

bank
btpn

A MEMBER OF
SMBC Group

ready for
**FUTURE
GROWTH**

Annual Report 2019

Ready For Future Growth

Following the completion of the merger of BTPN and SMBCI to become Bank BTPN on 1 February 2019, the Bank has taken necessary steps to ensure the integration of key operational processes and keep up the service quality to customers.



Bank BTPN also rolled out a number of ‘synergy’ initiatives, taking advantage of the expanded scope of financial services provided and customer base served. By the year end, Bank BTPN is thus well-positioned to capture higher growth going forward.



Performance 2019

Total Asset

79%

The 9th largest bank
in Indonesia

The Bank posted Other Operating Income of Rp1.6 trillion, up 160% compared to the previous year which was Rp600.1 billion.

The Bank's net interest income in 2019 amounted to Rp11.0 trillion, higher than 2018 which was Rp9.6 trillion.

The Bank's profit before tax in 2019 amounted to Rp4.0 trillion, far above the 2018 achievement of Rp2.9 trillion.

The Bank's interest income in 2019 amounted to Rp19.1 trillion, higher than in 2018 which was Rp14.1 trillion.

108%

Total loans at the end of 2019 was recorded at Rp141.8 trillion, growing by 108% compared to the end of 2018 at Rp68.1 trillion.



After the merger with SMBCI, Bank BTPN became a more solid bank with the addition of the corporate business unit and the support from the main shareholder, namely SMBC.



213%

The biggest portion of loan distribution is for working capital loans, which is valued at Rp72.6 trillion, and representing a growth of 213% compared to 2018 at Rp23.2 trillion.

830%

Investment loans in 2019 is valued at Rp30.1 trillion, up by 830% compared to 2018.

0.4%

The Bank's net non-performing loan in 2019 was 0.4%, lower than in 2018 which was 0.5%, and far below the banking industry average.

The Bank's efforts to maintain the ratio of non-performing loans is a result of the development of the ongoing implementation of risk management, from the aspect of developing a risk management framework, updating risk management policies and procedures, and ensuring that the Bank's capital can accommodate credit risk that may arise from the business strategy undertaken.

23%

Total customer deposits recorded by the Bank until the end of fiscal year 2019 amounted to Rp86.9 trillion. It represented an increase of 23% compared to the amount in 2018 at Rp70.8 trillion.

Customer Deposits

In terms of currency, the bulk of customer deposits are denominated in rupiah, reaching Rp74.9 trillion or 86% of total deposits. Whereas customer deposits in foreign currency amounted to Rp12.1 trillion or 14% of total deposit.

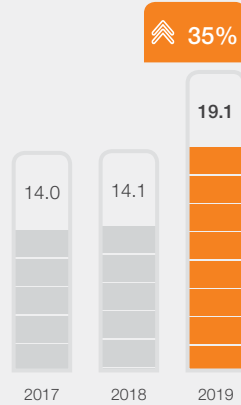
173%

CASA grew by 173%

CASA

Current account savings account (CASA) increased from Rp8.96 trillion in 2018 to Rp24.43 trillion in 2019. CASA ratio increased from 13% in 2018 to 28% in 2019.

Net Interest Performance (in trillion Rupiah)



2.6
Trillion

Bank BTPN succeeded in posting net profit after tax attributable to the owners of the parent entity amounting to Rp2.6 trillion, 40% higher than in 2018 which amounted to Rp1.8 trillion.

Earnings Achievement

The achievement of the Bank's earnings was driven by the increase in net interest income, the increase in foreign exchange transaction income, and gain from revaluation.

24.2%

CAR stood at 24.2%

Capital Adequacy Ratio (CAR)

Capital Adequacy Ratio (CAR) in 2019 was recorded at 24.2%, compared with 24.6% in 2018. The Bank have an adequate level of capital after calculating the impact from PSAK 71 implementation.

Contents

1 Theme Ready For Future Growth



Main Highlights

6	Financial Highlights
10	Share Performance
12	Corporate Action
12	Issuance of Bonds/Sukuk
13	Bonds and Sukuk Overview
16	Event Highlights in 2019
20	Awards & Certification



Management Report

24	Report from the President Commissioner
32	Report from the President Director
50	Statement of Member of the Board of Commissioners and Member of the Board of Directors



Company Profile

54	General Information Company
56	Company Brief History
58	Milestones
60	Line of Business
61	Product and Services
62	Organizational Structure
64	Vision, Mission & Main Values
66	Profile of The Board of Commissioners
71	Profile of The Board of Directors
80	Profile of Committee Members Audit Committee
82	Profile of Committee Members Risk Monitoring Committee
84	Profile of Committee Members Remuneration and Nomination Committee
85	Profile of Committee Members Integrated Governance Committee
88	Profiles of Executive Officers
92	Employee Statistics
96	Composition and Profile of Shareholders
98	Information About Ultimate Parent Entity
99	Information About Majority Shareholders
100	List of Subsidiaries
100	Branch Offices
101	Ownership Structure
102	Share Listing Chronology
103	Chronology of Other Securities Listings
104	Names and Addresses of Capital Market Institutions and/or Supporting Institutions
105	Information on the Corporate Website



Management Discussion and Analysis

108	Economic and Banking Industry Review
109	Developments in the Economy
110	Developments in the Industry
112	Business and Operations Review
113	Business Performance by Business Segment
115	Retail Banking
116	BTPN Sinaya
117	BTPN Wow
118	Retail Lending
119	Jenius
120	Business Banking
121	Corporate Banking
123	Treasury
124	Shariah Banking
125	Profitability by Business Segment
126	Financial Performance Review
148	Risk Management

148 Risk Management

- 150 2019 Priorities
- 150 Internal Control System
- 150 Disclosure of Capital
- 153 Disclosure of Exposure

194 Business Support Review

- 196 Human Resources
- 200 Information Technology and Operations
- 200 Information Technology
- 206 Operations

208 Good Corporate Governance

- 210 Principles and Legal Basis for GCG Implementation
- 212 Objectives of GCG
- 212 GCG Structure
- 213 GCG Implementation and Commitment
- 219 2019 GCG Implementation Report
- 298 GCG Self-Assessment

300 Corporate Social Responsibility

- 304 Corporate Social Responsibility Governance
- 306 Corporate Social Responsibility in the Area of Human Rights
- 307 Corporate Social Responsibility in the Fair Operation Field
- 308 Corporate Social Responsibility in Environmental Area
- 309 Corporate Social Responsibility in the Labor, Health and Safety Field
- 311 Corporate Social Responsibility to Customers
- 312 Corporate Social Responsibility in the Area of Community Development

313 2019 Financial Statements

- 319 Audited Consolidated Financial Statements of 2019
- 529 SEOJK Reference No. 30-SEOJK.04-2016: Annual Report of Public Companies
- 535 Annual Report Award Criteria

Financial Highlights

(Rp million, unless otherwise stated)

Description	2019	2018 ⁹⁾	2017 ⁹⁾
Balance Sheet			
Total Assets	181,631,385	101,341,224	95,041,593
Productive Assets ¹⁾	173,854,020	94,345,608	88,263,211
Loans ²⁾	141,760,183	68,136,780	65,351,837
Deposits from Customers ³⁾	86,939,479	70,844,712	67,918,073
Borrowings	44,086,343	8,442,765	5,208,640
Securities Issued	3,190,628	1,197,442	2,543,401
Investment in Shares	22,522	22	22
Total Liabilities ³⁾	150,159,457	82,554,894	78,289,053
Total Equity ⁴⁾	31,471,928	18,786,330	16,752,540
Number of Issued and Fully Paid Shares (in units)	8,148,928,869	5,851,646,757	5,840,287,257
Business Results			
Interest Income	19,084,410	14,126,651	14,046,062
Interest Expenses	(8,036,646)	(4,526,243)	(4,524,452)
Net Interest Income	11,047,764	9,600,408	9,521,610
Other Operating Income	1,560,509	600,139	469,537
Other Operating Expenses	(7,129,872)	(5,877,519)	(6,915,102)
Allowance for Impairment Losses	(1,445,882)	(1,375,272)	(1,097,619)
Operating Income – Net	4,032,519	2,947,756	1,978,426
Income for the Year – Before Tax	4,018,922	2,919,428	1,936,845
Net Income for the Year	2,992,418	2,128,064	1,421,940
Profit (loss) during the year			
- Attributable to owner of the parent entity	2,572,528	1,838,471	1,220,886
- Attributable to non-controlling interests	419,890	289,593	201,054
Other Comprehensive Income/Loss	(14,596)	238,280	(13,449)
Comprehensive Income	2,977,822	2,366,344	1,408,491
Comprehensive Income for the Year			
- Attributable to owner of the parent entity	2,555,357	2,065,220	1,211,719
- Attributable to non-controlling interests	422,465	301,124	196,772
Earnings per share (full amount)	327	320	213

Notes:

1. Including sharia financing/receivables, current accounts with BI and other banks, placements with BI and other banks, securities, investments, acceptance receivables, reverse repos and derivative claims
2. Including Sharia financing/receivables
3. Including temporary syirkah funds
4. Excluding non-controlling interests
5. Including credit and operational risks
6. RoA before tax
7. Including Payment Service Points & Functional Operational Offices
8. Including BTPN Sharia
9. The comparative information presented in the 2019 consolidated financial statements has been restated for the prepaid credit insurance, credit insurance expenses and retained earnings accounts, which are caused by revisions to the calculation of pension credit insurance expenses and the reconciliation process for prepaid pension credit insurance expenses. The profit and loss statements for 2017 is not restated.

Description	2019	2018 ⁹⁾	2017 ⁹⁾
Financial Ratios (in %)			
Capital			
Capital Adequacy Ratio (CAR) ⁵⁾	24.2	24.6	24.1
Earning Assets			
Non-performing earning assets and non-productive assets to total earnings and non-productive assets	0.5	0.9	0.7
Non-performing earning assets to total earning assets	0.7	1.0	0.7
Allowance for Impairment Losses for financial assets to earning assets	0.9	1.3	1.0
NPL-Gross	0.8	1.2	0.9
NPL-Net	0.4	0.5	0.4
Profitability			
Return on Assets (ROA) ⁶⁾	2.3	3.0	2.1
Return on Equity (ROE)	9.9	11.6	8.2
Net Interest Margin (NIM)	6.9	11.3	11.6
Liabilities to Assets ratio	82.7	81.5	82.4
Liabilities to Equity ratio	502.7	468.9	486.8
Operating Expenses to Operating Revenue (BOPO)	84.5	80.1	86.5
Cost of Fund	5.4	5.9	6.1
Liquidity			
Loan to Deposit Ratio (LDR)	163.1	96.2	96.2
Compliance			
LLL Violations as a Percentage			
Related Parties	-	-	-
Non-Related Parties	-	-	-
LLL Excess as a Percentage			
Related Parties	-	-	-
Non-Related Parties	-	-	-
Minimum Reserve Requirement in Rupiah	6.2	6.6	6.6
Minimum Reserves Requirement in Foreign Currency	8.0	8.3	8.4
Net Open Position	0.1	0.4	0.4
Other			
Number of Branch Offices ⁷⁾	579	795	939
Number of ATMs and TCRs	226	227	207
Number of Employees ⁸⁾	19,235	19,175	20,912

↑↑ 108%

Credit Growth

↓↓ 0.4%

Loan Quality
(NPL Ratio - Net)

Rp 31.5 trillion

Total Equity

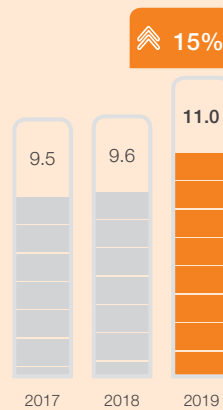
69.7%

Growth of Total Equity
Attributable to Bank
Owners

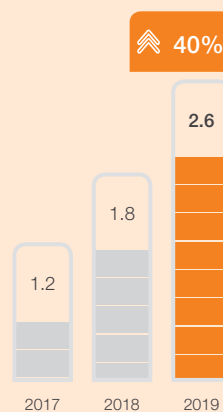
24.2%

Capital Adequacy Ratio
(CAR)

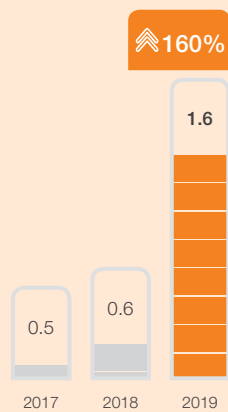
Net Interest Income
(in trillion rupiah)



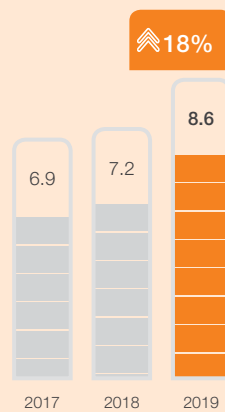
Net Income Attributable to
Owners of Parent Entity
(in trillion rupiah)



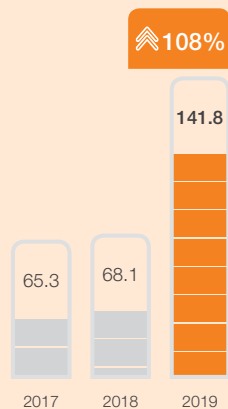
Other Operating Income (in trillion rupiah)



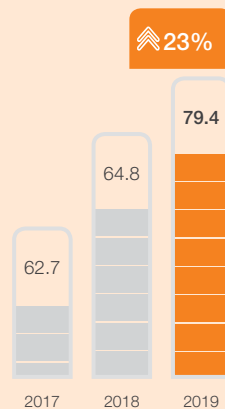
Operating Expenses (in trillion rupiah)



Loans (in trillion rupiah)



Deposits from Customers (in trillion rupiah)



Share Performance

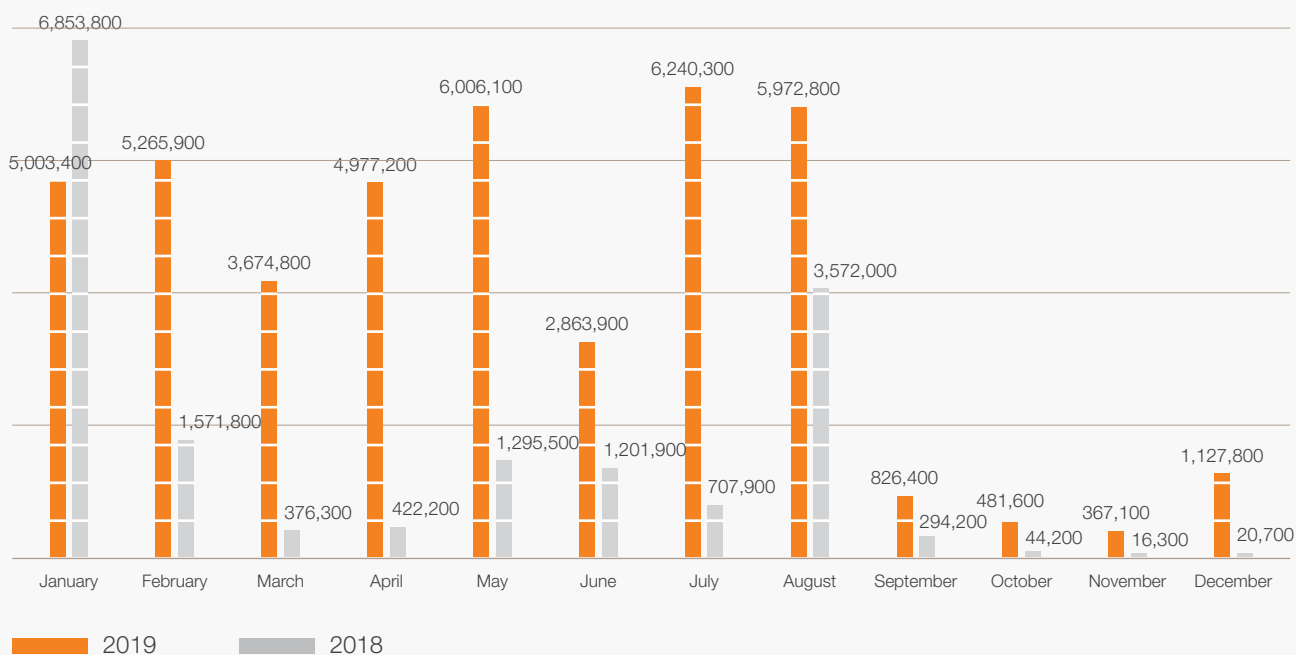
INITIAL PUBLIC OFFERING

The shareholders approved the Initial Public Offering of Ordinary Shares through capital market and listing of the Bank's shares on the Indonesia Stock Exchange at the Extraordinary General Meeting of Shareholders (RUPSLB) dated 8 June 2007.

The Bank undertook an initial public offering of 267,960,220 shares with a nominal value of Rp100 (full amount) per share with an offering price of Rp2,850 (full amount) per share to the public in Indonesia. The shares were listed on the Indonesia Stock Exchange or IDX on 12 March 2008.

MONTHLY STOCK MOVEMENTS (2018-2019)

Volume

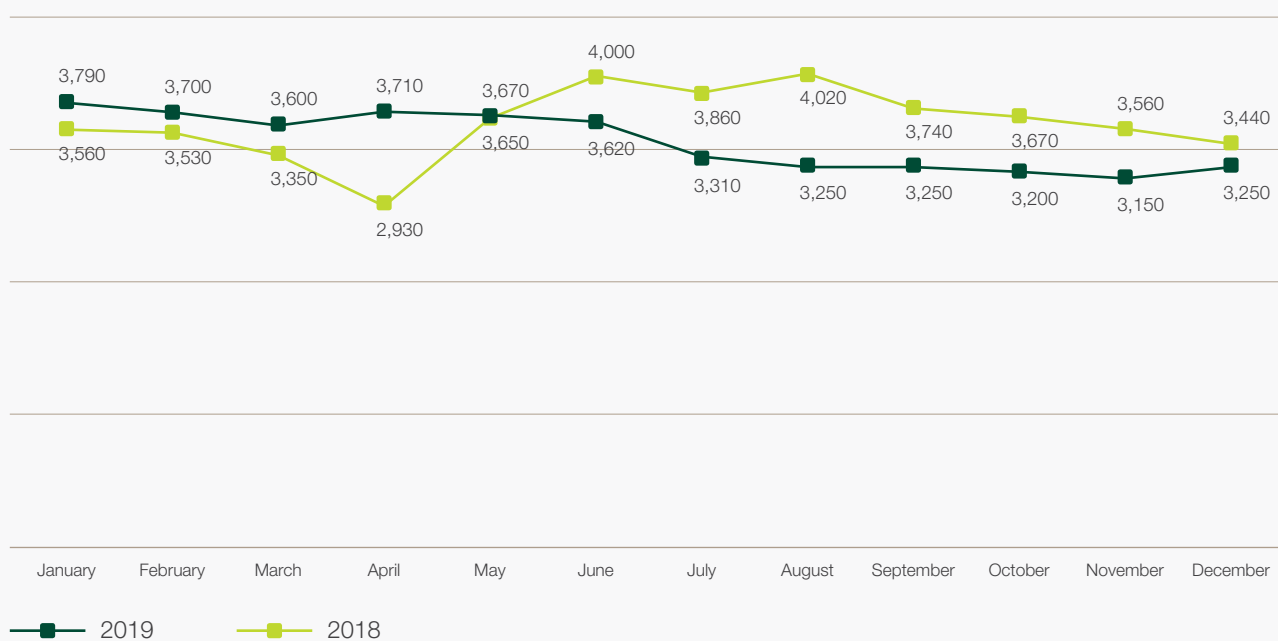


QUARTERLY STOCK DEVELOPMENTS

Period	Highest (Rp)		Lowest (Rp)		Closing (Rp)		Volume (Shares)	
	2019	2018	2019	2018	2019	2018	2019	2018
March	3,750	3,350	3,550	3,190	3,600	3,350	3,674,800	376,300
June	3,670	4,000	3,400	3,880	3,620	4,000	2,863,900	1,201,900
September	3,250	3,750	3,190	3,700	3,250	3,740	826,400	294,200
December	3,150	3,470	3,050	3,440	3,250	3,440	1,127,800	20,700

Period	Total Number of Listing Share		Market Capitalization	
	2019	2018	2019	2018
March	8,148,916,869	5,781,884,384	13,229,280,000	1,260,605,000
June	8,148,916,869	5,783,455,807	10,367,318,000	4,807,600,000
September	8,148,928,869	5,792,554,984	2,685,800,000	1,100,308,000
December	8,148,928,869	5,851,646,757	3,665,350,000	71,208,000

Closing Price (Rp)



Corporate Action

MERGER

At the beginning of 2019, the Bank entered into a Merger with PT Bank Sumitomo Mitsui Indonesia ("SMBCI"). The merger took effect on 1 February 2019. This was a continuation of the business merger agreement between the Bank and SMBCI based on the Deed of the Extraordinary General Meeting of Shareholders No. 09 dated 5 October 2018 made before Ashoya Ratam, S.H., M.Kn, Notary in South Jakarta. During the merger, SMBCI acted as a merging bank and the Bank acted as the merging recipient bank. Furthermore, after the merger between the Bank and SMBCI, the Bank changed its name to PT Bank BTPN Tbk.

FREE FLOAT

On 26 August 2019, the Sumitomo Mitsui Banking Corporation released 400,000,000 of its shares to the public. This was in compliance with the provisions of the Indonesian Stock Exchange Regulation No. I-A on the number of shares owned by non-controlling shareholders and non-majority shareholders (free float).

Issuance of Bonds/Sukuk

The Bank issued Bonds/Sukuk on 26 November 2019 while conducting a Public Offering of Shelf Registry Bond IV Bank BTPN Phase I Year 2019 with the following specifications:

Series A The Principal Amount of the Series A Bonds amounted to Rp799,000,000,000 (seven hundred ninety nine billion Rupiah) with a Fixed Interest Rate of Series A Bonds of 7.55% (seven point five five percent) per year. The term of the Series A Bond is 36 (thirty six) months from the Issuance Date. Series A Bond payments are made in full (bullet payment) on their maturity date.

Series B The total Series B Bonds offered amounted to Rp201,000,000,000 (two hundred one billion Rupiah) with a Fixed Interest Rate of 7.75% (seven point seven five percent) per year. The term of the Series B Bond is 60 (sixty) months from the Issuance Date. Series B Bond payments are made in full (bullet payment) on their maturity date.

Bonds and Sukuk Overview

In 2019, the Bank issued 1 (one) Bond/ SUKUK namely the Shelf Registry Bond IV Bank BTPN Fixed Coupon Rate Phase I Year 2019.

Description	Listing Date	Bond Amount (Rp)	Coupon Rate (%)	Maturity Date	Outstanding (Rp)
Public Offering of Shelf Registry Bond III Bank BTPN Fixed Coupon Rate Phase I Year 2016					
Series B	11 July 2016	300,000,000,000	8	1 July 2019	Settlement has been made on 1 July 2019
Public Offering of Shelf Registry Bond III Bank BTPN Fixed Coupon Rate Phase II Year 2017					
Series B	18 October 2017	900,000,000,000	7.50%	17 October 2020	900,000,000,000
Public Offering of Shelf Registry Bond IV Bank BTPN Fixed Coupon Rate Phase I Year 2019					
Series A	26 November 2019	799,000,000,000	7.55%	26 November 2022	799,000,000,000
Series B	26 November 2019	201,000,000,000	7.75%	26 November 2024	201,000,000,000
Medium Term Notes II Year 2017 PT Bank Sumitomo Mitsui Indonesia					
MTN 11	14 June 2017	1,302,000,000,000	8.25%	14 June 2020	1,302,000,000,000

Ratings of BTPN Bonds

Bonds	2017 Rating	2018 Rating	2019 Rating
Shelf Registry Bond III Bank BTPN Fixed Coupon Rate Phase I Year 2016 series B	AAA (idn)	AAA (idn)	AAA (idn)
Shelf Registry Bond III Bank BTPN Fixed Coupon Rate Phase II Year 2017	AAA (idn); Outlook Stabil	AAA (idn)	AAA (idn)
Shelf Registry Bond IV Bank BTPN Fixed Coupon Rate Phase I Year 2019			AAA (idn); Outlook Stabil
Medium Term Notes II Year 2017 PT Bank Sumitomo Mitsui Indonesia	idAAA	idAAA	idAAA

PAYMENT OF INTEREST AND PRINCIPAL IN 2019

BTPN Bank III Sustainable Bonds With a Fixed Interest Rate
Phase I of 2016 series B

Description	Payment Date	Payment Amount (Net)
Coupon-1	1 October 2016	Rp6,000,000,000,-
Coupon-2	1 January 2017	Rp6,000,000,000,-
Coupon-3	1 April 2017	Rp6,000,000,000,-
Coupon-4	1 July 2017	Rp6,000,000,000,-
Coupon-5	1 October 2017	Rp6,000,000,000,-
Coupon-6	1 January 2018	Rp6,000,000,000,-
Coupon-7	1 April 2018	Rp6,000,000,000,-
Coupon-8	1 July 2018	Rp6,000,000,000,-
Coupon-9	1 October 2018	Rp6,000,000,000,-
Coupon-10	1 January 2019	Rp6,000,000,000,-
Coupon-11	1 April 2019	Rp6,000,000,000,-
Coupon-12	1 July 2019	Rp306,000,000,000,-

BTPN Bank III Sustainable Bonds With a Fixed Interest Rate
Phase II of 2017 series B

Description	Payment Date	Payment Amount (Net)
Coupon-1	17 January 2018	Rp16,875,000,000,-
Coupon-2	17 April 2018	Rp16,875,000,000,-
Coupon-3	17 July 2018	Rp16,875,000,000,-
Coupon-4	17 October 2018	Rp16,875,000,000,-
Coupon-5	17 January 2019	Rp16,875,000,000,-
Coupon-6	17 April 2019	Rp16,875,000,000,-
Coupon-7	17 July 2019	Rp16,875,000,000,-
Coupon-8	17 October 2019	Rp16,875,000,000,-
Coupon-9	17 January 2020	Rp16,875,000,000,-
Coupon-10	17 April 2020	Rp16,875,000,000,-
Coupon-11	17 July 2020	Rp16,875,000,000,-
Coupon-12	17 October 2020	Rp916,875,000,000,-

BTPN Bank IV Sustainable Bonds With Fixed Interest Rates
Phase I Year 2019 series A

Description	Payment Date	Payment Amount (Net)
Coupon-1	26 February 2020	Rp15,081,125,000,-
Coupon-2	26 May 2020	Rp15,081,125,000,-
Coupon-3	26 August 2020	Rp15,081,125,000,-
Coupon-4	26 November 2020	Rp15,081,125,000,-
Coupon-5	26 February 2021	Rp15,081,125,000,-
Coupon-6	26 May 2021	Rp15,081,125,000,-
Coupon-7	26 August 2021	Rp15,081,125,000,-
Coupon-8	26 November 2021	Rp15,081,125,000,-
Coupon-9	26 February 2022	Rp15,081,125,000,-
Coupon-10	26 May 2022	Rp15,081,125,000,-
Coupon-11	26 August 2022	Rp15,081,125,000,-
Coupon-12	26 November 2022	Rp814,081,125,000,-

BTPN Bank IV Sustainable Bonds With Fixed Interest Rates
Phase I Year 2019 series B

Description	Payment Date	Payment Amount (Net)
Coupon-1	26 February 2020	Rp3,894,375,000,-
Coupon-2	26 May 2020	Rp3,894,375,000,-
Coupon-3	26 August 2020	Rp3,894,375,000,-
Coupon-4	26 November 2020	Rp3,894,375,000,-
Coupon-5	26 February 2021	Rp3,894,375,000,-
Coupon-6	26 May 2021	Rp3,894,375,000,-
Coupon-7	26 August 2021	Rp3,894,375,000,-
Coupon-8	26 November 2021	Rp3,894,375,000,-
Coupon-9	26 February 2022	Rp3,894,375,000,-
Coupon-10	26 May 2022	Rp3,894,375,000,-
Coupon-11	26 August 2022	Rp3,894,375,000,-
Coupon-12	26 November 2022	Rp3,894,375,000,-
Coupon-13	26 February 2023	Rp3,894,375,000,-
Coupon-14	26 May 2023	Rp3,894,375,000,-
Coupon-15	26 August 2023	Rp3,894,375,000,-
Coupon-16	26 November 2023	Rp3,894,375,000,-
Coupon-17	26 February 2024	Rp3,894,375,000,-
Coupon-18	26 May 2024	Rp3,894,375,000,-
Coupon-19	26 August 2024	Rp3,894,375,000,-
Coupon-20	26 November 2024	Rp204,894,375,000,-

Medium Term Notes (MTN) II of 2017 PT Bank Sumitomo Mitsui Indonesia

Description	Payment Date	Payment Amount (Net)
Coupon-1	14 September 2017	Rp26,853,750,000,-
Coupon-2	14 December 2017	Rp26,853,750,000,-
Coupon-3	14 March 2018	Rp26,853,750,000,-
Coupon-4	14 June 2018	Rp26,853,750,000,-
Coupon-5	14 September 2018	Rp26,853,750,000,-
Coupon-6	14 December 2018	Rp26,853,750,000,-
Coupon-7	14 March 2019	Rp26,853,750,000,-
Coupon-8	14 June 2019	Rp26,853,750,000,-
Coupon-9	14 September 2019	Rp26,853,750,000,-
Coupon-10	14 December 2019	Rp26,853,750,000,-
Coupon-11	14 March 2020	Rp26,853,750,000,-
Coupon-12	14 June 2020	Rp1,328,853,750,000,-

Event Highlights in 2019



1 February

PT Bank BTPN Tbk (Bank BTPN) officially started operations after the merger between PT Bank Tabungan Pensiunan Nasional Tbk (BTPN) and PT Bank Sumitomo Mitsui Indonesia (SMBCI). Bank BTPN became a universal bank with more complete business services offered to a wider customer base, ranging from mass markets (retail) to corporations.



15 February

The Annual General Meeting of Shareholders (AGMS) of PT Bank BTPN Tbk (Bank BTPN) approved the financial statements of PT Bank Tabungan Pensiunan Nasional Tbk (BTPN) and PT Bank Sumitomo Mitsui Indonesia (SMBCI) for the 2018 fiscal year period. The AGMS also agreed not to distribute dividends to the shareholders as a reflection of its long-term commitment to the Bank's sustainable growth.



20 February

Jenius, a life finance platform for the digitally savvy was officially launched in Medan on 20 February 2019 and in Makassar on 20 March 2019. Bank BTPN is committed to expanding the services offered by Jenius to help people in the largest cities of Sumatra and Sulawesi to manage their finances.



9 May

Jenius collaborated with Badan Amil Zakat Nasional (Baznas), to provide a convenient way of paying zakat and donations through smartphones.



8 August

Bank BTPN participated in the financing of PT Pertamina EP Cepu's Jambaran-Tiung Biru gas field project with a total value of US\$ 1.8 billion in a joint consortium consisting of 12 national and foreign banks. This financing was the first finance project for Bank BTPN and demonstrates its commitment to supporting the national economy.



26 August

The Sumitomo Mitsui Banking Corporation (SMBC) released 4.91% of its ownership, equivalent to 400 million of Bank BTPN shares at Rp3,600 per share. This corporate action represented the commitment of SMBC, as the controlling shareholder of Bank BTPN, to fulfilling its obligation to relinquish a portion of its shares so that the number of outstanding or publicly owned shares by non-controlling shareholders reached 7.5%. During the BTPN-SMBCI merger, SMBC's ownership, as the controlling shareholder, increased to 97.34% due to the implementation of a cash offer and a conversion of shares resulting from the merger.



19 September

SMBC and Bank BTPN led the syndicated financing of 18 banking institutions and global financial institutions to PT Perkebunan Nusantara (PTPN) III with an amount of US\$ 390.6 million. This syndicated financing represented Bank BTPN's commitment to supporting the national food sector.



25 September

Bank BTPN officially launched its corporate banking services at the Surabaya Branch Office. Located at Bank BTPN's branch office in Indrapura, the corporate banking services, previously ran by SMBCI, are now offered to customers outside Jakarta.

Event Highlights in 2019



18 October

Bank BTPN announced the issuance of bonds through the Public Offering of Shelf Registry Bond IV Phase I in the amount of Rp1 trillion. All proceeds from the bond issuance will be used to finance credit expansion to all customer segments, ranging from micro, small and medium-sized enterprises (MSMEs) to retail and corporations.



8 November

Bank BTPN signed a business cooperation deal for the payment of employee salaries (payroll) with PT Indomobil Sukses Internasional Tbk (Indomobil Group). More than 3,000 employees from 25 Indomobil Group subsidiaries in Jakarta, Batam and Surabaya now receive their salaries through the Jenius digital banking services. This cooperation is one of the results of the cross-selling of retail products and services with corporate customers after the merger between BTPN and SMBCI.



21 November

Jenius launched its first financial service development Tech Hub as a "home" for tech enthusiasts in Bandung. The presence of the Jenius Tech Hub in Bandung is an effort to identify new technology developments so that they can be utilized to provide more comprehensive life finance solutions.



21 & 22 November

Bank BTPN organized the 2019 Bank BTPN Economic Outlook event on 21 November 2019 with a presentation by economist, Chatib Basri, and tax observer, Yustinus Prastowo. This event was the first economic seminar held after the business merger between BTPN and SMBCI, and brought together customers from various business units, ranging from BTPN Sinaya retail customers, BTPN Mitra Bisnis small and medium-sized business customers to commercial and corporate customers. Bank BTPN also held the 2019 Bank BTPN Economic Outlook for Japanese customers on 22 November 2019 with presentations by economic and political observer, Takashi Shiraishi, and Singapore SMBC Chief Economist, Yoichiro Yamaguchi.



28 November

Jenius collaborated with the Ministry of Foreign Affairs of the Republic of Indonesia to introduce the Safe Travel application at the 2019 Safe Travel Festival. The strategic collaboration between Jenius and the Ministry of Foreign Affairs represents our commitment to providing smart, simple, and safe experiences for digital savvy communities, including when they are traveling.



18 December

Bank BTPN officially launched its corporate banking services in Medan to serve corporate customers in the largest economic center in Sumatra.

Awards & Certification

AWARDS

No	Date	Name of Award	Category	Organizer
1	February 2019	The World's Best Bank	Rank 2 – Indonesia	Forbes
2	March 2019	Public Retaliation Awards 2019	Gold Winner of the Digital PR Program	PR Indonesia magazine
			Silver Winner of the Social Media PR Program	PR Indonesia magazine
3	March 2019	Indonesia Content Marketing Awards 2019	The Best Use of a Brand Website in Content Marketing Implementation	Indonesia Content Marketing Forum
			The Best Content Marketing Implementation in Industry - First Winner in the Financial Category	Indonesia Content Marketing Forum
4	April 2019	11th Annual Global CSR Summit and Awards	Gold Award for Best Community Program	-
5	June 2019	Infobank Banking Service Excellence Awards 2019	Rank IX: Best Digital banking Performance	Infobank magazine
			Rank III: Mobile Application Opening Account Performance	Infobank magazine
			Rank III: Digital Lounge Performance	Infobank magazine
6	June 2019	2019 Best Bank	Bank Terbaik Kelompok BUKU III (Modal Inti Rp5-30 Triliun)	Investor magazine
7	July 2019	Indonesia Original Brands 2019	Top 20 Indonesia's Rising Star Brands	SWA magazine
8	August 2019	Infobank Awards 2019	"Very Good" Predicate for 15 Consecutive Years	Infobank magazine
9	September 2019	IDC Digital Transformation Awards 2019	Omni-Experience Innovator (Indonesia)	-
10	December 2019	Indonesia's PR Program of the Year 2019	Marketing and Public Relations Program	Marketing MIX
11	December 2019	The Asset Asian Awards 2019 - Country Awards 2019	Best Advisers by Country - Indonesia	-



1 IDC Digital Transformation Awards 2019

Omni-Experience Innovator (Indonesia)

2 11th Annual Global CSR Summit and Awards

Gold Award for Best Community Programme

3 Bank Terbaik tahun 2019

Best Bank in BUKU III Group (Core Capital of Rp5-30 Trillion)

Investor Magazine

4 Infobank Awards 2019

“Very Good” Predicate for 15 Consecutive Years

Infobank Magazine

CERTIFICATION

No	Name of Certification	Time of Delivery	Validity Period	Issuer
1	Corporate Procurement Management ISO 9001:2015	28 October 2019	28 October 2022	SGS



Management Report

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Since the merger, Bank BTPN was led by a new management team.

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24	Report from the President Commissioner
32	Report from the President Director
50	Statement of Member of the Board of Commissioners and Member of the Board of Directors



Report from the President Commissioner

Mari Elka Pangestu

President Commissioner (Independent)

“

The Merger was the beginning of a major change in the Bank's business journey. The integration process not only involved changes in business and operations towards becoming a universal bank, but also adjustments to combine two different cultures.

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Dear Distinguished Shareholders and Stakeholders,

We would like to take this opportunity to report on the main duties of the Board of Commissioners as mandated by the Law No. 40 of 2007 regarding Limited Liabilities Companies. These duties include the implementation of supervision of management policies, the general management of the Company and its business, as well as providing advice to the Board of Directors.

In relation to the above-mentioned role, during the 2019 fiscal year, the Board of Commissioners had paid full attention to the important corporate action of Bank BTPN, namely the Merger with PT Bank Sumitomo Mitsui Indonesia (SMBCI). This merger had led to the establishment of the new entity's name, ie. PT Bank BTPN Tbk.

This amalgamation of two banks with different businesses – retail, SME - was an important milestone for Bank BTPN. In addition, through the merger, Bank BTPN became a subsidiary of a prominent global business group in Asia, namely the Sumitomo Mitsui Banking Corporation (SMBC).

The Merger was the beginning of a major change in the Bank's business journey. The integration process not only involved changes in business and operations towards becoming a universal bank, but also adjustments to combine two different cultures. It also initiated a new chapter of business synergy within the SMBC Group in Indonesia.

Macro Conditions

Amid Bank BTPN's important milestones, namely the merger with SMBCI, the management was confronted with dynamic national political conditions and a challenging economic environment.

From a global view, the national economic performance of Indonesia experienced a slowdown due to various pressures, such as sluggish international trade. The Central Statistics Agency (BPS) posted that trade balance experienced a deficit of USD3.2 billion in 2019. The pressure from the deficit was mainly caused by the oil and gas sector, which experienced a deficit of USD9.3 billion.

The slowdown in the national economic performance was also a result of a lack of enthusiasm in business activities. Production levels slowed, ultimately limiting business expansion. The business world is an important partner for the banking sector. When the business world experienced a slowdown, lending also experienced major challenges.

Bank Indonesia responded to the developments in the 2019 business environment by relaxing its benchmark interest rates policy. Within 6 months, Bank Indonesia had reduced interest rates on four occasions from 6.00% in June to 5.00% in December 2019. This policy was expected to reinvigorate the business world.

In response to this situation, the Company's management exercised prudence and adhered to compliance principles when conducting business activities.

Performance of the Board of Directors During the 2019 Fiscal Year

The Bank's focus in 2019 was on the merger between Bank BTPN and SMBCI, integration and stabilization in operation as well as business development post the merger.

The Board of Commissioners was of the view that the Board of Directors had carried out the business merger process in an appropriate manner. The merger has been completed well and in a timely manner on 1 February 2019.

The Bank has prepared a Business Plan for the merged bank, which became a reference for the Board of Commissioners when assessing the performance of the Board of Directors. This assessment also considered the smooth consolidation of the two entities, which allowed the Board of Directors to focus more on increasing the Bank's profitability. Bank BTPN had become a universal bank after

the merger. serving retail to corporate segments with a comprehensive set of end-to-end products and services.

Since the merger, Bank BTPN has diversified core businesses, initially focusing on the pension and retail segments, towards commercial and corporate, with the support of digital platforms. Bank BTPN now enjoy the benefit of being a member of a business group with global network and various forms of financial businesses. This had enabled the Bank to offer various innovative products and services, perform cross-sell including supply chain and support the sharia segment through its subsidiary. This was an effort to address the slowdown in the pension and micro segments. These contribute to the Bank's positive and sustainable business performance.

This was reflected in Bank BTPN's growth and performance in 2019. strong capital position. Bank BTPN has a strong capital position, its capital adequacy ratio as per 31 December 2019 was 24.24%, above the regulatory requirement.

The Board of Commissioners also appreciates the performance of the management in relation to credit quality. Bank BTPN's total performing loan reached IDR140.6 trillion, an the level of gross Non-Performing Loans stood at 0.8%, a decrease from 1.2% in previous year.

The Bank successfully generated a net profit attributed to parent company of IDR2.6 trillion in 2019, a 40% increase from IDR1.8.

Implementation of Policies and Procedures

After the merger, Bank BTPN had established a new vision, which was to become the first choice bank in Indonesia that would make a significant change in the life of millions of people, mainly with the support of digital technology.

The Board of Commissioners believes that the change in the Bank's vision had become an important guidance for the direction of its future development.

The implementation of this vision was supported by the prevailing policies and procedures at all organizational levels. The Board of Commissioners was of the view that the Board of Directors had succeeded in reviewing the policies and procedures of the merged bank and issuing new policies and procedures, which were established from the combination of the applicable provisions of both banks.

The implementation of policies and procedures was a challenge for Bank BTPN, which currently focuses on business growth while ensuring compliance with applicable regulations issued by regulators and internal policy.

GCG Implementation

The Board of Commissioners believes that a strong commitment towards the implementation of the principles of good corporate governance (GCG) is fundamental in the sustainability of the Bank's business. Banking is a part of the financial service sector which relies on stakeholder confidence as a business fundamental.

The Board of Commissioners, as a part of the GCG structure that plays a key role in GCG implementation, is of the view that Bank BTPN had applied GCG to the best of its abilities. This includes the functions of the Board of Directors, the Board of Commissioners, as well as the Committees under the Board of Commissioners and the Board of Directors. Meetings of these bodies had been held in accordance with the applicable provisions, work guidelines and procedures (charter). The performance of the Committees under the Board of Commissioners had been in line with their duties and responsibilities. The committees had provided relevant and constructive recommendations to the Board of Commissioners throughout the year.

The appointment of Bank BTPN as the main entity in the SMBC financial conglomerate, replacing SMBCI, was a strategic measure for Bank BTPN in synergizing with PT Bank Tabungan Pensiunan Nasional Syariah Tbk in terms of audit, finance, risk, compliance and governance.

During 2019, the Bank had reviewed some of its existing policies on entertainment and gifts, fraud as well as procedures on insider information and insider trading. In addition, a new policy was introduced regarding the communication line between SMBC and the Bank, the foreign visitors, as well as SOX reporting requirement with the objective of ensuring independence, transparency, as well as management accountability.

As a member of an Asian global economic power, the Bank is required to meet higher compliance standards that apply across countries. These compliance standards will have an influence on the development of Bank BTPN to be a clean and trusted bank.

Implementation of the Whistleblowing System

The implementation of the whistleblowing system (WBS) within the Bank is one of the most important instruments in the prevention of fraud in the Bank's business practices. Bank BTPN has had the whistleblowing system in place for quite some time now and will make every effort to continuously improve it.

The implementation of the WBS was in line with the advice that was continuously delivered to management to apply the principles of compliance in business practices. The WBS is a channel that supports the implementation of good corporate governance.

WBS is more than just a channel for reporting cases, it also serves as a mean to remind the management that they need to implement the compliance principle in an appropriate manner. The WBS also measures how successful the management has been at operating the Bank – a low number of reported cases would mean that the Bank was well managed.

The WBS mechanism had been improved in terms of the monitoring activities of the Board of Commissioners, the handling of complaints, as well as reporting flow, which involves the Risk Monitoring Committee.

Implementatoin of Corporate Social Responsibility

The implementation of corporate social responsibility (CSR) is an important part of the Bank's good corporate governance, as outlined in the Law No. 40 of 2007 on Limited Liability Companies and Government Regulation No. 47 of 2012 on Corporate Social and Environmental Responsibility of Limited Liability Companies.

Within Bank BTPN's organization, the implementation of CSR is conducted through a unit called Daya. This demonstrates the management's commitment to implementing CSR, as well as the awareness of the importance of maintaining a balance between business operations, environmental preservation and community empowerment.

The programs carried out by Daya integrate the Bank's business, social mission and corporate share value. Since the merger, the Daya program, which initially had three pillars, now has four pillars to be more relevant to the Bank's position as a universal bank.

The four pillars include: customer competency development, financial management, sustainable living, as well as capacity to grow.

The Board of Commissioners regards these pillars as an important foundation and a reference point in the implementation of its social and environmental responsibility. During 2019, the management implemented this policy in an appropriate manner, as demonstrated by the assistance given to millions of small and medium-sized enterprises through the Daya program.



The programs carried out by Daya integrate the Bank's business, social mission and corporate share value.



The relationship between the managers of Daya and the community and consumers are close, and even tends to be sustainable. Daya works not only in the field of community and economic empowerment, but also in the field of healthcare.

In our opinion, the Bank's sustainable social responsibility activities should be continuously developed. The Board of Commissioners hopes that the Bank's CSR coverage will expand even further in the future.

Changes in the Composition of the Board of Directors and the Board of Commissioners

The current composition of the Board of Directors and the Board of Commissioners are in line with the Business Merger Plan, which took effect on 1 February 2019, and re-appointed through the Annual General Meeting of Shareholders (AGMS) on 15 February 2019. The Extraordinary GMS held in September 2019 approved the appointment of Hanna Tantani as a Finance Director to strengthen the Board of Directors, and Irwan Mahjudin Habsjah as an Independent Commissioner to replace Tony Prasetyantono, who passed away in January 2019 prior to effective date of the merger.

The 2020 Business Prospects and Challenges

At the time this Annual Report was being prepared, the COVID19 virus was spreading throughout the world. The Board of Commissioners believes that other than the global slowdown in economic growth, this pandemic will have a major influence on its financial performance in 2020, which has been evidenced in the decline of the Jakarta Composite Index and the increase in the exchange rate of the US dollar against the Rupiah.

Another challenge faced by Bank BTPN comes from its competitors in the business segment, which is experiencing a slowdown, and also in the segment that is currently attractive, namely digital banking. The challenges do not only come from other banks but also from financial technology (fintech) companies that are considered more convenient than banks, which are highly regulated.

We believe that increasing the Bank's commitment to the implementation of GCG as well as compliance to achieving zero penalties are the main strategies to ensure that Bank BTPN continues to gain traction in the banking business.

The Board of Commissioners believes that the considerations taken by the Board of Directors in the preparation of the business prospects had been appropriate. The management had also considered external conditions as an important factor in preparing the Bank's future business plans.

In addition, the Board of Commissioners also recognizes that the management had balanced the Bank's growth prospect and its potential risks. Therefore the Board of Commissioners advises the Board of Directors to consistently implement risk management and good corporate governance in ensuring target achievement.

Appreciation

The Board of Commissioners would like to express its gratitude to the shareholders who have been a part of Bank BTPN's business journey up to 2019. Likewise, for the directives and guidance that have been conveyed by the shareholders.

The Board of Commissioners wishes to express its highest appreciation to all the members of the Board of Directors, committee independent parties, as well as the Bank's employees for the efforts and achievements in 2019. This is particularly for the encouraging business performance achievements amid the challenging conditions.

We would also like to extend our appreciation to other stakeholders for their cooperation. It is with the support of the Bank's stakeholders that the management has been able to achieve positive business performance for the 2019 Fiscal Year.



Mari Elka Pangestu
President Commissioner (Independent)

Board of Commissioners



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1. **Mari Elka Pangestu** | President Commissioner (Independent)
2. **Chow Ying Hoong** | Vice President Commissioner



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3. **Irwan Mahjudin Habsjah** | Independent Commissioner
4. **Takeshi Kimoto** | Commissioner
5. **Ninik Herlani Masli Ridhwan** | Independent Commissioner



Report from the President Director

Ongki Wanadjati Dana

President Director

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If so far the Bank has focused more on the retail or mass market segment and Small and Medium Enterprises (SMEs), it furthermore goes into the corporate segment, which is the core business of SMBCI.

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Dear respective shareholders and stakeholders,

Greetings, and may peace be with us all with the blessings of the Almighty God. Allow us to present you with the Company's annual report for the fiscal year ended December 31, 2019. This report is part of the Management's accountability for the running of the business for the year being reported.

The annual report hereby submitted is presented in accordance with the direction and requirements of regulators, including the Financial Services Authority Regulation (POJK) such as POJK Number 29/POJK.04./2016 on Annual Reports of Issuers or Public Listed Companies, other mandatory requirements, and best practice standards in the industry.

The contents of this annual report is in alignment with reports audited by independent auditors and submitted to regulators, comprising periodic reports such as financial statements as well as one-off reports related to corporate actions and other mandatory requirement fulfillment.

New Era for Bank BTPN

2019 is a historic milestone for PT Bank Tabungan Pensiunan Nasional Tbk, which changed its name to PT Bank BTPN Tbk ('Bank BTPN' or 'the Bank'), since February 1, 2019 as the official identity as of the merger with PT Bank Sumitomo Mitsui Indonesia (SMBCI).

The entire merger process, in terms of both legal merger as well as business integration, have been running well. There is no significant disruptions to the Bank's operational activities.

For us, the completion of the merger is important, because it becomes the birth of a new round of BTPN Bank business journey. If so far the Bank has focused more on the retail or mass market segment and Small and Medium Enterprises (SMEs), it furthermore goes into the corporate segment, which is the core business of SMBCI. The corporate business unit serves Japanese companies operating in Indonesia, multinational companies and other large local companies. The corporate business has also actively involves in structured financing and syndicated lending in the Indonesian market. Thus, Bank BTPN became a universal bank with more complete services.

After the merger, the Bank has set a new vision statement:



To become the first choice bank in Indonesia, which give significant change in the life of millions of people, mainly with the support of digital technology.



Likewise, our mission statements have been adjusted to reflect the future direction of the Bank's programs development and policies:

- To offer complete financial solutions and service to various segments of retail, micro, SME and corporate business in Indonesia, and for Indonesia nation and country as a whole;
- To provide valuable opportunities for the professional growth of the the employees of Bank BTPN;
- To create significant and sustainable values for all stakeholders, including for Indonesia society;
- To utilize technological innovations as a key differentiator to provide the best-in-class service quality and customer experience for customers and partners of Bank BTPN.

These fundamental changes reflect, among other things, the fact that the Bank has become a much bigger business entity. In terms of assets, the post-merger Bank recorded a sharp growth of 78%, from IDR101.3 trillion in 2018 to IDR181.6 trillion or increased by 79% at year-end 2019. Consequently, Bank BTPN has become one of the top 10 biggest banks in Indonesia by assets.

With the global support of its parent company, namely Sumitomo Mitsui Bank Corporation (SMBC) and digital banking capability, provides Bank BTPN has greater capability and opportunity to provide loans, to broader segments, including capabilities to provide stronger services to the customers.

Macro Conditions

As the Bank underwent a process of consolidation and integration during 2019, conditions in the global economy were less than ideal. Economic performance tended to slow down, in part due to the prolonged tension between the US and China. This situation resulted in a weakening of global economy while putting commodity prices under pressure.

Due to such uncertainties in global economic movements, the World Bank and the International Monetary Fund (IMF) both had revised downward their earlier growth targets announced at the beginning of the year. These changes were mainly attributable to the ongoing trade war between two of the world's largest economies with no end in sight. As a result, world economic growth in 2019 slowed to a growth of 2.9% yoy from 3.6% yoy the previous year

The condition of the world economy, which is still unstable and tends to slow down, puts pressure on the national economy. That, in particular, has implications for the weakening of international trade and falling commodity prices, thereby affecting the business activities of the world business.

Responding to these conditions, throughout 2019, the Central Bank of the United States of America, the Federal Reserve (The Fed) has lowered its interest rate benchmark by 75 bps to 1.50%-1.75% from 2.25%-2.50%. Bank Indonesia also made the same response by launching a number of relaxation policies. The benchmark interest rate in 2019 has fallen four times in a period of six months, from 6.00% in June to 5.00% in December.

Bank Indonesia also lowered the Mandatory Minimum Reserve requirement for banks by 50 basis point. This is expected to help ease the pressure on banks' liquidity, thus enabling banks to disburse more loans to help drive the economy.

The banking authority, namely the Financial Services Authority (OJK), is aware of the impact of economic conditions in 2019 to banks' performance. Therefore, OJK has revised downward its target for bank loan growth in 2019 from 10-12% to 9-11%, even though the initial target was lower than the actual bank loan growth achieved in the previous year of 11.8%.

Nevertheless, banking performance and stability in 2019 is, in general, still at respectable level. According to OJK data, the capital adequacy ratio of conventional banks in October was 23.4%, higher than the level at the corresponding period in the previous year of 23.0%.

Meanwhile, profit before tax as of December 2019 was recorded at IDR200.5 trillion, higher than in December 2018 which was IDR190.7 trillion. This despite the increase in the ratio of operating expenses to operating income in the same period from 79.4% on 2019, to 77.9% previous year.

Information On 2019 Business Performance

Challenges and Constraints

Since the merger, Bank BTPN was led by a new management team. The important task of the new management team is to build a new culture so that all employees can be motivated to jointly build a larger-scale of Bank BTPN with a more diverse business segment.

Externally, the Bank faces the challenge of macroeconomic conditions that are experiencing pressures that cause the global and domestic economic growth prospects to slow down as explained above. In addition, 2019 is a political year with elections including the Presidential election.

Early in 2019, Bank Indonesia benchmark interest rate remained at 6%, after experiencing an increase from 4.25% in the first Quarter 2018. This relatively high interest rate position lasted until June.

With the increase in interest rate, the cost of funds of banks also increased. Interest rates on deposits also rose. Eventually, the change will affect bank lending rates and, if it is maintained, will result on a potential decline in the net margin of banks. In addition, in order to support the merger, the Bank maintained more funds to ensure the bank's liquidity is well managed, therefore it is impacting to the higher costs of fund of the Bank.

In terms of asset growth, Bank BTPN faces the challenge from a maturing pension loan portfolio due to external factor, which thus far has played an important role in the retail banking business segment. It become an even greater concern for the Bank with its reputation as the pioneer bank in the pension business, therefore the effort to maintain it becomes very important.

The above macro conditions can also have a negative impact on the level of growth and quality of loans in the MSME segment and individual customers.

Policies and Strategies to Overcome Constraints

Ensuring smooth process of integration and synergy between the two banks runs smoothly is the first focus of management by 2019. Second, developing core businesses that have been owned by the two banks previously.

In order to create a sustainable merged bank, BTPN Bank implemented a priority strategy going forward after the merger, which could be divided into 3 stages: Stabilizing, Synergizing, and Developing (Scale up).

The Stabilization Stages was carried out in 2019 with the aim of strengthening existing capabilities and core business with a main focus, namely: Ensuring the successful integration of key processes identified during the merger assessment, implementing "stabilization" initiatives and planning "synergy" initiatives "for the next stage, and actively involving all key stakeholders, consisting of: customers, employees, business partners, regulators and shareholders.

The Synergy Phase is an advanced stage with the aim of creating synergies in all sections with the main focus being implementing and developing existing business synergy initiatives, continuing the stabilization of new post-integration processes, and preparing for the launch of new businesses.

Scale up stage is the next advanced stage which aims to build new businesses, with the main focus of increasing synergies that have been developed and launching new businesses, identifying the next S-curve growth / value creation so that the Bank can grow sustainably while still prioritizing the precautionary principle.

To that end, the focus of the Bank in 2019 which is the first year after the merger is the process of consolidation and stabilization as well as developing its business. Stabilization is the foundation to build sustainable performance for the Bank in the future because success at this stage will facilitate the Bank to implement the next stage, namely Synergize and Scale Up.

Some alignment processes have been carried out well during 2019, namely:

- Strategic alignment of the two merged banks by formulating the company's vision and mission, defining clear segments and developing strategies to serve those segments. The purpose of this joint vision, mission and strategy formulation is to have a buy-in process from all key employees who will implement the collective agreement.
- Organizational alignment in the process areas, human resources and information technology.
- Leadership and culture alignment that will have an impact on work processes and engagement among BTPN people.

The Bank's business segment is divided into two, namely Growing Business and Mature Business. Growing Business is a lending business that will continue to develop in a sustainable manner, consisting of corporate businesses, small and medium business loans, consumer financing, and Sharia financing. While Mature Business is a stagnant credit distribution business with lower new Pension loan disbursements compared to previous years, micro business (Mitra Usaha Rakyat), which is indeed transformed by the Bank into a new Business Partner Business (MUR) business so that the old portfolio run down. With moderate economic growth conditions, the Bank is prudently focused on maintaining business growth with a relatively moderate growth rate with the main growth being in the Growing Business. In carrying out business growth, the Bank also continues to maintain the quality of the loan portfolio.

After the merger, the Bank has the capability to provide Trade, Cash Management and FX services to corporate customers.

And in order to get low-cost funds and at the same time encourage the development of digital customers so that more and more customers are transacting through digital services provided, the Bank continues to improve the capabilities of the existing digital banking platform, BTPN Wow! and Jenius. In addition, the Bank continues to strengthen bank business

transactions, especially by exploring opportunities for Supply Chain Financing for Principals and suppliers / distributors that are adjusted to the Bank's credit appetite, increasing cross-selling opportunities, increasing the empowerment of relationships between financial institutions (Financial Institution) and continue to develop products.

The Bank also harmonizes its infrastructure to support business development in terms of risk management, operations, information technology, platform and Power programs, and the development of human resource competencies.

Business Performance

Considering that the business merger has been effective since February 1, 2019, the business performance for the fiscal year is a consolidated performance. Thus, the report coverage is broader than the previous annual report, especially with respect to the entry of the Bank into the corporate segment.

A. Operations

In terms of operations, the business merger resulted in a Bank BTPN with more capabilities to serve its customers. Through its global network, the Bank is now capable of providing advisory services for customers wishing to expand their business overseas and able to provide more services for customers through a network owned by the Bank not only domestically, but also to overseas expansion.

B. Financial Aspect

The impact of the business merger was also evident in the financial aspect. The merger has provided Bank BTPN with more room in terms of financial, especially since it is no longer limited to the retail segment, but also include the corporate segment.

In the advisory service, the Bank is able to offer business matching solutions if it is in the form of business opportunity information, including finding overseas partners. One of the strength in other operational areas is with related to development of digital banking for the retail banking segment initially for the digital savvy. The Bank has succeeded in developing branchless banking, so that banking services or transactions can be done via smartphone. Thus, operational performance can be more efficient. So in summary, Bank BTPN has succeeded in changing the way customers deal with banks, from services through physical networks to digital.

Developments in digital banking and the Internet of Things (IOT) by Bank BTPN have also transformed the way people work within the organization. The Management continues to make adjustments in this area in line with each innovation developed.

The Management also has greater flexibility to diversify its funding sources. Whereas previously we depend heavily on time deposits, now we have access to other sources such as bond issuance or bilateral loans, with the Bank having a stronger position as a subsidiary of SMBC. Currently, the Bank has long term offshore borrowing facility limit of USD 2,8 billion. In addition, the Bank also has the potential to get lower interest rates due to better debt rating, resulting in lower cost of funds.

The Bank's performance in 2019 reflects the dynamics of the Bank's business after the merger, both in business units originating from Bank BTPN before the merger and growth in the corporate business that originated from Bank SMBCI before the merger.

Total loans extended grew by 108% YoY (corporate loans grew by 16% compared to 2018 SMBCI corporate loans before the merger, UKM 8%, TUR by 24%), while the number of mature Purna Bakti Bank business units decreased by 7%. This is also the case with microfinance because the Bank has been shifting to the SME segment since a few years ago. With this dynamic, there is a shift in Bank yields from business segments with higher yields in the retail lending to the corporate business segment.

Other dynamics that affect the financial performance of the Bank in 2019 are the increase in the benchmark interest rate since the second half of 2018, the increasing amount of funding formed by the Bank to ensure sufficient funds to support the merger and the efforts made after the merger.

The Bank always maintains liquidity and funding ratios well and optimizes the amount of third party funds. Along with lowering interest rates, the Bank adjusted interest rates and cut a number of high cost Time Deposits. Cost of fund of Rupiah time deposit declined from 7.9% in February 2019 to 6.5% in December 2019. In addition, the Bank made various efforts and initiatives to increase the amount of CASA which resulted in growth of current account saving accounts (CASA) by 173%. The liquidity coverage ratio (LCR) and the Net Stable Funding Ratio (NSFR) ratio are at healthy levels at 229.14% and 113.04%.

The decline in the benchmark interest rate in the third quarter helped to reduce the cost of the Bank's third party funds, but on the other hand, the yield from loans also experienced a decrease in interest rates,

Total customer deposits recorded by the Bank until the end of fiscal year 2019 amounted to IDR86.9 trillion. Compared to 2018 which was IDR70.8 trillion, an increase of 23%. Most of these customer deposits are in the form of time deposits, accounting for 72% of total customer deposits at the Bank. The CASA ratio has increased, from 13% in 2018 to 28% in 2019.

After the merger, the Bank has long-term funding facilities from SMBC, IFC and bilateral funding from several other institutions.

In order to diversify funding and interest rate risk management in the banking book, the Bank issues securities. In addition to MTN, NCD, and bonds that the Bank already has, in the 4th quarter of 2019 the Bank launched bonds of IDR1T. The bank previously continuously issued bonds, and the issuance of bonds in the 4th quarter was Continuous General Issuance (PUB) IV phase I of 2019.

The various dynamics above formed the Bank's NIM in 2019. With the merging of the corporate business unit (where the loans granted from this business unit consisted of Rupiah and foreign currencies) and which naturally had lower yields than the business

units of the bank BTPN prior to the merger which are retail and SME, the dynamics of growth in each business unit, changes in the benchmark interest rate and changes in the structure and funding costs explained the movement of the Bank's net interest margin (NIM) from 11,27% to 6,92% last year in 2019.

C. Profitability

In terms of profitability, the Bank managed to record a good net profit. Until the end of 2019, Bank BTPN managed to record a net profit of IDR3.0 trillion, 41% higher compared to 2018 of IDR2.1 trillion. This achievement was mainly driven by efforts at good margin management, fee acquisition and revaluation gains from foreign exchange transactions, especially from corporate business units. Operating costs are well maintained and the allowance for impairment losses (CKPN) is stable.

Overall, the Bank managed to record performance in accordance with the Bank's targets, including reflected in the achievement of the ratio of Return on Assets (ROA), Return on Equity (ROE) and Capital Adequacy Ratio (CAR), each of which was 2.2%, 9.9% and 24.2% which exceeded the target.

D. Capital

The business merger has provided Bank BTPN with a more solid and robust capital structure. As at the end of the fiscal year, our Capital Adequacy Ratio (CAR) stood at 24.2%.

That position is far above the minimum provisions set by the regulator. Thus, the Bank's capital capability is very solid and have greater ability to be able to support the customer's loan needs and national economic growth.

2020 Business Prospects

2020 will see continuing dynamics in economic conditions at the global and domestic levels. This situation, among others, has the potential to affect the performance of international trade, which ultimately becomes a challenge for the financial sector.

In addition, due to an extraordinary event related to Coronavirus Disease 2019 ("COVID-19"), in March 2020, World Health Organization has declared a pandemic, and prevention and control measures for COVID-19 have taken place in Indonesia. This situation has disrupted business activities and the global economy, including Indonesia.

The Company continues to monitor the situation related to COVID-19, assessing and responding actively to its impact on the financial position and results of operations. As of the date of these consolidated financial statements, the valuation is still ongoing. The Company will consider the impact and probability of a worsening economic scenario due to the COVID-19 related situation on the Bank's performance in 2020.

Nevertheless, Bank BTPN continues to strive to achieve its vision of becoming the first choice bank in Indonesia that can provide meaningful changes in the lives of millions of people, with the support of digital technology. BTPN Bank is believed to be a bigger and stronger bank, so that it can increase contributions to the national economy.

This vision can be pursued through a number of strategies starting from the stabilization phase aimed at integrating and mitigating risks with regulatory support that has been implemented during 2019 and will be continued in 2020. Furthermore, through the Synergy phase aims to combine current assets to support stronger cross-sell, serve new segments and reduce costs and scale up stages aiming to create a new engine for growth and profitability of the combined entity.

Good Corporate Governance Practises

Since the merger took place, Bank BTPN has become part of a Global Bank Systemic International Bank – G-SIB. Therefore, in conducting business, the Bank must also refer to the policies of the holding company, namely SMBC, especially in the area of Good Corporate Governance (GCG).

Thus, the Bank complies not only with applicable regulations in Indonesia, but also adopts standards that apply internationally. As in the Compliance Function, for example, the Bank also meets the standards imposed by the authorities in Japan, namely the Japan Financial Agency. Likewise with the Foreign Corrupt Practice Act (FCPA) for anti-corruption policies that apply in the United States and the UK Bribery Act (UKBA) for those in force in the UK.

These regulations, which apply in Indonesia and internationally, become the basis and reference point for Bank BTPN in conducting business activities. Thus, the Bank is not only have become bigger and stronger in terms of capital, but also more stringent in terms of governance and risk management.

Implementation of Risk Management

In 2019, Bank BTPN implements risk management in the corporate sector as well as in the retail sector. Considering that the two business lines have different business model and segmentation, the management of risk as well as the risk appetite will also be different.

As such, the Bank requires an integrated risk management policy that covers both sectors, in the form of completeness of procedures as well as policies. The Management has successfully conducted the integration of the two different risk management cultures without any significant disruption.

Along with Management's efforts in integrating the risk management culture of two different business models, the Bank also has a commitment to fulfill the requirements of regulators. These include, among other things, the policy on the application of the standard approach of risk management and risk measurement for interest rate risk in the banking book, or the Interest Rate Risk on Banking Book (IRRBB) issued by the Financial Services Authority (OJK) in 2018 and applicable beginning in the 2019 fiscal year.

In addition, the Bank also continues to refine the system related to the requirement for net stable funding ratio (NSFR), which has been in force since 2017. Another concern is the preparation for the application of Statement for Financial Accounting Standard (SFAS) 71, which came into force in January 2020. Through the good cooperation of all work units in Bank BTPN, all these preparations were successfully completed.

In 2019, Bank BTPN has defined the risk appetite for the post-merger bank. Thus, the amount of credit, market, and operational risks that become the Bank's tolerance limit has been successfully resolved.

Changes in the Composition of the Board of Directors

In 2019, there was a change in the composition of the Board of Directors. The Extraordinary General Meeting of Shareholders held on September 11, 2019, approved the appointment of Hanna Tantani as Director of Finance.

Therefore, the composition of the Board of Directors up to December 31, 2019 are:

President Director	: Ongki Wanadjati Dana
Deputy President Director	: Kazuhisa Miyagawa
Director of Compliance (Independent)	: Dini Herdini
Director	: Yasuhiro Daikoku
Director	: Henocho Munandar
Director	: Adrianus Dani Prabawa
Director	: Hiromichi Kubo
Director	: Merisa Darwis
Director	: Hanna Tantani

Development Of Information Technology

Digital banking has become one of the main strengths of Bank BTPN that continues to be developed on an ongoing basis. The Bank has developed a three-year master plan in each set of strategic plans.

All activities carried out in information technology (IT) development, in addition to being reported to BOD, are also reported and reviewed by a Steering Committee. The review is carried out at least once every 3 (three) months. This is part of IT governance practices that are already implemented by the Bank.

With regard to in-house system development projects, the Bank has a forum called Enterprise Management of IT (EMIT), which consists of executives related to IT. This forum provides approval of strategies and approach to use in IT development projects.

Among significant developments underway at Bank BTPN is Robotic Process Automation (RPA), which allow all repetitive business processes to be handled by system. This system has already been implemented in the pension loan termination service. The Bank will continue to develop RPAs for other business processes.

In addition, the Bank also continues to develop its IT infrastructure, both independently and in collaboration with other parties. At the same time, human resources development continues to be carried out to meet the Bank's needs.

Going forward, the Bank will still focus on digitizing all services to customers. Next comes the digitization of business processes in banking operations. Furthermore, the integration process continues as a consequence of the business merger that has occurred.

Human Resources Management

Bank BTPN considers that human resources (HR) is an important asset for the Bank in achieving its stated vision and mission. Therefore, proper HR management and development along with the development of the Bank's business activities is very important.

The merger of PT Bank Tabungan Pensiunan Nasional (BTPN) with Bank Sumitomo Mitsui Indonesia (SMBCI) on 1 February 2019 presents new challenges and opportunities in the management of human resources (HR). The Human Resources Unit plays an important role in ensuring the achievement of a harmonious integration process both in the structure and process integration, as well as the cultural integration of the banks that are combined to achieve optimal performance.

In 2019 HR management activities will focus on stabilizing the post-merger of the two banks into a new BTPN Bank. The programs carried out include:

1. Information and Communication Program, which aims to convey information in a clear, transparent and structured manner to all BTPN employees.
2. Employee Onboarding Program to the new BTPN Bank as a result of the merger. The onboarding program was given the name "Life at BTPN" and was carried out on February 20-21, 2019. From the program, it was hoped that employee's understanding of the history, achievements, and business activities carried out by the new banks resulting from the merger.
3. Post-merger strengthening program. These programs can be grouped into:
 - a. Communication program:
 - b. The programs internalize the vision, mission, and values, and increase competence
 - c. Employee motivation and engagement improvement program
4. Integration of HR management systems and processes, to ensure employees from two banks receive equal service and treatment.

In the last quarter of 2019 a new initiative began, namely the assessment and redefinition of Bank BTPN's Employee Value Proposition (EVP). This EVP study and redefinition is carried out so that BTPN can formulate appropriate steps to attract external talent, as well as retain and engage the internal talent. It is hoped that the new EVP can better reflect the strengths, ways of working and culture that BTPN currently has.

Through the EVP pillars of BTPN Bank, plans are made for activities to strengthen the identity of the BTPN Bank both inside and outside the bank. These activities will begin in 2020, to coincide with the first anniversary of the joining of BTPN and SMBCI to become the new BTPN Bank. Through this activity it is hoped that the creation of human resources can support the achievement of the Bank's BTPN strategy.

Activities In Corporate Social Responsibility

The implementation of corporate social responsibility is mainly realized through the Daya program. In principle, this program integrates Bank BTPN's business missions with its social mission or corporate shared values.



The Human Resources Unit plays an important role in ensuring the achievement of a harmonious integration process both in the structure and process integration, as well as the cultural integration of the banks that are combined to achieve optimal performance.



Since the merger took place, the Daya program, which initially had three pillars, has been refined into four pillars to make it more relevant to the Bank's business as a universal bank. First is Competence Development, relating to the development of competencies of customers.

Second, Personal Finance Help, which is an effort to develop customers' financial capabilities. Third, Sustainable Living, which is concerned with sustainability issues as related to the lives of customers and the Bank's business processes. The fourth, Capacity to Growth, empowers customers to develop entrepreneurial knowledge and skills as well as provides new business opportunities and market access.

In terms of segmentation, whereas previously Daya was managed more on a personal approach to customers in, for example, a certain region or area, it now has expanded. Among them is through cooperation with corporations to empower their employees through skills upgrading.

Throughout 2019, the Bank will provide a budget for corporate social responsibility activities. The funds are intended for activities in the field of personal capacity development, financial literacy, business capacity building and sustainable living.

Appreciation To Stakeholders

The business merger journey that, among others, has implications for the integration of two cultures from two business entities with different business focuses has been successfully carried out. All processes, from the regulatory as well as operational aspects, continue smoothly side by side between integration efforts and ongoing business processes, in order to improve business performance.

We realize that all this can happen thanks to the support of stakeholders, both the directives of regulators as well as guidance and the full confidence from shareholders. Therefore, we express our deep gratitude for everything that has been done.

Likewise, we express our highest appreciation to our employees who have devoted all their resources. This also includes other stakeholders, such as business partners who have worked well together so far, thank you for your support.

We hope that next year and the future will be better, following the opening in 2019 of new chapter in Bank BTPN's business journey to grow bigger and stronger in the future.

On behalf of the Board of Directors,



Ongki Wanadjati Dana
President Director

Board of Directors



1. **Ongki W. Dana** | President Director
2. **Kazuhisa Miyagawa** | Deputy President Director
3. **Dini Herdini** | Compliance Director
4. **Yasuhiro Daikoku** | Director

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- 5. **Henoch Munandar** | Director
- 6. **Adrianus Dani Prabawa** | Director
- 7. **Hiromichi Kubo** | Director
- 8. **Merisa Darwis** | Director
- 9. **Hanna Tantani** | Director

» 9



Board of Management



1. **Darmadi Sutanto** | Chief of Retail Banking Officer
2. **Vincentius Hidayat** | Head of Retail Lending Business
3. **Nurhajati Soerjo Hadi** | Head of Internal Audit
4. **Irwan Sutjipto Tisnabudi** | Head of Digital Banking
5. **Steffano Ridwan** | Head of Business Banking
6. **Pratomo Soedarsono** | Head of Human Capital
7. **YB Hariantono** | Head of Information Technology
8. **Hadi Wibowo** | Head of Branchless Banking
9. **Helena** | Head of Retail Funding Business



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Executive Officers





Statement of Member of the Board of Commissioners and Member of the Board of Directors on the Responsibility for the Annual Report 2019 PT Bank BTPN Tbk

We, the undersigned, declare that all information contained in the 2019 Annual Report of PT Bank BTPN Tbk has been presented in their entirety, and that we assume full responsibility for the accuracy of the contents of the Annual Report of PT Bank BTPN Tbk.

This statement is made truthfully.

Jakarta, April 2020

Board of Commissioners



Mari Elka Pangestu *
President Commissioner (Independent)



Chow Ying Hoong
Vice President Commissioner



Ninik Herlani Masli Ridhwan
Independent Commissioner



Takeshi Kimoto
Commissioner



Irwan Mahjudin Habsjah
Independent Commissioner

* note: Mrs Mari Elka Pangestu has submitted her resignation through official letter dated 30 January 2020, with the effective date as of 1 March 2020. However, her resignation as well as the release and discharge of her responsibility (acquit et de charge) as the President Commissioner will be resolved by the Annual General Meeting of the Shareholders for the year 2019.

Board of Directors



Ongki Wanadjati Dana
President Director



Kazuhisa Miyagawa
Deputy President Director



Dini Herdini
Compliance Director (Independent)



Yasuhiro Daikoku
Director



Henoch Munandar
Director



Adrianus Dani Prabawa
Director



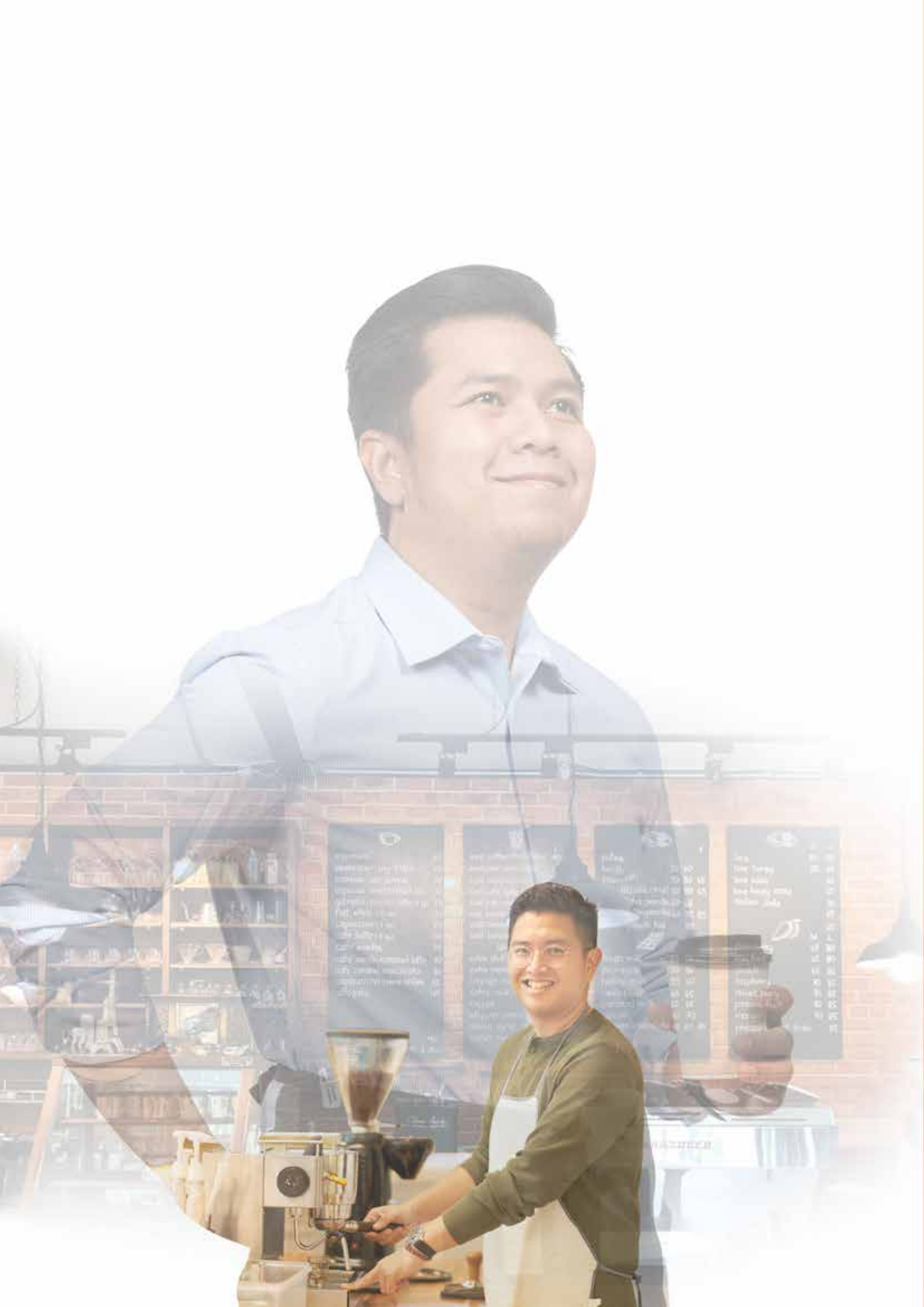
Hironmichi Kubo
Director



Merisa Darwis
Director



Hanna Tantani
Director



Company Profile

“

The merger of Bank BTPN with SMBCI effective as of February 1, 2019, has resulted in a bank that is capable of providing more comprehensive banking services to its customers.

”

54	General Information Company	88	Profiles of Executive Officers
56	Company Brief History	92	Employee Statistics
58	Milestones	96	Composition and Profile of Shareholders
60	Line of Business	98	Information About Ultimate Parent Entity
61	Product and Services	99	Information About Majority Shareholders
62	Organizational Structure	100	List of Subsidiaries
64	Vision, Mission & Main Values	100	Branch Offices
66	Profile of The Board of Commissioners	101	Ownership Structure
71	Profile of The Board of Directors	102	Share Listing Chronology
80	Profile of Committee Members Audit Committee	103	Chronology of Other Securities Listings
82	Profile of Committee Members Risk Monitoring Committee	104	Names and Addresses of Capital Market Institutions and/or Supporting Institutions
84	Profile of Committee Members Remuneration and Nomination Committee	105	Information on the Corporate Website
85	Profile of Committee Members Integrated Governance Committee		

General Information Company



Name of Company

PT Bank BTPN Tbk



A MEMBER OF
SMBC Group

Information About Name Changes

- 1958:** Initial name was Bank Pegawai Pensiunan Militier (Bapemil)
- 1986:** Bapemil changed to PT Bank Tabungan Pensiunan Nasional
- 2019:** PT Bank Tabungan Pensiunan Nasional Tbk changed to PT Bank BTPN Tbk

Date of Establishment

1958

Line of Business

Banking Services

Legal Basis of Establishment

PT Bank Tabungan Pensiunan Nasional Tbk (the "Bank") was established by notarial deed No. 21 dated 6 October 1959 of Notary Noezar, SH. The deed was amended by notarial deed No. 203 dated 31 May 1960 and deed No. 53 dated 7 November 1960 of Notary Noezar, S. H. The Company's Articles of Association were published in Supplement No. 5 to the State Gazette No. 13 dated 14 February 1961.

Authorized Capital

Rp300,000,000,000

Issued and Paid Up Capital

Rp162,978,578,229

Name of Exchange and Date of Listing

Indonesia Stock Exchange (12 March 2008)

Share Code

BTPN

ISIN Code

101000118508

Shareholder Composition

Sumitomo Mitsui Banking Corporation (92.43%)
PT Bank Central Asia Tbk (1.02%)
PT Bank Negara Indonesia (Persero) Tbk (0.15%)
Public (5.23%)
Treasury Stock (1.17%)

Address of Head Office

Menara BTPN
CBD Mega Kuningan
Jl. Dr. Ide Anak Agung Gde Agung, Kav 5.5-5.6
Jakarta Selatan 12950

Website and E-mail

www.btpn.com

corporate.communication@btpn.com

Rating (Fitch)

Rating by PT Fitch Rating Indonesia AAA(idn),
Stable Outlook Rating by PEFINDO idAAA
(Triple A, Stable Outlook)

Company Brief History

Initially, BTPN was a bank that focused on serving and empowering the mass market segment, including pensioners, micro, small, and medium-sized enterprises (MSMEs), as well as productive poor communities. Currently, BTPN is headquartered in Jakarta with branches in over 300 cities throughout Indonesia.

BTPN offers a variety of banking services through its six business units. The first is BTPN Purna Bakti that focuses on the pensioner and pre-pensioner segment. The second is BTPN Mitra Usaha Rakyat that focuses on micro entrepreneurs. The third is BTPN Mitra Bisnis that focuses on small and medium-sized entrepreneurs. The fourth is BTPN Sinaya that focuses on gathering deposits from institutions and high-income individuals.

The remaining two units are BTPN's two mobile banking platforms. BTPN Wow! is a platform that serves the mass market segment through the utilization of simple cellular phones. While the last one, Jenius, caters to urban tech-savvy customers who use smartphones.

While most companies carry out their social activities through Corporate Social Responsibility (CSR) programs that are separate to their business activities, BTPN integrates its social programs into its business.

As such, the tagline, "Together, we create opportunities for growth and greater significance" represents more than just the Bank's social activities, but is an integrated part of the Bank's daily business activities down to the branch level.

In 2019, after the merger with SMBCI, BTPN became a complete bank. The Bank offers a variety of financial services to a whole spectrum of individuals and business enterprises, from large corporations in major urban centers to micro and community enterprises in remote villages.

INFORMATION ABOUT NAME CHANGES

The Bank was established in Bandung, West Java, in 1958 under the name Bank Pegawai Pensiunan Militer (Bapemil). The Bank changed its name to Bank Tabungan Pensiunan Nasional in 1986.

After the merger with PT Bank Sumitomo Mitsui Indonesia (SMBCI), in 2019, PT Bank Tabungan Pensiunan Nasional Tbk changed its name to PT Bank BTPN Tbk. The last name was used up to the end of the 2019 Fiscal Year.



Milestones

- Established in Bandung, West Java, under the name Bank Pegawai Pensiunan Militer (Bapemil).
- In 1960, acquired a commercial bank license.
- In 1986, changed its name to PT Bank Tabungan Pensiunan Nasional.

2008
In 2008, TPG Nusantara S.à.r.l. acquired a majority stake (71.6%) in BTPN through a public listing on the Indonesia Stock Exchange. At this time, BTPN became a publicly listed company with assets of Rp13.7 trillion.

- BTPN launched its micro - small business unit, namely BTPN Mitra Usaha Rakyat, by rolling out 539 branches and increasing the unit's loans to Rp2.3 trillion.
- The Bank issued its first Rupiah long term bond, which carried an A+ national scale Fitch Rating, and received a long-term Rupiah facility from the International Finance Corporation, a subsidiary of The World Bank.

BTPN increased its assets to Rp34.5 trillion from Rp13.7 trillion two years prior. The Bank ranked 10th in market capitalization, ranked 5th in the size of its branch network, and ranked 6th in the number of employees.

1958-1986

2008

2009

2010

2014

2015

2016

Sumitomo Mitsui Banking Corporation (SMBC) expanded its share ownership in BTPN to become the controlling shareholder with 40.0%. SMBC is Japan's second largest bank with a market value of USD1.3 trillion in assets.

BTPN formally launched BTPN Wow!, a digital mobile banking platform for the mass market that can be accessed with a simple mobile phone and is enabled by agents to widen its network reach in order to serve the previously unbanked communities. Banking transactions that can be carried out on the platform include deposits, cash withdrawals, fund transfers, bill payments, and applying for micro loans as well as the purchase of micro insurance products.

- In February 2016, BTPN began operating as a foreign exchange Bank. The Bank received its foreign exchange license in December 2015, which enabled it to conduct foreign currency transactions and gave it the flexibility to start offering liability deposit products in foreign currencies.
- Jenius, the Bank's second mobile phone platform was launched. The Jenius cellular phone service allows users to use their smartphones to connect with the Bank and conduct banking transactions. Up to December 2016, Jeniusit had 70,000 followers on social media sites and over 3 million YouTube views.

- BTPN launched Daya, a sustainable mass market empowerment program that is an integral part of BTPN's business activities. The Funding Business launched its Sinaya brand, which links up with the Daya initiative.
- Completed the pilot of the Sharia Community Banking business (BTPN Syariah – Tunas Usaha Rakyat).
- BTPN expanded its ATM network through its ATM Prima network, in addition to its existing ATM Bersama network. This brings the Bank's ATM linked network to more than 57,331 ATMs across Indonesia.

- BTPN Syariah - Tunas Usaha Rakyat grew significantly with 28,927 community centers in Banten, and West and East Java, by the end of the year, empowering over 444,000 customers in the grass-root community.
- BTPN completed the piloting of its new mobile phone banking platform called BTPN Wow!, which was rolled out in 2015.

- The financing of BTPN Syariah – Tunas Usaha Rakyat more than doubled in size to about Rp1.4 trillion, accounting for approximately 3.0% of the Bank's total loans. The sharia unit had 69,500 community groups (sentra) across the country, empowering over 931,500 customers in village communities.
- BTPN acquired PT Bank Sahabat Purba Danarta (Bank Sahabat) and converted it into a sharia bank before spinning off its sharia unit into the newly acquired entity in 2014.
- Sumitomo Mitsui Banking Corporation (SMBC) from Japan acquired a 24.3% ownership in BTPN through the purchase of shares owned by TPG Nusantara S.a.r.l. and other shareholders.

2011

2012

2013

2017

2018

BTPN expanded the features of its BTPN Wow! and Jenius mobile banking applications to expand the Bank's customer base and increase the number of its banking transactions. The customer-centric focus of these two mobile banking services has led to significant improvements in customer experience and impacted the way the Bank's supporting units operate. This transformation, which is called 'Gemilang,' covers the Bank's organizational structure, technology, human resources, and risk controls. The Bank's branch network has undergone a major transformation, where all branches can provide banking services to all customer segments.

The Bank went through two major corporate actions. The first was an initial public offering (IPO) of its majority owned subsidiary, BTPN Syariah, and the other was the merger process of BTPN and PT Bank Sumitomo Mitsui Indonesia (SMBCI). Through this merger, the Bank was able to provide a full range of financial services to a full spectrum of customers, from individuals to business enterprises such as large corporations and micro and remote community enterprises. The full impact of the Gemilang project and the Bank's BTPN Wow! and Jenius digital mobile banking platforms was expected to take effect in 2019.

2019

The merger of Bank BTPN and SMBCI took effect on 1 February. The merger took place to strengthen the Bank's ability to provide more complete banking services for a wider customer base. The bank was now a universal bank.

Line of Business

ACCORDING TO THE ARTICLES OF ASSOCIATION

A. Main Business Activities

- a. To collect funds from public in the form current account, time deposit, certificate of deposit, saving and/or other forms similar thereto;
- b. To provide loans, either long term, middle term or short term loan, or in any forms commonly used in banking business.

B. Supporting Business Activities

- a. To issue acknowledgement of debt.
- b. To purchase, sell, or secure for its own risk or for the interest, and upon the order, of its customer:
 1. Drafts, including drafts accepted by the Bank which has a validity period not longer than those applicable in the normal trade of such drafts;
 2. Acknowledgement of debt and other negotiable instruments having validity period not longer than those applicable in the normal trade of such instruments;
 3. State treasury notes and government guarantees;
 4. Certificate of Bank Indonesia (SBI);
 5. Bonds;
 6. Tradable and/or promissory notes with validity period up to 1 (one) year;
 7. Other negotiable instruments with validity period up to 1 (one) year;

- c. To transfer money either for its own interest or for the interest of customers.
- d. To place funds at, borrow funds from, or lend funds to other banks, either by mean of letters, telecommunication facilities, or sight draft, checks or other facilities.
- e. To receive payment form the collection of securities, and make settlement with or among third parties;
- f. To provide safe deposit boxes for valuable and securities;
- g. To provide depository services for the interest of further parties pursuant to contract;
- h. To make placement of funds from customers to other customers in the form of securities which are not listed in the Stock Exchange;
- i. To purchase collaterals wholly or partly in public sale in the event the debtor fails to perform its obligations to the company, provided that the purchase collateral shall be liquidated without delay;
- j. To perform activities in factoring, credit card business and trusteeship;
- k. To participate in the capital of banks carrying on business pursuant to sharia principles, in accordance with regulations issued by banking competent authorities;
- l. To perform activities in foreign exchange, subject to regulations issued by the competent authorities;

- m. To participate in the capital of banks (including sharia banking) or other companies carrying on business in the field of finance, leasing, venture capital, Securities Company, insurance, clearing and guarantee, and settlement and depository institution, subject to the provisions of the competent authorities;
- n. To perform activities in temporary capital investment to overcome the effect of non-performing loan and/or failure in other financing, provided that such investments shall be withdrawn in accordance with the provisions issued by Financial Services Authority;
- o. To perform activities as founder of pension fund and as the management of pension fund and as the management of pension fund, subject to prevailing laws and regulations;
- p. To issue documentary credits (letter of credit) of any kinds and bank guarantees;
- q. To perform other activities normally performed by banks, provided not in violation of laws and regulations.

