li>1. Statements of financial position;</li> <li>2. Income and other comprehensive income statement;</li> <li>3. Statement of Changes in Equity;</li> <li>4. Cash flow statement;</li> <li>5. Notes to the financial statements;</li> <li>6. Comparative information on previous periods; and</li> <li>7. The statement of financial position at the beginning of the previous period when the entity applies an accounting policy retrospectively or prepares a restatement of financial statement items, or when the entity reclassifies the items in its financial statements (if relevant).</li> </ol>	789-1042
5.	Comparison of profitability levels	Comparison of performance/profit (loss) of the current year with the previous year.	797-798
6.	Cash flow statement	Meet the following conditions: <ol style="list-style-type: none"> <li>1. Grouping into three categories of activities: operations, investments, and financing;</li> <li>2. The use of direct method to report cash flows from operating activities;</li> <li>3. Separation of the presentations between cash receipts and/or cash disbursements during the year for operating, investing and financing activities; and</li> <li>4. Disclosure of non-cash transactions should be included in the notes to the financial statements.</li> </ol>	800-802
7.	Summary of Accounting Policies	Includes: <ol style="list-style-type: none"> <li>1. Statement of compliance with SAK;</li> <li>2. Basis of measurement and preparation of financial statements;</li> <li>3. Income tax;</li> <li>4. Employee benefits; and</li> <li>5. Financial Instruments.</li> </ol>	816-865
8.	Disclosure of related party transactions	Matters expressed: <ol style="list-style-type: none"> <li>1. The names of related parties, as well as the nature and relationship of related parties;</li> <li>2. The value of the transaction and its percentage of total revenues and related expenses; and</li> <li>3. Total balance and percentage of total related assets or liabilities.</li> </ol>	980-995
9.	Disclosures related to taxation	Matters be Disclosed: <ol style="list-style-type: none"> <li>1. Fiscal reconciliation and current tax expense calculation;</li> <li>2. Explanation of the relationship between tax expense (income) and accounting profit;</li> <li>3. The statement that the taxable income (LKP) resulted from the reconciliation is used as the basis for filling the Annual Income Tax Return of the Company in 2016;</li> <li>4. The details of the deferred tax assets and liabilities recognized in the statement of financial position for each presentation period and the total deferred tax expense (income) recognized in the statement of income if the amount is not reflected in the total deferred tax assets or liabilities recognized in the statement of financial position; and</li> <li>5. Disclosure of no or no tax disputes.</li> </ol>	962-971



Pendukung Bisnis



Tata Kelola Perusahaan

Tanggung Jawab Sosial  
Perusahaan

Laporan Keuangan Audited

## CROSS REFERENCE OF ARA's CRITERIA 2018

	Criteria	Explanation	Page
10.	Disclosures related to fixed assets	Matters to be Disclosed: <ol style="list-style-type: none"> <li>1. Method of depreciation used;</li> <li>2. A description of the selected accounting policies between the revaluation model and the cost model;</li> <li>3. Significant methods and assumptions used in estimating the fair value of property, plant and equipment (for revaluation model) or disclosure of fair value of property, plant and equipment (for cost model); and</li> <li>4. Reconciliation of gross carrying amount and accumulated depreciation of property and equipment at the beginning and end of the period by showing: addition, subtraction and reclassification.</li> </ol>	846-848, 910-912
11.	Disclosures related to operating segments *	Matters to be Disclosed: <ol style="list-style-type: none"> <li>1. General information covering factors used to identify reported segments;</li> <li>2. Information on reported segment of income, assets, and liabilities;</li> <li>3. Reconciliation of total segment revenues, reported segment loss, segment assets, segment liabilities, and other segment material items to related amounts in the entity; and</li> <li>4. Disclosure at the entity level, which includes information about products and/or services, geographic areas and key customers.</li> </ol>	865,978
12.	Disclosures related to Financial Instruments	Matters to be Disclosed: <ol style="list-style-type: none"> <li>1. Details of financial instruments held by their classification;</li> <li>2. Fair value and hierarchy for each group of financial instruments;</li> <li>3. Risk management policy;</li> <li>4. Explanation of risks related to financial instruments: market risk, credit risk and liquidity risk; and</li> <li>5. The risk analysis associated with financial instruments is quantitative.</li> </ol>	865, 999- 1036
13.	Issuance of financial statements	Matters expressed include: <ol style="list-style-type: none"> <li>1. Date of financial statements authorized for publication; and</li> <li>2. The party responsible for authorizing the financial statements.</li> </ol>	788





# Annual Report **2019**

PT. Bank Tabungan Negara (Persero) Tbk.

## **HOME** FOR INDONESIAN MILLENIALS

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