Product and Services

CORPORATE/ WHOLESALE BANKING

- » **Hedging Products**
IRS/CCS and foreign exchange transactions
- » **Lending products**
 - Bilateral and Syndication Loans (IDR, USD and, JPY)
 - Project/Structured Finance
 - ECA
- » **Cash Management Products**
 - Current account and Term Deposits
 - Payment (ACH, RTGS, Payroll, Wires)
 - E-Tax Payment (pajak non-import and import)
 - Collections (ACH, RTGS, Payroll, Wires, Cheque/Cash Deposit, Giro)
 - Virtual Account
 - Internet Banking/Host to Host
 - Liquidity Management (domestic cash polling)
- » **Domestic, Trade of Export and Import Products**
 - Import LC Issuance/Import Bill Negotiation
 - Export LC Advising/Confirmation/Export Bill Collection
 - Documentary Collection (DP, DA)
 - Trust Receipt/Trade Loan
 - Structured Trade Finance
 - Receivable Purchase
 - Bank Guarantees/SBLC

BTPN WOW!

- » Funding Wow!
- » Productive and Consumptive
- » Student Loan
- » Supply Chain

JENIUS

- » Fund it Flexi Cash

TREASURY & FI

- » Foreign Exchange
- » Derivative
- » Money Market

RETAIL FUNDING BUSINESS

- » Taseto Premium
- » Taseto Bisnis
- » Tabungan Pasti
- » Giro Sinaya
- » Deposito Berjangka
- » Deposito Fleksi
- » Reksadana
- » Bancassurance
- » Kartu ATM/Debit Sinaya
- » Sinaya Online dan Sinaya Mobile
- » Safe Deposit Box
- » Layanan Syariah Bank
- » Weekend Banking
- » Sinaya Prioritas

SME/MICRO

- » Kredit Angsuran Berjangka
- » Kredit Usaha Rakyat
- » Tabungan Mitra Usaha
- » Tabungan Setara Deposito
- » Pembiayaan Petani Kelapa Sawit
- » Upper Micro

RETAIL LENDING BUSINESS

- » Pension Loans
- » Employee Loans
- » Cross Over Loans

BUSINESS BANKING

- » Cash Management
- » CPP Mitra Bisnis
- » BPR Financing
- » ABF
- » Commercial

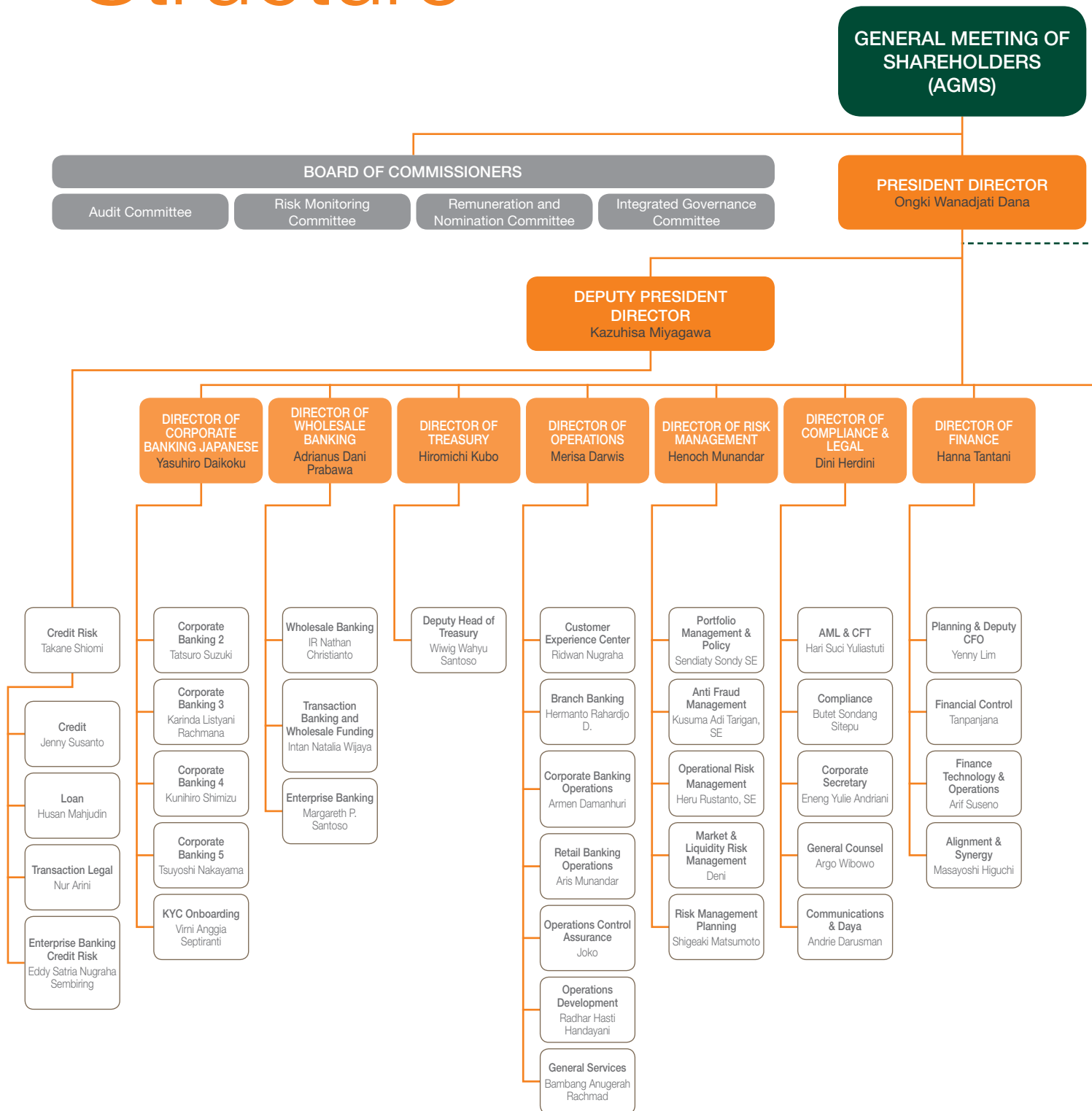
SUPPLY CHAIN AND STRUCTURED PROGRAM

- » Supply Chain
- » Lending Program

CONSUMER ASSETS

- » Asset Based Financing (A/R Financing)
- » Fintech
- » Pembiayaan dengan MF

Organizational Structure



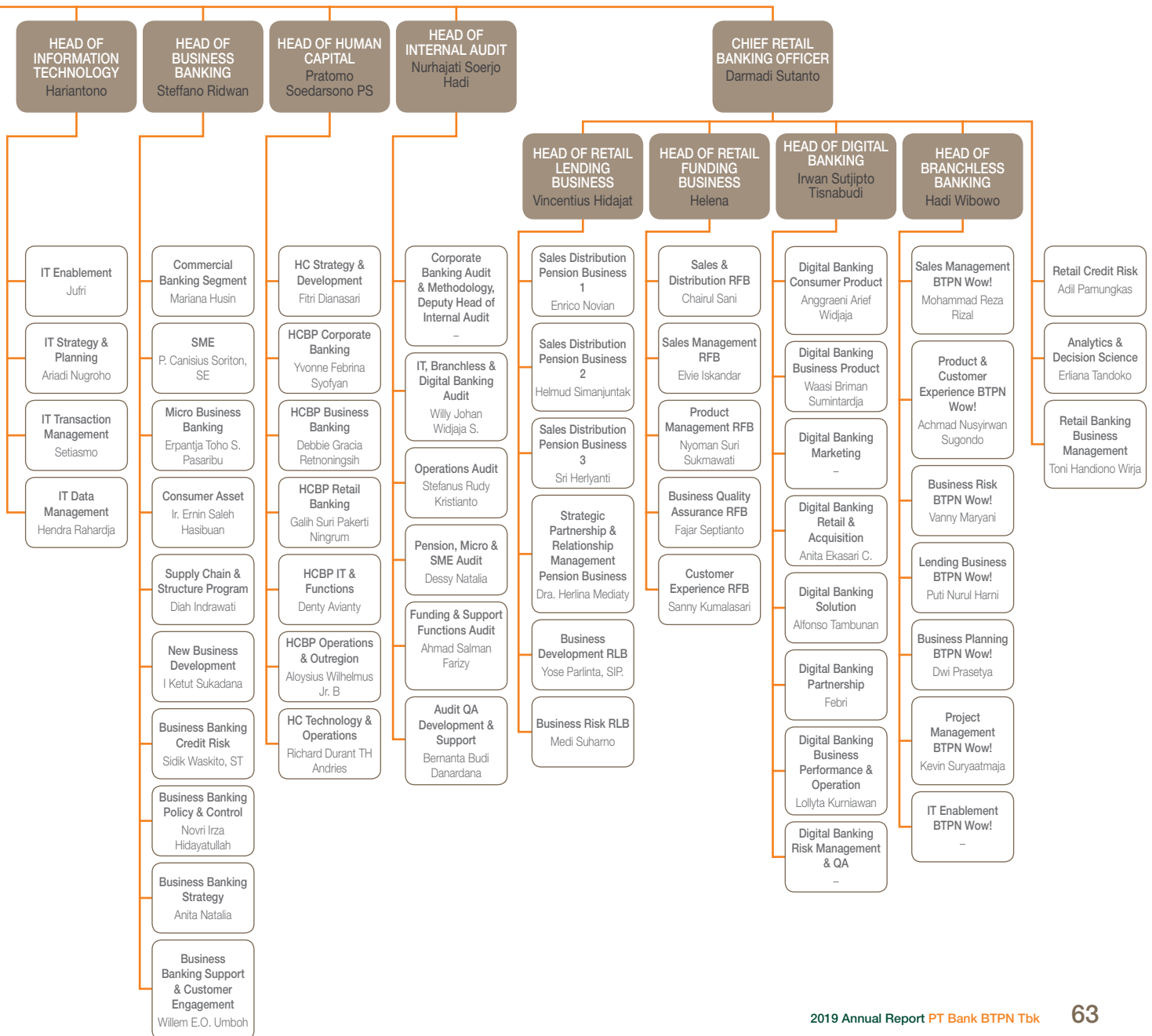
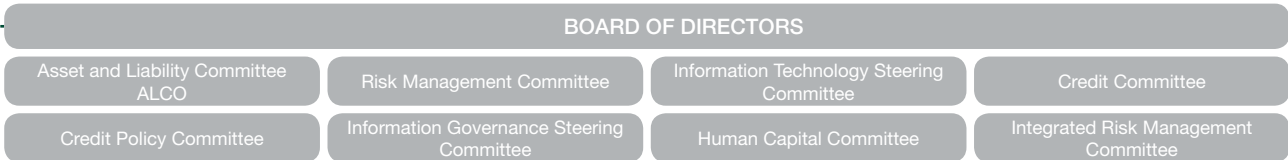
Board of Management



Board of Directors



Committee of the Board of Commissioner & Committee of the Board of Directors



Vision

To become the first choice bank in Indonesia, which give significant change in the life of millions of people, mainly with the support of digital technology.



Mission

- To offer complete financial solution and service to various segments of retail, micro, SME and corporate business in Indonesia, and for Indonesian Nation and Country as a whole
- To provide valuable opportunity for the professional growth of the Bank BTPN employees
- To create significant and sustainable values for the stakeholders, including for Indonesian society
- To use technology innovation as the main differentiator to provide the best quality and experience in its class to the Bank BTPN clients and partners.

Main Values

The Bank has adopted 5 (five) values that serve as guidelines for conducting business activities:

- Customer First : Focus on serving our customers
- Proactive and Innovative : Step up and continue to innovate
- Speed (Agile) : Embrace change and move fast
- Quality : Maintain quality of our service
- Synergy : Collaborate as one team

Regarding the Vision and Mission, the basic foundation of integration is to serve SMBCI and BTPN customers so that they can achieve their goals and aspirations in the best possible way, and it is expected to have a positive impact on the people of Indonesia. Therefore, the Surviving Bank shall become reliable and trusted partner, capable of understanding and effectively meeting the continuously evolving financial needs of the Surviving Bank customers.

The vision and mission determined are in accordance with the business combination plan as reflected in the summary of the business combination plan.

Profile of The Board of Commissioners



Mari Elka Pangestu
President Commissioner (Independent)

Citizenship	Indonesia
Domicile	Jakarta
Age	66 years old at the end of the 2019 Fiscal Year
Educational Background	<ul style="list-style-type: none"> • Bachelor of Economics from the Australian National University (1978) • Master of Economics from the Australian National University (ANU) (1979) • Ph.D. from the Department of Economy - University of California, Davis, United States (1986)
History of Position and Legal Basis of Appointment	Appointed as President Commissioner (Independent) of BTPN on the Date of the Merger, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	Chairwoman of the Remuneration and Nomination Committee of BTPN
Work Experience	<ul style="list-style-type: none"> • Minister of Tourism and Creative Economy (2011-2014) • Minister of Trade (2004-2011) • Board of Trustee member at the CSIS Foundation (2015-2019) • Deputy Director at Center of University – Faculty of Economics, University of Indonesia (1988-1990) • Chairlady of International Sector at the Indonesian Economist Association (1988-1998) • Lecturer at the Faculty of Economics, University of Indonesia (1986-1999, 2007-2019)
Affiliated Relationship	Has no affiliate relationships with the Board of Commissioners, the Board of Directors, and the Controlling Shareholders



Chow Ying Hoong
Vice President Commissioner

Citizenship	Singaporean
Domicile	Singapore
Age	59 years old at the end of the 2019 Fiscal Year
Educational Background	Business Administration in Finance from the National University of Singapore (1984)
History of Position and Legal Basis of Appointment	Appointed as Vice President Commissioner of BTPN on the Merger Effective Date, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	<ul style="list-style-type: none"> Member of the Remuneration and Nomination Committee of BTPN Managing Executive Officer, Co-Head of Asia Pacific Division and Head of Asia Growing Markets Division di SMBC
Work Experience	<ul style="list-style-type: none"> Director and Executive Officer SMBC, Singapore (2013-2014) General Manager of Planning Department Asia Pacific Division SMBC (2011-2013) General Manager of Debt Markets Department SMBC, Singapore (2010-2013) Branch Manager/Managing Director di Societe Generale Bank (1997-2000) Head of Syndication for Asia di ABN Amro Singapura (1996-1997) Bank Officer, United Overseas Bank (1984-1987)
Affiliated Relationship	Management relationship with the Controlling Shareholders

Profile of The Board of Commissioners

Takeshi Kimoto
Commissioner



Citizenship	Japanese
Domicile	Singapore
Age	49 years old at the end of the 2019 Fiscal Year
Educational Background	Bachelor of Arts in business and commerce from KEIO University
History of Position and Legal Basis of Appointment	Appointed as Commissioner of BTPN on the Merger Effective Date, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	<ul style="list-style-type: none"> • Member of the Risk Monitoring Committee of BTPN • General Manager of Asia Growing Markets Division SMBC • Commissioners of PT Summit Oto Finance • Commissioner of PT Oto Multiartha
Work Experience	<ul style="list-style-type: none"> • Vice President, International Finance Department, Sumitomo Bank Ltd (2000-2001). • Vice President Global Institutional Banking Department ("GIBD") at SMBC • Vice President at GIBD Singapore, Group Head & Senior Vice President at the Global Trade Finance Department, Senior Vice President at the Emerging Market Business Division ("EMBD"), Joint General Manager at EMBD Tokyo and Joint General Manager untuk Business Development Department at the International Banking Unit of SMBC (2007-2018).
Affiliated Relationship	Management relationship with the Controlling Shareholders



Irwan Mahjudin Habsjah

Commissioner (Independent)

Citizenship	Indonesian
Domicile	Jakarta
Age	72 years old at the end of the 2019 Fiscal Year
Educational Background	<ul style="list-style-type: none"> • Bachelor Degree in Economics from the Erasmus University Rotterdam, Netherlands (1974) • Master's Degree in Monetary & International Economics from the University of Amsterdam (1978)
History of Position and Legal Basis of Appointment	Appointed as Independent Commissioner of BTPN based on the resolution of the EGMS on 11 September 2019
Concurrent Positions	<ul style="list-style-type: none"> • Chairman of the Risk Monitoring Committee of BTPN • Chairman of the Integrated Governance Committee of BTPN • President Commissioner of PT Sriboga Marugame Indonesia
Work Experience	<ul style="list-style-type: none"> • Commissioner of PT Sari Melati Kencana/Pizza Hut (2013-2016) • Member of the MPR from the Category Fraction representing the Indonesian Financial Executives Association (2000-2004) • President Director of PT ING Indonesia Bank (2000-2004) • Independent Commissioner of T Bank Universal (1999-2000) • President Director of PT BT Securities Indonesia (1996-1999)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profile of The Board of Commissioners



Ninik Herlani Masli Ridhwan

Commissioner (Independent)

Citizenship	Indonesian
Domicile	Jakarta
Age	62 years old at the end of the 2019 Fiscal Year
Educational Background	<ul style="list-style-type: none">• Bachelor's Degree in Economics from the Trisakti University (1983)• Master's Degree in Finance from the University of Indonesia (2008)
History of Position and Legal Basis of Appointment	Appointed as Independent Commissioner of BTPN on the Merger Effective Date, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	<ul style="list-style-type: none">• Chairwoman of the Audit Committee of BTPN• Member of the Remuneration and Nomination Committee of BTPN• Member of the Integrated Governance Committee
Work Experience	<ul style="list-style-type: none">• Senior Auditor at the Accounting Office Utomo (SGV – Utomo) (1981-1985)• Joined PT Bank Central Asia Tbk with the last position as the Head of Audit Development and Quality Control (1985-2012)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profile of The Board of Directors



Ongki Wanadjati Dana
President Director

Citizenship	Indonesian
Domicile	Jakarta
Age	62 years old at the end of the 2019 Fiscal Year
Educational Background	Bachelor's Degree in Mechanical Engineering from ITB [1981]
History of Position and Legal Basis of Appointment	Appointed as President Director of BTPN on the Merger Effective Date, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none"> • Deputy President Director of PT Bank Tabungan Pensiunan Nasional Tbk (2008-January 2019) • Wholesale Banking Director of Bank Permata (2002-2008) • Deputy President Director at Bank Universal (2000-2002) • Deputy President Director at Bank Subentra (1993-1998) • Senior Advisor, Bank Universal (1999-2000) • Credit Cycle Manager – Consumer Banking, Citibank, N.A (1987-1990)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profile of The Board of Directors

Kazuhisa Miyagawa
Deputy President Director



Citizenship	Japanese
Domicile	Jakarta
Age	54 years old at the end of the 2019 Fiscal Year
Educational Background	Bachelor of Law from Gakushuin University, Japan (1988)
History of Position and Legal Basis of Appointment	Appointed as Deputy President Director of BTPN on the Merger Effective Date, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none">• President Director of PT Bank Sumitomo Mitsui Indonesia (2014-January 2019)• Seoul Branch, Joint General Manager, Korea of SMBC (2009-2013)• Tokyo Corporate Business Office 1 and Global Corporate Banking Dept. after merger, Staff (and Group Head later on) in Corporate Business, Japan di SMBC (2000-2009)• Seoul Branch, Head of Planning Group, Korea of Sakura Bank (1998-1999)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders



Dini Herdini

Compliance Director (Independent)

Citizenship	Indonesian
Domicile	Jakarta
Age	54 years old at the end of the 2019 Fiscal Year
Educational Background	Bachelor of Law from Trisakti University, Jakarta (1987)
History of Position and Legal Basis of Appointment	Appointed as Compliance Director of BTPN on the Merger Effective Date, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none"> • Director overseeing Compliance Function at PT Bank Sumitomo Mitsui Indonesia (2014-January 2019) • General Counsel & Corporate Secretary PT Bank Danamon Indonesia Tbk (2004-2014) • Partner/Legal Counsel at the Law Firm Herdini & Partners (2000-2004) • Head of the Legal Division at PT Bank PDCCI Tbk (1996-1999) • Legal Manager PT ING Bank (1993-1996) • Legal Officer PT Bank Sumitomo Niaga (1989-1993)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profile of The Board of Directors



Yasuhiro Daikoku
Director

Citizenship	Japanese
Domicile	Jakarta
Age	50 years old at the end of the 2019 Fiscal Year
Educational Background	Bachelor of Law from Keio University, Jepang (1992)
History of Position and Legal Basis of Appointment	Appointed as Director of BTPN on the Merger Effective Date, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none">• Deputy President Director of PT Bank Sumitomo Mitsui Indonesia (2015-January 2019)• Senior Vice President Sumitomo Mitsui Banking Corporation, Japan (2011-2015)• Section Head, Senior Vice President, SMBC Bangkok Branch (2006-2008)• Vice President, Sumitomo Bank (1999-2001)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders



Henoch Munandar
Director

Citizenship	Indonesian
Domicile	Jakarta
Age	53 years old at the end of the 2019 Fiscal Year
Educational Background	Bachelors Degree in Economics from Atma Jaya University, Jakarta (1989)
History of Position and Legal Basis of Appointment	Appointed as Director of BTPN on the Merger Effective Date, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none"> • Director at PT Bank Sumitomo Mitsui Indonesia (2014-January 2019) • Deputy Head of Credit/Credit Risk Management Head SMEC Bank DBS Indonesia (2010-2013) • Deputy SMEC Risk + Remedial Head PT Bank Danamon Indonesia Tbk (2006-2010) • Co-Dept Head of Corporate Banking, Bank of Tokyo Mitsubishi UFJ (2006-2006) • Local Corporate Head-Senior Manager, Sanwa Bank Indonesia/Bank United Financial of Japan (UFJ) (1995-2006) • Account Manager PT Bogor Multifinance (1995-1995) • Account Manager Panin Bank (1993-1995) • Sub Branch Manager Bank Susila Bakti (1991-1993)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profile of The Board of Directors



Adrianus Dani Prabawa

Director

Citizenship	Indonesian
Domicile	Jakarta
Age	52 years old at the end of the 2019 Fiscal Year
Educational Background	Bachelor of Financial Administration from the University of New England, Armidale, Australia (1989)
History of Position and Legal Basis of Appointment	Appointed as Director of BTPN on the Merger Effective Date, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none">• Deputy President Director at PT Bank Sumitomo Mitsui Indonesia (2014-January 2019)• Director at PT Bank DBS Indonesia (2006-2014)• Senior Manager - Vice President ING Bank (1996-2003)• Senior Marketing Manager, PT BII Lend Lease (1995-1996)• Account Relationship Manager, Standard Chartered Bank (1992-1995)• Account Officer PT Bank Dagang Nasional Indonesia (BDNI) (1990-1992)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders



Hiromichi Kubo
Director

Citizenship	Japanese
Domicile	Jakarta
Age	49 years old at the end of the 2019 Fiscal Year
Educational Background	Bachelor of Commercial Science from Kobe University, Hyogo, Jepang (1992)
History of Position and Legal Basis of Appointment	Appointed as Director of BTPN on the Merger Effective Date, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none"> • Treasury Director at PT Bank Sumitomo Mitsui Indonesia (2016-January 2019) • Joint General Manager, Planning Department, Treasury Unit SMBC, Tokyo (2015-2016) • Deputy General Manager, Head of Treasury Sumitomo Mitsui Banking Corporation (SMBC) Kantor Cabang Sydney (2014-2015) • Head of Treasury, Treasury Department, Sydney Branch of SMBC (2011-2104) • Senior Vice President, Trading Group, Treasury Department of SMBC New York Branch Office (2006-2009) • Manager of Foreign Exchange Group Trading Department Sakura Bank –1999-2001)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profile of The Board of Directors



Merisa Darwis
Director

Citizenship	Indonesian
Domicile	Jakarta
Age	52 years old at the end of the 2019 Fiscal Year
Educational Background	Bachelor's Degree in Computer Science/Engineering from ITB (1991)
History of Position and Legal Basis of Appointment	Appointed as Director of BTPN on the Merger Effective Date, namely 1 February 2019 and reappointed through the AGMS on 15 February 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none"> • Head of Operation, PT Bank Tabungan Pensiunan Nasional Tbk (2017-January 2019) • Head of the Internal Audit Unit at PT Bank Tabungan Pensiunan Nasional Tbk (2011-2016) • HR & Internal Control Director, Bank Barclays Indonesia (2010-2011) • Operations - Control & Reporting Head, Transaction Services Head, Control & Support Head, Consumer IT Head & Country IT Financial Head, serta IT QA Head, Privacy Officer and BISO (Business Information Security Officer) Citibank, N.A., Indonesia (1996-2009) • Programmer/Analyst, USI/IBM Jakarta (1992-1993) .
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders



Hanna Tantani
Director

Citizenship	Indonesian
Domicile	Jakarta
Age	52 years old at the end of the 2019 Fiscal Year
Educational Background	<ul style="list-style-type: none"> • Bachelor's Degree in Economics majoring in Accounting from Airlangga University (1990) • Master of Business Administration dari Australian Graduate School of Management, University of New South Wales, Australia (1993)
History of Position and Legal Basis of Appointment	Appointed as Director of BTPN accordance with the EGMS resolution on 11 September 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none"> • Chief Financial Officer, PT Bank BTPN Tbk (2018-2019) • Finance Director at PT Bank HSBC Indonesia (2014-2018) • SVP MI Planning & Analysis, KCBA HSBC Indonesia (2009-2014) • Financial Controller, Standard Chartered Bank (2008-2009) • Market Controller, American Express Bank (2004-2008) • Staff, Credit Operations & Trade Services, Management Accountant, Manager Treasury OperationS, AVP Treasury Services, VP Global Payment & Cash Management, VP Credit Operation VP Area Finance, HSBC (1990-2004)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profile of Committee Members

Audit Committee



Kanaka Puradireja

Member (Independent Party) of the Audit Committee

Citizenship	Indonesian
Domicile	Bogor, West Java
Age	75 years old at the end of the 2019 Fiscal Year
Educational Background	Bachelor's degree in Economics majoring in Accounting, Padjadjaran University (1971)
History of Position and Legal Basis of Appointment	Appointed as a Member (Independent Party) of the Audit Committee on 1 February 2019
Concurrent Positions	Member (Independent Party) of the Risk Monitoring Committee since 1 February 2019
Work Experience	<ul style="list-style-type: none"> • Managing Partner and Chairman KPMG Indonesia (1978-1999) • Founder and Senior Partner at KAP Kanaka Puradiredja, Suhartono (2000-2007). • Head of the Honorary Board of IAI (2002-2010) • Chairman of the Certification Board of the Indonesian Institute of the Audit Committee (2009-Present) • Chairman of Board of Executives of The Indonesian Institute of the Audit Committee (IKAI) (2019-Present) • Honorary Member of Professionals in Risk Management Association (PRIMA) (2019-Present)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders



Ivan Purnama Sanoesi

Member (Independent Party) of the Audit Committee

Citizenship	Indonesian
Domicile	Jakarta
Age	58 years old at the end of the 2019 Fiscal Year
Educational Background	<ul style="list-style-type: none"> • Bachelor's degree in Economics majoring in Accounting, Tarumanegara University • Master's degree in Financial Management, Sekolah Tinggi PPM (2004)
History of Position and Legal Basis of Appointment	Appointed as a Member (Independent Party) of the Audit Committee on 1 February 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none"> • Audit Staff at PT Bank BCA Tbk (1986) • Deputy Head of the Audit Division at PT Bank BCA Tbk (2016)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profile of Committee Members

Risk Monitoring Committee



Kanaka Puradireja

Member (Independent Party) of the Risk Monitoring Committee

Citizenship	Indonesian
Domicile	Bogor, West Java
Age	75 years old at the end of the 2019 Fiscal Year
Educational Background	Bachelor's degree in Economics majoring in Accounting, Padjadjaran University (1971)
History of Position and Legal Basis of Appointment	Appointed as a Member (Independent Party) of the Risk Monitoring Committee on 1 February 2019
Concurrent Positions	Member (Independent Party) of the Audit Committee since 1 February 2019
Work Experience	<ul style="list-style-type: none"> • Managing Partner and Chairman KPMG Indonesia (1978-1999) • Founder and Senior Partner at KAP Kanaka Puradiredja, Suhartono (2000-2007). • Head of the Honorary Board of IAI (2002-2010) • Chairman of the Certification Board of the Indonesian Institute of the Audit Committee (2009-Present) • Chairman of Board of Executives of The Indonesian Institute of the Audit Committee (IKAI) (2019-Present) • Honorary Member of Professionals in Risk Management Association (PRIMA) (2019-Present)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders



Sofyan Rambey

Member (Independent Party) of the Risk Monitoring Committee

Citizenship	Indonesian
Domicile	Jakarta
Age	61 years old at the end of the 2019 Fiscal Year
Educational Background	<ul style="list-style-type: none"> MBA in Finance from John. M. Olin School of Business, Washington University, St. Louis, USA (1993) Financial Risk Manager (FRM®) from Global Association of Risk Professionals ("GARP")
History of Position and Legal Basis of Appointment	Appointed as a Member (Independent Party) of the Risk Monitoring Committee on 1 February 2019
Concurrent Positions	-
Work Experience	He began his career at PT Bank Exim as an Account Officer in 1984. He subsequently worked as a Bureau Chief, Commissioner at PT Exim Securities and Group Head at PT Bank Mandiri. He also served as a Regional Director of Garp (2005), Deputy Head of IRPA (2006), and as the CEO & President Director of The Risk Forum School of Finance since 2007 to the present day.
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profile of Committee Members

Remuneration and Nomination Committee



Pratomo Soedarsono

Member (HC Executive Officer) Remuneration and Nomination Committee

Citizenship	Indonesian
Domicile	Jakarta
Age	42 years old at the end of the 2019 Fiscal Year
Educational Background	Magister Manajemen dari Prasetya Mulya Business School Master of Management from Prasetya Mulya Business School
History of Position and Legal Basis of Appointment	2 November 2017 – 31 January 2019 HC Strategy & Development Head 1 February 2019 – 31 July 2019 HC Strategy, Deputy Head OF Human Capital 1 August 2019 – Now Head of Human Capital
Concurrent Positions	-
Work Experience	1 July 2006 – 1 November 2016 HSBC with the last position as Head of Performance & Reward
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profile of Committee Members

Integrated Governance Committee



Dewie Pelitawati

Independent Commissioner BTPN Sharia & Member of Integrated Governance Committee

Citizenship	Indonesian
Domicile	Jakarta
Age	60 years old at the end of the 2019 Fiscal Year
Educational Background	Obtained a Bachelor of Law in 1984 and a Master of Law in 2005 from the Faculty of Law, Padjadjaran University, and participated in various training programs including LSPP, the Indonesian Advocates Association, Dubai International Finance Center, Corporate Leadership Development Institute and the Social Innovation in Action Training organized by The Economist.
History of Position and Legal Basis of Appointment	Member of the Integrated Governance Committee since February 1, 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none"> • PT Indosat (1985-1999) • Head of Chairman Office at Indonesia Bank Restructuring Agency (1999-2000) • Secretary to Junior Minister of the Ministry for National Economic Restructuring-RI (2001) • Commissioner of PT Indosat Mega Media Mobile • Commissioner of PT Satelindo (2002-2003) • Chief Legal and Compliance Officer at PT Indosat (2009-2010) • Partner in Bahar and Partners Attorney At Law (2010-2013) • Senior GM of Corporate Legal, Governance and Compliance • Advisor to CEO at XL-Axiata Tbk (2013 - November 2018)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profile of Committee Members Integrated Governance Committee



Muhammad Faiz

BTPN Sharia Supervisory Board & Member of Integrated Governance Committee

Citizenship	Indonesian
Domicile	Jakarta
Age	45 years old at the end of the 2019 Fiscal Year
Educational Background	Earned a Bachelor's Degree from the Islamic University of Madinah majoring in Sharia in 1997 and obtained a Postgraduate Degree at the University of Cairo majoring in Daarul Ulum in 2013. Sharia Banking DPS certification level I (2008) and level II (2013) from DSN-MUI and BI and Pre-Ijtima Sanawi Workshop for Increasing Competence in Sharia Banking, Financing and Venture Capital DPS (2016).
History of Position and Legal Basis of Appointment	Member of the Integrated Governance Committee since February 1, 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none"> • Sharia Supervisory Board of BTPN Syariah • Chairman of the Sharia Supervisory Board at UUS PT Bank Permata, Tbk (2008-present) • Chairman of the Sharia Supervisory Board at PT IMFI Syariah (2012-present) • PP Darul Rohman Caregiver Representative (2008-present) • Deputy Secretary of the MUI Fatwa Commission (2010-present) • Deputy Chairman of the Bahtsul Masail Institute at PBNU (2015-present)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders



Yosef Antonius Boliona Badilangoe

Member (Independent Party) Integrated Governance Committee

Citizenship	Indonesian
Domicile	Jakarta
Age	60 years old at the end of the 2019 Fiscal Year
Educational Background	Obtained a Bachelor's Degree in Accounting from University of Gajah Mada in 1983.
History of Position and Legal Basis of Appointment	Member of the Integrated Governance Committee since February 1, 2019
Concurrent Positions	-
Work Experience	<ul style="list-style-type: none"> • Executive Director-Compliance & Human Resources PT Bank Niaga Tbk (2007 – 2008). • Executive Vice President - Head of Retail Sales & Services (2006 – 2007) • Executive Vice President-Head of Network & Services (2004 – 2005) dan Executive Vice President - Head of Subsidiaries & Special Asset Management (2002 – 2003) • Advisor, Asset Restructuring and Recovery PT Bank CIMB Niaga Tbk (2011 – 2016) • Executive Director - Compliance & Human Resources PT Bank Bumiputera Indonesia Tbk (2009 – 2011)
Affiliated Relationship	Has no affiliate relationships with the Board of Directors, the Board of Commissioners, and the Controlling Shareholders

Profiles of Executive Officers

No.	Name	Education Level	University	Joined BTPN	Position
1	Erliana Tandoko	Bachelor's Degree	Institut Pertanian Bogor	2015	Analytic & Decision Head
2	Achmad Nusyirwan Sugondo	Bachelor's Degree	University of Toledo	2011	Product & Customer Experience Head BTPN Wow!
3	Hadi Wibowo	Bachelor's Degree	Institut Teknologi Bandung	2008	Head of Branchless Banking
4	Mohammad Reza Rizal	Bachelor's Degree	Universitas Indonesia	2011	Sales Management Head BTPN Wow!
5	Vanny Maryani	Bachelor's Degree	Sekolah Tinggi Ilmu Ekonomi Perbanas	2016	Business Risk Head BTPN Wow!
6	Dwi Prasetya	Bachelor's Degree	Others	2008	Business Planning Head BTPN Wow!
7	Kevin Suryaatmaja	Masters Degree	Universitas Bina Nusantara	2018	Project Management Head BTPN Wow!
8	Puti Nurul Harni	Bachelor's Degree	Monash University	2019	Lending Business Head BTPN Wow!
9	I ketut Sukadana	Bachelor's Degree	Universitas Brawijaya	2008	New Business Development Head
10	Ir. Ernin Saleh Hasibuan	Bachelor's Degree	Institut Pertanian Bogor	2017	Consumer Asset Head
11	P Canisius Soriton, SE	Bachelor's Degree	Universitas Sam Ratulangi	2013	SME Head
12	Sidik Waskito, ST	Bachelor's Degree	Universitas Sebelas Maret	2012	Business Banking Credit Risk Head
13	Steffano Ridwan	Bachelor's Degree	Oklahoma State University	2018	Head of Business Banking
14	Mariana Husin	Bachelor's Degree	Universitas Trisakti	2018	Commercial Banking Segment Head
15	Diah Indrawati	Bachelor's Degree	Universitas Satya Wacana	2018	Head of Supply Chain & Structure Program
16	Erpantja Toho S. Pasaribu	Bachelor's Degree	Universitas Sumatera Utara	2019	Micro Business Banking Head
17	Willem E.O Umboh	Bachelor's Degree	Universitas Sam Ratulangi	2015	Business Banking Support & Customer Engagement Head
18	Novri Irza Hidayatullah	Bachelor's Degree	Universitas Gadjah Mada	2019	Business Banking Policy & Control Head
19	Anita Natalia	Bachelor's Degree	Universitas Trisakti	2013	Business Banking Strategy Head
20	Tatsuro Suzuki	Bachelor's Degree	Aoyama Gakuin University	2019	Corporate Banking 2 Head
21	Karinda Listyani Rachmana	Bachelor's Degree	Ritsumeikan Asia Pacific University	2019	Corporate Banking 3 Head
22	Kunihiro Shimizu	Bachelor's Degree	Keio University	2019	Corporate Banking 4 Head
23	Tsuyoshi Nakayama	Bachelor's Degree	Kobe University	2019	Corporate Banking 5 Head
24	Virni Anggia Septiranti	Bachelor's Degree	Institut Ilmu Sosial Ilmu Politik	2019	KYC On Boarding Manager
25	Takane Shiomi	Bachelor's Degree	Waseda University	2019	Credit Risk Head

No.	Name	Education Level	University	Joined BTPN	Position
26	Husan Mahjudin	Bachelor's Degree	Universitas Trisakti	2019	Loan Head
27	Jenny Susanto	Bachelor's Degree	Monash University	2019	Credit Head
28	Nur Arini	Bachelor's Degree	Universitas Indonesia	2019	Transaction Legal Head
29	Eddy Satria Nugraha Sembiring	Masters Degree	Prasetiya Mulya Business School	2019	Enterprise Banking Credit Risk Head
30	Febri	Masters Degree	Prasetiya Mulya Business School	2015	Digital banking Partnership Head
31	Irwan Sutjipto Tisnabudi	Bachelor's Degree	The University Of New South Wales	2016	Head of Digital Banking
32	Lollyta Kurniawan	Masters Degree	Thunderbird An American Graduate School Of International Management	2017	Digital Banking Business Performance & Operation Head
33	Alfonso Tambunan	Bachelor's Degree	Ohio State University	2016	Digital Banking Solution Head
34	Waasi Briman Sumintardja	Bachelor's Degree	Universitas Padjadjaran	2010	Digital Banking Business Product Head
35	Anita Ekasari C	Bachelor's Degree	Universitas Katolik Parahyangan	2016	Digital Banking Retail & Acquisition Head
36	Anggraeni Arief Widjaja	Masters Degree	University Of California	2016	Digital Banking Consumer Product Head
37	Debbie Gracia Retroningsih	Masters Degree	Thunderbird, Graduate School Of International Management	2015	HCBP Head Business Banking
38	Denty Avianty	Masters Degree	Universitas Indonesia	2015	HCBP Head IT & Function
39	Galih Suri Pakerti Ningrum	Bachelor's Degree	Universitas Indonesia	2008	HCBP Head Retail Banking
40	Pratomo Soedarsono PS	Masters Degree	Prasetiya Mulya Business School	2016	Head of Human Capital
41	Richard Durant TH Andries	Bachelor's Degree	Macquarie University	2016	HC Technology & Operation Head
42	Yvonne Febrina Syofyan	Masters Degree	Golden Gate University	2019	HCBP Head Corporate Banking
43	Fitri Dianasari	Bachelor's Degree	Universitas Indonesia	2015	HC Strategy & Development Head
44	Aloysius Wilhelmus JR. B	Masters Degree	Sekolah Tinggi Manajemen Ppm	2019	HCBP Head Operation & Outregion
45	Ahmad Salman Farizy	Bachelor's Degree	Universitas Padjadjaran	2015	Funding & Support Functions Audit Head
46	Dessy Natalia	Bachelor's Degree	Sekolah Tinggi Ilmu Ekonomi Malangkececwara	2012	Pension, Micro & SME Audit Head
47	Nurhajati Soerjo Hadi	Bachelor's Degree	Oregon State University	2015	Head of Internal Audit
48	Willy Johan Widjaja S	Masters Degree	Universitas Bina Nusantara	2016	IT, Branchless & Digital Banking Audit Head
49	Bernanta Budi Danardana	Bachelor's Degree	Universitas Indonesia	2019	Audit QA Development & Support Head
50	Stefanus Rudy Kristianto	Bachelor's Degree	Institut Pertanian Bogor	2013	Operations Audit Head

Profiles of Executive Officers

No.	Name	Education Level	University	Joined BTPN	Position
51	Andrie Darusman	Bachelor's Degree	Universitas Indonesia	2015	Communication & Daya Head
52	Argo Wibowo	Masters Degree	Universitas Indonesia	2011	General Counsel
53	Butet Sondang Sitepu	Masters Degree	Universitas Gadjah Mada	2009	Compliance Head
54	Hari Suci Yulastuti	Bachelor's Degree	Universitas Gajah Mada	2019	Anti Money Laundering & CFT Head
55	Eneng Yulie Andriani	Masters Degree	Universitas Indonesia	2019	Corporate Secretary Head
56	Yenny Lim	Bachelor's Degree	Oregon State University	2019	Planning & Deputy CFO
57	Arif Suseno	Bachelor's Degree	Universitas Indonesia	2019	Finance Technology & Operations Head
58	Tanpanjana	Bachelor's Degree	STIE Widya Wiwaha	2008	Financial Control Head
59	Masayoshi Higuchi	Masters Degree	University of Rochester	2019	Alignment & Synergy Head
60	Heru Rustanto, SE	Masters Degree	Universitas Tarumanagara	2014	Operational Risk Management Head
61	Kusuma Adi Tarigan, SE	Bachelor's Degree	Universitas Sebelas Maret	2016	Anti Fraud Management Head
62	Sendiaty SONDY, SE	Bachelor's Degree	Universitas Trisakti	2012	Portofolio Management & Policy Head
63	Deni	Masters Degree	Universitas Indonesia	2019	Market & Liquidity Risk Management Head
64	Shigeaki Matsumoto	Bachelor's Degree	The University of Electro-Communications (Japan)	2019	Risk Management Planning
65	Aris Munandar	Masters Degree	Loughborough University	2017	Retail Banking Operations Head
66	Joko	Bachelor's Degree	Atmajaya	2015	Operation Control Assurance Head
67	Radhar Hasti Handayani	Bachelor's Degree	Others	2008	Operation Development Head
68	Ridwan Nugraha	Masters Degree	Universitas Katolik Indonesia Atma Jaya Jakarta	2011	Customer Experience Center Head
69	Hermanto Rahardjo D	Bachelor's Degree	Universitas Padjadjaran	2014	Branch Banking Head
70	Armen Damanhuri	Bachelor's Degree	Universitas Indonesia	2019	Corporate Banking Operations Head
71	Bambang Anugerah Rachmad	Bachelor's Degree	Universitas Trisakti	2019	General Services Head
72	Darmadi Sutanto	Masters Degree	University of Western Illinois Macomb	2019	Chief Retail Banking Officer
73	Toni Handiono Wirja	Masters Degree	Saint Louis University	2010	Retail banking Business Management Head
74	Adil Pamungkas	Bachelor's Degree	Universitas Pembangunan Nasional Veteran	2013	Retail Credit Risk Head
75	Chairul Sani	Bachelor's Degree	Universitas Islam Sumatera Utara	2009	Sales & Distribution Head RFB
76	Elvie Iskandar	Bachelor's Degree	Others	2008	Sales Management Head RFB

No.	Name	Education Level	University	Joined BTPN	Position
77	Fajar Septianto	Bachelor's Degree	Universitas Negeri Jenderal Sudirman	2009	Business Quality Assurance Head RFB
78	Helena	Bachelor's Degree	IPB	2008	Head of Retail Funding Business
79	Nyoman Suri Sukmawati	Bachelor's Degree	Institut Teknologi Bandung	2012	Product Management Head RFB
80	Sanny Kumalasari	Masters Degree	Universitas Katolik Atma Jaya	2019	Customer Experience Head RFB
81	Yose Parlinta	Bachelor's Degree	Universitas Gadjah Mada Yogyakarta	2011	Business Development Head RFB
82	DRA Herlina Mediaty	Bachelor's Degree	Others	2014	Strategic Partnership & Relationship Management Head Pension Business
83	Enrico Novian	Bachelor's Degree	Others	2008	Sales Distribution Head Pension Business 1
84	Helmud Simanjuntak	Masters Degree	STIE IBEK Jakarta	1985	Sales Distribution Head Pension Business 2
85	Medi Suharno, SE	Masters Degree	Universitas Narotama Surabaya	2017	Business Risk Head RLB
86	Sri Herlyanti	Bachelor's Degree	Universitas Indonesia	2018	Sales Distributon Head Pension Business 3
87	Vincentius Hidajat	Bachelor's Degree	Universitas Brawijaya	2019	Head of Retail Lending Business
88	Ariadi Nugroho	Doctorate Degree	Leiden University	2016	IT Strategy & Planning Head
89	Setiasmo	Masters Degree	Swiss German University	2017	IT Trasaction Management Head
90	Jufri	Diploma III	Edith Cowan University	2013	IT Enablement Head
91	Hariantono	Bachelor's Degree	ITS Surabaya	2019	Head of Informastion Technology
92	Hendra Rahardja	Bachelor's Degree	Universitas Gunadarma	2019	IT Data Management Head
93	Wiwig Wahyu Santoso	Bachelor's Degree	CSU, Fullerton	2019	Deaputy Head of Treasury
94	IR Nathan Christianto	Masters Degree	University of Tokyo	2019	Wholesale Banking Head
95	Intan Natalia Wijaya	Bachelor's Degree	Sanata Dharma University	2019	Transaction Banking and Wholesale Funding Head
96	Margareth P. Santosa	Masters Degree	Universitas Indonesia	2019	Enterprise Banking Head

Employee Statistics

As at 31 December 2019, the number of BTPN's employees was 7,740, with the following details:

Number of Employees based on Employment Status

Employment Status	2019	2018	2017
Permanent	6,948	6,437	6,672
Contract	792	1,365	1,480
TOTAL	7,740	7,802	8,152

Number of Employees based on Gender

Gender	2019	2018	2017
Male	4,584	4,751	5,124
Female	3,156	3,051	3,028
TOTAL	7,740	7,802	8,152

Number of Employees based on Educational Level

Educational Level	2019	2018	2017
< D1-D3/Academy	1,485	1,513	1,711
Bachelor's Degree	5,970	6,025	6,160
Master's Degree	285	264	281
TOTAL	7,740	7,802	8,152

Number of Employees based on Directorate

Directorate	Total
Analytics & Decision Science	16
Branchless Banking	232
Business Banking	1,831
Corporate Banking - Japanese	85
Credit Risk	42
Digital Banking	290
Human Capital	102
Internal Audit	57
Legal & Compliance	98
Finance	59
Risk Management	51
Operations	2,311
Retail Banking	2
Retail Banking Business Management	2
Retail Credit Risk	434
Retail Funding Business	682
Retail Lending Business	895
Secretary To Deputy President Director	1
Information Technology	405
Treasury	33
Wholesale Banking	112
Grand Total	7,740

Number of Employees based on Position Level

Position Level	2019	2018	2017
Grade 2-7 (Clerical)	2,266	2,024	3,273
Grade 8-9 (Officer/Supervisor)	1,909	2,586	1,731
Grade 10-13 (Management)	2,692	2,418	2,404
Grade 14-15 (Senior Management)	706	649	630
Grade 16-17 (Top Management)	154	115	105
Grade 17 ke atas (Board Management)	13	10	8
TOTAL	7,740	7,802	8,152

Number of Employees based on Age

Age	2019	2018	2017
< 25 years old	384	447	314
25-29 years old	1,533	1,472	2000
30-34 years old	2,139	2,373	2,558
35-39 years old	1,870	1,841	1,699
40-44 years old	902	827	790
45-49 years old	550	520	509
50-54 years old	347	311	267
55-59 years old	14	11	15
> 60 years old	1	-	-
TOTAL	7,740	7,802	8,152

Number of Employees based on Years of Service

Years of Service	2019	2018	2017
0 - < 1 Year	2,271	2,137	1,523
> 1 - < 3 Years	850	1,410	1,943
> 3 - < 5 Years	1,232	1,456	1,596
> 5 - < 10 Years	2,531	2,117	2,336
> 10 - < 20 Years	538	338	358
> 20 Years	318	344	396
TOTAL	7,740	7,802	8,152

EMPLOYEE COMPETENCY DEVELOPMENT

Competency Development Cost

Throughout 2019, BTPN invested a total of Rp110.6 billion in training costs, a huge increase from Rp65.9 billion in 2018. The Bank has budgeted for 5% of labor costs for 2020.

Employee Competency Development

Summary of Training Implementation

	2019	2018	2017
Number of Training Programs	279	207	360
Number of Participants	77,743	26,263	16,928
Total Man-Days	28,267	18,734	16,291
Total Training Hours	226,137	221,655	130,326

Training based on Position Level

Position Level	Number of Participants	Type of Training	Training Objective	Organizer
First time leader (Setara Branch Head) - LDP P1	127	Classroom & coaching	Developing basic leadership skills	Dynargie
People leader (Setara Area Head) - LDP P2	129	Classroom & coaching	Developing advanced leadership skills	Dynargie
Tactical leader (Setara Regional Head) - LDP P3	10	Classroom, studi kasus & kunjungan lokasi	Developing strategic leadership skills	Common Purpose

Competency Development of The Board of Commissioners

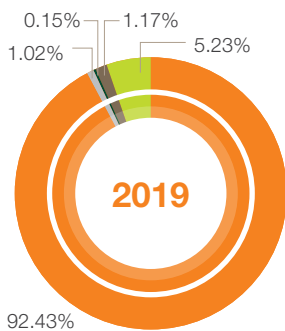
No	Name	Training	Date
1	Mari Elka Pangestu President (Independent) Commissioner	Indonesia Market and Politic Update	7 May 2019
2	Chow Ying Hoong Deputy President Commissioner	1. Risk Management Certification Refresher 2019 2. Indonesia Market and Politic Update	1. 30 April 2019 2. 7 May 2019
3	Takeshi Kimoto Commissioner	1. Risk Management Certification Refresher 2019 2. Indonesia Market and Politic Update 3. Senior Officer Economic and Political Outlook 2020	1. 30 April 2019 2. 7 May 2019 3. 3 December 2019
4	Ninik Herlani Masli Ridhwan Independent Commissioner	1. Risk Management Certification Refresher 2019 2. Indonesia Market and Politic Update	1. 30 April 2019 2. 7 May 2019
5	Irwan Mahjudin Habsjah Independent Commissioner	1. Senior Officer Economic and Political Outlook 2020 2. Risk Beyond Conference	1. 3 December 2019 2. 5-7 December 2019

Competency Development of The Board of Directors

No	Name	Training	Date
1	Ongki Wanadjati Dana President Director	1. Risk Management Certification Refresher 2019 2. Indonesia Market and Politic Update	1. 30 April 2019 2. 7 May 2019
2	Kazuhisa Miyagawa Deputy President Director	1. Risk Management Certification Refresher 2019 2. Indonesia Market and Politic Update 3. Senior Officer Economic and Political Outlook 2020	1. 30 April 2019 2. 7 May 2019 3. 3 December 2019
3	Dini Herdini Director of Compliance (Independent)	1. Risk Management Certification Refresher 2019 2. Indonesia Market and Politic Update 3. Senior Officer Economic and Political Outlook 2020	1. 30 April 2019 2. 7 May 2019 3. 3 December 2019
4	Yasuhiro Daikoku Director	1. Risk Management Certification Refresher 2019 2. Indonesia Market and Politic Update 3. Senior Officer Economic and Political Outlook 2020	1. 30 April 2019 2. 7 May 2019 3. 3 December 2019
5	Henoch Munandar Director	1. Risk Management Certification Refresher 2019 2. Indonesia Market and Politic Update 3. Senior Officer Economic and Political Outlook 2020	1. 30 April 2019 2. 7 May 2019 3. 3 December 2019
6	Adrianus Dani Prabawa Director	1. Indonesia Market and Politic Update 2. Refreshment of Risk Management Certification	1. 30 April 2019 2. 20 July 2019
7	Merisa Darwis Director	1. Risk Management Certification Refresher 2019 2. Indonesia Market and Politic Update 3. Senior Officer Economic and Political Outlook 2020	1. 30 April 2019 2. 7 May 2019 3. 3 December 2019
8	Hirohichi Kubo Director	1. Risk Management Certification Refresher 2019 2. Indonesia Market and Politic Update 3. Senior Officer Economic and Political Outlook 2020	1. 30 April 2019 2. 7 May 2019 3. 3 December 2019
9	Hanna Tantani Director	1. Risk Management Certification Refresher 2019 2. Indonesia Market and Politic Update 3. Senior Officer Economic and Political Outlook 2020	1. 30 April 2019 2. 7 May 2019 3. 3 December 2019

Composition and Profile of Shareholders

Shareholders Composition



- Sumitomo Mitsui Banking Corporation
- PT Bank Central Asia Tbk
- PT Bank Negara Indonesia (Persero) Tbk
- Treasury shares
- Public

Sumitomo Mitsui Banking Corporation (SMBC) is part of the Sumitomo Mitsui Financial Group Inc. (SMFG), one of the three largest financial groups in Japan. As at September 30, 2019, SMBC had a total asset of JPY 177.9 trillion, third party deposits of JPY 113.3 trillion, and total loans and receivables of JPY 76.2 billion. SMBC is headquartered in 1-1-2, Marunouchi, Chiyoda-ku, Tokyo, Japan.

SMBC was established in April 2001 through the merger of two leading Japanese banks, Sakura Bank Limited and Sumitomo Bank Limited. SMFG was established in December 2002 through a transfer of shares as parent entity, and SMBC thus became a wholly-owned subsidiary of SMFG.

Sumitomo Mitsui Banking Corporation (SMBC) and its business group offer a variety of financial services that are centered on the banking business. SMBC is also engaged in the business of leasing, securities, credit cards, investments, mortgage securitization, venture capital, and other lending businesses.

Shareownership Composition as of December 31, 2019

Shareholders	Shares	Percentage
Sumitomo Mitsui Banking Corporation	7,532,311,297	92.43%
PT Bank Central Asia Tbk	83,052,408	1.02%
PT Bank Negara Indonesia (Persero) Tbk	12,007,137	0.15%
Treasury shares	95,198,900	1.17%
Public	426,359,127	5.23%
Total	8,148,928,869	100.00%

Share Ownership of the Board of Commissioners and the Board of Directors

No.	Share Ownership	Shares	Percentage
Board of Commissioners			
1	Mari Elka Pangestu	Nil	0
2	Chow Ying Hoong	Nil	0
3	Takeshi Kimoto	Nil	0
4	Ninik Herlani Masli Ridhwan	Nil	0
5	Irwan Mahjudin Habsjah	Nil	0
Board of Directors			
1	Ongki Wanadjati Dana	Nil	0
2	Kazuhisa Miyagawa	Nil	0
3	Dini Herdini	Nil	0
4	Yasuhiro Daikoku	Nil	0
5	Henoch Munandar	Nil	0
6	Adrianus Dani Prabawa	Nil	0
7	Hiromichi Kubo	Nil	0
8	Merisa Darwis	Nil	0
9	Hanna Tantani	Nil	0

Information About Ultimate Parent Entity

SUMITOMO MITSUI FINANCIAL GROUP

The Sumitomo Mitsui Financial Group, Inc. ("SMFG") was established on 2 December 2002 and is the holding company of the Sumitomo Mitsui Banking Corporation ("SMBC"), the Controlling Shareholder of the Bank. SMFG's shares are listed on the Tokyo Stock Exchange (First Section) and the Nagoya Stock Exchange (First Section). The business mission of SMFG is to grow and prosper with customers by providing quality services; maximizing shareholder value through sustainable business growth; and creating a work environment that encourages and values diligent and highly motivated employees.

Headquartered in Tokyo, Japan, SMFG is engaged in the management of banking subsidiaries and other companies that come under the definition of subsidiaries in the provisions of Japanese Banking Law, as well as performing related functions (ancillary functions), including functions that can be performed by holding companies under the provisions of the Japanese Banking Law. The companies incorporated in the SMFG business group are primarily engaged in commercial banking through the following financial services: leasing, securities, consumer financing, finance, data processing, system development and asset management.

For further information, please visit www.smfg.co.jp.

Information About Majority Shareholders

SUMITOMO MITSUI BANKING CORPORATION

The Sumitomo Mitsui Banking Corporation (“SMBC”) was established in April 2001 through the merger of two leading banks, The Sakura Bank, Limited and The Sumitomo Bank, Limited. The Sumitomo Mitsui Financial Group, Inc. was established in December 2002 as the bank’s holding company through the transfer of shares, at which time SMBC became a wholly owned subsidiary of the Sumitomo Mitsui Financial Group. In March 2003, SMBC merged with The Wakashio Bank, Ltd..

Headquartered in Tokyo, Japan, SMBC is currently one of the largest banks in Japan with business networks across several regions of the world, including Australia, Europe, Canada, Brazil and Indonesia. SMBC and its company group offer various financial services. SMBC has a banking business in 16 countries in addition to its native country, Japan. The banking corporation is also engaged in the business of leasing, securities, credit cards, investments, mortgage securitization, venture capital, and other credit related lines of business.

In addition to the Bank, SMBC also has several other subsidiaries in Indonesia, namely: PT Sumitomo Mitsui Finance and Leasing Indonesia, PT Nikko Securities Indonesia, PT SBCS Indonesia, and PT Bank Tabungan Pensiunan Nasional Syariah.

For further information, please visit www.smbc.co.jp.

List of Subsidiaries

Name of Subsidiary

PT Bank Tabungan Pensiunan Nasional Syariah Tbk

Ownership

70%

Line of Business

Sharia Banking

Type of Legal Entity

Limited Liability Company (PT)

Head Office Address

Menara BTPN
CBD Mega Kuningan
Jl. Dr. Ide Anak Agung Gde Agung, Kav 5.5-5.6
Jakarta Selatan 12950

Total Asset

Rp15,383,038,000,000

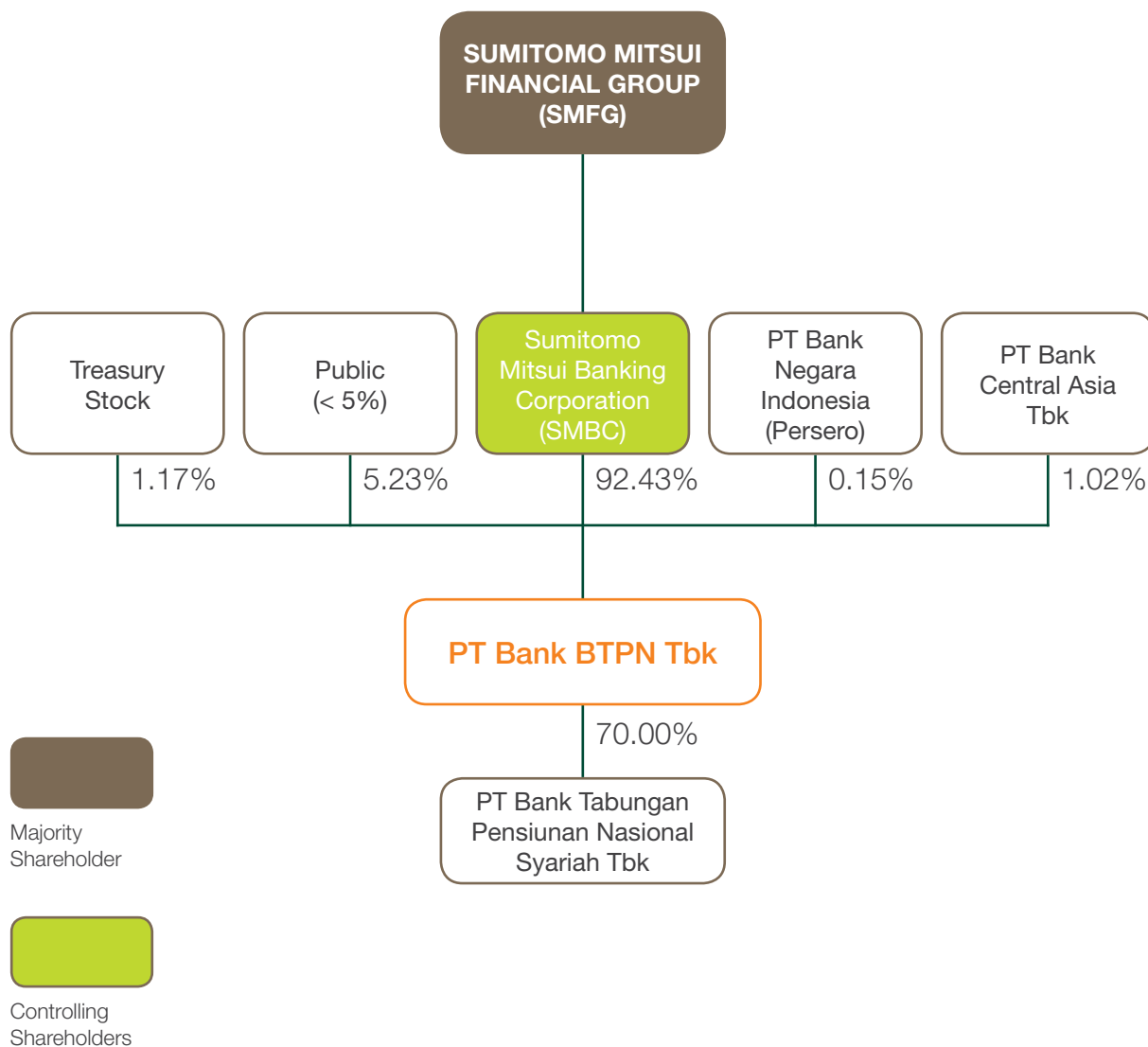
Operational Status

Still in Operation

Branch Offices

Description	Total
Head Office of Operations	1
Regional Office, Non-Operations	9
Branch Office	61
• Universal	55
• Sinaya	6
Sub-Branch Office	283
• Universal	249
• Sinaya	33
• Jenius	1
Function Office	2
• Operational Function Office	1
• Non-Operational Function Office	1
Cash Office	-
Payment Point	164
Total Office Network	520
ATM	215
TCR	2
Total Office & ATM Network	737

Ownership Structure



Position per 31 December 2019

Share Listing Chronology

Listing Date	Corporate Action	Nominal/Share (Rp)	Exercise Price	Additional Shares	Total Shares
12 March 2008	Initial Public Offering	100	2,850	267,960,220	943,936,190
10 December 2010	Public Offering with Right Issue I	100	-	188,787,238	1,132,723,428
28 March 2011	Stock Split	20	-	-	5,663,617,140
14 March 2012	Additional Shares from OFC Debt Conversion	20	-	176,670,117	5,840,287,257
23 May 2016	Buy Back	20	-	-	5,840,287,257
1 February 2019	Total Addition from SMBCI shareholders	20	-	2,308,629,612	8,148,916,869
12 August 2019	Transfer of SMBC Shares	20	-	12,000	8,148,928,869
31 December 2019	MESOP 2015:		-	-	
	Phase I	20	-	-	
	Phase II	20	-	-	
	Phase III	20	-	-	
	Phase IV	20	-	-	
	Phase V	20	-	-	
31 December 2019	ESOP 2016:				
	Phase I	20	2,617	10,670,600	
	Phase II	20	2,617	1,112,900	
	Phase III	20	2,617	12,000	
	Phase IV	20	-	-	

Chronology of Other Securities Listings

Name of Bonds	Issuance Date	Principal Amount	Interest (%)	Currency	Maturity Date	Rating		Rating Period
						2019	2018	
Public Offering of Shelf Registry Bond Bank BTPN III with Fixed Coupon Rate Phase I Year of 2016 Series B	11 July 2016	300,000,000,000	8.00	IDR	1 July 2019	AAA (idn)	AAA (idn)	21 March 2016 - 1 July 2019
Medium Term Notes (MTN) II 2017 PT Bank Sumitomo Mitsui Indonesia	14 June 2017	1,302,000,000,000	8.25	IDR	14 June 2020	idAAA	idAAA	9 May 2017 - 14 June 2020
Public Offering of Shelf Registry Bond Bank BTPN III with Fixed Coupon Rate Phase II Year of 2017 Series B	18 October 2017	900,000,000,000	7.50	IDR	17 October 2020	AAA (idn)	AAA (idn)	26 September 2017 - 17 October 2020
Public Offering of Shelf Registry Bond Bank BTPN IV with Fixed Coupon Rate Phase I Year of 2019 Series A	27 November 2019	799,000,000,000	7.55	IDR	26 November 2022	AAA (idn)	-	6 September 2019 - 26 November 2022
Public Offering of Shelf Registry Bond Bank BTPN IV with Fixed Coupon Rate Phase I Year of 2019 Series B	27 November 2019	201,000,000,000	7.75	IDR	26 November 2024	AAA (idn)	-	6 September 2019 - 26 November 2024

Names and Addresses of Capital Market Institutions and/or Supporting Institutions

INDEPENDENT AUDITOR

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TRUSTEES

PT Bank Permata Tbk

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PT Bank Mega Tbk

Menara Bank Mega
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SECURITIES ADMINISTRATION BUREAU

PT Datindo Entrycom

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RATING AGENCY

PT Fitch Rating Indonesia

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NOTARY

Ashoya Ratam, SH, MKn

Notaris & PPAT Kota Administrasi
Jakarta Selatan
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Telp. +62 21 2923 6060
Fax. +62 21 2923 6070

Information on the Corporate Website

The information on the BTPN website complies with the provisions of the Financial Services Authority Regulation No. 8/POJK.04/2015 on Websites of Issuers or Public Companies. All information can be accessed by the public at www.btpn.com.

Available information:

CORPORATE PROFILE

Information on Bank Shareholders and Management

- Bank BTPN in Brief
- Vision and Mission
- Corporate Values
- Organization Structure
- Career

INVESTOR RELATIONS

- Annual Report
- Financial Statements (Quarterly Financial Statements and Full-Year Financial Statements)
- Financial Highlights
- Leverage Ratios & Capital Disclosure according to Basel Framework
- Investor Info
- Shareholder Composition and Group Organization Structure
- Information on GMS
- Corporate Governance
- Information Disclosure
- Corporate Actions
- Capital Market Professionals and Supporting Institutions
- LCR & NSFR Reports



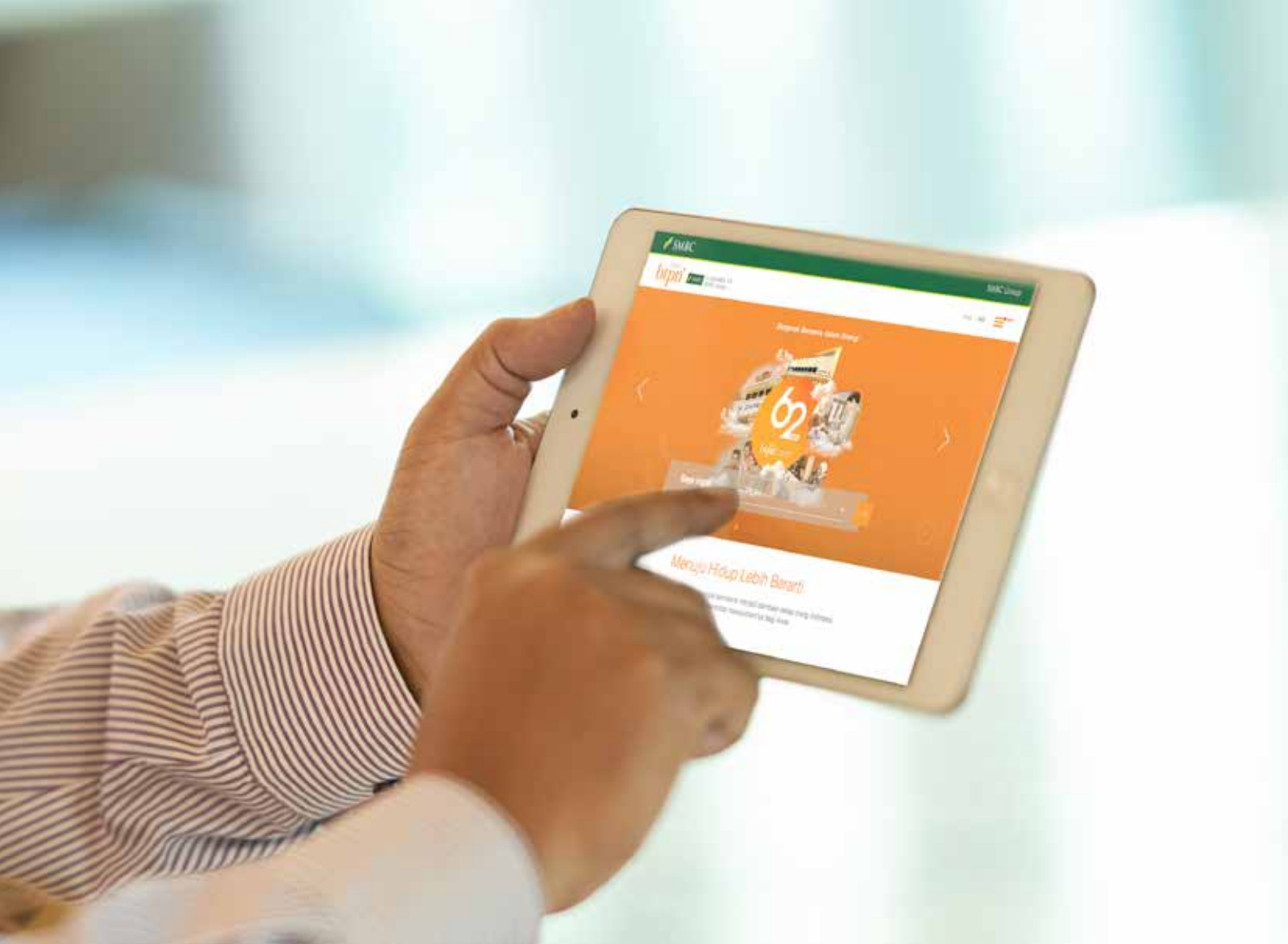
Management Discussion and Analysis

“

Bank BTPN continued to show positive performance amid the dynamic economic condition.

”

108	Economic and Banking Industry Review
109	Developments in the Economy
110	Developments in the Industry
112	Business and Operations Review
113	Business Performance by Business Segment
115	Retail Banking
116	BTPN Sinaya
117	BTPN Wow
118	Retail Lending
119	Jenius
120	Business Banking
121	Corporate Banking
123	Treasury
124	Shariah Banking
125	Profitability by Business Segment
126	Financial Performance Review
148	Risk Management



Economic and Banking Industry Review



Rp **156.5**
Trillion

Net income in the banking industry in 2019 was higher than the previous year, growing from Rp150.0 trillion to Rp156.5 trillion.



4.9%

Net interest margin in the banking industry in 2019 was lower than in 2018, declining from 5.1% to 4.9%.



Although domestic economic growth slowed down, domestic economy stability was fairly well maintained amid the uncertainties in the global economy.



DEVELOPMENTS IN THE ECONOMY

During 2019, the global economy was marked by global uncertainties surrounding the trade war between the United States and China as well as the geopolitical crisis that lingered in several countries. This made the world economy growth in 2019 to slow down to 2.9% yoy, from 3.6% growth yoy the previous year. The trade dispute also led to a decline in commodity prices and the weakening of international trade. During 2019, the US Federal Reserve (The Fed) lowered the benchmark interest rate by 75 bps to 1.50% -1.75% from 2.25% -2.50%. However, due to the conclusion of the first phase of trade agreement between the United States and China towards the end of 2019, optimism for the agreement has resulted in a number of global early indicators

relating to manufacturing index, export order index, production index, and confidence index improving in the last two months of 2019, supported also by stimulus policies pursued by many developed and developing economies, including Indonesia.

Indonesia's economy in 2019 grew by a slower rate of 5.0% yoy, compared with 5.2% in 2018, due to a slowdown in domestic demand growth to 5% yoy. Domestic consumption is still the biggest contributor with 56.1%. In addition, the presidential election in 2019 also contributed to a slowdown in investment growth to 2.5% yoy from 6.6% yoy in 2018, and a slowdown in government consumption growth to 3.3% yoy from 4.8% yoy in 2018. Both components contributed 32.2% and 9.1% to economic growth.

During 2019, Bank Indonesia also reduced its benchmark interest rate, the BI 7-Days Reverse Repo rate, by 100 bps to 5% from previously at 6%. Although domestic economic growth slowed down, the stability of the domestic economy was maintained fairly well amid the uncertainties of the global economy. Another domestic macroeconomic indicator that showed positive development is the inflation rate that was maintained at a level within the Bank Indonesia target range. In addition, the Rupiah exchange rate also strengthened by 3.6% yoy. The balance of payments also showed an improvement where the external current account deficit improved to a deficit of 2.7% of GDP from the previous year at a deficit of 3.3% of GDP. In addition, domestic foreign exchange reserves increased to USD129.2 billion, up by USD8.5 billion from the previous year.

Development of Several Economic Indicators

Indicator	2019	2018	2017
National GDP Growth (% YoY)	5.0	5.2	5.1
GDP per Capita (USD) - Nominal	4,175	4,050	3,838
External Current Account Balance (% of GDP)	(2.7)	(3.3)	(1.7)
Central Government Debts (% of GDP)	30.2	30.3	28.9
Forex Reserves - IRFCL (USD Billion)	129.2	120.7	130.2
Forex Reserves Capability - (number of months of imports & external debts)	7.3	7.7	8.3
BI benchmark interest rate (% year-end)	5.00	6.00	4.25
Consumer Price Index (% year-end)	2.72	3.13	3.61
Fiscal Balance (% of GDP, Fiscal Year)	(2.2)	(1.8)	(2.5)
S&P Rating - Foreign Exchange	BBB	BBB+	BBB-

Source : BTPN research

DEVELOPMENTS IN THE INDUSTRY

Responding to the slowdown in the economy, Bank Indonesia lowered its benchmark interest rate, the BI7-Day Reverse Repo Rate (BI7DRR), at four different times during 2019. Whereas in January the interest rate is still at 6.00%, by December it has fallen to 5.00%.

In addition, Bank Indonesia also reduced the Mandatory Minimum Reserve (GWM) requirement by 50 basis point. These policies are expected to boost bank liquidity and, therefore, help drive economic activities.

Nevertheless, Bank Indonesia succeeded in maintaining inflation rate at a low level throughout 2019,

or 2.72%. According to Indonesia Statistics (BPS) data, this was the lowest inflation rate in the last 20-year period. This indicates that price increases remain relatively under control.

Through these policies, the monetary sector authorities expect the performance of the financial industry to remain stable, although a number of banking performance targets were revised. The Financial Services Authority (OJK), which initially targeted bank loan growth of 10-12%, revised it downward to 9-11%.

The target is lower than the previous year's actual loan growth which reached 11.8%. The slowdown in bank loan growth in 2019 was mainly triggered by external factors, mainly the slow economic condition,

which contribute to put pressure on businesses. Based on the SPI as of December 2019, actual bank loan growth in that year only reached 6.1%.

Nevertheless, banking performance and stability in general is still maintained. OJK data showed that the the level of capital adequacy ratio of conventional banks in December 2019 was still 23.40%, higher than the corresponding period the previous year at 22.97%.

Profit before tax in December 2019 was recorded at Rp200.5 trillion, higher than in December 2018 at Rp190.7 trillion. This despite the fact that the ratio of bank operating costs to operating income in the period experienced an increase, namely to 79.4% in 2019, from 77.9% a year earlier.

Performance of Commercial Banks

Indicator	To 31 December 2019	To 31 December 2018	To 31 December 2017
Capital Adequacy Ratio (CAR)	23.4%	23.0%	23.2%
Net Interest Margin (NIM)	4.9%	5.1%	5.3%
Loan to Deposit Ratio (LDR)	94.4%	94.8%	90.0%
Non Performing Loan (NPL)	2.5%	2.4%	2.6%
Special Mention (SM)	5.1%	4.5%	4.7%
Loan Growth	6.1%	11.8%	8.2%
Customer Deposits Growth	6.5%	6.4%	9.4%
Net Profit After Tax	Rp156,5 trillion	Rp150,0 trillion	Rp131,1 trillion

Source: OJK



Business and Operations Review



“ The strategy in the area of digital banking, which is a main strength of Bank BTPN, will continue to be developed on an ongoing basis. ”

BUSINESS PERFORMANCE BY BUSINESS SEGMENT

Bank BTPN has five business lines: Retail Banking, Business Banking, Corporate Banking, Treasury, and Sharia Banking. This segmentation is in line with the change in Bank BTPN organizational structure that occurred in 2019 following the merger with PT Bank Sumitomo Mitsui Indonesia (SMBCI).

The Sharia Banking business line was still run by the Bank's subsidiary, PT Bank BTPN Syariah. Accordingly, the business performance report by business segment is presented as a consolidated report.

Since the merger, Bank BTPN has also transformed its business model. Whereas previously the Retail Banking business focuses on serving the millennial customers, it now provides products and services for a wider variety of customer segments, including executives.

Initiatives and Strategies

With regard to business development in post-merger Bank BTPN, in general there was an overall integration of services between the corporate and retail businesses. With the resulting strong synergy and mutual support, the Bank can now offer more comprehensive services to customers.



Bank BTPN managed to keep gross NPL at a low level of 0.8% as of end of December 2019, or lower than the level in 2018 at 1.2%.



Bank BTPN continues with initiatives in support of the Government's priority programs. Following the merger, the Bank has a greater capacity for project financing, and thus can handle more opportunities in this area.

Bank BTPN is now able to provide more complete services to customers. Given that the Bank is now part of a global network, being a part of the Sumitomo Mitsui Banking Corporation Japan business group that has global operations, it can provide more value in the Bank's services.

The strategy in the area of digital banking, which is a main strength of Bank BTPN, will continue to be developed on a continuing basis. The development is directed at changing the customer behavior in the interaction with banks, so that banking services and products at Bank BTPN can be delivered through a digital system, especially using smartphones.

In terms of risk management, Bank BTPN has continued to maintain a very good performance, especially in the area of problem loans monitoring. In addition, the Bank ensures that risk management will be better, bearing in mind that the Bank is part of the SMBC group, with SMBC categorized as G-SIB, Bank BTPN needs to continue its efforts to adopt compliance with local and global standards while continuing to improve compliance practices and sound risk management as well as efforts to improve operational excellence supported by IT and digital technology.

Performance Achievements

As of end of December 2019, Bank BTPN recorded a respectable financial performance in terms of profitability, loan quality, and capital adequacy.



LOW-COST FUND RATIO INCREASED

CASA ratio increased to 28% in 2019, from 13% in 2018.

The Bank's performance was largely influenced by the decline in the Mature Business portfolio (with higher yield) resulting in a decrease in revenue and an increase in cost of funds in line with the increase in the benchmark interest rate in 2018. Since the merger, Bank BTPN has reduced the amount and interest rates of the higher cost funds, so that the cost of Rupiah Time Deposit has fallen from 7.9% in February to 6.5% in December 2019.

While the decline in the benchmark interest rate helped to reduce the Bank's cost of funds, it also meant a decline in the interest rates on assets, particularly for corporate loans. As a result, the Bank's Net Interest Margin (NIM) on a consolidated basis went down from 11.3% to 6.9% in December 2019. Nevertheless, the Bank succeeded in posting net profit after tax (PPAT) attributable to owner of

parent entity of Rp2.6 trillion in 2019, up 40% compared to the previous year at Rp1.8 trillion. The growth in net income was mainly due increases in fee income as well as in gain from revaluation of foreign exchange transactions, while keeping operating expenses and provision for impairment losses (CKPN) under control.

In 2019, Bank BTPN's total loan portfolio amounted to Rp141.8 trillion, a growth of 108% from the previous year at Rp68.1 trillion. The growth was mainly attributable to increased loans in the Growing Business (Corporate, SME and Commercial, Consumer Asset and Sharia) segment, which accounted for 74% of the total loan portfolio. The increase in the Growing Business segment compensated the 10% decline in loans in the Mature Business (Retail Lending-Pension and Micro) segment.

Loan quality was well maintained throughout 2019. At end of December 2019, gross NPL ratio stood at 0.8%, which was lower than a year previously at 1.2%, and the banking sector average NPL of 2.5% in December 2019. Meanwhile, the ratio of Special Mention loans at Bank BTPN in December 2019 was 3.13%, slightly down from 3.19% recorded a year earlier, and lower than the average ratio in the banking sector of 5.1% in December 2019.

In terms of Third Party Funds (DPK), the Bank's DPK, in Rupiah and foreign currencies, and including the Syirkah Funds, amounted to Rp86.9 trillion as at the end of December 2019, or up by 23% from the amount in December 2018 at Rp70.8 trillion. The amount of CASA was recorded at Rp24.4 trillion, or up by 173% compared to the position a year earlier at Rp8.9 trillion. CASA ratio accordingly increased from 13% in 2018 to 28% in 2019.



POSITIVE GROWTH IN SHARIAH NET INCOME

While net income in other business segments were down compared with the previous year, the shariah business segment continued to show positive growth.

At the end of December 2019, the Bank's Loan to Deposit Ratio (LDR) stood at 163%, increasing from 96% a year earlier. However, in addition to DPK, the Bank also maintain other funding sources in the form of MTNs, NCDs, bonds, bilateral loans, and long-term loans from SMBC Group. Meanwhile, the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) were maintained at 229.1% and 113.0%, respectively.

RETAIL BANKING

Up to 2019, there are four business segments at the Retail Banking business line, namely BTPN Sinaya, Retail Lending Business, BTPN WoW! and Jenius. These comprise Bank BTPN's complete services and offerings for the retail segment.

The merger with PT Bank Sumitomo Mitsui Indonesia (SMBCI) as of 1 February 2019 has provided Bank BTPN with growing opportunities for business development,

including for the Retail Banking business to increase market penetration.

Thus, the strenghts of SMBCI, especially in the corporate segment, offer opportunities for the retail segment. This collaboration is a new strong point for Bank BTPN in the conduct of its business.

Nevertheless, the Bank realizes that the pension business, as a part of the largest Retail Lending Business portfolio, presents its own challenges, bearing in mind that the product contributes greatly to the Bank's revenue and profitability. In fact, before the merger, the pension business was the backbone of the Bank's business.

Considering that Bank BTPN is a pioneer in the pension business, maintaining this business become a real challenge. Accordingly, Retail

Banking strives to maintain its leading position against the ever increasing number of banking financial institutions that also provide pension business services in the market.

Retail Banking thus implements two strategies, namely: maintaining existing market share through additional product offerings, and expanding penetration to new market segments.

In addition, given the rapid development of the digital business in the banking sector, Bank BTPN and in particular Retail Banking must continue to adapt to the rapidly changing technological developments as well as customer needs.

With regard to the digital world, the dynamics in the area of human resources are also a challenge. In general, digital developers are dynamic young people, so Bank BTPN must also continue to adjust to the situation.

With regard to the development of financial technology (fintech) companies, Retail Banking does not see them as a competitor but rather a potential partner to complement each other and collaborate in the provision of more comprehensive services.

Bank BTPN has carried out a series of key risk management processes consisting of risk identification, measurement, monitoring and mitigation, which aim to strengthen the implementation of risk management. The challenges faced by the Bank include keeping a low level of non-performing loans. In addition, the Bank also continues to strive to keep down its cost of funds in order to improve its competitiveness in the industry.

Initiatives and Strategies

In order to support the business performance of Bank BTPN, Retail Banking has carried out a number of programs and strategic initiatives to maintain positive growth on an ongoing basis. Among initiatives implemented in support of Retail Banking performance were:

1. Synergizing and collaborating with Corporate Banking in the context of expanding retail customers through the corporate customers network.
2. Collaborating and integrating business services in Retail Banking, so as to increase customer satisfaction and experience in the transaction.
3. Increasing the use of Jenius as an integrated banking service platform for customers, so as to provide convenience and comfort for customers, while increasing the performance of the Bank.
4. Diversifying the market segments for pension business in order to expand the Bank's reach to potential market.

Performance Achievement

At the end of December 2019, total funds managed from all Retail Banking business units amounted to Rp30.1 trillion. This represented an increase of 7.4% over the amount a year previously at Rp28.0 trillion.

The BTPN Sinaya unit accounted for the largest portion of this funding with 71.5%, followed by the Jenius unit that contributed 19.7% to the total funds.

The total loan portfolio of Retail Banking in 2019 amounted to Rp35.6 trillion, down 7.4% from Rp38.5 trillion recorded in 2018.

The quality of the loan portfolio is considered excellent, with a non-performing loan (NPL) level of 0.7%, which is far below the average NPL in the industry at 2.8%.

Focus and Strategy in 2020

Retail Banking has prepared a number of strategic plans to improve its performance in 2020. All strategic initiatives that have been carried out in 2019, especially regarding collaboration with Corporate Banking, will continue. These are, among others:

1. Develop an innovative priority product with a variety of facilities and benefits for the upper middle class customer segment, as well as other new products.
2. Set up the ecosystem to support the development of Bank BTPN's retail products, thus delivering more benefits to customers.
3. Strengthen and enhance collaborative planning and services between products in Retail Banking.
4. Increase synergy with potential parties, including in the development of technology in the banking sector.
5. Fulfill the requirements for human resources, especially in the context of accelerating the development of digital banking.

BTPN Sinaya

BTPN Sinaya is a business unit in Retail Banking that serves the affluent customer segment with savings and investment products delivered personally through 64 branch offices in 34 cities, as well as through the Sinaya Online and Sinaya Mobile digital platforms that provide customers with the flexibility to conduct transactions at anytime and from anywhere.

Deposit products remain as the favourite products among customers, with two leading product offerings, Time Deposit and Deposito Flexi. Time Deposit provides convenience in terms of choices of fund placement period, while Deposito Flexi provides more flexibility in choosing the time to withdraw funds without incurring a penalty.

BTPN Sinaya also provides savings products that provide optimal returns and supports the transaction needs of both the individual customers with the Taseto Premium and Sure Savings products, and the corporate customers with the Taseto product.

In addition to savings products, BTPN Sinaya also offer a current account product specifically designed to support the business activities of individual and corporate customers.

In addition to savings and deposit products, customers of BTPN Sinaya could also avail themselves to Jenius, Bank BTPN's digital banking product, which can be accessed through a mobile apps and equipped with a variety of service features.

In 2019, BTPN Sinaya succeeded in collecting third party funds amounting to Rp21.5 trillion, down by 7.4% compared to 2018 which amounted to Rp23.2 trillion. These third party funds were successfully collected with a significantly lower cost of funds.

BTPN Sinaya succeeded in posting Rp119 billion in fee income during 2019, up 10% from Rp108 billion in 2018. The increase in fee income was mainly attributable to fees from Bancassurance and mutual fund products, which grew by 25.6% in 2019, compared to 2018.

BTPN Sinaya offers Bancassurance products in cooperation with PT Asuransi Allianz Life Indonesia. BTPN Sinaya also collaborates with four leading investment manager firms, namely PT Mandiri Manajemen Investasi, PT Schroders Investment Management Indonesia, PT Ashmore Asset Management Indonesia and PT Maybank Asset Management, to offer investment products.

The positive achievement of BTPN Sinaya in terms of cost of funds and fee based income is supported by a number of strategic initiatives undertaken in 2019. These include:

1. Performing cross-selling with other retail products, particularly Jenius, for new as well as existing customers.
2. Launching 4 protected mutual fund products with attractive returns.
3. Launching a number of mutual fund products from investment manager partner firms to complement the existing investment product lineup and meet the varied needs of customers, namely 2 equity mutual funds in USD denomination (Mandiri Global Sharia Equity Dollar and Schroder Global Sharia Equity Fund) and 2 fixed income mutual funds (Mandiri Investasi Obligasi Nasional and Ashmore Dana Obligasi Unggulan Nusantara).

4. Launching the Guardia Wealth Link product in IDR and USD currencies, a unit link single premium product with life insurance benefit offering a variety of attractive investment choices with a very convenient purchase process.
5. Promoting foreign-currency denominated savings, bancassurance and investment products to customers.
6. Opening 9 more foreign exchange branches, making for a total of 40 foreign exchange branches.

Focus and Strategy in 2020

Having obtained the Excellent Customer Service license in 2019, BTPN Sinaya in 2020 will focus more on developing products and services that can provide more integrated Wealth Management solutions to customers, with the support of digital technology as its primary Unique Value Proposition (UVP).

BTPN Wow

BTPN Wow! is a banking service that utilizes mobile phone technology and is supported by the services of Laku Pandai agents that act as an extension of Bank BTPN, namely the BTPN Wow! agents.

Bank BTPN is one of the commercial banks assigned by the government to provide services in Laku Pandai (Indonesian abbreviation of Office-Less Financial Services for Financial Inclusivity), a program of the Financial Services Authority (OJK). The program aims to open up financial access to the unbanked segment in the population.

BTPN Wow! is recognized as one of the pioneers in the implementation of Laku Pandai program introduced by the OJK. Globally, Bank BTPN with its BTPN Wow! is included among the list of 50 companies worldwide with achievements in solving social issues, based on a poll by Fortune magazine in its September 2016 edition.

Conducting banking transactions such as opening an account, making a deposit or withdrawing cash with BTPN Wow! can be done using a smart phone or at one of Bank BTPN Laku Pandai agents. Transactions are conducted through the cellular network in a fast, easy, affordable and secure manner.

BTPN Wow! also provides payment services for telephone, insurance, electricity, water, TV subscription, internet, and online shopping. As for purchases, it can be used to buy phone credit, PLN electricity tokens and tickets. In addition, interbank money transfers can also be done.

In 2019, BTPN Wow! launched a new product, namely the supply chain loan extended to small retail traders. The loan facility is extended in cooperation with partners, including with telecommunications provider companies.

Through this product, owners of small outlets or kiosks selling phone credit could receive financing from BTPN Wow! with the funds going direct to the telco in exchange for more phone credit for the retail outlet or kiosk owners to sell. The retail outlet/kiosk owners then paid off the loan through weekly installment payments.

Overall, since its launch in March 2015 and up to end of fiscal 2019, BTPN Wow! has provided services to some 4.7 million customers. This was an increase of 18.1% compared with a year ago in 2018 at 4 million customers.

Meanwhile, the number of agents has reached 195 thousand, located in Nanggroe Aceh Darussalam, North Sumatera, Riau, Jambi, Bengkulu, West Sumatera, Bangka Belitung, South Sumatera, Lampung, DKI Jakarta, Banten, West Java, Central Java, DI Yogyakarta, East Java, West Nusa Tenggara, East Nusa Tenggara, Bali, Southeast Sulawesi, South Sulawesi, West Kalimantan, South Kalimantan and Central Kalimantan provinces. This number represents a 25.1% increase from the number of agents in 2018 at 156 thousand. The increase in the number of agents means expanded access in the interest of greater financial inclusivity.

Focus and Strategy in 2020

- Provide access to loans for BTPN Wow! agents to provide funds to enlarge their businesses so that they can increase their income and improve their lives
- Increase fee-based income by increasing the number of partnerships carried out with various companies that are in line with the needs of customers and BTPN Wow! in order to improve relations with agents and customers and increase agent income which can ultimately improve the lives of agents

- Expand the liquidity access for BTPN Wow! agents by working with partners who have outlets spread across locations close to the locations of BTPN Wow! agents, so that the need for cash-in and cash-out operations can be met without disrupting their business activities.

Retail Lending

The Retail Lending Business provides pension payment services through savings products for pensioners as well as lending products for pensioners and employees, with a variety of tenor.

Up to year-end 2019, total loan portfolio at Retail Lending Business amounted to Rp35.6 trillion, or down by 7.4% from the amount in 2018 at Rp38.5 trillion. The decline in loan portfolio is attributable to the increasingly tight competition in the pension business, which led to a decline in new customer acquisition and, eventually, the decline in the loan portfolio.

Funds in savings accounts managed by Retail Lending Business amounted to Rp2.50 trillion, a decline of 5.3% from Rp2.64 trillion recorded in 2018.

In terms of loan quality in 2019, the non performing loan (NPL) level stood at 0.7%, slightly higher than the previous year's level at 0.6%.

The performance of the Retail Lending Business is supported by a number of strategic initiatives undertaken

throughout 2019, including:

1. Offering a more competitive loan product with innovative features and cooperating with private companies to expand Bank BTPN loan business nationwide.
2. Focusing on customer acquisition from Asabri, TNI/Polri and Pension Funds managed by State-Owned Enterprises
3. Applying digitalization to loan processes to facilitate and expedite loan application and disbursement processes conducted from the customer's home
4. Utilizing telemarketing to improve loan sales productivity
5. Developing the payment point network in cooperation with PT Pos Indonesia in order to improve service quality to pensioners as customers of Bank BTPN

Focus and Strategy in 2020

1. Expand the model for acquisition and collection as well as new forms of cooperation with third parties.
2. Continue to focus on employees of SOEs, members of the National Armed Forces/National Police, private sector employees, and others who fit the criteria.
3. Develop lending products for consumptive and productive purposes as well as savings products to improve services to customers, including in synergy with the corporate segment to fill the needs of corporate customers.
4. Improve services through network expansion and new forms of cooperation with third parties for payment of pension benefits, providing chip-based ATM card facilities and issuance of ATM cards with special designs and making the Retail Lending - Pension branch office a one-stop-service for services that are related to pensioners.

Jenius

Jenius is one of Bank BTPN's digital banking platforms that can be accessed through a mobile application downloaded to a smartphone. Through the various of features available in Jenius, customers can manage their financial digitally, with 24/7 access from anywhere. Jenius offers a revolutionary banking experience for customers.

Feature development and enhancement within the Jenius enhancement are done with the involvement of existing Jenius users and potential users, so that any new features are always relevant to the needs of customers, in line with Jenius' aspiration to become the life finance solution for customers in managing their finances. In Jenius, this process is known as co-creation, a periodic gathering to get input from users and potential gathering of Jenius services.

Jenius is equipped with the latest security technology that is updated regularly updated and can be adjusted based on the customer's needs and preferences. Jenius customers can also conduct transactions through debit cards that are accepted internationally and manage them the Jenius mobile app. In addition to through the mobile apps, Jenius can also be accessed through the Jenius website at <https://2secure.jenius.co.id> or through the Jenius Keyboard, which is one of the latest features launched in 2019.

Jenius plays a significant role at Bank BTPN as a source of low cost funds. In fact, this was the original purpose when Jenius was first launched in August 2016, which is to help increase funding for the Bank. However, since 2019, Jenius has also begun to introduce loan products.

Up to year-end 2019, the funding balance of third party funds in Jenius continue to grow in line with the increasing number of Jenius customers, and was has more than tripled the amount in 2018.

As for lending, Jenius provides customers with a credit limit and flexibility in disbursement according to customer's needs, to be paid back in fixed installments within a loan tenor of up to 36 months.

In 2019, Jenius continued the scale-up phase with increased marketing activities that expand to eight additional major cities, namely Malang, Medan, Makassar, Semarang, Yogyakarta, Palembang, Bali and Cirebon, through Jenius presence in offline services and point of sales. In addition, the acceleration of feature innovation such as the Video Call KYC service which was launched in April 2019 has further expanded the market reach of Jenius nationwide throughout Indonesia. As a result, by the end of 2019, there were already more than two million registered users, along with significant increases in average account balances and transactional activities.

The performance growth of Jenius in 2019 was supported by a number of strategic initiatives, including:

1. Innovation in technology in order to provide a better customer experience and services in terms of bank account opening process with the introduction of Video Call KYC for Jenius customers.

2. Innovation in product development with the introduction of a digitized of a conventional banking product, namely the Foreign Currency Account, which could be activated and linked with Jenius debit card through the Jenius mobile app, including for the purchase and sale of foreign currencies. Currently, there are seven currencies available: USD, JPY, SGD, AUD, HKD, EUR, and GBP.
3. Innovation in product feature through the launch of Jenius Keyboard, enabling access to Jenius apps directly from the keyboard of a customer's smartphone. Currently only available for Android-based smartphones.
4. Conducting cross-selling with other business units such as BTPN Sinaya and BTPN Wow! that also market Jenius to their customers.
5. Developing Jenius as the digital platform for all business lines at Bank BTPN, enabling access from for products provided by the Bank.
6. Providing payroll services to employees of the Bank's corporate customers using Jenius accounts.

Throughout 2019, Jenius has won numerous awards from various industries. Among them, the IDC Digital Transformation Awards 2019 in the Omni-Experience Innovator category for the innovative Jenius Foreign Currency Account solution; the Top 20 Indonesia Rising Star Brands award from SWA magazine; First Place in the Financial Category and The Best Use of Brand Website in Content Marketing Implementation from Indonesia

Content Marketing Awards 2019; and Indonesia's PR Program of the Year 2019 from Marketing MIX.

Focus and Strategy 2020

- Continue to develop innovative features that are relevant in helping customers manage their finances, so that Jenius becomes the life finance solution for our customers.
- Increase the number of customer growth through the enhancement of existing Video Call KYC feature, in order to capture new digital savvy customers across Indonesia, combining this effort in 2020 through both online and offline channels.
- Develop the digital ecosystem through partnerships, both with offline and online partners that are a good fit to our customers' needs. Offline partnerships are also developed to support government initiative via QRIS that will be launched in the beginning of 2020 to enhance the digital payment ecosystem in Indonesia.
- Increase customers' activity and engagement to grow the number of active users.

BUSINESS BANKING

Bank BTPN's Business Banking unit has three business segments, namely BTPN Mitra Usaha Rakyat, BTPN Mitra Bisnis (SME & Commercial), and Consumer Asset. The three segments provide complete services, from loans to banking services and training.

The performance of each of those segments are described below:

A. BTPN Mitra Usaha Rakyat

Bank BTPN has become a partner for micro and small businesses in Indonesia through the BTPN Mitra Usaha Rakyat (BTPN MUR) business, which was introduced in 2008. This business not only provides loans to customers, but also provides training to improve business capacity of partners so that they can have quality growth.

Up to year-end 2018, the total loan portfolio at BTPN MUR amounted to Rp3.0 trillion, which were disbursed to more than 28,000 debtors. In line with the challenging economic conditions, and in the interest of maintaining the quality of the loan portfolio, Bank BTPN initiated a transformation of the business model of BTPN MUR. As a result, the loan portfolio decreased by 47.1% to Rp1,6 trillion as at year-end 2019.

On the other hand, the level of non performing loan (NPL) improved from 3.1% in 2018 to 2.8% in 2019.

The performance of BTPN Mitra Usaha Rakyat throughout 2019 is supported by a number of strategic programs that have been carried out, among others the distribution network optimization and the implementation of business transformation pilot project.

Focus and Strategy in 2020

In 2020, BTPN Mitra Usaha Rakyat will continue the transformation process to meet the service needs of micro entrepreneurs. The growth of the micro business in

Bank BTPN will be carried out by considering lessons learned from the past in conducting the micro business as well as a more prudent credit process with consideration of the Bank's measured risk aspects. The development of the micro business will also be adjusted to the office network consolidation process as one of the efficiency measures taken by the Bank.

It takes time to transform the Micro business, especially in terms of training and adjustment of new business processes. This will accordingly affect the growth of micro loans at BTPN Mitra Usaha Rakyat.

B. BTPN Mitra Bisnis (SME & Commercial)

BTPN Mitra Bisnis provides financial services in a "3 in 1" package, which consists of: loan products and banking transaction services tailored to customer needs, market access and information services as well as access to supply chain networks, and capacity building programs for customers.

The business unit provides services for small and medium enterprises (SMEs), including micro businesses that are growing into small-scale SME. Customers of BTPN Mitra Bisnis mainly consist of family businesses that are mostly engaged in the trading sector, with the remaining engaged in services and manufacturing that have been in operation for at least 3 years.

As of 2019, BTPN Mitra Bisnis have more than 3,100 customer accounts, showing a 3% increase over the number in 2018 at more than 3,000 customer accounts.

Total loans disbursed to these customers up to year-end 2019 amounted to Rp13.9 trillion, increasing from the amount a year earlier at Rp12.9 trillion.

The performance of BTPN Mitra Bisnis in 2019 is supported by the implementation of a number of strategic initiatives, including:

1. Internal collaboration through the supply chain scheme
2. Cross-selling cooperation with Jenius for funding and payroll accounts
3. Transaction services through the "AksesBisnis@BTPN" digital platform.

Focus and Strategy in 2020

1. Develop existing services through office networks and infrastructure optimization. In addition, BTPN Mitra Bisnis will explore the possibility of digital SME initiation.
2. Develop electronic channels to customers so as to offer more flexible services to help customers run their business operations.
3. Provide a special Daya program to empower customers through business development consultations, expansion of business networks, and provision of business information to support the success of customer businesses.

4. Expand services to customers to include the development of supply-chain financing schemes as well as cooperation with other banks. In addition, strategic cooperation will be carried out to acquire potential depositor or debtor customers.

C. Consumer Asset

Lending to end-users and to multifinance companies or institutions, through both direct and indirect financing schemes, amounted to Rp5.6 trillion as at year-end 2019. This is relatively the same as in the previous year which also amounted to Rp5.6 trillion. In lending, Bank BTPN remains guided by sound lending practices and the prudent principle.

Other strategic initiatives carried out in 2019 include:

1. Improving the synergy and collaboration with affiliated companies.
2. Developing applications to improve the quality and turn around time of service delivery to customers.

Focus and Strategy in 2020

Business development in Consumer Asset business will be carried out through financing to end-users and multifinance companies or institutions through both direct and indirect financing schemes.

CORPORATE BANKING

The Corporate Banking business unit serves the corporate segment of both Japanese and non-Japanese corporations, consisting of Japanese corporations with operations in

Indonesia, multinational companies, State-Owned Enterprises, and large local corporations.

The business merger that gave birth to Bank BTPN will provide the best services and comprehensive solutions to corporate clients, by utilizing the complete financial products and international networks of Sumitomo Mitsui Financial Group (SMFG), and to support the growth of important sectors for Indonesia's economic growth.

In the Corporate Banking business, Bank BTPN will strive to maintain its leadership in structured financing and syndicated loans, especially in support of Indonesia's national development with services that can support the growth of various business sectors. Other than that, until 2019, in general, the Bank provides services in the form of lending, funding, and cash management.

With regard to lending, Bank BTPN provides both short-term working capital financing as well as medium- and long-term investment loans. These are disbursed in Rupiah denomination as well as in US Dollar and Japanese Yen currency. In addition, the Bank also provides structured finance facility with insurance protection scheme provided by accredited international Export Credit Agency (ECAs).

In terms of funding from corporations, Bank BTPN provides corporate account services in the form of Current Account. With the support of digital technology, corporate customers can access the service 24/7, anywhere.

To facilitate customer transactions, Bank BTPN provides the Current Account in 12 different currencies. Cash withdrawals are available in three currencies, namely Rupiah, US Dollar and Japanese Yen.

Bank BTPN also provides remittance services, being a member of the national clearing system as well as a member of the SWIFT system with a diverse network of correspondent banks at home and abroad. Remittance services are provided via internet banking or at the Bank's branches.

Other services provided by Corporate Banking are trade finance (including for exports and imports) and payment of export and import taxes. Support for customers' operational performance is provided through cash management services.

Performance Achievement

Funding by Corporate Banking amounted to Rp46.8 trillion, comprising funds from both Japanese and non-Japanese corporate clients.

Up to year-end 2019, total lending for short-term working capital purposes amounted to Rp48.1 trillion, while investment loans amounted to Rp27.6 trillion.

Bank BTPN actively participates in financing government programs related to infrastructure projects and supporting industries, energy security, and food security involving SOEs and various other large companies. These are provided using our expertise in project finance as well as syndication as Mandated Lead Arranger Bookrunner (MLAB)/Coordinating MLAB.

Initiatives and Strategies

The positive performance of Corporate Banking are supported by a number of programs and strategies that were implemented in 2019, including:

1. The merger has given strength to Bank BTPN from the integration between corporate and digital services.
2. Corporate services are now provided with digital support that has been the strength of the retail segment of Bank BTPN.
3. Using technological innovation as a key differentiator to provide quality and best-in-class experience to customers and business partners.

Focus and Strategy in 2020

For 2020, Corporate banking has prepared a number of strategic programs to support sustainable positive performance growth, including:

1. Continue to expand the customer base of Japanese and Indonesian companies in the Corporate Banking segment and implement plans to expand the customer base to the Commercial Banking segment by targeting suppliers and buyers/distributors of Japanese corporate customers and other large local corporations.
2. Expand the Corporate Banking service network to major cities, industrial areas and other strategic areas by using existing Bank BTPN branches and/or establishing new branches.

3. Maintain the Top-3 position of the Bank in Project Finance and Syndication League Table ranking in Indonesia, which at the same time can increase the potential for fee income (scheme fees) higher than distribution/sell down.
4. Increase fee-based transactions including through Trade Finance, Supply Chain Financing, Structured Finance (Project Finance, Syndication and ECA), and derivative products.
5. Expand the Bank's agency services (Facility Agent, Security Agent, Bank Account) to support Bank BTPN's syndication activities.
6. Collaborate with Retail Banking and Business Banking units to improve overall banking services from corporate products to retail products that support cross sell activities for Bank BTPN (payroll, payroll loans, supply chain financing).
7. Develop and increase the number of local staff with Japanese language skills to increase customer satisfaction.
8. Develop the capabilities of cash management and collection services (for example with Autodebit Function, ATM Integration & Virtual Account etc.)
9. Prepare for the implementation of SMAR&TS e-banking with local solutions.

Corporate Banking Products & Services:

- Hedging products: IRS/CCS and foreign exchange transactions
- Loan products:
 - Bilateral and Syndication Loans (IDR, USD and JPY)
 - Project/Structured Finance
 - ECA

• Cash management products:

- Current accounts, Savings and Term Deposits
- Payment (ACH, RTGS, Payroll, Wires)
- E-Tax Payment (non-import and import taxes)
- Collection (ACH, RTGS, Payroll, Wires, Cheque/Cash Deposit, Giro)
- Virtual Account
- Internet Banking/Host to Host
- Liquidity Management (domestic cash polling)

• Domestic, Export and Import Trade products:

- Import LC Issuance/Import Bill Negotiation
- Export LC Advising/Confirmation/Export Bill Collection
- Documentary Collection (DP, DA)
- Trust Receipt/Trade Loan
- Structured Trade Finance
- Receivables/Securities Purchase
- Bank Guarantees/SBLC issuance
- Supply chain financing

TREASURY

Bank BTPN's Treasury business unit provides treasury products such as foreign exchange transaction services and derivative products to meet customer needs. Treasury continues to optimize its High Quality Liquid Asset (HQLA) portfolio at an efficient level while proactively manages the Bank's liquidity. The Treasury unit also has an active role in risk management and in ensuring compliance with regulatory ratios. With the completion of the merger process in 2019, the

Bank is able to provide customers with increasingly diverse treasury products such as foreign exchange transactions (Tod, Tom, Spot) in foreign currency banknotes, and derivative transactions (Forward, Swap, Interest Rate Swap and Cross Currency Swap). The services in forex also include deposit products (current accounts, savings and time deposit accounts) in foreign currency. In addition, Treasury also supports the development of digital banking products by Jenius through the provision of competitive exchange rates for major world currencies against Indonesian rupiah, including USD, AUD, EUR, GBP, JPY, HKD, and SGD.

Following the merger in 2019, Treasury recorded a significant increase in performance by 216.1% over the achievement in the previous year, to Rp2.19 trillion in 2019.

Focus and Strategy in 2020

1. Bank BTPN Treasury unit will continue to maintain professional standards at the front office and back office processes of foreign exchange products and services transactions by the issuance of policies, standard operating procedures (SOPs) and technical instructions.
2. Bank BTPN Treasury unit will continue to conduct economic seminars and customer gatherings on a regular basis as a means of market and product promotion to customers.

- Bank BTPN Treasury unit will continue to diversify the Bank's Treasury products in line with market developments in support of customers' needs for hedging and financial management transactions.
- Bank BTPN Treasury unit will continue to actively participate in the deepening of Indonesia's money market, and to foster intra-institution cooperation to increase money market activities.

SHARIAH BANKING

The shariah banking business of Bank BTPN is carried out by a subsidiary of the Bank, PT Bank Tabungan Pensiunan Nasional Syariah Tbk (BTPN Syariah). BTPN Syariah is a public company whose stock is listed at the Indonesia Stock Exchange since 2018.

BTPN Syariah focuses on serving the productive poor customer segment that is normally classified as unbankable. Accordingly, BTPN Syariah has developed and built the necessary facilities and infrastructure to deliver banking products and services to this customer segment. These include building work systems, utilizing digital technology, and implementing Laku Pandai (branchless banking) program in order to provide quality and professional banking services to customers in the productive poor segment.

BTPN Syariah is developing the necessary products and ecosystems that will enable these customers to build robust and sustainable businesses that will bring adequate revenues to make a difference in the lives of these customers, family members and their communities.

The services provided by BTPN Syariah include promoting these four key attitude: Dare to Try, Discipline, Hard Work, and Mutual Assistance (BDKS). This is done by specially-trained high school graduated employees of BTPN Syariah commonly known as Melati Putih Bangsa.

Each year, BTPN Syariah assesses the change in the social impact of customers, including the reduction in the concentration of customers below the poverty line, the increase in the ratio of customers whose children go to school, the reduction in the ratio of customers who use firewood/charcoal/briquettes, and the reduction in the ratio of customers without proper latrines. The survey method utilizes internationally applicable tools with established credibility and also easy to implement, namely the PPI (Poverty Probability Index) from the IPA (Innovative for Poverty Action).

Measurement results in 2019 compared to 2018

Parameter*	2018	2019	Indicator
Decline in the ratio of Below Poverty Line customers	-16.7%	-17.6%	↓
Increase in the ratio of customers whose children go to school	5.9%	6.2%	↑
Decline in the ratio of customers using firewoods, charcoal and briquette	-45.1%	-47.1%	↓
Decline in the ratio of customers with no toilet/who only use non-flush latrine	-36.5%	-37.6%	↓

* The same customer, measurement at first payment vs third payment

Performance Achievement

Currently, BTPN Syariah operates 25 branches and 44 functional offices to serve some 3.7 million customers. The number of customers represent a 9% growth from the number in 2018 at 3.4 million customers.

In 2019, BTPN Syariah posted total financing of Rp9.0 trillion, growing 23.7% compared to financing in 2018 of Rp7.3 trillion. The healthy level of growth in financing portfolio was accompanied by equally healthy asset quality, with BTPN Syariah maintaining its non performing financing (NPF) level at 1.36% compared to the previous year at 1.39%.

This positive growth is also supported by digitalization in each process line that began in 2018, both at the head office and in the field. The Bank has also designed a simple automation process to support the productivity of the field teams in serving the customers. In addition, digitalization is also able to optimize the function of the office network.

In 2019, all field teams have used the application to serve the productive poor customer segment. In addition, the teams are also equipped with

internal training applications and other supporting service applications. With the support of digitalization, the service processes for customers has become faster and more accurate.

The achievement of positive financing growth in 2019 was also supported by adequate capital and liquidity levels, with a capital adequacy ratio of 44.6% or far above the minimum stipulated by the regulator, as well as a healthy level of Financing to Deposit Ratio (FDR) at 95,3%.

Third Party Funds also grew by 24.1% to reach Rp9.4 trillion, compared to the 2018 position at Rp7.6 trillion. In terms of total assets, BTPN Syariah recorded a growth of 27.8%, from Rp12.0 trillion in 2018 to Rp15.4 trillion at the end of 2019.

Focus and Strategy in 2020

1. Build Operational Excellence.
2. Increase Bank Assets.
3. Explore fee-based income.
4. Strengthen Organizational Capability.

PROFITABILITY BY BUSINESS SEGMENT

Table Profitability By Business Segment

(Rp Million)

Indicator	Retail Banking			Corporate Banking		
	2019	2018	2017	2019	2018	2017
Net Interest Income/(Expenses)	3,449,047	3,542,223	3,396,547	1,519,206	-	-
Net Operating Income/(Expenses)	(2,097,508)	(1,931,192)	(2,519,023)	(37,965)	-	-
Income/(Loss) Before Tax	1,345,483	1,610,745	874,022	1,481,241	-	-
Net Income/(Loss)	1,001,118	1,155,818	639,065	1,102,128	-	-

Indicator	MSME			Funding & Treasury		
	2019	2018	2017	2019	2018	2017
Net Interest Income/(Expenses)	785,909	1,042,545	1,423,902	1,359,837	1,936,046	2,154,536
Net Operating Income/(Expenses)	(1,303,368)	(1,309,200)	(1,249,440)	(1,523,703)	(1,635,215)	(2,136,320)
Income/(Loss) Before Tax	(517,556)	(266,778)	173,701	(168,495)	276,442	(19,576)
Net Income/(Loss)	(385,091)	(191,431)	127,006	(125,371)	198,366	(14,314)

Indicator	Shariah Banking		
	2019	2018	2017
Net Interest Income/(Expenses)	3,933,765	3,079,594	2,905,253
Net Operating Income/(Expenses)	(2,052,701)	(1,777,045)	(1,996,992)
Income/(Loss) Before Tax	1,878,249	1,299,019	908,698
Net Income/(Loss)	1,399,634	965,311	670,183



Financial Performance Review

 **23 %**

Total customer deposits at the Bank amounted to Rp86.9 trillion as at year-end 2019, up 23% from Rp70.8 trillion in 2018.

 **108 %**

Compared to the previous year, total loans disbursed in 2019 grew by 108% to reach Rp141.8 trillion.

“

In 2019, Bank BTPN recorded net income after tax attributable to owners of parent entity of Rp2.6 trillion, up 40% from the amount in 2018 of Rp1.8 trillion.

”

The financial performance review is prepared based on the Company's Financial Statements which are presented in accordance with Financial Accounting Standards (SAK) for the year ended December 31, 2019.

2019 is the first year in operation for Bank BTPN since the merger with SMBCI on February 1, 2019. After the merger, Bank BTPN became a more solid bank with the addition of a corporate business unit and the support from the main shareholder, SMBC. The corporate business unit serves Japanese companies operating in Indonesia, multinational companies and other large local companies. The corporate business unit is also actively involved in structured financing and syndicated lending in the Indonesian market. With global support from SMBC and digital banking capabilities, Bank BTPN has the ability and opportunity to provide financing to a broader industry and services that are more focused on customer needs.

The Bank's focus in the first year after the merger was the process of consolidation and stabilization as well as business development. The process of consolidation and stabilization is carried out with the aim of strengthening existing capabilities and core businesses with a focus on ensuring the successful integration of key processes that have been identified during the merger assessment, implementing "stabilization" initiatives and planning "synergy" initiatives for the next stage, and actively involving all key stakeholders consisting of: customers, employees, business partners, regulators and shareholders.

THE BANK'S PERFORMANCE IN 2019

The Bank's performance in 2019 reflects the dynamics of the Bank's business after the merger both in business units originating from Bank BTPN before the merger and growth in the corporate business originating from Bank SMBCI before the merger.

Bank BTPN posted a satisfactory performance both in terms of business growth as well as in financial performance, such as in profitability, credit quality, and capital adequacy.

Overall, the amount of loans extended grew by 108% YoY (corporate loans grew by 16% compared to the 2018 SMBCI corporate loans before the merger, UKM 8%, TUR by 24%), while the number of mature Purna Bakti Bank business units decreased by 7%, as well as microfinance because a few years ago the Bank shifted to the SME segment. With this dynamic, there is a shift in Bank yields from business segments with higher yields in the retail lending to the corporate business segment.

Other dynamics that affect the financial performance of the Bank in 2019 are the increase in the benchmark interest rate since the second half of 2018, the increasing amount of funding formed by the Bank to ensure sufficient funds to support the merger and the efforts made after the merger.

The Bank always maintains liquidity and funding ratios well and optimizes the amount of third party funds. Along with lowering interest rates, the Bank adjusted interest rates and cut a

number of high cost Time Deposits. The interest rate on Rupiah time deposit funds from 7.9% in February 2019 to 6.5% in December 2019. In addition, the Bank made various efforts and initiatives to increase the amount of CASA which resulted in a growth of Current account saving account (CASA) of 173% and an increase in the CASA ratio from 13% in 2018 to 28% in 2019. The liquidity coverage ratio (LCR) and the Net Stable Funding Ratio (NSFR) ratio are at healthy levels at 229.14% and 113.04%.

The decline in the benchmark interest rate in the third quarter helped to reduce the cost of the Bank's third party funds, but on the other hand, the yield from loans also experienced a decrease in interest rates,

After the merger the Bank had a long-term funding facility from SMBC of USD2.8 billion (as of December 31, 2019, usage was a total of USD2.2 billion, the limit amount available was USD0.6 billion). In addition, the Bank also obtained long-term funding from IFC in the amount of USD150 million (usage as of December 31, 2019 was USD50 million). The bank also obtained bilateral funding from several other institutions.

In addition to the MTN, NCD, and bonds that the Bank has had, in the 4th quarter of 2019 the Bank launched bonds of IDR1T to diversify funding and as part of interest rate risk management in the banking book. The bank previously continuously issued bonds, and the issuance of bonds in the 4th quarter was Continuous General Issuance (PUB) IV phase I of 2019.

Financial Performance Review

The various dynamics above formed the Bank's NIM in 2019. With the merging of the corporate business unit (where the loans granted from this business unit consisted of Rupiah and foreign currencies) and which naturally had lower yields than the business units of the bank BTPN prior to the merger (retail and SME), the dynamics of growth in each business unit, changes in the benchmark interest rate and changes in the structure and funding costs explained the movement of the Bank's net interest margin (NIM) from last year by 11.27% to 6.92% in 2019.

In terms of profitability, the Bank managed to record a good net profit. This achievement was mainly driven by efforts at good margin management, fee acquisition and revaluation gains from foreign exchange transactions, especially from corporate business units. Operating costs are well maintained and the allowance for impairment losses (CKPN) is stable.

On the capital side, the Bank can ensure capital adequacy after calculating the impact of PSAK 71. The Bank has been preparing for the adoption of PSAK 71 since December 2017, simulations are submitted to management as part of information

updates related to the progress of the project team which consists of Risk Management work units, Financial and related business units on a regular basis. In December 2019 the Bank has estimated the impact value of the adoption of PSAK 71 as the initial CKPN balance according to PSAK 71 can be absorbed in the retained earnings account.

Note:

We need to say that the profit/loss of Bank SMBCI in January 2019 is no longer a profit/loss component of Bank BTPN in 2019. Because it has become part of the retained earnings of Bank BTPN as part of the merger.

BALANCE SHEET

ASSETS

As of the end of 2019, total assets posted by Bank BTPN reached Rp181.6 trillion. Compared to 2018, which amounted to Rp101.3 trillion, there has been an increase of 79%. This was mainly due to the merger process with SMBC Indonesia.

Asset Growth Table

(Rp Million)

Description	2019	2018 ^{*)}	2017 ^{*)}
Cash	2,299,062	1,838,136	1,496,785
Current accounts with Bank Indonesia	8,987,079	5,248,644	5,098,341
Current accounts with other banks	1,056,904	841,464	487,942
Placements with Bank Indonesia and other banks	8,839,876	11,720,619	8,489,491
Marketable securities	10,654,624	6,806,407	6,337,831
Securities purchased under resale agreement	-	1,591,672	2,495,409
Loans and Sharia Financing/receivables	141,760,183	68,136,780	65,351,837
Fixed Assets – Net	1,893,746	1,786,727	1,660,120
Intangible Assets – Net	1,068,542	940,830	769,062
Other assets	5,071,369	2,429,945	2,854,775
Total Assets	181,631,385	101,341,224	95,041,593

^{*)} The comparative information presented in the 2019 consolidated financial statements has been restated for the prepaid credit insurance, credit insurance expenses and retained earnings accounts, which are caused by revisions to the calculation of pension credit insurance costs and the reconciliation process for prepaid pension credit insurance costs. The profit and loss statements for 2017 is not restated.

Bank BTPN cash position in 2019 reached Rp2.3 trillion. Compared to the previous year's realization, which amounted to Rp1.8 trillion, there was an increase of 25%.

Current accounts in Bank Indonesia increased by 71%, to Rp9.0 trillion. This is in line with the increase in third party fund, which increased by 23% despite a decline deriving from policy changes from the Central Bank related to the statutory reserve requirement that must be fulfilled by the Bank.

Financial Assets

The financial assets of Bank BTPN consist of current accounts Bank Indonesia, current accounts in other banks, placements in Bank Indonesia and in other banks, marketable securities, derivative receivables, acceptance receivables, loans, and investments. Most of the financial assets are in the form of loans, amounting to Rp141.8 trillion or an 82% portion of the total financial assets.

Up to the end of the 2019 fiscal year, Bank BTPN's financial assets amounted to Rp173.9 trillion, an increase compared to 2018, which amounted to Rp94.3 trillion. The change was due to the merger process with SMBC Indonesia.

Marketable securities in 2019 increased to Rp10.6 trillion, up 57% from the level in 2018. The increase was mainly due to the merger with SMBC Indonesia.

Loan Disbursement

The total disbursed loans in the 2019 fiscal year 2019 amounted to Rp141.8 trillion. Compared to 2018, which amounted to Rp68.1 trillion, there was an increase of 108%. The growth in lending is supported by financing for the corporate segment, which accounts for 53% of the total lending.

The business segment that received financing distribution in 2019 was the corporation segment, which reached

Rp75.7 trillion. The growth was mainly derived from the corporate portfolio obtained through the merger process with SMBCI Indonesia.

The Bank's business segment is divided into two, namely Growing Business and Mature Business. Growing Business is a lending business that will continue to develop in a sustainable manner, consisting of the corporate business, small and medium business loans, consumer financing, as well as Sharia financing. While Mature Business is a lending business that has become stagnant and experiencing a run down.

During 2019, Growing Business, outside of corporate loans, experienced a growth mainly on the strength a 24% growth in Sharia Financing and 8% growth in SME Loans. While Mature Business has decreased by 10% compared to 2018, where the biggest contributor is from Pension Loans.

Loans per Business Segment Table

(Rp Million)

Segment	2019	2018	2017
Growing Business			
Corporate	75,713,860	-	-
Small and Medium Scale Business	13,883,980	12,898,289	11,570,531
Customer Financing	5,561,484	5,634,680	2,158,649
Sharia Financing/Receivables	8,999,574	7,277,162	6,053,273
Others	378,871	823,007	690,859
Mature Business			
Retirement	35,611,265	38,459,840	39,418,969
Micro	1,611,149	3,043,802	5,459,556
Total	141,760,183	68,136,780	65,351,837

Financial Performance Review

While based on utilization, the biggest portion of loan disbursement is for working capital, which amounted to Rp72.6 trillion. Compared to 2018, which was Rp23.2 trillion, there was a 213% growth. Followed by investment loans in the amount of Rp30.1 trillion, up by 830%. The increase in working capital and investment loans was mainly derived from the corporate portfolio.

While for other uses, such as consumption loans, the amount was Rp39.1 trillion, a decrease of 6% compared to 2018.

Loans Based on Utilization Table

(Rp Million)

Utilization	2019	2018	2017
Working Capital	72,622,684	23,208,258	20,456,936
Investment	30,084,752	3,234,863	4,146,948
Consumer	39,052,746	41,693,660	40,747,953
Total	141,760,183	68,136,780	65,351,837

In terms of quality, the Bank's net non-performing loan rate in 2019 was 0.4%, lower than 2018, which stood at 0.5%. This condition is far below the banking industry average, accordingly, the Bank's achievement was very good.

The Bank's effort to maintain the non-performing loan ratio is a result from the development of risk management implementation in a consistent manner, both from the aspect of developing the framework, updating the policies and procedures, and ensuring that the Bank's capital will accommodate the credit risks that may arise from the implemented business strategy. In addition, risk management also ensures that the level of risk is in accordance with the Bank's ability to absorb risks.

Loans by Collectibility Table

(Rp Million, unless otherwise stated)

Utilization	2019	2018	2017
Current	136,164,728	65,838,753	62,819,951
Special mention	4,442,850	1,453,471	1,942,103
Performing Loan	140,607,578	67,292,224	64,762,054
Substandard	326,913	193,589	220,369
Doubtful	280,541	281,207	188,739
Loss	545,151	369,760	180,675
NPL	1,152,605	844,556	589,783
Total Loans	141,760,183	68,136,780	65,351,837
NPL-Gross	0.8%	1.2%	0.9%
NPL-Net	0.4%	0.5%	0.4%
LLP/NPL	127.3%	134.3%	134.6%

LIABILITIES

The Company's total liabilities in 2019 amounted to Rp150.2 trillion. Compared to 2018, which amounted to Rp82.6 trillion, there was an increase of 82%. The increase was mainly due to the merger process with SMBCI Indonesia, in which one of the components was a loan in foreign currency from SMBC Singapore to support corporate lending in foreign currencies.

Liabilities Growth Table

(Rp Million)

Description	2019	2018	2017
Deposit from customers	79,388,815	64,851,852	62,670,025
Temporary syirkah fund	7,550,664	5,992,860	5,248,048
Deposit from other banks	11,633,474	14,394	822,584
Securities issued	3,190,628	1,197,442	2,543,401
Borrowings	38,047,455	8,442,765	5,208,640
Others	10,348,421	2,055,581	1,796,355
Total Liabilities	150,159,457	82,554,894	78,289,053

Deposits from Customers

Total deposits from customers posted by the Bank up to the end of the 2019 fiscal year amounted to Rp86.9 trillion. Compared to 2018, which amounted to Rp70.8 trillion, there was an increase of 23%.

Most of these customer deposits are in the form of time deposits, with a 72% portion of total customer deposits at the Bank. The CASA ratio has increased, namely from 13% in 2018 to 28% in 2019.

Details of Customer Deposits (including Temporary Syirkah Fund)

(Rp Million)

Description	2019	2018	2017
Current Account	14,374,226	1,118,905	623,352
Saving Deposits	10,060,583	7,843,220	7,313,507
Time Deposits	62,504,670	61,882,587	59,981,214
Total	86,939,479	70,844,712	67,918,073

In terms of currency, most deposits are denominated in rupiah, reaching Rp74.9 trillion or 86% of total deposits. While deposits in the form of foreign exchange reached Rp12.1 trillion or 14% portion.

Customer Deposit by Currency (including Temporary Syirkah Fund)

(Rp Million)

Description	2019	2018	2017
Rupiah	74,867,803	66,620,481	63,077,548
Foreign currency	12,071,676	4,224,231	4,840,525
Total	86,939,479	70,844,712	67,918,073

Long-Term Funding

Long-term funding, among others through the issuance of securities (in the form of bonds and MTN) and borrowings (in the form of bilateral loans and loans from SMBC Singapore). This effort aims at funding diversification as well as to reduce the risk of maturity mismatch between the Bank's assets and liabilities. In 2019, total long-term funding was posted at Rp41.2 trillion, an increase of 328% compared to the previous year, mainly deriving from long-term loans from SMBC Singapore as a result of the merger process with SMBCI Indonesia.

In November 2019, the Bank issued the Public Offering Shelf Registry Bond IV Phase I Year 2019 amounting to Rp1 trillion, consequently the balance of Securities Issued amounted to Rp3.2 trillion at the end of December 2019. Compared to the position at the end of December 2018 which amounted to Rp1.2 trillion, the balance of Securities Issued increased by 166%.

Financial Performance Review

EQUITY

Up to the end of the 2019 fiscal year, Bank BTPN's total equity amounted to Rp31.5 trillion, consisting of share capital, additional paid-in capital, reserve on revaluation of fixed assets, and others. Compared to 2018, which amounted to Rp18.8 trillion, there was an increase of 68%, which was due to the merger with SMBCI Indonesia, in which there was an increase in paid-up capital in the amount of Rp9.7 trillion in addition to an increase in retained earnings balance.

Equity Growth Table

(Rp Million)

Description	2019	2018 ^{*)}	2017 ^{*)}
Share Capital	162,979	117,033	116,806
Additional paid-in capital	11,158,702	1,458,886	1,429,385
Reserve on revaluation of fixed asset	801,553	801,553	724,449
Share-based payment reserve	244,012	281,748	254,496
Fair value reserve – net	12,176	3,527	12,875
Unrealized gains on available for sale marketable securities after tax	-	-	-
Transaction with non-controlling interest	(24,267)	(24,267)	-
Retained earnings (appropriated & non-appropriated)	17,775,292	15,228,584	13,805,629
Treasury shares	(262,404)	(262,404)	(262,404)
Non-controlling interest	1,603,885	1,181,670	671,304
Total Equity	31,471,928	18,786,330	16,752,540

^{*)} Comparative information presented in the 2019 consolidated financial statements has been restated for the prepaid credit insurance, credit insurance expenses and retained earnings accounts, which are caused by revisions to the calculation of pension credit insurance costs and the reconciliation process for prepaid pension credit insurance expenses. The profit and loss for 2017 is not restated.

INCOME STATEMENT PERFORMANCE

Up to the end of the 2019 fiscal year, Bank BTPN managed to post a net profit after tax (NPAT) attributable to owners of parent entity of Rp2.6 trillion, 40% higher compared to 2018, which amounted to Rp1.8 trillion. This achievement was driven by an increase in net interest income and foreign exchange transaction income, as well as revaluation gains.

Income Statement Growth Table

(Rp Million)

Description	2019	2018 ^{*)}	2017 ^{*)}
Interest income	19,084,410	14,126,651	14,046,062
Interest expense	(8,036,646)	(4,526,243)	(4,524,452)
Net Interest Income	11,047,764	9,600,408	9,521,610
Other Operating Income	1,560,509	600,139	469,537
Other Operating Expenses	(8,575,754)	(7,252,791)	(6,915,102)
Net Income for the Year	2,992,418	2,128,064	
Profit for the Year– before tax	4,018,922	2,919,428	1,936,845
Net profit after tax (NPAT) attributable to owners of parent	2,572,528	1,838,471	1,220,886

^{*)} Comparative information presented in the 2019 consolidated financial statements has been restated for the prepaid credit insurance, credit insurance expenses and retained earnings accounts, which are caused by revisions to the calculation of pension credit insurance costs and the reconciliation process for prepaid pension credit insurance expenses. The profit and loss for 2017 is not restated.

Net Interest Performance

In terms of interest income, the Bank was able to post Rp19.1 trillion. Compared to the previous year, which amounted to Rp14.1 trillion, there was an increase of 35%. This change, in addition to being caused by the merger process with SMBCI Indonesia that took place in February 2019, was also contributed by the increase in loan portfolio and the high interest rates in the first half of 2019.

While the Bank's interest expense amounted to Rp8.0 trillion, increasing by 78% compared to the previous year, which amounted to Rp4.5 trillion. The increase in interest expense that exceeded the increase in interest income was largely influenced by the increase in the cost of funds, particularly in the first half of 2019, due to an increase in the benchmark interest rate in 2018, an increase in the amount of excess funds maintained in the context of the merger, and interest rate competition in the market. Subsequently, the Bank's net interest income in 2019 amounted to Rp11.0 trillion.

Income for the Year Performance

The Bank also posted other operating income in the amount of Rp1.6 trillion, an increase of 160% compared to the previous year, which amounted to Rp600.1 billion. The increase in income was mainly contributed by net gains in spot and derivative transaction and the revaluations, in which transactions in foreign currencies increased after the merger with SMBCI Indonesia.

While other operating expenses reached Rp8.6 trillion, an increase of 18% compared to 2018, which amounted to Rp7.3 trillion. This was due to an increase in personnel expenses, which is in line with an increase in the number of employees after the merger with SMBCI Indonesia complemented with an increase in operating expenses deriving from investments in the Jenius digital platform and IT.

Accordingly, the Bank's income for the year in 2019 amounted to Rp4.0 trillion. Compared to 2018, which amounted to Rp2.9 trillion, there was an increase of approximately Rp1.1 trillion.

CASH FLOWS

Bank BTPN posted cash and cash equivalents at the end of 2019 in the amount of Rp19.8 trillion, a decline of 2% compared to 2018, which amounted to Rp20.4 trillion.

Cash Flow Growth Table

(Rp Million)

Description	2019	2018	2017
Net cash flows provided from (used in) operating activities	(11,970,920)	4,585,807	1,125,968
Net cash flows provided from (used in) investing activities	11,301,087	(573,678)	(1,375,982)
Net cash flows received from financing activities	122,307	1,505,543	981,941
Effect of exchange rate on cash and cash equivalent	(35,026)	(10,878)	703
Net (decrease) in cash and cash equivalents	(547,526)	5,517,672	731,927
Cash and cash equivalents at the beginning of year	20,424,211	14,917,417	14,184,787
Cash and cash equivalents at the end of year	19,841,659	20,424,211	14,917,417

Cash Flow Used in Operating Activities

Net cash used in operating activities in 2019 contracted by Rp12.0 trillion, a decrease of 361% compared to 2018, which earned Rp4.6 trillion. The decrease was mainly due to a decrease in customer deposits in line with the Bank's efforts to adjust the amounts and composition of funding as described previously.

Cash Flow from Investing Activities

Net cash obtained from investment activities in 2019 amounted to Rp11.3 trillion, an increase of 2,070% compared to 2018, which amounted to minus Rp573.7 billion. The increase was due to the transfer of cash and cash equivalents in connection with the business merger.

Cash Flow from Funding Activities

Net cash obtained from funding activities in 2019 amounted to Rp122.3 billion, a decrease of 92% compared to 2018, which amounted to Rp1.5 trillion. The decrease was due to the repayment of borrowings.

Financial Performance Review

DEBT REPAYMENT ABILITY

Bank BTPN has a sound level of liquidity and solvency. This is reflected in the Bank's ability to meet its maturing obligations in a timely manner, both to repayment of principal debts and the interest charges.

In terms of the Bank's ability to meet its short-term and long-term obligations, it has also been rated very well as submitted by external rating agencies. PT Fitch Ratings Indonesia maintains the National Rating for the long term and short term respectively AAA(idn), Stable Outlook and F1+(idn). Meanwhile, PT Indonesia Rating Agency (PEFINDO) provided the idAAA company rating (Triple A, Stable Outlook).

Liquidity Ratio

The ratios used to measure sound liquidity level include the LDR (Loan to Deposit RIM (Macro-prudential Intermediation Ratio), LCR (Liquidity Coverage Ratio), and NSFR (Net Stable Funding Ratio). Although the Bank's LDR level as of 31 December 2019 was quite high, namely 163%, the Bank's RIM ratio is still below 100%, namely 97%. In addition, the LCR and NSFR ratios as of 31 December 2019 stood at 229% and 113%, or far beyond the regulatory limit set by the OJK of 100%, so overall, the Bank's liquidity level is still very sound.

Solvency Ratio

Another parameter is the capital ratio that is measured through the solvency ratio. Bank BTPN always maintains a sound capital, among others by meeting the Capital Adequacy Ratio (CAR) that is in line with what has been determined by the regulator.

The Bank's solvency (debt repayment ability) is also reflected in the level of capital adequacy to cover the credit, market, and operational risks. BTPN's capital adequacy ratio (CAR) as of 31 December 2019 reached 24.2%. This figure is far above the provisions set by Bank Indonesia and reflects room for future growth.

Loan Collectibility

Bank BTPN always maintains the quality of its earning assets, to ensure that the quality of the Bank's business performance remains sustainable. This is indicated through the level of loan collectibility as presented in the following table.

Loan Collectibility Growth

(Rp million, unless otherwise stated)

Description	2019	2018	2017
Current	136,164,728	65,838,753	62,819,951
Arrears 1-90 days	4,442,850	1,453,471	1,942,103
Arrears >90 days	1,152,605	844,556	589,783
Total loans in arrears	5,595,455	2,298,027	2,531,886
Total loan disbursed – gross	141,760,183	68,136,780	65,351,837
% of total in arrears to total loans disbursed - gross	3.95%	3.37%	3.87 %

In 2019, the amount of loans in arrears disbursed by Bank BTPN - gross amounted to Rp5.6 trillion with a percentage to total loans of 3.95%. This amount increased compared to 2018, which stood at 3.37% due to the addition of the loan portfolio in 2019. Bank BTPN continues to make efforts in terms of controlling credit risk, in order to maintain the level of loan collectibility.

Meanwhile, loan quality can also be identified from the level of NPL, as of 31 December 2019, the gross NPL ratio stood at 0.81%, while the net NPL ratio stood at 0.43%, improved compared to 2018 at 1.24% and 0.51%, respectively.

PRIME LENDING RATE

In accordance with the Financial Services Authority Regulation No. 32/POJK.03/2016 on Transparency and Publication of Bank Reports, all commercial banks are required to report and publish the Prime Lending Rate. This publication, among others, is to provide clarity and to facilitate the customers in weighing the benefits, costs, and risks of loans offered. In addition, the publication of Prime Lending Rate is also an effort to improve good corporate governance and encourage a healthy competition in the banking industry.

The bank classifies the Prime Lending Rate based on loan segmentation into 4 groups, namely Corporate, Retail, Micro, and Consumption. Details are presented in the following table

Prime Lending Rate BANK BTPN Period : 31 December 2019

(effective % per annum)

	Prime Lending Rate Based on Credit Segment				
	Corporate Loan	Retail Loan	Micro Loan	Consumer Loan	
				Mortgage	Non Mortgage
Prime Lending Rate (PLR)	7.09%	11.28%	16.01%	-	13.21%

CAPITAL STRUCTURE

Capital Structure Basis and Policy

Bank BTPN continues to maintain sufficient capital to support business growth and protect the Bank from market volatility. In managing its capital, the Bank continues to balance capital efficiency and shareholders' return, by having sufficient provisional funds to cover any potential risks.

In line with Basel II capital implementation, the Bank has reported its Internal Capital Adequacy Assessment Process (ICAAP) to OJK, which is in line with the prevailing regulations. The Bank also continues to ensure its capital is adequate and in line with its risk profile.

In terms of capital management on credit risks, the Bank uses the standardized approach, which calculates the risk-weighted assets (RWA) according to Bank Indonesia norms and ratings from rating agencies.

Bank BTPN measures capital adequacy for operational risk based on Bank Indonesia's Basic Indicator Approach method. This method allows Bank BTPN to allocate capital for operational risk, based on historical data, which is equal to the average sum of the last 3 years' gross income multiplied by the applicable coefficient factor of 15.0%.

In accordance with Financial Services Authority Regulation No. 11/POJK.03/2016 on Minimum Capital Requirements for Commercial Banks and Financial Services Authority Regulation No. 34/POJK.03/2016 on amendment to POJK No. 11/

POJK.03/2016, the Bank is required to provide a minimum capital that is in accordance with its risk profile. The Bank's minimum capital requirement based on the current risk profile is 9% to less than 10% of the Risk Weighted Assets (RWA).

In addition to the requirement to meet minimum capital based on a risk profile, the Bank is also required to provide additional buffer capital with the following details: (i) Capital Conservation Buffer, (ii) Countercyclical Buffer, and (iii) Capital Surcharge for Domestic Systemically Important Banks (D-SIB).

In 2019, the provisional buffer capital applicable to the Bank is the Capital Conservation Buffer at 2.5%, Countercyclical Buffer at 0% and the Capital Surcharge for D-SIB at 1.00%.

Financial Performance Review

The requirements for the Countercyclical buffer and Capital Surcharge for D-SIB will be reviewed by the regulator twice a year. All buffer capital requirements must be fulfilled with Common Equity Tier 1 (CET 1).

Capital Structure Details

Capital Structure Growth Table

(Rp million, unless otherwise stated)

Capital Structure	2019	2018	2017
Capital			
Core Capital	27,259,773	15,898,538	14,661,161
Supplementary Capital	7,543,294	622,526	591,703
Total Capital	34,803,067	16,521,064	15,252,864
Risk Weighted Assets:			
Credit Risk	124,368,632	49,742,514	47,282,810
Credit and Operational Risk	142,780,626	67,077,208	63,254,346
Credit, Operational and Market Risk	143,582,952	67,131,441	63,302,113
Capital Adequacy Ratio:			
Credit Risk	28.0%	33.2%	32.3%
Credit and Operational Risk	24.4%	24.6%	24.1%
Credit, Operational and Market Risk	24.2%	24.6%	24.1%

Material Commitments Related to Capital Goods Investment

Until the end of 2019, Bank BTPN has no material commitments related to investment in capital goods.

Capital Investment in the Last Fiscal Year

Bank BTPN's capital expenditure for 2019 was recorded at Rp705 billion, mainly used to support post-merger operations and the development of digital banking services.

Table Investment in Capital Goods in the Last Fiscal Year

(Rp million, unless otherwise stated)

Type of Capital Expenditure	2019	2018	2017
Fixed Assets	324,700	382,971	323,844
Intangible Assets	380,234	392,940	462,215
Total	704,934	775,911	786,059

SUBSEQUENT EVENTS

Effective January 1, 2020, Bank BTPN has adopted PSAK 71 (Note 46) and has applied forward looking loan loss ("ECL") calculations for its financial assets. Due to an extraordinary event related to Coronavirus Disease 2019 ("COVID-19"), in March 2020, World Health Organization has declared a pandemic, and prevention and control measures for COVID-19 have taken place in Indonesia. This situation has disrupted business activities and the global economy, including Indonesia. The Bank continues to monitor the situation related to COVID-19, assessing and responding actively to its impact on the financial position and results of operations. As of the date of the consolidated financial statements, this valuation is still ongoing. The Bank will consider the impact and probability of a worsening economic scenario due to the COVID-19 related situation when estimating the ECL in 2020.

TARGET, REALIZATION AND PROJECTION

The Bank recorded good growth and performance in 2019. As explained in the previous section, external conditions affect credit growth in the banking industry. In addition, the number of loans in the Bank's mature business has decreased, offset by growth in corporate loans by 16%, SME loans by 8%, and Sharia financing

by 24%, so that the overall amount of loans grew by 108% compared to the previous year.

In terms of Deposits, the Bank adjusts the amount of deposits to the needs in accordance with credit growth.

With good interest margin management, and credit growth, the Bank achieved its net interest income target (7% above target).

Operating income exceeds the target. Net profit after tax (NPAT) attributable to the owner of the parent entity, ROA and ROE is better than the target.

The ability of the Bank's assets to generate profits as shown through the return on asset (ROA) indicator, the realization of 120% of the target. Here are the details:

Target and Realization Comparison Table

(Rp million, unless otherwise stated)

Description	2019 Target	2019 Realization	Achievement
Loan Growth	119%	108%	91%
Customer Deposits Growth	42%	23%	54%
Net Interest Income	10,342,011	11,047,764	107%
Operating Income	11,860,861	12,608,273	106%
Net Operating Income	2,212,938	2,572,528	116%
Capital Adequacy Ratio	22,8%	24,2%	106%
ROA	1,9%	2,3%	119%
ROE	8,9%	9,9%	115%

BUSINESS PROSPECTS

In 2020, economic conditions, both at the global and national levels will continue to be dynamic. This situation has the potential to affect the performance of international trade, which will ultimately become a challenge for the financial industry.

Nevertheless, Bank BTPN continues to strive to achieve its vision of becoming the first-choice bank in Indonesia, which give significant change in the life of millions of people, mainly with the support of digital technology. BTPN Bank is convinced that it will develop to become a bigger and stronger bank, enabling it to increase its contributions to the national economy.

This vision can be pursued through a number of strategies, beginning from the stabilization phase, which is aimed at integrating and mitigating risks with regulatory support that has been implemented during 2019 and will be continued in 2020. Furthermore, through the Synergy phase, which aims to combine the current assets to support stronger cross-sell, serve new segments, and reduce costs, and finally the Scale up phase, which aims to create a new engine for growth and profitability of the joint entities.

The corporate business serves Japanese companies operating in Indonesia, multinational companies, and other large local companies. The corporate business is also actively

involved in Structured Financing and Syndicated Lending in the Indonesian market. The corporate segment will continue to actively participate in the syndicated financing, particularly in infrastructure projects and supporting industries, including export support industries, which are in line with the Indonesian government's development program. Supporting services will also continue to be improved for this segment, such as trade finance, Supply Chain Financing, and derivative products.

The Retail Banking business aims to become a major player in digital banking, build integrated Retail Banking lines (one single customer view) and have diversification from various sources of income. While

the Business Banking unit focuses on developing services for the SME segment and business transformation for the Micro segment. Meanwhile, for the Consumer Asset segment, in line with the business focus on providing banking services and products for the mass-market segment, Bank BTPN will continue to increase its loan portfolio by collaborating with finance companies that have great potential.

Bank BTPN will also continue to explore global remittance cooperation services with international money transfer companies, using the BTPN office network as cash agents and expanding it to mobile banking services and agent banking services. The mobile banking and international remittance service will increase fee-based income. Mobile banking services for the mass-market, which will be supported by banking and remittance agents is part of the solutions offered by BTPN to meet the needs of the unbanked, as part of its financial inclusion program.

In terms of key processes, control system, and infrastructure, Bank BTPN will continue to strengthen the infrastructure of information technology, human capital, operations, risk management, the Daya platform, as well as consistently implement GCG to support business growth.

DIVIDEND

Dividend Policy

Dividend distribution is determined in the Annual GMS by taking into account the adequacy of retained earnings balances, applicable laws and regulations, such as long-term and short-term capital requirements, as well as expectations of Bank growth and market conditions. The proposal for dividend distribution is submitted by the Board of Directors to the President Director and approved by the Board of Commissioners. Furthermore, the proposal is submitted to the Annual GMS for approval by the Shareholders. To support business growth, Bank BTPN has yet to plan to distribute dividends for the next three years. Thus, information regarding the number of dividends cannot be conveyed.

MANAGEMENT AND EMPLOYEE STOCK OPTION PROGRAM

2015

BTPN exercised the Management & Employee Stock Options Program (MESOP) by issuing the Rights Option to buy new shares from portfolio ("Rights Option") without preemptive rights to shareholders of the Company for the period from 2015 to 2020 ("Rights Option Program") with exercise price which will be set based on the Decree of Board of Directors of the Indonesian Stock Exchange No.Kep-00001/BEI/01-2014 dated 20 January 2014 on the Amendment to the Regulation Number I-A on Listing of Shares (stock) and Equity-Type Securities Other Than Stock Issued by the Listed Company ("Regulation No. I-A").

The Rights Option Program by the Company shall refer to Financial Services Authority Regulation No. 38/POJK.04/2014 dated 29 December 2014 on Capital Increase Without Preemptive Rights.

Based on the Deed of Extraordinary General Meeting of Shareholders No. 50 dated 26 March 2015, by Notary Hadijah, SH, in Jakarta, the shareholders approved the Company to perform the Management and Employee Stock Option Program (MESOP Program 2015).

Benefit of Rights Option Program for Bank Bank BTPN:

1. The Rights Option Program is to improve the sense of ownership to the Company, which will improve the individual performance of the participants of Rights Option Program, and will ultimately improve the Company's performance.
2. With the grant of the Rights Option to purchase shares under management and employee stock ownership program, it is expected to achieve a harmonious interest of the Company with the interest of the Program Participants.
3. Giving reward and incentive the contribution of the program participants for this will drive the performance of key management and employees of the Company.
4. The granting of the Rights Option will increase the loyalty of program participant, as well as improve the Company performance in the future by building up a transparent program, measurable and assurance of the implementation.

The Rights Option issued in each phase shall expire on 26 March 2020 within 5 years since the date of approval of BTPN Extraordinary General Meeting of Shareholders that approved the Rights Option Program.

Details of the Rights Option are presented in the following table:

Date of Option Rights	Exercise per Share (in Rupiah)	Number of share (in thousands)
15 April 2015	4,000	141,575
10 July 2015	4,000	-
9 October 2015	4,000	-
8 January 2016	4,000	-
11 April 2016	4,000	-
11 July 2016	4,000	-
10 October 2016	4,000	10,500

The exercise period will be divided into 6 periods as follows:

1. Period I starting on 1 May 2017
2. Period II starting on 6 November 2017
3. Period III starting on 7 May 2018
4. Period IV starting on 5 November 2018
5. Period V starting on 6 May 2019
6. Period VI starting on 2 December 2019

All will be held for 30 stock exchange days.

The Exercise Price of the Rights Option shall refer to the Decision of the Board of Directors of PT Bursa Efek Indonesia No. Kep-00001/BEI/01-2014 dated 30 January 2014 on Amendment to Rule Number I-A on Listing of Shares (Stock) and Equity Type Securities Other Than Stock Issued by the Listed Company at least 90% of the average of closing price of the Company at Indonesian Stock Exchange during 25 (twenty five) consecutive stock exchange days prior to the date of the report on the Implementation Plan of the Rights Option Program. The Company decided the exercise price for all the option rights which will be issued amounted Rp4,000 per share. The number of shares that can be issued within Rights Option Program is maximum 233,611,491 shares or 4% from the issued and fully paid up capital of the Company.

Exercise Period of MESOP Program 2015

Phase	Number of Options	Number of Stock Options Offered	Number of Stock Options Executed	Number of Stock Options Forfeited	Exercise Price
I	131,445,000	39,433,500	-	240,000	-
II	129,235,000	38,770,500	-	135,000	-
III	119,180,000	71,508,000	-	1,620,000	-
IV	108,140,000	64,884,000	-	-	-
V	92,840,000	92,840,000	-	160,000	-
VI	91,260,000	91,260,000	-	-	-

Exercise Period of MESOP Program 2016

Phase	Number of Options	Number of Stock Options Offered	Number of Stock Options Executed	Number of Stock Options Forfeited	Exercise Price
I	52,690,000	15,807,000	10,670,600	54,000	2,617
II	39,072,400	5,073,400	1,112,900	-	2,617
III	21,000	90,000	12,000	-	2,617
IV	198,000	78,000	-	-	-

Financial Performance Review

2016

Based on the Deed of Extraordinary General Meeting of Shareholders No. 60 dated 29 April 2016 by Notary Hadijah, SH, in Jakarta, the shareholders approved to perform Employee Stock Option Program to the Employees at certain levels of the Company and Employees at certain levels of the Controlled Company (ESOP Program 2016).

As program implementation to retain employees with high performance, in order to enhance the sense of company ownership and to achieve a harmonious interest of the Company with the interest of the Employees, in addition to the MESOP Program 2015, The Board of Commissioners has also prepared an incentive program to employees of the Company and employee of the Controlled Company that shall be granted option rights to order and purchase new shares which will be issued by the Company by paying at a special price called the Exercise Price (ESOP Program 2016).

All will be held for 30 stock exchange days..

The Rights Option issued in each phase shall expire in 29 April 2021, within 5 years since the date of approval of the Company Extraordinary General Meeting of Shareholders, which is approved the Rights Option Program.

Details of the Option Rights during 2017 are presented in the following tables:

Date of the Option Rights	Exercise per share (in Rupiah)	Number of Share (in thousand)
15 June 2016	2,617	56,645,000
9 September 2016	2,617	-
9 December 2016	2,617	-
10 March 2017	2,617	-
12 June 2017	2,617	-
11 September 2017	2,617	-
11 December 2017	2,617	-

The exercise period will be divided into 6 periods as follows:

1. Period I starting on 28 May 2018
2. Period II starting on 17 December 2018
3. Period III starting on 28 May 2019
4. Period IV starting on 19 December 2019
5. Period V starting on 1 June 2020
6. Period VI starting on 17 December 2020 All will be held for 30 stock exchange days.

Certain conditions that may affect the rights and membership of the Option Rights Program are as follows:

Condition	Consequences
Reaching retirement age/early retirement/contract term of expiration date due to non-extension/termination due to health reasons/labor cut off/company takeover	Entitled in full upon the the Right Options which have been allocated on behalf of the participants
Death	Heir being fully entitled for allocated Option Rights on behalf of participants
Resignation/dishonery discharge due to violations/the company or the controlled company in bankruptcy/in confiscation	Not entitled upon the Rights Option which have been allocated in participants name

The Exercise Price of the Rights Option shall refer to the Decision of the Board of Directors of PT Bursa Efek Indonesia No. Kep-00001/BEI/01-2014 dated 30 January 2014 on the Amendment to the Rule No. I-A on the Listing of Shares (Stock) and Equity Type Securities Other Than Stock Issued by the Listed Company, namely at least 90% of the average price of closing price trading shares of the Company at Indonesian Stock Exchange during 25 (twenty five) consecutive stock exchange days prior to the date of the report on the Implementation Plan of the Rights Option Program. The Company decided the exercise price for all the option rights, which will be issued amounted Rp2,617 per share. The number of shares that can be issued within Rights Option Program is maximum 116,805,746 shares or 2% from the issued and fully paid up capital in the Company.

Exercise Period of ESOP Program 2016

Phase	Number of Options	Number of Stock Options Offered	Number of Stock Options Executed	Number of Stock Options Forfeited	Exercise Price (Rp)
I	52,690,000	15,807,000	10,670,600	54,000	2,617

REALIZATION OF PROCEEDS FROM PUBLIC OFFERING

Fiscal Year Bonds Issuance Table

Name of Bonds	Nominal (Rp Million)	Date of Issuance	Maturity Date
Continuing Bond III Bank BTPN Phase I Year 2016 Series B	300,000,000,000	11 July 2016	1 July 2019
Continuing Bond III Bank BTPN Phase II Year 2017 Series B	900,000,000,000	18 October 2017	17 October 2020
Continuing Bond IV Bank BTPN Phase I Year 2019 Series A	799,000,000,000	26 November 2019	26 November 2022
Continuing Bond IV Bank BTPN Phase I Year 2019 Series B	201,000,000,000	26 November 2019	26 November 2024
Medium Term Notes (MTN) II Year 2017 PT Bank Sumitomo Mitsui Indonesia	1,302,000,000,000	14 June 2017	14 June 2020

Allocation of Proceeds from Offering

(In Million Rupiah)

No	Type of Public Offering	Effective Date	Realizable Value of the Bonds/Sukuk Offering			Allocation of Proceeds from Offering		Remaining Proceeds from Offering
			Total Proceeds from Offering	Offering Expenses	Net Proceeds	Allocated Plan of Proceeds from Offering	Allocated Use of Proceeds from Offering	
1	BTPN Bonds I Year 2009	29 September 2009	750,000	8,699	741,301	741,301	741,301	0
2	BTPN Bonds II Year 2010	18 May 2010	1,300,000	8,116	1,291,884	1,291,884	1,291,884	0
3	BTPN Bonds III Year 2010	14 December 2010	1,100,000	6,476	1,093,524	1,093,524	1,093,524	0
4	BTPN Continuance Bonds I Phase I Year 2011	20 June 2011	500,000	5,057	494,943	494,943	494,943	0
5	BTPN Continuance Bonds I Phase II Year 2012	20 June 2011	1,250,000	6,069	1,243,931	1,243,931	1,243,931	0
6	BTPN Continuance Bonds I Phase II Year 2013	20 June 2011	750,000	3,668	746,332	746,332	746,332	0
7	BTPN Continuance Bonds II Phase I Year 2013	26 June 2013	5,800,000	5,292	794,708	794,708	794,708	0

Financial Performance Review

Allocation of Proceeds from Offering

(In Million Rupiah)

No	Type of Public Offering	Effective Date	Realizable Value of the Bonds/Sukuk Offering			Allocation of Proceeds from Offering		Remaining Proceeds from Offering
			Total Proceeds from Offering	Offering Expenses	Net Proceeds	Allocated Plan of Proceeds from Offering	Allocated Use of Proceeds from Offering	
8	BTPN Continuance Bonds III Phase I Year	27 June 2016	1,000,000	6,483	993,517	993,517	993,517	0
9	BTPN Continuance Bonds III Phase II Year 2017	27 June 2016	1,500,000	5,871	1,494,129	1,494,129	1,494,129	0
10	BTPN Continuance Bonds IV Phase I Year 2019	26 November 2019	1,000,000 seri A : 799,000 seri B : 201,000	10,219,625	989,780,375	989,780,375	989,780,375	0

MATERIAL TRANSACTIONS CONTAINING CONFLICTS OF INTEREST AND/OR TRANSACTIONS WITH AFFILIATED/RELATED PARTIES

Material Transactions Containing Conflicts of Interest

During 2019, there were no Material Transactions between the Bank and members of the Board of Commissioners, members of the Board of Directors Containing Conflicts of Interest.

Transactions with Affiliated or Related Parties

Bank BTPN deals with related parties. Recording of related party transactions is in accordance with PSAK No. 7 regarding "Disclosure of Related Parties". The table below shows the details of related parties, the nature of the relationship and the nature of the transactions carried out until the period ended December 31, 2019.

Transaction with Affiliated or Related Party

Related Parties	Nature of Relationships	Nature of Transaction
Sumitomo Mitsui Banking Corporation, Tokyo	Controlling shareholder	Current accounts with other banks; deposits from other banks
Sumitomo Mitsui Banking Corporation, Singapore	Affiliate	Current accounts with other banks; deposits from other banks; securities; loans; subordinated loans; derivative transactions
Sumitomo Mitsui Banking Corporation, Hongkong Branch	Affiliate	Current accounts with other banks; deposits from other banks
Sumitomo Mitsui Banking Corporation, Europe Limited	Affiliate	Current accounts with other banks
Sumitomo Mitsui Banking Corporation, Dusseldorf Branch	Affiliate	Current accounts with other banks
Sumitomo Mitsui Banking Corporation, Malaysia Berhad	Affiliate	Current accounts with other banks
Sumitomo Mitsui Banking Corporation, Bangkok	Affiliate	Deposits from other banks; transaksi derivative
Sumitomo Mitsui Banking Corporation, New York	Affiliate	Current accounts with other banks

Transaction with Affiliated or Related Party

Related Parties	Nature of Relationships	Nature of Transaction
PT SMFL Leasing Indonesia	Affiliate	Customer deposit; borrowings, derivative transactions
PT Oto Multi Artha	Affiliate	Customer deposit; borrowings, derivative transactions
PT Summit Oto Finance	Affiliate	Customer deposit; borrowings, derivative transactions
PT Nikko Securities Indonesia	Affiliate	Customer deposit
PT SBCS Indonesia	Affiliate	Customer deposit
Key management personnel	Director, Commissioner and executives	Borrowings, customer deposit, payment of compensation and remuneration, post employment benefit

Value of Transactions with Related Parties

Details of balances in transactions with related parties are disclosed in Note 38 to the Consolidated Financial Statements as of 31 December 2019 that form part of this Annual Report.

Fairness, Review Mechanism and Regulatory Fulfillment of Transactions with Affiliated Parties

In carrying out business activities, the Bank has a policy in approving transactions with related parties fairly in accordance with applicable rules and regulations. The Bank carries out certain transactions with related parties with the same terms and conditions as those applicable to third parties.

Bank BTPN conducts transactions with related parties due to ownership and/or management relations. All transactions with related parties have been carried out with agreed mutually agreed policies and conditions.

INFORMATION ON TRANSACTIONS RELATED TO INVESTMENT, EXPANSION, DIVESTMENT, ACQUISITION, AND RESTRUCTURING

On February 1, 2019, PT Bank BTPN Tbk officially operates as a new bank resulting from a merger between PT Bank Tabungan Pensiunan Nasional Tbk (BTPN) and PT Bank Sumitomo Mitsui Indonesia (SMBCI). Bank BTPN has become a universal bank that has a more complete business and serves a wider customer segment, from the mass market (retail) to the corporate segment.

Aside from this, Bank BTPN did not have material corporate actions during 2019.

CHANGES IN REGULATIONS WITH SIGNIFICANT IMPACT TO THE BANK

Up to the publication of this Annual Report, there were no changes in regulations with significant impact to Bank BTPN.

CHANGES IN ACCOUNTING POLICIES IMPLEMENTED IN THE LAST FISCAL YEAR, REASON FOR SUCH CHANGES, AND ITS IMPACT ON THE FINANCIAL STATEMENTS

There were no changes in accounting policies that are of significance during the fiscal year ending 31 December 2019.

COMPLIANCE AS TAXPAYER

Reason of incremental was due to increment of profit before tax income in 2019 compared to 2018.

Tax Payment (Rp million)	2019	2018	2017
Corporate Income Tax	545,060	521,559	287,513
Employee Income Tax	35,375	24,284	24,194

BUSINESS SUSTAINABILITY INFORMATION

Conditions in the 2019 Fiscal Year

Throughout the 2019 fiscal year, Bank BTPN did not have matters that had the potential to significantly influence its business continuity in the Indonesian banking industry, despite the challenges of global uncertainty. However, the Bank remains committed to growing more selectively in lending, in order to maintain its asset quality.

The Bank is committed to implementing the prudence principle by increasing its credit approval policy standards. Accordingly, the Bank gets quality credit growth and actively monitors loans that are considered to be potentially problematic.

The Bank has periodically assessed its ability to continue business continuity. Up to the publication of this annual report, Bank BTPN did not find any findings of material uncertainty that may raise significant doubts regarding the Bank's ability to achieve the targets and continue business continuity.

In line with this, Bank BTPN's consolidated financial statements have been prepared on a sustainable business basis. Based on the performance achievement during 2019 and the Bank's history, the management considers that BTPN's business continuity is still very promising. This is based on the Bank's financial ratios and soundness, which are in good condition and able to support business continuity in the future. In addition, support from the shareholders and synergy between the SMBC groups as well as the recognition of the quality and credibility of Bank BTPN provided by rating agencies are fundamental for the Bank to maintain its business continuity.

As part of the SMBC group, where SMBC is categorized as G-SIB, Bank BTPN continues to adopt compliance with the local and global standards while continuing to improve sound compliance and risk management practices and efforts to improve operational excellence with the support of IT and digital technology.

The management is optimistic that it will be able to face various challenges and seize opportunities, supported by several factors, including competent human resources, adequate business infrastructure, and international business networks that have become the basis of the Management's belief in Bank BTPN's business growth in the future.

Strategy Implementation

With the numerous considerations that have been submitted, the management of Bank BTPN considers several strategic factors in order to maintain the continuity of the Bank's business. Anticipated factors include macroeconomic and banking conditions, business segment performance, financial performance, capital, liquidity and solvency levels in conducting assessments related to the Bank's business continuity.

Through these strategic considerations, the Bank will be able to anticipate through the application of the appropriate risk management. Thus, the results achieved will be maximum and sustainable, ultimately maintaining the continuity of the Bank's business in the future.

Business Continuity Management (2019)

Bank BTPN is actively implementing the Business Continuity Management (BCM) framework, which focuses on the recovery of operational activities related to critical functions within the Bank and services to customers.

Through the BCM work unit, which is under the Risk Management Directorate, the BCM framework is implemented jointly with other work units as part of BCM management, which is the responsibility of all employees at every level of the organization. As part of an effective implementation of BCM, Bank BTPN has established the BCM Policies and Procedures in order to support the risk management framework.

During 2019, BCM has carried out the following programs:

1. Updating the BCM policies and procedures, as well as ensuring that each directorate has updated the Business Impact Analysis (BIA) & Business Continuity Plan (BCP) documents to keep them in line with the Bank's current conditions, including the new directorate from the merger. The BCM Unit facilitates and provides recommendations to the Business/Support Function units in preparing the BIA and BCP documents
2. The BCM unit has consolidated the BCP site after the merger with SMBCI, accordingly, currently Bank BTPN has 2 BCP sites, namely in Jakarta and BSD.
3. Defining the Critical Business Function (CBF), which is a series of processes/activities that lead to a critical function that must be immediately restored when an incident occurs, because it will have a financial, legal, or other damage to the company. CBF can consist of one or several processes that contribute to a critical final function, and CBF can involve one or several work units. The BCM Unit works closely with the Business Continuity Coordinator (BCC) of each business/support function work unit to define critical functions, including the processes/activities that are within the function
4. Perform BCP testing in the form of a simultaneous call tree for all Bank BTPN employees (Branch Offices and Head Office) to ensure that the Bank has the most recent employee contact number, so they can be contacted at any time when the BCP is activated
5. During the riots in May 2019, the Bank conducted split operations for critical work units and it performed well
6. Each critical work unit has tested the BCP in accordance with the BCP documents that have been prepared by each Directorate
7. In addition, Bank BTPN has participated in the testing of the system connected to the parent company (SMBC) in accordance with the established schedule, namely in August and December.



Risk Management

“

This year, BTPN focuses on supporting the risk management implementation for the company and its subsidiary after the merger of SMBCI and BTPN (named as Bank BTPN). Policies and procedures harmonization related to the risk management implementation is conducted by stages.

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150	2019 Priorities
150	Internal Control System
150	Disclosure of Capital
153	Disclosure of Exposure



Risk Management



0.81%

The overall quality of the Bank's assets is reflected in the consolidated gross NPL ratio of 0.81%

“

Bank BTPN will focus on ensuring the proper management of potential risks arising with regard to the integration of banking systems, organizations and processes of the two merged banks.

”

The structure of Integrated Risk Management implemented by BTPN covers all risk areas of the Bank and its subsidiary, BTPN Syariah. The supervisory function is implemented in a consistent and coordinated manner.

This year, BTPN focuses on supporting the risk management implementation for the company and its subsidiary after the merger of SMBCI and BTPN (named as Bank BTPN). Policies and procedures harmonization related to the risk management implementation is conducted by stages.

In addition, the Bank designated as the Main Entity of the SMBC financial conglomerate is obliged to implement an integrated risk management process in accordance with applicable OJK and/or BI regulations

The development of risk management implementation will be continued to support the Bank's business plan, in terms of developing the framework, updating policies and procedures, including fulfilling human resources in accordance with the required competencies.

The Bank's Business Continuity Management program continues to be periodically tested to assess its readiness and ensure the adequacy of the Bank's designated back up sites, staff and contingency processes. A major emphasis is placed on fraud prevention and early detection through improvements in the Bank's monitoring of and response to potential frauds. This is done through the Bank's whistle-blowing system as well as regular branch briefings and periodic

e-learning exercises on anti-fraud training. The Bank under coordination of Operational Risk Management is continuously enhancing quality assurance function in the first line of defense to ensure effectiveness of control environment.

Merged bank has construct more complete business pyramid which complement each other starting from BTPN WoW and Syariah Business which serve millions of customer through banking agent, digital platform business (Jenius), micro market segment up to international level corporate clients

Total bank loans remain denominated in Rupiah 71%, USD 28% and JPY 1%. These loans are provided to Corporate Banking, retail lending (including digital lending), and Micro, SME, Commercial 57%, 29,7% and 13,3 % respectively

Loans provided by the Bank's subsidiary, BTPN Syariah, accounts for 6.3% of total consolidated loans. BTPN Syariah financing grew by 24% and carry a gross non-performing financing (NPF) ratio of 1.36%.

The Bank's overall asset quality comes to a consolidated gross NPL ratio of 0.81%, lower than the 1.24% recorded last year.

The Risk Management Directorate consists of the Portfolio Management Policy Unit, Market and Liquidity Risk Management Unit, the Operational Risk Management Unit and the Anti-Fraud Management Unit.

Every year, Risk Management reviews the adequacy of the Bank's risk management policies, contingency funding plan, business continuity plan and other key policies. At the Board of Directors level, the Risk Management Committee monitors and manages bank-wide risk. A Risk Monitoring Committee at the Board of Commissioners level oversees the implementation of risk management on a periodic basis.

In line with OJK Regulation No.18/POJK.03/2016 and Circular Letter No. 34/SEOJK.03/2016 on the Implementation of Risk Management for Commercial Banks, and OJK Regulation No. 38/POJK.03/2017 on the Consolidated Implementation of Risk Management on Banks Controlling Subsidiaries, the Bank presents its quarterly risk profile report, on individual as well as on a consolidated basis.

In line with OJK Regulation No. 17/POJK.03/2014 dated 19 November 2014 concerning Implementation of the Integrated Risk Management for Financial Conglomerate, the Bank as Main Entity provides integrated risk profile report to OJK every semester.

In accordance with OJK regulations, assessment of risk profile is an assessment Bank's inherent risks. This comprises of the risks attached to the Bank's business activities, as well as the quality of risk management implementation. The assessment is conducted over 8 type of risks, namely Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk. As of December 2019, the Bank's

Risk Profile both on a stand-alone and consolidated basis was rated 2 (Low to Moderate).

2019 PRIORITIES

With the completion of the merger process, Bank BTPN focuses on improving the implementation of integrated risk management through the following processes:

- Continue enhancing the merged Bank's integrated risk management system, including that of its subsidiary BTPN Syariah.
- Implement the Interest Rate Risk in the Banking Book (IRRBB) system and modelling, which becomes effective in June 2019.
- Prepare for PSAK 71, which becomes effective January 2020.
- Ensure adequacy and effectiveness of operational risk management, business continuity management and information security risk framework & its implementation
- Conduct periodic stress tests to anticipate and pro-actively address potential the emergence of macroeconomic risks.

INTERNAL CONTROL SYSTEM

BTPN's internal control framework adopts the Three lines of Defense approach, each line of defense works independently:

- As the first line of defense, the Risk Taking Unit (RTU), assisted by the relevant QA Function, strictly enforces daily operational risk management practices.
- As the second line of defense, the Risk Management Unit works with the Compliance Unit

to define, refine, and ensure the implementation of risk management through adequate identification, measurement, monitoring, and control, as well as appropriate policies and procedures, and coordinate/facilitate the overall risk management activities.

- As the third line of defense, the Internal Auditor independently ensures that all inherent risks have been managed to keep the residual risk within the approved risk tolerance and the risk appetite determined by the Bank.

As the second line of defense, Risk Management Unit coordinates with QA Function in the first line to ensure effective implementation of risk management.

As the third line of defense in the internal control system, Internal Audit has a supervisory function to evaluate risk management, effectiveness of internal control, and governance of all aspects of the Bank's activities using a risk-based approach. Thus, the supervisory function is performed towards the first line of defense (Risk Taking Unit and Quality Assurance) and the second line of defense (Compliance and Risk Management Unit).

Internal Audit performs evaluation of the effectiveness of internal control by taking into account the Bank's organization and human resources, customer service, infrastructure and quality of the implementation of key processes posing risks to the Bank.

For every finding, Internal Audit regularly monitors and reports to the President Director, Board of Directors, and Audit Committee on the progress of the corrective measures taken. The supervisory function is performed by Internal Audit based on the Standards for the Practice of the Bank Internal Audit Function (SPFAIB) set by Otoritas Jasa Keuangan. Every 3 years, Internal Audit is audited by an independent party to review the conformance of Internal Audit practice with the prevailing standards.

DISCLOSURE OF CAPITAL

A. Capital Structure

The objective of the Bank's capital management is to maintain a robust capital position to support business growth and maintain the confidence of investors, depositors, customers, and the market. In terms of capital management, the Bank considers factors such as optimal capital return for shareholders, balance between higher returns and gearing ratio, as well as security afforded by a sound capital position.

The Bank's capital position as of 31 December 2019 based on the prevailing OJK regulations is as follows:

Table 1. Quantitative disclosure - Capital Structure

(in million Rupiah)

Capital Component	31 December 2019	
	Bank	Consolidated
I Core Capital (Tier 1)	23,521,707	27,259,773
1. Common Equity Tier 1 (CET 1)	23,521,707	27,259,773
1.1 Paid in capital (less Treasury stock)	161,075	161,075
1.2 Disclosed reserves	25,582,386	28,312,115
1.2.1 Additional Factor	26,810,660	29,381,326
1.2.1.1 Other comprehensive income	809,965	813,729
1.2.1.1.1 Excess differences arising from translation of financial statement	-	-
1.2.1.1.2 Potential gains of the increase in the fair value of financial assets available for sale	12,079	12,176
1.2.1.1.3 Fixed asset revaluation	797,886	801,553
1.2.1.2 Other disclosed reserves	26,000,695	28,567,597
1.2.1.2.1 Agio	10,907,715	10,898,202
1.2.1.2.2 General reserves	23,361	44,361
1.2.1.2.3 Previous years profit	13,476,835	15,052,506
1.2.1.2.4 Current year profit	1,592,784	2,572,528
1.2.1.2.5 Capital paid in advance	-	-
1.2.1.2.6 Others	-	-
1.2.2 Deduction Factor	(1,228,274)	(1,069,211)
1.2.2.1 Other comprehensive income	-	-
1.2.2.1.1 Excess differences less from translation of financial statement	-	-
1.2.2.1.2 Potential loss of the decrease in the fair value of financial assets available for sale	-	-
1.2.2.2 Other disclosed reserve	(1,228,274)	(1,069,211)
1.2.2.2.1 Disagio	-	-
1.2.2.2.2 Previous years loss	-	-
1.2.2.2.3 Current year loss	-	-
1.2.2.2.4 Differences between allowance for possible losses and allowance for impairment losses of earning assets	(1,228,274)	(1,108,256)
1.2.2.2.5 Negative differences on adjustment of fair value on financial instrument in the Trading Book	-	-
1.2.2.2.6 Allowance for possible losses on non-productive assets	-	-
1.2.2.2.7 Others	-	-
1.3 Non-Controlling Interests that can be calculated	-	-
1.4 Deduction factor to common equity tier 1 (CET 1)	(2,221,754)	(1,213,417)
1.4.1 Deferred tax calculation	-	(144,874)
1.4.2 Goodwill	-	(61,116)
1.4.3 Other intangible asset	(940,633)	(1,007,427)
1.4.4 Investment that can be calculated as deduction factor	(1,281,121)	-
1.4.5 Shortage of capital on insurance subsidiary company	-	-
1.4.6 Securitization exposures	-	-
1.4.7 Other deduction factor to core capital	-	-
1.4.7.1 Placement of funds in instruments AT 1 and/or Tier 2 other banks	-	-
1.4.7.2 Cross-ownership in another entity acquired by the transition because of the law, grants, or grants will	-	-
2. Additional Tier 1 (AT 1)	-	-
2.1 The instrument meets the requirements of AT 1	-	-
2.2 Agio/Disagio	-	-
2.3 Deduction factor to Additional Tier 1	-	-
2.3.1 Placement of funds in instruments AT 1 and/or Tier 2 other banks	-	-
2.3.2 Cross-ownership in another entity acquired by the transition because of the law, grants, or grants will	-	-

Table 1. Quantitative disclosure - Capital Structure

(in million Rupiah)

Capital Component	31 December 2019	
	Bank	Consolidated
II Supplementary Capital (Tier 2)	7,465,961	7,543,294
1. Capital instrument in form of shares or others which are qualified Tier 2 requirements	6,038,888	6,038,888
2. Agio/Disagio	-	-
3. General allowance for possible losses of earning assets (maximum 1.25% of Credit Risk RWA)	1,427,073	1,504,406
4. Deduction factor to supplementary capital	-	-
4.1 Sinking Fund	-	-
4.2 Placement of funds in instruments AT 1 and/or Tier 2 other banks	-	-
4.3 Cross-ownership in another entity acquired by the transition because of the law, grants, or grants will	-	-
Total Capital	30,987,668	34,803,067

	31 December 2019 Audited		Description	31 December 2019 Audited	
	Bank	Consolidated		Bank	Consolidated
Risk Weighted Asset (RWA)			CAR Ratio		
RWA Credit Risk	117,335,520	124,368,632	CET 1 Ratio (%)	17.84%	18.99%
RWA Market Risk	802,326	802,326	Tier 1 Ratio (%)	17.84%	18.99%
RWA Operational Risk	13,676,076	18,411,994	Tier 2 Ratio (%)	5.66%	5.25%
Total RWA	131,813,922	143,582,952	CAR Ratio (%)	23.51%	24.24%
CAR Ratio Based On Risk Profile (%)	9.30%	9.29%	CET 1 for Buffer (%)	11.84%	12.99%
CAR Allocation Based on Risk Profile			Buffer percentage should be fulfill by Bank (%)		
From CET1 (%)	6.00%	6.00%	Capital Conservation Buffer (%)	2.50%	2.50%
From AT1 (%)	0.00%	0.00%	Countercyclical Buffer (%)	0%	0%
From Tier 2 (%)	3.30%	3.29%	Capital Surcharge untuk Bank Sistemik (%)	1.00%	1.00%

The capital component in general is dominated by permanent capital, in which the core capital is the largest component of the Bank's capital. In December 2019, the core capital to risk weighted assets (RWA) ratio is 24.2% (Consolidated). This ratio is above the minimum 8% stipulated by OJK.

BTPN's consolidated capital structure is largely dominated by core capital (96.0% of BTPN's total consolidated capital), which consists of paid-up capital and additional capital reserves.

BTPN's capital levels on individual and consolidated bases are the same as its equity interest in the subsidiary is relatively immaterial, so it has no significant effect on BTPN's capital on a consolidated basis.

B. Capital Adequacy

The management uses the capital ratio standards to monitor capital adequacy in accordance with the industry standards. OJK's approach to capital measurement is mainly based on the monitoring of the level of required capital (measured at 8.0% of the risk-weighted assets) against the available capital.

In line with the implementation of Basel II concerning capital, the Bank has reported ICAAP in accordance with the applicable regulations and has been developing methodology for implementing the Internal Capital Adequacy Assessment Process (ICAAP), a process to establish capital adequacy in accordance with the Bank's risk profile. This process is carried out to improve the Bank's effectiveness in risk management.

The Bank uses a standardized approach to capital management of credit risk, in which the calculation of RWA is generally performed by referring to the risk weight in compliance with OJK regulations and the rating published by rating agencies designated by the regulator.

In compliance with current BI/OJK regulations, the Bank measures capital adequacy for operational risk using a Basic Indicator Approach method. Following this method, the Bank allocates minimum capital for operational risk based on historical data, which is equal to the average of the sum of (positive) annual gross incomes over the last 3 years multiplied by the applicable alpha coefficient of 15.0%.

In managing market risk, the Bank uses a standardized method to calculate RWA for Market Risk.

The Bank's management has a good understanding of its capital management and views the capital planning as an essential element to achieve the Bank's strategic objectives by analyzing the Bank's current and future capital adequacy through strategic planning. This is demonstrated by maintaining the performance of the Bank and its parent company through continuous monitoring of risk management quality, audits by Internal Audit Unit on regular basis, adequate policies on distribution of dividends, as well as the management's commitment to the Bank's strategies and targets as set out in the Bank's Business Plan.

The Bank's capital ratio is rated very good, as it exceeds the requirements set by Bank Indonesia. The capital growth trend based on the Bank's Business Plan also indicates the ability to support the Bank's future business expansion. Similarly, if associated with the incentives for the Statutory Reserve Requirements (GWM) for Macroprudential Intermediation Ratio (RIM), the Bank's CAR meets the minimum requirements set by OJK, namely 8.0% - 14.0%, based on the self-assessment of the Bank's risk profile, where the CAR position in accordance with the risk profile as of December 2019 is 9.30%.

DISCLOSURE OF EXPOSURE

A. Credit Risk

Credit risk is the risk that arises from another party's failure to fulfill their obligation to the Bank, including credit risk due to debtor's failure, credit concentration risk, counterparty credit risk, and settlement risk.

1. Adequacy of Policy, Procedure, and Limit

In order to support business goals while maintaining portfolio quality, the Bank establishes credit policies and procedures in accordance with the Bank's policy hierarchy stated in the GCG policy. The credit policy is the guidelines for credit process implementation, where the policies and procedures are reviewed periodically, especially if there are changes in economic conditions, regulations and/or business approaches.

After merger, credit policy harmonization between the two Banks has been done. Credit policy bankwide is cover all segment (corporate and non corporate).

Since the Bank is assigned as one of Systemically Importance Banks in Indonesia, Recovery Plan Document including asset quality aspect has been established. Recovery Plan identifies option to restore the financial strength and viability if Bank encounters severe stress, especially in the asset quality.

The Bank continues to actively manage and supervise the application of risk management and effectively refine its risk management policies, procedures, and systems development.

In addition to setting policies and procedures, the Bank also establishes limits to keep the credit risk exposure within the Bank's Credit Risk Appetite Framework. These limits include, among others, the authority limit to make credit decisions that are adjusted to the competence of the decision maker and the level of risk, as well as ensuring that there is no conflict of interest in the process of providing loans to customers. Meanwhile, the Legal Lending Limit is determined in accordance with OJK regulations.

The Bank manages and controls the concentration of credit risk wherever the risk is identified - specifically, in individual and group debtors, as well as industries and geographic sectors.

Management Information System is available and includes detail level to detect any unfavorable trend as early as possible to allow a timely action to correct declining credit quality or to minimize credit losses.

The Bank closely monitors the loan portfolio, which enables the Bank to take timely precautions in the event of declining credit quality, through early detection of problems and strict monitoring.

2. Adequacy of Risk Identification, Measurement, Monitoring, and Controlling Processes, and Risk Management Information Systems

The Credit Risk framework in BTPN is implemented through an integrated process and consists of risk identification, measurement, monitoring, and control/mitigation processes.

Early credit risk identification process initiated by determining the industrial sectors or customer segments that will be financed, analyzing the customer's loan applications, and analyzing any product and activity that potentially create credit risk by conducting a risk assessment of the Product Program. Based on the credit risk identification process, the Bank measures credit risk by using several key indicators for customer credit quality, such as Non-Performing Loan ratio, as well as regularly measures the quality of low quality assets and customers categorized under the watchlist account.

As part of the credit risk measurement, stress testing is performed in order to assess the Bank's resilience during extreme conditions.

The Credit risk measurement system should consider product characteristics, tenors, collateral aspects, probability of default, and the ability of the Bank to absorb potential loss along with the quantification of, among others, the composition of asset portfolio including type, exposure feature, credit growth, adequacy of allowances, concentration level, and quality of the fund provision including the level of problem assets and assets that have been taken over, along with the mark to market on specific credit risk transactions.

The Bank monitors actual credit risk exposure compared against credit risk limit, management of problem loans, and conformity between policies and implementation of credit risk management.

The management information system is developed continuously to be able to present credit risk information on a regular basis.

3. Internal Control System for Credit Risk

The Internal Control System manages the risks that pose a threat to the Bank's business sustainability. An example is the implementation of effective problem loan management by segregating the problem loan settlement function from the loan initiation function. The result of problem loan handling must be documented for consideration by the risk taking unit in distributing or restructuring loans.

Credit risk can also be controlled through risk mitigation, active management of portfolio risks and positions, and determination of concentration risk limit targets.

4. Credit Concentration Risk Management Policy

The Bank manages credit concentration risk by monitoring among others, exposure by industry sector, certain types of loan, and exposure of individuals and business groups.

5. Definition of Past Due Claim

Past due claims are all receivables in arrears for more than 90 (ninety) days, both in terms of principal and/or interest payments.

6. Definition of Impaired Claim

The Bank evaluates financial assets/financial asset groups with impairment losses for each balance sheet date. Any receivables with impairment losses are determined based on financial assets/financial asset groups if there is objective evidence that the impairment happens as a result of one or more events occurring subsequent to the initial recognition of asset (loss event). The loss event affects the estimated future cash flow of the financial assets or financial asset groups that can be reliably estimated.

7. Approach to Forming the Allowance for Impairment Loss

The approaches used to calculate the Allowance for Impairment Losses (CKPN) are divided into 2 (two) types, namely collective and individual approaches.

The Allowance for Impairment Losses for collective assessment is calculated using the historical incurred loss data (Incurred Loss is calculated based on Probability of Default and Loss Given Default estimates) of each particular asset group.

The Allowance for Impairment Losses for individual assessment is calculated based on the discounted cash flow.

In parallel, Bank also conduct impairment losses with PSAK 71 model that replaces the incurred loss model in PSAK 55 with a forward looking expected credit loss (ECL) models. This new impairment model will apply to the following financial instrument that are not measured at FVTPL:

- Financial assets that are debt instruments
- Lease receivables
- Financial guarantee contract issued , and
- Loan commitments issued

Under PSAK 71, the debtors/ group debtor will recognize loss allowances at an amount equal to life time ECL, except in the following cases where the amount recognized will be 12 months ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date , and
- Other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition

This model will be applied in January 2020, and Bank has made preparation and simulations

8. Quantitative Credit Risk Disclosure

Table 1.a. Net Claims Disclosures based on Geographic Area - Bank Stand Alone

(in million Rupiah)

No.	Portfolio Category	31 December 2019					
		Net claims based on geographic area					
		Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi	Overseas	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims on sovereign	21,963,565	-	-	-	-	21,963,565
2	Claims on Public Sector Entity	9,157,858	-	998,700	-	61,966	10,218,524
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	2,023,573	-	-	-	925,895	2,949,469
5	Secured by Residential Property	105	264	-	-	-	369
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	18,202,810	2,449,881	7,284,261	7,731,183	-	35,668,135
8	Claims on Micro, Small and Retail Portfolio	3,453,269	137,660	917,016	446,301	-	4,954,246
9	Claims on Corporate	74,027,155	7,995,466	9,436,228	5,260,281	452,940	97,172,070
10	Past due claims	292,362	9,732	107,243	64,651	-	473,988
11	Other assets	6,036,467	-	-	-	-	6,036,467
	Total	135,157,164	10,593,003	18,743,448	13,502,416	1,440,801	179,436,832

Table 1.b. Net Claims Disclosures based on Geographic Area - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Portfolio Category	31 December 2019					
		Net claims based on geographic area					
		Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi	Overseas	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims on sovereign	26,980,247	-	-	-	-	26,980,247
2	Claims on Public Sector Entity	9,281,177	-	998,700	-	61,966	10,341,843
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	2,190,440	-	-	-	925,895	3,116,336
5	Secured by Residential Property	105	264	-	-	-	369
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	18,202,810	2,449,881	7,284,261	7,731,183	-	35,668,135
8	Claims on Micro, Small and Retail Portfolio	9,580,392	420,844	2,919,084	778,931	-	13,699,251
9	Claims on Corporate	74,055,992	7,995,466	9,436,228	5,260,281	452,940	97,200,907
10	Past due claims	309,297	10,848	110,782	66,274	-	497,201
11	Other assets	6,860,325	33,424	164,542	45,622	-	7,103,913
	Total	147,460,785	10,910,727	20,913,597	13,882,291	1,440,801	194,608,201

Table 2.a. Net Claims Disclosure Based on Residual Contractual Maturity - Bank Stand Alone

(in million Rupiah)

No.	Portfolio Category	31 December 2019					
		Net claims based on residual contractual maturity					
		< 1 year	1-3 year	3-5 year	> 5 year	On Demand	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims on sovereign	21,963,565	-	-	-	-	21,963,565
2	Claims on Public Sector Entity	1,894,538	2,571,810	5,349,945	402,231	-	10,218,524
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	1,649,934	408,388	134,587	4,796	751,764	2,949,469
5	Secured by Residential Property	129	239	-	-	-	368
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	24,686,079	10,982,057	-	-	-	35,668,136
8	Claims on Micro, Small and Retail Portfolio	4,922,424	31,822	-	-	-	4,954,246
9	Claims on Corporate	22,675,815	41,901,690	19,228,307	13,366,257	-	97,172,070
10	Past due claims	426,417	47,571	-	-	-	473,988
11	Other assets	6,036,467	-	-	-	-	6,036,467
	Total	84,255,368	55,943,577	24,712,839	13,773,284	751,764	179,436,832

Table 2.b. Net Claims Disclosure Based on Residual Contractual Maturity - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Portfolio Category	31 December 2019					
		Net claims based on residual contractual maturity					
		< 1 year	1-3 year	3-5 year	> 5 year	On Demand	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims on sovereign	25,825,934	429,779	266,132	458,402	-	26,980,247
2	Claims on Public Sector Entity	2,017,857	2,571,810	5,349,945	402,231	-	10,341,843
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	1,649,934	408,388	134,587	171,663	751,764	3,116,336
5	Secured by Residential Property	129	239	-	-	-	368
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	24,686,079	10,982,057	-	-	-	35,668,136
8	Claims on Micro, Small and Retail Portfolio	11,390,546	2,308,705	-	-	-	13,699,251
9	Claims on Corporate	22,699,702	41,906,640	19,228,307	13,366,257	-	97,200,907
10	Past due claims	449,050	48,151	-	-	-	497,201
11	Other assets	6,036,468	-	-	1,067,445	-	7,103,913
	Total	94,755,699	58,655,769	24,978,971	15,465,998	751,764	194,608,201

Table 3.a. Net Claims Disclosure based on Economic Sector - Bank Stand Alone

No.	Economic Sector	Claims on sovereign	Claims on Public Sector Entity	Claims on Multilateral Development Banks and International Institute	Claims on Bank	
(1)	(2)	(3)	(4)	(5)	(6)	
December 2019						
1	Agriculture, hunting, and forestry	-	-	-	-	
2	Fisheries	-	-	-	-	
3	Mining and excavation	-	499,364	-	-	
4	Manufacturing	-	1,246,636	-	-	
5	Electricity, gas, and water	-	3,548,021	-	-	
6	Construction	-	4,895,253	-	-	
7	Wholesale and retail trading	-	-	-	-	
8	Accommodation and restaurant services	-	-	-	-	
9	Transportation, warehousing and communications	-	29,250	-	-	
10	Financial intermediaries	20,141,722	-	-	2,750,265	
11	Real estate, rental business and corporate services	-	-	-	-	
12	Government administration, defense and compulsory social insurance	-	-	-	-	
13	Education services	-	-	-	-	
14	Health services and social activities	-	-	-	-	
15	Social service, social and cultural, entertainment and other personal services	-	-	-	-	
16	Personal household services	-	-	-	-	
17	International institute	-	-	-	-	
18	Undefined services	-	-	-	-	
19	Non-productive sector	-	-	-	-	
20	Others (additional i.e. for SBI, SUN)	1,821,843	-	-	199,204	
	Total	21,963,565	10,218,524	-	2,949,469	

(in million Rupiah)

	Claims secured by Residential Property	Claims secured by Commercial Real Estate	Pensioners/ Other institutions' employees loans	Claims on Micro, Small and Retail Portfolio	Claims on Corporate	Past due claims	Other assets
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	-	-	53,534	109,508	3,283,379	1,193	-
	-	-	4,492	11,157	2,268	369	-
	-	-	-	750	2,311,375	-	-
	-	-	8,453	184,926	34,670,391	83,048	-
	-	-	109	605	1,948,789	-	-
	-	-	116	3,628	1,829,492	18,069	-
	-	-	56,863	759,407	14,739,302	158,017	-
	-	-	20,374	90,737	137,316	1,630	-
	-	-	-	-	7,782,362	-	-
	-	-	-	-	20,778,076	-	-
	-	-	15,504	4,391	8,878,235	2,421	-
	-	-	-	-	-	-	-
	-	-	-	1,485	812	-	-
	-	-	96	29,362	2,895	185	-
	-	-	21	259,200	142,357	4,830	-
	369	-	35,507,170	2,494,193	5,966	167,755	-
	-	-	1,403	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	1,000,067	-	19,878	-
	-	-	-	4,830	659,055	16,594	6,036,466
	369	-	35,668,135	4,954,246	97,172,070	473,989	6,036,466

Table 3.b. Net Claims Disclosure based on Economic Sector - Consolidated Bank and Subsidiary

No.	Economic Sector	Claims on sovereign	Claims on Public Sector Entity	Claims on Multilateral Development Banks and International Institute	Claims on Bank	
(1)	(2)	(3)	(4)	(5)	(6)	
December 2019						
1	Agriculture, hunting, and forestry	-	-	-	-	
2	Fisheries	-	-	-	-	
3	Mining and excavation	-	499,364	-	-	
4	Manufacturing	-	1,246,636	-	-	
5	Electricity, gas, and water	-	3,548,021	-	-	
6	Construction	-	4,895,253	-	-	
7	Wholesale and retail trading	-	-	-	-	
8	Accommodation and restaurant services	-	-	-	-	
9	Transportation, warehousing and communications	-	29,250	-	-	
10	Financial intermediaries	20,141,722	-	-	2,750,265	
11	Real estate, rental business and corporate services	-	-	-	-	
12	Government administration, defense and compulsory social insurance	-	-	-	-	
13	Education services	-	-	-	-	
14	Health services and social activities	-	-	-	-	
15	Social service, social and cultural, entertainment and other personal services	-	-	-	-	
16	Personal household services	-	-	-	-	
17	International institute	-	-	-	-	
18	Undefined services	-	-	-	-	
19	Non-productive sector	-	-	-	-	
20	Others (additional i.e. for SBI, SUN)	6,838,525	123,319	-	366,071	
	Total	26,980,247	10,341,843	-	3,116,336	

(in million Rupiah)

	Claims secured by Residential Property	Claims secured by Commercial Real Estate	Pensioners/ Other institutions' employees loans	Claims on Micro, Small and Retail Portfolio	Claims on Corporate	Past due claims	Other assets
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	-	-	53,534	748,938	3,283,379	2,174	-
	-	-	4,492	44,781	2,268	444	-
	-	-	-	4,930	2,311,375	5	-
	-	-	8,453	516,068	34,670,390	83,917	-
	-	-	109	605	1,948,789	-	-
	-	-	116	3,628	1,829,492	18,069	-
	-	-	56,863	7,439,711	14,739,302	176,796	-
	-	-	20,374	267,415	137,316	2,248	-
	-	-	-	26,556	7,782,362	63	-
	-	-	-	802	20,806,914	-	-
	-	-	15,504	10,543	8,878,235	2,435	-
	-	-	-	-	-	-	-
	-	-	-	1,485	812	-	-
	-	-	96	32,598	2,895	201	-
	-	-	21	302,218	142,357	4,943	-
	369	-	35,507,170	3,287,389	5,966	169,393	-
	-	-	1,403	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	1,000,137	-	19,878	-
	-	-	-	11,447	659,055	16,635	7,103,913
	369	-	35,668,135	13,699,251	97,200,907	497,201	7,103,913

Table 4.a. Claims and Allowances Disclosure based on Geographic Area - Bank Stand Alone

(in million Rupiah)

No.	Description	31 December 2019					
		Geographic Area					
		Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi	Overseas	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Gross claims	129,514,518	2,876,028	18,775,197	13,568,928	870,726	165,605,396
2	Impaired claims						
	a. Not yet matured	759,895	20,421	183,322	132,860	-	1,096,498
	b. Matured	21,094	26	15	100	-	21,235
3	Allowance for impairment losses - individual	311,450	-	10,587	-	-	322,037
4	Allowance for impairment losses - collective	425,594	30,404	178,712	218,409	-	853,118
5	Amounts written-off	2,495,551	260,944	1,136,619	333,482	-	4,226,596

Table 4.b. Claims and Allowances Disclosure based on Geographic Area - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Description	31 December 2019					
		Geographic Area					
		Java	Bali & Nusa Tenggara	Sumatera	Kalimantan & Sulawesi	Overseas	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Gross claims	142,024,112	3,206,552	21,002,664	13,964,832	870,726	181,068,885
2	Impaired claims	-	-	-	-	-	-
	a. Not yet matured	759,895	20,421	183,322	132,860	-	1,096,498
	b. Matured	108,890	5,244	20,706	9,065	-	143,905
3	Allowance for impairment losses - individual	311,450	-	10,587	-	-	322,037
4	Allowance for impairment losses - collective	631,565	43,205	236,030	234,438	-	1,145,237
5	Amounts written-off	2,970,130	292,799	1,270,365	395,672	-	4,928,966

Table 5.a. Claims and Allowances Disclosure based on Economic Sector - Bank Stand Alone

(in million Rupiah)

No.	Economic Sector	Claims	Impaired claims		Allowance for impairment losses - Individual	Allowance for impairment losses - Collective	Amounts Written-Off
			Not yet matured	Matured			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
December 2019							
1	Agriculture, hunting, and forestry	3,043,640	1,843	-	-	4,139	19,074
2	Fisheries	18,431	514	-	-	525	1,355
3	Mining and excavation	2,071,157	-	-	-	732	8,093
4	Manufacturing	31,077,983	135,518	8,059	43,411	54,235	297,714
5	Electricity, gas, and water	4,450,519	-	-	-	280	2,523
6	Construction	6,502,458	39,819	-	17,170	13,247	61,585
7	Wholesale and retail trading	15,268,553	254,353	8,002	62,381	238,381	623,329
8	Accommodation and restaurant services	269,815	8,926	5,000	19,043	5,825	19,832
9	Transportation, warehousing and communications	7,262,381	36,852	-	14,279	15,313	51,862
10	Financial intermediaries	41,241,045	-	-	-	22,093	168,518
11	Real estate, rental business and corporate services	5,807,520	210,329	-	165,754	7,614	45,268
12	Government administration, defense and compulsory social insurance	-	-	-	-	-	-
13	Education services	2,297	-	-	-	60	169
14	Health services and social activities	32,613	260	-	-	1,220	2,397
15	Social service, social and cultural, entertainment and other personal services	408,654	7,075	-	-	9,926	27,288
16	Personal household services	38,388,989	351,033	174	-	479,528	2,820,411
17	International institute	-	-	-	-	-	-
18	Undefined services	1,403	-	-	-	-	-
19	Non-productive sector	1,019,944	49,976	-	-	-	77,179
20	Others (additional i.e. for SBI, SUN)	8,737,993	-	-	-	-	-
	Total	165,605,396	1,096,498	21,235	322,038	853,117	4,226,596

Risk Management

Table 5.b. Claims and Allowances Disclosure based on Economic Sector - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Economic Sector	Claims	Impaired claims		Allowance for impairment losses - Individual	Allowance for impairment losses - Collective	Amounts Written-Off
			Not yet matured	Matured			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
December 2019							
1	Agriculture, hunting, and forestry	3,700,221	1,843	5,235	-	20,308	36,262
2	Fisheries	53,173	514	375	-	1,569	4,377
3	Mining and excavation	2,075,474	-	19	-	865	8,223
4	Manufacturing	31,421,213	135,518	12,474	43,411	65,454	322,808
5	Electricity, gas, and water	4,450,519	-	-	-	280	2,523
6	Construction	6,502,458	39,819	-	17,170	13,247	61,585
7	Wholesale and retail trading	22,195,996	254,353	107,878	62,381	466,742	1,225,771
8	Accommodation and restaurant services	453,999	8,926	8,231	19,043	12,714	42,135
9	Transportation, warehousing and communications	7,289,780	36,852	293	14,279	16,092	53,188
10	Financial intermediaries	41,270,984	-	-	-	22,392	168,518
11	Real estate, rental business and corporate services	5,813,923	210,329	96	165,754	7,850	45,963
12	Government administration, defense and compulsory social insurance	-	-	-	-	-	-
13	Education services	2,297	-	-	-	60	169
14	Health services and social activities	36,002	260	72	-	1,357	2,539
15	Social service, social and cultural, entertainment and other personal services	453,332	7,075	690	-	11,472	29,020
16	Personal household services	39,208,779	351,033	8,340	-	504,485	2,848,581
17	International institute	-	-	-	-	-	-
18	Undefined services	1,403	-	-	-	-	56
19	Non-productive sector	1,020,014	49,976	-	-	-	77,179
20	Others (additional i.e. for SBI, SUN)	15,119,317	-	202	-	350	70
Total		181,068,885	1,096,498	143,905	322,038	1,145,236	4,928,966

Table 6.a. Allowance for Impairment Losses Movement - Bank Stand Alone

(in million Rupiah)

No.	Description	31 December 2019	
		Individual impairment	Collective impairment
(1)	(2)	(3)	(4)
1	Beginning balance	(85,456)	(832,660)
2	Provision (recovery) for the period		
	2.a. Provision for the period	(268,164)	(868,408)
	2.b. Recovery for the period	-	(109,600)
3	Write-offs for the period	124,192	1,132,131
4	Other provision (recovery) for the period	(92,610)	(174,580)
	Ending balance	(322,038)	(853,117)

Table 6.b. Allowance for Impairment Losses Movement - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Description	31 December 2019	
		Individual impairment	Collective impairment
(1)	(2)	(3)	(4)
1	Beginning balance	(85,456)	(1,048,609)
2	Provision (recovery) for the period		
	2.a. Provision for the period	(268,164)	(1,177,812)
	2.b. Recovery for the period	-	(113,275)
3	Write-offs for the period	124,192	1,369,039
4	Other provision (recovery) for the period	(92,610)	(174,579)
	Ending balance	(322,038)	(1,145,236)

9. Credit Risk Disclosure with Standardized Approach

In calculating Risk Weighted Assets (RWA) of credit risk, the Bank uses a standardized approach that complies with the prevailing OJK regulation, which is the SE OJK No 42/SEOJK.03/2016 concerning the Guidelines for Credit Risk Weighted Assets Calculation with Standardized Approach. Using the standardized approach, the risk weight is determined based on the rating of debtor or counterparty, in accordance with the category of portfolio or certain percentage for

certain type of claim. The portfolio category is divided into claims on sovereign, claims on public sector entity, claims on bank, claims on employee and pensioner, claims on micro, small, and retail portfolio, claims on corporate, claims on multilateral development banks and international institutions, Housing Loans, Commercial Property Backed Loans and past due claims.

The risk weight is determined according to the provisions stipulated by the Regulator. If the claim is rated, the Bank will use the rating agency recognized by the Regulator.

Table 7.a. Net Claims Disclosure based on Portfolio Category and Rating Scale - Bank Stand Alone

No.	Portfolio Category	Rating Agencies					
		Standard and Poor's	AAA	AA+ s.d AA-	A+ s.d A-		
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-		
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3		
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d. A-(idn)		
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-		
		(1)	(2)	(3)	(4)	(5)	(6)
		1	Claims on sovereign		56,557	-	-
2	Claims on Public Sector Entity		102,667	299,564	4,629,828		
3	Claims on Multilateral Development Banks and International Institute		-	-	-		
4	Claims on Bank		216,116	812,153	1,077,154		
5	Secured by Residential Property						
6	Secured by Commercial Real Estate						
7	Pensioners/Other institutions' employees loans						
8	Claims on Micro, Small and Retail Portfolio						
9	Claims on Corporate		275,000	7,233,430	1,762,879		
10	Past due claims						
11	Other assets						
	Total		650,341	8,345,147	7,469,861		

(in million Rupiah)

31 December 2019									
Net Claims									
Long Term Rating				Short Term Rating				Unrated	(15)
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Kurang dari B-	A-1	A-2	A-3	Less than A-3		
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Kurang dari B-	F1+ s.d F1	F2	F3	Less than F3		
Baa1 s.d Baa3	Ba1 s.d Ba3	B1 s.d B3	Kurang dari B3	P-1	P-2	P-3	Less than P-3		
BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)	B+(idn) s.d B-(idn)	Kurang dari B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)		
id BBB+ s.d id BBB-	id BB+ s.d id BB-	id B+ s.d id B-	Kurang dari idB-	idA1	idA2	idA3 s.d id A4	Less than idA4		
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
-	-	-	-	-	-	-	-	-	21,907,008
-	499,364	-	-	-	-	-	-	-	4,687,101
-	-	-	-	-	-	-	-	-	-
92,383	144,499	-	-	-	-	-	-	-	607,163
									369
									-
									35,668,135
									4,954,246
1,129,489	634,239	194,314	-	-	-	-	-	-	85,942,719
									473,988
									6,036,467
1,221,872	1,278,102	194,314	-	-	-	-	-	-	160,277,195

Risk Management

Table 7.b. Net Claims Disclosure based on Portfolio Category and Rating Scale - Consolidated Bank and Subsidiary

No.	Portfolio Category	Rating Agencies					
		Standard and Poor's	AAA	AA+ s.d AA-	A+ s.d A-		
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-		
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3		
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d. A-(idn)		
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-		
		(1)	(2)	(3)	(4)	(5)	(6)
		1	Claims on sovereign		56,557	-	-
2	Claims on Public Sector Entity		102,667	299,564	4,753,147		
3	Claims on Multilateral Development Banks and International Institute		-	-	-		
4	Claims on Bank		303,878	812,153	1,077,154		
5	Secured by Residential Property						
6	Secured by Commercial Real Estate						
7	Pensioners/Other institutions' employees loans						
8	Claims on Micro, Small and Retail Portfolio						
9	Claims on Corporate		275,000	7,233,430	1,762,879		
10	Past due claims						
11	Other assets						
	Total		738,103	8,345,147	7,593,180		

(in million Rupiah)

31 December 2019									
Net Claims									
Long Term Rating				Short Term Rating				Unrated	(16)
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Kurang dari B-	A-1	A-2	A-3	Less than A-3		
BBB+ s.d BBB-	BB+ s.d BB-	B+ s.d B-	Kurang dari B-	F1+ s.d F1	F2	F3	Less than F3		
Baa1 s.d Baa3	Ba1 s.d Ba3	B1 s.d B3	Kurang dari B3	P-1	P-2	P-3	Less than P-3		
BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)	B+(idn) s.d B-(idn)	Kurang dari B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)		
id BBB+ s.d id BBB-	id BB+ s.d id BB-	id B+ s.d id B-	Kurang dari idB-	idA1	idA2	idA3 s.d id A4	Less than idA4		
(7)	(8)	(9)	(10)	(11)	(12)	(14)	(15)		
-	-	-	-	-	-	-	-	-	26,923,690
-	499,364	-	-	-	-	-	-	-	4,687,101
-	-	-	-	-	-	-	-	-	-
92,383	144,499	-	-	105	-	-	-	-	686,163
-	-	-	-	-	-	-	-	-	369
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	35,668,135
-	-	-	-	-	-	-	-	-	13,699,251
1,129,489	634,239	194,314	-	-	-	-	-	-	85,971,556
-	-	-	-	-	-	-	-	-	497,201
-	-	-	-	-	-	-	-	-	7,103,913
1,221,872	1,278,102	194,314	-	105	-	-	-	-	175,237,378

10. Counterparty Credit Risk Disclosure

Counterparty credit risk for the Bank is risk arising from the failure of payment by a counterparty on a contract with the Bank, resulting in a potential loss for the Bank to replace the contract. Counterparty credit risk commonly occur in FX swap as well as repo/reverse repo transactions. Mitigation of counterparty credit risk is implemented in accordance with SE OJK No 42/SEOJK.03/2016, with the recognition of collateral, guarantee, pledge, or credit insurance, and complemented by the Bank's policies on the management of counterparty credit risk.

As at 31 December 2019, the Bank's exposure to counterparty credit risk is as follow:

Table 8.a. Counterparty Credit Risk Disclosure (Over the Counter Derivative Transaction) - Bank Stand Alone

(in million Rupiah)

No	Underlying Variables	31 December 2019							
		Notional Amount			Derivatives Assets	Derivatives Liabilities	Net Claims before CRM	CRM	Net Claimes post CRM
		< 1 Year	> 1 Year - < 5 Year	> 5 Year					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Interest Rate	12,549,780	4,504,022	4,520,133	75,078	246,878	231,638	0	231,638
2	Exchange Rate	-	787,439	14,973,872	180,008	130,097	465,742	0	465,742
3	Others	-	3,609	24,828,770	584,662	517,244	1,856,436	0	1,856,436
	Total	12,549,780	5,295,070	44,322,775	839,748	894,218	2,553,815	0	2,553,815

Table 8.b. Counterparty Credit Risk Disclosure (Over the Counter Derivative Transaction) - Consolidated Bank and Subsidiary

(in million Rupiah)

No	Underlying Variables	31 December 2019							
		Notional Amount			Derivatives Assets	Derivatives Liabilities	Net Claims before CRM	CRM	Net Claimes post CRM
		< 1 Year	> 1 Year - < 5 Year	> 5 Year					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Interest Rate	12,549,780	4,504,022	4,520,133	75,078	246,878	231,638	0	231,638
2	Exchange Rate	-	787,439	14,973,872	180,008	130,097	465,742	0	465,742
3	Others	-	3,609	24,828,770	584,662	517,244	1,856,436	0	1,856,436
4	Gold	-	-	-	-	-	-	-	-
5	Other Coins	-	-	-	-	-	-	-	-
6	Others	-	-	-	-	-	-	-	-
	Total	12,549,780	5,295,070	44,322,775	839,748	894,218	2,553,815	0	2,553,815

Table 9.a. Counterparty Credit Risk Disclosure (Reverse Repo Transaction) - Bank Stand Alone

(in million Rupiah)

No.	Portfolio Category	31 December 2019			
		Fair Value	Credit Risk Mitigation (CRM)	Net Claims post CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Claims on sovereign	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-
4	Claims on Bank	-	-	-	-
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-
6	Claims on Corporate	-	-	-	-
	Total	-	-	-	-

Table 9.b. Counterparty Credit Risk Disclosure (Reverse Repo Transaction) - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Portfolio Category	31 December 2019			
		Fair Value	Credit Risk Mitigation (CRM)	Net Claims post CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)	(6)
1	Claims on sovereign	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-
4	Claims on Bank	-	-	-	-
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-
6	Claims on Corporate	-	-	-	-
	Total	-	-	-	-

Currently, the Bank does not have assets securitization exposures.

11. Credit Risk Mitigation Disclosure

The Bank adopts a range of policies and practices to mitigate credit risk.

The Bank implements guidelines on the accepted types of collateral to mitigate credit risk. The types of collateral accepted are as follows:

- Land/or building
- Vehicles
- Equipment (including machine and heavy equipment)
- Cash collateral
- SBLC
- Account receivable
- Inventory

Table 10.a. Net Claims based on Risk Weight post Credit Risk Mitigation - Bank Stand Alone

No.	Portfolio Category	31 December 2019					
		Net Claims post Credit Risk Mitigation					
		0%	20%	35%	40%	45%	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
A Balance Sheet Exposures							
1	Claims on sovereign	21,946,714	-	-	-	-	-
2	Claims on Public Sector Entity	-	402,231	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	-	1,431,084	-	-	-	-
5	Secured by Residential Property	-	-	368	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	33,111	-	-	-	-
9	Claims on Corporate	120,170	6,368,501	-	-	-	-
10	Past due claims	-	216	-	-	-	-
11	Other assets	1,587,729	-	-	-	-	-
	Total Balance Sheet Exposures	23,654,613	8,235,143	368	-	-	-
B Off-Balance Sheet Exposures							
1	Claims on sovereign	-	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
9	Claims on Corporate	32,473	1,137,500	-	-	-	-
10	Past due claims	-	-	-	-	-	-
	Total Off-Balance Sheet Exposures	32,473	1,137,500	-	-	-	-
C Counterparty Credit Risk							
1	Claims on sovereign	16,851	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	-	530,016	-	-	-	-
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
6	Claims on Corporate	-	-	-	-	-	-
	Total Counterparty Credit Risk Exposures	16,851	530,016	-	-	-	-

(in million Rupiah)

						RWA	Capital Charge
50%	75%	100%	150%	Others			
(8)	(9)	(10)	(11)	(12)	(13)	(14)	
-	-	-	-	-	-	-	
9,420,292	-	109,134	-	-	4,899,726	391,978	
-	-	-	-	-	-	-	
661,442	-	-	-	-	616,938	49,355	
-	-	-	-	-	129	10	
-	-	-	-	-	-	-	
35,668,136	-	-	-	-	17,834,068	1,426,725	
-	4,921,134	-	-	-	3,697,473	295,798	
10,035,631	-	67,093,813	235,255	-	73,738,211	5,899,057	
-	-	-	473,773	-	710,703	56,856	
-	-	4,426,216	22,522	-	4,459,998	356,800	
55,785,501	4,921,134	71,629,163	731,550	-	105,957,246	8,476,579	
-	-	-	-	-	-	-	
286,867	-	-	-	-	143,434	11,475	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
4,360,307	-	6,108,397	-	-	8,516,049	681,284	
-	-	-	-	-	-	-	
4,647,174	-	6,108,397	-	-	8,659,484	692,759	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
322,986	-	3,940	-	-	1,038,769	83,102	
-	-	-	-	-	-	-	
-	-	1,680,023	-	-	1,680,022	134,402	
322,986	-	1,683,963	-	-	2,718,791	217,504	

Table 10.b. Net Claims based on Risk Weight post Credit Risk Mitigation - Consolidated Bank and Subsidiary

No.	Portfolio Category	31 December 2019					
		Net Claims post Credit Risk Mitigation					
		0%	20%	35%	40%	45%	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
A Balance Sheet Exposures							
1	Claims on sovereign	26,963,396	-	-	-	-	-
2	Claims on Public Sector Entity	-	402,231	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	-	1,597,951	-	-	-	-
5	Secured by Residential Property	-	-	368	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	33,111	-	-	-	-
9	Claims on Corporate	120,170	6,368,501	-	-	-	-
10	Past due claims	-	216	-	-	-	-
11	Other assets	2,299,062	-	-	-	-	-
	Total Balance Sheet Exposures	29,382,628	8,402,010	368	-	-	-
B Off-Balance Sheet Exposures							
1	Claims on sovereign	-	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
9	Claims on Corporate	32,473	1,137,500	-	-	-	-
10	Past due claims	-	-	-	-	-	-
	Total Off-Balance Sheet Exposures	32,473	1,137,500	-	-	-	-
C Counterparty Credit Risk							
1	Claims on sovereign	16,851	-	-	-	-	-
2	Claims on Public Sector Entity	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	-	530,016	-	-	-	-
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
6	Claims on Corporate	-	-	-	-	-	-
	Total Counterparty Credit Risk Exposures	16,851	530,016	-	-	-	-

(in million Rupiah)

						RWA	Capital Charge
	50%	75%	100%	150%	Others		
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	-	-	-	-	-
	9,543,611	-	109,134	-	-	4,961,386	396,911
	-	-	-	-	-	-	-
	661,442	-	-	-	-	650,311	52,025
	-	-	-	-	-	129	10
	-	-	-	-	-	-	-
	35,668,136	-	-	-	-	17,834,068	1,426,725
	-	13,666,139	-	-	-	10,256,227	820,498
	10,064,469	-	67,093,813	235,255	-	73,738,211	5,899,057
	-	-	23,213	473,773	-	733,916	58,713
	-	-	4,782,329	22,522	-	4,816,110	385,289
	55,937,658	13,666,139	72,008,489	731,550	-	112,990,358	9,039,228
	-	-	-	-	-	-	-
	286,867	-	-	-	-	143,433	11,475
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	4,360,307	-	6,108,397	-	-	8,516,050	681,284
	-	-	-	-	-	-	-
	4,647,174	-	6,108,397	-	-	8,659,484	692,759
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	322,986	-	3,940	-	-	1,038,769	83,102
	-	-	-	-	-	-	-
	-	-	1,680,023	-	-	1,680,022	134,402
	322,986	-	1,683,963	-	-	2,718,791	217,504

Risk Management

Table 11.a. Net Claims and Credit Risk Mitigation Techniques - Bank Stand Alone

(in million Rupiah)

No.	Portfolio Category	31 December 2019					
		Net Claims	Claim Guaranteed				Claims not guaranteed
			Collateral	Guarantee Letter	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(3)-(4)+(5)+(6)+(7)
A Balance Sheet Exposures							
1	Claims on sovereign	21,946,714	-	-	-	-	21,946,714
2	Claims on Public Sector Entity	9,931,657	390,230	-	-	-	9,541,427
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	2,092,526	-	-	-	-	2,092,526
5	Secured by Residential Property	368	-	-	-	-	368
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	35,668,136	-	-	-	-	35,668,136
8	Claims on Micro, Small and Retail Portfolio	4,954,245	-	-	33,111	-	4,921,134
9	Claims on Corporate	83,853,370	8,392,930	-	-	-	75,460,440
10	Past due claims	473,989	-	-	216	-	473,773
11	Other assets	6,036,467	-	-	-	-	6,036,467
Off-Balance Sheet Exposures		164,957,472	8,783,160	-	33,327	-	156,140,985
B Off-Balance Sheet Exposures							
1	Claims on sovereign	-	-	-	-	-	-
2	Claims on Public Sector Entity	286,867	-	-	-	-	286,867
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
9	Claims on Corporate	11,638,677	4,392,780	-	-	-	7,245,897
10	Past due claims	-	-	-	-	-	-
Total Off-Balance Sheet Exposures		11,925,544	4,392,780	-	-	-	7,532,764
C Counterparty Credit Risk Exposures							
1	Claims on sovereign	16,851	-	-	-	-	16,851
2	Claims on Public Sector Entity	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	856,943	-	-	-	-	856,943
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
6	Claims on Corporate	1,680,023	-	-	-	-	1,680,023
Total Counterparty Credit Risk Exposures		2,553,816	-	-	-	-	2,553,816
Total (A+B+C)		179,436,832	13,175,940	-	33,327	-	166,227,565

Table 11.b. Net Claims and Credit Risk Mitigation Techniques - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Portfolio Category	31 December 2019					
		Net Claims	Claim Guaranteed				Claims not guaranteed
			Collateral	Guarantee Letter	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(3)-(4)+(5)+(6)+(7)
A Balance Sheet Exposures							
1	Claims on sovereign	26,963,396	-	-	-	-	26,963,396
2	Claims on Public Sector Entity	10,054,976	390,230	-	-	-	9,664,746
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	2,259,393	-	-	-	-	2,259,393
5	Secured by Residential Property	368	-	-	-	-	368
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	35,668,136	-	-	-	-	35,668,136
8	Claims on Micro, Small and Retail Portfolio	13,699,250	-	-	33,111	-	13,666,139
9	Claims on Corporate	83,882,208	8,421,768	-	-	-	75,460,440
10	Past due claims	497,202	-	-	216	-	496,986
11	Other assets	7,103,913	-	-	-	-	7,103,913
	Off-Balance Sheet Exposures	180,128,842	8,811,998	-	33,327	-	171,283,517
B Off-Balance Sheet Exposures							
1	Claims on sovereign	-	-	-	-	-	-
2	Claims on Public Sector Entity	286,867	-	-	-	-	286,867
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	-	-	-	-	-	-
5	Secured by Residential Property	-	-	-	-	-	-
6	Secured by Commercial Real Estate	-	-	-	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
9	Claims on Corporate	11,638,677	4,392,780	-	-	-	7,245,897
10	Past due claims	-	-	-	-	-	-
	Total Off-Balance Sheet Exposures	11,925,544	4,392,780	-	-	-	7,532,764
C Counterparty Credit Risk Exposures							
1	Claims on sovereign	16,851	-	-	-	-	16,851
2	Claims on Public Sector Entity	-	-	-	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-	-	-	-
4	Claims on Bank	856,943	-	-	-	-	856,943
5	Claims on Micro, Small and Retail Portfolio	-	-	-	-	-	-
6	Claims on Corporate	1,680,023	-	-	-	-	1,680,023
	Total Counterparty Credit Risk Exposures	2,553,816	-	-	-	-	2,553,816
	Total (A+B+C)	194,608,202	13,204,778	-	33,327	-	181,370,097

12. Risk Weighted Asset (RWA) of Credit Risk Calculation using Standardized Approach

Table 12.a. Credit Risk Risk Weighted Assets Calculation using Standardized Approach- Bank Stand Alone

Table 12.a.1. Asset Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2019		
		Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)
1	Claims on sovereign	21,946,714	-	-
2	Claims on Public Sector Entity	9,931,657	5,094,841	4,899,726
3	Claims on Multilateral Development Banks and International Institute	-	-	-
4	Claims on Bank	2,092,526	616,938	616,938
5	Secured by Residential Property	369	129	129
6	Secured by Commercial Real Estate	-	-	-
7	Pensioners/Other institutions' employees loans	35,668,135	17,834,068	17,834,068
8	Claims on Micro, Small and Retail Portfolio	4,954,246	3,715,684	3,697,473
9	Claims on Corporate	83,853,370	77,994,761	73,738,211
10	Past due claims	473,988	710,984	710,703
11	Other assets	6,036,467	-	4,459,999
	Total	164,957,472	105,967,404	105,957,246

Table 12.a.2. Off Balance Sheet Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2019		
		Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)
1	Claims on sovereign	-	-	-
2	Claims on Public Sector Entity	286,867	143,433	143,433
3	Claims on Multilateral Development Banks and International Institute	-	-	-
4	Claims on Bank	-	-	-
5	Secured by Residential Property	-	-	-
6	Secured by Commercial Real Estate	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-
9	Claims on Corporate	11,638,677	10,728,672	8,516,051
10	Past due claims	-	-	-
	Total	11,925,544	10,872,105	8,659,484

Table 12.a.3. Counterparty Credit Risk Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2019		
		Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)
1	Claims on sovereign	16,851	-	-
2	Claims on Public Sector Entity	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-
4	Claims on Bank	856,943	-	271,437
5	Claims on Micro, Small and Retail Portfolio	-	-	-
6	Claims on Corporate	1,680,022	-	1,680,022
7	Credit Valuation Adjustment Weighted Average	-	-	767,332
	Total	2,553,816	-	2,718,791

Table 12.a.4. Settlement Risk Exposures

(in million Rupiah)

No	Transaction Type	31 December 2019		
		Exposure	Capital Deduction Factor	RWA
1.	Delivery versus payment	-		-
	a. 8% capital charge (5-15 days)	-		-
	b. 50% capital charge (16-30 days)	-		-
	c. 75% capital charge (31-45 days)	-		-
	d. 100% capital charge (more than 45 days)	-		-
2.	Non-delivery versus payment	-	-	
	Total	-	-	-

Table 12.a.5. Securitisation Exposures

(in million Rupiah)

No	Transaction Type	31 December 2019	
		Capital Deduction Factor	RWA
1.	Eligible credit facility	-	-
2.	Non-eligible credit facility	-	-
3.	Eligible liquidity facility		-
4.	Non-eligible liquidity facility	-	-
5.	Eligible Asset-Backed Securities purchases	-	-
6.	Non-eligible Asset-Backed Securities purchases	-	-
7.	Other securitisation exposure which not included in Bank Indonesia regulation regarding prudent principles in undergoing assets securitisation activities in banking industries		-
	Total	-	-

Table 12.a.6. Derivative Transaction

(in million Rupiah)

No	Category	31 December 2019	
		Net Claims	RWA
1.	Rating AAA s.d BBB-	786,498	235,147
2.	Rating BB+ s.d B-	22,681	13,311
3.	Rating under B-	-	-
4.	Unrated	1,744,638	1,703,001
	Total	2,553,816	1,951,459

Table 12.a.7. Housing Loan Disclosure

(in million Rupiah)

No	Category	31 December 2019	
		Net Claims	RWA
1.	LTV ≤ 50%	-	-
2.	50% < LTV ≤ 70%	-	-
3.	70% < LTV ≤ 100%	369	129
	Total	369	129

Table 12.a.8. Credit Risk Exposure

(in million Rupiah)

	31 December 2019
Total Credit Risk RWA	117,335,520
Total Capital Deduction Factor	-

Table 12.b. Credit Risk Risk Weighted Assets Calculation using Standardized Approach - Consolidated Bank and Subsidiary

Table 12.b.1. Asset Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2019		
		Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)
1	Claims on sovereign	26,963,396	-	-
2	Claims on Public Sector Entity	10,054,976	5,156,501	4,961,386
3	Claims on Multilateral Development Banks and International Institute	-	-	-
4	Claims on Bank	2,259,393	650,311	650,311
5	Secured by Residential Property	369	129	129
6	Secured by Commercial Real Estate	-	-	-
7	Pensioners/Other institutions' employees loans	35,668,135	17,834,068	17,834,068
8	Claims on Micro, Small and Retail Portfolio	13,699,251	10,274,438	10,256,227
9	Claims on Corporate	83,882,208	78,009,180	73,738,211
10	Past due claims	497,201	734,197	733,916
11	Other assets	7,103,913	-	4,816,110
	Total	180,128,842	112,658,823	112,990,357

Table 12.b.2. Off Balance Sheet Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2019		
		Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)
1	Claims on sovereign	-	-	-
2	Claims on Public Sector Entity	286,867	143,433	143,433
3	Claims on Multilateral Development Banks and International Institute	-	-	-
4	Claims on Bank	-	-	-
5	Secured by Residential Property	-	-	-
6	Secured by Commercial Real Estate	-	-	-
7	Pensioners/Other institutions' employees loans	-	-	-
8	Claims on Micro, Small and Retail Portfolio	-	-	-
9	Claims on Corporate	11,638,677	10,728,672	8,516,051
10	Past due claims	-	-	-
	Total	11,925,543	10,872,105	8,659,484

Table 12.b.3. Counterparty Credit Risk Exposures

(in million Rupiah)

No.	Portfolio Category	31 December 2019		
		Net Claims	RWA pre CRM	RWA post CRM
(1)	(2)	(3)	(4)	(5)
1	Claims on sovereign	16,851	-	-
2	Claims on Public Sector Entity	-	-	-
3	Claims on Multilateral Development Banks and International Institute	-	-	-
4	Claims on Bank	856,943	-	271,437
5	Claims on Micro, Small and Retail Portfolio	-	-	-
6	Claims on Corporate	1,680,022	-	1,680,022
7	Credit Valuation Adjustment Weighted Average	-	-	767,332
	Total	2,553,815	-	2,718,791

Table 12.b.4. Settlement Risk Exposures

(in million Rupiah)

No	Transaction Type	31 December 2019		
		Exposure	Capital Deduction Factor	RWA
1.	Delivery versus payment	-		-
	a. 8% capital charge (5-15 days)	-		-
	b. 50% capital charge (16-30 days)	-		-
	c. 75% capital charge (31-45 days)	-		-
	d. 100% capital charge (more than 45 days)	-		-
2.	Non-delivery versus payment	-	-	-
	Total	-	-	-

Table 12.b.5. Securitisation Exposures

(in million Rupiah)

No	Transaction Type	31 December 2019	
		Capital Deduction Factor	RWA
1.	Eligible credit facility	-	-
2.	Non-eligible credit facility	-	-
3.	Eligible liquidity facility		-
4.	Non-eligible liquidity facility	-	-
5.	Eligible Asset-Backed Securities purchases	-	-
6.	Non-eligible Asset-Backed Securities purchases	-	-
7.	Other securitisation exposure which not included in Bank Indonesia regulation regarding prudent principles in undergoing assets securitisation activities in banking industries		-
	Total	-	-

Table 12.b.6. Derivative Transaction

(in million Rupiah)

No	Category	31 December 2019	
		Net Claims	RWA
1.	Rating AAA s.d BBB-	786,498	235,147
2.	Rating BB+ s.d B-	22,681	13,311
3.	Rating under B-	-	-
4.	Unrated	1,696,872	1,680,022
	Total	2,506,051	1,928,480

Table 12.b.7. Housing Loan Disclosure

(in million Rupiah)

No	Category	31 December 2019	
		Net Claims	RWA
1.	LTV ≤ 50%	-	-
2.	50% < LTV ≤ 70%	-	-
3.	70% < LTV ≤ 100%	369	129
	Total	369	129

Table 12.b.8. Credit Risk Exposure

(in million Rupiah)

	31 December 2019
Total Credit Risk RWA	124,368,632
Total Capital Deduction Factor	-

B. Market Risk

Market risk is the risk inherent in the financial positions and administrative accounts, including derivative transactions, which may arise owing to a general change in market conditions. Included in this risk category is the risk of option price change.

1. Adequacy of Policies, Procedures, and Limit

The Bank regularly reviews the adequacy of policies, procedures, and limit setting in managing the market risk, so to be align with external regulations, as well as the Bank's risk appetite and business strategy, complexity of transactions, as well as business and product characteristics.

The Bank's policies and procedures have clearly defined the division of duties, responsibilities, and authority between the risk taking unit (Business/First Line of Defense) and the risk monitoring unit (Risk Management Unit/ Second Line of Defense), which includes revaluation process, measurement methodology, monitoring process, and escalation process to support effective management of market risk.

The stipulation of market risk limits is review periodically to ensure compliance with business development as well as the current economic and market conditions based on the risk factors of exchange rate and interest rate.

2. Adequacy of Risk Identification, Measurement, Monitoring, and Controlling Processes, and Risk Management Information Systems

Market risk identification perform through analysis of every product, transaction or service offered by the Bank through a product program and continues until the product, transaction or service becomes market risk exposure that is measured, monitored, and controlled on a daily basis.

For every feature development and significant growth, market risk is constantly re-identified and discussed between the Risk Management Unit, in this case Market & Liquidity Risk Management work unit, and the relevant business units.

The internal policy stipulates that the Bank shall not have any trading book exposure in securities. All securities owned by the Bank are categorized as banking book, with the purpose of maintaining them as liquid assets to be used at any time deemed necessary.

Foreign exchange exposures of the Treasury were carried out mainly through FX swap transactions on sources of fund obtained in foreign currencies. The measurement of exchange rate risk exposure is performed on the Bank's net open position. The average net open position of the Bank was below 1.0% of the capital, or far below Bank Indonesia's maximum threshold of 20.0% of capital.

The Bank conducts the mark to market process based on the market prices at the end of the day and observe the market risk exposure on a daily basis as part of its risk mitigation, and ensures that it does not exceed the limit set by the Assets & Liabilities Committee (ALCO).

The calculation of risk-weighted assets for market risk and capital requirement on market risk exposure is performed based on the standard approach in accordance with the prevailing regulations.

The following is the Table of Market Risk Disclosure using the Standardized Method.

Table 13. Market Risk Disclosure using Standardized Approach

(in million Rupiah)

No	Risk Type	31 December 2019			
		Stand Alone		Consolidated	
		Capital Charge	RWA	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Interest Rate Risk				
	a. Specific Risk	-	-	-	-
	b. General Risk	61,250	765,623	61,250	765,623
2	Foreign Exchange Risk	2,936	36,702	2,936	36,702
3	Equity Risk			-	-
4	Commodity Risk			-	-
5	Option Risk			-	-
	Total	64,186	802,326	64,186	802,326

Market risk management is performed by reporting the daily monitoring and measurement results of the market risk limit set by ALCO. The Bank also regularly performs a simulation of net interest income and earning at risk projections in the ALCO and Risk Management Committee meetings.

Each year, or in case of new feature or product, the Bank validates the existing system measurement. The current information system can facilitate revaluation process (mark to market), provide up-to-date information on the Bank's market risk exposure, and monitor the movement of the Bank's market risk factor.

3. Internal Control System on Market Risk

Monitoring on market risk is performed by the ALCO and the Risk Management Committee. Internal control system has been effective in supporting the implementation of market risk management. The Internal Audit has conducted regular audits on the adequacy of policies, procedures, limit setting, and the tolerance and compliance of every related to the implementation of market risk management according to the Bank's established Audit plan.

4. Disclosure of Interest Rate Risk Banking Book

The banking book exposure of the Bank's assets and liabilities are measured using a sensitivity analysis based on the interest rate repricing gap profile to calculate the impact of changes in interest rate on the Bank's net income using the Net Interest Income (NII) approach, and the impact of change in interest rate on the Bank's capital or using the Economic Value of Equity (EVE) approach.

INTEREST RATE RISK IN THE BANKING BOOK

Banks Name : PT Bank BTPN Tbk. (individual)

Report Period : December 2019

QUALITATIVE ANALYSIS

Interest Rate Risk in the Banking Book (IRRBB) is defined as the risk due to movements in market interest rates that are opposite to the Banking Book position, which has the potential to have an impact on the Bank's capital and earnings both for now and in the future. In accordance with the regulations, the Bank measures and monitors IRRBB using the EVE (Economic Value of Equity) and NII (Net Interest Income) methods. In this IRRBB monitoring, the scope of the Banking Book position refers to the provisions of the Financial Services Authority which regulates the Minimum Capital Requirement for Commercial Banks as stated in the Market Risk and Liquidity Management Policies of the Bank. Based on this, products that have interest rates are included in the Bank's IRRBB calculation, such as:

Asset

- Placement with Bank Indonesia
- Placement with Other Banks
- Marketable Securities
- Acceptance Receivables
- Loans

Liability

- Customer Deposits
- Liability to Other Banks
- Acceptance Payables
- Borrowings
- Securities Issued

Derivatives

- Interest Rate Swap Transactions
- Cross Currency Swap Transactions

The Bank does not calculate Capital in the calculation of IRRBB.

In carrying out IRRBB management, the Bank has established its risk appetite which is manifested in the form of an internal buffer over the maximum Δ EVE that must be maintained. Risk Management will regularly measure and monitor the IRRBB to be reported to the Board of Directors and ALCO/Risk Management Committee (KMR). If the IRRBB level has approached or exceeded the buffer rate, then ALCO will decide on the business strategy and the hedging strategy that must be taken to return the IRRBB to the desired level. The business units and Treasury will be responsible for carrying out the formulated business and hedging strategies.

To increase its effectiveness, monitoring of the IRRBB will be conducted monthly. Meanwhile, supporting factors for IRRBB modeling such as prepayment ratios and non-maturity deposits (NMD) will be reviewed annually.

IRRBB measurements are carried out using the standard method in accordance with applicable regulations. In this provision, several interest rate shock scenarios have been formulated that must be used in the calculation of the IRRBB as follows:

Δ EVE

- Parallel shock up
- Parallel shock down
- Steepener shock
- Flattener shock
- Short rate shock up
- Short rate shock down

Δ NII

- Parallel shock up
- Parallel shock down

Internally, in monitoring IRRBB, Bank BTPN also measures the sensitivity of the value of assets and liabilities using the Base Point Value (BPV) approach. BPV measures changes in the fair value of the Bank's assets and liabilities as a result of a 0.01% change in interest rates. The Bank's BPV measurement includes all interest rates bearing products, except:

- Loans with collectibility other than 1
- Non Maturing Deposits/NMD (Demand Deposits and Savings)
- Capital

The Bank has also calculated the prepayment ratio especially for loans to the pension segment.

In carrying out IRRBB management, especially in hedging, the Bank carries out Interest Rate Swap (IRS) transactions to convert assets/liabilities with fixed rates to floating rates. However, for the hedging transaction, the Bank does not apply hedge accounting so there is no link between the two transactions.

Some modeling assumptions used in IRRBB measurements are as follows:

- Commercial margins and spread component of the Bank's assets and liabilities have been calculated in the Bank's cash flow. But these two things are not taken into account in determining the Bank's discounted rate, so the discounted rate is only determined from the risk-free rate.
- In calculating the average tenure of NMD, specifically savings, the decrease in the savings balance in each period until the change in interest rates is considered as the run-off ratio of NMD products. In addition, NMD will be considered as due when the interest rate changes are made and the interest calculation period will be recalculated. As for Current Accounts, the Bank does not conduct behavioral calculations because it conservatively assumes that Current Accounts owned by the Bank include Non-Stable Deposits and puts it in the shortest period.
- The prepayment ratios for loans, especially for the Purnabakti, Mitra Usaha Rakyat and Consumer Finance segments (specifically for BFI and OMA) are calculated using the Single Monthly Mortality (SMM) method. However, due to the Bank's policy of imposing significant penalty on deposits withdrawal before maturity, the Bank does not take into account the Time Deposit Redemption Rate (TDRR).
- The Bank does not include the Capital component in the IRRBB calculation for both the Δ EVE and Δ NII calculations
- The Bank calculates the IRRBB on exposures in 3 significant currencies (Rp, USD and JPY) separately using separate discounted rates, forward rates and interest rate shock scenario for each currency. Exposures on non-significant currencies are calculated jointly with exposures in Rp currency.

From the results of IRRBB measurements for the position of December 2019 it can be seen that the Bank's highest Δ EVE occurs in the Parallel Shock Up scenario which is Rp2.21 trillion (9.18% of CET1). The Bank still has long-term credit exposure with a fairly large fixed interest rate, especially in the pension loan segment of Rp35.80 trillion. This pension segment's loan contributed Δ EVE of Rp1.92 trillion (7.98% of CET1). While from the perspective of Δ NII, in the Parallel Shock Up scenario, the Bank's Δ NII will experience a decrease of Rp0.33 trillion. This represents 6.27% of the Bank's Δ NII projections in the baseline conditions.

When compared with the September 2019 period, the Bank's Δ EVE has decreased. This decrease occurred because there was a decrease in the Bank's exposure to fixed interest rates due to a decrease in total Bank loans both from the pension loan segment and an increase in the amount of fixed-rate long-term liabilities with the issuance of bonds and loan drawdown from IFC. In addition, Δ EVE also experienced a decline due to an increase in the Bank's CET1 value. While for Δ NII, the Bank experienced a decline compared to September 2019 due to an increase in the NII projection and a decrease in the value of Δ NII in the Parallel Up scenario caused by a decrease in the number of time deposits that improved the Bank's Gap position.

QUANTITATIVE ANALYSIS

- The average repricing maturity period applied for savings products is 51 months. While Current Account products are entered into the shortest interest rate adjustment period (overnight).
- The longest repricing maturity period applied for savings products is 113 months.

IRRBB CALCULATION REPORT

Name of Bank : PT Bank BTPN Tbk. (individu)

Report Period : Desember 2019

Currency : Total in Rp

In Million Rupiah	Δ EVE	Δ NII
	T	T
Parallel up	-2,210,846,30	-329,180,67
Parallel down	2,003,276,83	256,428,97
Steeper	1,026,579,26	
Flattener	-1,517,149,16	
Short rate up	-1,460,321,70	
Short rate down	1,455,309,01	
Negative Maximum Value (absolut)	2,210,846,30	329,180,67
Capital Tier 1 (for Δ EVE) or Projected Income (for Δ NII)	24,077,577,85	5,251,085,89
Maximum Value divided by Capital Tier 1 (for Δ EVE) or Projected Income (for Δ NII)	9.18%	6.27%

Risk Management

C. Liquidity Risk

Liquidity risk is a risk that may arise from the Bank's inability to serve its maturing obligations using its cash flow and/or its high quality liquid assets that can be placed as collateral, without disrupting the Bank's activities and financial condition.

Liquidity risk also relates to the optimization of balance sheet structure and the structural

risk of dependency on certain funding sources. The Bank's liquidity risk management works towards managing liquidity risk in both short-term and structural perspectives.

In a short-term perspective, liquidity risk is managed by optimizing cash flow on contractual and behavioral bases, and simulating Liquidity Coverage Ratio (LCR) through stress testing. In a

long-term perspective, liquidity risk is managed through Net Stable Funding Ratio (NSFR).

Liquidity risk is structurally managed using indicators set by the regulators and internally based on the ALCO's decision as reflected in the balance sheet structure and the maturity profile.

The contractual maturity profile as at 31 December 2019 is as follow:

Table 14.a.1. Maturity Profile in Rupiah Disclosure - Bank Stand Alone

(in million Rupiah)

No.	Descriptions	31 December 2019					
		Total	Maturity				
			< 1 month	> 1 month - 3 month	> 3 month - 6 month	> 6 month - 12 month	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I ASSETS							
A. Assets							
1.	Cash	1,559,111	1,559,111	-	-	-	-
2.	Current accounts with Bank Indonesia	11,941,030	6,541,401	5,358,818	-	40,811	-
3.	Current accounts with other banks	449,351	449,351	-	-	-	-
4.	Marketable securities	2,213,629	77,607	859,981	10,649	287,557	977,835
5.	Loans	95,021,947	20,432,476	4,999,858	4,556,110	6,857,226	58,176,277
6.	Other receivables	1,626,346	591,281	205,666	89,022	225,973	514,404
7.	Others	-	-	-	-	-	-
Total Asset		112,811,415	29,651,228	11,424,324	4,655,781	7,411,566	59,668,517
B. Liabilities							
1.	Third party fund	65,421,253	49,372,233	13,424,273	1,765,566	842,673	16,507
2.	Liabilities to Bank Indonesia	-	-	-	-	-	-
3.	Deposits from other bank	4,371,363	2,926,414	1,444,950	-	-	-
4.	Marketable securities	3,190,628	-	-	1,301,409	898,986	990,232
5.	Borrowings	6,853,477	-	-	2,499,061	2,000,000	2,354,416
6.	Other liabilities	1,397,649	523,714	254,381	75,578	80,649	463,327
7.	Others	-	-	-	-	-	-
Total Liabilities		81,234,371	52,822,361	15,123,604	5,641,615	3,822,308	3,824,483
Net assets (liabilities)		31,577,045	(23,171,134)	(3,699,280)	(985,834)	3,589,258	55,844,034
II OFF BALANCE SHEET							
A. Off Balance Sheet Receivables							
1.	Commitment	1,000,000	-	-	-	-	1,000,000
2.	Contingencies	6,856,631	1,659,088	2,513,133	2,204,530	60	479,820
Total Off Balance Sheet Receivables		7,856,631	1,659,088	2,513,133	2,204,530	60	1,479,820
B. Off Balance Sheet Payable							
1.	Commitment	43,767,500	1,177,805	1,582,358	4,622,067	20,026,280	16,358,990
2.	Contingencies	4,733,590	375,106	1,623,317	2,315,811	148,331	271,026
Total Off Balance Sheet Payable		48,501,090	1,552,910	3,205,676	6,937,877	20,174,611	16,630,016
Net Off Balance Sheet Receivable (Payable)		(40,644,459)	106,178	(692,543)	(4,733,347)	(20,174,551)	(15,150,196)
Net [(IA-IB)+(IIA-IIB)]		(9,067,415)	(23,064,956)	(4,391,823)	(5,719,181)	(16,585,293)	40,693,838
Cumulative Differences			(23,064,956)	(27,456,779)	(33,175,960)	(49,761,253)	(9,067,415)

Table 14.a.2. Maturity Profile in Foreign Currency Disclosure - Bank Stand Alone

(in million Rupiah)

No.	Descriptions	31 December 2019					
		Total	Maturity				
			< 1 month	> 1 month - 3 month	> 3 month - 6 month	> 6 month - 12 month	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I ASSETS							
A. Assets							
1.	Cash	28,618	28,618	-	-	-	-
2.	Current accounts with Bank Indonesia	8,127,100	8,127,100	-	-	-	-
3.	Current accounts with other banks	844,080	844,080	-	-	-	-
4.	Marketable securities	769,663	307,463	140,039	198,632	123,529	-
5.	Loans	37,738,662	9,933,891	5,043,348	1,482,741	1,962,821	19,315,860
6.	Other receivables	906,485	187,314	266,090	387,282	4,071	61,729
7.	Others	-	-	-	-	-	-
Total Asset		48,414,609	19,428,467	5,449,477	2,068,655	2,090,422	19,377,589
B. Liabilities							
1.	Third party fund	12,071,676	11,376,775	368,182	140,580	186,139	-
2.	Liabilities to Bank Indonesia	-	-	-	-	-	-
3.	Deposits from other bank	7,288,313	5,900,063	1,388,250	-	-	-
4.	Marketable securities	-	-	-	-	-	-
5.	Borrowings	37,232,865	-	-	-	-	37,232,865
6.	Other liabilities	-	-	-	-	-	-
7.	Others	385,757	111,077	130,520	85,600	4,055	54,505
Total Liabilities		56,978,611	17,387,915	1,886,952	226,180	190,195	37,287,370
Net assets (liabilities)		(8,564,002)	2,040,552	3,562,525	1,842,475	1,900,227	(17,909,781)
II OFF BALANCE SHEET							
A. Off Balance Sheet Receivables							
1.	Commitment	40,482,674	8,180,317	10,367,789	1,459,915	1,559,734	18,914,919
2.	Contingencies	12,982,396	307,914	481,751	1,147,097	2,172,695	8,872,939
Total Off Balance Sheet Receivables		53,465,070	8,488,231	10,849,540	2,607,012	3,732,429	27,787,858
B. Off Balance Sheet Payable							
1.	Commitment	68,796,585	8,461,089	2,168,504	6,552,578	17,899,291	33,715,123
2.	Contingencies	4,190,987	415,024	14,472	203,571	453,380	3,104,539
Total Off Balance Sheet Payable		72,987,572	8,876,113	2,182,976	6,756,149	18,352,672	36,819,663
Net Off Balance Sheet Receivable (Payable)		(19,522,502)	(387,883)	8,666,564	(4,149,137)	(14,620,243)	(9,031,805)
Net [(IA-IB)+(IIA-IIB)]		(28,086,504)	1,652,670	12,229,089	(2,306,661)	(12,720,016)	(26,941,586)
Cumulative Differences			1,652,670	13,881,759	11,575,098	(1,144,918)	(28,086,504)

Table 14.b.1. Maturity Profile in Rupiah Disclosure - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Descriptions	31 December 2019					
		Total	Maturity				
			< 1 month	> 1 month - 3 month	> 3 month - 6 month	> 6 month - 12 month	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I ASSETS							
A. Assets							
1.	Cash	2,270,444	2,270,444	-	-	-	-
2.	Current accounts with Bank Indonesia	15,123,442	8,027,682	5,862,887	1,192,062	40,811	-
3.	Current accounts with other banks	487,218	487,218	-	-	-	-
4.	Marketable securities	4,300,218	870,102	1,342,998	10,649	347,900	1,728,569
5.	Loans	104,111,122	20,549,068	5,452,941	5,776,587	11,833,762	60,498,764
6.	Other receivables	1,626,346	591,281	205,666	89,022	225,973	514,404
7.	Others	356,112	356,112	-	-	-	-
Total Asset		128,274,903	33,151,908	12,864,493	7,068,320	12,448,445	62,741,738
B. Liabilities							
1.	Third party fund	74,867,803	56,671,486	15,271,568	2,022,011	886,220	16,517
2.	Liabilities to Bank Indonesia	-	-	-	-	-	-
3.	Deposits from other bank	4,371,363	2,926,414	1,444,950	-	-	-
4.	Marketable securities	3,190,628	-	-	1,301,409	898,986	990,232
5.	Borrowings	6,853,477	-	-	2,499,061	2,000,000	2,354,416
6.	Other liabilities	1,397,649	523,714	254,381	75,578	80,649	463,327
7.	Others	-	-	-	-	-	-
Total Liabilities		90,680,921	60,121,614	16,970,899	5,898,060	3,865,855	3,824,493
Net assets (liabilities)		37,593,983	(26,969,707)	(4,106,406)	1,170,260	8,582,590	58,917,245
II OFF BALANCE SHEET							
A. Off Balance Sheet Receivables							
1.	Commitment	1,000,000	-	-	-	-	1,000,000
2.	Contingencies	6,856,631	1,659,088	2,513,133	2,204,530	60	479,820
Total Off Balance Sheet Receivables		7,856,631	1,659,088	2,513,133	2,204,530	60	1,479,820
B. Off Balance Sheet Payable							
1.	Commitment	43,777,500	1,187,805	1,582,358	4,622,067	20,026,280	16,358,990
2.	Contingencies	4,733,590	375,106	1,623,317	2,315,811	148,331	271,026
Total Off Balance Sheet Payable		48,511,090	1,562,910	3,205,676	6,937,877	20,174,611	16,630,016
Net Off Balance Sheet Receivable (Payable)		(40,654,459)	96,178	(692,543)	(4,733,347)	(20,174,551)	(15,150,196)
Net [(IA-IB)+(IIA-IIB)]		(3,060,477)	(26,873,529)	(4,798,949)	(3,563,087)	(11,591,961)	43,767,049
Cumulative Differences			(26,873,529)	(31,672,478)	(35,235,565)	(46,827,526)	(3,060,477)

Table 14.b.2. Maturity Profile in Foreign Currency Disclosure - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Descriptions	31 December 2019					
		Total	Maturity				
			< 1 month	> 1 month - 3 month	> 3 month - 6 month	> 6 month - 12 month	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I ASSETS							
A. Assets							
1.	Cash	28,618	28,618	-	-	-	-
2.	Current accounts with Bank Indonesia	8,127,100	8,127,100	-	-	-	-
3.	Current accounts with other banks	844,080	844,080	-	-	-	-
4.	Marketable securities	769,663	307,463	140,039	198,632	123,529	-
5.	Loans	37,738,662	9,933,891	5,043,348	1,482,741	1,962,821	19,315,860
6.	Other receivables	906,485	187,314	266,090	387,282	4,071	61,729
7.	Others	-	-	-	-	-	-
Total Asset		48,414,609	19,428,467	5,449,477	2,068,655	2,090,422	19,377,589
B. Liabilities							
1.	Third party fund	12,071,676	11,376,775	368,182	140,580	186,139	-
2.	Liabilities to Bank Indonesia	-	-	-	-	-	-
3.	Deposits from other bank	7,288,313	5,900,063	1,388,250	-	-	-
4.	Marketable securities	-	-	-	-	-	-
5.	Borrowings	37,232,865	-	-	-	-	37,232,865
6.	Other liabilities	-	-	-	-	-	-
7.	Others	385,757	111,077	130,520	85,600	4,055	54,505
Total Liabilities		56,978,611	17,387,915	1,886,952	226,180	190,195	37,287,370
Net assets (liabilities)		(8,564,002)	2,040,552	3,562,525	1,842,475	1,900,227	(17,909,781)
II OFF BALANCE SHEET							
A. Off Balance Sheet Receivables							
1.	Commitment	40,482,674	8,180,317	10,367,789	1,459,915	1,559,734	18,914,919
2.	Contingencies	12,982,396	307,914	481,751	1,147,097	2,172,695	8,872,939
Total Off Balance Sheet Receivables		53,465,070	8,488,231	10,849,540	2,607,012	3,732,429	27,787,858
B. Off Balance Sheet Payable							
1.	Commitment	68,796,585	8,461,089	2,168,504	6,552,578	17,899,291	33,715,123
2.	Contingencies	4,190,987	415,024	14,472	203,571	453,380	3,104,539
Total Off Balance Sheet Payable		72,987,572	8,876,113	2,182,976	6,756,149	18,352,672	36,819,663
Net Off Balance Sheet Receivable (Payable)		(19,522,502)	(387,883)	8,666,564	(4,149,137)	(14,620,243)	(9,031,805)
Net [(IA-IB)+(IIA-IIB)]		(28,086,504)	1,652,670	12,229,089	(2,306,661)	(12,720,016)	(26,941,586)
Cumulative Differences			1,652,670	13,881,759	11,575,098	(1,144,918)	(28,086,504)

1. Adequacy of Policy, Procedure, and Limit

On a regular basis, the Bank reviews the adequacy of liquidity risk policies, procedures, and limits, and their consistency with risk appetite and business strategy, in line with business growth, transaction complexity, as well as economic and market conditions.

To effectively adopt policies and procedures and set limits on liquidity risk, the Bank has made clear division of duties, responsibilities, and authority among the units responsible for liquidity risk management, which includes any work units of which activities are exposed to liquidity risk. The Risk Management Unit provides independent objective input and analysis for liquidity risk identification, measurement, monitoring, and management processes.

The current policies and procedures also provide for liquidity risk management in time of crisis by activating the contingency funding plan (CFP) and continuing with its implementation until returning to business as usual (BAU).

2. Adequacy of Risk Identification, Measurement, Monitoring, and Controlling Processes, and Risk Management Information Systems

Liquidity risk identification is made on all possible sources, including new banking products and activities, as well as significant increases in certain funding sources and proceeds, whether for assets, liabilities, or administrative accounts. Any increases in interest rate risk, credit risk, operational risk, legal risk, and regulatory risk from new Bank Indonesia regulations are also identified.

The Bank measures and monitors the indicators for liquidity risk to identify any potential liquidity issues through the Early Warning Indicators (EWI) that monitor the roll-over rate, replacement rate of outgoing funds, interest rate applied on the customers, interest rate to be paid to the customers and the money market, and secondary reserve ratio. The Bank also measures liquidity risk structurally, using among others the loan to deposit ratio (LDR), Macro-prudential Intermediation Ratio (RIM), as well as calculating outgoing funds and conducting stress testing.

Internal policy stipulates that the Bank shall always comply with the prevailing regulations, among others on the Statutory Reserve (GWM) and the Liquidity Coverage Ratio (LCR). The Bank has also implemented the Net Stable Funding Ratio (NSFR) regulation in 2018.

Report on Liquidity Coverage Ratio (LCR) as of 31 December 2019:

Table 15. Liquidity Coverage Ratio (LCR) Disclosure

	LCR Value (%)			
	2019			
	Quarter I (1)	Quarter II (2)	Quarter III (3)	Quarter IV (4)
Bank Stand Alone	247.38%	250.95%	219.81%	226.12%
Bank Consolidated	244.48%	247.81%	218.95%	229.14%

The management of liquidity risk is performed by reporting the results of monitoring on the EWI and Liquidity Risk Limit, performed on a daily basis. The Bank also regularly reports the conditions and developments related to liquidity key risk indicators at the ALCO and Risk Management Committee meetings.

The Risk Management Unit (SKMR), through the Market & Liquidity Risk Management unit, monitors liquidity risk indicators, funding sources and proceeds, and liquidity positions that include interest rate setting strategies, changes in customer behavior, including changes in funding source structure and funding source volatility. For every exceedance or certain risk event, the Risk Management Unit communicates with and asks for a follow-up from the relevant business units, including escalating the issue to higher management.

The current information system can provide information on daily liquidity condition for liquidity risk measurement, monitoring, and control purposes.

3. Internal Control System for Liquidity Risk

Monitoring on liquidity risk is performed by the ALCO and the Risk Management Committee. The liquidity risk is managed also by preparing a contingency funding plan to anticipate adverse liquidity situations. Internal control system has been effective in supporting the implementation of liquidity risk management. The Internal Audit has conducted regular audits on the adequacy of policies, procedures, limit setting, and the tolerance and compliance of every party according to the Bank's established Audit plan.

D. Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate and/or failed internal processes, people, systems failure or external events that affect the Bank's operational activities.

1. Adequacy of Policy, Procedure, and Limit

The Bank has Operational Risk Management Policies and Procedures, including Policies and Procedures on BCM (Business Continuity Management), QA (Quality Assurance) and IS (Information Security). The Policy & Procedures are periodically reviewed to reflect the Bank's external and internal conditions.

In semester 2 - 2019, ORM has introduced several operational risk initiatives to adopt best practices from banking industry for implementation in 2020.

2. Adequacy of Risk Identification, Measurement, Monitoring, and Controlling Processes, and Risk Management Information Systems

The identification of operational risk is made over all activities/ processes, products, systems, and organizations at both business and support functions levels. In addition to reviews on the Bank's new initiatives, Operational Risk also performed review over regular development or change. The process is also complemented with operational risk registers which are prepared based on process, product, risk event, and information asset of the Bank.

The operational risk measurement involves periodic self-assessment activities, operational loss/risk event database analysis, and capital adequacy calculation for operational risk. Furthermore, the Bank also maintains Key Operational Risk Indicators (KORI) based on human, process, and system factors at the Bank level, which are reported regularly in Risk Management Committee meetings.

Operational risk is monitored through reporting to the senior management and reporting of risk profiles to the regulators on a regular or ad-hoc basis, including reporting any fraud incidents and losses. It aims to provide immediate recourse to any event and analyze the adequacy of the current control system.

The Operations work unit and the Risk Management Unit are responsible for controlling risk by applying effective prevention, detection, and corrective control mechanisms and/or maintaining adequate insurance to minimize the impacts of operational loss on the Bank. As a control measure, BTPN applies a guideline for comprehensive Business Continuity Management in reference to the industry standard ISO-22301, and being assured through periodic testing.

The Operational Risk Management information system (ORMS) is made available to present accurate, timely, and up-to-date information, and to support management function for easier planning, analysis, and decision-making.

3. Internal Control System for Operational Risk

At operational level, the Bank's internal control is implemented through a multilayer system (three lines of defense). As the first line of defense, the Risk Taking Unit (RTU) is supported by the Internal Control Function (QA Function) in day-to-day operational risk management. On the next line, the Operational Risk Management (ORM) unit is in charge of identifying and measuring inherent risk, as well as ensuring the adequacy of the current control mechanism.

Lastly, the independent Internal Auditor is responsible for ensuring residual risk within risk tolerance.

The work of units in charge of the Bank's internal control practices are continuously synchronized through QA maturity self-assessment standardized metrics, periodic forums and routine facilitations organized by the Quality Assurance Coordinator Function under the Operational Risk Management Unit.

4. Fraud Risk Management

BTPN adopts zero tolerance for fraud, and in line with this, the Bank has established adequate anti-fraud strategy policies and procedures, and continuously refined them. Fraud risk is managed systematically through a number of processes/strategies.

The risk is prevented by continually promoting anti-fraud awareness at all organizational levels and identifying fraud risk in every activity/process and product of the Bank.

The Bank implements a whistleblower system as a medium for detecting fraud incidents, which is frequently communicated to all employees via the Bank's various internal media. Through the "speak your mind" program, an employee can also uncover and report any misconduct.

The Bank also adopts adequate policies on fraud incident investigation and reporting. For every proven fraud case, a sanction is given and decided by the Fraud Committee by involving the relevant

work units, Business Risk/QA Functions, Human Capital, and Anti-Fraud Management (AFM). The implementation of the Fraud Committee's decision is monitored and evaluated on a regular basis to determine future improvements.

Table 16.a. Quantitative Operational Risk Disclosure - Bank Stand Alone

(in million Rupiah)

No.	Approach	31 December 2019		
		Gross Income (average 3 years)	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)
1.	Basic Indicator Approach	7,293,907	1,094,086	13,676,076
	Total	7,293,907	1,094,086	13,676,076

Table 16.b. Quantitative Operational Risk Disclosure - Consolidated Bank and Subsidiary

(in million Rupiah)

No.	Approach	31 December 2019		
		Gross Income (average 3 years)	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)
1.	Basic Indicator Approach	9,819,730	1,472,960	18,411,994
	Total	9,819,730	1,472,960	18,411,994

Note:

Disclosure using 2018 fiscal year data as a comparison cannot be carried out due to the condition of 2018 fiscal year does not reflect the condition of the Bank BTPN which has not merged with SMBCI.

Based on the decision of the Extraordinary General Meeting of Shareholders on October 5, 2018 according to Deed of Extraordinary General Meeting of Shareholders No. 09 dated October 5, 2018 made by Ashoya Ratam, SH, MKn, Notary in South Jakarta Administrative City, the Business Merger Plan of PT Bank Sumitomo Mitsui Indonesia ("SMBCI") and PT Bank Tabungan Pensiunan Nasional Tbk ("BTPN") was approved, where SMBCI acts as a merged bank and BTPN acts as the receiving bank, which is effective from all the required agreements obtained ("Effective Date of Merger"). The Effective Date of the Merger is determined on February 1, 2019, including after obtaining the (i) Decision of the Board of Commissioners of the financial Services Authority through letter No. 35/KDK.03/2018 concerning the Granting of PT Bank Sumitomo Mitsui Indonesia's Merger into PT Bank Tabungan Pensiunan Nasional Tbk, and (ii) Decision and receipt and recording of the Minister of Law and Human Rights of the Republic of Indonesia Directorate General of General Law Administration dated January 22, 2019 Number AHU-0006169.AH.01.10. Year 2019 and letter dated January 22, 2019 No. AHU-AH.01.03-0044411 and dated January 22, 2019 Number AHU-AH.01.100006176. As of the Effective Date of the Merger, the name of the bank receiving the merger will change to PT Bank BTPN Tbk.



Business Support Review

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In addition to strengthening the collaboration and integration between employees, the HR management systems and processes were also integrated to ensure that employees coming from the two banks have the same understanding.

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196	Human Resources
200	Information Technology and Operations
200	Information Technology
206	Operations



Human Resources

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In the first month following the official merger of Bank BTPN and SMBCI, the management implemented an onboarding program for all employees of the newly merged Bank BTPN, called the “Life at BTPN” program.

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The merger between PT Bank Tabungan Pensiunan Nasional (BTPN) and Bank Sumitomo Mitsui Indonesia (BSMI) officially took place on 1 February 2019 after a preparation period of less than a year. Following the merger, PT Bank BTPN Tbk. had 8,168 employees, made up of former BTPN employees and BSMI employees.

The merger of the two companies presented new challenges and opportunities in relation to the management of human resources (HR). The Human Resources Unit plays a crucial role in ensuring a harmonious integration process, including the cultural integration process, of the banks in order to determine a new organizational culture.

HR POLICY IN 2019

In addition to the communication activities carried out by the Board of Management prior to the official date of the merger, an onboarding program for all Bank BTPN employees was held in the first month following the merger. The onboarding program was called "Life at BTPN" and was held on 20-21 February 2019.



“ Throughout 2019, Bank BTPN undertook employee competence development programs for employees at all levels for a total investment of Rp110.6 billion. ”

The program saw all the employees at the head office and the Jabodetabek area listen to presentations, and attend exhibitions and simulations. The program is expected to build employee understanding of the history, achievements, and business activities of the newly merged bank.

During the following months, a variety of activities were carried out to improve employee competency, and to support cultural collaboration and integration including training programs and seminars, online gamification, as well as other employee engagement sessions. A pulse survey was also

carried out to determine employee perspective on the merger process, as well as to formulate a plan of activities to support the creation of a better cultural integration and collaboration between employees.

In addition to strengthening the collaboration and integration between employees, the HR management systems and processes were also integrated to ensure that employees coming from the two banks have the same understanding of HR management, and receive equal treatment.

2020 STRATEGIC PLAN

The strategic plan for HR development in 2020 is in line with the Bank's goal of maintaining organizational stability after the merger. In addition, HR development also aims to create synergies between the existing functions and businesses.

Bank BTPN is planning to focus on Human Resources Management through the following 4 (four) main strategies: strengthen the current initiatives to support post-merger organization; improve HR competency and retain key talent (employees with key work functions) while preparing future talent; create innovations in products and services related to the management of Human Resources, including a review of the EVP (employee value propositions); as well as renew and enhance the processes, systems, and supporting facilities of Human Resources management, including the review of the core system and its integration into the existing front end system.

In addition to the review and preparation of the EVP (employee value proposition) program, a review and alignment of Bank BTPN's Operating Model will be carried out in 2020. The alignment of the operating model will then be followed by a review and alignment of the organization's key processes and preparation of the company's talent framework, as well as a more integrated organizational culture that will support the achievement of BTPN's strategy.

COMPETENCY DEVELOPMENT

In 2019, Bank BTPN realized its employee competency development goals. The Bank's investment in employee training in the fiscal year reached Rp110.6 billion.

The following are the details of the Bank's employee competency development programs:

	2019
Number of Training Programs	279
Number of Participants	77,743
Total Man-days	28,267
Total Training Investment (in millions of Rp)	110,567
Average Training Investment per Employee (in millions of Rp)	1,422
Total Training Hours	226,137



The strategic plan for human resource development in 2020 refers to the Bank's strategic direction, which is to continuously maintain organizational stability after the merger and create synergies between existing functions and businesses.



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Information Technology and Operations

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In connection with the business merger of Bank BTPN and PT Bank Sumitomo Mitsui Indonesia (SMBCI), the Operational Unit in 2019 has made a number of adjustments to the organization for certain functions, in order to ensure efficient and integrated services for the Bank's business units in the retail and corporate segments.

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Bank BTPN continues to develop its digital banking capability as one of the Bank's main strong points. The Bank realizes that in the current digital era, information technology (IT), both in terms of infrastructure and applications, plays an important role to support the smooth operations and growth of the Bank's business, including advancing the banking system as a whole.

Therefore, Bank BTPN continues to improve and optimize its IT facilities and infrastructure. With IT-based services, Bank BTPN hopes to be able to improve and facilitate services to customers through business process automation, process efficiency, and product innovation.

VISION AND MISION OF INFORMATION TECHNOLOGY DIRECTORATE

Vision

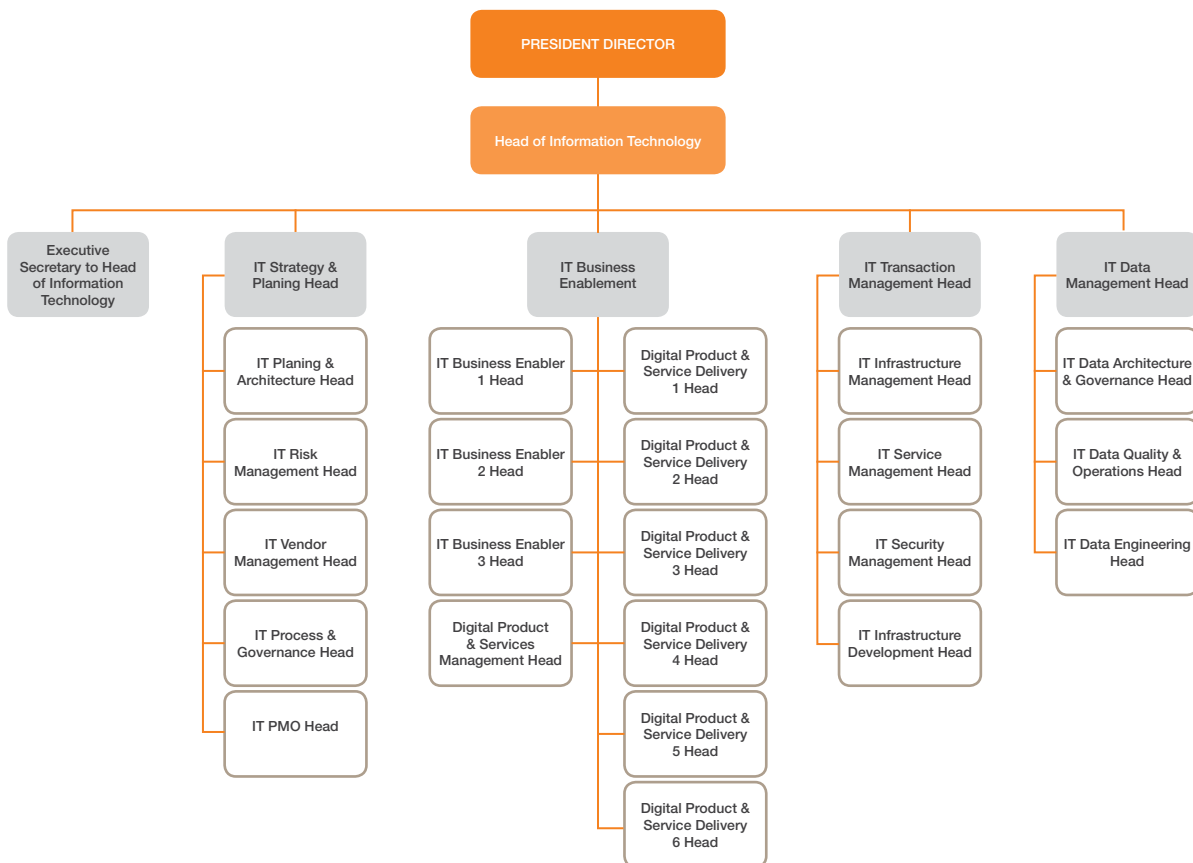
To be the best innovative solutions provider, delivering distinct experience.

Mission

To make life easier for all stakeholders through the creation of valuable services.

IT MANAGEMENT ORGANIZATION

The Information Technology Directorate under the President Director is responsible for the management of IT activities at the Bank. Following is the IT Directorate organizational structure that applies until 2019.



IT HUMAN RESOURCES

Up to year-end 2019, personnel at the Information Technology Directorate numbers 368 employees, working in 4 (four) organization units:

No.	Organization	Responsibility	Total (People)
1	IT Enablement	Responsible for IT solutions for users	186
2	IT Transaction Management:	Responsible for the operations of IT infrastructure and IT services for users	123
3	IT Strategy & Planning	Responsible for IT strategy and planning, governance, vendor management, and budget management	33
4	IT Data Management	Responsible for data availability and management at the Bank	26

With regard to the development of digital talents, the IT unit of Bank BTPN organizes in-house training programs on an ongoing basis, both for fresh graduates as well as re-skilling for existing talents, in order to equip the IT unit with sustainable capabilities, in terms of talents and technology, needed in the digital era.

With regard to the development of digital talents, the IT unit of Bank BTPN organizes in-house training programs on an ongoing basis, both for fresh graduates as well as re-skilling for existing talents, in order to equip the IT unit with sustainable capabilities, in terms of talents and technology, needed in the digital era. The following table lists several development programs for IT personnel.

Program Name	Description
CHIP 3 - Creative Hacknology Intensive Program #3	Development program for IT personnel to prepare full stack developers with capabilities in modern application development concept - batch #3
CHIP 4 - Creative Hacknology Intensive Program #4	Development program for IT personnel to prepare full stack developers with capabilities in modern application development concept - batch #4
DevOps Engineer	Development program for IT personnel to prepare DevOps Engineering personnel with capabilities in DevOps ToolChain, Continuous Monitoring dan SRE (Site Reliability Engineering)
Community of Practice Engineering	Ad-hoc Sharing, Meet Up dan TedTalk mengenai Engineering Practices.
Community of Practice Business Analyst, Product Owner dan Scrum Master	Ad-hoc Sharing, Meet Up and TedTalk sessions on Agile Practices.

IT CERTIFICATION

To ensure the standard of quality of IT development at Bank BTPN, a number of personnel at the IT Directorate are equipped with standard certifications in ICT, including:

- Risk Management
- Fraud Awareness
- Entertainment & Gift
- Complaint Handling
- APU PPT
- Code of conduct
- Mastering ITIL v4

INFORMATION TECHNOLOGY GOVERNANCE

Information Technology (IT) governance at Bank BTPN serves as a guideline that leads to compliance with applicable rules and regulations, while still considering the need to achieve the Bank's business plans. The implementation of IT governance at the Bank continues to be improved and is regularly evaluated in terms of policies and procedures by taking into account the regulations of the Financial Services Authority and Bank Indonesia as well as industry best practices.

To ensure good governance of IT development, all activities carried out are reported and reviewed by the IT Steering Committee, at least once every 3 (three) months. This is part of established IT governance practices that are already applied at the Bank.

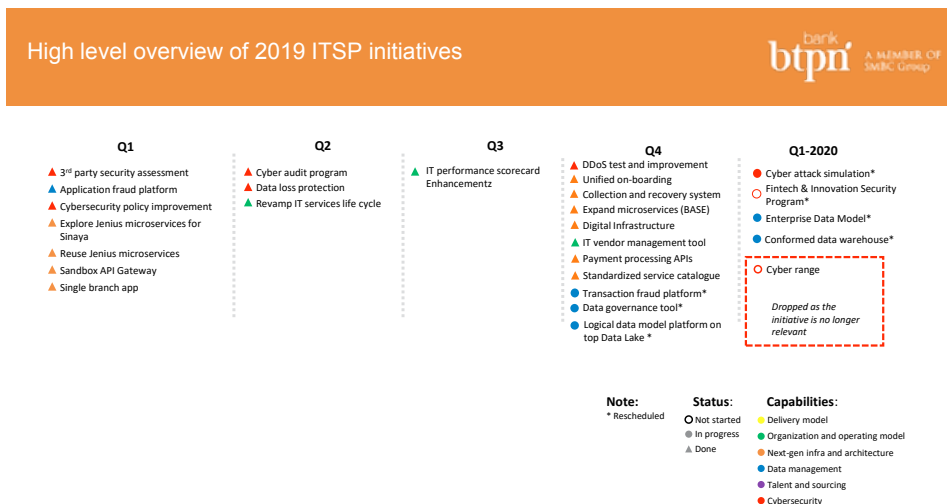
With regard to internal system development projects, the Bank has a forum called Executive Management of IT (EMIT), comprising of executives in IT. The forum provides approval for strategies and approaches in project development in the area of IT.

To ensure the best of IT governance, in 2019, Bank BTPN has improved its IT Governance and Compliance to meet higher standards (SOX, SMFG Group policies). In addition, Bank BTPN has also aligned its strategy and implementation with a 'lean' and system approach, with a focus on investment strategies and funding, agile portfolio operations, and governance.

ROADMAP

2019 is the last year of the implementation of the 2017-2019 IT Strategic Plan (ITSP). The development of a systematic plan through ITSP is aimed at realizing Bank BTPN as a digital bank that is oriented towards providing the best service to customers, or customer centric digital banking.

In 2019, the achievement of the IT Strategic Plan is described in the following figure:



2019 ACHIEVEMENTS

Bank BTPN continues to build the latest information technology systems that are in line with the Bank's businesses so as to provide easy access, transaction security, help back office services in supporting the Bank's business operations, and can provide

operational cost efficiency in supporting the Bank's business expansion.

In developing IT programs, the Information Technology Directorate utilizes two mechanisms. First, the waterfall mechanism, a systematic and neatly arranged approach starting from the level of system requirements then

continues to the stages of analysis, design, coding, testing / verification, and maintenance.

The second mechanism is the agile method. This model relies on the power of cross-functional team collaboration to get the final results.

Using these methods, throughout 2019 the IT Directorate has delivered a number of products. Some of them are as follows:

Product Development	Purpose of Utilization
Daya Phase 2A	Provides the opportunity for customers to use the daya.id website as a marketing and sales platform for their products.
Enhancement Of Audit Management System (AMS)	An initiative to strengthen the audit management system related to post-merger internal audit procedures.
Migration SOTI to Airwatch	Airwatch is capable of using Android and iOS, as well as Windows 10 and MacOS for desktops (with better UEM capability). It can also support BYOD and COBO modes.
Customer Data Quality	The Data Quality Dashboard application system ensures higher quality and standardized data monitoring, maintenance and processing.
CRN SLIK Synchronization	In line with the growth of business, Bank BTPN needs a system for the synchronization of Customer Reference Number (CRN) in order to produce consolidated reports based on accurate customer data.
Robotic Process Automation - Phase 2	More efficient automated processing systems for account closure, insurance claims of Purnabakti customers, and other operational processes.
Enhancement Regla Basel 3	Increased effectiveness for OJK-regulated reports, for Bank only and consolidated, through a system that combines the detail and consolidated reports for Corporate, Retail and Sharia segments.
Business Access	Improvement to the Tax Payment Transaction feature for non-individual customers
Re-Engineering Joint Finance System	Development and automation of processes and the integration with other systems for a more effective and efficient Joint Finance business processes

TECHNOLOGY INVESTMENTS

In 2019, Bank BTPN invested a total of Rp425 billion for IT development.

2020 STRATEGIC PLANS

Bank BTPN has formulated the 2010-2022 IT Strategic Plan (ITSP) to improve the Bank's competitiveness while keeping pace with increasingly rapid technological developments. The 2020-2022 ITSP contains IT development strategies that support digital service strategies at Bank BTPN, including back end process integration and Robotic Process Automation (RPA).

In 2020, Bank BTPN will continue with IT development projects that have been carried out in the previous years, including the digitizing of services to customers.

In addition, the Bank will also focus on digitizing business processes in the operational area. At the same time, the Information Technology Directorate will continue with the integration process as a consequence of the business merger.

Operations

Bank BTPN operational activities are primarily aimed at supporting the Bank's business in dealing with customers. Therefore, the Operational Unit is constantly adapting to various external and internal changes in order to provide satisfaction and convenience to customers in conducting banking transactions.

Since 2018, operational activities have been directed at supporting the branch network following their consolidation into universal branches. This has led to increased efficiency in operational activities, in turn supporting the achievement of the Bank's business performance. The universal branches are designed to serve various customer segments so as to increase the convenience and comfort of customers in making transactions at the Bank's branches.

In 2019, related to the business merger of Bank BTPN with PT Bank Sumitomo Mitsui Indonesia (SMBCI), the Operational Unit has made adjustments to the organization for a number of functions. This is done so that services for the Bank's business units, namely retail and corporate, become more efficient and integrated. In addition, the Operations Unit also runs standardization on universal branch services in order to improve service quality for customers.

Prior to the merger, the business focus of Bank BTPN is in the retail segment, while SMBCI focuses on the corporate segment. As these two segments have different characteristics, adjustments to operational activities post-merger is necessary.

In line with the growing use of the internet in banking transactions, Bank BTPN is also adjusting its operations, especially related to customer service. Moreover, the development of the Bank's business segments currently leads to customers in the younger age group, so customer service also needs to adapt to different customer behavior.

Previously, customers mostly use the telephone in communicating with the Bank. At present, however, that behavior has begun to change, with most of the communication undertaken through conversations in the media chat via cellular phones and electronic mail.

In support of maximum service to customers, the Bank always measures Service Level Agreement (SLA), especially with regard to customer complaints so that the Bank can respond to them properly.

An important achievement of Operations unit performance in 2019 is higher efficiency, especially with regard to the "Contact Center". Although the volume of services rose significantly in line with the growth of the retail business, especially in Jenius products, it was not accompanied by a proportionate addition of human resources to handle the business.

Another achievement was the development of Robotic Process Automation (RPA). High-volume, structured and repetitive operational processes can be handled more quickly and efficiently through the implementation of the RPA. Therefore, the RPA will continue to be developed and applied for various operational processes.

The entire operational performance of the Bank is monitored and evaluated regularly every month. The aim is to provide the maximum level of service satisfaction to customers.



INITIATIVES AND STRATEGIES

Bank BTPN Operations Unit has implemented a number of programs and strategic initiatives throughout 2019 in order to deliver maximum support for the Bank's business activities, especially following the merger. These programs and initiatives have also improved operational efficiency and overall performance.

Among the programs and initiatives, were:

1. Integrating several functions that were formerly separated between retail and corporate, such as payment and fund transfer
2. Synchronizing policies and standard operating procedures among business lines
3. Improving Contact Center services by consolidating the support system infrastructure to integrate the services of various channels and customer communication media, while also increasing the capacity and competence of the Contact Center services
4. Expanding the service capability of universal branches, which originally only focused on retail customers, to be able to start serving corporate customers as well. In addition, branch network expansion has been carried out to increase service coverage for retail and corporate customers
5. Improving service quality for customers through branch service standardization

6. Cooperating with PT Pos Indonesia in the payment of pension salaries, as part of efforts to expand service coverage and provide alternative service lines for pension customers
7. Cooperating with Taspen in customer recognition service through biometric information system, to facilitate the authentication of pension customers with face recognition feature using the provided application
8. Starting to use Robotic Process Automation in operational activities to improve process efficiency
9. Improving service quality through ISO 9001:2015 certification in the procurement process
10. Increasing the efficiency and effectiveness of operational activities through the implementation, integration and improvement of several application systems used for operational activities

HUMAN RESOURCES DEVELOPMENT

Reliable human resources are key to the efficient performance of operational activities. Therefore, the Operations Unit continues to improve the competences of its human resources (HR) through a variety of initiatives, including:

1. Providing training with the classical system, for example related to providing good services to customers

2. Providing an e-learning system that can be accessed by all HR in the Bank, including with regard to product knowledge and operational procedures, so as to provide better services to customers
3. Improving competency standards through internal certification process in accordance with the respective functions and responsibilities of employees

2020 STRATEGIC PLANS

Bank BTPN has prepared a number of programs and strategic plans which will be implemented next year. Some of them are:

1. Expanding the use of Robotic Process Automation (RPA) in operational activities to further improve efficiency
2. Enhancing HR competencies in line with the Bank's business development which is increasingly complete and comprehensive
3. Building supporting infrastructure in order to improve service quality for customers through digital systems



Good Corporate Governance

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The Bank shows strong commitment to continuing to improve the implementation of GCG, which in turn can increase stakeholder confidence towards the sustainability of the Bank's business.

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210	Principles and Legal Basis for GCG Implementation
212	Objectives of GCG
212	GCG Structure
213	GCG Implementation and Commitment
219	2019 GCG Implementation Report
298	GCG Self-Assessment

Principles and Legal Basis for GCG Implementation

Good Corporate Governance (GCG) is a set of governance principles that govern the process with coordination between and within the structure by referring to the prevailing provisions and regulations, in order to obtain a satisfying result, both in terms of compliance with legislation and in terms of the trust of stakeholders to support sustainable business activities.

The GCG principles to be implemented by PT Bank BTPN Tbk ("Bank") as stipulated above are elaborated as follows:

- **Transparency**

Among others through the provision of material and relevant information that can be easily accessed and understood by the stakeholders, for example by providing a clear explanation of banking products launched for customers or prospective customers, as well as the provision of easily-accessible contracts that outline the benefits and possible issues that may arise in relation to a product.

- **Accountability**

Each GCG structure carries out its respective functions in an appropriate manner and in accordance with the interests of the Bank while taking into account the interests of the shareholders and stakeholders, and with reference to the provisions of the relevant laws and regulations.

- **Responsibility**

Through the implementation of the rights and obligations associated with the Company's GCG structure, including by the Board of Directors and the Board of Commissioners as a form of responsibility toward the stakeholders, the community and the environment. This is done to ensure long-term business sustainability.

- **Independence**

The Bank must be managed in an independent and professional manner to prevent each GCG structure from dominating and intervening the others.

- **Fairness and Equality**

The implementation of business activities with due regard to the interests of the stakeholders, and the principles of fairness and equality.

In relation with the implementation of GCG, the Bank refers to:

1. Law of the Republic of Indonesia No. 40 of 2007 on Limited Liability Companies;
2. Law of the Republic of Indonesia No. 10 of 1998 on Amendment to Law No. 7 of 1992 on Banking;
3. Financial Services Authority Regulation ("POJK") No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks ("POJK 55"), which took effect on 7 December 2016,
4. POJK No.21/POJK.04/2015 concerning the Implementation of Guidelines for Public Corporate Governance,
5. POJK No.17/POJK.03/2014 dated 18 November 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates
6. POJK No.18/POJK.03/2014 dated 18 November 2014 concerning the Implementation of Integrated Governance for Financial Conglomerates
7. Other POJKs including those regulating the activities of the Audit Committee, Nomination and Remuneration Committee, Board of Commissioners and Board of Directors, Implementation of General Meeting of Shareholders, Internal Audit, Public Accountants and Public Accounting Firms, Compliance Director, and Corporate Secretary.
8. Bank's Articles of Association
9. Bank's Policies and Procedures

The Bank's policies and procedures are classified into a policy hierarchy which consisting as follows:

- **The Bank's Main Policy**

The Bank's main policy serves as the foundation of all of the Bank's policies, including policies related to governance, as well as other strategic matters that affect the Bank's management. It is the basis of all of BTPN's existing provisions.

The Bank's main policy includes the Corporate Governance Manual and the Integrated Corporate Governance Manual.

- **The Bank's Operational Policy**

The Bank's Operational Policy regulates all of the Bank's activities that reflect its risk management strategy, including the Bank's risk appetite in general towards the activity.

The Bank's operational policy includes Committee Charters as well as the bank-wide procedures.

- **Standard Operational Procedures**

Standard Operational Procedures (SOP) are guidelines that regulate processes, and explain the stages of structured and systematic activities, including: who, how, where, when, and the control mechanism. This regulation shall implement a strict four eyes principle function, adequate internal control function, as well as referring to the policy.

- **User Manuals/Technical Instructions/Implementation Guidelines/Other Similar Documents**

User Manuals, Technical Instructions or Implementation Guideline include:

- a. Stages/how to use a system/application which clarifies in detail on of how to input data in each screen and field, or
- b. More detailed guidelines on SOPs for users, both operators and supervisors, or

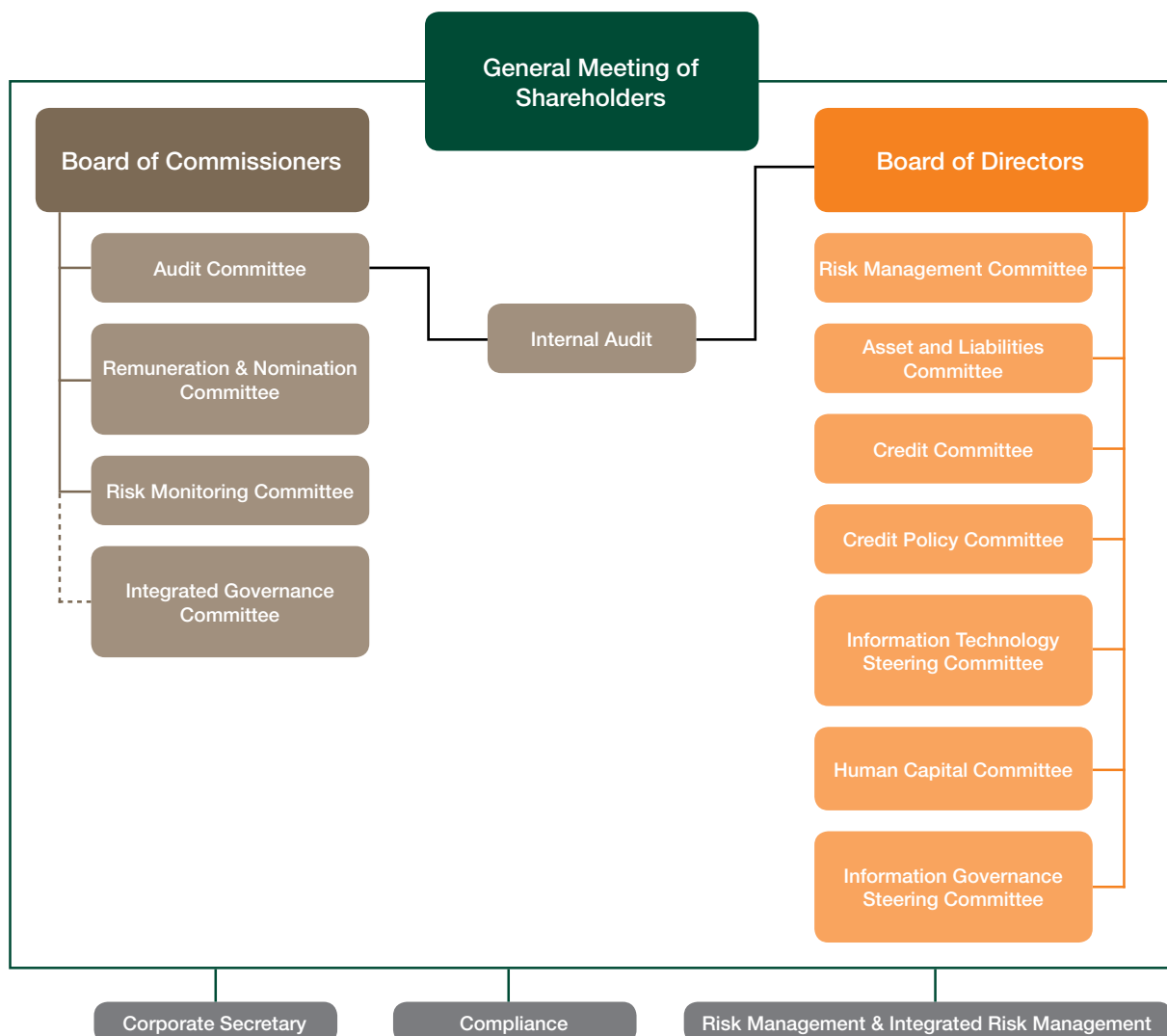
- c. Settings regarding a standard parameter in the system, or
- d. A brief guideline that is used as a tool to describe products and services to the Customers, and
- e. Made with reference to the relevant SOP.

Approval of the issuance of a policy and procedure and/or its changes is conducted with due regard to their respective hierarchy. Reviews of the Bank's policies and procedures are conducted at least once per year.

Objectives of GCG

The implementation of GCG has the objective of promoting the development of an environment that embodies trust, transparency, and accountability, that are required to grow investments, and long-term financial stability and business integrity, which will ultimately support a strong growth and the addition of an inclusive community.

GCG Structure



GCG Implementation and Commitment

2019 GCG Implementation Review

2019 was a milestone year for the Bank in terms of GCG implementation improvement with a focus on the review of GCG infrastructure as a follow-up to the integration process of PT Bank Sumitomo Mitsui Indonesia ("SMBCI") into the Bank. The review covered all of BTPN's Policies and Procedures according to the policy hierarchy, including the Guidelines for Corporate Governance, the Code of Conduct, the Charter of the Board of Commissioners and the Board of Directors, Charter of the Committees under the Board of Directors and the Committees under the Board of Commissioners, as well as all policies and procedures in each BTPN segment.

The same was also conducted to the Integrated Governance Guidelines and the Integrated Governance Committee Charter, reflecting the status of the Bank as the Lead or Main Entity of the Sumitomo Mitsui Banking Corporation Financial Conglomerate ("SMBC"), replacing SMBCI after the business merger.

As a part of a global financial institution, namely SMBC, the Bank also reviewed a number of its GCG policies and procedures, and issued new GCG provisions which is needed to improve corporate governance and accommodate cross-border provisions, specifically those relating to Anti-Fraud, Provision of Entertainment and Gifts, ownership of sensitive information, investment transactions, and private ownership, as well as policies and procedures on communicating with the parent company, the arrival of foreign guests, and various other operational policies.

In the framework of the implementation of GCG principles as a public company, the Bank has implemented provisions relating to disclosure of information in accordance with OJK and Stock Exchange regulations, consulted with the regulators in order to be able to implement the provisions in the specified corridors, as well as conducted corporate actions, routinely or incidentally, in the interest of the Bank and its stakeholders including: Annual General Meeting of Shareholders ("AGMS") in February, Extraordinary General Meeting of Shareholders ("EGMS") in September, Public Expose (performance exposure) in August and Investor Gathering in October for the purpose of bonds

issuance, as well as organized training to increase the knowledge of the members of the Board of Directors and the Board of Commissioners. These training sessions had the following themes: risk refreshment in April, market and political updates in May and 2020 Economic Outlook in December.

In addition, the meetings of the Board of Directors and the Board of Commissioners, as well as the committees under the Board of Directors and the Board of Commissioners, both ad hoc and in accordance with the work plan, were implemented in 2019 in line with the applicable laws and regulations.

In addition, in the context of increasing transparency, accountability, and responsibility within the Bank following the business merger, the Bank introduced a schedule of meetings between the Board of Directors and the unit heads to discuss activity reports, new information, and new provisions of each directorate. These are held during the first week of each month. These meeting have increased the frequency of meetings between the Board of Directors and the unit heads on topics related to the Bank's quarterly financial performance.

Review of the Implementation of Governance Guidelines

In accordance with Financial Services Regulation (POJK) No. 21/POJK.04/2015 and Financial Services Authority Circular Letter (SEOJK) No. 32/SEOJK.04/2015 on Governance Guidelines of Public Companies, the following is the Bank's application of corporate governance in line with the "comply or explain" approach:

Principles	Recommendation	Compliance	Implementation
Principle 1 Improving the Value of GMS	1.1 Public company has technical procedures for open and closed voting that promote independence and the interest of shareholders	Comply	Technical voting procedures are outlined in the GMS SOPs
	1.2 All members of the Board of Directors and the Board of Commissioners are present at the Annual GMS.	Comply	The Annual General Meeting of Shareholders on 15 February 2019 was attended by all serving members of the Company's Board of Commissioners and the Board of Directors.
	1.3 Summary of the minutes of a GMS is available on the Website of the Public Company for at least 1 year.	Comply	Summary of the minutes of a GMS is available on the Bank's website at least 2 working days following a GMS.
Principle 2 Improve the Quality of Communication between Public Company and its Shareholders or Investors	2.1 Public Company has a policy on communicating with the shareholders or investors	Comply	The Bank has policies and procedures that govern communication with the majority shareholders that take into account provisions regarding insider trading and compliance with cross-country provisions. In general, communication procedures with shareholders and/or investors include: 1. Strategy 2. Program 3. Timing of Communication
	2.2 The Public Company discloses its communication policy to the shareholders or investors on its Website	Comply	The shareholder communication policy has been disclosed on the Bank's website. This communication policy is regulated by the Corporate Governance Policy.
Principle 3 Strengthening the Membership and Composition of the Board of Commissioners	3.1 Determination of the number of members of the Board of Commissioners takes into account the condition of the Public Company	Comply	Determination of the number of the members of the Board of Commissioners takes into account the needs and complexity of the Bank, as well as the applicable laws and regulations.
	3.2 Determination of the composition of the members of the Board of Commissioners takes into account diversity in expertise, knowledge, and experience.	Comply	The composition of the Board of Commissioners takes into account expertise, professional experience, and background of its members to support the effective implementation of the board's duties.

Principles	Recommendation	Compliance	Implementation
Principle 4 Improving the Quality of the Implementation of the Duties and Responsibilities of the Board of Commissioners	4.1 The Board of Commissioners has a self-assessment policy to assess its performance	Comply	The Board of Commissioners has a self-assessment policy to assess its performance, including: <ol style="list-style-type: none"> 1. The purpose and objectives of the activity along with assessment 2. Time of implementation 3. Assessment benchmarks or criteria The policy is regulated by the Remuneration and Nomination Committee Charter.
	4.2 The Board of Commissioners' self-assessment policy is disclosed in the Annual Report of the Public Company	Comply	The self-assessment is regulated by the Remuneration and Nomination Committee Charter and has been disclosed in the Performance Assessment of the Board of Commissioners section of the 2019 GCG Implementation Report, which is a part of the Annual Report for the 2019 fiscal year.
	4.3 The Board of Commissioners has a policy regarding the resignation of the members of the Board of Commissioners if they are involved in financial crime.	Comply	Provisions relating to the resignation of the members of the Board of Commissioners involved in financial crime are outlined in the Charter of the Board of Commissioners
	4.4 The Board of Commissioners or the Committees conducting the Nomination and Remuneration functions formulate a succession policy for the members of the Board of Directors.	Comply	The succession policy in relation to the nomination process of the members of the Board of Directors is outlined in the Charter of the Remuneration and Nomination Committee
Principle 5 Strengthening the Membership and Composition of the Board of Directors	5.1 Determination of the number of the members of the Board of Directors takes into account the condition of the Public Company and its effectiveness in decision making.	Comply	Determination of the number of the members of the Board of Directors takes into account the Bank's requirements and complexity.
	5.2 Determination of the composition of the members of the Board of Directors takes into account the required diversity of expertise, knowledge, and experience	Comply	The composition of the Board of Directors is based on banking knowledge, expertise, professional experience, and background. This is done to support the effectiveness of the implementation of the duties of the Board of Directors
	5.3 Members of the Board of Directors who are in charge of accounting or finance have expertise and/or knowledge in the area of accounting	Comply	The Bank's Director of Finance possesses expertise in the area of accounting and has been disclosed in the Annual Report of the 2019 financial year in the Board of Directors profile section.

GCG Implementation and Commitment

Principles	Recommendation	Compliance	Implementation
Principle 6 Improving the Quality of the Implementation of the Duties and Responsibilities of the Board of Directors	6.1 The Board of Directors has a self-assessment policy to assess its performance	Comply	The Board of Directors has a self-assessment policy to assess its performance, including: <ol style="list-style-type: none"> 1. The purpose and objectives of the activity along with the assessment 2. Time of implementation 3. Assessment benchmarks or criteria <p>The policy is regulated by the Charter of the Remuneration and Nomination Committee</p>
	6.2 The Board of Directors self-assessment policy is disclosed in the Annual Report of the Public Company.	Comply	The self-assessment policy has been disclosed in the Performance Assessment of the Board of Directors section of the 2019 GCG Implementation Report, which is a part of the Annual Report for the 2019 fiscal year.
	6.3 The Board of Directors has a policy regarding the resignation of the members of the Board of Directors if they are involved in financial crime.	Comply	Provisions relating to the resignation of the members of the Board of Directors involved in financial crime are regulated by the Charter of the Board of Directors
Principle 7 Improving Corporate Governance through Stakeholder Engagement	7.1 Public Company has a policy to prevent insider trading.	Comply	Provisions regarding the prevention of insider trading are regulated by the Compliance Policy and Ownership Procedures for Price Sensitive Information, Investment Transactions, and Personal Ownership
	7.2 Public Company has anti-corruption and anti-fraud policies.	Comply	The Bank has anti-corruption and anti-fraud policies as outlined in the Entertainment and Gift Procedures and Anti-Fraud Procedures.
	7.3 Public Company has policies regarding the selection and capability improvement of suppliers and vendors.	Comply	The Bank has policies regarding the management of suppliers and vendors, which include: <ol style="list-style-type: none"> a. Vendor selection criteria b. Vendor capability improvement c. Fulfillment of vendor rights <p>The provisions relating to supplier or vendor selection and capability improvement have been disclosed on the Bank's website.</p>
	7.4 Public Company has a policy to fulfill the rights of creditors.	Comply	The policy includes considerations that need to be taken when entering into agreements, as well as fulfilling obligations to creditors. The policy has been disclosed on the Bank's website.

Principles	Recommendation	Compliance	Implementation
	7.5 Public Company has a whistleblowing system policy.	Comply	<p>The Whistleblowing system policy includes:</p> <ol style="list-style-type: none"> Types of violations that can be reported through the whistleblowing system. Methods of reporting. Protection and confidentiality guarantee of the whistleblower. Complaint handling Complaint handling party. Complaint handling report and follow-up actions. <p>The policy has been disclosed on the Bank's website.</p>
	7.6 Public Company has a long-term incentive policy for the Board of Directors and the Employees.	Comply	Long-term incentive policy for the Board of Directors and the Employees is regulated by the Human Capital Policy
Principle 8 Improving Disclosure of Information	8.1 Public Company utilizes information technology, in addition to its website, as a means of information disclosure.	Comply	<p>BTPN has the following official social media accounts:</p> <p>Facebook : @BankBTPNOfficial https://facebook.com/BankBTPNofficial</p> <p>Twitter: @sahabatBTPN https://twitter.com/sahabatbtpn</p> <p>Instagram: @lifeatbtpn https://www.instagram.com/lifeatbtpn/</p> <p>Youtube: Bank BTPN https://www.youtube.com/user/BTPNBank</p>
	8.2 Annual Report of Public Company discloses any share ownership of over 5% (five percent), in addition to the disclosure of beneficiaries in share ownership of Public Company through majority and controlling shareholders.	Comply	The Bank's Annual Report disclosed any share ownership over 5%. The abovementioned information has been disclosed on the Bank's website.

Commitment of GCG Implementation in 2020

For 2020, the Bank hereby affirms its commitment to continuously carry out and improve the application of GCG principles at all levels of the Bank's organization, manifested in:

- a. implementation of duties and responsibilities of the Board of Directors;
- b. implementation of duties and responsibilities of the Board of Commissioners;
- c. implementation of duties and responsibilities of the committees;
- d. handling of conflicts of interest;
- e. implementation of the compliance function;
- f. implementation of the internal audit function;
- g. implementation of the external audit function;
- h. implementation of risk management, including internal control system;
- i. provision of funds to related parties and large exposure;
- j. transparency about the Bank's financial and non-financial situation, governance implementation report, and internal report; and
- k. bank's strategic plan.

The Bank implementation of GCG principles of the Bank in a comprehensive and structured manner in terms of three governance aspects, namely governance structure, governance process, and governance outcome.

BTPN's commitment to the implementation of GCG in 2020 includes: effective and efficient GCG implementation, zero penalties target, periodic reviews of the existing policies and procedures, implementation of corporate actions, and implementation of meetings as well as the completion of reports as required by statutory provisions.

In the financial conglomerate area, the Bank is also focused on improving the implementation of integrated governance in line with the OJK's plan to adjust the relevant provisions.

In connection with the status of BTPN and PT Bank Tabungan Pensiunan Nasional Syariah Tbk ("BTPN Syariah"), which is a subsidiary of SMBC, BTPN will also observe the implementation of GCG by taking into account cross-border legal aspects related to the provisions of the Japan Financial Services Agency (JFSA) that apply to BTPN as a subsidiary of SMBC.

2019 GCG Implementation Report

GMS

Policy

General Meeting of Shareholders (GMS) is an Organ of the Company that holds the authority not granted to the Board of Commissioners and the Board of Directors. Through the GMS, the shareholders are able to exercise their decision-making rights.

Based on the Articles of Association, the GMS of BTPN is divided into two categories, namely the Annual GMS and the Extraordinary GMS. The legal basis for holding GMS of BTPN are:

1. Law No. 40 of 2007 on Limited Liability Companies;
2. Financial Services Authority Regulation No. 32/POJK.04/2014 dated 8 December 2014 on GMS Planning and Implementation of Public Companies as amended by Financial Services Authority Regulation No. 10/POJK.04/2017 dated 14 March 2017 on the Amendment to Financial Services Authority Regulation No. 32/POJK.04/2014 on GMS Planning and Implementation of Public Companies.
3. BTPN's Articles of Association.

Rights and Responsibilities of Shareholders

The rights of the Shareholders include:

- 1) The shareholders are entitled to attend GMS in either their own right or their representative based on a power of attorney letter, both in giving response to the GMS agenda as well as participating in decision-making in accordance with the number of shares owned.
- 2) The shareholders are entitled to obtain accurate, adequate, and prompt information about the Company that is related to the GMS agenda and not conflicting to the interests of the company, allowing the shareholders to make the right decisions at the GMS.
- 3) The shareholders are entitled to acquire the benefit of the net profit distribution in the form of dividends and other forms in accordance with the number of shares owned.

The responsibilities of the Shareholders include:

- 1) Every shareholder is subject to the Bank's Articles of Association and the prevailing laws and regulations.
- 2) The controlling shareholder is required to take into account the interests of the minority shareholders and other shareholders in accordance with the applicable laws and regulations.
- 3) Minority shareholders are responsible for exercising their rights in accordance with the applicable laws and regulation, and the Bank's Articles of Association.
- 4) Disclosure of the List of related parties, if the shareholder is a controlling shareholder of the Bank.

GMS Implementation in 2019

During 2019, Bank BTPN held two GMS, namely 2018 Fiscal Year Annual GMS on 15 February 2019 and Extraordinary GMS on 11 September 2019. The materials and agenda for the GMS including with the explanation of each agenda have been published on BTPN's website on the same date as the GMS invitation.

The GMS was attended by the Public Notary and the Share Registrar as independent parties to oversee the quorum and voting.

Voting and Decision-Making Mechanisms at the GMS

The voting mechanism and the mechanism for calculating votes are set out in the GMS rules of order, which is disclosed on the Bank's website and distributed to the shareholders.

Each Shareholder or their representative has the right to ask and/or submit opinions to the Chairperson of the meeting prior to the voting in relation to each agenda item. In voting calculations, 1 share entitles its holder to issue 1 vote. If one shareholder has more than 1 share, he/she can only cast 1 vote to represent the whole number of the shares owned.

The decision-making mechanism through voting is public. Should a shareholder or their representative disagree with the proposed resolution or abstain from voting, the Chairman of the meeting will request that they raise their hand. In order to simplify the calculation, shareholders and shareholders' representatives that voted disagreed or abstained state their names and number of votes issued in the voting card supplied by Share Registrar. The notary officer will collect the filled-out voting cards and count them before reporting the result to the Chairperson of the meeting.

IMPLEMENTATION OF ANNUAL GMS

The Annual GMS was attended by shareholders and or their proxies representing 4,994,504,572 shares, or 86.7598119% of the total 5,756,702,857 shares with voting rights issued by the Company (excluding treasury shares in the amount of 95,198,900 shares).

During the Annual GMS, the shareholders/their proxies were provided with the opportunity to ask questions related to each agenda item. No questions were posed at the GMS in 2019. The GMS was attended by all incumbent members of the Company's Board of Commissioners and the Board of Directors, including members of the Audit Committee.

The Annual GMS was opened and chaired by Mari Elka Pangestu, President Commissioner (Independent) based on the Circular Resolution of the Board of Commissioners No. PS/BOC/013/XII/2018 dated 12 December 2018 and the Circular Decision of the Board of Commissioners in lieu of the Resolution Adopted at the Meeting of the Board of Commissioners No. PS/BOC/007/II/2019 dated 12 February 2019.

Stages of the Annual GMS

Submission Date of the Meeting Plan	Announcement Date	Recording Date	Date of Invitation	Meeting	Submission Date of Meeting Resolution
2 January 2019 through the Company letter No. S.002/DIRCLC/CCS/I/2019 and its revision dated 17 January 2019 through the Company letter No. S.014/DIRCLC/CCS/I/2019 submitted to the Financial Services Authority	9 January 2019 through the Company letter No. S.008/DIRCLC/CCS/I/2019 and Letter No. S.009/DIRCLC/CCS/I/2019. Published in Bisnis Indonesia and Jakarta Post, as well as on the Company's Website and the Indonesian Stock Exchange website	23 January 2019	24 January 2019 through the Company letter No. 025/DIRCLC/CCS/I/2019. Published in Bisnis Indonesia and Jakarta Post, as well as on the Company's Website and the Indonesian Stock Exchange website. The AGMS materials are also available on the Company's website.	Held at Menara BTPN, Lantai 27, Jl. DR. Ide Anak Agung Gde Agung Kav. 5.5-5.6, Jakarta 12950 on 15 February 2019.	19 February 2019 Published in Bisnis Indonesia and Jakarta Post, as well as on the Company's Website and the Indonesian Stock Exchange website. The AGMS materials are also available on the Company's website.

Annual GMS Participants

Participants attending the Annual GMS included:

Board of Directors	Board of Commissioners	Shareholders
Ongki Wanadjati Dana President Director	Mari Elka Pangestu President Commissioner (Independent)	Sumitomo Mitsui Banking Corporation, the holder of 2,336,114,903 of the Company's shares, represented by Yoshihiro Hyakutome, based on the Power of Attorney dated 8 February 2019.
Kazuhisa Miyagawa Deputy President Director	Chow Ying Hoong Vice President Commissioner	Summit Global Capital Management B.V. holder of 1,168,057,451 of the Company's shares, represented by Jaecheol Park, based on the Power of Attorney dated 30 January 2019.
Dini Herdini Compliance Director (Independent)	Takeshi Kimoto Commissioner	PT Bank Central Asia Tbk, holder of 60,083,483 of the Company's shares, represented by Fanny Surjadi, based on the Power of Attorney dated 11 February 2019.
Yasuhiro Daikoku Director	Ninik Herlani Masli Ridhwan Commissioner (Independent)	The public, holder of 1,430,248,735 of the Company's shares.
Henoch Munandar : Director		
Adrianus Dani Prabawa : Director		
Merisa Darwis : Director		
Hiromichi Kubo : Director		

Annual GMS Agenda and Resolutions

Agenda	Resolution
<p>Agenda 1: Approval of the Annual Report and the ratification of the Company's Financial Statements for the fiscal year ended 31 December 2018; granting of a full release and discharge (volledig acquit et decharge) to the members of the Board of Directors and the Board of Commissioners of the Company for the management and supervisory actions carried out during the fiscal year ended 31 December 2018</p>	<ol style="list-style-type: none"> 1. a. Approved the SMBCI Annual Report for the financial year ended 31 December 2018, including the Supervisory Report of the Board of Commissioners of SMBCI. b. Approved the BTPN Annual Report for the fiscal year ended 31 December 2018, including the Supervisory Report of the Board of Commissioners of BTPN. 2. a. Ratified SMBCI's Financial Statements for the fiscal year ended 31 December 2018 that have been audited by the Public Accounting Office SIDDHARTA WIDJAJA & Rekan with an UNQUALIFIED opinion, as contained in the 2018 SMBCI Annual Report. b. Ratified BTPN's Financial Statements for the fiscal year ended 31 December 2018 that have been audited by the Public Accounting Firm TANUDIREDA, WIBISANA, RINTIS & Rekan with an UNQUALIFIED opinion, as contained in the 2018 BTPN Annual Report. 3. Granted full release and discharge (volledig acquit et decharge) to the members of the Board of Directors and the Board of Commissioners of SMBCI who served during the fiscal year ended 31 December 2018 and the members of the Board of Directors and the Board of Commissioners of BTPN who served during the fiscal year ended 31 December 2018 for all management and/or supervisory actions (including the members of the Board of Directors and the Board of Commissioners of SMBCI and BTPN who resigned at the SMBCI and BTPN Extraordinary General Meeting of Shareholders on 5 October 2018), as long as those actions are reflected in the Annual Report and the Financial Statements of SMBCI and BTPN for the fiscal year ended 31 December 2018, by taking into account of the prevailing laws and regulations.
<p>Basis of Adoption of Resolution:</p> <ol style="list-style-type: none"> 1. Affirmative : 4,993,859,772 or 99.9870898% 2. Non-Affirmative : - 3. Abstain : 644,800 or 0,0129102% <p>Total Affirmative Votes : 4,994,504,572 atau 100.0000000%</p>	
<p>Basis of Decision : Unanimous Vote</p>	
<p>Realization/Follow-up: The Company's Annual Report and financial statements have been approved by the Shareholders and are available on the Company's website.</p>	

2019 GCG Implementation Report

Agenda	Resolution
<p>Agenda 2: Determination on the appropriation of the Company's net profit for the fiscal year ended at 31 December 2018</p>	<ol style="list-style-type: none"> 1. Confirmed that in accordance with the Profit and Loss Statement of SMBCI for the fiscal year ended on 31 December 2018, the total net profit acquired by SMBCI during the fiscal year amounted to Rp989,673,000,000 (nine hundred eighty nine billion six hundred seventy three million Rupiah). 2. Confirmed that in accordance with the Profit and Loss Statement of BTPN for the fiscal year ended on 31 December 2018, the total net profit earned by BTPN in the fiscal year amounted to Rp1,968,290,937,818 (one trillion nine hundred sixty-eight billion two hundred ninety million nine hundred thirty-seven thousand eight hundred eighteen rupiah) 3. Approved the use of SMBCI's total net profit in the amount of Rp989,673,000,000 (nine hundred eighty-nine billion six hundred seventy-three million Rupiah) as follows: <ol style="list-style-type: none"> a. For the fiscal year ended 31 December 2018, SMBCI will not distribute dividends to shareholders; b. The total comprehensive net income after income tax obtained by SMBCI during the fiscal year ended 31 December 2018, amounting to Rp989,673,000,000 (nine hundred eighty nine billion six hundred seventy three million Rupiah) shall be booked as retained earnings. 4. Approved the use of the total net profit obtained by the Company in the amount of Rp1,968,290,937,818 (one trillion nine hundred sixty eight billion two hundred ninety million nine hundred thirty seven thousand eight hundred eighteen Rupiah) as follows: <ol style="list-style-type: none"> a. For the fiscal year ended 31 December 2018, the Company will not distribute dividends to shareholders; b. The total comprehensive net income after income tax obtained by the Company during the financial year ended 31 December 2018, amounting to Rp1,968,290,937,818 (one trillion nine hundred sixty-eight billion two hundred ninety million nine hundred thirty-seven thousand eight hundred eighteen Rupiah) shall be booked as retained earnings.
<p>Basis of Adoption of Resolution:</p> <ol style="list-style-type: none"> 1. Affirmative : 100% 2. Non-Affirmative : - 3. Abstain : - <p>Basis of Decision : Unanimous Vote</p>	
<p>Realization/Follow-up: The total net income used as retained earnings</p>	

Agenda	Resolution																										
<p>Agenda 3: Changes to the composition of the members of the Board of Directors and the Board of Commissioners of the Company.</p>	<p>1. Approved to reappoint:</p> <p>BOARD OF DIRECTORS</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">President Director</td> <td>: ONGKI WANADJATI DANA</td> </tr> <tr> <td>Deputy President Director</td> <td>: KAZUHISA MIYAGAWA;</td> </tr> <tr> <td>Compliance Director (Independent)</td> <td>: DINI HERDINI;</td> </tr> <tr> <td>Director</td> <td>: YASUHIRO DAIKOKU;</td> </tr> <tr> <td>Director</td> <td>: HENOCH MUNANDAR;</td> </tr> <tr> <td>Director</td> <td>: ADRIANUS DANI PRABAWA;</td> </tr> <tr> <td>Director</td> <td>: HIROMICHI KUBO;</td> </tr> <tr> <td>Director</td> <td>: MERISA DARWIS;</td> </tr> </table> <p>BOARD OF COMMISSIONERS</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">President Commissioner (Independent)</td> <td>: MARI ELKA PANGESTU;</td> </tr> <tr> <td>Vice President Commissioner</td> <td>: CHOW YING HOONG;</td> </tr> <tr> <td>Commissioner</td> <td>: TAKESHI KIMOTO;</td> </tr> <tr> <td>Commissioner (Independent)</td> <td>: NINIK HERLANI MASLI RIDHWAN;</td> </tr> <tr> <td>Commissioner (Independent)</td> <td>: VACANT (position previously held by TONI PRASETIANTONO)</td> </tr> </table> <p>Effective at the closing of the Meeting and up to the closing of the Annual General Meeting of Shareholders in 2022 without prejudice to any changes that may occur prior to the end of the term of office.</p> <p>2. Granted full power and authority to the Board of Directors of the Company with the right of substitution to restate the decision in item 1 in the agenda of the Meeting into a Notarial deed and submit all relevant documents to the authorized institution, including but not limited to the Ministry of Law and Human Rights, and take any necessary actions to do so in accordance with the Company's Articles of Association, the Bank Indonesia Regulations and the Financial Services Authority Regulations.</p>	President Director	: ONGKI WANADJATI DANA	Deputy President Director	: KAZUHISA MIYAGAWA;	Compliance Director (Independent)	: DINI HERDINI;	Director	: YASUHIRO DAIKOKU;	Director	: HENOCH MUNANDAR;	Director	: ADRIANUS DANI PRABAWA;	Director	: HIROMICHI KUBO;	Director	: MERISA DARWIS;	President Commissioner (Independent)	: MARI ELKA PANGESTU;	Vice President Commissioner	: CHOW YING HOONG;	Commissioner	: TAKESHI KIMOTO;	Commissioner (Independent)	: NINIK HERLANI MASLI RIDHWAN;	Commissioner (Independent)	: VACANT (position previously held by TONI PRASETIANTONO)
President Director	: ONGKI WANADJATI DANA																										
Deputy President Director	: KAZUHISA MIYAGAWA;																										
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Commissioner (Independent)	: NINIK HERLANI MASLI RIDHWAN;																										
Commissioner (Independent)	: VACANT (position previously held by TONI PRASETIANTONO)																										
<p>Basis of Adoption of Resolution:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 20%;">1. Affirmative</td> <td>: 4,963,942,865 or 99.3880933%</td> </tr> <tr> <td>2. Non-Affirmative</td> <td>: 30,561,707 or 0.6119067%</td> </tr> <tr> <td>3. Abstain</td> <td>: -</td> </tr> </table> <p>Basis of Decision : Majority Vote</p>		1. Affirmative	: 4,963,942,865 or 99.3880933%	2. Non-Affirmative	: 30,561,707 or 0.6119067%	3. Abstain	: -																				
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2. Non-Affirmative	: 30,561,707 or 0.6119067%																										
3. Abstain	: -																										
<p>Realization/Follow-up: Deed of Resolution of the Annual General Meeting of Shareholders of PT Bank BTPN Tbk No.14 dated 15 February 2019 made by Notary Ashoya Ratam, SH, MKn., Notary in South Jakarta Administrative City.</p>																											

Agenda	Resolution
<p>Agenda 4: Determination on the remuneration, allowances, tantiem an/or bonus to the for the members of the Board of Directors as well as honorarium, allowances, tantiem and/or bonus to the Board of Commissioners of the Company. for the members of the Board of Commissioners for the fiscal year ended 31 December 2019; for services rendered to the Company during the financial year ended 31 December 2018, which shall be paid in the 2019 fiscal year.</p>	<ol style="list-style-type: none"> 1. Granted full power and authority to the Company's Board of Commissioners to determine the total amount of salary and allowances to be paid to members of the Board of Directors for the year ended 31 December 2019 and the amount of bonuses to be paid to the members of the Board of Directors for the services provided in the fiscal year ended 31 December 2018, which shall be paid in 2019. Determined the distribution of the salaries, allowances and bonuses among the members of the Board of Directors with due consideration of the recommendations of the Company's Remuneration and Nomination Committee. 2. In accordance with the recommendations of the Remuneration and Nomination Committee contained in the Minutes of the Company's Remuneration and Nomination Committee Meeting No. MOM/RNC/002/II/2019 dated 8 February 2019, which were approved by the Board of Commissioners in the Circular Decision of the Board of Commissioners No. PS/BOC/005/II/2019 8 dated February 2019, the total amount of honorarium and allowances for the members of the Board of Commissioners for the fiscal year ended 31 December 2019 and the amount of bonuses for the members of the Board of Commissioners for services in the fiscal year ended 31 in December 2018, which shall be paid in 2019, is to be no more than Rp27.3 billion (twenty-seven point three billion Rupiah) gross, before income tax. Granted the authority to the Board of Commissioners to determine the distribution of the total honorarium, allowances, and bonuses among the members of the Board of Commissioners with due consideration of the recommendations of the Company's Remuneration and Nomination Committee. 3. The amount of bonuses for the members of the Board of Directors and the Board of Commissioners will reduce the amount of tantieme reserves posted in the Company's Balance Sheet or Financial Position Report for the year ended 31 December 2018, provided that there is a residual amount in the tantieme reserves after the deduction of the amount of bonuses paid to the members of the Board of Directors and the Board of Commissioners, the remaining amount will be posted as other income from the Company in the fiscal year ended 31 December 2019. 4. The amount of salary and allowances, including bonuses, to be paid by the Company to the members of the Board of Directors, as well as the amount of honorarium and allowances, including bonuses, to be paid by the Company to the members of the Board of Commissioners, in 2019 (two thousand and nineteen) will be outlined in The Annual Report for the fiscal year ended 31 December 2019 and will be submitted to the Financial Services Authority. 5. The power and authority granted shall be effective as of the date the proposal submitted in this agenda is approved by this Meeting and cannot be cancelled.
<p>Basis of Adoption of Resolution:</p> <ol style="list-style-type: none"> 1. Affirmative : 4,994,378,572 or 99.9974772% 2. Non-Affirmative : 126,000 or 0.0025228% 3. Abstain : - 	
<p>Basis of Decision : Majority Vote</p>	
<p>Realization/Follow-up: Grant power and authority to the Board of Commissioners to determine the total amount of salary and allowances to be paid by the Company to the members of the Board of Directors, as well as honorarium and allowances for the members of the Board of Commissioners. This power and authority has been granted by the Company in accordance with the decision regarding the distribution of the total amount of honorarium, allowances, and bonuses among the members of the Board of Commissioners.</p>	
<p>Agenda 5: Appointment of a Public Accountant to audit the Company's books for the year ended 31 December 2019, and to determine the honorarium and other terms applicable to the appointment of the Public Accountant.</p>	<ol style="list-style-type: none"> 1. Appointed the Public Accounting Office SIDDHARTA WIDJAJA & Rekan and Public Accountant Liana Lim to examine or audit the Company's books and records for the Fiscal Year ended 31 December 2019. 2. Approved the honorarium of the Public Accounting Office for the fiscal year ended 31 December 2019, namely the Company's annual audit fee, in the amount of Rp8,000,000,000 (eight billion Rupiah) (excluding tax & out-of-pocket expenses). 3. Authorized the Board of Commissioners to appoint a Substitute Public Accounting Office and/or a Substitute Public Accountant in the event the Public Accounting Office and/or Public Accountant who has been appointed by the resolution the General Meeting of Shareholders for whatsoever reason unable to finalize the audit of the financial statements for the year ended 31 December 2019. This includes the determination of the conditions, including the amount of honorarium, of the appointment of the Substitute Public Accounting Office and/or Public Accountant.

Agenda	Resolution
<p>Basis of Adoption of Resolution:</p> <p>1. Affirmative : 4,974,378,572 or 99.5970371%</p> <p>2. Non-Affirmative : 20,126,000 or 0.4029629%</p> <p>3. Abstain : -</p> <p>Basis of Decision : Majority Vote</p>	
<p>Realization/Follow-up:</p> <p>Appoint the Public Accounting Office SIDDHARTA WIDJAJA & Rekan and Public Accountant Liana Lim to audit the Company's Financial Statements for the year ended 31 December 2019, and determine the conditions, including the amount of honorarium, of the appointment of the Public Accounting Office and Public Accountant.</p>	
<p>Agenda 6:</p> <p>Reconfirmation of the resolution on the Company's Management and Employee Stock Option Program (MESOP) at the General Meeting of Shareholders on 26 March 2015, the Extraordinary General Meeting of Shareholders on 29 April 2016, the Annual General Meeting of Shareholders on 24 March 2017, and the Annual General Meeting of Shareholders on 29 March 2018 and granting authorization to the Board of Commissioners to take any necessary action to implement the MESOP Program, including increasing the amount of the Company's issued and paid up capital in accordance with the resolution adopted at the abovementioned Extraordinary General Meeting of Shareholders.</p>	<p>1. Reconfirmed the resolution about the establishment and implementation of the Company's Management and Employee Stock Option Program (2015 MESOP), which was adopted at the Extraordinary General Meeting of Shareholders on 26 March 2015 (2015 EGMS), the Extraordinary General Meeting of Shareholders on 29 April 2016 (2016 EGMS), the Annual General Meeting of Shareholders on 24 March 2017 (2017 AGMS), and the Annual General Meeting of Shareholders on 29 March 2018 (2018 AGMS).</p> <p>2. Granted full power and authority to the Company's Board of Commissioners to perform any actions that are required by the applicable laws and regulations or the Company's articles of association, or deemed necessary, to realize the 2015 MESOP Program, among others:</p> <p>a. Increasing the Company's issued and paid up capital as long as this amount does not exceed Rp4,672,229,820 (four billion six hundred seventy two million two hundred twenty nine thousand eight hundred twenty Rupiah), by issuing new shares in an amount not exceeding 233,611,491 (two hundred thirty three million six hundred eleven thousand four hundred ninety one), each with a nominal value of Rp20 (twenty Rupiah), in accordance with the resolution of the 2015 EGMS, which was confirmed at the 2016 EGMS, the 2017 AGMS, and the 2018 AGMS.</p> <p>b. To create, issue, and enforce regulations, provisions, and policies of any kind regarding the implementation of the 2015 MESOP Program (without affecting the regulations applicable in the Capital Market), determine who is entitled to buy new shares issued by the Company in the framework of the 2015 MESOP Program and determine the exercise price. To make changes to the terms and conditions of the 2015 MESOP Program with the regulations and requirements that can later be issued by the authorized institutions in the Capital Market, including the Financial Services Authority.</p> <p>c. Granted the authorization to the Company's Board of Directors to take actions concerning the implementation of the 2015 MESOP Program, as long as there is no conflict of interests.</p> <p>The granting of authorization to the Board of Commissioners shall come into force from the time the proposal is accepted and approved by this Meeting. This power and authority cannot be withdrawn or revoked, by not reducing the applicable laws and regulations, including the Company Law and legislation in the Capital Market sector.</p>
<p>Basis of Adoption of Resolution:</p> <p>1. Affirmative : 4,984,152,365 or 99.7927281%</p> <p>2. Non-Affirmative : 10,352,207 or 0.2072721%</p> <p>3. Abstain : -</p> <p>Basis of Decision : Majority Vote</p>	
<p>Realization/Follow-up:</p> <p>Granting authorization to the Board of Commissioners to increase the Company's issued and paid up capital</p>	

2019 GCG Implementation Report

Agenda	Resolution
<p>Agenda 7: Reconfirmation of the resolution about the Company's Employee Stock Option Program (ESOP Program) made at the Extraordinary General Meeting of Shareholders held on 29 April 2016, the Annual General Meeting of Shareholders held on 24 March 2017, and the Annual General Meeting of Shareholders held on 29 March 2018. Submission Date of Meeting Resolution to the Board of Commissioners to take any necessary action to implement the ESOP Program, including increasing the amount of the Company's issued and paid up capital in accordance with the resolution adopted at the abovementioned Extraordinary General Meeting of Shareholders.</p>	<ol style="list-style-type: none"> 1. Reconfirmed the resolution to establish and implement the Company's Employee Stock Option Program (2016 ESOP Program) made at the 2016 EGMS, the 2017 AGMS, and the 2018 AGMS. 2. Granted authorization to the Company's Board of Commissioners to perform any actions that are required by the applicable laws and regulations or the Company's articles of association, or deemed necessary, to realize the 2016 ESOP Program, among others: <ol style="list-style-type: none"> a. Increasing the Company's issued and paid up capital as long as this amount does not exceed Rp2,336,114,920 (two billion three hundred thirty six million one hundred fourteen thousand nine hundred twenty Rupiah) by issuing new shares in an amount not exceeding 116,805,746 (one hundred and sixteen million eight hundred five thousand seven hundred forty-six), each with a nominal value of Rp20 (twenty Rupiah), in accordance with the resolution of the 2015 EGMS, which was confirmed at the 2016 EGMS, the 2017 AGMS, and the 2018 AGMS. b. To create, issue, and enforce regulations, provisions, and policies of any kind regarding the implementation of the 2016 ESOP Program (without affecting the regulations applicable in the Capital Market), determine who is entitled to buy new shares issued by the Company in the framework of the 2016 ESOP Program and determine the exercise price. To make changes to the terms and conditions of the 2016 ESOP Program with the regulations and requirements that can later be issued by the authorized institutions in the Capital Market, including the Financial Services Authority. c. Granted the authorization to the Company's Board of Directors to take actions concerning the implementation of the 2016 ESOP Program, as long as there is no conflict of interests. <p>The granting of authorization to the Board of Commissioners shall be effective when the proposal is accepted and approved by this Meeting. This authorization cannot be withdrawn or revoked, by not reducing the applicable laws and regulations, including the Company Law and legislation in the Capital Market sector.</p> 3. To eliminate doubts, the addition of the issued and paid up capital contained in this resolution does not affect the resolution to increase the Company's issued and paid up capital, which has been made in order to implement the 2015 MESOP Program, as outlined in the 6th (sixth) agenda of the Meeting.
<p>Basis of Adoption of Resolution:</p> <ol style="list-style-type: none"> 1. Affirmative : 4,984,152,365 or 99.7927281% 2. Non-Affirmative : 10,352,207 or 0.2072720% 3. Abstain : - <p>Basis of Decision : Majority Vote</p>	
<p>Realization/Follow-up: Granting of authorization to the Board of Commissioners to increase the Company's issued and paid up capital.</p>	

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

The Extraordinary GMS held by the Company on 11 September 2019 was attended by shareholders and or shareholders' proxies representing 7,933,621,769, or 98,5086637%, shares of the 8,053,729,969 shares with voting rights issued by the Company (excluding Treasury shares in the amount of 95,198,900 shares).

At the Annual GMS, the shareholders/their proxies were provided with the opportunity to ask questions relating to each agenda item. No questions were posed at the 2019 GMS.

The Extraordinary GMS was opened and chaired by Mari Elka Pangestu, President Commissioner based on the Circular Resolutions of The Board of Commissioners In Lieu of Resolutions Adopted at the Meeting of The Board of Commissioners of PT BTPN Tbk No. PS/BOC/016/VII/2019 dated 25 July 2019.

Stages of the Extraordinary GMS

Submission Date of the Meeting Plan	Announcement Date	Recording Date	Date of Invitation	Meeting	Submission Date of Meeting Resolution
26 July 2019 submitted to the Financial Services Authority through the letter No. S.210/DIRCLC/CCS/VII/2019	5 August 2019 through the Company letter No. S.218/DIRCLC/CCS/VIII/2019 published in Bisnis Indonesia and the Jakarta Post, as well as on the Company's Website and the Indonesian Stock Exchange website	19 August 2019	20 August 2019 through the Company letter No. S.233/DIRCLC/CCS/VIII/2019 published in Bisnis Indonesia and Jakarta Post, as well as on the Company's Website and the Indonesian Stock Exchange website. The EGMS materials are available on the Company's website	11 September 2019 at Menara BTPN, Lantai 27, CBD Mega Kuningan, Jl. DR. Ide Anak Agung Gde Agung Kav.5.5 -5.6, Jakarta Selatan 12950	13 September 2019 through the Company letter No. S. 268/DIRCLC/CCS/IX/2019 published in Bisnis Indonesia and Jakarta Post, as well as on the Company's Website and the Indonesian Stock Exchange website.

Extraordinary GMS Participation

Participants attending the Extraordinary GMS included:

Board of Directors	Board of Commissioners	Shareholders
Ongki Wanadjati Dana President Director	Mari Elka Pangestu President Commissioner (Independent)	Sumitomo Mitsui Banking Corporation, the holder of 7,932, 311, 297 of the Company's shares, represented by Takanori Otani, as a Joint General Manager Asia Growing Markets Division Sumitomo Mitsui Banking Corporation dari Takeshi Kimoto as a General Manager of Asia Growing Markets Division of Sumitomo Mitsui Banking Corporation based on the Power of Attorney dated 29 August 2019.
Kazuhisa Miyagawa Deputy President Director	Chow Ying Hoong Vice President Commissioner	
Dini Herdini Compliance Director (Independent)	Takeshi Kimoto Commissioner	
Yasuhiro Daikoku Director	Ninik Herlani Masli Ridhwan Commissioner (Independent) concurrently in his capacity as the Chairman of the Audit Committee	
Henoch Munandar : Director		
Adrianus Dani Prabawa : Director		
Merisa Darwis : Director		
Hiromichi Kubo : Director		

Extraordinary GMS Agenda and Resolutions

The meeting was attended by shareholders representing over 1/2 of the total shares that have been issued and paid up by the Shareholders with valid voting rights. Therefore, the meeting's attendance quorum was fulfilled and the following resolutions taken at the meeting are valid:

Agenda	Resolution																		
<p>Agenda 1: The appointment of Ms. Hanna Tantani as a Director of the Company, as well as the determination of the composition of the Board of Directors up to 2022.</p>	<p>Approved the appointment of Ms. HANNA TANTANI as a Director of the Company with the remaining term of office of the incumbent members Board of Directors, which is from the closing of this Meeting until the closing of the Annual General Meeting of Shareholders in 2022. The composition of the Company's Board of Directors is as follows:</p> <p>BOARD OF DIRECTORS</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">President Director</td> <td style="width: 50%;">: Ongki Wanadjati Dana</td> </tr> <tr> <td>Deputy President Director</td> <td>: Kazuhisa Miyagawa</td> </tr> <tr> <td>Compliance Director (Independent)</td> <td>: Dini Herdini</td> </tr> <tr> <td>Director</td> <td>: Yasuhiro Daikoku</td> </tr> <tr> <td>Director</td> <td>: Henocho Munandar</td> </tr> <tr> <td>Director</td> <td>: Adrianus Dani Prabawa</td> </tr> <tr> <td>Director</td> <td>: Merisa Darwis</td> </tr> <tr> <td>Director</td> <td>: Hiromichi Kubo</td> </tr> <tr> <td>Director</td> <td>: Hanna Tantani</td> </tr> </table> <p>The term of office of all members of the Board of Directors is effective until the closing of the Annual General Meeting of Shareholders in 2022, without prejudice to the right of the General Meeting of Shareholders and other prevailing regulations to terminate their term of office at any time before the expiration of his/her term of office.</p>	President Director	: Ongki Wanadjati Dana	Deputy President Director	: Kazuhisa Miyagawa	Compliance Director (Independent)	: Dini Herdini	Director	: Yasuhiro Daikoku	Director	: Henocho Munandar	Director	: Adrianus Dani Prabawa	Director	: Merisa Darwis	Director	: Hiromichi Kubo	Director	: Hanna Tantani
President Director	: Ongki Wanadjati Dana																		
Deputy President Director	: Kazuhisa Miyagawa																		
Compliance Director (Independent)	: Dini Herdini																		
Director	: Yasuhiro Daikoku																		
Director	: Henocho Munandar																		
Director	: Adrianus Dani Prabawa																		
Director	: Merisa Darwis																		
Director	: Hiromichi Kubo																		
Director	: Hanna Tantani																		
<p>Basis of Adoption of Resolution:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 20%;">1. Affirmative</td> <td style="width: 80%;">: 7,933,621,769 (100%)</td> </tr> <tr> <td>2. Non-Affirmative</td> <td>: -</td> </tr> <tr> <td>3. Abstain</td> <td>: -</td> </tr> </table> <p>Basis of Decision : Unanimous Vote</p>	1. Affirmative	: 7,933,621,769 (100%)	2. Non-Affirmative	: -	3. Abstain	: -													
1. Affirmative	: 7,933,621,769 (100%)																		
2. Non-Affirmative	: -																		
3. Abstain	: -																		
<p>Realization/Follow-up: Granting fully authorization to the Board of Directors of the Company with the right of substitution to restate the resolution of the first item of this agenda of the Meeting into notarial deed and to submit all related documents to any government agencies or authorities, including but not limited to the Ministry of Law and Human Rights of the Republic of Indonesia ("MOLHR") and to take necessary actions in order to carry out the above mentioned purposes in accordance with the Company's Articles Association, Bank Indonesia regulation and/or Indonesian Financial Services Authority (OJK) regulation.</p>																			

Agenda	Resolution										
<p>Agenda 2: Appointment of Mr. Irwan Mahjudin Habsjah as an Independent Commissioner of the Company, as well as the determination of the composition of the Board of Commissioners up to 2022.</p>	<p>Approved the appointment of Mr. IRWAN MAHJUDIN HABSJAH as an Independent Commissioner of the Company with the remaining term of office of the incumbent members Board of Commissioners, which is from the closing of this Meeting until the closing of the Annual General Meeting of Shareholders in 2022. The composition of the Company's Board of Commissioners is as follows:</p> <p>BOARD OF COMMISSIONERS</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">President Commissioner (Independent)</td> <td style="width: 50%;">: Mari Elka Pangestu</td> </tr> <tr> <td>Vice President Commissioner</td> <td>: Chow Ying Hoong</td> </tr> <tr> <td>Commissioner</td> <td>: Takeshi Kimoto</td> </tr> <tr> <td>Commissioner (Independent)</td> <td>: Ninik Herlani Masli Ridhwan</td> </tr> <tr> <td>Commissioner (Independent)</td> <td>: Irwan Mahjudin Habsjah</td> </tr> </table> <p>The term of office of all members of the Board of Commissioners is effective until the closing of the Annual General Meeting of Shareholders in 2022, without prejudice to the rights of the General Meeting of Shareholders and other prevailing regulations to terminate their term of office at any time, or other applicable laws and regulations before the expiration of his/her term of office.</p>	President Commissioner (Independent)	: Mari Elka Pangestu	Vice President Commissioner	: Chow Ying Hoong	Commissioner	: Takeshi Kimoto	Commissioner (Independent)	: Ninik Herlani Masli Ridhwan	Commissioner (Independent)	: Irwan Mahjudin Habsjah
President Commissioner (Independent)	: Mari Elka Pangestu										
Vice President Commissioner	: Chow Ying Hoong										
Commissioner	: Takeshi Kimoto										
Commissioner (Independent)	: Ninik Herlani Masli Ridhwan										
Commissioner (Independent)	: Irwan Mahjudin Habsjah										

Agenda	Resolution
Basis of Adoption Resolution:	
1. Affirmative	: 7,933,621,769 (100%)
2. Non-Affirmative	: -
3. Abstain	: -
Basis of Decision : Unanimous Vote	
Realization/Follow-up:	
Deed of Resolution of the Extraordinary General Meeting of Shareholders of PT Bank BTPN Tbk No.16 dated 11 September 2019, made by Notary Ashoya Ratam, SH, MKn., Notary in South Jakarta Administrative City, received and recorded in the Legal Entity Administration System through the Minister of Law and Human Rights Decree No. AHU-AH.01.03-0333131 dated 18 September 2019 concerning Receiving Notification of Changes to Company Data	

FOLLOW-UP OF THE RESOLUTIONS TAKEN AT THE 2018 GMS

Bank BTPN has realized the resolutions of the Annual GMS held during the 2018 Fiscal Year:

No.	Agenda	Resolution	Realization and Follow-up
1	Approval of the Annual Report and ratification of the Company's Financial Statements for the fiscal year ended 31 December 2017; and granting of a full release and discharge (volledig acquit et decharge) to the members of the Board of Directors and the Board of Commissioners of the Company for the management and supervisory actions carried out during the fiscal year ended 31 December 2017.	<ol style="list-style-type: none"> 1. Approve the Annual Report, including the report on the supervisory duties carried out by the Board of Commissioners, for the fiscal year ended 31 December 2017 that is a part of the 2017 Annual Report. 2. Ratify the Company's Financial Statements for the fiscal year ended 31 December 2017 that have been examined or audited by the Public Accounting Office Tanudiredja, Wibisana, Rintis & Rekan in Jakarta, with an unqualified opinion, as contained in the 2017 Annual Report. 3. Grant the release and discharge (volledig acquit et decharge) to the members of the Board of Directors who served in the fiscal year ended 31 December 2017 for all management actions; and to the Company's Board of Commissioners who served in the fiscal year ended on 31 December 2017 for all supervisory actions, which have been carried out during the fiscal year ended 31 December 2017, to the extent that such actions are reflected in the Company's Annual Report and the Company's Financial Statements for the year ended 31 December 2017, except for fraud, embezzlement, and other criminal acts. 	The Company's Annual Report and financial statements were approved by the Shareholders at the Annual GMS on 29 March 2018 and are available on the Company's website.

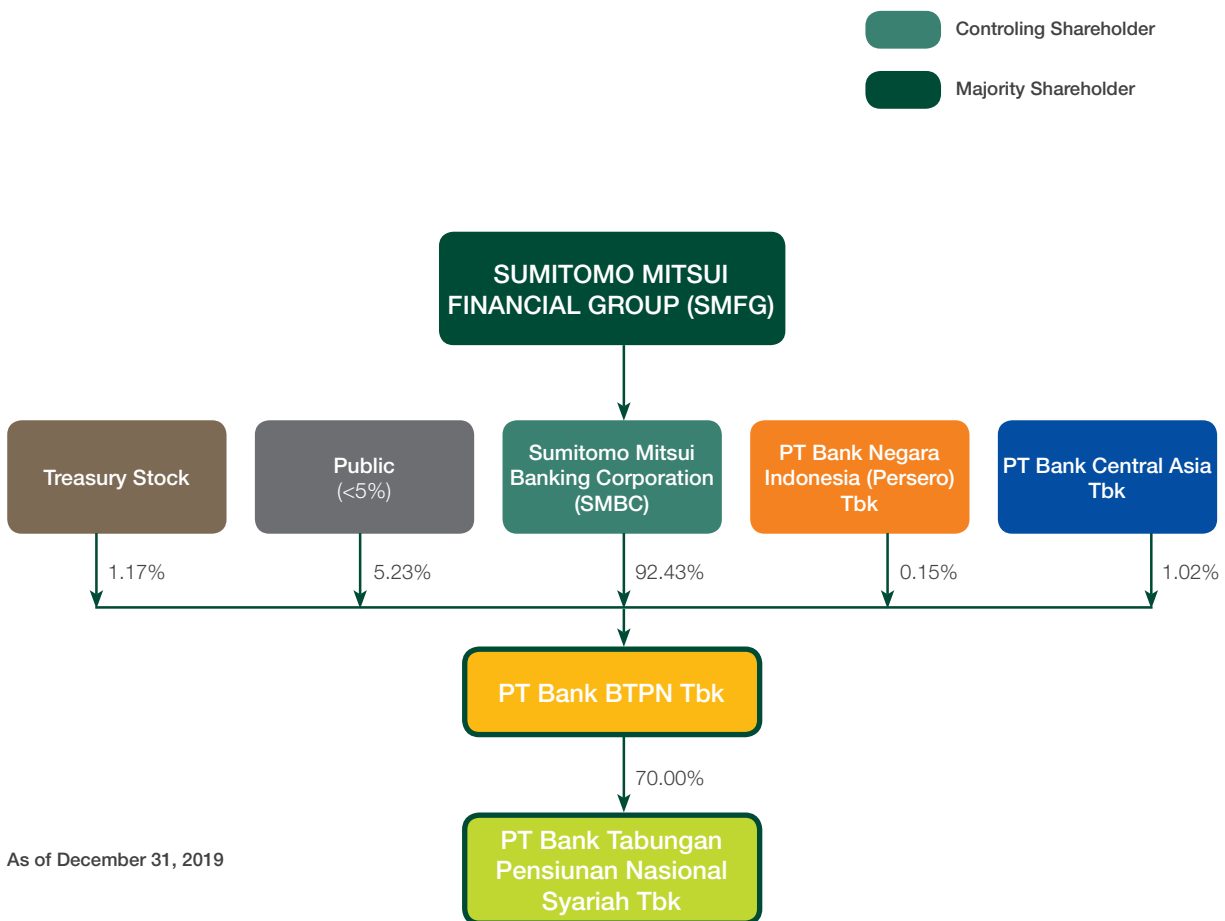
2019 GCG Implementation Report

No.	Agenda	Resolution	Realization and Follow-up
2	Determination of the appropriation of the Company's net profit for the fiscal year ended 31 December 2017.	<ol style="list-style-type: none"> 1. Confirm that in accordance with the Profit and Loss Statement of the Company for the fiscal year ended 31 December 2017, the net profit acquired by the Company amounts to Rp1,220,886,000,000. 2. Approve the appropriation of the Company's net profit for the fiscal year ended 31 December 2017 in the amount of Rp1,220,886,000,000 as follows: <ol style="list-style-type: none"> a. For fiscal year ended 31 December 2017, the Company shall distribute dividend to the shareholders in the aggregate amount of Rp574,509,000,000 or Rp100 per share, subject to the following: <ol style="list-style-type: none"> i. The Board of Directors shall deduct dividend tax at the rate outlined in the tax regulations applicable to the shareholder receiving the dividend, and ii. The Board of Directors is hereby granted the power and authorization to resolve any matters related to the realization of the payment of the dividend for the 2017 fiscal year. 3. The remaining net profit in the amount of Rp646,377,000,000 shall be booked as Retained Earnings. 	The resolution has been realized and followed up.
3	Approval of the resignation of a member of the Board of Directors of the Company.	<ol style="list-style-type: none"> 1. Approve the resignation of Wolf Arno Kluge as a Director of the Company, effective as of 29 March 2018, with thanks and appreciation for services rendered during his respective tenure as a Director of the Company. 2. As of the closing of the annual GMS, the composition members of the Board of Directors and the Board of Commissioners is as follows: <p style="margin-left: 20px;">BOARD OF DIRECTORS</p> <ul style="list-style-type: none"> - President Director (Independent) : Jerry Ng - Deputy President Director : Ongki Wanadjati Dana - Deputy President Director : Djemi Suhendra - Compliance Director (Independent) : Anika Faisal - Director : Kharim Indra Gupta Siregar - Director : Arief Harris Tandjung <p style="margin-left: 20px;">BOARD OF COMMISSIONERS</p> <ul style="list-style-type: none"> - President Commissioner (Independent) : Mari Elka Pangestu - Commissioner (Independent) : Irwan Mahjudin Habsjah - Commissioner (Independent) : Arief Tarunakarya Surowidjojo - Commissioner : Chow Ying Hoong - Commissioner : Shinichi Nakamura <p style="margin-left: 20px;">The term of office of the members of the Board of Directors and the Board of Commissioners shall legally expire at the Annual GMS in 2019.</p> 	The resolution has been realized and followed up.

No.	Agenda	Resolution	Realization and Follow-up
4	Approval of the amount of remunerations, and the type and amount of allowances, for the Board of Directors, and the amount of honorarium, and the type and amount of allowances, for the Board of Commissioners for the financial year ending 31 December 2018. Determination of the amount of bonuses for the members of the Board of Directors and the Board of Commissioners for services rendered during the financial year ended 31 December 2017, which shall be paid in the book year 2018.	<ol style="list-style-type: none"> 1. Granted fully authorization to the Board of Commissioners of the Company to determine the aggregate amount of salary and allowances for the members of the Board of Directors for the fiscal year ending 31 December 2018 and the aggregate amount of bonuses payable to the members of the Board of Directors for the services rendered during the fiscal year ended 31 December 2017, which will be paid in the year 2018, and to determine the distribution of such aggregate amount of salary, allowances and bonuses among the members of the Board of Directors; 2. Confirmed that the amount of honorarium and allowances for the Board of Commissioners for the book year ending 31 December 2018 and the amount of bonuses for the Board of Commissioners for services rendered during the fiscal year ended 31 December 2017, which will be paid in 2018, shall not exceed the aggregate amount of Rp27,300,000,000 gross, before deduction of Income Tax. Grant power and authority to the Board of Commissioners to determine the distribution of the said amount of honorarium, allowances and bonuses among the members of the Board of Commissioners. 	The resolution has been realized and followed up.
5	To appoint a Public Accountant to audit the Company's books for the fiscal year ending 31 December 2018, and to determine the honorarium and other terms applicable to the appointment of the Public Accountant.	<ol style="list-style-type: none"> 1. Appoint the Public Accountant Office of Tanudiredja, Wibisana, Rintis and Partners to examine or audit the Company's books and records for the fiscal year ending 31 December 2018. 2. Approve the honorarium of the Public Accountant Office for the book year ending 31 December 2018, namely the Company's annual audit fee of Rp5,755,000,000 (excluding taxes & out-of-pocket expenses). 3. Grant the power and authority to the Board of Commissioners to: <ol style="list-style-type: none"> a. Appoint the Public Accountant from the Public Accountant Office Tanudiredja, Wibisana, Rintis and Partners to audit the Company's Financial Statement for the year ending 31 December 2018. b. Appoint a Substitute Public Accountant Office and/or a Substitute Public Accountant in case the Public Accountant Office and/or Public Accountant appointed pursuant to the resolution of General Meeting of Shareholders cannot complete the audit of the Company's books and records for the book year ending 31 December 2018, including to determine the amount of honorarium and other prerequisites in relation to the appointment of the Substitute Public Accounting Office and/or Public Accountant. 	The resolution has been realized and followed up.

No.	Agenda	Resolution	Realization and Follow-up
6	To render accountability in relation to the utilization of funds acquired from the Public Offering Shelf Registry Bond III BTPN Fixed Coupon Rate Phase II Year of 2017 in the aggregate amount of Rp1,500,000,000,000 (one trillion five hundred billion Rupiah)	No resolution has been adopted, as this item of the agenda is for reporting accountability on the utilization of funds acquired from the Public Offering of Shelf Registry Bond III BTPN with Fixed Coupon Rate Phase II Year of 2017.	The decision has been realized and followed up.

Major and Controlling Shareholders



Board of Commissioners

The Board of Commissioners is one of the most important organs of the Company when it comes to the implementation of good corporate governance. To fulfill this, the Bank has appointed a number of Commissioners in accordance with the applicable regulations set by the regulator.

The appointment of the members of the Board of Commissioners is carried out by the General Meeting of Shareholders (GMS) based on the recommendations of the Nomination and Remuneration Committee and is valid from the date specified at the GMS and until the closing of the 3rd (third) GMS after the date of appointment.

The determination of the composition of the Board of Commissioners takes into account the Bank's needs and complexity. The selection of the members of the Board of Commissioners is based on their

expertise, professional experience, as well as background. In order to support the effectiveness of the implementation of the duties of the Board of Commissioners, the Bank's policy is to determine the composition of the Board of Commissioners without discrimination on the basis of gender, ethnicity, race, and religion.

Legal Basis

The Board of Commissioners in a corporate organization is governed by a number of applicable regulations, including Law No. 40 of 2007 on Limited Liability Companies and Financial Services Authority, Regulation No. 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of Issuers or Public Companies, including the Company's Articles of Association.

All of these provisions require companies under Indonesian law to have a Board of Commissioners, which has the duty of overseeing the

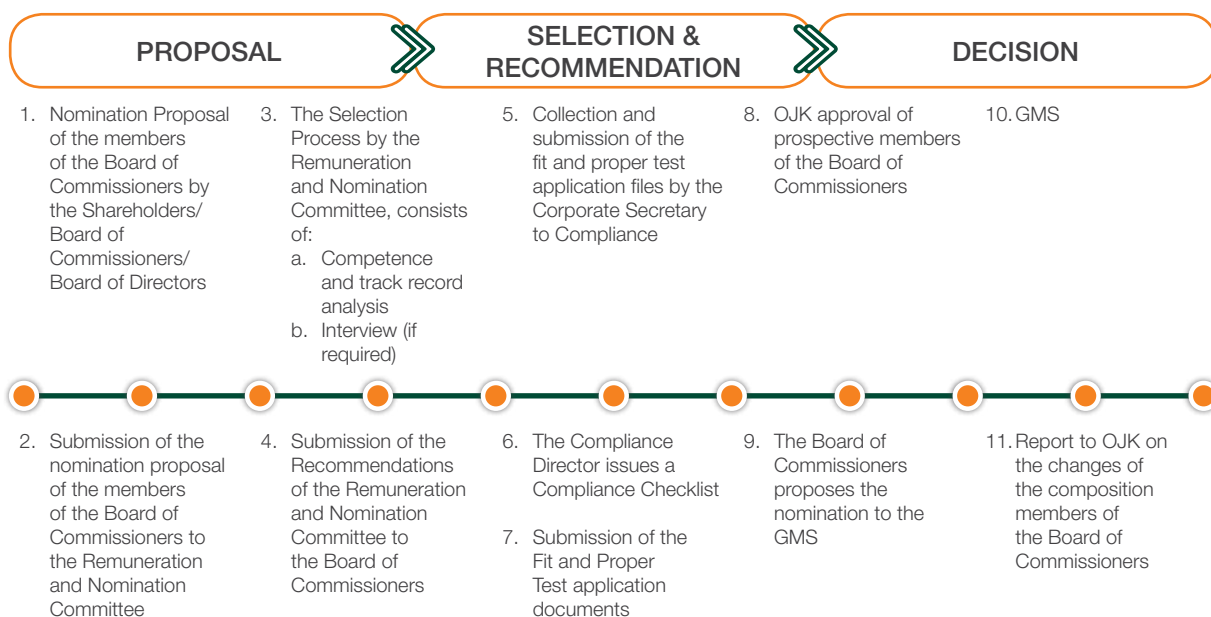
Company's management policies and processes, as well as to supervising and providing advice/guidance to the Board of Directors.

Appointment Procedure

The Nomination Policy for the members of the Board of Commissioners is carried out through the General Meeting of Shareholders. The candidate selection process is carried out by the Nomination and Remuneration Committee, which takes into account the nominees' competence, professional experience, as well as the board's diversity. The Company does not discriminate on the basis of race, ethnicity, gender, and religion.

The Nomination and Remuneration Committee proposes the selected candidates to the Board of Commissioners for approval and ratification by the General Meeting of Shareholders.

The following table outlines the nomination process of the members of the Board of Commissioners:



Criteria for the Members of the Board of Commissioners

In accordance with the prevailing regulations, members of the Board of Commissioners and the Board of Directors must undergo the Fit and Proper Test prior to their appointment. The Bank's Management must fulfill the requirements of integrity, competence and good financial reputation. As at 31 December 2019, all the members of the Board of Commissioners and the Board of Directors had passed the fit and proper test.

Independence of the Board of Commissioners

Bank BTPN complies with the prevailing laws and regulations that govern the independence of the Board of Commissioners:

- The Board of Commissioners of BTPN has the required number of members who have fulfilled the criteria and independence outlined in OJK regulations. The Board of Commissioners consists of 5 members, of which 3 members, or more than 50.0%, are Independent Commissioners. The Independent Commissioners have fulfilled the independence criteria outlined in OJK regulations.
- Replacement and appointment of the members of the Board of Commissioners takes into consideration the recommendations of the

Nomination and Remuneration Committee.

- The members of the Board of Commissioners have no family relations up to the second degree with other members of the Board of Commissioners and/or the Board of Directors.
- The members of the Board of Commissioners do not hold any concurrent positions in line with OJK Regulation.

Members of the Board of Commissioners of the Company sign a statement regarding the implementation of Corporate Governance during the fit and proper test. This statement is updated every year, and the latest is for the position at the end of December 2019.

Manual of the Board of Commissioners

When performing their duties and responsibilities, the members of the Board of Commissioners are guided by the Board Manual of the Board of Commissioners. The Board Manual is periodically updated in accordance with the prevailing laws and regulations. The Board Manual of the Board of Commissioners was most recently reviewed on 1 February 2019.

The contents of the Manual of the Board of Commissioners covers:

1. Organization
2. Independence
3. Duties, Responsibilities, and Authority
4. Establishment of Committees
5. Function of the President Commissioner
6. Ethical Values of the Members of the Board of Commissioners
7. Meetings
8. Accountability of the Board of Commissioners

Composition of the Board of Commissioners

The number of the members of the Board of Commissioners is 5 (five) people and shall not exceed the number of the members of the Board of Directors, which is 9 (nine). Three out of 5 (five) members, or over 50% (fifty percent) of the members, of the Board of Commissioners are Independent Commissioners. The majority of the members of the Board of Commissioners are Indonesian citizens who are domiciled in Indonesia.

Based on the decision of the Annual General Meeting of Shareholders on 15 February 2019 and the Extraordinary General Meeting of Shareholders on 11 September 2019, there was a change to the composition of the members of the Board of Directors and the Board of Commissioners with the following composition:

The stages of the change in the composition of the Board of Commissioners include:

Period Before the Annual GMS on 15 February 2019

No.	Name	Position	Term of Office
1	Mari Elka Pangestu	President Commissioner (Independent)	After the Merger Effective Date (1 February 2019 – 2022)
2	Chow Ying Hoong	Vice President Commissioner	After the Merger Effective Date (1 February 2019 – 2022)
3	Ninik Herlani Masi Ridhwan	Commissioner (Independent)	After the Merger Effective Date (1 February 2019 – 2022)
4	Takeshi Kimoto	Commissioner	After the Merger Effective Date (1 February 2019 – 2022)

Period After the Annual GMS on 15 February 2019

No.	Name	Position	Term of Office
1	Mari Elka Pangestu	President Commissioner (Independent)	2019-2022
2	Chow Ying Hoong	Vice President Commissioner	2019-2022
3	Ninik Herlani Masli Ridhwan	Commissioner (Independent)	2019-2022
4	Takeshi Kimoto	Commissioner	2019-2022

Period After the Extraordinary GMS on 11 September 2019

No.	Name	Position	Term of Office
1	Mari Elka Pangestu	President Commissioner (Independent)	2019-2022
2	Chow Ying Hoong	Vice President Commissioner	2019-2022
3	Ninik Herlani Masli Ridhwan	Commissioner (Independent)	2019-2022
4	Takeshi Kimoto	Commissioner	2019-2022
5	Irwan Mahjudin Habsjah	Commissioner (Independent)	2019-2022

Duties and Responsibilities of Each Member of the Board of Commissioners

In general, the members of the Board of Commissioners have the following duties and responsibilities:

- Ensure the implementation of Good Corporate Governance at all levels of the organization.
- Monitor the implementation of the duties and responsibilities of the Board of Directors and provide the Board of Directors with advice.
- Direct, monitor and evaluate the implementation of the Bank's strategic policies.
- Provide sufficient time to fulfill its duties and responsibilities optimally.
- Ensure that the Board of Directors has followed up the audit findings and the recommendations submitted by the Internal Audit, external auditor, monitoring result from Financial Services Authority and/or other regulatory authorities.

Each member of the Board of Commissioners has specific duties, as described below:

No.	Name	Position	Term of Office
1	Mari Elka Pangestu	President Commissioner (Independent)	Duties and responsibilities as the Chairwoman of the Remuneration and Nomination Committee
2	Chow Ying Hoong	Vice President Commissioner	Duties and responsibilities as a member of the Nomination and Remuneration Committee
3	Ninik Herlani Masli Ridhwan	Commissioner (Independent)	Duties and responsibilities as: a. Chairwoman of the Audit Committee b. Member of the Remuneration and Nomination Committee c. Member of the Integrated Governance Committee
4	Takeshi Kimoto	Commissioner	Duties and responsibilities as a member of the Risk Monitoring Committee
5	Irwan Mahjudin Habsjah	Commissioner (Independent)	Duties and responsibilities as: a. Chairman of the Risk Monitoring Committee b. Chairman of the Integrated Governance Committee

Realization of the 2019 Work Plan

In 2019, the Board of Commissioners actively supervised the management and operations of the Bank, and provided advice to the Board of Directors. The Board of Commissioners continued to monitor the implementation of corporate governance in all Bank activities. The board's supervision focused on achieving business targets and took into account prudent risk management and regulatory compliance.

Supervision was performed directly through the monitoring of the action plan on the Board of Commissioners recommendations to the Board of Directors, as well as through the established committees. Throughout

2019, the Board of Commissioners supervised the following:

1. Financial performance reviews of the Bank and its Subsidiaries.
2. Through the Risk Monitoring Committee, reviews were carried out of the Bank's risk management, the adequacy of the internal control system, and the implementation of a culture of compliance.
3. Ensuring that the Board of Directors has followed up the findings of the Internal Audit and External Audit, as well as the recommendations of the Internal Audit through the Audit Committee.
4. The Board of Commissioners approved the recommendations of the Nomination and Remuneration Committee in relation to determining the remuneration of the members of the Board of Commissioners and the Board of Directors.
5. Approval of the revision of the Bank's Business Plans (RBB) 2019-2021.
6. Review and approval of the Bank's Business Plans (RBB) 2020-2022 and the Sustainable Finance Action Plan (RAKB).
7. Monitoring of the implementation of Integrated Corporate Governance and Risk Management.
8. Approval of the Board of Commissioners in connection with the Annual Work Plan of the Audit Committee and the Risk Monitoring Committee.
9. The Board of Commissioners monitors the implementation of governance and compliance with the applicable regulations including financial ratios, Bank soundness levels - RBBR, APU PPT implementation, and risk management.

Disclosure of Share Ownership

In accordance with the Financial Services Authority Regulations and the Corporate Governance Policy in relation to the Share Ownership Report or any Changes to the Share Ownership of the Board of Directors, the Board of Directors conducted BTPN share purchase transactions in 2019. All changes in share ownership have been reported in compliance with the applicable regulations. The following table shows the share ownership of the members of the Board of Commissioners and the Board of Directors as at 31 December 2018: (will be updated after cash offer period)

Name	Total Shares	Share Percentage	Status
BOARD OF COMMISSIONERS			
Mari Elka Pangestu	0	0.00%	President Commissioner (Independent)
Chow Ying Hoong	0	0.00%	Vice President Commissioner
Ninik Herlani Masli Ridhwan	0	0.00%	Commissioner (Independent)
Takeshi Kimoto	0	0.00%	Commissioner
Inwan Mahjudin Habsjah	0	0.00%	Commissioner (Independent)

Orientation for the Board of Commissioners

Bank BTPN ensures that all members of the Board of Commissioners who have just taken office are provided with the sufficient information about the Company to be able to carry out their duties and responsibilities. The Corporate Secretary is responsible for the provision of the necessary information.

Assessment of the Committees Under the Board of Commissioners and the Basis of Assessment

Assessment of the Committees Under the Board of Commissioners and the Basis of Assessment. During 2019, the committees under the supervision of the Board of Commissioners carried out their supervisory duties appropriately through regular meetings with the Board of Commissioners, and visiting branch offices to ensure the implementation of compliance, accountability, and governance.

The performance assessment of the committees under the Board of Commissioners is carried out through a self-assessment by each committee member, which is summarized quantitatively.

Independent Commissioners

Number of Independent Commissioners

In 2019, 3 (three) of the 5 (five) members of the Board of Commissioners were Independent Commissioners. Accordingly, this number meets the provisions of the Financial Services Authority (OJK) which stipulates that at least 50% of the total members of the Board of Commissioners are Independent Commissioners.

Criteria for Independent Commissioners

The role of the Independent Commissioners is crucial to implementing the duties and responsibilities of the Board of Commissioners. Some of the duties of Independent Commissioners include supervision on the performance of the Board of Directors, preventing conflicts of interest, as well as increasing independence and objectivity.

Independent Commissioners shall fulfill the following requirements:

- 1) Has no financial relations, share ownership and/or family relations with the members of the Board of Commissioners, the Board of Directors and/or the controlling shareholders, which may affect their ability to act independently.
- 2) Not a person who works at the Bank or has had the authority and responsibility to plan, lead, control, or monitor the Bank's activities within the last 1 (one) year, except for reappointment as Independent Commissioner;
- 3) Does not hold the Bank's shares, either directly and indirectly ;
- 4) Does not have any affiliate relations with the Bank, the members of the Board of Commissioners, the members of the Board of Directors or the controlling shareholders of the Bank; and
- 5) Does not have a business relationship, either directly or indirectly, related to the Bank's business activities.

Independency of Independent Commissioners

In accordance with Financial Services Authority Regulation (OJK) No. 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of Issuers or Public Companies, Independent Commissioners are members of the Board of Commissioners external to the Issuer or Public Company, and meet the requirements for acting as Independent Commissioners

Independency	Mari Elka Pangestu	Ninik Herlani Masli Ridhwan	Irwan Mahjudin Habsjah
Does not own shares at the Bank, either directly or indirectly	√	√	√
Does not have a direct or indirect business relationship related to the Bank's business activities	√	√	√
Does not hold concurrent positions as a Director or an Executive Officer who conducts supervision	√	√	√
Has no family relation up to the second degree with fellow member of the Board of Commissioners and/or the members of the Board of Directors	√	√	√

Board of Directors

The Board of Directors is an important organ in the Bank's corporate governance structure, which has full responsibility for the management of the Bank, in accordance with the purposes and objectives of the Bank. This authority is used to achieve the Bank's objectives. This is in line with the regulations that state that the Board of Directors can represent the Bank both in and out of court in accordance with the provisions of the articles of association.

Each member of the Board of Directors carries out his/her duties in accordance with the division of duties and authority. The objective of this is to achieve management effectiveness and accomplish maximum results. The Board of Directors of Bank BTPN upholds professionalism, objectivity, strategic thinking, and prioritizes the interests of the Bank.

Legal Basis

The legal basis of the Board of Director in a corporate organization includes Law No. 40 of 2007 on Limited Liability Companies and Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of Issuers or Public Companies, including the Company's Articles of Association.

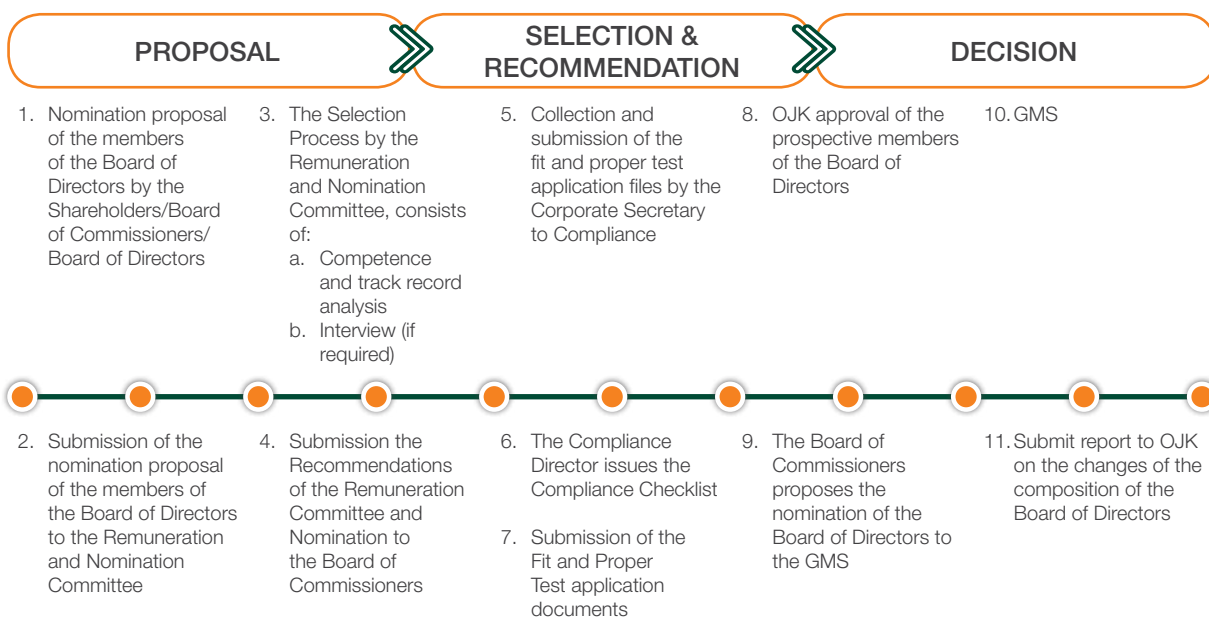
In addition, the Bank also Refers to OJK Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks, which stipulates that the Board of Directors is fully responsible for the management of the Bank. For this reason, the Board of Directors must apply the principles of good governance in each of the Bank's business activity at all levels of the organization.

Appointment Procedure

The nomination policy of members of the Board of Directors is carried out through the General Meeting of Shareholder. The candidate selection process is carried out by the Nomination and Remuneration Committee, which takes into account the nominees' competence, professional experience, as well as the board's diversity. The Company does not discriminate on the basis of race, ethnicity, gender, and religion.

The Nomination and Remuneration Committee proposes the selected candidates to the Board of Commissioners for approval and ratification by the General Meeting of Shareholders. The candidates for the Board of Directors must pass the Fit and Proper Test before carrying out their duties. The Bank's Management must fulfill the integrity, competence and financial reputation requirements. As at 31 December 2019, all members of the Board of Directors had passed the fit and proper test.

The following table outlines the nomination process of the members of the Board of Directors:



Criteria for the Board of Directors

The criteria for the members of the Board of Directors references the Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of Issuers or Public Companies.

When appointed, members of the Board of Directors must meet a number of requirements, including:

- a. Good character and integrity
- b. Competent in conducting legal actions
- c. Within 5 (five) years of the appointment and during the term of office:
 1. Has not been declared bankrupt
 2. Has not been a member of the Board of Directors and/or a member of the Board of Commissioners who has been found guilty of causing a company to be declared bankrupt
 3. Has not been penalized for committing a crime that is detrimental to the state finances and/or related to the financial sector
 4. Has not been a member of the Board of Directors and/or a member of the Board of Commissioners who during his/her term has:
 - i. Failed to convene an Annual GMS
 - ii. Has had his/her accountability as a member of the Board of Directors and/or a member of the Board of Commissioners refused by the GMS or has not been granted his/her accountability as a member of the Board of Directors and/or a member of

the Board of Commissioners to the GMS

- iii. Has caused a company with a license, approval or registration from the Financial Services Authority to fail to fulfill its obligation to submit an annual report and/or financial statement to the Financial Services Authority.
5. Is committed to comply with rules and regulations.
6. Has the knowledge and/or expertise in the field required by the Issuer or Public Company.

The fulfillment of these requirements shall be outlined in a statement and submitted to the Bank. Furthermore, the Bank must examine and document this statement.

Independence of the Board of Directors

The composition of the Board of Directors is determined by taking into account the Bank's needs and complexity. The composition of the Board of Directors is based on its members' banking knowledge, expertise, professional experience, and background. The Bank does not discriminate on the basis of gender, ethnicity, race, and religion. The number of the members of the Board of Directors of BTPN is 9 (nine) people, 3 (three) of whom are female.

Bank BTPN complies with the prevailing laws and regulations that govern the independence of the Board of Directors:

- Members of BTPN's Board of Directors have fulfilled the criteria and independence requirements in line with the provisions of the regulator. This includes the President Director being an independent party.

- The replacement and appointment of the members of the Board of Directors takes into consideration the recommendations of the Nomination and Remuneration Committee.
- The members of the Board of Directors have no family relations up to the second degree with other members of the Board of Commissioners and/or the Board of Directors.
- The members of the Board of Directors do not hold any concurrent positions in line with OJK Regulation.

Members of the Company's Board of Directors sign a statement relating to the implementation of Corporate Governance during the capability and feasibility testing process. This statement is updated every year, and the latest is for the position at the end of December 2019.

Board Manual of the Board of Directors

When performing its duties and responsibilities, the members of the Board of Directors are guided by the Board Manual of the Board of Directors. The Board Manual is periodically updated in accordance with the prevailing laws and regulations. The Manual of the Board of Directors was recently reviewed. The content of the Manual of the Board of Directors includes:

1. Organization
2. Independence
3. Duties and Responsibilities of the Board of Directors
4. Duties of the President Director
5. Compliance Director
6. Ethical Values of the Members of the Board of Directors
7. Meetings
8. Relationships with Stakeholders
9. Training

2019 GCG Implementation Report

Composition of the Board of Directors

Based on the decision of the Annual General Meeting of Shareholders on 15 February 2019 and the Extraordinary General Meeting of Shareholders on 11 September 2019 there was a change to the composition of the members of the Board of Directors:

Before the Annual GMS on 15 February 2019

No.	Name	Position	Term of Office
1	Ongki Wanadjati Dana	President Director	After the Merger Effective Date (1 February 2019-2022)
2	Kazuhisa Miyagawa	Deputy President Director	After the Merger Effective Date (1 February 2019-2022)
3	Dini Herdini	Compliance Director (Independent)	After the Merger Effective Date (1 February 2019-2022)
4	Yasuhiro Daikoku	Director	After the Merger Effective Date (1 February 2019-2022)
5	Adrianus Dani Prabawa	Director	After the Merger Effective Date (1 February 2019-2022)
6	Henoch Munandar	Director	After the Merger Effective Date (1 February 2019-2022)
7	Hiromichi Kubo	Director	After the Merger Effective Date (1 February 2019-2022)
8	Merisa Darwis	Director	After the Merger Effective Date (1 February 2019-2022)

After the Annual GMS on 15 February 2019

No.	Name	Position	Term of Office
1	Ongki Wanadjati Dana	President Director	2019-2022
2	Kazuhisa Miyagawa	Deputy President Director	2019-2022
3	Dini Herdini	Compliance Director (Independent)	2019- 2022
4	Yasuhiro Daikoku	Director	2019- 2022
5	Adrianus Dani Prabawa	Director	2019- 2022
6	Henoch Munandar	Director	2019- 2022
7	Hiromichi Kubo	Director	2019- 2022
8	Merisa Darwis	Director	2019- 2022

After the Extraordinary GMS on 11 September 2019

No.	Name	Position	Term of Office
1	Ongki Wanadjati Dana	President Director	2019-2022
2	Kazuhisa Miyagawa	Deputy President Director	2019-2022
3	Dini Herdini	Compliance Director (Independent)	2019- 2022
4	Yasuhiro Daikoku	Director	2019- 2022
5	Adrianus Dani Prabawa	Director	2019- 2022
6	Henoch Munandar	Director	2019- 2022
7	Hiromichi Kubo	Director	2019- 2022
8	Merisa Darwis	Director	2019- 2022
9	Hanna Tantani	Director	2019-2022

Duties and Responsibilities of Each Member of the Board of Directors

In general, the members of the Board of Directors have the following duties and responsibilities:

- a. The Board of Directors takes full responsibility for the management of the Bank.
- b. The Board of Directors must manage the Bank in accordance with its authority and responsibilities as stipulated in the Articles of Association, and the applicable laws and regulations.
- c. The Board of Directors must implement the principles of good corporate governance in the Bank's every business activity at all levels of the organization.
- d. The Board of Directors must follow up the audit findings and recommendations of the Internal Audit unit, external auditors, as well as supervision results of the Financial Services Authority and/or supervision results of other authorities.

Specifically, each member of the Board of Directors has a role and responsibility. Details are explained in the table below:

Position	Duties
President Director	To coordinate and generally supervise the roles and responsibilities of all members of the Board of Directors. To specifically supervise: a. Deputy President Director b. Director of Corporate Banking (Japanese) c. Director of Wholesale Banking d. Director of Treasury e. Director of Operations f. Director of Risk Management g. Director of Legal & Compliance h. Head of Information Technology i. Head of Business Banking j. Chief Financial Officer k. Head of Human Capital l. Head of Internal Audit m. Chief Retail Banking Officer
Deputy President Director	a. To coordinate and generally supervise the roles and responsibilities of: I. Director in charge of Corporate Banking (Japanese) II. Director in charge of Wholesale Banking III. Director of Treasury b. To specifically supervise: Credit Risk Division: a. Credit b. Loan c. Transaction Legal
Compliance Director	To specifically supervise: a. AML&CFT b. Compliance c. Corporate Secretary d. General Counsel e. Corporate Communication & DAYA
Director of Corporate Banking (Japanese)	To specifically supervise: a. Corporate Banking 2 b. Corporate Banking 3 c. Corporate Banking 4 d. Corporate Banking 5 e. KYC Onboarding.
Director of Wholesale Banking	To specifically supervise: a. Wholesale Banking b. Transaction Banking Solutions c. Wholesale Funding Business

2019 GCG Implementation Report

Position	Duties
Director of Risk Management	To specifically supervise: a. Portfolio Management & Policy b. Anti Fraud Management c. Operational Risk Management d. Market & Liquidity Risk Management.
Director of Operations	To specifically supervise: a. Customer Experience Center b. Branch Banking c. Corporate Banking Operations d. Retail Banking Operations e. Information Security & Control Assurance f. Operations Development g. General Services
Director of Treasury	To specifically supervise Deputy Head of Treasury
Director of Finance	To specifically supervise: a. Planning and Deputy of Chief Financial Officer b. Financial Control c. Finance Technology & Operations d. Alignment & Synergy

Orientation for New Members of the Board of Directors

Bank BTPN ensures that all members of the Board of Directors who have just taken office are provided with sufficient information about the Company to be able to carry out their duties and responsibilities. The Corporate Secretary is responsible for the provision of the necessary information.

Realization of the 2019 Work Plan

In carrying out its duties, the Board of Directors holds regular meetings to discuss strategic matters that require the consideration and approval of the Board of Directors. Throughout 2019, the Board of Directors meetings discussed the following:

1. Financial performance monitoring of the Bank and its Subsidiaries.
2. Performance evaluation of the business units against the established targets.
3. Review of information technology (IT) implementation and the Bank's operations, as well as initiatives in IT and operations.
4. Approval of the strategic plans of the Business Units and the Supporting Units.
5. Approval of the realization of promotion and employee salary adjustment in 2019
6. Review of the implementation of risk management, compliance, and internal control, as well as monitoring the implementation of the Anti-Money Laundering and Prevention of Terrorist Funding (APU & PPT) policy, including a review of the rules/regulations of the regulator and their impact on the Bank.
7. Monitoring the follow-ups of audit findings made by Internal and External Audit, as well as supervision of results from OJK and other authorities.
8. Review of internal fraud and the whistleblowing system, and the follow-up efforts.
9. Approval of the Bank Business Plans (RBB) 2020-2022 and the Sustainable Finance Action Plan (RAKB).

Disclosure of Share Ownership

In accordance with the mandate of the regulator, the Board of Directors must submit information about its share ownership to the Bank:

Name	Number of Shares	Percentage of Share	Status
THE BOARD OF DIRECTORS			
Ongki Wanadjati Dana	0	0.00%	President Director
Kazuhisa Miyagawa	0	0.00%	Deputy President Director
Dini Herdini	0	0.00%	Compliance Director (Independent)

Name	Number of Shares	Percentage of Share	Status
THE BOARD OF DIRECTORS			
Yasuhiro Daikoku	0	0.00%	Director
Adrianus Dani Prabawa	0	0.00%	Director
Henoch Munandar	0	0.00%	Director
Hirromichi Kubo	0	0.00%	Director
Merisa Darwis	0	0.00%	Director
Hanna Tantani	0	0.00%	Director

Succession of the Board of Directors

Human Capital, through the process of talent management and succession planning, assesses the availability of candidates for the Board of Directors. Succession is implemented through the identification of executive officers with a potential to become the Bank's directors. Each member of the Board of Directors nominates a replacement candidate, and this nomination is then evaluated by the Nomination and Remuneration Committee.

Assessment of the Committees Under the Board of Commissioners and the Basis of Assessment

During 2019, the committees under the supervision of the Board of Directors were actively involved in supporting the implementation of the Board of Directors' duties by ensuring the follow up of all key strategies and initiatives.

Composition and Diversity of the Board of Commissioners

The Bank's policy in relation to the diversity of the composition of the Board of Commissioners and the Board of Directors references the Circular Letter of the Financial Services Authority No. 32/SEOJK.04/2015 on Corporate Governance Guidelines for Public Companies. As such, the Bank's appointment of the members of the Board of Commissioners and the Board of Directors takes into account diversity.

The diversity of the Board of Commissioners is reflected in the determination of the expertise, knowledge, and experience needed to implement the board's supervisory and advisory duties. The composition takes into account the needs of a Public Company, particularly in relations to decision-making in the context of supervision, which is carried out by considering a broader range of aspects.

The diversity of the composition of members of the Board of Directors also combines the desired characteristics, both in terms of the organ of the Board of Directors and individual members of the Board of Directors, in accordance with the needs of the Bank. The composition of the Board of Directors is determined by taking into account the appropriate expertise, knowledge, and experience required to achieve the Bank's objectives.

Therefore, consideration on the combination of the referred characteristics will have an impact on the accuracy of the nomination process and the individual appointment of the members of the Board of Directors or Directors collegially. This also applies to the Board of Commissioners.

Characteristics of the Diversity of the Board of Commissioners

No.	Diversity	Realization
1	Citizenship	Indonesian Citizen Singaporean Citizen Japanese Citizen
2	Education	Economic Field Financial Management Field Monetary Field
3	Work Experience	Bureaucracy Research Banking Auditing
4	Gender	2 Females 3 Male

Characteristics of the Diversity of the Board of Directors

No.	Diversity	Realization
1	Citizenship	Indonesian Citizen Japanese Citizen
2	Education	Economic Field Financial Management Field Law Trading
3	Work Experience	International Banking Risk Management Financial Executive
4	Gender	3 Females 6 Male

Meetings of the Board of Commissioners

Meeting Policy

The Board of Commissioners' meeting policy is listed in the Board Manual of the Board of Commissioners, and includes:

- a. The Board of Commissioners meetings shall be held periodically at least 1 (one) time every 2 (two) months.
- b. The Board of Commissioners meetings shall be attended by all members of the Board of Commissioners in person at least 2 (two) times a year.
- c. The Board of Commissioners shall organize joint meetings with the Board of Directors periodically at least 1 (one) time every 4 (four) months.
- d. The Board of Commissioners shall schedule next year's meetings before the end of the fiscal year.
- e. The Board of Commissioners meetings are chaired by the President Commissioner or if absent, another Commissioner designated in the meeting.
- f. Decision-making in the Board of Commissioners meetings is based on deliberation and consensus.
- g. In the event that a consensus cannot be reached, the decision is based on a majority vote.
- h. Any decision that is determined lawfully at meetings of the Board applies to all members of the Board of Commissioners.
- i. Dissenting opinions and their reasons at a meeting of the Board of Commissioners shall be clearly noted in the minutes of the meeting.

Frequency and Attendance of the Meetings of the Board of Commissioners

Name	Number of Meetings of the Board of Commissioners	Attendance Percentage	Number of Joint Meetings of the Board of Commissioners and Board of Directors	Attendance Percentage
Mari Elka Pangestu	5	100%	7	100%
Chow Ying Hoong	5	100%	7	100%
Ninik Herlani Masli Ridhwan	5	100%	7	100%
Takeshi Kimoto	5	100%	7	100%
Irwan Mahjudin Habsjah	1	100%	2	100%

Agenda of the Meetings of the Board of Commissioners

Minutes of the Meeting	Date of Meeting	Agenda
MOM.001B/BOC/III/2019	15/03/2019	- 2019 Committee Working Plan - Audit Committee Report as at February 2019 - Risk Monitoring Committee Report as at February 2019 - Remuneration & Nomination Committee Report as at February 2019
MOM.001A/BOC/IV/2019	4/04/2019	Composition of the Board of Directors
MOM.002/BOC/IV/2019	30/04/2019	- Q1 2019 Audit Committee Report - Q1 2019 Risk Monitoring Committee Report - Q1 2019 Nomination and Remuneration Committee Report - Site Visit Committee Report
MOM.002a/BOC/VII/2019	25/07/2019	- Q2 2019 Audit Committee Report - Q2 2019 Risk Monitoring Committee Report - Q2 2019 Nomination and Remuneration Committee Report - First Half 2019 Integrated Governance Committee Report - Corporate Governance Self-Assessment Report as at 30 June 2019
MOM.003/BOC/XI/2019	5/11/2019	- Q3 2019 Audit Committee Report - Q3 2019 Risk Monitoring Committee Report - Q3 2019 Nomination and Remuneration Committee Report

The Meetings of the Board of Directors

Board of Directors Meeting Policy

- a. The Board of Directors must convene regular meetings of the Board of Directors, at least one time each month.
- b. The Board of Directors Meetings may proceed if attended by the majority of the members of the Board of Directors or their representatives.
- c. The Board of Directors must hold a Board of Directors meeting with the Board of Commissioners at least 1 (one) time every 4 (four) months.
- d. The Board of Directors shall schedule the meetings for the next year before the end of the fiscal year.
- e. The meeting materials shall be delivered to the participants no later than five (5) days prior to each meeting.
- f. In the event of a meeting held outside the schedule, the meeting materials must be delivered at the latest before the meeting is held.
- g. Each policy and strategic decision at a meeting of the Board of Directors shall be made with due regard to the applicable regulations.
- h. The meetings of the Board of Directors are chaired by the President Director, or in the event that the President Director is absent, another Director appointed at the meeting.
- i. Decisions at Board of Directors Meetings are made through consensus.
- j. In the event that deliberation and consensus is not possible, decision-making is done through a majority vote.
- k. All decisions made legally at the meetings of the Board of Directors are binding on all members of the Board of Directors.
- l. Dissenting opinions and their reasons at a meeting of the Board of Directors shall be clearly noted in the minutes of the meeting.

2019 GCG Implementation Report

Frequency and Attendance Level of the Meetings of the Board of Directors

Board of Directors	Number of Meetings of the Board of Directors	Attendance Percentage	Number of Joint Meetings of the Board of Directors and the Board of Commissioners	Attendance Percentage
Ongki Wanadjati Dana	37	92%	7	100%
Kazuhisa Miyagawa	37	92%	7	100%
Dini Herdini	37	89%	7	100%
Adrianus Dani Prabawa	37	78%	7	43%
Yasuhiro Daikoku	37	78%	7	86%
Henoch Munandar	37	89%	7	86%
Hirohichi Kubo	37	97%	7	100%
Merisa Darwis	37	89%	7	71%
Hanna Tantani	14	86%	2	100%

Agenda of the Meetings of the Board of Directors

Minutes of the Meeting	Date of Meeting	Agenda
MOM.004a/BOD/II/2019	06/02/19	<ul style="list-style-type: none"> - Welcoming new BOD members - BOD Roles and Responsibilities - Budget Guideline and Internal KPI - Standing Agenda for BOM Meeting
MOM.004b/BOD/II/2019	12/02/19	<ul style="list-style-type: none"> - YTD January 2019 Financial Performance - Communication Line Policy - Revision of E&G Policy - Life@BTPN Update
MOM.004c/BOD/II/2019	19/02/19	Key Takeaways & Actions
MOM.005/BOD/III/2019	5/03/19	<ul style="list-style-type: none"> - Japanese Marketing Update - Non-Japanese Marketing Update - Treasury Update - Video Profile Proposal - Project Management Office Update
MOM.006/BOD/III/2019	12/03/19	<ul style="list-style-type: none"> - Report on Legal Day 1 ("LD1") Implementation - Financial Performance YTD February 2019 - KPI 2019 & Key Business Initiatives - Internal Audit Presentation for the Board of Management
MOM.007/BOD/III/2019	26/03/19	<ul style="list-style-type: none"> - IT Update - Key Initiative 2019 & Business Strategy 2019 - Strategic Cost Management - Gala Reception Proposal
MOM.008/BOD/IV/2019	2/04/19	<ul style="list-style-type: none"> - Proposal to BOM – Aceh Local Government Regulation No.11-2018 - Foreign Visitor Procedure
MOM.009/BOD/IV/2019	9/04/19	<ul style="list-style-type: none"> - Treasury Update - Treasury Stock Update - Pension Business Update - Retail Funding Business Update - Operational Risk RWA Calculation for FY2019
MOM.010/BOD/IV/2019	16/04/19	<ul style="list-style-type: none"> - Financial Performance YTD March 2019 - BTPN WoW! Update - Jenius Update - Key Strategic Initiatives

Minutes of the Meeting	Date of Meeting	Agenda
MOM.011/BOD/IV/2019	23/04/19	<ul style="list-style-type: none"> - Q1 2019 Compliance, AML and Corporate Secretary Update - Q1 2019 Operations Update - Wholesale Banking Group Update as at March 2019 - Q1 Bapepam Report - Q1 2019 Fraud Risk Update
MOM.012/BOD/V/2019	7/05/19	BOM Members Update
MOM.013/BOD/V/2019	14/05/19	<ul style="list-style-type: none"> - YTD April 2019 Financial Result - Project Management Office Relocation - IFRS 9 Update - Qanun Update and Service Point Optimization - SMBC Update
MOM.014/BOD/V/2019	21/05/19	<ul style="list-style-type: none"> - Jenius AWS (Amazon Web Services) Cloud Usage - Mortgage Product Development - Internal Audit Update - IT Update - Key Strategic Initiatives
MOM.015/BOD/V/2019	28/05/19	<ul style="list-style-type: none"> - Treasury Update - Japanese Corporate Update - Wholesale Banking Update - Sustainable Finance Action Plan ("RAKB") and Sahabat DAYA update - SOX Update - AML Action Plan
MOM.016/BOD/VI/2019	18/06/19	<ul style="list-style-type: none"> - Financial Performance YTD May 2019 - Key Strategic Initiatives and Business Synergy Update - AML Action Plan for BOD Approval - Governance Update - Jenius Update on Intellectual Property Rights
MOM.017/BOD/VI/2019	25/06/19	<ul style="list-style-type: none"> - 2019-2021 Bank Business Plan for BOD Approval - Treasury Update - Japanese Corporate Update - Wholesale Banking Update - Governance Update - Gala Reception Briefing - Audit of the Internal Control Framework
MOM.018/BOD/VII/2019	9/07/19	<ul style="list-style-type: none"> - Phase 1-SOX Progress Update - Financial Performance YTD June 2019 - Introduction of Mid-Term Plan - Retail Lending Business Update - Retail Funding Business Update - Sinaya Digital Priority Banking - Treasury Update - Qanun Update
MOM.019/BOD/VII/2019	16/07/19	<ul style="list-style-type: none"> - BTPN WoW! Update - Key Initiatives and Business Synergy Update - TBV Update & Forecast 2019 (Assessment as at 15 July 2019) - Offshore Borrowing Update - Governance Update
MOM.020/BOD/VII/2019	23/07/19	<ul style="list-style-type: none"> - Internal Audit Update - IT Update - Wholesale Banking Group Update - Q2 2019 Compliance & AML Update - Governance Update - New DAYA Pillars Proposal - Arranger for Public Bonds
MOM.020a/BOD/VII/2019	30/07/19	<ul style="list-style-type: none"> - Corporate Banking (Japanese) Update - Jenius Update - Q2 Operations Update - Q2 Fraud Risk Management Update - Governance Update

2019 GCG Implementation Report

Minutes of the Meeting	Date of Meeting	Agenda
MOM.021/BOD/VIII/2019	6/08/19	<ul style="list-style-type: none"> - Issues Impacting Month-End Financial Closing Balance Sheet Substantiation and Reconciliation - TBV Application Update
MOM.022/BOD/VIII/2019	13/08/19	<ul style="list-style-type: none"> - Financial Performance YTD July 2019 - Business Banking Update - Satellite Office Initiative - Governance Update - Jenius and MRT Jakarta Collaboration Opportunity
MOM.023/BOD/VIII/2019	20/08/19	<ul style="list-style-type: none"> - SOX Update (Phase 2 – Progress Update) - Treasury Update - Corporate Banking (Japanese) Update - Wholesale Banking Group Update - Key Strategic Initiatives and Business Synergy Update - Governance Update - Retail Branding - Sinaya Priority Brand Logo
MOM.024/BOD/VIII/2019	27/08/19	<ul style="list-style-type: none"> - Pulse Survey Results – Pre & Post Merger - Human Capital Projects Update - Governance Update - Jenius TVC and Portfolio Update
MOM.025/BOD/IX/2019	10/09/19	<ul style="list-style-type: none"> - Financial Performance YTD August 2019 - General Ledger Account Ownership Project ("GLAO") - Internal Audit Update - Governance Update - Jenius Update
MOM.026/BOD/IX/2019	17/09/19	<ul style="list-style-type: none"> - Treasury Update - Key Strategic Initiatives and Business Synergy - Updates on Forecast and Cost 2019 - Governance Update - Communication Update
MOM.027/BOD/IX/2019	24/09/19	<ul style="list-style-type: none"> - SOX Update - Corporate Banking (Japanese Group) Update - Wholesale Banking Group Update - New Procurement Update - Governance Update - Response to ACR ICF No.2 - Lombok Project
MOM.028/BOD/IX/2019	1/10/19	<ul style="list-style-type: none"> - Directors and Officers Liability Insurance - BOD Approval for Collaboration Agreement with SMBC
MOM.029/BOD/X/2019	8/10/19	<ul style="list-style-type: none"> - Retail Lending Business Update - Operations GL Monitoring – Progress Update - Governance Update - IT Openshift Issues
MOM.030/BOD/X/2019	15/10/19	<ul style="list-style-type: none"> - Financial Performance YTD September 2019 - BTPN WoW! Update - Jenius Update - Key Initiatives and Business Synergy - Q3 Compliance and AML Update - Legal Update - Digitize SME
MOM.031/BOD/X/2019	22/10/19	<ul style="list-style-type: none"> - Business Banking Update - Internal Audit – Annual Audit Plan 2020 - Q3 2019 Operations Update - Sustainable Finance Action Plan & Sustainability Report 2019 - Mid-Term Plan Update
MOM.032/BOD/X/2019	29/10/19	<ul style="list-style-type: none"> - SOX Update - Treasury Update - Corporate Banking (Japanese Group) Update - Wholesale Banking Group Update - Retail Funding Business Update

Minutes of the Meeting	Date of Meeting	Agenda
MOM.033/BOD/X/2019	12/11/19	<ul style="list-style-type: none"> - Financial Performance YTD October 2019 - Mid-Term Plan Update - Summary Draft of RBB 2020-2022 - BTPN Sinaya Priority Brand - Internal Audit 2019 Risk Assessment & 2020 Annual Audit Plan - Post-Merger Item Update for ACR - Sustainable Finance Action Plan 2020-2023 - Mortgage Electronic Registration - Governance Update
MOM.034/BOD/X/2019	19/11/19	<ul style="list-style-type: none"> - Governance Update - General Ledger Account Ownership (GLAO) - Key Strategy Initiatives & Business Synergy - Senior Officer & Employee Annual Gathering - Potential Alliance & Partnership with Traveloka - ALTO
MOM.035/BOD/X/2019	26/11/19	<ul style="list-style-type: none"> - Treasury Update - Wholesale Banking Group Update - Governance Update - Active Employee Loan - Human Capital Update - IBOR Transition Update
MOM.036/BOD/XII/2019	10/12/19	<ul style="list-style-type: none"> - SOX Update - GLAO Update - Financial Performance YTD November 2019 - Governance Update - BDD Insurance Update - Draft of Medium-Term Management Plan
MOM.037/BOD/XII/2019	17/12/19	<ul style="list-style-type: none"> - Treasury Update - PSAK 73 – Accounting for Lease Implementation Update and KPMG's Summary Audit - Latest status of GLAO and December Closed Items - Key Strategic Initiatives and Business Synergy - Wholesale Banking Directorate Update - Corporate Banking (Japanese Group) Update - Governance Update - Follow Up of Audit Finding Intellectual Property Rights (IPR) Management - IAD Proposal Memorandum of Management Response
MOM.038/BOD/XII/2019	30/12/19	Advance Insurance Payment and Amortization of Pension Loan – BOD Hearing Session

Joint Meetings of the Board of Commissioners and the Board of Directors

Joint Meetings of the Board of Commissioners and the Board of Directors

The meeting schedule and agenda of the Joint Meeting of the Board of Commissioners and the Board of Directors has been established. The meeting materials and meeting minutes have been distributed to the participants and documented.

The Board of Commissioners holds regular meetings with the Board of Directors as a part of its supervisory function. Some of the topics covered during the meetings include strategy, finance, operations, internal control system, compliance, risk management and governance.

The members of the Board of Commissioners attend meetings both in person and through teleconferencing technology. During 2019, there were seven Joint Meetings of the Board of Commissioners and the Board of Directors.

Decisions in the meetings are made through deliberation and consensus. No dissenting votes were made at any of the meetings held in 2019.

Agenda of the Joint Meetings of the Board of Commissioners and the Board of Directors

Minutes of the Meeting	Dates of Meeting	Agenda
MOM.006A/BOD-BOC/III/2019	15/03/2019	<ul style="list-style-type: none"> - Report on Legal Day-1 - Financial Performance as at February 2019
MOM.001/BOD-BOC/IV/2019	30/04/2019	<ul style="list-style-type: none"> - Q1 2019 Financial Performance Update - Merger and Integration Update
MOM.002a/BOC-BOD/VI/2019	26/06/2019	<ul style="list-style-type: none"> - Financial Performance as at May 2019 and BOC Approval of the Bank Business Plan (RBB) Revision 2019 - SMBC Internal Audit Result Update - Update on BTPN Reception
MOM.002a/BOD_BOB/VII/2019	25/07/2019	<ul style="list-style-type: none"> - Related Party Transactions - Financial Performance as at June 2019 - Proxy to any 2 Commissioners
MOM.003/BOC-BOD/VIII/2019	22/08/2019	<ul style="list-style-type: none"> - Compliance Update - Risk Management Update <ul style="list-style-type: none"> • Risk Profile – Operational Risk • Anti-Fraud Management Update • PSAK 71 – Impairment Update - Recovery Plan Tax Book Value Approval Update
MOM.004/BOC-BOD/XI/2019	5/11/2019	<ul style="list-style-type: none"> - September 2019 Financial Performance Update - Compliance Update - Risk Management Update <ul style="list-style-type: none"> • Risk Profile – Operational Risk • Anti-Fraud Management Update - SOX Project and GL Substantiation & Reconciliation
MOM.005/BOC-BOD/XI/2019	15/11/2019	Bank Business Plan 2020-2022

Affiliation of the Board of Commissioners, Directors, and Controlling Shareholders

Board of Commissioners

No.	Name	Position	Family Relationship with			Financial Relationship with		
			Board of Commissioners	Board of Directors	Controlling Shareholders	Board of Commissioners	Board of Directors	Controlling Shareholders
1	Mari Elka Pangestu	President Commissioner (Independent)	None	None	None	None	None	None
2	Chow Ying Hoong	Vice President Commissioner	None	None	None	None	None	None
3	Ninik Herlani Masli Ridhwan	Commissioner (Independent)	None	None	None	None	None	None
4	Takeshi Kimoto	Commissioner	None	None	None	None	None	None
5	Irwan Mahjudin Habsjah	Commissioner (Independent)	None	None	None	None	None	None

Board of Directors

No.	Name	Position	Family Relationship with			Financial Relationship with		
			Board of Commissioners	Board of Directors	Controlling Shareholders	Board of Commissioners	Board of Directors	Controlling Shareholders
1	Ongki Wanadjati Dana	President Director	None	None	None	None	None	None
2	Kazuhisa Miyagawa	Deputy President Director	None	None	None	None	None	None
3	Dini Herdini	Compliance Director (Independent)	None	None	None	None	None	None
4	Yasuhiro Daikoku	Director	None	None	None	None	None	None
5	Adrianus Dani Prabawa	Director	None	None	None	None	None	None
6	Henoch Munandar	Director	None	None	None	None	None	None
7	Hikomichi Kubo	Director	None	None	None	None	None	None
8	Merisa Darwis	Director	None	None	None	None	None	None
9	Hanna Tantani	Director	None	None	None	None	None	None

Committees Under the Board of Commissioners

Committees under the Board of Commissioners include the Audit Committee, the Nomination and Remuneration Committee and the Risk Monitoring Committee. Each Committee is responsible for conducting reviews and supervision based on the duties and responsibilities set out in their Committee Charter.

Audit Committee

The Audit Committee is responsible to the Board of Commissioners, and has been established to support the duties and responsibilities of the Board of Commissioners relating to financial information, the internal control system, and effectiveness of internal and external audits, as well as implementation of the Bank's compliance.

Legal Basis

- a. Financial Services Authority Regulation No. 55/POJK.03/2016 dated 7 December 2016 on the Application of Governance for Commercial Banks and OJK Circular Letter No. 13/SEOJK.03/2017 dated 7 March 2017 on the Application of Governance for Commercial Banks.
- b. Financial Services Authority Regulation No. 55/POJK.04/2015 dated 23 December 2015 on the Establishment and Work Implementation Guidelines of the Audit Committee.
- c. Financial Services Authority Regulation No. 13/POJK.03/2017 dated 27 March 2017 on the Use of Public Accountant and Public Accountant Office Services in Financial Service Activities.
- d. Financial Services Authority Regulation No. 1/POJK.03/2019 dated 28 January 2019 on the Implementation of Internal Audits in Commercial Banks.
- e. The legal basis for the establishment of the Audit Committee is the Good Corporate Governance Manual No. K.008/DIR/CCS/05/2019.

Audit Committee Charter

In carrying out its duties and responsibilities, the Audit Committee has a Charter that covers: organization, duties and responsibilities, membership, independence, authority, work ethics, meetings, reporting responsibilities and term of office. The charter is reviewed periodically to ensure that its coverage is in accordance with all applicable regulations and the Bank's business development. Its most recent review was approved by the members of the Audit Committee on 11 September 2019.

Duties and Responsibilities of the Audit Committee

- a. Preparing annual working plan for approval of the Board of Commissioners.
- b. Reviewing financial information to be issued by the Bank such as financial statements, projections, as well as ensuring that the financial statements are in accordance with the applicable accounting standards.
- c. Analyzing the Bank's compliance with the capital market regulations and other legislation related to Banking activities, including providing advice to the Board of Commissioners regarding potential conflicts of interest.

- d. Analyzing work plans and implementation of audits by Internal Audit.
- e. Analyzing the independence and objectivity of the Public Accounting Office ("KAP") and their compliance with the applicable audit standards.
- f. Analyzing the adequacy of the audits conducted by the KAP to ensure that their take into account all risks.
- g. Monitoring and evaluating the Board of Directors' follow-up of the findings of the Internal Audit and KAP, as well as the supervision results of the Financial Services Authority, in order to provide recommendations to the Board of Commissioners.
- h. Periodically report the results of meetings and activities of the Audit Committee to the Board of Commissioners

Independence of the Audit Committee

In line with the Audit Committee Charter, the Committee consists of at least three (3) independent members, including Independent Commissioners and Independent Parties. The Audit Committee should consist of:

1. An Independent Commissioner
2. An Independent Party who has expertise in finance or accounting
3. An Independent Party who has expertise in law or banking.

Composition of Members of Audit Committee

No	Name	Position	Appointment Date
1	Ninik Herlani Masli Ridhwan	Chairwoman (Independent Commissioner)	1 February 2019
2	Ivan Purnama Sanoesi	Member (Independent Party)	1 February 2019
3	Kanaka Puradiredja	Member (Independent Party)	1 February 2019

Terms of Office

The term of office of the members of the Audit Committee effective since 1 February 2019 until the Annual GMS in 2022 (in accordance with the term of office of the members of the Board of Commissioners appointed at the Annual GMS on 15 February 2019), or any other term of office as resolved by the Bank's Extraordinary GMS.

Profile of Members of the Audit Committee

The profiles of the members of the Audit Committee are disclosed in the Board of Commissioners and Independent Party profile sections of this Annual Report.

Meeting Policy

- The Audit Committee holds meetings at least 1 (one) time every 3 (three).
- The Audit Committee meetings can only be convened if attended by at least 51% of its members.
- Decisions at Committee meetings are based on consensus. In the event that a consensus cannot be reached, decisions are based on majority votes.
- Dissenting opinions, and their reasons, shall be clearly noted in the minutes of Committee meetings.

Frequency and Attendance of the Meetings of the Audit Committee

Name	Number of Meetings	Number of Meeting Attendance
Ninik Herlani Masli Ridhwan	18	18
Ivan Purnama Sanoesi	18	18
Kanaka Puradiredja	18	16

Implementation of Audit Committee Activities in 2019

Topics and focus of the study and discussion of the Audit Committee are as follows:

Financial Statements

- Review and evaluation of the Bank's 2018 financial statements.
- Monitoring and evaluation of the Bank's financial performance and other financial information.

External Audit

- Discussion about the audit results of the Bank's 2018 financial statements.
- Discussion about the 2019 external audit plan, audit approach, and methodology.
- Provision of recommendations on the appointment of an external auditor.
- Review and assessment of the adequacy of the audits conducted by external auditors.

Internal Audit

- Monitoring and evaluation of the the audits by the Internal Audit in 2018 and 2019.
- Monitoring the follow-up of Internal Audit's findings.
- Review and approval of the 2020 Audit Plan.

Compliance and Internal Fraud

1. Monitoring the implementation of the Bank's compliance with Anti-Money Laundering and Counter the Financing of Terrorism (APU & PPT).
2. Review of the newly implemented rules/regulations and their impact.
3. Monitoring the follow up of the supervisory results of the Financial Services Authority.
4. Review of internal fraud cases and evaluation of the Bank's fraud prevention program.

Audit Committee Work Plan

Preparation of the 2020 Audit Committee work plan and program, as well as a review of the Audit Committee Charter.

Audit Committee Statement on the Effectiveness of the Internal Control System

The Audit Committee has reviewed the Bank's internal control system to ensure that it is effective, including in terms of financial, operational controls and compliance with prevailing regulations.

Remuneration and Nomination Committee

Legal Basis

The legal basis of the establishment of the Nomination and Remuneration Committee is the Good Corporate Governance Manual No. K.008/DIR/CCS/05/2019.

Remuneration and Nomination Committee Charter

Bank BTPN has a Nomination and Remuneration Committee Charter, which was ratified on 1 February 2019. The document regulates the Organization, Membership Requirements, Independence, Duties and Responsibilities, Remuneration Policy of the Board of Directors and the Board of Commissioners, Self-Assessment Policy of the Board of Directors and the Board of Commissioners, Authority of the Nomination and Remuneration Committee, Work Ethics, Meetings, Minutes of Meetings, Reporting Responsibility, and Term of Office.

Duties and Responsibilities

The duties and responsibilities of the Committee include:

Related to the remuneration policy

1. Evaluate the remuneration policy; and
2. Provide recommendations to the Board of Commissioners concerning:
 - Remuneration policy, structure and amount for the Board of Commissioners and the Board of Directors to be submitted to the General Meeting of Shareholders.
 - Remuneration policy for the Executive Officers and the employees to be submitted to the Board of Directors.

Related to the nomination policy

1. Provide recommendations to the Board of Commissioners regarding the composition of the Board of Directors and/or the Board of Commissioners.
2. Provide recommendations regarding the criteria and procedures of appointment and/or replacement of the members of the Board of Commissioners and the Board of Directors to the Board of Commissioners to be submitted to the General Meeting of Shareholders.
3. Provide recommendations regarding prospective members of the Board of Commissioners and/or the Board of Directors to the Board of Commissioners to be submitted to the General Meeting of Shareholders.

Independence of the Remuneration and Nomination Committee

The composition, qualifications, and independence of the members of the Nomination and Remuneration Committee are in line with OJK provisions. The Nomination and Remuneration Committee is chaired by an Independent Commissioner and its members include one Independent Commissioner, two Commissioners, and one Executive Officer with the knowledge of the remuneration and nomination system, as well as succession plans.

The committee composition that have been in operations in the Bank in order to support the independence principle in conducting the duties.

Composition of Members of Remuneration and Nomination Committee

The composition of the Remuneration and Nomination Committee members as of 31 December 2019 is as follows:

No	Name	Position	Date of Appointment
1	Mari Elka Pangestu	Chairwoman (Independent Commissioner)	1 February 2019
2	Ninik Herlani Masli Ridwan	Member (Independent Commissioner)	1 February 2019
3	Chow Ying Hoong	Member Vice President (Commissioner)	1 February 2019
4	Pratomo Soedarsono	Member (Executive Officer of HC)	1 February 2019

Term of Office

The term of office of the members of the Nomination and Remuneration effective since 1 February 2019 until the Annual GMS in 2022 (in accordance with the term of office of the members of the Board of Commissioners appointed at the Annual GMS 15 February 2019), or any other term of office as resolved by the Bank's Extraordinary GMS.

Profiles of Remuneration and Nomination Committee Members

The profiles of the members of the Nomination and Remuneration Committee are disclosed in the Board of Commissioners and Board of Management profile sections of this Annual Report.

Meeting Policy

- The Nomination and Remuneration Committee hold meetings at least 1 (one) time every 4 (four) months.
- Decisions at Committee meetings are based on consensus. In the event that a consensus cannot be reached, decisions are based on majority votes.
- Dissenting opinions, and their reasons, shall be clearly noted in the minutes of Committee meetings.

Frequency and Attendance of the Meetings of the Nomination and Remuneration Committee

During 2019, the Nomination and Remuneration Committee held 6 meetings.

Name	Number of Meeting Attendance
Mari Elka Pangestu	6/6
Ninik Herlani Masli Ridwan	5/5
Chow Ying Hoong	6/6
Pratomo Soedarsono	5/5
Irwan M.Habsjah*	1
Maya Kartika*	1

*) On 1 February 2019, Irwan M.Habsjah was replaced by Ninik Herlani and Maya Kartika was replaced by Pratomo Soedarsono.

Implementation of the Remuneration and Nomination Committee Activities in 2019

No	Date	Agenda
1	21 January 2019	<ol style="list-style-type: none"> Conversion of the employee SOP program Conversion of deferred shares for Material Risk Taker positions
2	8 February 2019	<ol style="list-style-type: none"> Nomination of the members of the Board of Commissioners Remuneration for the Members of the Board of Commissioners, the Board of Directors, and the Independent Committee End of term appreciation for the Board of Directors Expatriate benefits, particularly for the Board of Commissioners

No	Date	Agenda
3	4 April 2019	Composition of the Board of Directors
4	1 July 2019	Salary adjustment recommendation for one Director
5	20 August 2019	Salary adjustment recommendation for one Director
6	10 October 2019	1. Variable Remuneration for the BOD 2. Bonus Provision Adjustments for Expatriate BOD 3. BOC & BOD Compensation

Risk Monitoring Committee

Legal Basis

- a. Financial Services Authority Regulation Number 55/POJK.03/2016 dated 7 December 2016 and Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 concerning the Implementation of Governance for Commercial Banks
- b. Financial Services Authority Regulation Number 18/POJK.03/2016 concerning Application of Risk Management for Commercial Banks
- c. The legal basis used for the establishment of Risk Monitoring Committee is the Good Corporate Governance Manual No. K.008/DIR/CCS/05/2019.

Risk Monitoring Committee Charter

In carrying out its duties and responsibilities, the Risk Monitoring Committee has a Risk Monitoring Committee Charter, which covers: organization, membership, independence, duties and responsibilities, authority, work ethics, meetings, reporting responsibilities, and term of office.

The Charter is periodically updated to ensure that the scope of work of the Risk Monitoring Committee is in line with the prevailing regulations and the Bank's business growth. The latest amendment to the charter was approved by the Risk Monitoring Committee on 25 February 2019.

Duties and responsibilities

The Risk Monitoring Committee assists the Board of Commissioners in conducting its oversight function of the Bank's risk management.

- a. Prepare the Committee's annual activity plan, which is submitted to the Board of Commissioners for approval.
- b. Provide independent professional opinion to the Board of Commissioners on reports or matters pertaining to risk management submitted by the Board of Directors to the Board of Commissioners, as well as identify issues that require the attention of the Board of Commissioners.
- c. Evaluate the Bank's risk appetite and any limits that must be approved by the Board of Commissioners.

- d. Analyze the effectiveness of the risk management unit and the Risk Management Committee.
- e. Evaluate the conformity of the Bank's risk management implementation with its risk management policy.
- f. Monitor and evaluate the performance of the Risk Management Committee and the Risk Management unit in order to provide recommendations to the Board of Commissioners.
- g. Evaluate the Bank's risk management policy at least once a year.
- h. Evaluate the Board of Directors' implementation of the Bank's Risk Management policy at least on a quarterly basis.

Independence of the Risk Monitoring Committee

The composition, qualification and independence of the members of the Risk Monitoring Committee are in line with prevailing laws and regulations. The Risk Monitoring Committee is chaired by an Independent Commissioner and has one Commissioner and two Independent Parties, who have expertise in the areas of risk management and Finance.

Composition of Members of the Risk Monitoring Committee

No	Name	Position	Date of Appointment
1	Irwan M. Habsjah	Chairman (Independent Commissioner)	11 September 2019
2	Takeshi Kimoto	Member (Commissioner)	1 February 2019
3	Kanaka Puradiredja	Member (Independent Party)	1 February 2019
4	Sofyan Rambey	Member (Independent Party)	1 February 2019

Term of Office

The term of office of the members of the Risk Monitoring Committee effective since from 1 February 2019 until the Annual GMS in 2020 (in accordance with the term of office of the members of the Board of Commissioners appointed at the Annual GMS on 15 February 2019), or any other term of office as resolved by the Bank's Extraordinary GMS.

Profiles of the Members of the Risk Monitoring Committee

The profiles of the members of the Risk Monitoring Committee are disclosed in the Board of Commissioners and Independent Party profile sections of this Annual Report.

Meeting Policy

Meeting policies that have been set, namely:

- The Risk Monitoring Committee holds meetings at least one (1) time every three (3) months.
- Risk Monitoring Committee meetings can only be convened if attended by at least 51% of its members.
- Decisions at Committee meetings are based on consensus. In the event that a consensus cannot be reached, decisions are based on majority votes.

- Dissenting opinions, and their reasons, shall be clearly noted in the minutes of Committee meetings.

Frequency and Attendance Level of Risk Monitoring Committee Meetings

The Risk Monitoring Committee held 9 (nine) meetings as well as site visits to branch offices in Bandung and Makassar.

Name of Risk Monitoring Committee Member	Number of Meetings	Attendance
Ninik Herlani Masli Ridhwan	5	5
Irwan M. Habsjah	4	4
Takeshi Kimoto	9	8
Kanaka Puradiredja	9	8
Sofyan Rambey	9	9

Implementation of Risk Monitoring Committee Activities in 2019

The activities that have been realized throughout 2019 are:

- Quarterly evaluation and analysis of the Bank's risk profile (individual and consolidated).
- Evaluation of the risk management policies and implementation including credit risk, operational risk, market and liquidity risk, as well as other types of risks.
- Monitoring and evaluation of the duties of the Risk Management Committee and the Risk Management units in relation to the implementation and monitoring of credit risks within each business line, market risk, liquidity risk and the operational risk.
- Periodic monitoring of the Bank's soundness - Risk-Based Bank Rating (RBBR) - and the Bank's compliance.
- Monitoring of internal and external cases of fraud, and fraud management strategy.
- Preparation of the Risk Monitoring Committee 2019 Plan and work program and reviews of the Risk Monitoring Committee Charter.

Integrated Governance Committee

Legal Basis

The legal basis of the Integrated Governance Committee are:

1. Financial Services Authority Regulation No. 18/POJK.03/2014 dated 19 November 2014 and Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 on the Implementation of Integrated Governance at Financial Conglomerates.
2. Financial Services Authority Regulation No. 55/POJK.03/2016 dated 9 December 2016 on Application of Governance at Commercial Banks and Circular Letter of Financial Services Authority No. 13/SEOJK.03/2017 dated 17 March 2017 on Application of Governance at Commercial Banks.
3. PBI No. 11/33/PBI/2009 dated 7 December 2009 and SEBI No. 12/13/DPbS on 30 April 2010 on Implementation of Good Corporate Governance at Sharia Commercial Banks and Sharia Business Units
4. Financial Services Authority Regulation No. 33/POJK.04/2014 dated 8 December 2014 on the Board of Directors and the Board of Commissioners of Issuers or Public Companies.
5. The legal basis for the establishment of the Integrated Governance Committee is the Good Corporate Governance Manual No. K.008/DIR/CCS/05/2019

Integrated Governance Committee Charter

Bank BTPN has a board charter with Guidelines and Procedures for the Integrated Governance Committee, which was established on 1 February 2019, and covers: Legal Basis, Objectives, Organization, Duties and Responsibilities, and Procedures.

Duties and Responsibilities of the Integrated Governance Committee

The committee has the following duties and responsibilities:

1. Evaluate the implementation of Integrated Governance by assessing the adequacy of internal control and the implementation of the Bank's integrated compliance function.
2. Provide recommendations to the Board of Commissioners of the Main Entity on how to improve the Integrated Governance Guidelines.

Composition of Members of the Integrated Governance Committee

No	Name	Position	Date of Appointment
1	Irwan Mahjudin Habsjah	Chairman (Independent Commissioner)	11 September 2019
2	Ninik Herlani Masli Ridhwan	Member (Independent Commissioner)	1 February 2019
3	Dewie Pelitawati	Member (Independent Commissioner – PT Bank Tabungan Pensiunan Nasional Syariah Tbk)	1 February 2019
4	Muhammad Faiz	Member (Independent Commissioner - PT Bank Tabungan Pensiunan Nasional Syariah Tbk)	1 February 2019
5	Yosef Antonius Boliona Badilangoe	Member – Independent Party	1 February 2019

Term of Office

Provisions regarding term of office or tenure of the members of the Integrated Governance Committee:

1. The term of office of a Committee member may be no longer than the term of office of a member of the Board of Commissioners, as stipulated in the Articles of Association of each member of the SMBC Group Financial Conglomerate. Members can be re-appointed for the following period.
2. In the event the Chairperson and/or Committee member resigns prior to the end of his/her term of office as an Independent Commissioner, or in the event of a replacement by a member of the SMBC Group Financial Conglomerate, each member of the SMBC Group Financial Conglomerate immediately appoints his/her successor.

Profiles of the Integrated Governance Committee Members

The profiles of the members of the Integrated Governance Committee are disclosed in the Board of Commissioners and Independent Party profile sections of this Annual Report.

Meeting Policy

The meeting policy in the Charter of the Integrated Governance Committee stipulates the following:

1. The committee holds a meeting at least once every semester.
2. Meeting Invitations are sent by registered mail or electronic mail no later than seven (7) days prior to the Meeting date. The invitation must include the day, date, time, place and Meeting agenda. The meeting materials are delivered to the participants of the Committee meeting no later than two (2) days prior to the Meeting.
3. Committee members may invite parties other than Committee members from the SMBC Group Financial Conglomerate who have knowledge of the topics listed in the agenda.
4. Committee meetings can only be held if attended in person, or through power of attorney, by more than 50% (fifty percent) of the Committee members, including the Chairperson of the Committee.
5. Committee meetings are chaired by the Chairperson of the Committee.

6. Committee meetings can be held via teleconferencing or other electronic media that allows all Meeting participants to see and hear each other, as well as participate in the Meeting. Committee members who participate in the Meeting in the abovementioned manner are considered to be present at the Meeting, counted in the attendance quorum and can make decisions at the Meeting.
7. The Committee can make a valid decision without holding a Meeting, provided that all Committee members approve it in writing. Decisions made in this method have the same power as decisions taken legally at Committee Meetings.

Frequency and Attendance of Integrated Governance Committee Meetings

Name of Integrated Governance Committee Members	Number of Meetings	Attendance
Irwan Mahjudin Habsjah	1	100%
Ninik Herlani Masli Ridhwan	2	100%
Dewie Pelitawati	2	100%
Muhammad Faiz	2	50%
Yosef Antonius Boliona Badilangoe	2	100%

Implementation of the Integrated Governance Committee Activities in 2019

No	Date	Agenda
1	23 July 2019	Integrated Governance Implementation as of 30 June 2019 1. Change in the Main Entity 2. Integrated Governance Committee Charter 3. 2019 Committee Work Plan 4. Evaluation of the Integrated Governance Implementation as of 30 June 2019 5. Self-Assessment Report on Integrated Governance Implementation as of 30 June 2019
2	14 November 2019	1. Review of the Work Guidelines and Membership of the Integrated Governance Committee 2. Committee Work Plan for 2020 3. Anti-Fraud Management update – BTPN 4. Anti-Fraud Management update – BTPN Sharia

Committees Under the Board of Directors

To support the implementation of the duties and responsibilities of the Board of Directors, BTPN has established a number of committees that are responsible to the Board of Directors. In accordance with the provisions, the Bank is required to have a minimum of 3 (three) committees to assist the Board of Directors, namely the Risk Management Committee, the Asset & Liability Committee, and the IT Steering Committee.

Considering the complexity of BTPN's business, it requires management and improvement in the quality of good corporate governance implementation. In line with this, BTPN has established the following 8 (eight) committees:

1. Assets and Liabilities Committee
2. Risk Management Committee
3. Information Technology Steering Committee
4. Credit Policy Committee
5. Credit Committee
6. Information Governance Steering Committee
7. Human Capital Committee
8. Integrated Management Committee

Asset and Liability Committee (ALCO)

Structure and Membership

The composition of the Assets and Liabilities Committee (ALCO) as at 31 December 2019 was as follows:

Chairperson	Treasury Director
Member With Voting Rights	<ol style="list-style-type: none"> 1. President Director 2. Deputy President Director 3. Risk Management Director 4. Chief of Retail Banking Officer 5. Chief Financial Officer 6. Deputy Head of Treasury (Secretary)

Charter

The Assets and Liabilities Committee (ALCO) has a charter, which was updated on 31 May 2019. The charter stipulates the following:

1. Monitor and manage liabilities
2. Monitor market developments and factors that might affect the bank funding and liquidity
3. Monitor the bank's risk exposures especially interest rate and exchange rate risks
4. Decide and provide direction in managing interest rates in both funding and lending business
5. And other related matters

Duties and Responsibilities

The Assets and Liabilities Committee (ALCO) has the following duties and responsibilities:

1. Review, supervise, and approve the Bank's balance sheet strategy on liquidity, prices and capital management.
2. Provide an overview of the conditions of the domestic and global economy, and analyze the implications of the monetary and fiscal policies that have been, or will be taken, by the government.

Duty Implementation in 2019

In 2019, the Assets and Liabilities Committee (ALCO) held 12 meetings with the following agenda:

- Proposed new limits on market and liquidity risks.
- Granted mandate to decide and determine funding levels based on the rules and guidelines proposed by the Treasury & Finance Division.
- Approved the application of the Fixed Minimum Reserves Requirements and Average Minimum Reserves Requirements.
- Approved the Contingency Funding Plan (CFP) procedures proposed by Treasury.
- Approve plan to issue bonds.
- Approved reference rate.
- Approved framework for interest rate risk Monitoring and IRRBB.
- Approved variables in Early Warning Indicator.
- Approved Additional Liquidity Application.
- Approved the Fund Transfer Pricing (FTP) method.

Frequency and Meeting Attendance

Name	Position	Number of Meetings	% Attendance
Ongki Wanadjati Dana	President Director	11	83
Kazuhisa Miyagawa	Deputy President Director	11	58
Hikomichi Kubo	Director of Treasury	11	92
Darmadi Sutanto	Chief of Retail Officer	11	33
Hanna Tantani	Chief of Financial Officer/Direktur Keuangan	11	92
Henoch Munandar	Risk Management Director	11	92
Wiwig Santoso	Deputy Head of Treasury	11	83

Risk Management Committee

Structure and Membership

The composition of the Risk Management Committee as of December 31, 2019 is as follows:

Chairperson	Risk Management Director
Member with Voting Rights	<ol style="list-style-type: none"> 1. President Director 2. Deputy President Director 3. Compliance Director 4. Corporate Banking Japanese Director 5. Wholesale Banking Director 6. Director of Operations 7. Chief Financial Officer 8. Head of Information Technology 9. Head of Human Capital 10. Head of Retail Lending Business 11. Head of Business Banking 12. Head of Retail Funding Business 13. Head of Branchless Banking 14. Head of Digital Banking
Member Without Voting Rights	<ol style="list-style-type: none"> 1. Head of Internal Audit 2. Executive Officer of Risk Management (Secretary)

Charter

1. Committee meetings are held at least 8 (eight) times a year in accordance with the established meeting agenda. If required, a meeting can be held at any time at the request of one of the Permanent Members.
2. Each meeting is chaired by the Chairperson of the Committee. In the event that the Chairperson of the Committee is unable to attend, the meeting is chaired by one of the committee members who serves as a Director and is appointed at the meeting.

3. If deemed necessary, the committee may invite parties other than the Committee Members to attend a meeting, including but not limited to Subsidiary Companies.
4. Only Permanent Members have Voting Rights.
5. Permanent Members without Voting Rights are not counted in the attendance quorum.
6. Meetings can only be convened if attended by 50% of the committee members with voting rights and/or their representatives.
7. Decisions taken at committee meetings must be based on deliberation to reach consensus. In the event a decision cannot be reached, the decision must be taken through a vote of more than 50% of the committee members with voting rights who are present at the meeting.
8. In the event of a conflict of interests, decision making is carried out in accordance with the relevant provisions of the Corporate Policy.

9. Dissenting opinions expressed at Committee meetings must be clearly stated in the Minutes of Meeting along with their reasons.
10. The report/materials of the Risk Management Committee is prepared by the Risk Management Unit. The related unit is required to submit materials/data every month to the designated party (PIC) at the Risk Management Unit no later than 8 working days after the end of the month.
11. The Risk Management Unit may request additional information/data from other units in the Bank to include in the Risk Management Committee report/materials.
12. The results of a committee meeting must be stated in the Meeting Minutes and documented.
13. Decisions taken at a meeting and recorded in the Meeting Minutes are signed by the Chairperson and Secretary of the Meeting, and then circulated to the committee members.
14. The Committee can make a valid decision without holding a meeting through a committee circular, which is approved by all Permanent Members. This process can be carried out as long as the submitted proposal has been conveyed in the circular to all Permanent Members.

Duties and Responsibilities

1. Formulate risk management policies and frameworks, as well as risk limits, and update, enhance, and/or improve.
2. Evaluate the implementation of the Bank's risk management against the risk management policy.
3. Evaluate and provide recommendations in relation to transactions or activities that deviate from normal procedures.

Duty Implementation in 2019

During 2019, the Risk Management Committee held 11 meetings. Risk Management Committee Meetings are a platform for committee members to monitor the 8 (eight) risk types as stipulated in the Risk Management Policy and Bank Indonesia/OJK Regulations.

During these meetings, the Risk Management Committee discussed and reviewed various issues, including:

- Increased cross selling activities.
- Reviewed the framework of collection and activities that can be adapted to BTPN's business model.
- Updating the implementation of PSAK 71.
- Updating the implementation of the Credit Risk Appetite Framework (CRAF).

- Updating the implementation of Significant Incident Notification (SINP), Key Control Self-Assessment (KCSA), and Quality Assurance (QA) assessment.
- Approved 3 (three) new initiatives in relation to Operational Risk Management, namely operational risk acceptance, operational risk appetite, and standardization of the roles and responsibilities of internal and risk controls.
- Updating the Fraud Committee, investigation, limit, and violation reporting system.
- Updating the Bank's compliance risk, strategic risk, reputation risk, and legal risk.

In addition, in the context of risk monitoring with the subsidiaries, quarterly consolidation of 8 bank and subsidiary risks are presented, as well as the consolidated risk profile reports, RBBR, and ICAAP in line with the provisions of Bank Indonesia and the Financial Services Authority.

Frequency and Meeting Attendance

Name	Position	Number of Meetings	Attendance	% Attendance
Ongki Wanadjati Dana	President Director	11	10	91
Kazuhisa Miyagawa	Deputy President Director	11	10	91
Dini Herdini	Compliance Director	11	6	55
Merisa Darwis	Director of Operations	11	11	100
Henoch Munandar	Risk Management Director	11	10	91
Hirokichi Kubo	Treasury Director	11	10	91
Dani Prabawa	Wholesale Banking Director	11	9	82
Yashuhiro Daikoku	Japanese Corporate Banking Director	11	7	64
Hanna Tantani ¹⁾	Chief Financial Officer	11	8	73
Darmadi Sutanto ²⁾	Chief of Retail Banking Officer	11	11	100
Vincentius Hidayat	Head of Retail Lending Business	11	9	82
Steffano Ridwan	Head of Business Banking	11	8	73
Helena	Head of Retail Funding Business	11	9	82
Hadi Wibowo	Head of Branchless Banking	11	10	91
Irwan Sutjipto Tisnabudi ³⁾	Head of Digital Banking	11	7	64
YB Hariantono ³⁾	Head of Information Technology	11	8	73
Pratomo Soedarsono ⁴⁾	Head of Human Capital	11	7	64
Maya Kartika ⁵⁾	Head of Human Capital	11	3	27
Jerry Ng ⁶⁾	President Director	11	0	-
Anika Faisal ⁶⁾	Compliance Director	11	1	9
Arief Haris Tandjung ⁶⁾	Chief Financial Officer	11	1	9
Peterjan Van Nieuwenhuizen ⁶⁾	Head of Digital Banking	11	1	9
Kharim Indra Gupta Siregar ⁶⁾	Head of Information Technology	11	3	27

Note:

- 1) served as a committee member since 15 September 2019
- 2) served as a committee member since 1 May 2019
- 3) served as a committee member since 1 April 2019
- 4) served as a committee member since 1 August 2019
- 5) has not served as a committee member since 1 August 2019
- 6) has not served as a committee member since 1 February 2019

Information Technology (IT) Steering Committee

Structure and Membership

The composition of the IT Steering Committee as at 31 December 2019 was as follows:

Chairperson	IT Director
Members With Voting Rights	<ol style="list-style-type: none"> 1. President Director 2. Deputy President Director 3. Risk Management Director 4. Director of Operations 5. Corporate Banking Japanese Director 6. Wholesale Banking Director 7. Chief Financial Officer 8. Treasury Director 9. Finance Director 10. Chief Retail Banking Officer 11. Head of Business Banking 12. Head of Retail Lending Business 13. Head of Retail Funding Business 14. Head of Digital Business 15. Head of Branchless Banking
Members Without Voting Rights	<ol style="list-style-type: none"> 1. Head of Internal Audit 2. Executive Officers of IT

Charter

The Information Technology Steering Committee has a charter that has been approved by the Board of Directors on 1 May 2019, which stipulates the following:

1. IT Steering Committee Meetings are held at least once every 3 (three) months in accordance with the set meeting agenda. If required, IT Steering Committee meetings can be held at any time at the request of one permanent member (permanent voting members)
2. The meetings are chaired by the chairperson of the committee. In the event that the chairperson of the committee is unable to attend, the meeting is chaired by one of the committee members who serves as a Director and is appointed at the meeting.
3. Only members with voting rights (permanent voting members), or their representatives, may vote.
4. Meetings can only be convened if attended by 50% of the committee members with voting rights and/or their representatives, provided that one of them is the chairperson of the committee and/or the President Director.
5. Decisions taken at committee meetings must be based on deliberation to reach consensus. In the event a decision cannot be reached, the decision must be taken through a vote of more than 50% of the committee members with voting rights, including the chairperson of the committee and or the President Director.
6. In the event of a conflict of interest, decision-making is carried out in accordance with the relevant provisions in the Corporate Policy
7. Dissenting opinions expressed at Committee meetings must be clearly stated in the Minutes of Meeting along with their reasons.

8. The results of the meeting must be stated in the minutes of the meeting and documented.
9. More than 50% of committee meetings are attended by over 70% of committee members in person.
10. If deemed necessary, the IT Steering Committee may invite parties other than committee members, including Subsidiaries, to attend the meeting.
11. Decisions taken at a meeting and recorded in the Meeting Minutes are signed by the Chairperson and the Secretary of the Meeting, and then circulated to the committee members.
12. The Committee can make a valid decision without holding a meeting through a committee circular, which is approved by all Permanent Members. This process can be carried out as long as the submitted proposal has been conveyed in the circular to all Permanent Members.

Duties and Responsibilities

The duties and responsibilities of the IT Steering Committee include providing recommendations to the Board Directors and cover:

1. Information Technology (IT) strategic plans that are in line with the strategic plans in relation to the Bank's business activities.
2. Formulation of key IT policies and procedures, such as IT security policies and risk management related to IT utilization at the Bank.
3. Conformity of approved IT projects with the Bank's IT Strategic Plan.

4. Conformity of the implementation of IT projects with the project charter agreed upon in the service level agreement.
5. Conformity of IT with the needs of management information system that supports the management of the Bank's business activities.
6. The effectiveness of measures to minimize the risks associated with the Bank's investment in the IT sector, and ensuring that the investment contributes to the achievement of the Bank's business objectives.
7. Evaluation of the performance and utilization of information technology to ensure that it can support and meet the Bank's business needs.
8. Efforts to solve various IT related issues that cannot be solved by the user work unit and the organizer work unit.
9. Evaluation of the availability and adequacy of human resources to perform IT operations, maintenance, and support.
10. Provision of input about processes related to IT risk.

Duty Implementation in 2019

In 2019, the IT Steering Committee held 4 meetings with the following meeting agenda:

- Update the 2019 IT Strategic Plan
- Discussed the new IT Strategic Plan (2020-2022), along with the required investment, and the Core Banking consolidation plan as a part of the Bank's IT Strategic Plan, as well as its implementation time.
- Discussed the impact of the MFT and Micro Service Payment incidents, which caused the disruption of Jenius and the payment systems.
- Approve the use of the SMBC Important System Risk Assessment method in determining the system in which the High Privileged User (HPU) is used for the operating system and database, as well as setting this method as a BTPN standard.
- Approved the use of the iOS Screen Capture in relations to the BYOD.
- Approved the plan to use applications that have an obsolete (end of life) database and operating system.
- Approved the IT 2020 plan to be reported to OJK

Frequency and Meeting Attendance

Name		Number of Meetings	Attendance	% Attendance
Ongki Wanadjati Dana	President Director	4	2	50
Kazuhiisa Miyagawa	Deputy President Director	4	3	75
Dini Herdini	Compliance Director	4	4	100
Yasuhiro Daikoku	Japanese Corporate Banking Director	4	2	50
Henoch Munandar	Risk Management Director	4	4	100
Hiromichi Kubo	Treasury Director	4	4	100
Merisa Darwis	Director of Operations	4	4	100
Dani Prabawa	Wholesale Banking Director	4	1	25
Vincentius Hidayat	Head of Retail Lending Business	4	3	75
Steffano Ridwan	Head of Business Banking	4	2	50
Helena	Head of Retail Funding Business	4	2	50
Hadi wibowo	Head of Branchless Banking	4	4	100
Nurhajati Soerjo Hadi	Head of Internal Audit	4	4	100
Ariadi Nugroho	Executive Officer of Information Technology	4	4	100
Setiasmo	Executive Officer of Information Technology	4	4	100
Wiwit Rifayanto	Executive Officer of Information Technology	4	2	50
Ferdinandus Huber	Executive Officer of Information Technology	4	4	100

Credit Policy Committee

Structure and Membership

The composition of the Credit Policy Committee as at 31 December 2019 was as follows:

Members With Voting Rights	President Director (Chairperson) Deputy President Director (Deputy Chairperson) Director of Operations Risk Management Director Compliance Director
Members Without Voting Rights	Head of Credit Department Head of Loan Department Head of Risk Management Department Head of Corporate Segment Loan Administration Department Head of Business Risk Head of Internal Audit Department (Observer) Head of Legal Transaction Department Head of Compliance Division

Charter

The Credit Policy Committee has a charter, which was approved by the Board of Directors on 1 February 2019, and stipulates the following:

1. Meetings

- Credit Policy Committee meetings are held at least every 12 (twelve) months.
- The meetings are chaired by the chairperson of the committee. In the event that the chairperson is unable to attend, the meetings are chaired by one of the permanent members of the committee with voting rights appointed at the meeting

2. Quorum

Credit Policy Committee meetings can only be convened if they are attended by more than 50% of the permanent members with voting rights including the chairperson of the committee.

In the event a committee member is unable to attend, they can appoint a representative to attend on their behalf.

3. Decision-Making

Decisions taken by the Credit Policy Committee are based on deliberations to reach consensus. In the event a decision cannot be reached, the decision must be taken through a vote of more than 50% of the permanent committee members with voting rights who are present at the meeting, including the chairperson of the committee.

4. Decision-Making Outside Formal Meetings

The Credit Policy Committee can make valid decisions without holding formal committee meetings (Circular Decision of the Committee), provided that all permanent members with voting rights approve the decision in writing.

Duties and Responsibilities

- Hold meetings to determine the direction of the Bank's loans and monitor the implementation of the Credit Policy
- Provide input to the Bank's Board of Directors in relation to the Bank Credit Policy and conduct periodic reviews of the Bank Credit Policy
- Oversee the application and implementation of the Bank Credit Policy
- Evaluate and analyze the quality of the Bank's loan portfolio as it relates to the Credit Policy
- Provide periodic reports that cover at least:
- Summary of the results of the supervision of the application and implementation of the Bank Credit Policy.
- Monitoring results/review and evaluation of the quality and condition of the loan portfolio.
- Suggestions for policy improvement

Duty Implementation in 2019

In 2019, the Credit Policy Committee held 1 (one) meeting on 20 November 2019, which was the first meeting of the Credit Policy Committee, with the following discussion agenda:

1. Submission and discussion of the latest BTPN Bank Credit Policy including its policy framework.
2. Submission and discussion of the hierarchy of loan terms.
3. Submission and discussion of the procedures related.
4. Submission and discussion of the Product Programs related to loans
5. Submission and discussion of the Credit Authority Framework.

6. Submission and discussion of the highlighted items.
7. Submission of the changes to the membership of the Credit Policy Committee, as a part of organizational structure adjustments.

Frequency and Meeting Attendance

Name	Position	Number of Meetings	Attendance	% Attendance
Ongki Wanadjati Dana	President Director	1	1	100%
Kazuhisa Miyagawa	Deputy President Director	1	1	100%
Dini Herdini	Compliance Director	1	1	100%
Henoch Munandar	Risk Management Director	1	1	100%
Yasuhiro Daikoku	Japanese Corporate Banking Director	1	1	100%
Darmadi Sutanto	Chief of Retail Banking Officer	1	1	100%
Vincentius Hidayat	Head of Retail Lending Business	1	1	100%
Hadi Wibowo	Head of Branchless Banking	1	1	100%
Nurhajati Soerjo Hadi	Head of Internal Audit	1	1	100%
Adil Pamungkas	Head of Retail Credit	1	1	100%
Vanny Maryani	Head of Branchless Banking Business Risk	1	1	100%
Takane Shiomi	Head of Credit Risk	1	1	100%
Butet Sondang Sitepu	Head of Compliance Division	1	1	100%
Argo Wibowo	Head of Legal and Litigation Division	1	1	100%
Sendiaty SONDY	Head of Management and Portfolio Policy	1	1	100%

Credit Committee

Structure and Membership

The composition of the Credit Committee as at 31 December 2019 was as follows:

Chairperson	President Director
Members	<ol style="list-style-type: none"> 1. Deputy President Director 2. Business Director/Business Head 3. Credit Department Head 4. Loan Department Head 5. Credit Risk Head 6. Head of Business Group or Department 7. Risk Management Director (Observer)

Charter

The Credit Committee has a charter, which was approved by the Board of Directors on 1 February 2019, which stipulates the following:

1. Meetings

The Credit Committee can convene meetings at any time as required.

Credit Committee Meetings are held to generate recommendations for the President Director or Deputy President Director who makes the ultimate decision about loan approvals, including conditions and instructions relating to Loan Approvals.

On the recommendation of the Credit Committee, the relevant Business Director/ Head of Business signs the recommendation sheet with other committee members.

Credit Committee members who are required to attend committee meetings are determined by looking at the meeting agenda:

Agenda	Mandatory Meeting Participants
1. Credit related to the Wholesale, Corporate, and Enterprise Banking segments	<ul style="list-style-type: none"> • President Director or Deputy President Director • Relevant Wholesale, Corporate, and Enterprise Director • Head of Credit Risk • Head of Loan Department • Relevant Head of Wholesale, Corporate, and Enterprise Banking Group or Department • Risk Management Director (Observer) <p>Note: The meeting is chaired by the Chairperson of the Committee (President Director). In the event that the Chairperson of the Committee is unavailable, the Deputy President Director shall act as Chairperson of the Committee</p>
2. Credit related to the Business Banking segment	<ul style="list-style-type: none"> • President Director • Director/Head of Business Banking • Head of Credit Risk Business Banking • Head of Credit Risk • Risk Management Director (Observer) <p>Note: The meeting is chaired by the Chairperson of the Committee (President Director). In the event that the Chairperson of the Committee is unavailable, one of the committee members who is appointed at the meeting shall act as Chairperson of the Committee</p>

2. Meeting Quorum

Credit Committee meetings can be held if attended by at least 51% of the mandatory meeting participants and 1 representative from the Credit Department or the Loan Department. The presence of the observer is not counted in the meeting quorum.

Committee members who are not mandatory meeting participants may attend the meeting, but their attendance is not counted in the meeting quorum and their votes are not counted in the decision-making process.

3. Decision-Making at Committee Meetings

Decisions at a Credit Committee Meeting are based on a majority vote, namely a vote of at least 51% (fifty one percent) of the members present at the meeting, including the vote of the President Director/Vice President Director.

The vote of the Risk Management Director as an observer is not calculated in the decisions taken at a Committee Meeting, but the Risk Management Director must be made aware of every decision taken at a Committee Meeting.

In the event that the decision-making at a Committee Meeting results in equal number of agreeing and disagreeing votes, the Chairperson of the Committee can determine the final decision to be taken by the Committee.

Duties and Responsibilities

In order to assist the duties and responsibilities of the Board of Directors in managing the Bank's credit, the Credit Committee has the following responsibilities:

- Independently analyze and approve loan disbursements in accordance with the established authority limits (decisions taken must be objective, carried out in a prudence manner and without conflicts of interest).
- Ensure that the business is carried out in accordance with the Bank's risk management policies, standards, and practices.

Duty Implementation in 2019

In 2019, the Credit Committee held 35 (thirty five) meetings for the Wholesale, Corporate, and Enterprise Banking segments and 2 (two) meetings for the Business Banking segment.

The meetings were held to make decisions about new, additional and extended credit applications in each segment.

Meeting Frequency and Attendance

Wholesale, Corporate and Enterprise Banking Credit Committee

Name	Position	Number of Meetings	Attendance	% Attendance
Ongki Wanajati Dana/ Kazuhiya Miyagawa	President Director/ Deputy President Director	35	35	100%
Dani Prabawa/Yasuhiro Daikoku	Wholesale Director/Japanese Corporate Banking Director	35	33	94%
Jenny Susanto*	Credit Department Head	15	15	100%
Takane Shiomi**	Head of Business Credit Risk	20	17	85%
Husan Mahjudin	Head of Loan Department	35	32	91%
Respective Department Head	Risk Management Director	35	34	97%
Henoch Munandar (observer)	Risk Management Director	35	22	63%

Commercial and Business Banking Credit Committee

Name	Position	Number of Meetings	Attendance	% Attendance
Ongki Wanadjati Dana	President Director	2	2	100%
Steffano Ridwan	Business Banking Head	2	2	100%
Sidik Waskito	Business Banking Credit Head	2	1	50%
Jenny Susanto*/Takane Shiomi**	Head of Credit Department/Head of Business Credit Risk	2	2	100%
Henoch Munandar (observer)	Risk Management Director/Chief of Banking Officer	2	1	50%

Note:

*) Has not served as a committee member since July 2019. Has been replaced by the Head of the Credit Risk (Takane Shiomi)

**) Has been serving as a committee member since 4 July 2019

Information Governance Steering Committee

Structure and Membership

Chairperson	Head of Information Technology
Member	Permanent Voting Members <ul style="list-style-type: none"> • Compliance Director • Finance Director • Risk Management Director • Operations Director
	Permanent Non-Voting Members <ul style="list-style-type: none"> • Head of Internal Audit • IT Data Management Head (as Secretary)
	Standing Invitee <ul style="list-style-type: none"> • Japanese Corporate Banking Director • Treasury Director • Chief Retail Banking Officer • Head of Retail Lending Business • Head of Retail Funding Business • Head of Digital Banking • Head of Branchless Banking • Analytics & Decision Science Head

Charter

The Information Governance Steering Committee has a charter, which has been approved by the Board of Directors on 1 May 2019, which contains the following:

1. Information Governance Steering Committee Meetings are held at least 4 (four) times a year with a predetermined meeting agenda. If required, the Information Governance Steering Committee meetings can be held at any time at the request of one permanent member (permanent voting members)

2. Meetings are chaired by the chairperson of the committee. In the event that the chairperson is unable to attend, the meeting is chaired by one of the committee members who serves as a Director and is appointed at the meeting.
3. Only permanent voting members, or their representatives, who are present at the meeting have voting rights.
4. Meetings can only be convened if attended by 50% of the committee members with voting rights and/or their representatives, provided that one of them is the chairperson of the committee and/or the Compliance Director.
5. Decisions taken at committee meetings must be based on deliberation to reach consensus. In the event a decision cannot be reached, the decision must be taken through a vote of more than 50% of the committee members with voting rights who are present at the meeting, including the chairperson of the committee and/or the Compliance Director.
6. In the event of a conflict of interest, decision making is carried out in accordance with the relevant provisions in the Corporate Policy
7. Dissenting opinions expressed at Committee meetings must be clearly stated in the Minutes of Meeting along with their reasons.
8. The results of the committee meeting must be stated in the minutes of the meeting and documented.
9. If deemed necessary, the committee can invite parties other than committee members, including Subsidiaries, to attend the meeting.
10. Decisions taken at a meeting and recorded in the Meeting Minutes are signed by the Chairperson and the Secretary of the Meeting, and then circulated to the committee members.
11. The Committee can make a valid decision without holding a meeting through a committee circular, which is approved by all Permanent Members (permanent voting members). This process can be carried out as long as the submitted proposal has been conveyed in the circular to all Permanent Members (permanent voting members).

Duties and Responsibilities

The Committee adheres to the following guidelines when carrying out its duties and functions:

1. Uphold strategic data and information governance policies and procedures
2. Monitor the condition of the Bank's data and information governance as well as the efforts to improve it
3. Provide guidance on solving various issues related to data and information

Duty Implementation in 2019

The Committee held 4 meetings with the following agenda:

1. Monitoring of the Customer Data Update progress
2. Monitoring of the implementation progress of the integration and data cleansing of BFEQ, and WOW with Bank-Wide Reference Data Management
Note: The Bank-Wide Reference Data is based on the 2018 IGSC provisions
3. Monitoring of the progress of data cleansing related to the establishment of Customer Reference Data (CRN) generated from the Master Data Management
Note:
 - Implementation of the Master Data Management has been reported in the Bank's 2018 IGSC performance
 - Customer Reference Numbers [CRN] as bank-wide Single/Global CIF
4. Establishing a Service Level Agreement [SLA] MEMO in relation to the handling of CRN Suspects/Rejects data
5. Monitoring of the implementation progress of the Bank's initiatives to make changes to CRN information in SLIK reporting

Frequency and Meeting Attendance

Name	Number of Meetings	Attendance	% Attendance
YB Hariantono	4	4	100%
Dini Herdini	4	3	75%
Hanna Tantani	4	3	75%
Henoch Munandar	4	3	75%
Merisa Darwis	4	4	100%
Hendra Rahardja*	2	2	100%
Yasuhiro Daikoku	4	2	50%
Dani Prabawa	4	1	25%
Hirokichi Kubo	4	2	50%
Darmadi Sutanto	4	4	100%
Vincentius Hdayat	4	4	100%
Steffano Ridwan	4	3	75%
Helena	4	1	25%
Irwan Tisnabudi	4	2	50%
Hadi Wibowo	4	4	100%
Erliana Tandoko	4	2	50%

* has served as a committee member since October 2019

Human Capital Committee

Membership

Committee membership is ex officio (based on position) and consists of:

Chairperson	President Director
Permanent Voting Members	1. Deputy President Director 2. Finance Director 3. Director of Operations 4. Head of Human Capital (Secretary)

Charter

The charter that has been adopted as a reference point for the Committee stipulates the following duties and functions:

- a. Decisions taken at committee meetings must be based on deliberation to reach consensus. In the event a decision cannot be reached, the decision must be taken through a vote of more than 50% of the committee members with voting rights, including the President Director.
- b. In the event of a conflict of interest, decision-making is carried out in accordance with the relevant provisions in the Corporate Policy

- c. Dissenting opinions expressed at Committee meetings must be clearly stated in the Meeting Minutes along with their reasons.

Duties and Responsibilities

The duties and responsibilities of the Committee include:

1. Evaluate policies, strategies and targets that relate to Human Capital and make recommendation to the Board of Directors. These are policies that are strategic in nature.
2. Evaluate the implementation of the Human Capital remuneration program and make recommendations to be approved by the Board of Directors.
3. Approve deviations from the prevailing regulations/company policies in the area of Human Capital that exceed the authority of the division head and/or Director in charge of Human Capital.
4. Submit recommendations to the Board of Directors on the appointment and placement (nomination) of the members of the Board of Directors/ the Board of Commissioners of the Subsidiaries (including the members of the Sharia Supervisory Board in a Subsidiary Company engaging in the Sharia business).

2019 GCG Implementation Report

Implementation of Activities during 2019

No	Date	Agenda
1	28 February 2019	Addition of BOM member
2	18 April 2019	Organization Structure Man Power Planning
3	2 May 2019	Proposal for the Board of Commissioners of BTPN Syariah
4	12 July 2019	Addition of BOM member
5	29 October 2019	Assessment of Health Insurance Service Providers EVP Project Job Grading People Risk
6	13 November 2019	Proposed change in employee benefits for Expatriates
7	2 December 2019	Proposal for the Board of Commissioners, the Board of Directors, and the Supervisory Board of BTPN Syariah

Meeting Frequency and Attendance

Name	Number of Meetings	Attendance	% Attendance
Ongki Wanadjati Dana President Director	7	7	100
Kasuhiza Miyagawa Deputy President Director	7	7	100
Merisa Darwis Director of Operations	7	7	100
Maya Kartika* Head of Human Capital	3	3	100
Pratomo Soedarsono Head of Human Capital	4	4	100
Hanna Tantani **	3	3	100

* replaced by Pratomo Soedarsono

** served since September 2019

Integrated Risk Management Committee

Structure and Membership

The membership structure of the Risk Management Committee is as follows:

Permanent Members

1. Director of Integrated Risk of PT. Bank BTPN Tbk ("BTPN") as the Main Entity concurrently acting as the Chairperson.
2. Director in charge of the risk management function, or parties representing or appointed by BTPN Syariah.
3. Head of the Risk Management Department of BTPN who is in charge of the Integrated Risk Management Unit ("SKMRT")

Non-Permanent Members

Directors and Executive Officers of BTPN and each Financial Services Institution ("LJK") member of the Conglomerate, adjusted to the needs of the Conglomerate.

Charter

The Integrated Risk Management Committee Charter stipulates the following

1. Meetings

- The committee holds a meeting at least once every semester, or as required.
- The Committee may invite Non-Permanent Members of the Committee to attend a meeting if necessary
- The Committee Meetings discuss the Integrated Risk Profile Assessment Report of the Conglomerate. In addition, the SKMRT collects additional meeting agendas from Conglomerate members 1 (one) month prior to each Risk Management Committee meeting. This agenda is sent together with the invitation to the committee meeting.
- The results of Integrated Risk Management Committee meetings, including differences of opinion, must be recorded in meeting minutes, signed by all Permanent Members and well documented. Meeting Minutes are circulated to all Permanent Members of the committee.

- The Committee can make a valid decision without holding a meeting through a committee circular, which is approved by all Members. This process can be carried out as long as the submitted proposal has been conveyed to all Members.

2. Quorum

Risk Management Committee meetings can only be held if attended by a minimum of 50% (fifty percent) of the Permanent Members of the committee in addition to the Chairman.

3. Decision-Making

- Decision-making at committee meetings is based on deliberation and consensus.
- In the event that deliberation and consensus cannot be reached, decision making must be based on the majority of votes of the Permanent Members attending the meeting.

4. Review

Review of the charter of the Integrated Risk Management Committee is conducted at least 1 (once) a year and/or more frequently if necessary.

Duties and Responsibilities

The Committee is responsible for advising the Board of Directors of the Main Entity regarding matters relating to risk management, particularly:

1. Preparation and review of the Integrated Risk Management policy;

2. Amendments of the integrated risk management policy, among others improvements to the strategy and risk framework based on the implementation of the evaluation results. Reviews must be conducted periodically as required and take into account any changes in external and internal conditions that may be detrimental to the adequacy of the Bank's capital, risk profile, and the effectiveness of the implementation of integrated risk management.
3. Other matters related to the implementation of integrated risk management that have become a concern for the Committee Members.

Duty Implementation in 2019

In 2019, the Integrated Risk Management Committee held 2 (two) meetings to discuss the following matters:

1. Integrated Risk Profile Report and Integrated KPMM Report for the January - June 2019 period on 8 July 2019 and for the July - December 2019 period on 6 February 2020, before they were submitted to the Financial Services Authority (OJK).
2. Submission of financial statements of the SMBC Financial Conglomerate for June 2019 and December 2019
3. Submission of the list of activities related to the duties and responsibilities of the Integrated Risk Management Committee to the Board of Directors of the Main Entity of the SMBC Group Financial Conglomerate (BTPN) on a semi-annual basis.
4. Preparation of the Integrated Risk Management Committee Charter.
5. Preparation of the schedule and Annual Work Plan for the Integrated Risk Management Committee in 2019

Frequency and Meeting Attendance

Name	Number of Meetings	Attendance	% Attendance
Henoah Munandar	2	2	100%
Arief Ismail	2	2	100%
Sendiaty Soudy	2	2	100%

Assessment and Remuneration of the Board of Commissioners

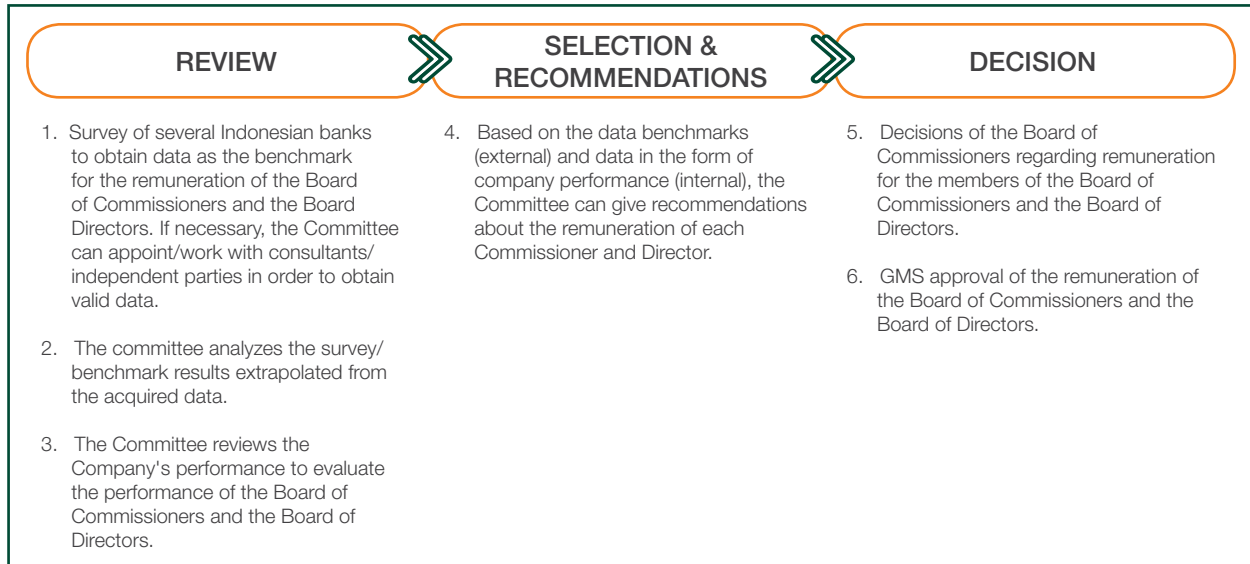
Remuneration Policy

The determination of the remuneration, and other facilities, for the members of the Board of Commissioners refers to the decision of the shareholders as stipulated in the GMS and takes into account the advice provided by the Nomination and Remuneration Committee.

In determining the remuneration of each member of the Board of Commissioners, the Bank considers the board's general performance, evaluates the performance of each member of the Board of Commissioners, as well as the remuneration of peer groups within the bank and the banking industry, and the Company's capabilities. The Company's performance, which is one of the factors used to determine the remuneration of the members of the Board of Commissioners and the Board of Directors is illustrated by the Company's stock exchange price.

2019 GCG Implementation Report

The following is the flow of the remuneration process for the members of the Board of Commissioners:



Remuneration Structure of the Board of Commissioners

Type of Remuneration and Other Facilities	Total Amount Received (Gross) in 1 Year	
	Board of Commissioners	
	Total as at 31 December 2019	Rp Million
Salary, bonus, fixed allowance, tantiem, and other facilities in cash.*	5	11,210
Non-cash Facilities: housing, health insurance, and others, that:		
May be Owned	5	670
May Not be Owned	5	9
Total	5	11,889

* Including the remuneration of the members of the Board of Commissioners serving up to 31 January 2019

Name	Number of Commissioners
Above Rp2 Billion	2
Above Rp1 Billion – Rp2 Billion	2
Above Rp500 Million – Rp1 Billion	0
Under Rp500 Million	0

Number of Directors, Commissioners and Employees Receiving Fixed and Variable Remuneration in 1 (One) Year and the Total Amount

Fixed Category

Description	2019 (Rp Million)	2018 (Rp Million)
Directors	37,715	44,119
Commissioners	7,450	10,414
Employee	1,331,273	1,238,915

Variable Category

Description	2019 (Rp Million)		2018 (Rp Million)	
	Headcount	Jumlah	Headcount	Jumlah
Directors	7	73,550	7	65,200
Commissioners	3	3,760	3	4,350
Employee Bonus	-	154,050	-	159,044
Employee Incentive	-	27,378	-	29,283

Shares Options Owned by Directors, Commissioners, and Executive Officers

Description	2019*)	2018*)
Directors	6,300,000	19,800,000
Commissioners	-	-
Executive Officers	20,140,000	53,175,000

*) Directors, Commissioners, and Executive Officers of Conventional BTPN

Ratio of Highest and Lowest Salaries

Description	Ratio
Highest Employee – Lowest Employee	238,97
Highest Director – Lowest Director	3,97
Highest Commissioner – Lowest Commissioner	3,65
Highest Director – Highest Employee	1,04

Total Deferred Variable Remuneration

	2019		2018	
	Headcount	Total	Headcount	Total
Deferred bonus (Gross)	7	16,350,000,000	7	16,300,000,000
MESOP 2015-2020	204	76,360,000	216	105,350,000
ESOP2016-2021	3	198,000	259	48,990,000

*) Performance bonus for the previous year

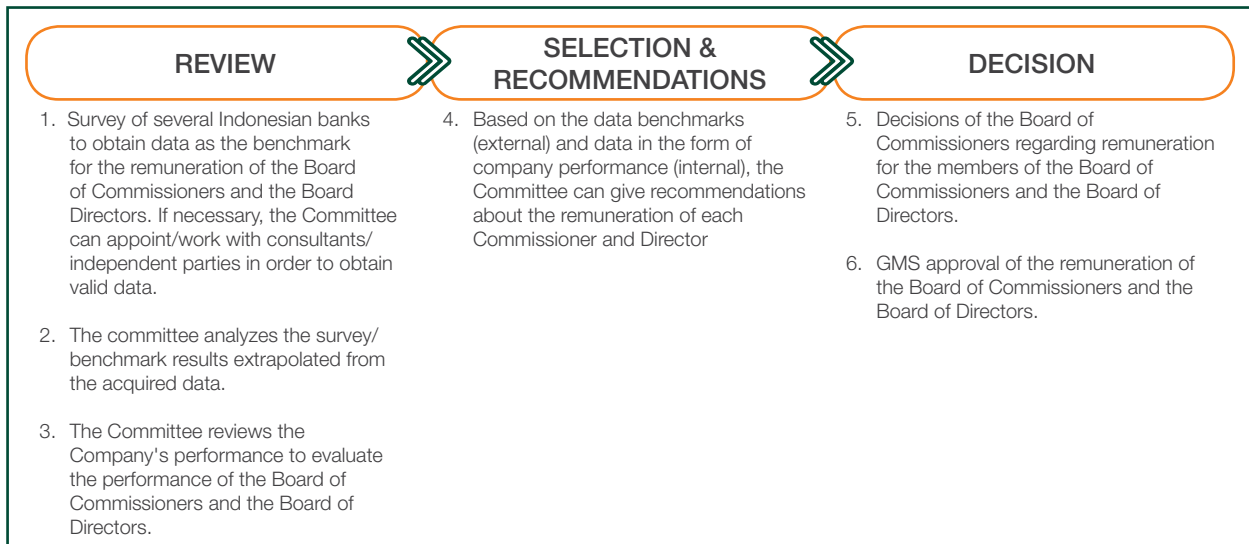
**) Directors and Executive Officers of Conventional BTPN

Assessment and Remuneration of the Board of Directors

The determination of the remuneration, and other facilities, for the members of the Board of Directors refers to the decision of the shareholders as stipulated in the GMS and takes into account the advice provided by the Nomination and Remuneration Committee.

In determining the remuneration of each member of the Board of Directors, the Bank considers the board's general performance, evaluates the performance of each member of the Board of Directors, as well as the remuneration of peer groups within the bank and the banking industry, and the Company's capabilities. The Company's performance, which is one of the factors used to determine the remuneration of the members of the Board of Commissioners and the Board of Directors is illustrated by the Company's stock exchange price.

The following is the flow of the remuneration process for members of the Board of Directors:



Performance Assessment in Relation to Remuneration

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

Unit performance is categorized into – Exceeding the Targets, Achieving the Targets, and Below the Targets. Unit performance also influences the performance of the head of the work unit.

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

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

- a. 80% of the Variable Income is provided in cash.

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

Position and Number of Parties that Become Material Risk Takers

Positions that are included in the category of material risk takers are the Board of Directors comprising 7 persons. That number is the number of Material Risk Takers (MRT) during 2019.

Remuneration Structure of the Board of Directors

Type of Remuneration and Other Facilities	Total Rupiah Received (Gross) in 1 Year	
	Board of Directors	
	Total as at 31 December 2019	Rp Million
Salary, bonus, fixed allowance, tantiem, and other facilities in cash.*	9	168,517
Other facilities; housing, health insurance, and others, that		
May be owned	9	3,610
May not be owned	9	42
Total	9	172,169

* Including remuneration of the members of the Board of Directors serving up to 28 March 2018, 5 October 2018, and 31 January 2019

Total Remuneration and Benefits in 1 Year	Number of Directors
Above Rp2 Billion	13
Above Rp1 Billion – Rp2 Billion	1
Above Rp500 Million – Rp1 Billion	1
Under Rp500 Million	0

Variable Remuneration

Variable remuneration comprises of Incentives, Performance Bonuses, and MESOP/ESOP. Incentives are based on individual performance and given to employees as a sales, service, and collection. Incentives are paid monthly, quarterly, and annually.

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

MESOP/ESOP (Management and Employee Stock Option Program/Employee Stock Option Program) provides the Board of Directors and certain employees with the option to purchase a number of the Bank's shares at a fixed price. The amount of MESOP/ESOP is based on individual performance, and is a reward for the performance of the Board of Directors and the employees. It is hoped that the programs improve the individual performance/contribution of the Bank's Board of Directors and employees to improve the Bank's future performance, which may increase the value of the Bank's shares. It is also hoped that the programs act as a retention measure.

CORPORATE SECRETARY

Profile of the Corporate Secretary

The position of the Corporate Secretary is held by Dini Herdini, who in the 2019 fiscal year held a concurrent position as a Compliance Director. His complete profile can be found in the "Profile of the Board of Directors" section.

Term of Office

The term of office of the Corporate Secretary commenced on 1 February 2019. (In accordance with the term of office of the members of the Board of Directors).

Frame of Reference

The position of the Corporate Secretary at Bank BTPN references the Financial Services Authority Regulation No.35/POJK.04/2014 on the Establishment of a Corporate Secretary, juncto Regulation of Securities Listing of PT Bursa Efek Indonesia No. 1-A attachment II of the Decision of the Board of Directors of PT Bursa Efek Indonesia No. Kep-00001/BEI/01-2014 dated 30 January 2014. The Bank has a Corporate Secretary, Dini Herdini, who also serves as a Director of Compliance as of 1 February 2019. He has been appointed based on the Circular Decision of the Board of Directors No. PS/BOD/006/II/2019 dated 1 February 2019 on the Appointment of Corporate Secretary.

Duties and Responsibilities

1. Maintain good relations with the Financial Services Authority, the Indonesian Stock Exchange, and other stakeholders.
2. Provide the public and stakeholders with important information relating to the Bank's condition.
3. Follow the development of the capital market, particularly the prevailing regulations in the capital market.
4. Fulfill the obligations of the Company as a public company based on the principles of Corporate Governance.

5. Give the Directors and the Board of Commissioners advice about compliance with the provisions of Law Number 8 of 1995 concerning the Capital Market and its implementing regulations.
6. Implement GMS.
7. Coordinate the implementation of the meetings of the Board of Directors and the Board of Commissioners.
8. Prepare the Minutes of the Meetings of the Board of Directors and keeping the Minutes of Meeting.
9. Assist the Board of Directors and the Board of Commissioners in carrying out their respective duties and responsibilities.

Implementation of the Duties and Responsibilities of the Corporate Secretary

During 2019, the Corporate Secretary fulfilled the following duties:

1. Implementation of the Annual General Meeting of Shareholders on 15 February 2019 and the Extraordinary General Meeting of Shareholders on 11 September 2019.
2. Submitted information and/or reports required by the competent authorities.
3. Delivered press releases 17 times.
4. Organized the Annual Public Expose in conjunction with the 2019 Investor Summit of PT Bursa Efek Indonesia on 26 August 2019.
5. Organized an Investor Gathering in connection with the issuance of the Public Offering of Shelf Registry Bonds IV Bank BTPN Phase I Year 2019 on 21 October 2019.
6. Carried out secretarial duties during meetings with the following details: 37 meetings of the Board of Directors, 5 meetings of the Board of Commissioners, 7 Joint Meetings of the Board of Commissioners and the Board of Directors.
7. Conducted the orientation or induction program for new member of the Board of Commissioners.
8. Participated in training programs organized by the Indonesia Stock Exchange, the Financial Services Authority and the Indonesian Issuers Association.
9. Updated information on the website of Bank BTPN.

Competency Training and Development

During 2019, the Corporate Secretary participated in competency development programs. The details of these can be found in the "Company Profile" chapter on page 95.

Press Releases

Month	Date	Descriptions
January	17	Jenius Launched Life Finance Solutions in Malang
January	24	Assets Exceeded Rp100 Trillion, Profit Soared by 61%
February	1	PT Bank BTPN Tbk Officially in Operations
February	15	EGMS of Bank BTPN Agrees Not to Distribute Dividends
February	20	Jenius, Life Finance Solutions Launched in Medan
February	22	Jenius Held the 2019 Co.Creation Week, Co-Creation Event with Digital Savvy
March	20	Bank BTPN Launched Jenius Services in Makassar
April	25	The Corporate Segment Boosts Bank BTPN's Growth in Assets
May	3	Jenius Officially Launched in Yogyakarta and Semarang for Simple, Smart, and Secure Life Finance Solutions
May	9	Collaboration of Jenius, BAZNAS Presents Digital Zakat and Donation Payment Services
August	26	Focusing on Consolidation, Performance of BTPN Continues to Grow
August	27	Jenius Celebrated Its Third Anniversary with #temanjenius
September	11	EGMS of Bank BTPN Approves Changes to the Composition of the Board of Directors and the Board of Commissioners
October	18	Bank BTPN Released Bonds for Expansion
October	23	Capacity Development for Business Success of SME Customers
October	24	Growth in Quality Loans, Bank BTPN Posts Positive Performance
November	21	First Jenius Tech Hub Officially Launched in Bandung

Disclosure of Information

Month	Company Letter	Date	Description
January	S.001/DIRCLC/CCS/I/2019	2-Jan-19	Disclosure of Information on Bonds Coupon
January	S.015/DIRCLC/CCS/I/2019	17-Jan-19	Disclosure of Information on Bonds Coupon
January	S.035/DIR/CCS/I/2019	23-Jan-19	Disclosure of Information on Merger of the Company
January	S.024/DIRCLC/CCS/I/2019	23-Jan-19	Disclosure of Information on Merger of the Company
January	S.045/DIRCLC/CCS/I/2019	31-Jan-19	Disclosure of Information on Share Ownership
February	S.083/DIR/CCS/II/2019	4-Feb-19	Disclosure of Information on Share Ownership Report
February	S.082/DIR/CCS/II/2019	4-Feb-19	Disclosure of Information on Share Ownership Report
February	S.106/DIR/CCS/II/2019	6-Feb-19	Disclosure of Information on Affiliations
February	S.105/DIR/CCS/II/2019	6-Feb-19	Disclosure of Information on Affiliations
February	S.048/DIRCLC/CCS/II/2019	6-Feb-19	Disclosure of Information on Changes to the BOD and BOC Member Composition
February	S.047/DIRCLC/CCS/II/2019	6-Feb-19	Disclosure of Information on Changes to the BOD and BOC Member Composition
February	S.046/DIRCLC/CCS/II/2019	6-Feb-19	Disclosure of Information on Changes to the BOD and BOC Member Composition
February	S.056/DIRCLC/CCS/II/2019	7-Feb-19	Disclosure of Information on Share Ownership
February	S.055/DIRCLC/CCS/II/2019	7-Feb-19	Disclosure of Information on Share Ownership
February	S.054/DIRCLC/CCS/II/2019	7-Feb-19	Disclosure of Information on Certain Share Ownership
February	S.053/DIRCLC/CCS/II/2019	7-Feb-19	Disclosure of Information on Certain Share Ownership
February	S.154/DIR/CCS/II/2019	21-Feb-19	Disclosure of Information on Financial Statements of SMBC & SMFG
February	S.072/DIRCLC/CCS/II/2019	21-Feb-19	Disclosure of Information on Financial Statements of SMBC & SMFG
March	S.088/DIRCLC/CCS/III/2019	11-Mar-19	Disclosure of Information on Deed of Amendment to the Articles of Association (Capital)
March	S.087/DIRCLC/CCS/III/2019	11-Mar-19	Disclosure of Information on Deed of Amendment to the Articles of Association (Capital)
March	S.101/DIRCLC/CCS/III/2019	14-Mar-19	Disclosure of Information on Submission of the 2019 AGMS BAR
March	S.100/DIRCLC/CCS/III/2019	14-Mar-19	Disclosure of Information on Submission of the 2019 AGMS BAR
April	S.121/DIRCLC/CCS/IV/2019	4-Apr-19	Disclosure - 11th Payment of OBL BLJKT III Fees
April	S.120/DIRCLC/CCS/IV/2019	4-Apr-19	Disclosure - 11th Payment of OBL BLJKT III Fees
April	S.135/DIRCLC/CCS/IV/2019	23-Apr-19	Disclosure of Information on 6th Payment of OBL BKLJ III Thp II Thn 2017
April	S.134/DIRCLC/CCS/IV/2019	23-Apr-19	Disclosure of Information on 6th Payment of Phase II Year 2017 Bonds
April	S.313/DIR/CCS/IV/2019	26-Apr-19	Disclosure - Press Release of 2019 Q1 Performance
April	S.141/DIRCLC/CCS/IV/2019	26-Apr-19	Disclosure - Press Release of 2019 Q1 Performance
April	S.140/DIRCLC/CCS/IV/2019	26-Apr-19	Disclosure - Press Release of 2019 Q1 Performance
May	S.154/DIRCLC/CCS/V/2019	13-May-19	Disclosure - Press Release on Jenius – BAZNAS Collaboration
May	S.155/DIRCLC/CCS/V/2019	14-May-19	Disclosure on Annual rating Results
June	S.171/DIRCLC/CCS/VI/2019	14-Jun-19	Disclosure of Information on Interest Payment of MTN II
July	S.213/DIRCLC/CCS/VII/2019	31-Jul-19	Disclosure of Information on Submission of the 2019 Q2 Consolidated Financial Statements (Audited)
August	S.232/DIRCLC/CCS/VIII/2019	16-Aug-19	Disclosure of Information on Appointment of KAP for the 2019 Q2 Audited Consolidated Financial Statements
August	S.242/DIRCLC/CCS/VIII/2019	23-Aug-19	Disclosure of Information on Submission of Deed of Amendment to the Articles of Association
August	S.247/DIRCLC/CCS/VIII/2019	28-Aug-19	Disclosure of Information on Press Release on 3rd Anniversary of Jenius
August	S.248/DIRCLC/CCS/VIII/2019	29-Aug-19	Disclosure of Information on Share Ownership Report

2019 GCG Implementation Report

Month	Company Letter	Date	Description
September	S.269/DIRCLC/CCS/IX/2019	13-Sep-19	Disclosure of Information on Information Required by the Public
September	S.271/DIRCLC/CCS/IX/2019	16-Sep-19	Disclosure of Information on Interest Payment of MTN II
September	S.273/DIRCLC/CCS/IX/2019	20-Sep-19	Disclosure of Information on Composition Changes
October	S.313/DIRCLC/CCS/X/2019	17-Oct-19	Disclosure of Information on Payment of PUB III Phase II 2017 series B Fees
October	S.011/CCS/X/2019	21-Oct-19	Disclosure of Information on Press Release in relation to PUB IV 2019
October	S.016/CCS/X/2019	25-Oct-19	Disclosure of Information on Press Release in relation to 2019 Q3 Performance
October	S.015/CCS/X/2019	25-Oct-19	Disclosure of Information on Press Release in relation to SME Customer Development
November	S.338/DIRCLC/CCS/XI/2019	25-Nov-19	Disclosure of Information on Press Release in relation to First Jenius Tech Hub in Bandung
November	S.346/DIRCLC/CCS/XI/2019	28-Nov-19	Disclosure of Information on Press Release in relation to Jenius – Ministry of Foreign Affairs – Safe Travel Fest
December	S.786/DIR/CCS/XII/2019	4-Dec-19	Disclosure of Information on IFC
December	S.347/DIRCLC/CCS/XII/2019	4-Dec-19	Disclosure of Information on IFC

COMPLIANCE FUNCTION

The banking industry is an industry that is required to apply "compliance" more stringently (highly regulated) compared to other industries because it is associated with public missions and responsibilities towards public funds. Therefore, compliance risk management in banks becomes very important especially with the increasing complexity of bank business activities in line with developments in information technology and digitalization that can lead to potential compliance risks for banks.

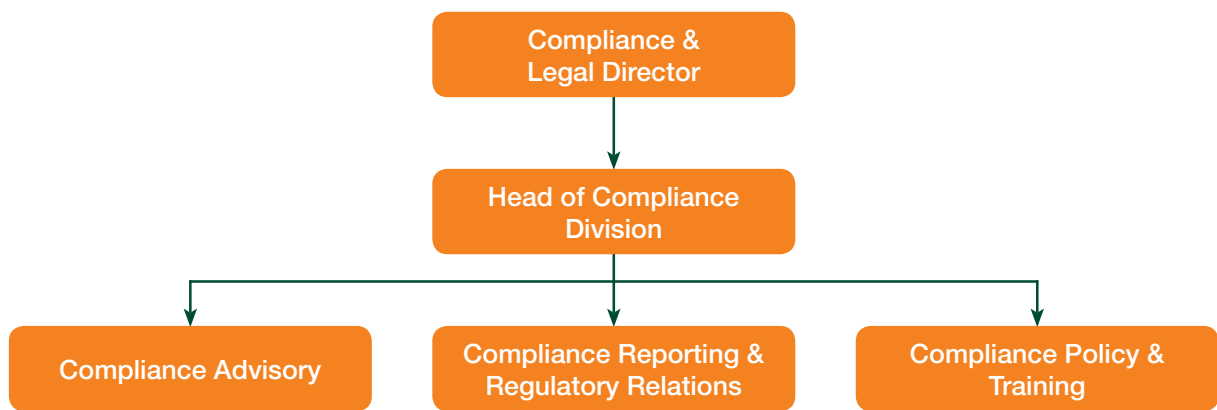
The Bank needs to mitigate the risks associated with its business activities by undertaking both preventive (ex-ante) and curative (ex-post) measures. Ex-ante efforts include complying with all the provisions of the Financial Services Authority (OJK) and Bank Indonesia (BI), as well as the applicable laws. This can be realized by increasing the importance of compliance at every level of the organization, and the effectiveness of the role of the Compliance Unit, to enable the potential risks associated with the Bank's business activities to be anticipated early.

As stated in the Corporate Governance Manual, PT Bank BTPN Tbk ("Bank") is committed to complying with the provisions of the Financial Services Authority (OJK) and Bank Indonesia (BI) as well as the applicable laws and regulations, including the provisions of the Anti-Money Laundering and Prevention of Terrorist Funding (APU & PPT).

The Bank's compliance processes are carried out in a comprehensive and structured manner to ensure that their implementation within the Bank is in line with all applicable regulations. This governance refers to the Financial Services Authority Regulation (OJK) No. 46/POJK.03/2017 on the Implementation of the Compliance Function of Commercial Banks.

Organizational Structure

To ensure its effectiveness, the Bank's compliance function is headed by a director, who is assisted by the Compliance Unit, hereinafter referred to as the "Compliance Division," which is independent as stated in the OJK regulation on the Implementation of the Compliance Function.



Functions, Duties, and Responsibilities

The functions, duties, and responsibilities of the Compliance Division are formulated in line with the policies issued by the regulator, and include:

Compliance Functions

Functions carried out by the Bank have adopted the directives provided by the regulators, which include:

1. Realizing a Compliance Culture at all levels of the Bank's organization and business activities.
2. Managing the Bank's Compliance Risk.
3. Ensuring that the policies, provisions, systems, and procedures, as well as business activities carried out by the Bank, are in accordance with the provisions of the Financial Services Authority, and the provisions of regulations, including the Sharia Principles for commercial sharia banks and sharia business units.
4. Ensuring the Bank's compliance with commitments made by the Bank to the Financial Services Authority and/or other supervisory authorities.

5. The consultative (advisory) function related to the implementation of the applicable regulations through the provision of suggestions/responses to questions from work units or branches, whether through electronic media, discussions, telephone, or meetings. This includes consultative function in relation to all merger processes and developments.

Duties and Responsibilities

As a part of the Bank's internal control function, the Compliance Division, as the second line of the bank's internal control system, is responsible for carrying out a series of ex-ante (preventive) measures to ensure that the Bank carries out effective compliance risk management by establishing a Compliance Framework.

The duties and responsibilities of the Compliance Division are as follows:

1. Undertaking measures to support the creation of a Compliance Culture in all business activities of the Bank at every level of the organization through the system development, programs, frameworks, Compliance Charter or Compliance Policy and Procedures.
2. Identifying, measuring, monitoring and controlling Compliance Risk by referring to OJK regulations on the Implementation of Risk Management for Commercial Banks. In order to carry out the Compliance Risk Management process, the Compliance Division coordinates with the Risk Management Division.
3. Assessing and evaluating the effectiveness, adequacy, and conformity of the Bank's policies and internal provisions with the applicable regulations, including the design of new internal policies/provisions as well as annual reviews.

4. Analyzing/reviewing and/or recommending updates and improvement of Bank's policies and internal provisions in order to comply with OJK and BI regulations, as well as prevailing laws and regulations;
5. Ensuring that the Bank's policies, internal provisions, systems, and procedures as well as its business activities, are in accordance with the provisions of the OJK, BI and the applicable laws and regulations.
6. Carrying out other tasks related to the Compliance Function, among others:
 - Ensuring the Bank's compliance with commitments made to the OJK, BI and/or supervision results of other authorities;
 - Disseminating information to all employees regarding matters related to the Compliance Function, particularly in regards to the applicable regulations;
 - Acting as liaison officer or person in charge in Providing information related to compliance issues to internal and external parties.

Supervision of the Board of Directors and the Board of Commissioners

In line with the policy issued by the regulator, namely OJK Regulation No.46/POJK.03/2017 on the Implementation of the Compliance Function of Commercial Banks, the Board of Commissioners at Bank BTPN conducts active supervision of the Compliance Function.

In accordance with POJK Implementation of compliance functions, active supervision by the Board of Commissioners is carried out through evaluation of the implementation of the compliance function at least 2 times a year. Supervision also involves the committee under the Board of Commissioners and Directors.

The supervisory function of the Board of Directors is carried out through weekly meetings. During such meetings, the Compliance Director conveys the latest information about the implementation of corporate governance within the Bank. In addition, various issues of compliance concern were also addressed to be discussed together.

The meeting mechanism is a tool for supervision and the sharing of information about the Bank's implementation of compliance. Thus, through the meetings of the Board of Directors, all organs within the Bank are informed of any developments in the implementation of compliance.

The same model is applied to the Board of Commissioners' compliance supervision system within the Bank. Meetings with the Board of Commissioners are held at least once a month. As was the case with the Board of Directors' meetings, the latest developments in the implementation of the Bank's compliance principle, and the strategic issues related to it, are also presented at the meetings with the Board of Commissioners.

The engagement of the Board of Commissioners is inherent to the compliance function. All developments in the area of compliance become assessment materials for the Board of Commissioners. Such assessments are carried out and reported on a regular basis.

Program Initiatives and Implementation in 2019

In 2019, Bank BTPN became a new entity, which resulted from a business merger that united two cultures or frameworks in the field of compliance. The Bank not only has to comply with the provisions of domestic regulations which have been well implemented, but has also begun to adapt to international standards, in line with its position as a part of a global network. Thus, the standards set at the Bank have been raised in line with global developments.

Thus, the standards set at the Bank were raised. This was done to be in line with developments in the international world.

The Bank also has to comply with the policies and procedures of the holding company. Some of the basis and reference points for the Bank's business activities include international regulations such as provisions passed by the Japanese banking authority, namely the Financial Services Agency, and the Foreign Corrupt Practices Act (FCPA) in the United States and the UK Bribery Act UKBA in the United Kingdom.

During 2019, the Compliance Division ensured the Bank's compliance with OJK and BI regulations, as well as the applicable laws and regulations within the Compliance Framework, including :

1. In order to realize the implementation of a Compliance Culture at all levels of the Bank's organization and business activities:
 - In line with the merger process of PT Bank Tabungan Pensiunan Nasional Tbk and SMBCI to become PT Bank BTPN Tbk ("Bank") effective 1 February 2019, the Bank has reviewed and improved its Compliance Policy and Procedures, which are the basic infrastructure in the implementation of Compliance Function governance.
 - Dissemination of new OJK and BI regulations to the Bank's employees and management, including the dissemination of new regulations to the respective units in order to determine follow up action to the new regulations. The dissemination was carried out in person, through e-mail and other internal communication channel.
 - Consultative (advisory) function related to the implementation of the applicable regulations through the provision of suggestions/responses to questions from work units on the issuance of each product and/or activities and policies,

including new developments and annual reviews, through discussion, coordination meetings, electronic media, and others.

- Improving the competence of human resources in the Compliance Division to ensure the Bank's compliance with the applicable laws and regulations, including through soft & technical skills training, refreshment programs, and others.
2. In order to manage the Bank's Compliance Risk:
 - Monitoring the Bank's level of compliance with the applicable regulations related to prudential banking principles, including CAR, Statutory Reserves, and LLL.
 - Monitoring the submission of reports to the Regulator.
 - Monitoring the imposition of sanctions/fines by the Regulator.
 - Gap analysis and analysis of the impact of new provisions on the Bank's operations.
 - Implementation of Compliance On-site Reviews to ensure branch compliance with OJK, BI, and the Indonesian Deposit Insurance Agency regulations.
 - Compliance Risk self-assessment as a part of the Bank's risk profile preparation, which is carried out on a quarterly basis in accordance with OJK regulations.

- Review of documents to ensure operational readiness for opening, moving, and closing office networks (compliance check list).
 - Submission of regular compliance implementation reports to the President Director with a copy for the Board of Commissioners.
3. To ensure that the Bank's policies, regulations, systems and procedures, and business activities comply with OJK and BI regulations, as well as all prevailing laws and regulations, including regulations on AML & CFT:
 - Consultative (advisory) function related to the implementation of the applicable regulations through the provision of suggestions/responses to questions from work units on the issuance of each product and/or activities and policies, including new developments and annual reviews, through discussion, coordination meetings, electronic media, and others.
 - Compliance tests to the draft of policy, product programs, corporate actions, transactions which have to approved by the Credit Committee.

4. To ensure compliance with the Bank's commitment to OJK and/or BI :

- The monitoring of follow-up actions in relation to audit results from OJK and/or BI and the submission of periodic progress reports to OJK and/or BI.
- The monitoring and follow-up of information/data requests submitted by OJK and/or BI in relation to the Bank's supervision duties.

To comply with AML & CFT regulations as stated in OJK regulation No. 12/POJK.01/2017 dated 16 March 2017, the Bank took the following Compliance measures during 2019 :

- Finalizing the preparation of the "AML Action Plan" to follow up the differences in the implementation of the AML & CFT Policy prior to the merger and the Policy that applies to the subsidiaries of the SMBC group.
- Implementation of the following activities in relation to the AML Action Plan:
 - The selection process of employees who will be appointed as the AML Compliance Champions at the regional office. The AML Compliance Champions will be tasked with monitoring the implementation of the AML & CFT provisions in the regional area.

- Developed an e-KYC system that will accommodate the profiling of retail customers.
- Developed APU & PPT assessment methodologies that are in accordance with the profile of retail customers.
- Identified improvements to the training materials to accommodate the Policies that apply to the subsidiaries of the SMBC group.
- Conducted discussions with relevant departments to change the data updating process from setting the finalization deadline at the end of the year to setting the finalization deadline at the end of each quarter.
- Socializing the application of the JASF screening provisions, which the Bank started applying in the first semester of 2019.
- Start using the AML System (SIRON) in the process of screening and identifying customer risk levels, monitoring customer transactions, as well as the integration of the AML System with the Bank's front end application.

- Reviewing the implementation of AML & CFT at several branch offices in order to ensure the compatibility of AML & CFT implemented at branches with the Bank's internal policies.
- Socializing the AML & CFT provisions to increase compliance awareness through BTPN's portal, e-mail blasts, desktop wallpapers, or direct meetings during branch visits.

Based on the information above, during 2019, the level of the Bank's compliance was "Good," as reflected in the "Sound" rating of the Bank's Soundness Level (TKB) based on risk (RBBR). As such, the Bank is considered capable of facing significant negative effects associated with changes in business conditions and other external factors, including those related to compliance with prudential banking principles (CAR, Statutory Reserves, LLL, and others).

Strategic Plan for 2020

The Bank will continue to take steps to strengthen its Compliance Culture at all levels of the organization and in all business activities, including strengthening the AML & CFT framework. The following is the focus of the Bank's implementation of the Compliance Function in 2020 to ensure that it is in line with the regulations of OJK and BI, as well as the applicable laws and regulations:

- Ensure that Company's policies, product programs, corporate actions, and transactional decisions which is need Credit Committee approval for certain limits/plafond are in accordance with the prevailing laws and regulations through the compliance test process as well as the advisory function, including periodic reviews of policies and product programs.
- Disseminating information on new OJK and BI regulations to the Board of Directors, the Board of Commissioners and the related units, including disseminating new regulations to related units in order to determine the required follow-up.
- Conduct On-site Reviews of compliance to ensure compliance with OJK and BI regulations, as well as the applicable laws and regulations. Appoint compliance champions in the Bank's regional offices who will collaborate with business Quality Assurance (QA) to carry out the quality assurance function.
- Ensure that the Bank's compliance culture is followed by all business lines and branches, and that all legal documents used at all Bank offices have been reviewed and verified by the Bank's Head Office.
- Ensure the implementation of GCG in relation to anti-bribery and anti-corruption, as well as conflicts of interest, in all Bank processes, including vendor appointment, procurement of goods and services and provision of entertainment for third parties.
- Organize training related to compliance awareness, anti-bribery and anti-corruption, as well as AML & CFT for all Bank employees through e-learning and other internal media.
- Improve the quality and competence of human resources at the Compliance & Legal Directorate to ensure compliance with the applicable laws and regulations, including through soft & technical skills training, program refreshments, and others.
- Improving the culture of compliance in line with Bank's regulations and internal policies related to the implementation of the AML & CFT program through:
 - Implementing the "AML Action Plan" to follow up on the differences (gaps) found in the implementation of the AML & CFT Policies prior to the incorporation of the applicable AML & PPT Policies at the subsidiaries of the SMBC group; as well as improving the application of AML & CFT at the Bank;
 - Ongoing evaluation of the implementation of the AML & CFT policies and the development of AML & CFT risks, through the implementation of regular AML & CFT risk assessments to mitigate AML & CFT risks in the products/services of the Bank.
- Enhancing the existing AML & CFT programs, specifically for:
 - adjusting to the development of the applicable AML & CFT provisions
 - adjusting to the AML & CFT risks related to the development of the Bank's products/ services, as well as cases/issues related to AML & CFT that occur at the Bank
 - accommodating shareholder policies that apply to SMBC subsidiaries,
 - ensuring that the training for employees who are responsible for the AML & CFT implementation program has been conducted
 - Optimizing the functions of the AML & CFT support system by :
 - Continuing the AML system integration plan with a front-end application to support the customer screening process and determine each customer's risk profile in line with the unified e-form plan.
 - Improving the screening process/system in order to support a faster and more accurate screening process; and implementing a single screening system for retail businesses.

- Improving the process of updating the watch list/ sanction list to ensure prompt data updating process.
- Improving the MIS used by the bank for AML & CFT reporting to authorities and management, and the system used to monitor the implementation of AML & CFT.
- Ensuring the reliability of the customer transaction monitoring system to detect suspicious transactions.
- Automating processes related to AML & CFT, particularly in relation to reporting, and minimizing human error.

INTERNAL FRAUD

Internal Fraud Prevention

Internal Fraud is fraud committed by members of the Board of Directors, members of the Board of Commissioners, permanent employees, temporary employees and/or outsourcing workers with a value of more than Rp100,000,000 (one hundred million rupiah), in accordance with Article 64 on Financial Services Authority Regulation No.55/POJK/.03/2016 concerning Application of Governance for Commercial Banks and Chapter IX number 5 on Circular Letter of Financial Services Authority No.13/SEOJK.03/2017 concerning Application of Governance for Commercial Banks.

Anti-Fraud Strategy

BTPN is fully committed to improving and refining the Bank's internal control implementation to prevent, detect, investigate, report, and evaluate fraud in accordance with BTPN's Anti-Fraud Strategy Policies.

Completion of the implementation for BTPN Bank Anti-Fraud Strategy is carried out through:

1. Ensuring that various business units and work units implement Anti-Fraud Strategy and consistently implement zero tolerance to Fraud in conducting Anti-Fraud Strategy.
2. Raising Anti-Fraud awareness and the Whistleblowing Channel continuously through in-class training for new employees, Anti-Fraud campaigns and Whistleblowing Channel socialization through the Bank's internal media, e-news letters, emails, and desktop wallpapers that contain information regarding fraud and channels to report potential fraudulent activities. It is expected that the awareness about the Bank's anti-fraud culture will continue to increase.
3. Implementing the Anti-Fraud Declaration through e-learning and building as the Bank's commitment to increase Fraud Awareness, adhering with all applicable rules, and being disciplined when carrying out different stages of the Bank's work processes, to prevent Bank's loss.

Implementation at the Bank

Explanations regarding what happened at the Bank in the last two years are given in the table below.

Internal Fraud in 1 year	Total cases involving					
	Management		Permanent Employees		Non-Permanent Employees	
	2019	2018	2019	2018	2019	2018
Resolved			2	5		
Internal resolution process						
Not finalized						
Followed-up through the legal process			2	1		
Total Number of Fraudulent Activities			4	6		

DICLOSURE OF TRANSACTIONS CONTAINING CONFLICTS OF INTEREST

During 2019, there were no Transactions between the Bank and the members of the Board of Commissioners and the Board of Directors that contained Conflicts of Interest..

DICLOSURE OF AFFILIATED TRANSACTIONS

There were 2 affiliated transactions as referenced in the Decree of the Chairman of the Capital Market and Financial Institution Supervisory Agency No. KEP-412/BL/2009 on Affiliated Transactions and Conflicts of Interest in Certain Transactions:

No.	Parties Involved in the Transaction	Nature of Affiliation	Object of Transaction
1	SMBC and BTPN	SMBC is the Majority Shareholder and Controlling Shareholder of the Bank	Business Merger Transactions between PT Bank Tabungan Pensiunan Nasional Tbk and PT Bank Sumitomo Mitsui Indonesia
2	SMBC and BTPN	SMBC is the Majority Shareholder and Controlling Shareholder of the Bank	Collaboration in the field of information technology or digital banking.

PROVISION OF FUNDS FOR SOCIAL AND POLITICAL ACTIVITIES

BTPN does not participate in political activities and does not give donations for political reasons. BTPN can sustain its business performance through corporate social responsibility programs. As such, BTPN's social responsibility programs are an important and integral part of its business activities. Detailed description of BTPN's social programs is available in the Daya section of this Annual Report. The Bank's contribution to social activities includes:

No.	Program	Cost (Rupiah)	Percentage
1	Entrepreneurs	2,857,102,478	34%
2	Health	4,912,000,000	59%
3	Education	550,000,000	7%
Total		8,319,102,478	100%

TRANSPARENCY OF THE BANK'S FINANCIAL AND NON-FINANCIAL CONDITIONS

BTPN Bank has fulfilled its obligations regarding transparency of financial and non-financial conditions as outlined in the Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks. The delivery mechanism includes various communication channels from the Bank's website to direct submissions to the regulators and interested parties.

In addition, transparency is also achieved by using the national media.

Here is more information about the Bank's transparency policy in relation to financial and non-financial conditions.

1. Monthly Financial Reports for the regulators. These are also published on the Bank's website.
2. Quarterly Financial Reports for the regulators. These are also published in print media and on the website.
3. Annual Reports are submitted to the regulators, rating agencies, shareholders, as well as other interested parties. They are also published on the website.
4. Governance information is published on the website.
5. Information about the Bank's Products and Services, including office networks, is published in Annual Reports and on the website.
6. Announcement of the GMS, among others, is done through the national media and the website.
7. Other information relating to disclosure of information.

SHARE OR SUBORDINATED BONDS BUYBACK

Share Buyback and sub-debt Buyback are efforts to reduce the number of shares issued by the company or subordinated debts by buying them back in line with the prevailing laws and regulations.

During 2019, BANK BTPN did not conduct any share buybacks and subordinated bond buybacks.

PROVISION OF FUNDS TO RELATED PARTIES AND LARGE EXPOSURE

When it comes to lending, BTPN Bank considers capital capacity and portfolio distribution/diversification. During 2019, there were no violations related to large exposures, nor did they exceed the Legal Lending Limit (LLL).

Provision of funds to Related Parties is carried out in accordance with the applicable regulations and must be approved by the Board of Commissioners. The following is a table that outlines the Provision of Funds to Related Parties and Large Exposures as at 31 December 2019

No.	Provision of Funds	Amount	
		Debtor	Nominal (million Rupiah)
1.	To Related Party	12	3,261,007
2.	To Core Debtor	25	56,284,354,83
	a. Individual	1	3,390,152,50
	b. Group	24	52,894,202,33

Prime Lending Rate	Prime Lending Rate in Rupiah by Credit Segment							
	December 2019				December 2018			
	Corporate Credit	Retail Credit	Micro Credit	Non-Mortgage Consumer Credit	Corporate Credit	Retail Credit	Micro Credit	Non-Mortgage Consumer Credit
Prime Lending Rate	7.09%	11.28%	16.01%	13.21%	8.39%	12.66%	17.09%	14.47%

EXTERNAL AUDITS

To prepare its 2019 audited financial statements, BTPN appointed a Public Accountant and a Public Accountant Office (KAP) registered with Bank Indonesia and Bapepam-LK, namely KAP Siddharta Widjaja & Rekan. The appointment of the Public Accountant and Public Accounting Office has been approved by the Annual GMS on 15 February 2019 based on the recommendations of the Audit Committee through the Board of Commissioners. The total fee for auditing the Bank's 2019 Consolidated Financial Statements amounted to Rp7,300 excluding 10% VAT.

The appointment of KAP Siddharta Widjaja & Rekan as an external auditor has been carried out since the 2019 fiscal year.

The Public Accountant and Public Accounting Office have completed the task independently in accordance with the professional standards for public accountants, as well as the work requirements and the specified scope of the audit. The following are the Public Accounting Offices that have audited BTPN's Financial Statements in the past 5 (five) years:

Fiscal Year	Public Accounting Office	Accountant in Charge	Services Rendered	Fees (Rp Million)
2019	KAP Siddharta Widjaja & Rekan	Liana Lim S.E., CPA	Audit of Financial Statements	7,300
2018	Tanudiredja, Wibisana, Rintis & Rekan	Jinny Pangestu	Audit of Financial Statements	5,755
2017	Tanudiredja, Wibisana, Rintis & Rekan	Angelique Dewi Daryanto, S.E., CPA	Audit of Financial Statements	5,555

Other Services Provided

During the audit period, the KAPs did not provide any services other than financial audit services.

INTERNAL AUDIT

The vision of the Internal Audit Unit is to become a strategic partner of the management in supporting growth and achieving the Bank's organizational goals. The Internal Audit Unit has two functions.

The first one is the assurance function, which involves the evaluation of the processes of governance, risk management, and the effectiveness of internal control in all aspects of the Bank's activities through a risk-based approach.

Second is the consultative function, which involves the provision of input on internal control processes to other directorates/units such as providing recommendations for improvement in various audits input on draft or policies and procedures, and input on the Bank's key initiatives.

Profile of the Head of the Internal Audit Unit

Nurhajati Soerjo Hadi

Head of Internal Audit

Indonesian Citizen, 51 years old, and domiciled in Jakarta

Appointment

Appointed by the President Director with the approval of the Board of Commissioners on 1 January 2017 through the Decree No. PS/BOC/009/XII/2016 on the Approval of the Board of Commissioners related to the Replacement of Head of Internal Audit of PT Bank Tabungan Pensiunan Nasional Tbk.

Educational Background

Bachelor of Art in Business Administration from Oregon State University, Corvallis – Oregon, USA (1991)

Working Experience

- Fraud Management Unit Head at PT Bank BTPN, Tbk (2015 - 2016)
- Quality Assurance and Corporate Client Execution Head at PT ANZ Bank Indonesia (2015)
- Business Development Director (Business Manager) of International Banking at The Royal Bank of Scotland N.V., Jakarta Branch (2008 – 2013)
- Director at PT. RBS Finance Indonesia (2008 – 2012)
- Credit Portfolio Management Head at ABN AMRO Bank N.V., Jakarta Branch (2005 - 2008)
- Deputy Head of Financial Restructuring & Recovery (FRR) at ABN AMRO Bank N.V., Jakarta Branch (2003 - 2005)
- Financial Restructuring & Recovery Officer at ABN AMRO Bank N.V., Jakarta Branch (1999 - 2005)
- Development Director (Business Manager) to Executive Country at ABN AMRO Bank N.V., Jakarta Branch (1996 – 2008)
- Corporate Credit Account Officer at PT IBJ Indonesia Bank, Jakarta (1991 – 1995)

Appointment and Dismissal

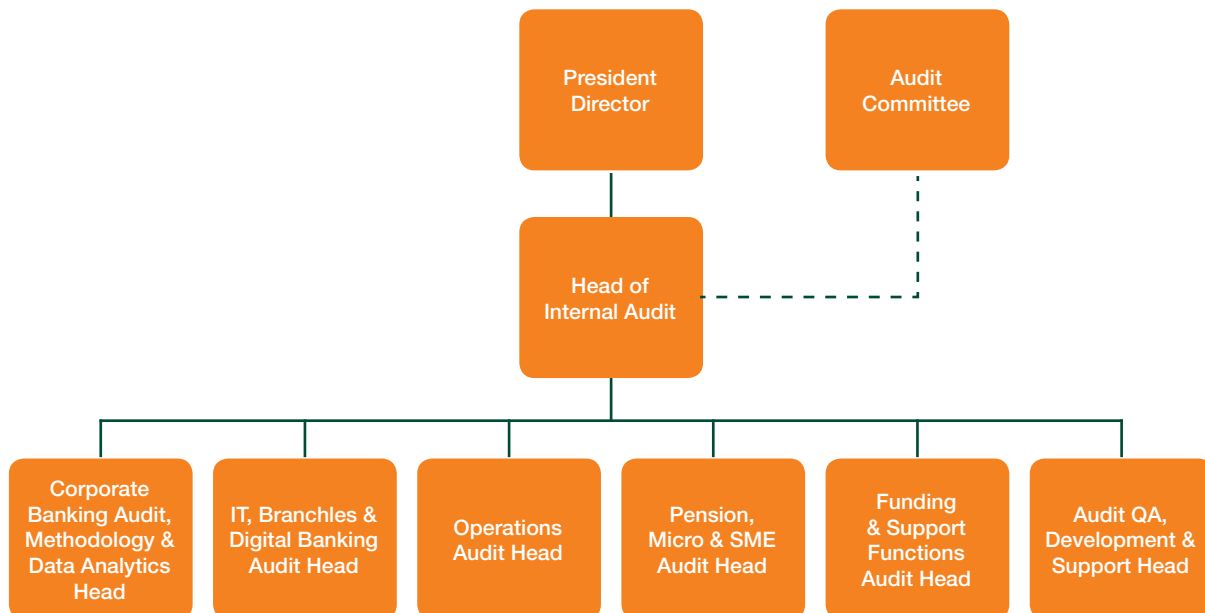
The Head of Internal Audit is appointed and dismissed by the President Director with the approval of the Board of Commissioners. The appointment and dismissal of Head of Internal Audit is reported to the Financial Services Authority (OJK).

Organization and Position of Internal Audit in the Company's Structure

Internal Audit is an independent directorate that reports directly to the President Director and functionally to the Board of Commissioners through the Audit Committee. This Directorate has 6 (six) divisions. The following is the organizational structure that took effect on 1 May 2019:

- **Corporate Banking Audit, Methodology, and Data Analytics Division**
Responsible for conducting audits of all Corporate business activities, preparing annual audit plans, developing methodologies, conducting data analysis, and verifying data irregularities (continuous monitoring)
- **IT, Branchless and Digital Banking Audit Division**
Responsible for conducting audits of the Digital Banking (Jenius) Directorate, the Branchless Banking (BTPN Wow!) Directorate, and the Information Technology Directorate, as well as supporting other audit divisions in auditing other directorates/units that utilize technological support

- Operations Audit Division**
 Responsible for conducting audits of the Directorate of Operations, both at the Head Office and at the branches
- Pension, Micro and SME Audit Division**
 Responsible for conducting audits of all credit business activities in Retail Lending, Micro Business (MUR), Small Medium Enterprises (SME), and Consumer Assets
- Funding Business and Support Audit Division**
 Responsible for conducting audits of the Funding unit as well as the supporting other directorates/units at the Head Office such as Finance, Compliance, Risk Management, and Human Capital.
- Quality Assurance, Development and Support Division**
 Responsible for conducting improve the quality of its audits by conducting comprehensive assessment with competent human resources of Internal Audit activities with the applicable standards and improving the competency of Internal Audit staff through effective training mapping.



Duties and Responsibilities

Internal Audit reports all of its audit results, including improvement recommendations, to the President Director, the Audit Committee, and the Board of Commissioners, with copies for the Compliance Director and the Risk Management Director. Periodically, the Internal Audit presents the audit results to the Board of Directors and the Audit Committee, and provides a summary of the audit results to the President Director, the Board of Directors, and the Audit Committee.

Every year, Internal Audit prepares a risk-based Annual Audit Plan to audit the Bank's main activities. The Audit Plan is discussed with relevant Directors to be aligned with with the Bank's overall business direction and obtain approval from the President Director, the Audit Committee, and the Board of Commissioners.

The roles and responsibilities of Internal Audit include:

- Prepare the annual audit plan and obtain approval from the President Director, the Audit Committee, and the Board of Commissioners.
- Implement the approved annual audit plan by analyzing and evaluating the effectiveness of the Bank's Governance, Risk Management, and Internal Control (GRC) to support the Bank's goals and objectives.
- Conduct consultative audit/review of the Bank's new initiatives/products whenever required by the management or the Regulator.

- Identify all possible alternatives to improve and increase the efficiency of resource utilization.
- Provide regular audit reports containing the summary of audit results to the President Director and the Board of Commissioners through the Audit Committee, with copies for the Compliance Director and the Risk Management Director.
- Monitor and report the progress of the follow-up of audit results.
- Carry out investigations whenever required/requested by management.
- Collaborate with External Audit to achieve comprehensive audit results.

Internal Audit Charter

The Internal improve the quality of its audits by conducting comprehensive assessment with competent human resources and responsibilities, including the authority of Internal Audit to conduct audits as well as the code of ethics for each employee, are outlined in the Internal Audit Charter, which has been approved by the Audit Committee and the Board of Commissioners. In connection with the merger between the Bank and PT Bank Sumitomo Mitsui Indonesia (BSMI), which was realized on 1 February 2019, the Internal Audit has aligned its charter, policies, and procedures.

The implementation of activities and the Internal Audit Charter are in line with the Financial Services Authority Regulation No.1/POJK.03/2019 regarding the Implementation of Internal Audit Functions at Commercial Banks, the Standards for the Implementation of Internal Audit Functions of Banks (SPFAIB), the International Practices Professional Framework (IPPF), the Internal Audit Charter, as well as the Annual Audit Plan.

Human Resources

Internal Audit strengthens its team's capabilities by conducting employee training, both in soft skills and technical skills, as well as certification for risk management, audit, and IT. During 2019, Internal Audit also conducted a recruitment process to strengthen the audit team with employees who are experienced in their fields, and have knowledge of information technology.

Internal Audit is also committed to continuously improve the quality of its audits by conducting comprehensive assessment with competent human resources who implement professional auditing standards to deliver added value to the Bank.

Up to the end of the 2019 fiscal year, the number of Internal Audit employees was 58.

Directorate/Division	Number of Employees
Head of Internal Audit	1
Corporate Banking Audit, Methodology and Data Analytics Division	7
IT, Branchless and Digital Banking Audit Division	12
Operations Audit Division	12
Pension, Micro and SME Audit Division	11
Funding and Support Function Audit Division	11
Audit QA, Development and Support Division	4
Total	58

Position	Minimum Qualification
Head of Internal Audit	<ul style="list-style-type: none"> • Bachelor's Degree • Level 4 Risk Management Certificate • Professional Certification related to Internal Audit
Audit Division Head	<ul style="list-style-type: none"> • Bachelor's Degree • Level 3 Risk Management Certificate • Professional Certification related to Internal Audit
Audit Lead	<ul style="list-style-type: none"> • Bachelor's Degree • Level 2 Risk Management Certificate
Senior Auditor/Auditor	<ul style="list-style-type: none"> • Bachelor's Degree • Level 1 Risk Management Certificate

Professional Certification

Professional Certification	Number of Employees with Certificate
CIA (Certified Internal Auditor)	1
CISA (Certified Information Systems Auditor)	4
CCNA (Cisco Certified Network Associate)	1

Professional Certification	Number of Employees with Certificate
CEH (Certified Ethical Hacker)	1
CISM (Certified Information Security Manager)	1
CSX (Cyber Security Nexus)	1
CBAP (Certified Business Analyst Professional)	1
CPLHI (Certified Professional Life & Health Insurance)	1
QIA (Qualified Internal Auditor)	6
CBIA (Certified Bank Internal Audit)	31
SMR (Sertifikasi Manajemen Risiko)	57

Participation in Professional Association

Professional Association	Number of Employees Involved
IIA (Institute of Internal Auditors)	5
ISACA (Information Systems Audit and Control Association)	3

Audit Implementation in 2019

In 2019, Internal Audit conducted 4 (four) types of audits, namely regulatory audits, thematic audits, branch audits, and general audits. The Internal Audit activities during the 2019 fiscal year included:

1. Completed all planned audits, which included 28 audits of the Retail Lending business, Retail Funding, Micro Business (MUR), Small Medium Enterprises (SME), Branchless Banking BTPN Wow!, Digital Banking Jenius, as well as supporting functions at the head office including Compliance, Operations, and Information Technology.
2. Regular audits based on the approved audit plan.
3. Conducted 12 (twelve) consultative audits (Limited Review), mainly related to the implementation of new products/features based on the provisions of the regulator and special requests from certain businesses/work units.
4. Conducted 3 (three) continuous monitoring reviews for early detection related to process weaknesses based on data recorded in the system as well as indications of fraud through data analysis and direct visits to debtors.

With regards to the weaknesses, the relevant directorates/units have established improvement follow-up plans, implementation of which is monitored by the Internal Audit Unit. The commitment to making improvements is reflected in the completion of a timely follow-up by each related work unit by >92%.

The Internal Audit Team continues to strengthen its data analytics function to develop a continuous monitoring process. The scope of the data analytics focuses on providing indications of process weaknesses through data anomalies recorded in the Bank's system in relation to customer information and transactions, as well as fraud or process weaknesses at branches. The Internal Audit continues to develop macro risk assessments, and make regular updates. This aims to assist the Internal Audit team in analyzing data, which will ultimately improve the Bank's risk-based audit approach.

Strategic Plan in 2020

Internal Audit has conducted risk assessment of the Bank's businesses and working units before formulating a strategic plan for 2020. Based on the assessment results, Internal Audit will focus on a number of matters, including:

- Identification of risks associated with anti-money laundering and counter financing of terrorism (AML/CFT).
- Prevention of bribery and corruption, as well as adequate disclosure of information to customers (anti-bribery, corruption, and conduct).
- Adequacy of control over operational risk and its prevention, as well as handling of fraud indicators, and security of information and data/documents
- Audit of the adequacy of internal controls in each line of business owned by the Bank
- Application of implementation processes at branch offices
- Physical feasibility of branch offices

- Adequacy of infrastructure and changes related to information technology
- Customer satisfaction
- Audit of the adequacy of internal control at the subsidiaries.

INTERNAL CONTROL SYSTEM

The Bank implements an internal control system, which is a form of continuous supervision by the Bank's management. The system aims to ensure that all of the Bank's business activities are carried out in accordance with the provisions of the relevant laws and regulations, both issued by the government and the Financial Services Authority, as well as the Bank's internal policies and procedures.

In addition, providing complete, accurate, and timely financial and management information to support appropriate and accountable decision making; increasing the effectiveness and efficiency of the utilization of assets and other resources to protect the Bank from the risk of loss; and enhancing the effectiveness of risk culture and discipline in the Bank's organization as a whole early identify weaknesses and assess deviations. Finally, reassessing the fairness of the Bank's policies and procedures on an ongoing basis.

An effective internal control system is the basis for providing reliable financial reports, as well as carrying out sound operational activities. The implementation of a reliable and effective internal control system is the responsibility of all parties involved in the Bank's organization, including:

1. Board of Commissioners
2. Audit Committee
3. Board of Directors
4. Compliance Unit
5. Risk Management Unit
6. Financial Unit
7. Internal Audit Unit (IAU)
8. Bank Officers and Employees
9. External Parties

In addition, the Board of Directors and the Board of Commissioners are also required to increase the effectiveness of the Bank's risk culture at every level of the organization.

The internal control system implemented by the Bank refers to the Financial Services Authority Circular Letter (SEOJK) No. 35/SEOJK.03/2017 on the Standard Guidelines of Internal Control Systems for Commercial Banks.

Compliance with COSO (Internal Control Framework)

The Bank's internal control system consists of 5 (five) interrelated components, namely:

1. Management Oversight and Control Culture

The main foundation of the internal control system is management supervision. The Board of Directors and the Board of Commissioners ensure that the established strategies, policies and procedures, as well as the organizational structure, are adequate to identify, measure, monitor, and control the risks faced by the Bank. In addition, the Board of Directors and the Board of Commissioners also periodically monitor and review the adequacy and effectiveness of the Bank's internal control system implementation.

The Board of Directors and the Board of Commissioners are responsible for improving the work ethics of the Bank's employees, as well as creating an organizational culture that emphasizes the importance of the Bank's internal control.

2. Risk Recognition and Assessment

Risk identification and assessment is conducted by the Board of Directors by identifying, analyzing, and assessing the risks faced by the Bank in relation to achieving the established targets. Risks that affect target achievements must be identified, assessed, monitored, and managed in a continuous and sustainable manner. The Bank's internal control needs to be reviewed immediately in cases of risks that have not been controlled.

The review is carried out through continuous evaluation of the effects of any changes in the environment and conditions, as well as the impact of the achievement of targets or effectiveness of internal control on the Bank's activities and organization.

3. Control Activities and Segregation of Duties

Control activities must involve all Bank employees, including the Board of Directors and the Board of Commissioners. Control activities can control any identified risks if they are planned and implemented appropriately. Control activities include the establishment of control policies and procedures and an early verification process to ensure compliance with the Bank's policies and procedures. These activities are inseparable from each function or activity of the Bank. Control activities are applied at all of the Bank's functional levels in accordance with the Bank's organizational structure.

The segregation of functions is intended to ensure that every person at all levels of the organization does not have the opportunity to make and/or hide mistakes or irregularities in carrying out their roles and responsibilities. The Bank must comply with the principle of the segregation of functions, known as the "Four-Eyes Principle." An effective internal control system requires segregation of functions, and avoids the granting of authority and responsibilities that may lead to various conflicts of interest. All aspects that have a potential to cause a conflict of interests must be identified, managed, and monitored by an independent party, such as a public accountant.

4. Accountancy, Information and Communication

An adequate accounting, information and communication system aims to identify any problems and can be used as a means of exchanging information in the context of carrying out roles according to the respective responsibilities.

5. Monitoring Activities and Correcting Deficiencies

The Bank must monitor the overall effectiveness of internal control implementation, and prioritize the monitoring of key risks, including periodic evaluations. The Bank must monitor and evaluate the adequacy of the internal control system in relation to changes in the internal and external conditions, as well as to increase the capacity of the internal control system so that it is always implemented in an effective manner.

Weaknesses in internal control must be reported immediately, and become the responsibility of the authorized officials and/or Directors. Material weaknesses in internal control must be reported to the Board of Commissioners.

The five main components of the Bank's internal control system are in line with the control components stipulated in the Internal Control Integrated Framework developed by The Committee of Sponsoring Organizations of The Treadway Commission (COSO), namely Control Environment (CE); Risk Assessment (RA); Control Activities (CA); Information and Communication (IC); and Monitoring Activities (MA).

Review of the Implementation of the Internal Control System

The implementation of an internal control system in line with the Internal Control System Guidelines for Commercial Banks as stipulated by the Financial Services Authority through the Financial Services Authority Circular Letter (SEOJK) No. 35/SEOJK.03/2017 dated 7 July 2017 has improved the assessment of the Bank's audit results, including the evaluation of the adequacy and effectiveness of the design and implementation of internal control based on the internal control framework approach developed by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Internal Audit periodically assessed the implementation of the internal control system in accordance with the established Audit Plan. Issues related to the adequacy of internal control have been reported to the Board of Directors and the Board of Commissioners through the Audit Committee, and corrective measures have been taken to minimize risks that could affect the achievement of the Bank's objectives. In the future, the Bank needs to keep improving the Bank's risk culture and discipline at all levels of the organization to ensure the adequacy and effectiveness of the implementation of the Bank's internal control system.

LITIGATION INVOLVING THE COMPANY, SUBSIDIARIES, MEMBERS OF THE BOARD OF COMMISSIONERS, AND MEMBERS OF THE BOARD OF DIRECTORS

Currently there are no material (important) cases being handled by the Bank. The Legal Case in the form of a Lawsuit by the Semarang City Government has been completed with the issuance of the Supreme Court's Appeal Decision which has a binding legal force (In Kracht). The Corruption Criminal against an External Suspect in the Semarang City Police Precinct has been finalized by the Court and has binding legal force (In Kracht). This has been documented in the 2018 annual report.

ADMINISTRATIVE SANCTIONS

During 2019, there were no material administrative sanctions imposed by the Financial Services Authority and/ or other Authorities that affected BTPN's business continuity. Plus, no administrative sanctions were imposed on the members of the Board of Directors, the members of the Board of Commissioners, or the subsidiaries.

ACCESS TO CORPORATE DATA AND INFORMATION

Bank BTPN has provided its stakeholders with access to information regarding the Bank through various communication media, including:

- Website: www.btpn.com (Bahasa Indonesian and English)
- Call Center: 1500300 (BTPN Call), +62 21 2450 5500 (International Call)
- E-Corporate Secretary E-mail: Corporate.secretary@btpn.com
- Corporate Communication E-mail: corporate.communications@btpn.com
- Customer Complaint E-mail: btpncare@btpn.com
- Information Disclosure through the Bank's website and the Indonesia Stock Exchange
- Press Releases
- Social Media:
 - Facebook: Bank BTPN Official
 - Twitter : @sahabatBTPN
 - Youtube: BTPN
 - LinkedIn: PT Bank BTPN Tbk
 - Instagram : @lifeatbtpn

CODE OF CONDUCT

The Code of Conduct acts as a basic guideline that outlines the appropriate behavior of the members of the Board of Commissioners, the Board of Directors, Independent Parties, and all employees. The Code of Conduct is reviewed periodically. The most recent amendment to the Code of Conduct was approved by the Board of Directors on 12 August 2015 through Memorandum No. M.036/DIRCLC/CCS/VIII/2015.

The moral principles within the Code of Conduct serve as the core element of BTPN's culture, encompassing:

Speak Your Mind

This lets the Bank's employees deliver their aspirations in a safe and confidential manner. It also lets them raise issues relating to misconduct and/or the occurrence of fraud, as well as ideas for improvement.

Principles of the Code of Conduct

Bank BTPN's code of conduct contains principles about the following:

1. Compliance & Risk Management
2. Conflicts of Interest
3. Creating a Favorable Work Environment
 - 3.1 Fair Treatment of All Employees
 - 3.2 Anti-Discrimination and Harassment
 - 3.3 Occupational safety
 - 3.4 Use of Company Facility
 - 3.5 External Activities
 - 3.6 Use of Social Media
4. Management & Protection of Information
5. Relationship with Stakeholders
 - 5.1 Relationship with Customers
 - 5.2 Anti-Money Laundering
 - 5.3 Relationship with Partners
 - 5.4 Relationship with the Regulator
 - 5.5 Bribery and Corruption
 - 5.6 Giving and Receiving Gifts

Code of Conduct Enforcement Efforts

In line with the implementation of GCG, and to ensure the adoption of the code of conduct based on the Bank's ethical standards, BTPN has an Induction Program for new executives and staff on the Code of Conduct. The Bank also conducted regular Code of Conduct socialization to increase employee awareness and enforces sanctions for any violations of the Code of Conduct.

Application of the Code of Conduct at All Levels of the Organization

Members of the Board of Directors, members of the Board of Commissioners, Independent Parties under the Board of Commissioners, all employees without exception are required to read, study, and understand the contents of the Code of Ethics, and are willing to obey and implement the Code of Ethics as well as possible. If proven to have violated the Code of Ethics, they are willing to be sanctioned in accordance with the regulations in force at the BTPN Bank.

Socialization and Dissemination of the Code of Conduct

Code of Conduct socialization is carried out with Email Blast and refreshment through the E-Learning system, applicable to all levels of Bank BTPN, both new and old.

PROCUREMENT OF GOODS AND SERVICES GOVERNANCE

The Bank has a policy regarding the Procurement of Goods and Services which among others regulates the duties and responsibilities of the Goods and Services Procurement Committee, and regulates the terms and management of vendors.

WHISTLE BLOWING SYSTEM

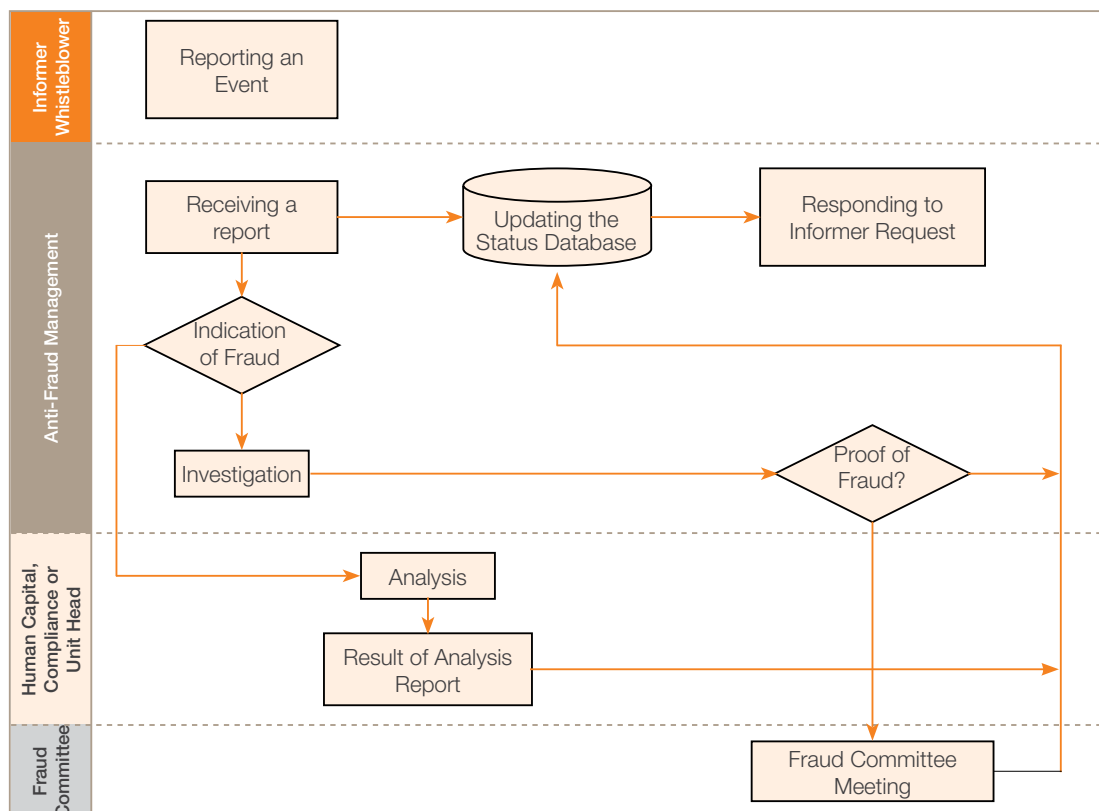
Bank BTPN has established a violation reporting system, or the Whistleblowing (WBS) channel. The system lets all employees report issues related to misconduct and incidents of fraud. These include suspicions regarding these actions, whether before, during, and/or after the occurrence. The system is not about personal grievance or reports made in bad faith/slander.

The whistleblowing channel is accessible to employees through e-mail, WhatsApp, the Bank's hotline, and postal mail. BTPN is committed to keeping the identity of informers confidential, in accordance with the prevailing regulations. Whistleblowers should provide an informed report on an early indication of fraud that contains the following (4W+1H) information:

- a) Explanation of the event (What)
- b) Parties involved (Who)
- c) Time of event (When)
- d) Place of event (Where)
- e) How the event happened (How)

Reporting Mechanism

The Reporting and Management Mechanism of the Whistleblowing Channel includes:



Protection for Whistleblowers

The bank provides protection for whistleblowers, namely by keeping their identity and the report content confidential.

Complaint Management

The management of the Whistleblowing channel is conducted by an internal party, namely the Anti-Fraud Management

Handling and Follow-up of Complaint in 2019

During 2019, 43 complaints were received through the Whistleblowing Channel. All have been followed up and resolved.

BTPN encourages its employees to voice their aspirations, ideas, as well as any issues relating to misconduct or fraud in accordance with the Procedures for Whistleblowing Reporting. This ensures BTPN's reputation as a trustworthy bank that has respect for the society, its employees, and all stakeholders.

GCG Self-Assessment

In order to evaluate the implementation of GCG in 2019, and to comply with OJK Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks, the Bank has conducted a self-assessment on the implementation of Bank Governance. The results of the Bank's self-assessment are an inseparable part of the report on governance implementation.

The Bank's GCG self-assessment result for 2019 was "2," with the category "Good." This result applies to the Bank in an individual and a consolidated manner (2018: 2).

GOVERNANCE IMPLEMENTATION SELF-ASSESSMENT REPORT

Name of Bank : PT Bank BTPN Tbk
Position : 31 December 2019

Governance Self-Assesmet Result		
	Rating	Rating Definition
Individual	2	Good
Consolidated *	2	Good

Analysis

The Composite Rating of 2 (two) reflects the Management's general implementation of good governance. This is reflected in the Bank's adequate fulfillment of the governance principles. If there are weaknesses in the Bank's implementation of the governance principles, these weaknesses can be resolved by the Management. The conclusions for the evaluation on the implementation of the Bank's governance by considering the governance evaluation factors in a comprehensive and structured manner are as follows:

A. Governance Structure

Positive factors in the Bank's governance structure are:

- The structure and infrastructure of the Bank's governance comply with the applicable regulations to support the implementation of GCG principles.
- Competence, knowledge, experience, and skills of the members of the Board of Directors, the Board of Commissioners and the Committees of the Board of Commissioners are adequate to support the Bank in achieving its objectives.
- The Bank has established an adequate organizational structure to support the implementation of risk management and internal control.
- The Bank has established policies and procedures from the Merged Bank, which is a combination of the Banks participating in the merger, periodic review, and socialization related to the provisions carried out periodically.

Negative factors in the Bank's governance structure are:

There are no negative factors.

B. Governance Process

In connection with the merger of SMBCI into BTPN, the merged Bank continues to carry out a combination of governance policies and procedures in order to meet the set requirements, both in terms of statutory provisions applicable to public banks in Indonesia, and as a bank which is a subsidiary of a financial business group in Asia, which is listed in New York and Tokyo.

The Bank's GCG structure seeks to maintain the strengths and mitigate deficiencies from both sides, to ensure the optimal implementation of GCG.

As a part of a financial conglomerate, the exchange of information in the interest of consolidation is impossible to prevent, but it can be managed in order to observe the principles of independence of information. The Bank applies policies and procedures that govern the flow of communication, Insider Information and Personal Transactions.

In addition, with due regard to the principle of accountability, the Bank continues to improve its quality of risk management and internal control systems, including improving the quality of Anti-Fraud Management.

Negative factors in the Bank's governance processes are:

There are no negative factors

C. Governance Outcome

Positive factors in the Bank's governance outcomes are:

To achieve sustainable growth, BTPN has consistently improved the quality of the implementation of the governance principles, which has been supported by the adequacy of the Bank's governance structure and infrastructure, including the implementation of the duties, responsibilities, and independence of the Board of Commissioners, the Board of Directors and the Committees, internal control and strict application of risk management, the implementation of a compliance culture in decision-making and the Bank's operational activities, as well as compliance with transparency of financial and non-financial reports.

The Board of Commissioners and the Board of Directors, assisted by the Committees, ensure the continuity of the Bank's commitment to the practices of good corporate governance, as well as improve the Bank's internal control system and risk management.

Negative factors in the Bank's governance outcomes are:

In 2019, the Bank was subjected to a financial penalty (fine) by the regulators, including Bank Indonesia, the OJK, and the Directorate General of Taxes in connection with a delay in report submission.

In order to prevent this happening again in the future, the Bank has taken several corrective measures, including improving the supervision of the preparation and submission of internal reports, transferring of the Jenius routing server (onshoring), which will be conducted no later than the end of January 2020, reminding (providing reminder to) branch offices about tax reporting requirements and monitoring the submission of tax reporting documents to the local tax office in the relevant regions.

In addition, the Bank has prepared an Action Plan that prioritizes compliance with the applicable regulations and a target of zero penalties, increased strict anti-fraud controls, as well as the application of the SOX (sarbanes oaxley) reporting standards, which is expected to further improve the governance of the Bank's financial reporting.

* The Bank has a subsidiary company (PT BTPN Syariah). Based on the comparison of the Subsidiary's assets and the Bank's assets, the Bank is of the view that the self-assessment result of the Subsidiary has no significant impact.



Corporate Social Responsibility

“

Bank BTPN fulfills and maintains a commitment to implementing CSR on regular basis so that the presence of BTPN will provide wider benefits to the community, preserve the environment and minimize negative impacts on all stakeholders.

”

304	Corporate Social Responsibility Governance
306	Corporate Social Responsibility in the Area of Human Rights
307	Corporate Social Responsibility in the Fair Operation Field
308	Corporate Social Responsibility in Environmental Area
309	Corporate Social Responsibility in the Labor, Health and Safety Field
311	Corporate Social Responsibility to Customers
312	Corporate Social Responsibility in the Area of Community Development



Corporate Social Responsibility

 **Rp9.1**
Billion

Throughout 2019, the total budget allocated for corporate social responsibility activities is Rp9.1 billion.



12.81 %

Overall, since it was launched in March 2015 until the end of fiscal year 2019, BTPN Wow! has provided banking services to 6.6 million customers, an increase of 12.81% compared to the number in 2018.

“

One of BTPN's policies that support environmental preservation can be seen from the BTPN Head Office in Jakarta, which was designed based on environmentally friendly principles, and even has won the Gold Standard Certificate for Green Building.

”

Costs of Literacy and Financial Inclusion Activities



1,575
Million



The results of the National Financial Literacy Survey conducted by the Financial Services Authority in 2019 showed that the financial literacy index reached 38.03% and the financial inclusion index 76.19%.



The implementation of corporate social responsibility (CSR) is a form of Bank BTPN's moral responsibility that must be implemented for the benefit of its stakeholders. CSR represents the Bank's compliance with regulations and is an expression of gratitude for the participation of all stakeholders in advancing BTPN.

BTPN maintains a commitment to implementing CSR on an ongoing basis, so that the Bank's presence provides a variety of benefits to the community, preserves the environment and minimizes any negative impact on the Bank's stakeholders.

Corporate Social Responsibility Governance

COMMITMENT TO SOCIAL RESPONSIBILITY

BTPN Bank's is committed to supporting corporate social responsibility through the implementation of sustainable finance, as stated in the Financial Services Authority Regulation No.51 / POJK.03 / 2017. These efforts are an important part of the Bank's commitment to ensuring environmental preservation, social welfare and preserving the quality of life of present and future generations.

The Bank's commitment to executing corporate social responsibility is reflected in the presence of a special CSR unit, namely Daya. This program integrates the Bank's business and social missions or shared corporate values.

Since the merger, the Daya program, which initially had three pillars, has added a fourth pillars to make it more relevant to the Bank's business since it has turned into a universal bank. First, is the Competence Development pillar, which is a technical competency development program that aims to increase the capacity of program participants in their areas of interest or need.

Second, is the Personal financial health pillar, which aims to develop capacity program participants to improve their competence according to the interest or needs. Third, is the Sustainable Living pillar, which supports program participants for a healthier life, a greener business and sustainable life in general. Fourth is Capacity to grow for business pillar, which empowers program participants to develop entrepreneurial skills, and provides new business opportunities and market access in order to improve and develop businesses.

METHODS AND SCOPE OF DUE DILIGENCE IN RELATION TO SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACTS OF BANK ACTIVITIES

Bank BTPN conducts studies on the social, economic and environmental impacts of its business activities in order to provide added value for all stakeholders. The process of analyzing the impact of the Bank's business activities is conducted internally before input is sought from external parties, both those directly and indirectly affected.

The external parties are diverse. The Bank receives input through the contact center, customer satisfaction surveys, face-to-face conversations with customers and employees, as well as from other parties such as investors, the media and academics. The Bank takes this external input into consideration before determining the intended stakeholders of its social, economic and environmental activities.

STAKEHOLDERS AFFECTED BY THE BANK'S ACTIVITIES

There are at least six types of stakeholders who are affected by the Bank's activities, including: shareholders, customers, employees, Bank partners, the government and regulators, and the general public.

The Bank has developed a program specifically with these stakeholders in mind. This has been done to ensure that the Bank's implementation of corporate social responsibility activities are effective and provide the greatest possible benefit.

SOCIAL, ECONOMIC AND ENVIRONMENTAL ISSUES THAT ARE RELATED TO THE BANK'S ACTIVITIES

The results of the National Financial Literacy Survey (SNLIK) conducted by the Financial Services Authority (OJK) in 2019 showed that the financial literacy index reached 38.03% and the financial inclusion index 76.19%. This represents an increase from the figures of the 2016 survey, which were 29.7% and 67.8% respectively.

As for financial literacy, the 2019 survey used indicators consisting of parameters of knowledge, skills, beliefs, attitudes and behaviors. Meanwhile, the financial inclusion index applied the usage parameters towards financial instruments and institutions.

Although the percentage of people who have access to financial services continues to increase every year, the Bank's efforts to increase financial literacy must not stop.

The issue of fraud and crime is also a very important subject in the finance industry. Fraud can have an impact not just on the Bank but can also have implications for the economy and public confidence in banking institutions.

SCOPE OF CORPORATE SOCIAL RESPONSIBILITY, BOTH OBLIGATIONS AND EXCEEDING OBLIGATIONS AS WELL AS PROGRAMS THAT EXCEED THE MINIMUM RESPONSIBILITY AND RELEVANT TO THE BANK'S BUSINESS

The scope of corporate social responsibility is related to the protection of customers, compliance with regulators, as well as the regulated community and the environment in sustainable financial regulations. The Bank implements a number of ongoing programs.

Moreover, the Bank also supports the achievement of the Sustainable Development Goals (SDGs), both directly and indirectly, through the implementation of corporate social responsibility activities and programs. Among these are environmentally-friendly product programs, environmentally-friendly operations, and efforts to support community welfare that are a part of the 17 objectives of the SDGs program.

THE BANK'S STRATEGY AND WORK PROGRAMS TO DEAL WITH SOCIAL, ECONOMIC AND ENVIRONMENTAL ISSUES, STAKEHOLDER ENGAGEMENT EFFORTS, AND INCREASING VALUE FOR THE STAKEHOLDERS AND SHAREHOLDERS

Bank BTPN has a CSR program that is in line with the 3P principles (people, profit, planet), which has been prepared in relation to the needs and sustainability of the program. The program is expected to promote benefits for stakeholders through the implementation of CSR budget allocation policies that focus on the principles of fairness.

The Bank's CSR program is also oriented toward creating added value for the Bank's stakeholders and the surrounding community, as well as supporting the sustainable development goals. Finally, the Corporate Social Responsibility program implemented by Daya is evolved and developed in line with the corporate share value principles.

Based on these principles, the Bank's CSR programs redistribute the value obtained by the Bank to its stakeholders.

SOCIAL RESPONSIBILITY FINANCING AND BUDGET

Throughout 2019, the total budget provided for corporate social responsibility activities was Rp9.1 billion, a 13.81% decrease from Rp10.6 billion in 2018.

The CSR funds were intended for activities in the areas of personal capacity development, financial literacy, business capacity building and sustainable living.

	(Rp Millions)		
Activity	2019	2018	2017
Competence development	814	26	-
Personal Financial Health	1,575	875	369
Capacity to grow for business	1,340	1,580	2,068
Sustainable living	5,389	8,098	8,098
Total	9,119	10,580	10,535

Corporate Social Responsibility in the Area of Human Rights

COMMITMENT AND SOCIAL RESPONSIBILITY POLICY IN THE AREA OF HUMAN RIGHTS

Bank BTPN is committed to respecting the basic rights that we all have as human beings, including civil, political, economic, social, and cultural rights. In the Bank environment, all aspects have been fulfilled through various policies in the company organization .

Bank policies related to human rights are based on Act Number 39 concerning Human Rights, which includes:

- The Right to live
- The Right to have family and children
- The Right to Self-Development
- The Right to Justice
- The Right to Personal Freedom
- The Right to Security
- The Right to Welfare
- The Right to Participate in Government
- Women's Rights/Gender Equality
- Children's Rights

CORPORATE SOCIAL RESPONSIBILITY IN THE AREA OF HUMAN RIGHTS

In formulating its responsibilities in relation to human rights, the Bank identifies the effect of the business activities that have the potential to violate human rights. The Bank has set up a contact center where stakeholders can lodge complaints related to the impact of the Bank's business activities.

The Bank's complaints mechanism also encompasses the whistleblowing system (WBS), which has already been implemented by the Bank as a part of

its good corporate governance. The complaints lodged with the Bank are not only from external stakeholders, but also from internal stakeholders such as the Bank's employees.

Other frameworks include:

- **Helping Vulnerable Groups**
Identify vulnerable groups within the Company's operating environment, create mechanisms to ensure that business activities do not have a negative effect on vulnerable groups.
- **Fair Treatment**
Provide opportunities and fair treatment for employees, consumers and business partners.
- **Respect Civil and Political Rights**
The right to speech and free expression, and to be heard before any disciplinary sanctions are taken.
- **Respect Economic, Social and Cultural Rights**
The right to economic opportunities, and the right to health care, education, and culture.

PLANS FOR IMPLEMENTING CORPORATE SOCIAL RESPONSIBILITY IN THE FIELD OF HUMAN RIGHTS

BTPN has developed the Daya program to support personal development and increase the capacity of employees, customers and business partners. The Daya program, which aims to increase the capacity of customers and their businesses, provides a platform for the employees to develop themselves and to collaborate with partners who share the same vision and mission.

The Daya Program is based on customer needs, and support to achieve goals. To develop the program, Daya collaborates with partners who have competence and experience in their fields. To date, Daya has partnered with academics, business people and other professionals.

In line with the objective of BTPN to increase employee capacity, Daya offers a voluntary program called Sahabat Daya, where each employee can actively participate in an empowerment program. This voluntary program is held at the head office and the BTPN branches in several regions. In 2019, the Sahabat Daya program had 442 participants in 25 regions.

IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY IN THE FIELD OF HUMAN RIGHTS

The Daya program in 2019 that related to increasing the capacity of business customers was held in several BTPN business lines such as the retirement preparation program for civil servants, the military and police for retirement partners, entrepreneurial seminars for small and medium-sized business entrepreneurs and health seminars for Sinaya customers.

CORPORATE SOCIAL RESPONSIBILITY ACHIEVEMENTS IN THE FIELD OF HUMAN RIGHTS

In 2019, the Daya program was attended by 1,413,694 participants with 313,746 activities. It also had 442 volunteer program participants.

Corporate Social Responsibility in the Fair Operation Field

COMMITMENT AND CORPORATE SOCIAL RESPONSIBILITY POLICY IN THE FAIR OPERATION FIELD

BTPN Bank's commitment in relation to social responsibility in the field of fair operations refers to a number of existing regulations, including Law No. 5 of 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition.

Moreover, the implementation of these commitments also refers to the Bank's good corporate governance norms. The Bank is committed to complying with all regulations related to banking, company management and business activities.

CORPORATE SOCIAL RESPONSIBILITY FRAMEWORK IN THE FAIR OPERATION FIELD

Bank BTPN has prepared a framework that takes into account regulations and best business practices in the industry. This framework includes:

Transparency and truthful practices in business transactions

Under this framework, the Bank publishes the Basic Credit Interest Rate (SBDK) on a regular basis. This is in line with Bank Indonesia Circular Letter No. 15/1/DPNP about Transparency of Credit Interest Information issued on January 15, 2013.

In relation to ensuring transparent relationships with business partners, the Bank continues to conduct open auctions in procurement. This aims to provide opportunities and fair treatment of all partners.

PLAN FOR IMPLEMENTATION OF FAIR CORPORATE SOCIAL RESPONSIBILITY IN THE OPERATION AREA

In line with the merger of BTPN and SMBCI in 2019, the Daya program has been developed in collaboration with corporate customers. The objective of the program is to broaden the scope of the Daya program and improve bank services to corporate customers.

The development of the Daya program for corporate customers is conducted based on customer needs in the form of internal human resource development and collaboration in executing CSR programs.

The development of this program yet refers to the 4 (four) Daya Pillars that are Competence development, Personal financial health, Capacity to grow for business and Sustainability living.

IMPLEMENTATION OF FAIR CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES IN THE OPERATION AREA

In order to support the development of corporate businesses, Daya organizes training programs to improve English language competency for employees of customers.

This program is organized with the customers that plan to expand its business overseas.

The activity was established in order to support the development of customer business, foster long-term business relationships and provide added value for customers and the community to produce a positive impact from business relationships.

Moreover, BTPN through the Daya program collaborates with the Djarum Foundation in developing teacher capacity, curriculum, tools and teaching and learning facilities for several schools in Kudus. Therefore, the presence of the Bank provides benefits to the wider community.

ACHIEVEMENTS OF FAIR CORPORATE SOCIAL RESPONSIBILITIES IN THE OPERATION AREA

Daya program collaborated with 6 (six) corporate customers with 285 program participants in 2019.

Corporate Social Responsibility in Environmental Area

COMMITMENT AND POLICY

Although BTPN's business activities do not come into direct contact with the environment, environmental condition is an integral aspect that also influences the Bank's operational activities. Therefore, BTPN is totally committed to observing and protecting the environment. This commitment is realized through policies and initiatives that are environmentally sound, such as reducing the use of electricity and paper in the Bank's operational activities

ACTIVITY IMPLEMENTATION

In 2019, BTPN carried out various CSR activities in the environmental field, including:

- **Environmentally-Friendly Design**

BTPN's effort to support environmental preservation can be seen in the design of the BTPN Head Office in Jakarta, which has been designed in line with environmentally-friendly principles. To date, the office located in Menara BTN has achieved the Gold Standard Certificate for Green Building.

In addition, several BTPN Branch Offices also display environmentally-friendly exterior designs that utilize living plants to maximize green space. This is not only aesthetically pleasing but has reduced energy usage.

- **Efficient Energy Use**

To minimize energy usage, Menara BTPN utilizes LED lights to reduce electricity consumption and motion sensors to control lighting. In addition, to optimize natural light, the Menara BTPN building does not have window blinds and minimizes the use of blocking partitions.

- **Efficient Water Use**

To reduce water consumption and support environmental conservation, BTPN utilizes reverse osmosis technology to produce drinking water.

- **Efficient Paper Use**

BTPN encourages the use of electronic communications to reduce paper usage. In 2018, BTPN introduced the Front End System (FES) at all branch networks as an environmentally-friendly platform to reduce paper-based processing.

In addition, BTPN has also developed two digital platforms, BTPN Wow! and Jenius for those who utilize mobile device technology. Both platforms can reduce the need for customers to visit branch offices, so as to minimize paper consumption for transaction needs.

Corporate Social Responsibility in the Labor, Health and Safety Field

COMMITMENT AND POLICY

BTPN believes that human resources (HR) are the Bank's most valuable assets when it comes to achieving success and added value for all stakeholders. BTPN is committed to managing its human resources in accordance with the applicable laws and regulations, including by providing competitive remuneration, opportunities for personal and career development, and creating a safe and healthy work environment that is free from environmental pollution and minimizes the potential for work-related accidents and diseases.

Regulations used as a reference point:

- Law No. 13 of 2003 regarding Employment
- Law No. 24 of 2011 regarding the Social Security Organizing Body
- Regulation of the Financial Services Authority No. 45 /POJK.03/2015 concerning the Implementation of Governance in the Area of Remuneration

Perlakuan Adil

Providing opportunities and fair treatment for all employees: permanent and contract. This relates to promotions, transfers, competency development, facilities and remuneration.

ACTIVITY IMPLEMENTATION

Employment Area

Up to 2019, BTPN carried out the following CSR activities related to employment:

- **Gender Equality and Equal Employment Opportunity**
The HR recruitment process at BTPN provides equal employment opportunities for all candidates, both men and women, regardless of their ethnicity, religion, race or political views.

In 2019, Bank BTPN have 7,740 employees. Of that number, 3,156 are female employees. This shows that, in the employee recruitment process, Bank BTPN upholds the principle of equal employment opportunity without regard to gender.

During recruitment, BTPN also prioritizes local Indonesian workers. Moreover, when BTPN requires certain expertise that is rarely found in Indonesia, foreign workers are recruited to transfer knowledge to local workers.

- **Training and Career Development**

BTPN provides equal opportunity for all employees to develop competency and develop their careers by participating in education and training programs.

Throughout 2019, the Bank allocated a total of Rp110.6 billion for training and development initiatives.

- **Occupational Health and Safety (OHS)**

A safe and healthy work environment is a key priority for BTPN. This has been implemented since 2017 through the development of formal policy on OHS management, which is integrated with environmental management policies. The Bank is also committed to complying with all applicable OHS regulations and relevant standards.

Corporate Social Responsibility in the Labor, Health and Safety Field

- **Industrial Relations**

BTPN is committed to creating harmonious and fair relationships with all employees. The Bank also respects the right of its employees to form and participate in labor unions.

BTPN facilitated the establishment of the BTPB Tbk Labor Union, which was formed on September 27, 2007, and registered with the registration number 256 / DPP. SP.BTPN-CTT.22-DISNAKER / 2007 at the Office of Manpower and Transmigration.

BTPN strives to foster mutual support with Labor Union through the concept of partnership and dialogue. To ensure that employees understand their rights and responsibilities, the Bank routinely disseminates information about labor regulations and provisions to all employees.

- **Balanced Lifestyle**

To encourage the adoption of a healthy and balanced lifestyle, the Bank has supported the establishment of the BTPN Club, as a means by which all employees can enjoy their hobbies and socialize with their colleagues. Employees can also join one of the Bank's sports clubs including futsal, badminton, athletics, tennis, bowling, karate and judo. Alternatively, they can join BTPN's dance and singing clubs, or the photography club.

- **Pension Program**

For employees who are about to enter retirement, BTPN offers a variety of support programs to prepare them for life after employment.

Employees can participate in various training programs in the fields of entrepreneurship, financial management, and mental preparation for retirement.

- **Employee Turnover Rate**

BTPN creates a safe, harmonious and conducive work environment to increase loyalty and reduce employee turnover.

Corporate Social Responsibility to Customers

COMMITMENT AND POLICY

BTPN prioritizes the interests of its customers by providing the best possible services, including the best products. The Bank's services are consistent, safe and comprehensive.

In addition, BTPN also prioritizes customer protection by implementing the principles of transparency, confidentiality and security of customer data / information, and handling customer complaints effectively and efficiently.

The Bank uses the following regulations as reference points: Financial Services Authority Regulation No. 1 / Pojk.07 / 2013 about Consumer Protection in the Financial Services Sector and Financial Services Authority Regulation No. 76 / POJK.07 / 2016 regarding Increased Financial Literacy and Inclusion in the Financial Services Sector of Consumers and / or the Community.

TARGETS AND ACTIVITY PLAN

In order to support the implementation of financial literacy and inclusion programs, Bank BTPN is developing products and programs that can accelerate the improvement of people's understanding of banking products and services. Bank BTPN's Financial Inclusion Program is carried out through BTPN WOW! to reach potential customers.

BTPN Wow! is a banking service that utilizes mobile phone technology and is supported by the services of a Smart Laku Agent that acts as an extension of the Bank's BTPN mobile application BTPN Wow!

IMPLEMENTATION AND IMPACT OF ACTIVITIES

Bank BTPN is a commercial bank that has been chosen by the government as one of the Laku Pandai service providers (Financial Services Without Offices in the Framework of Financial Inclusion), a program of the Financial Services Authority (OJK). The purpose of the program is to open access to financial services for people who have up to now not used banking services.

Overall, since it was launched in March 2015 until the end of the fiscal year 2019, BTPN Wow! has provided banking services to 6.6 million customers. The number increased by 12.81% from 2018 with 5.9 million customers.

In 2019, the number of agents reached 301 thousand originating from the Provinces of Nanggroe Aceh Darussalam, North Sumatra, Riau, Jambi, Bengkulu, West Sumatra, Bangka Belitung, South Sumatra, Lampung, DKI Jakarta, Banten, West Java, Central Java, DI Yogyakarta, East Java, West Nusa Tenggara, East Nusa Tenggara, Bali, Southeast Sulawesi, South Sulawesi, West Kalimantan, South Kalimantan and Central Kalimantan. This is an increased of 14.04% from 2018 when the number of agent totaled 264 thousand. The increase in the number of agents aims to expand access and increase financial inclusion.

PRODUCT INFORMATION

All BTPN Bank product and service information can be accessed by customers through various information channels. These include all BTPN Bank branches and the Bank's website: <http://www.btpn.com>.

In addition, all products issued by Bank BTPN have complied with the guidelines set by the regulator. The Bank has also tested the potential risks associated with each product, so that all products offered by the Bank are safe for customers.

HANDLING OF CUSTOMER COMPLAINTS

Customer complaints are handled directly by Customer Care. Every incoming customer complaint is resolved within 20 (twenty) working days. In the event that the Bank is unable to resolve customer complaints in the stipulated time period / service level agreement by the Financial Services Authority (OJK), the Bank will submit a notice of extending the period of complaint resolution.

Corporate Social Responsibility in the Area of Community Development

COMMITMENT AND RESPONSIBILITY

Bank BTPN's commitment to social development references the Financial Services Authority Regulation No. 76 / POJK.07 / 2016 regarding Increasing Financial Literacy and Inclusion in the Financial Services Sector for Consumers and / or the Community.

INFORMATION ABOUT RELEVANT SOCIAL ISSUES

Based on the results of the OJK survey in 2016, the financial literacy index was 29.7% and the financial inclusion index was 67.8%. The government set financial inclusion targets in the Presidential Regulation No. 82 of 2016 on the National Financial Inclusion Strategy (SNKI) of 75% in 2019. As a form of support for the policy, BTPN is developing and promoting financial literacy and inclusion programs through the Bank's products, services and activities.

INFORMATION ABOUT SOCIAL RISK MANAGEMENT

Low financial literacy and inclusion can have an impact on the community's lack of understanding of safe banking products and services. One of the real impacts is that many people have been affected by unbelievable "bulging" investments.

In addition, there are several other risks associated with the impact of low financial literacy and inclusion: not knowing how to manage finances, and the placing of investment instruments in inappropriate channels that cannot be trusted.

Referring to the Regulations and Circular Letter of the Financial Services Authority (OJK) related to the obligations of Financial Service Businesspeople (PUJK) to carry out activities to increase the financial literacy of consumers and / or the public, BTPN, through several business units, including business units serving the Retirement customer segment, has prepared a plan for financial literacy activities for BTPN Purnabakti customers in 8 provinces.

In addition to the Purnabakti customer segment, in 2019 BTPN also has implemented financial literacy activities for people already familiar with the digital banking world.

BUDGET

The total amount spent by BTPN during 2019 to support improving financial literacy and inclusion is Rp 1,575,193,488.

This budget was used to carry out various activities, both face-to-face and through digital media. These activities were not just carried out to fulfil the Bank's PUJK obligations. BTPN also carried out financial literacy activities through various other programs.

ACTIVITY IMPLEMENTATION

During 2019, the implementation of financial literacy activities to fulfill the obligations set by PUJK were conducted in various regions. These included a discussion about "Cultivating Good Financial Habits" with the Co.Create Club in Bandung, and a discussion on Financial Literacy with Purnabakti customers at the BTPN Banda Aceh Branch Office.

In addition to the specific financial literacy activities related to OJK regulations, Bank BTPN has also carried out financial literacy activities through various other long-running programs. These include the pension preparation program for BTPN Retirement customers, volunteer programs, financial literacy programs for Jenius customers, and financial literacy programs for the employees of the Bank's corporate customers.

ACTIVITY IMPACT

The impact of these activities can be seen in the involvement of customers and the community in financial literacy activities organized by Bank BTPN. With regards to this, in 2019, the total number of participants who joined the Bank's literacy and financial inclusion activities, specifically to fulfill the obligations set by PUJK, was 2,732. All participants came from various backgrounds, and included customers and non-customers of BTPN.

2019 Financial Statements



PT BANK BTPN Tbk
(DAHULU/*FORMERLY PT BANK TABUNGAN*
***PENSIUNAN NASIONAL Tbk*)**
DAN ENTITAS ANAK/*AND SUBSIDIARY*

**LAPORAN KEUANGAN KONSOLIDASIAN/
*CONSOLIDATED FINANCIAL STATEMENTS***

**TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018/
*YEAR ENDED 31 DECEMBER 2019 AND 2018***

**SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
PT BANK BTPN TBK DAN ENTITAS ANAK**

**BOARD OF DIRECTORS' STATEMENTS
REGARDING THE RESPONSIBILITY FOR
THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
PT BANK BTPN TBK AND SUBSIDIARY**

Kami yang bertanda tangan di bawah ini:

We, the undersigned:

1. Nama : Ongki Wanadjati Dana
Alamat Kantor : Menara BTPN
CBD Mega Kuningan
Jl. Dr. Ide Anak Agung Gde Agung Kav.5.5 - 5.6
Jakarta 12950
Alamat Rumah : Jl. Bungur Besar No.97
RT/RW 010/001, Kel. Kemayoran
Kec. Kemayoran, Jakarta Pusat
Nomor Telepon : (021) 30026200
Jabatan : Direktur Utama
2. Nama : Hanna Tantani
Alamat Kantor : Menara BTPN
CBD Mega Kuningan
Jl. Dr. Ide Anak Agung Gde Agung Kav.5.5 - 5.6
Jakarta 12950
Alamat Rumah : Jl. Pegangsaan Indah Barat A1/40
Kel. Pegangsaan Dua Kec. Kelapa Gading
Jakarta Utara
Nomor Telepon : (021) 30026200
Jabatan : Direktur Keuangan

1. Name : Ongki Wanadjati Dana
Office address : Menara BTPN
CBD Mega Kuningan
Jl. Dr. Ide Anak Agung Gde Agung Kav.5.5 - 5.6
Jakarta 12950
Residential address : Jl. Bungur Besar No.97
RT/RW 010/001, Kel. Kemayoran
Kec. Kemayoran, Jakarta Pusat
Telephone : (021) 30026200
Title : President Director
2. Name : Hanna Tantani
Office address : Menara BTPN
CBD Mega Kuningan
Jl. Dr. Ide Anak Agung Gde Agung Kav.5.5 - 5.6
Jakarta 12950
Residential address : Jl. Pegangsaan Indah Barat A1/40
Kel. Pegangsaan Dua Kec. Kelapa Gading
Jakarta Utara
Telephone : (021) 30026200
Title : Finance Director

Menyatakan bahwa:

Declare that:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Bank BTPN Tbk dan Entitas Anak;
2. Laporan keuangan konsolidasian PT Bank BTPN Tbk dan Entitas Anak telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan konsolidasian PT Bank BTPN Tbk dan Entitas Anak telah dimuat secara lengkap dan benar;
b. Laporan keuangan konsolidasian PT Bank BTPN Tbk dan Entitas Anak tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material.
4. Kami bertanggung jawab atas sistem pengendalian internal dalam PT Bank BTPN Tbk dan Entitas Anak.

1. We are responsible for the preparation and presentation of the consolidated financial statements of PT Bank BTPN Tbk and Subsidiary;
2. The consolidated financial statements of PT Bank BTPN Tbk and Subsidiary have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the consolidated financial statements of PT Bank BTPN Tbk and Subsidiary has been disclosed in a complete and truthful manner;
b. The consolidated financial statements of PT Bank BTPN Tbk and Subsidiary do not contain any incorrect information or material facts, nor do they omit information or material facts;
4. We are responsible for PT Bank BTPN Tbk and Subsidiary's internal control system.

Demikian pernyataan ini dibuat dengan sebenarnya.

Thus this statement is made truthfully.

JAKARTA,
23 Maret/March 2020

Atas nama dan mewakili Dewan Direksi/For and on behalf of the Board of Directors

Ongki Wanadjati Dana
Direktur Utama/
President Director

Hanna Tantani
Direktur Keuangan/
Finance Director



Siddharta Widjaja & Rekan Registered Public Accountants

33rd Floor Wisma GKBI
28, Jl. Jend. Sudirman
Jakarta 10210
Indonesia
+62 (0) 21 574 2333 / 574 2888

Laporan Auditor Independen

No.: 00090/2.1005/AU.1/07/0851-1/1/III/2020

Para Pemegang Saham,
Dewan Komisaris dan Direksi
PT Bank BTPN Tbk:

Kami telah mengaudit laporan keuangan konsolidasian PT Bank BTPN Tbk (dahulu PT Bank Tabungan Pensiunan Nasional Tbk) dan entitas anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2019, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan catatan, yang berisi suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan konsolidasian

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian 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 konsolidasian tersebut 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 konsolidasian tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

No.: 00090/2.1005/AU.1/07/0851-1/1/III/2020

The Shareholders,
The Board of Commissioners and Board of Directors
PT Bank BTPN Tbk:

We have audited the accompanying consolidated financial statements of PT Bank BTPN Tbk (formerly PT Bank Tabungan Pensiunan Nasional Tbk) and its subsidiary, which comprise the consolidated statement of financial position as of 31 December 2019, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated 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 the consolidated financial statements are free of material misstatement.



Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan konsolidasian. Prosedur yang dipilih bergantung pada pertimbangan kami, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan konsolidasian, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, kami 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 konsolidasian 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 konsolidasian tersebut menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Bank BTPN Tbk dan entitas anaknya tanggal 31 Desember 2019, serta kinerja keuangan dan arus kas konsolidasiannya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Informasi komparatif

Kami membawa perhatian ke Catatan 48 atas laporan keuangan konsolidasian yang menunjukkan bahwa informasi komparatif tanggal dan untuk tahun yang berakhir pada tanggal 31 Desember 2018 telah disajikan kembali. Opini kami tidak dimodifikasi terkait dengan hal ini.

Laporan keuangan konsolidasian PT Bank BTPN Tbk (dahulu PT Bank Tabungan Pensiunan Nasional Tbk) dan entitas anaknya tanggal dan untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 31 Desember 2017 (darimana laporan posisi keuangan konsolidasian tanggal 1 Januari 2018 berasal), tidak termasuk penyesuaian yang dijelaskan pada Catatan 48 atas laporan keuangan konsolidasian, telah diaudit oleh auditor lain yang menyatakan opini tanpa modifikasi atas laporan tersebut masing-masing pada tanggal 23 Januari 2019 dan 2 Februari 2018.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bank BTPN Tbk and its subsidiary as of 31 December 2019, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Comparative information

We draw attention to Note 48 to the consolidated financial statements which indicates that the comparative information presented as of and for the year ended 31 December 2018 has been restated. Our opinion is not modified in respect of this matter.

The consolidated financial statements of PT Bank BTPN Tbk (formerly PT Bank Tabungan Pensiunan Nasional Tbk) and its subsidiary as of and for the year ended 31 December 2018 and 31 December 2017 (from which the consolidated statement of financial position as of 1 January 2018 has been derived), excluding the adjustments described in Note 48 to the consolidated financial statements, were audited by other auditors who expressed an unmodified opinion on those statements on 23 January 2019 and 2 February 2018, respectively.



Sebagai bagian dari audit kami atas laporan keuangan konsolidasian tanggal dan untuk tahun yang berakhir pada tanggal 31 Desember 2019, kami mengaudit penyesuaian yang dijelaskan pada Catatan 48 atas laporan keuangan konsolidasian yang diterapkan untuk menyajikan kembali informasi komparatif tanggal dan untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan laporan posisi keuangan konsolidasian tanggal 1 Januari 2018. Kami tidak ditugaskan untuk mengaudit, mereviu, atau menerapkan prosedur apapun atas laporan keuangan konsolidasian tanggal dan untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 31 Desember 2017 (tidak disajikan), maupun atas laporan posisi keuangan konsolidasian tanggal 1 Januari 2018, selain yang berkaitan dengan penyesuaian yang dijelaskan pada Catatan 48 atas laporan keuangan konsolidasian. Oleh karena itu, kami tidak menyatakan suatu opini maupun bentuk asurans lainnya atas laporan keuangan konsolidasian tersebut secara keseluruhan. Namun, menurut opini kami, penyesuaian yang dijelaskan pada Catatan 48 atas laporan keuangan konsolidasian sudah tepat dan telah diterapkan dengan tepat.

Hal lain

Audit kami dilaksanakan dengan tujuan untuk merumuskan suatu opini atas laporan keuangan konsolidasian secara keseluruhan. Informasi tambahan dalam Lampiran 1 sampai dengan 4, yang terdiri dari laporan posisi keuangan PT Bank BTPN Tbk (entitas induk saja) 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, disajikan untuk tujuan analisis tambahan dan bukan merupakan bagian dari laporan keuangan konsolidasian yang diharuskan menurut Standar Akuntansi Keuangan di Indonesia. Informasi tersebut telah menjadi objek prosedur audit yang diterapkan dalam audit atas laporan keuangan konsolidasian dan menurut opini kami disajikan secara wajar, dalam semua hal yang material, berkaitan dengan laporan keuangan konsolidasian secara keseluruhan.

As part of our audit of the consolidated financial statements as of and for the year ended 31 December 2019, we audited the adjustments described in Note 48 to the consolidated financial statements that were applied to restate the comparative information presented as of and for the year ended 31 December 2018 and the consolidated statement of financial position as of 1 January 2018. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements as of and for the years ended 31 December 2018 or 31 December 2017 (not presented herein) or to the consolidated statement of financial position as of 1 January 2018, other than with respect to the adjustments described in Note 48 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective consolidated financial statements taken as a whole. However, in our opinion, the adjustments described in Note 48 are appropriate and have been properly applied.

Other matter

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in Appendix 1 to 4, which comprises the statement of financial position of PT Bank BTPN Tbk (parent entity only) as of 31 December 2019, and the related statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements in accordance with Indonesian Financial Accounting Standards. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and in our opinion is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Kantor Akuntan Publik/Registered Public Accountants
Siddharta Widjaja & Rekan

Liana Lim, S.E., CPA

Izin Akuntan Publik/Public Accountant License No. AP. 0851

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

LAPORAN POSISI KEUANGAN KONSOLIDASIAN
31 DESEMBER 2019 DAN 2018*
DAN 1 JANUARI 2018/31 DESEMBER 2017*

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2019 AND 2018*
AND 1 JANUARY 2018/31 DECEMBER 2017*

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	31 Desember/December		1 Januari/ January 2018/ 31 Desember/ December 2017*	
		2019	2018*		
ASET					ASSETS
Kas	2h, 4	2,299,062	1,838,136	1,496,785	Cash
Giro pada Bank Indonesia	2h, 2j, 5	8,987,079	5,248,644	5,098,341	Current accounts with Bank Indonesia
Giro pada bank-bank lain:					Current accounts with other banks
- Pihak ketiga		331,454	819,552	475,913	Third parties -
- Pihak berelasi	2g, 38	725,450	21,912	12,029	Related parties -
	2h, 2j, 6	1,056,904	841,464	487,942	
Penempatan pada Bank Indonesia dan bank-bank lain		8,839,876	11,720,619	8,489,491	Placements with Bank Indonesia and other banks
Pendapatan bunga yang masih akan diterima		74,228	29,284	16,449	Accrued interest income
	2h, 2k, 7	8,914,104	11,749,903	8,505,940	
Efek-efek					Marketable securities
- Pihak ketiga		10,568,519	6,806,407	6,337,831	Third parties -
- Pihak berelasi	2g, 38	86,105	-	-	Related parties -
Pendapatan bunga/margin yang masih akan diterima		48,233	60,099	28,711	Accrued interest/margin income
Dikurangi: Cadangan kerugian penurunan nilai	2i	(6)	-	-	Less: Allowance for impairment losses
	2h, 2l, 8	10,702,851	6,866,506	6,366,542	
Efek-efek yang dibeli dengan janji dijual kembali		-	1,591,672	2,495,409	Securities purchased under resale agreements
Pendapatan bunga/margin yang masih akan diterima		-	8,283	5,378	Accrued interest/margin income
	2h, 2m, 9	-	1,599,955	2,500,787	
Tagihan derivatif					Derivative receivables
- Pihak ketiga		778,690	-	2,338	Third parties -
- Pihak berelasi	2g, 38	61,682	-	-	Related parties -
	2h, 2n, 10	840,372	-	2,338	
Tagihan akseptasi					Acceptance receivables
- Pihak ketiga		1,692,460	-	-	Third parties -
Dikurangi: Cadangan kerugian penurunan nilai	2i	(69)	-	-	Less: Allowance for impairment losses
	2h, 2o, 11	1,692,391	-	-	
Pinjaman yang diberikan:					Loans:
- Pihak ketiga		130,627,900	60,840,986	59,277,279	Third parties -
- Pihak berelasi	2g, 38	2,132,709	18,632	21,285	Related parties -
Pembiayaan/piutang syariah:					Sharia financing/receivables:
- Pihak ketiga		8,999,574	7,277,162	6,053,273	Third parties -
Pendapatan bunga/margin yang masih akan diterima		827,359	605,519	749,095	Accrued interest/margin income
Dikurangi: Cadangan kerugian penurunan nilai	2i	(1,467,199)	(1,134,065)	(794,115)	Less: Allowance for impairment losses
	2h, 2p, 12	141,120,343	67,608,234	65,306,817	
Penyertaan saham	2h, 2q	22,522	22	22	Investment in shares
Beban dibayar dimuka	2r, 2aj, 13, 48	2,234,521	2,227,078	2,285,183	Prepayments
Pajak dibayar dimuka	2ad, 14a	321,312	53,308	53,308	Prepaid taxes
Dipindahkan		178,191,461	98,033,250	92,104,005	Carry forward

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan

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PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

LAPORAN POSISI KEUANGAN KONSOLIDASIAN
31 DESEMBER 2019 DAN 2018*
DAN 1 JANUARI 2018/31 DESEMBER 2017*

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2019 AND 2018*
AND 1 JANUARY 2018/31 DECEMBER 2017*

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	31 Desember/December		1 Januari/ January 2018/ 31 Desember/ December 2017*	
		2019	2018*		
ASET (lanjutan)					ASSETS (continued)
Pindahan		178,191,461	98,033,250	92,104,005	Carried forward
Aset pajak tangguhan	2ad, 14f	144,874	215,734	165,935	Deferred tax assets
Aset tetap		3,751,845	3,388,416	2,994,068	Fixed assets
Dikurangi: Akumulasi penyusutan		(1,858,099)	(1,601,689)	(1,333,948)	Less: Accumulated depreciation
	2s, 15	<u>1,893,746</u>	<u>1,786,727</u>	<u>1,660,120</u>	
Aset tak berwujud		2,197,397	1,663,685	1,281,387	Intangible assets
Dikurangi: Akumulasi amortisasi		(1,128,855)	(722,855)	(512,325)	Less: Accumulated amortization
	2t, 16	<u>1,068,542</u>	<u>940,830</u>	<u>769,062</u>	
Aset lain-lain		332,931	364,852	346,471	Other assets
Dikurangi: Cadangan kerugian penurunan nilai		(169)	(169)	(4,000)	Less: Allowance for impairment losses
	2h, 2u, 17	<u>332,762</u>	<u>364,683</u>	<u>342,471</u>	
JUMLAH ASET		<u>181,631,385</u>	<u>101,341,224</u>	<u>95,041,593</u>	TOTAL ASSETS
LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS					LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY
LIABILITAS					LIABILITIES
Liabilitas segera	2h, 18	18,268	15,323	49,538	Obligations due immediately
Bagi hasil yang belum dibagikan	2h, 2aa, 49	21,861	17,035	13,735	Undistributed revenue sharing
Simpanan nasabah:					Deposits from customers:
- Pihak ketiga		78,849,654	63,854,288	61,834,242	Third parties -
- Pihak berelasi	2g, 38	539,161	997,564	835,783	Related parties -
Beban bunga yang masih harus dibayar		210,601	233,429	193,765	Accrued interest expenses
	2h, 2v, 19	<u>79,599,416</u>	<u>65,085,281</u>	<u>62,863,790</u>	
Simpanan dari bank-bank lain:					Deposits from other banks:
- Pihak ketiga		4,342,049	14,394	822,584	Third parties -
- Pihak berelasi	2g, 38	7,291,425	-	-	Related parties -
Beban bunga yang masih harus dibayar		57,081	-	822	Accrued interest expenses
	2h, 2v, 20	<u>11,690,555</u>	<u>14,394</u>	<u>823,406</u>	
Liabilitas derivatif					Derivative payables
- Pihak ketiga		840,876	116,521	2,886	Third parties -
- Pihak berelasi	2g, 38	54,071	-	-	Related parties -
	2h, 2n, 10	<u>894,947</u>	<u>116,521</u>	<u>2,886</u>	
Liabilitas akseptasi					Acceptance payables
- Pihak ketiga		730,936	-	-	Third parties -
- Pihak berelasi	2g, 38	157,523	-	-	Related parties -
	2h, 2o, 11	<u>888,459</u>	<u>-</u>	<u>-</u>	
Utang pajak:					Taxes payables:
- Pajak penghasilan badan		119,060	308,408	85,696	Corporate income tax -
- Pajak lain-lain		117,833	103,219	91,164	Other taxes -
	2ad, 14b	<u>236,893</u>	<u>411,627</u>	<u>176,860</u>	
Dipindahkan		93,350,399	65,660,181	63,930,215	Carry forward

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan

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DAN ENTITAS ANAK/AND SUBSIDIARY

LAPORAN POSISI KEUANGAN KONSOLIDASIAN
31 DESEMBER 2019 DAN 2018*
DAN 1 JANUARI 2018/31 DESEMBER 2017*

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2019 AND 2018*
AND 1 JANUARY 2018/31 DECEMBER 2017*

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	31 Desember/December		1 Januari/ January 2018/ 31 Desember/ December 2017*	
		2019	2018*	December 2017*	
LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS (Lanjutan)					LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (Continued)
LIABILITAS (Lanjutan)					LIABILITIES (Continued)
Pindahan		93,350,399	65,660,181	63,930,215	Carried forward
Efek-efek yang diterbitkan:					Securities issued:
- Surat utang jangka menengah	21a	1,301,409	-	-	Medium term notes -
- Utang obligasi	21b	1,889,219	1,197,442	2,543,401	Bonds payable -
Beban bunga yang masih harus dibayar		26,286	19,875	37,376	Accrued interest expenses
	1d, 2h, 2w	<u>3,216,914</u>	<u>1,217,317</u>	<u>2,580,777</u>	
Pinjaman yang diterima:					Borrowings:
- Pihak ketiga		6,868,795	7,386,939	3,004,155	Third parties -
- Pihak berelasi	2g, 38	31,193,978	1,078,500	2,238,638	Related parties -
Biaya transaksi yang belum diamortisasi		(15,318)	(22,674)	(34,153)	Unamortised transaction costs
Beban bunga yang masih harus dibayar		141,471	114,109	41,567	Accrued interest expenses
	2h, 2x, 22	<u>38,188,926</u>	<u>8,556,874</u>	<u>5,250,207</u>	
Akrual	2h, 23	451,386	267,857	398,668	Accruals
Liabilitas imbalan kerja karyawan:					Employee benefits liabilities:
- Imbalan kerja jangka pendek		560,620	471,623	411,130	Short-term employee benefits -
- Imbalan pascakerja dan imbalan kerja jangka panjang lainnya		37,458	33,126	45,654	Post-employment benefits and other long-term employee benefits
	2y, 24	<u>598,078</u>	<u>504,749</u>	<u>456,784</u>	
Liabilitas pajak tangguhan	2ad, 14f	53,052	-	-	Deferred tax liabilities
Pinjaman subordinasi		6,038,888	-	-	Subordinated loans
Beban bunga yang masih harus dibayar		6,305	-	-	Accrued interest expenses
	2g, 2h, 2z, 25, 38	<u>6,045,193</u>	<u>-</u>	<u>-</u>	
Liabilitas lain-lain	2h, 26	704,845	355,056	424,354	Other liabilities
JUMLAH LIABILITAS		<u>142,608,793</u>	<u>76,562,034</u>	<u>73,041,005</u>	TOTAL LIABILITIES
DANA SYIRKAH TEMPORER					TEMPORARY SYIRKAH FUNDS
Bukan bank					Non-bank
- Pihak ketiga					Third parties -
Tabungan mudharabah		104,628	113,788	92,925	Mudharabah savings
Deposito mudharabah		7,428,302	5,872,246	5,147,649	Mudharabah time deposits
- Pihak berelasi	2g, 38				Related parties -
Tabungan mudharabah		250	594	763	Mudharabah savings
Deposito mudharabah		17,484	6,232	6,711	Mudharabah time deposits
JUMLAH DANA SYIRKAH TEMPORER	2aa, 27	<u>7,550,664</u>	<u>5,992,860</u>	<u>5,248,048</u>	TOTAL TEMPORARY SYIRKAH FUNDS

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan

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(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

LAPORAN POSISI KEUANGAN KONSOLIDASIAN
31 DESEMBER 2019 DAN 2018*

DAN 1 JANUARI 2018/31 DESEMBER 2017*

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2019 AND 2018*

AND 1 JANUARY 2018/31 DECEMBER 2017*

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	31 Desember/December		1 Januari/ January 2018/ 31 Desember/ December 2017*	
		2019	2018*		
LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS (lanjutan)					LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)
EKUITAS					SHAREHOLDERS' EQUITY
Ekuitas yang diatribusikan kepada pemilik ekuitas induk					Equity attributable to owners of the parent
Modal saham -					Share capital -
Modal dasar Rp 300.000 (31 Desember 2018: Rp 300.000 dan 1 Januari 2018/31 Desember 2017: Rp 150.000) terdiri dari: 15.000.000.000 saham (31 Desember 2018: 15.000.000.000 saham dan 1 Januari 2018/31 Desember 2017: 7.500.000.000 saham) dengan nilai nominal Rp 20 (nilai penuh) per saham					Authorized capital of Rp 300,000 (31 December 2018: Rp 300,000 and 1 January 2018/31 December 2017: Rp 150,000) consists of: 15,000,000,000 shares (31 December 2018: 15,000,000,000 shares and 1 January 2018/31 December 2017: 7,500,000,000 shares) with par value of Rp 20 (full amount) per share
Modal ditempatkan dan disetor penuh sebesar 8.148.928.869 saham (31 Desember 2018: 5.851.646.757 saham dan 1 Januari 2018/31 Desember 2017: 5.840.287.257 saham)	2ab, 28	162,979	117,033	116,806	Issued and fully paid-up capital is 8,148,928,869 shares (31 December 2018: 5,851,646,757 shares and 1 January 2018/31 December 2017: 5,840,287,257 shares)
Tambahan modal disetor	1b	11,158,702	1,458,886	1,429,385	Additional paid-in capital
Cadangan revaluasi aset tetap		801,553	801,553	724,449	Reserve on revaluation of fixed assets
Cadangan pembayaran berbasis saham	2ac, 29	244,012	281,748	254,496	Share-based payment reserve
Cadangan nilai wajar - bersih	2l	12,176	3,527	12,875	Fair value reserve - net
Transaksi dengan kepentingan non-pengendali	1f	(24,267)	(24,267)	-	Transaction with non-controlling interest
Saldo laba					Retained earnings
- Dicadangkan		44,361	30,361	26,861	Appropriated -
- Belum dicadangkan	48	17,730,931	15,198,223	13,778,768	Unappropriated -
Saham tresuri	1c, 2ab	(262,404)	(262,404)	(262,404)	Treasury shares
		29,868,043	17,604,660	16,081,236	
Kepentingan non-pengendali		1,603,885	1,181,670	671,304	Non-controlling interest
JUMLAH EKUITAS		31,471,928	18,786,330	16,752,540	TOTAL EQUITY
JUMLAH LIABILITAS, DANA SYIRKAH TEMPORER, DAN EKUITAS		181,631,385	101,341,224	95,041,593	TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS, AND EQUITY

*Setelah penyajian kembali (Catatan 48)

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan

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(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018*
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
YEARS ENDED 31 DECEMBER 2019 AND 2018*
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2019	2018*	
PENDAPATAN DAN BEBAN OPERASIONAL				OPERATING INCOME AND EXPENSES
Pendapatan bunga		14,627,058	10,679,385	Interest income
Pendapatan syariah		4,457,352	3,447,266	Sharia income
	2g, 2ae, 31, 38	<u>19,084,410</u>	<u>14,126,651</u>	
Beban bunga		(7,513,059)	(4,158,571)	Interest expenses
Hak pihak ketiga atas bagi hasil dana syirkah temporer		(523,587)	(367,672)	Third parties' shares on return of temporary syirkah funds
	2g, 2ae, 32, 38	<u>(8,036,646)</u>	<u>(4,526,243)</u>	
PENDAPATAN BUNGA DAN SYARIAH - BERSIH		<u>11,047,764</u>	<u>9,600,408</u>	NET INTEREST AND SHARIA INCOME
Pendapatan operasional lainnya:				Other operating income:
Pendapatan operasional lainnya	2af, 2ag, 33, 49	973,750	784,361	Other operating income
Keuntungan (kerugian) dari selisih kurs dan transaksi derivatif bersih	2e, 2n, 49	586,759	(184,222)	Net gain (loss) on foreign exchange and derivative transactions
		<u>1,560,509</u>	<u>600,139</u>	
Beban operasional lainnya:				Other operating expenses:
Beban kepegawaian	2y, 2ac, 34, 2ag, 35, 48, 49	(3,329,635)	(2,811,122)	Personnel expenses
Beban umum dan administrasi	49	(3,262,539)	(2,730,838)	General and administrative expenses
Cadangan kerugian penurunan nilai	2i, 36	(1,445,882)	(1,375,272)	Provision for impairment losses
Beban operasional lainnya	2ag, 37, 49	(537,698)	(335,559)	Other operating expenses
		<u>(8,575,754)</u>	<u>(7,252,791)</u>	
PENDAPATAN OPERASIONAL – BERSIH		<u>4,032,519</u>	<u>2,947,756</u>	NET OPERATING INCOME
PENDAPATAN (BEBAN) NON-OPERASIONAL				NON-OPERATING INCOME (EXPENSES)
Pendapatan non-operasional	49	5,068	5,122	Non-operating income
Beban non-operasional	49	(18,665)	(33,450)	Non-operating expenses
		<u>(13,597)</u>	<u>(28,328)</u>	
LABA SEBELUM PAJAK PENGHASILAN		<u>4,018,922</u>	<u>2,919,428</u>	PROFIT BEFORE INCOME TAX
BEBAN PAJAK PENGHASILAN	2ad, 14c	<u>(1,026,504)</u>	<u>(791,364)</u>	INCOME TAX EXPENSE
LABA BERSIH TAHUN BERJALAN		<u>2,992,418</u>	<u>2,128,064</u>	NET PROFIT FOR THE YEAR

*Setelah penyajian kembali (Catatan 48)

*After restatement (Note 48)

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan

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DAN ENTITAS ANAK/AND SUBSIDIARY

**LAPORAN LABA RUGI DAN PENGHASILAN
 KOMPREHENSIF LAIN KONSOLIDASIAN
 TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018***
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
 AND OTHER COMPREHENSIVE INCOME
 YEARS ENDED 31 DECEMBER 2019 AND 2018***
 (Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2019	2018*	
PENGHASILAN KOMPREHENSIF LAIN:				OTHER COMPREHENSIVE INCOME:
Pos-pos yang tidak akan direklasifikasi ke laba rugi				Items that will not be reclassified to profit or loss
Keuntungan revaluasi aset tetap	2s, 15	-	77,104	Gain on revaluation of fixed assets
Pengukuran kembali liabilitas imbalan kerja karyawan	2y	(30,767)	227,084	Remeasurements of employee benefits liabilities
Pajak penghasilan terkait pos-pos yang tidak akan direklasifikasi ke laba rugi		7,692	(56,771)	Income tax relating to items that will not be reclassified to profit or loss
		<u>(23,075)</u>	<u>247,417</u>	
Pos-pos yang akan direklasifikasi ke laba rugi				Items that will be reclassified to profit or loss
Keuntungan (kerugian) yang belum direalisasi atas perubahan nilai wajar efek-efek dalam kelompok tersedia untuk dijual dan diukur pada nilai wajar melalui penghasilan komprehensif lain	2l	11,306	(8,097)	Unrealised gain (loss) on fair value changes of available for sale and measured at fair value through other comprehensive income marketable securities
Pajak penghasilan terkait pos-pos yang akan direklasifikasi ke laba rugi		(2,827)	(1,040)	Income tax relating to items that will be reclassified to profit or loss
		<u>8,479</u>	<u>(9,137)</u>	
PENGHASILAN KOMPREHENSIF LAIN TAHUN BERJALAN, SETELAH PAJAK PENGHASILAN		<u>(14,596)</u>	<u>238,280</u>	OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX
JUMLAH LABA KOMPREHENSIF TAHUN BERJALAN, SETELAH PAJAK		<u>2,977,822</u>	<u>2,366,344</u>	TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX
LABA BERSIH YANG DIATRIBUSIKAN KEPADA:				NET PROFIT ATTRIBUTABLE TO:
Pemilik entitas induk		2,572,528	1,838,471	Owners of the parent
Kepentingan non-pengendali		419,890	289,593	Non-controlling interest
		<u>2,992,418</u>	<u>2,128,064</u>	
JUMLAH LABA KOMPREHENSIF YANG DIATRIBUSIKAN KEPADA:				TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:
Pemilik entitas induk		2,555,357	2,065,220	Owners of the parent
Kepentingan non-pengendali		422,465	301,124	Non-controlling interest
		<u>2,977,822</u>	<u>2,366,344</u>	
LABA BERSIH PER SAHAM (NILAI PENUH)	2ah, 41			EARNINGS PER SHARE (FULL AMOUNT)
Dasar		327	320	Basic
Dilusian		324	312	Diluted

*Setelah penyajian kembali (Catatan 48)

*After restatement (Note 48)

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DAN ENTITAS ANAK/AND SUBSIDIARY

LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018*
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED 31 DECEMBER 2019 AND 2018*
(Expressed in millions of Rupiah, unless otherwise stated)

		Distribusikan kepada pemilik entitas induk/Attributable to owners of the parent										
Cataan/ Notes	Modal ditempatkan dan disor/ penuh/ Issued and fully paid-up share capital	Tambah modal disor/ Additional paid-in capital	Cadangan revaluasi aset tetap/ Reserve on revaluation of fixed assets	Cadangan pembayaran berbasis saham/ Share-based payment reserve	Cadangan nilai wajar - bersih/ Fair value reserve - net	Transaksi dengan kepentingan non-pengendali/ Transaction with non-controlling interest	Saldo laba yang sudah ditentukan penggunaannya/ Appropriated retained earnings	Saldo laba yang belum ditentukan penggunaannya/ Unappropriated retained earnings	Saham tesuri/ Treasury shares	Jumlah/ Total	Kepentingan pengendali/ Non- controlling interest	Jumlah ekuitas/ Total equity
	117,033	1,459,886	801,563	281,748	3,527	(24,267)	30,361	15,198,223	(262,404)	17,604,860	1,181,670	18,786,300
Laba bersih tahun berjalan	-	-	-	-	-	-	-	2,572,528	-	2,572,528	4,199,890	2,992,418
Laba komprehensif lainnya: Perubahan nilai wajar atas aset keuangan tersedia untuk dijual dan dicatat pada nilai wajar melalui pendapatan komprehensif lainnya Perubahan nilai wajar atas aset keajaiban	-	-	-	-	11,533	-	-	-	-	11,533	(227)	11,306
Efek pajak terkait	-	-	-	-	(2,884)	-	-	(34,427)	-	(34,427)	3,860	(30,767)
Jumlah laba komprehensif selama tahun berjalan	-	-	-	-	8,649	-	-	8,607	-	5,723	(858)	4,865
Cadangan umum anak perusahaan	-	-	-	-	-	-	14,000	2,546,708	-	2,555,357	422,465	2,977,822
Transaksi dengan kepentingan non- pengendali	-	(9,513)	-	-	-	-	-	(14,000)	-	(9,513)	(250)	(9,763)
Efek dari penggabungan usaha	45,937	9,708,197	-	-	-	-	-	-	-	9,754,134	-	9,754,134
Opsional saham: Penerimaan dari pembelian saham	9	1,132	-	-	-	-	-	-	-	1,141	-	1,141
Pembayaran berbasis saham	162,979	11,158,702	801,563	(37,736)	12,176	(24,267)	44,361	17,730,931	(262,404)	(37,736)	-	31,471,938
Saldo tanggal 31 Desember 2019												
	162,979	11,158,702	801,563	244,012	12,176	(24,267)	44,361	17,730,931	(262,404)	29,868,043	1,603,885	31,471,938

Charges in fair value of available for sale
and measured at fair value through
other comprehensive income
Other comprehensive income
financial assets
Remeasurements of employee
benefits liabilities
Related tax effect
Total comprehensive
income during the year
General appropriation of subsidiary
Transaction with
non-controlling interest
Effect of merger
Share option:
Proceed from shares issued
Share-based payments
Balance as of 31 December 2019

*Setelah penyajian kembali (Catatan 48)

*After restatement (Note 48)

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements

**PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY**

**LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018*
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED 31 DECEMBER 2019 AND 2018*
(Expressed in millions of Rupiah, unless otherwise stated)**

		Diatribusikan kepada pemilik entitas induk/Attributable to owners of the parent													
Catatan/ Notes	Modal ditempatkan dan disetor penuh/ Issued and fully paid-up share capital	Tambahan modal disetor/ Additional paid-up capital	Cadangan revaluasi aset tetap/ Reserve on revaluation of fixed assets	Cadangan pembayaran berbasis saham/ Share-based payment reserve	Cadangan nilai wajar - bersih/ Fair value reserve - net	Transaksi dengan kepentingan non-pengendali/ Transaction with non-controlling interest	Saldo laba yang sudah ditentukan penggunaannya/ Appropriated earnings	Saldolaba yang belum ditentukan penggunaannya/ Unappropriated earnings	Saham treasury/ Treasury Shares	Jumlah/ Total	Kepentingan pengendali/ Non- controlling interest	Jumlah ekuitas/ Total equity			
													Balance as of 1 January 2018	Effect of restatement relating to prepayments, net of income tax	Balance as of 1 January 2018, after restatement
48	116,806	1,429,385	724,449	254,496	12,875	-	26,861	14,227,025	(262,404)	16,529,493	671,304	17,200,797			
	-	-	-	-	-	-	(448,257)	(448,257)	-	-	-	(448,257)			
	116,806	1,429,385	724,449	254,496	12,875	-	26,861	13,778,768	(262,404)	16,081,236	671,304	16,752,540			
	-	-	-	-	-	-	-	1,838,471	-	1,838,471	289,593	2,128,064			
	-	-	77,104	-	(8,379)	-	-	-	-	(8,379)	282	(8,097)			
	-	-	77,104	-	-	-	-	-	-	77,104	-	77,104			
	-	-	-	-	(869)	-	-	211,991	-	211,991	15,083	227,084			
	-	-	-	-	(869)	-	-	(62,988)	-	(53,867)	(3,844)	(57,811)			
	-	-	77,104	-	(9,348)	-	-	1,987,464	-	2,065,220	301,124	2,366,344			
	-	-	-	-	-	-	3,500	(3,500)	-	-	-	-			
1f	-	-	-	-	-	(24,267)	-	-	-	(24,267)	209,242	184,975			
30	-	-	-	-	-	-	-	(574,509)	-	(574,509)	-	(574,509)			
1c	227	29,501	-	27,252	-	-	-	-	-	29,728	-	29,728			
2ac, 29	-	-	-	281,748	3,527	(24,267)	30,361	15,198,223	(262,404)	17,604,660	1,181,670	18,786,330			
	117,033	1,458,886	801,563	281,748	3,527	(24,267)	30,361	15,198,223	(262,404)	17,604,660	1,181,670	18,786,330			

*Setelah penyajian kembali (Catatan 48)

*After restatement (Note 48)

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

LAPORAN ARUS KAS KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2019	2018	
ARUS KAS DARI AKTIVITAS OPERASI				CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan bunga		14,690,431	10,782,860	<i>Receipt from interest</i>
Penerimaan dari pendapatan syariah		4,449,890	3,440,239	<i>Receipt from sharia income</i>
Pembayaran beban bunga		(7,687,456)	(4,041,871)	<i>Payments of interest expense</i>
Pembayaran hak pihak ketiga atas bagi hasil dana syirkah temporer		(518,761)	(364,372)	<i>Payments of third parties' shares on return of temporary syirkah funds</i>
Penerimaan pendapatan operasional lainnya		1,556,385	611,782	<i>Receipts from other operating income</i>
Penerimaan kembali kredit yang telah dihapusbukukan		113,243	124,526	<i>Recovery from written-off loans</i>
Pembayaran beban kepegawaian		(3,304,809)	(2,508,821)	<i>Payments of personnel expenses</i>
Pembayaran beban operasional lainnya		(2,831,098)	(2,765,224)	<i>Payments of other operating expenses</i>
Pembayaran lain-lain		(10,072)	(25,729)	<i>Other payments</i>
Pembayaran pajak penghasilan badan		(1,262,205)	(568,652)	<i>Payments of corporate income tax</i>
Arus kas sebelum perubahan dalam aset operasi, liabilitas operasi dan dana syirkah temporer		5,195,548	4,684,738	<i>Cash flows before changes in operating assets, operating liabilities and temporary syirkah funds</i>
Perubahan dalam aset operasi, liabilitas operasi, dan dana syirkah temporer :				<i>Changes in operating assets, operating liabilities, and temporary syirkah funds :</i>
(Kenaikan) penurunan aset operasi :				<i>(Increase) decrease in operating assets :</i>
Penempatan pada Bank Indonesia dan bank-bank lain - jatuh tempo lebih dari 3 bulan		(2,280,000)	755,000	<i>Placements with Bank Indonesia and other banks - with maturity more than 3 months</i>
Efek-efek yang dibeli dengan janji jual kembali		1,591,672	903,737	<i>Securities purchased under resale agreement</i>
Tagihan derivatif		(53,974)	2,338	<i>Derivative receivables</i>
Tagihan akseptasi		966,125	-	<i>Acceptance receivables</i>
Pinjaman yang diberikan		(4,980,410)	(2,520,514)	<i>Loans</i>
Pembiayaan/piutang syariah		(1,959,320)	(1,437,361)	<i>Sharia financing/receivables</i>
Kenaikan (penurunan) liabilitas operasi:				<i>Increase (decrease) in operating liabilities:</i>
Liabilitas segera		2,945	(34,215)	<i>Obligations due immediately</i>
Simpanan nasabah		(15,527,695)	2,181,827	<i>Deposits from customers</i>
Simpanan dari bank-bank lain		4,825,097	(808,190)	<i>Deposits from other banks</i>
Liabilitas derivatif		(222,689)	113,635	<i>Derivative payables</i>
Liabilitas akseptasi		(1,086,023)	-	<i>Acceptance payables</i>
Kenaikan dana syirkah temporer		1,557,804	744,812	<i>Increase in temporary syirkah funds</i>
Arus kas (digunakan untuk) diperoleh dari aktivitas operasi		(11,970,920)	4,585,807	<i>Net cash flows (used in) provided from operating activities</i>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

LAPORAN ARUS KAS KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2019	2018	
ARUS KAS DARI AKTIVITAS INVESTASI				CASH FLOWS FROM INVESTING ACTIVITIES
Pembelian efek-efek		(49,875,535)	(8,984,697)	<i>Purchases of marketable securities</i>
Penerimaan dari pelepasan efek-efek		50,586,393	9,182,474	<i>Proceeds from disposal of marketable securities</i>
Pembelian aset tetap		(324,700)	(382,971)	<i>Purchases of fixed assets</i>
Perolehan aset takberwujud	16	(380,234)	(392,940)	<i>Purchases of intangible assets</i>
Pengalihan kas dan setara kas sehubungan dengan penggabungan usaha		11,289,137	-	<i>Cash and cash equivalents transfer due to merger</i>
Hasil dari penjualan aset tetap		6,026	4,456	<i>Proceeds from sale of fixed assets</i>
Arus kas bersih diperoleh dari (digunakan untuk) aktivitas investasi		11,301,087	(573,678)	Net cash flows provided from (used in) investing activities
ARUS KAS DARI AKTIVITAS PENDANAAN				CASH FLOWS FROM FINANCING ACTIVITIES
Pembayaran efek-efek yang diterbitkan		(300,000)	(1,350,000)	<i>Payments of securities issued</i>
Penerimaan dari efek-efek yang diterbitkan		1,000,000	-	<i>Proceeds from securities issued</i>
Penerimaan dari pinjaman yang diterima		172,265,489	10,287,664	<i>Proceeds from borrowings</i>
Pembayaran angsuran dan pelunasan pinjaman yang diterima		(172,817,491)	(7,065,018)	<i>Installment payments and settlement of borrowings</i>
Pembayaran beban emisi obligasi		(9,992)	-	<i>Payments bonds issuance cost</i>
Pembayaran biaya transaksi atas pinjaman yang diterima		(7,077)	(7,297)	<i>Payments of borrowing transaction cost</i>
Pembayaran dividen		-	(574,509)	<i>Payments of dividend</i>
Hasil penerbitan saham		1,141	29,728	<i>Proceed from shares issued</i>
Dana yang diterima oleh Entitas Anak atas penawaran umum perdana		-	735,020	<i>Fund received by Subsidiary from initial public offering</i>
Imbalan yang dibayarkan kepada non-pengendali		(9,763)	(550,045)	<i>Consideration paid to non-controlling interest</i>
Arus kas bersih diperoleh dari aktivitas pendanaan		122,307	1,505,543	Net cash flows provided from financing activities
(PENURUNAN) KENAIKAN BERSIH KAS DAN SETARA KAS		(547,526)	5,517,672	NET(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS
DAMPAK PERUBAHAN SELISIH KURS TERHADAP KAS DAN SETARA KAS		(35,026)	(10,878)	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS
SALDO KAS DAN SETARA KAS AWAL TAHUN		20,424,211	14,917,417	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR
SALDO KAS DAN SETARA KAS AKHIR TAHUN		19,841,659	20,424,211	CASH AND CASH EQUIVALENTS AT THE END OF YEAR
Kas dan setara kas terdiri dari:				Cash and cash equivalents consist of:
Kas	4	2,299,062	1,838,136	<i>Cash</i>
Giro pada Bank Indonesia	5	8,987,079	5,248,644	<i>Current accounts with Bank Indonesia</i>
Giro pada bank-bank lain	6	1,056,904	841,464	<i>Current accounts with other banks</i>
Penempatan pada Bank Indonesia dan bank-bank lain	7	6,559,876	11,720,619	<i>Placements with Bank Indonesia and other banks</i>
Efek-efek	8	938,738	775,348	<i>Marketable securities</i>
		19,841,659	20,424,211	

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan

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PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

LAPORAN ARUS KAS KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2019	2018	
INFORMASI TAMBAHAN ARUS KAS				SUPPLEMENTAL CASH FLOWS INFORMATION
AKTIVITAS YANG TIDAK MEMPENGARUHI ARUS KAS				ACTIVITIES NOT AFFECTING CASH FLOWS
Penerbitan modal saham sehubungan dengan penggabungan usaha	1b	9,754,134	-	<i>Issuance of shares in relation with merger</i>
Cadangan pembayaran berbasis saham		37,736	27,252	<i>Share-based payment reserve</i>
Pembelian aset tetap yang masih terutang		(1,402)	(1,979)	<i>Acquisition of fixed assets still payable</i>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan

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PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM

a. Pendirian dan informasi umum

PT Bank BTPN Tbk ("BTPN" atau "Bank") yang berdomisili di Jakarta Selatan sebelumnya bernama PT Bank Tabungan Pensiunan Nasional berdasarkan akta notaris No.31 tanggal 16 Februari 1985 dari Notaris Komar Andasasmita, S.H. Akta ini telah diubah dengan akta notaris No. 12 tanggal 13 Juli 1985 dari Notaris Dedeh Ramdah Sukarna, S.H. Anggaran Dasar telah disahkan oleh Menteri Kehakiman Republik Indonesia dengan surat No. C2-4583HT01.01TH.85 tanggal 25 Juli 1985, dan diumumkan dalam Tambahan No. 1148 Berita Negara Republik Indonesia No. 76 tanggal 20 September 1985.

Bank diberikan izin untuk melanjutkan usaha bank sebagai kelanjutan usaha dari Perkumpulan Bank Pegawai Pensiunan Militer ("BAPEMIL") yang telah beroperasi secara komersial pada tanggal 16 Februari 1959. Bank memperoleh izin usaha sebagai bank umum berdasarkan Keputusan Menteri Keuangan Republik Indonesia No. Kep-955/KM.17/1993 tanggal 22 Maret 1993 dan surat Bank Indonesia No. 26/5/UPBD/PBD2/Bd tanggal 22 April 1993. Bank juga memperoleh izin untuk menjalankan Unit Usaha Syariah melalui surat Bank Indonesia No. 10/2/DPIP/Prz/Bd tanggal 17 Januari 2008 yang telah dipindahkan ke PT Bank Tabungan Pensiunan Nasional Syariah Tbk (anak perusahaan Bank) setelah pemisahan pada tanggal 14 Juli 2014.

Bank memperoleh izin melakukan kegiatan usaha dalam valuta asing berdasarkan surat Keputusan Otoritas Jasa Keuangan ("OJK") No. 382/PB.12/2015 tanggal 22 Desember 2015 tentang pemberian izin melakukan kegiatan usaha dalam valuta asing. Bank mulai melakukan kegiatan usaha sebagai bank devisa pada tanggal 16 Februari 2016.

Anggaran Dasar Bank telah mengalami beberapa kali perubahan. Perubahan Anggaran Dasar secara lengkap dituangkan dalam Akta Nomor 22 tanggal 21 Januari 2019 yang dibuat oleh Ashoya Ratam, SH, MKn, Notaris di Kota Administrasi Jakarta Selatan dan telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan Nomor AHU-0006169.AH.01.10.Tahun 2019 tanggal 22 Januari 2019, di mana Bank resmi mengubah namanya menjadi PT Bank BTPN Tbk.

1. GENERAL INFORMATION

a. Establishment and general information

PT Bank BTPN Tbk ("BTPN" or the "Bank") domiciled in Southern Jakarta formerly under the name of PT Bank Tabungan Pensiunan Nasional based on notarial deed No. 31 dated 16 February 1985 of Notary Komar Andasasmita, S.H. The deed was amended by notarial deed No. 12 dated 13 July 1985 of Notary Dedeh Ramdah Sukarna, S.H. The Articles of Association was approved by the Minister of Justice of the Republic of Indonesia in its decision letter No. C2-4583HT01.01TH.85 dated 25 July 1985 and published in Supplement No. 1148 to State Gazette No. 76 dated 20 September 1985.

The Bank was given permission to carry on the bank business as a continuity from Association of Bank Pegawai Pensiunan Militer ("BAPEMIL") which commenced its commercial operations on 16 February 1959. The Bank obtained license to operate as commercial bank based on Decree of Ministry of Finance of the Republic Indonesia No. Kep-955/KM.17/1993 dated 22 March 1993 and the letter of Bank Indonesia No. 26/5/UPBD/PBD2/Bd dated 22 April 1993. The Bank also obtained a license to operate its Sharia Business Unit by the letter of Bank Indonesia No. 10/2/DPIP/Prz/Bd dated 17 January 2008 which has been transferred to PT Bank Tabungan Pensiunan Nasional Syariah Tbk (the Bank's subsidiary) after a spin-off on 14 July 2014.

The Bank obtained license to conduct foreign exchange activities based on Decree of Otoritas Jasa Keuangan ("OJK") No. 382/PB.12/2015 dated 22 December 2015 regarding approval in conducting foreign exchange activities. The Bank has begun to operate as a foreign exchange bank on 16 February 2016.

The Bank's Articles of Association have been amended several times. The complete amendment as specified into the Deed Number 22 dated 21 January 2019 made by Ashoya Ratam, SH, MKn, Notary in Administrative City of South Jakarta and has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through Decree Letter Number AHU-0006169.AH.01.10.Tahun 2019 dated 22 January 2019, where the Bank formally changed its name to PT Bank BTPN Tbk.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

1. INFORMASI UMUM (lanjutan)

a. Pendirian dan informasi umum (lanjutan)

Perubahan Anggaran Dasar terakhir Bank dilakukan dalam rangka Peningkatan Modal Disetor/Ditempatkan Bank sehubungan dengan Pelaksanaan Program Pemberian Opsi Saham Kepada Karyawan Bank ("Program ESOP") sebagaimana dituangkan dalam Akta Nomor 29 tanggal 12 Agustus 2019 yang dibuat oleh Ashoya Ratam, SH, MKn, Notaris di Kota Administrasi Jakarta Selatan dan telah diterima dan dicatat di dalam Sistem Administrasi Badan Hukum melalui Surat Keputusan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia Nomor AHU-AH.01.03-0318547 tanggal 23 Agustus 2019 perihal Penerimaan Pemberitahuan Perubahan Anggaran Dasar PT Bank BTPN Tbk. Susunan Direksi dan Dewan Komisaris terakhir Bank sebagaimana dituangkan ke dalam Akta Nomor 16 tanggal 11 September 2019 yang dibuat oleh Ashoya Ratam, SH, MKn, Notaris di Kota Administrasi Jakarta Selatan dan telah diterima dan dicatat di dalam Sistem Administrasi Badan Hukum melalui Surat Keputusan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia Nomor AHU-AH.01.03-0333131 tanggal 18 September 2019 perihal Penerimaan Pemberitahuan Perubahan Data Perseroan PT Bank BTPN Tbk.

Sesuai dengan pasal 3 Anggaran Dasar Bank, maksud dan tujuan serta kegiatan Bank adalah melakukan kegiatan usaha utama dan kegiatan usaha penunjang termasuk melakukan penyertaan modal pada bank yang melaksanakan kegiatan usaha berdasarkan prinsip syariah, sesuai dengan undang-undang dan peraturan yang berlaku di Indonesia.

Pada tanggal 31 Desember 2018, Sumitomo Mitsui Banking Corporation merupakan pemegang saham dengan pengaruh signifikan (kepemilikan saham sebesar 40%) dan pada tanggal 30 Januari 2019 telah menjadi pemegang saham pengendali atas Bank.

Pemegang saham terakhir (*ultimate shareholders*) dari Perseroan adalah Sumitomo Mitsui Financial Group.

Kantor pusat Bank berlokasi di Menara BTPN, CBD Mega Kuningan, Jl. Dr. Ide Anak Agung Gde Agung Kav 5.5 - 5.6, Jakarta Selatan 12950.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL INFORMATION (continued)

**a. Establishment and general information
(continued)**

The latest amendment of Articles of Association was made in relation with the Increase of the Issued/Paid Up Capital regarding exercise of Employee Stock Option Program to the Employee of the Bank ("ESOP Program") as specified in the Deed Number 29 dated 12 August 2019 made by Ashoya Ratam, SH, MKn, Notary in Administrative City of South Jakarta and has been received and recorded in Legal Entity Administration System through Decree Letter of Minister of Law and Human right of the Republic of Indonesia No. AHU-AH.01.03-0318547 dated 23 August 2019 regarding Acceptance of Notification of Amendment of Articles of Association of PT Bank BTPN Tbk. The latest composition of the Board of Directors and the Board of Commissioners of the Bank as specified in the Deed Number 16 dated 11 September 2019 made by Ashoya Ratam, SH, MKn, Notary in Administrative City of South Jakarta and has been received and recorded in Legal Entity Administration System through Decree Letter of Minister of Law and Human Rights of the Republic of Indonesia Number AHU-AH.01.03-0333131 dated 18 September 2019 regarding Acceptance of Notification of the Company's Data Changes of PT Bank BTPN Tbk.

In accordance with Article 3 of the Bank's Articles of Association, the Bank's scope of activities is to engage in general banking services including capital investment in bank conducting business based on sharia principles, in accordance with the prevailing laws and regulations in Indonesia.

As of 31 December 2018, Sumitomo Mitsui Banking Corporation was the shareholder with significant influence (40% of shares ownership) and as of 30 January 2019 has become the Bank's controlling shareholder.

The ultimate shareholders of the Company's is Sumitomo Mitsui Financial Group.

The Bank's head office is located at Menara BTPN, CBD Mega Kuningan, Jl. Dr. Ide Anak Agung Gde Agung Kav 5.5 - 5.6, Jakarta Selatan 12950.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

a. Pendirian dan informasi umum (lanjutan)

Jaringan distribusi pada tanggal 31 Desember 2019 dan 2018 (tidak diaudit) adalah sebagai berikut:

	31 Desember/ December 2019
Kantor Cabang	84
Kantor Cabang Pembantu	285
ATM dan TCR	226
Payment Points	164
Kantor Fungsional	46
	805

Jumlah karyawan PT Bank BTPN Tbk dan Entitas Anak ("Bank dan Entitas Anak") pada tanggal 31 Desember 2019 dan 2018, masing-masing adalah 19.235 dan 19.175 karyawan (tidak diaudit).

b. Penggabungan usaha dengan PT Bank Sumitomo Mitsui Indonesia

Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa tanggal 5 Oktober 2018 sebagaimana dinyatakan dalam Akta Risalah Rapat Umum Pemegang Saham Luar Biasa No. 09 tertanggal 5 Oktober 2018 yang dibuat oleh Ashoya Ratam, SH, MKn, Notaris di Kota Administrasi Jakarta Selatan, telah disetujui Rencana Penggabungan Usaha PT Bank Sumitomo Mitsui Indonesia ("SMBCI") dengan Bank, dimana SMBCI bertindak sebagai bank yang menggabungkan diri dan Bank bertindak sebagai bank penerima penggabungan, yang berlaku sejak seluruh persetujuan yang disyaratkan diperoleh ("Tanggal Efektif Penggabungan").

Penggabungan menjadi efektif pada tanggal 1 Februari 2019, setelah diperolehnya persetujuan dari (i) OJK melalui surat Keputusan Dewan Komisiner OJK Nomor 35/KDK.03/2018 tanggal 20 Desember 2018 tentang Pemberian Izin Penggabungan Usaha (Merger) SMBCI ke dalam Bank; (ii) Japan Financial Services Agency (JFSA) melalui surat Pengawas Perbankan No. 1788 dan No. 1789 tertanggal 18 Januari 2019 perihal Persetujuan *Subsidiarization*; dan (iii) Menteri Hukum dan Hak Asasi Manusia Republik Indonesia Direktorat Jenderal Administrasi Hukum Umum melalui surat tertanggal 22 Januari 2019 Nomor AHU-0006169.AH.01.10. Tahun 2019 mengenai Persetujuan Perubahan Anggaran Dasar Perseroan Terbatas PT Bank BTPN Tbk dan surat tertanggal 22 Januari 2019 Nomor AHU-AH.01.03-0044411 mengenai Penerimaan Pemberitahuan Perubahan Data Perseroan PT Bank BTPN Tbk serta surat tertanggal 22 Januari 2019 Nomor AHU-AH.01.10-0006176 mengenai Penerimaan Pemberitahuan Penggabungan Perseroan PT Bank BTPN Tbk.

1. GENERAL INFORMATION (continued)

a. Establishment and general information (continued)

Distribution network as of 31 December 2019 and 2018 (unaudited) was as follows:

	31 Desember/ December 2018	
	84	Branches
	298	Sub-Branches
	227	ATM and TCR
	326	Payments Points
	87	Functional Branches
	1,022	

As of 31 December 2019 and 2018 PT Bank BTPN Tbk and Subsidiary ("Bank and Subsidiary") had 19,235 and 19,175 employees, respectively (unaudited).

b. Merger with PT Bank Sumitomo Mitsui Indonesia

Based on the resolution of Extraordinary General Meeting of Shareholders dated 5 October 2018 as stipulated in the Deed of Minutes of Extraordinary General Meeting of Shareholders No. 09 dated 5 October 2018 made by Ashoya Ratam, SH, MKn, Notary in Administrative City of South Jakarta, it has approved the Proposed Merger of PT Bank Sumitomo Mitsui Indonesia ("SMBCI") and the Bank whereby SMBCI acted as the Merging Bank and the Bank acted as the Merger-Recipient Bank or surviving bank, effective as of all the required approval being obtained ("Effective Merger Date").

*The Merger became effective on 1 February 2019, after obtaining the approval from (i) OJK through Decree of Board of Commissioners of OJK Number 35/KDK.03/2018 dated 20 December 2018 regarding the Merger Approval of SMBCI into the Bank; (ii) Japan Financial Services Agency (JFSA) through the Banking Supervisory letter No. 1788 and No. 1789 dated 18 January 2019 regarding the approval of *Subsidiarization*; and (iii) Minister of Law and Human Rights of the Republic of Indonesia Directorate of Administration of General Law by letter dated 22 January 2019 Number AHU-0006169.AH.01.10. Year 2019 regarding the Approval of Amendment of Articles of Association of Limited Liability Company PT Bank BTPN Tbk and letter dated 22 January 2019 Number AHU-AH.01.03-0044411 regarding the Acceptance of Notification of Company Data Submission of PT Bank BTPN Tbk as well as letter dated 22 January 2019 Number AHU-AH.01.10-0006176 regarding Acceptance on Notification of Merger of PT Bank BTPN Tbk.*

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

b. Penggabungan usaha dengan PT Bank Sumitomo Mitsui Indonesia (lanjutan)

Sehubungan dengan penggabungan usaha antara PT Bank Tabungan Pensiunan Nasional Tbk ("BTPN") dan PT Bank Sumitomo Mitsui Indonesia ("SMBCI"), penggabungan usaha dilakukan melalui penerbitan instrumen ekuitas BTPN kepada Sumitomo Mitsui Banking Corporation (pemegang saham BTPN dan SMBCI) sebesar 2.296.846.112 lembar saham biasa disetor penuh dengan nilai nominal sebesar Rp 20 (nilai penuh) per saham.

Nilai wajar saham BTPN pada tanggal 1 Februari 2019 adalah Rp 4.282 (nilai penuh) per lembar saham. Rasio konversi atas konversi saham SMBCI menjadi saham BTPN adalah sebesar 799,1971.

Penggabungan usaha antara BTPN dan SMBCI merupakan transaksi penggabungan usaha entitas sepengendali. Pada tanggal efektif merger, baik BTPN dan SMBCI merupakan entitas sepengendalian dan hubungan sepengendalian tersebut tidak bersifat sementara. Transaksi kombinasi bisnis antara entitas sepengendali dilakukan dalam rangka reorganisasi entitas-entitas yang berada dalam suatu kelompok yang sama dan bukan merupakan perubahan kepemilikan dalam arti substansi ekonomi. Oleh karena itu, transaksi ini diakui pada jumlah tercatat berdasarkan metode penyatuan kepemilikan (*pooling of interest*).

Selisih nilai transfer entitas sepengendali di atas dicatat sebagai tambahan modal disetor. Atas transaksi ini, Bank mencatat tambahan modal disetor dan agio saham masing-masing sebesar Rp 45.937 dan Rp 9.708.197.

Tabel berikut ini merangkum jumlah aset yang diperoleh dan liabilitas yang diambil alih pada tanggal penggabungan usaha:

	1 Februari/ February 2019
ASET	
Kas	23,195
Giro pada Bank Indonesia	6,793,162
Giro pada bank-bank lain	4,472,780
Efek-efek - bersih	4,390,582
Tagihan derivatif	786,398
Pinjaman yang diberikan - bersih	68,375,817
Tagihan akseptasi	2,658,516
Penyertaan saham	22,500
Beban dibayar dimuka	54,745
Pajak dibayar dimuka	61,988
Aset tetap	145,056
Aset takberwujud	106,267
Aset lain-lain	59,817
Jumlah aset	87,950,823

1. GENERAL INFORMATION (continued)

b. Merger with PT Bank Sumitomo Mitsui Indonesia (continued)

In relation with merger between PT Bank Tabungan Pensiunan Nasional Tbk ("BTPN") and PT Bank Sumitomo Mitsui Indonesia ("SMBCI"), the merger was conducted through the issuance of equity instrument of BTPN to Sumitomo Mitsui Banking Corporation (the shareholder of both BTPN and SMBCI) of 2,296,846,112 fully paid ordinary shares of BTPN with nominal value amounting to Rp 20 (full amount) per share.

The fair value of BTPN's shares as of 1 February 2019 was Rp 4,282 (full amount) per share. Conversion ratio of the conversion of SMBCI's share into BTPN's share was 799.1971.

The merger between BTPN and SMBCI is a business combination under common control transaction. As at the effective date of merger, both BTPN and SMBCI are entites under common control and the common control relationship is not transitory. Business combination transaction between entites under common control is done in the event of reorganisation of entites under the same group which does not constitute change in ownership by economic substance. Therefore, the transaction is recognised at carrying amount under pooling of interest method.

Net transfer under common control entities above was recorded as additional paid-in capital. As a result of this transaction, the Bank recorded additional share capital and paid-in capital amounting to Rp 45,937 and Rp 9,708,197, respectively.

The following table summarized the amounts of the assets acquired and liabilities assumed on merger date:

	ASSETS
	Cash
	Current accounts with Bank Indonesia
	Curent accounts with other banks
	Marketable securities - net
	Derivative receivables
	Loans - net
	Acceptance receivables
	Investment in shares
	Prepayments
	Prepaid taxes
	Fixed assets
	Intangible assets
	Other assets
	Total assets

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

b. Penggabungan usaha dengan PT Bank Sumitomo Mitsui Indonesia (lanjutan)

LIABILITAS

Simpanan nasabah	30,136,739
Simpanan dari bank-bank lain	6,871,941
Liabilitas akseptasi	1,974,482
Liabilitas derivatif	1,001,115
Utang pajak	111,343
Efek-efek yang diterbitkan	1,314,228
Pinjaman yang diterima	30,221,176
Akrual	30,860
Liabilitas imbalan kerja karyawan	-
Liabilitas pajak tangguhan	174,014
Pinjaman subordinasi	6,108,270
Liabilitas lain-lain	252,521
Jumlah liabilitas	78,196,689
Jumlah aset bersih teridentifikasi	9,754,134

Karena BTPN maupun SMBCI tidak dalam satu entitas pengendali yaitu Sumitomo Mitsui Banking Corporation pada tanggal 31 Desember 2018, maka informasi komparatif tahun 2018 sebagaimana disajikan di dalam laporan keuangan konsolidasian untuk tahun berakhir pada tanggal 31 Desember 2019 hanya termasuk laporan keuangan konsolidasian PT Bank Tabungan Pensiunan Nasional Tbk (sebelum menjadi PT Bank BTPN Tbk) untuk tahun berakhir pada tanggal 31 Desember 2018.

c. Perubahan Modal Karena Aksi Korporasi

Penawaran Umum Perdana Saham

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) tanggal 8 Juni 2007, para pemegang saham menyetujui rencana Penawaran Umum Saham Perdana Biasa kepada masyarakat melalui pasar modal serta melakukan pencatatan saham Bank di Bursa Efek Indonesia.

Bank melakukan penawaran umum perdana atas 267.960.220 saham dengan nilai nominal sebesar Rp 100 (nilai penuh) setiap saham dengan harga penawaran setiap saham sebesar Rp 2.850 (nilai penuh) kepada masyarakat di Indonesia. Saham tersebut dicatat di Bursa Efek Indonesia pada tanggal 12 Maret 2008.

Penambahan modal melalui Hak Memesan Efek Terlebih Dahulu ("HMETD")

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa ("RUPSLB") tanggal 25 November 2010, para pemegang saham menyetujui rencana Bank untuk menambah modal sahamnya melalui penerbitan Hak Memesan Efek Terlebih Dahulu I ("HMETD I"), dengan cara mengeluarkan saham dari portepel Bank.

1. GENERAL INFORMATION (continued)

b. Merger with PT Bank Sumitomo Mitsui Indonesia (continued)

LIABILITIES

Deposits from customers
Deposits from other banks
Acceptance payables
Derivative payables
Taxes payable
Securities issued
Borrowings
Accruals
Employee benefits liabilities
Deferred tax liabilities
Subordinated loans
Other liabilities
Total liabilities
Total identifiable net assets

As both BTPN and SMBCI were not under common control of Sumitomo Mitsui Banking Corporation as of 31 December 2018, the 2018 comparative information as presented in the consolidated financial statements for the year ended 31 December 2019 includes only the consolidated financial statements of PT Bank Tabungan Pensiunan Nasional Tbk (before changed to PT Bank BTPN Tbk) for the year ended 31 December 2018.

c. Changes in Capital Due to Corporate Action

Initial Public Offering (IPO)

Based on Extraordinary General Meeting of Shareholders (EGMS) dated 8 June 2007, the shareholders approved the Initial Public Offering of Ordinary Shares plan to public through capital market and listing of the Bank's shares at Indonesia Stock Exchange.

The Bank undertook an initial public offering of 267,960,220 shares with a nominal value of Rp 100 (full amount) per share with offering price of Rp 2,850 (full amount) per share to the public in Indonesia. The shares was listed at Indonesia Stock Exchange on 12 March 2008.

Increase of Capital through Pre-Emptive Right ("HMETD")

Based on Extraordinary General Shareholders Meeting ("EGSM") dated 25 November 2010, the shareholders approved the Bank's plan to increase the Bank's share capital through the issuance of Pre-Emptive Right I ("HMETD I"), by issuing shares from the Bank's unissued shares.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

1. INFORMASI UMUM (lanjutan)

c. Perubahan Modal Karena Aksi Korporasi
(lanjutan)

**Penambahan modal melalui Hak Memesan
Efek Terlebih Dahulu (“HMETD”) (Lanjutan)**

Pada tanggal 10 Desember 2010 telah dicatatkan pada Bursa Efek Indonesia sebanyak 188.787.238 saham baru atas nama dengan nominal Rp 100 (nilai penuh) per saham sehingga jumlah saham yang ditempatkan dan disetor penuh yang semula sebesar 943.936.190 saham menjadi sejumlah 1.132.723.428 saham.

Bank mendapatkan tambahan modal disetor sebesar Rp 18.878 dan agio saham sebesar Rp 1.293.458.

Pemecahan saham

Berdasarkan RUPSLB tanggal 25 Februari 2011, para pemegang saham menyetujui rencana Bank untuk melakukan pemecahan nilai nominal saham dari Rp 100 (nilai penuh) per saham menjadi Rp 20 (nilai penuh) per saham, sehingga jumlah saham yang ditempatkan dan disetor penuh yang semula sebesar 1.132.723.428 saham dengan nilai nominal Rp 100 (nilai penuh) per saham akan menjadi sejumlah 5.663.617.140 saham dengan nilai nominal Rp 20 (nilai penuh) per saham.

Pada tanggal 28 Maret 2011 saham Bank telah dicatatkan pada Bursa Efek Indonesia sebanyak 5.606.980.970 saham dengan nilai nominal Rp 20 (nilai penuh) per saham.

Peningkatan modal melalui *Convertible Loan*

Pada tanggal 14 Maret 2012, Bank telah mendapatkan persetujuan untuk meningkatkan modal ditempatkan dan modal disetor dengan mengeluarkan 176.670.117 saham baru dari portepel kepada International Finance Corporation (“IFC”) sesuai dengan syarat dan ketentuan *Convertible Loan Agreement*. Setelah itu, saham tersebut telah tercatat pada Bursa Efek Indonesia. Total modal disetor dan ditempatkan Bank setelah Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu menjadi 5.840.287.257 saham.

Bank mendapatkan tambahan modal disetor sebesar Rp 3.533 dan agio saham sebesar Rp 135.927.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL INFORMATION (continued)

c. Changes in Capital Due to Corporate Action
(continued)

**Increase of Capital through Pre-Emptive
Right (“HMETD”) (Continued)**

On 10 December 2010, the Bank’s shares were listed at the Indonesia Stock Exchange with 188,787,238 new registered shares with value of Rp 100 (full amount) per share, accordingly, the number of shares issued and fully paid changed from 943,936,190 to 1,132,723,428 shares.

The Bank obtained Rp 18,878 additional share capital and Rp 1,293,458 additional paid-in capital.

Stock split

Based on EGSM dated 25 February 2011, the shareholders approved the Bank’s plan to split share from nominal value of Rp 100 (full amount) to Rp 20 (full amount) per share; accordingly, it changed the number of shares issued and fully paid from 1,132,723,428 shares with nominal value of Rp 100 (full amount) per share to 5,663,617,140 shares with nominal value of Rp 20 (full amount) per share.

On 28 March 2011, the Bank’s shares were listed at the Indonesia Stock Exchange for 5,606,980,970 shares with nominal value of Rp 20 (full amount) per share.

Capital increase through Convertible Loan

*On 14 March 2012, the Bank obtained an approval to increase issued and paid-up capital by issuing 176,670,117 shares from the Bank’s unissued shares to International Finance Corporation (“IFC”) in accordance with terms and condition in the *Convertible Loan Agreement*. Afterwards, those Bank’s shares were listed at Indonesia Stock Exchange. Total issued and paid-up capital of the Bank after the Capital Increases without Pre-Emptive Rights was 5,840,287,257 shares.*

The Bank obtained Rp 3,533 additional share capital and Rp 135,927 additional paid-in capital.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

**c. Perubahan Modal Karena Aksi Korporasi
(lanjutan)**

Pembelian kembali saham

Melalui surat OJK No. S-20/PB.31/2016 tanggal 18 Februari 2016, Perseroan telah memperoleh persetujuan OJK untuk melakukan pembelian kembali (*buyback*) saham. Dalam pelaksanaan pembelian kembali saham yang dikeluarkan oleh Bank, jumlah alokasi dana tidak melebihi Rp 535.500 untuk membeli sebanyak-banyaknya 150.000.000 saham atau 2,57% dari modal ditempatkan dan disetor penuh Bank, yang akan dilakukan dalam periode dari tanggal 23 Februari 2016 sampai dengan 23 Mei 2016. Sampai dengan tanggal 23 Mei 2016, Bank telah membeli kembali saham Bank sebanyak 95.198.900 lembar saham (nilai penuh) dengan total dana pembelian sebesar Rp 262.874.

Tujuan dari pembelian kembali saham adalah untuk memberikan fleksibilitas untuk mencapai struktur permodalan yang efisien dan memungkinkan untuk menurunkan keseluruhan biaya modal, meningkatkan laba per saham (*EPS*), serta *Return on Equity (ROE)* secara berkelanjutan.

Pelaksanaan opsi saham

Seperti yang dijelaskan di Catatan 29, Bank memberikan program pembayaran berbasis saham untuk personel manajemen dan karyawan tertentu ("Program MESOP 2015-2020" dan "Program ESOP 2016-2021").

Sehubungan dengan Periode Pelaksanaan Program MESOP 2015-2020, terdapat 2 periode pelaksanaan yang berlangsung selama tahun 2019, yang setiap periodenya dimulai sejak tanggal 6 Mei 2019 (Periode V) dan 2 Desember 2019 (Periode VI), masing-masing selama 30 hari bursa.

Sehubungan dengan Periode Pelaksanaan Program ESOP 2016-2021, terdapat 3 periode pelaksanaan yang berlangsung selama tahun 2019, yang setiap periodenya dimulai sejak tanggal 17 Desember 2018 (Periode II), 28 Mei 2019 (Periode III) dan 19 Desember 2019 (Periode IV), masing-masing selama 30 hari bursa.

Total opsi saham yang dieksekusi sampai dengan tanggal 31 Desember 2019 atas Program ESOP 2016-2021 adalah 11.795.500 lembar saham yang diterbitkan pada harga sebesar Rp 20 per lembarnya. Harga saham pada saat eksekusi adalah sebesar Rp 2.617 per lembar.

1. GENERAL INFORMATION (continued)

**c. Changes in Capital Due to Corporate Action
(continued)**

Shares buyback

The Bank was approved by OJK to conduct shares buyback through its letter No. S-20/PB.31/2016 dated 18 February 2016. In the implementation of shares buyback by the Bank, the allocated fund up to Rp 535,500 to buy up to 150,000,000 shares or 2.57% of the Bank's issued and fully paid-up capital shall be done between 23 February 2016 and 23 May 2016. Up to 23 May 2016, the Bank had repurchased 95,198,900 (full amount) shares amounting to Rp 262,874.

The objective of conducting shares buyback is to provide flexibility to achieve an efficient capital structure and enable the Bank to lower the overall cost of capital, increasing the Earnings per Share (EPS) and Return on Equity (ROE) on an on-going basis.

Share option execution

As explained in Note 29, the Bank provides share-based payment program to certain management personnel and employees ("MESOP 2015-2020 Program" and "ESOP 2016-2021 Program").

In relation to the Exercise Period of MESOP 2015-2020 Program, there were 2 exercise periods during 2019, in which each period commenced from 6 May 2019 (Period V) as well as 2 December 2019 (Period VI), for 30 trading days each.

In relation to the Exercise Period of ESOP 2016-2021 Program, there were 3 exercise periods during 2019, in which each period commenced from 17 December 2018 (Period II), 28 May 2019 (Period III) as well as 19 December 2019 (Period IV), for 30 trading days each.

Options exercised resulted up to 31 December 2019 from ESOP Program 2016-2021 are 11,795,500 shares being issued at price of Rp 20 per share. The share price at execution date amounted to Rp 2,617 per share.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

c. Perubahan Modal Karena Aksi Korporasi
 (lanjutan)

Pelaksanaan opsi saham (lanjutan)

Perubahan modal disetor terkait periode pelaksanaan Program MESOP 2015-2020 dan ESOP 2016-2021 sampai dengan tanggal 31 Desember 2019 sebagaimana disebut di paragraf sebelumnya telah dituangkan ke dalam Akta Pernyataan Keputusan di Luar Rapat Dewan Komisaris PT Bank BTPN Tbk No. 29 tanggal 12 Agustus 2019, yang dibuat oleh Notaris Ashoya Ratam, S.H., M.Kn., Notaris di Kota Administrasi Jakarta Selatan dan telah diterima dan dicatat di dalam Sistem Administrasi Badan Hukum melalui Surat Keputusan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-AH.01.03-0318547 tanggal 23 Agustus 2019 perihal Penerimaan Pemberitahuan Perubahan Anggaran Dasar.

Bank mendapatkan tambahan modal disetor sebesar Rp 236 dan agio saham sebesar Rp 30.633.

d. Efek-efek yang diterbitkan

Surat utang jangka menengah

Nama/Name	Pernyataan efektif/ Effective notification	Persetujuan/ Approval	Jumlah pokok/ Nominal value	Jangka waktu/ Tenor	Tanggal jatuh tempo/ Maturity date	Tingkat bunga/ Interest rate
Medium Term Notes ("MTN") II Bank Sumitomo Mitsui Indonesia	14 Juni/June 2017	Dinyatakan efektif oleh Kustodian Sentral Efek Indonesia sebagaimana dinyatakan dalam Sertifikat Jumbo MTN No. SMBC-I/02/MF3/0617/Became effective by the Indonesia Central Securities Depository as stated in Sertifikat Jumbo MTN No. SMBC-I/02/MF3/0617	1,302,000	3 tahun/years	14 Juni/June 2020	8.25%

MTN tersebut diterbitkan oleh PT Bank Sumitomo Mitsui Indonesia sebelum dilakukan penggabungan usaha dengan Bank. PT Bank Mega Tbk bertindak sebagai Wali Amanat atas seluruh MTN yang diterbitkan Bank.

1. GENERAL INFORMATION (continued)

c. Changes in Capital Due to Corporate Action
 (continued)

Share option execution (continued)

The changes of paid-up capital in connection to exercise period of MESOP Program 2015-2020 and ESOP Program 2016-2021 up to 31 December 2019 as mentioned in the previous paragraph has been stipulated in the Deed of Circular Resolutions of the Board of Commissioners of PT Bank BTPN Tbk No. 29 dated 12 August 2019, made by Ashoya Ratam, S.H., M.Kn., Notary in Administrative City of South Jakarta and had been received and recorded in Legal Entity Administration System through Decree Letter of Minister of Law and Human right of the Republic of Indonesia No. AHU-AH.01.03-0318547 dated 23 August 2019 regarding Acceptance of Notification of Amendment of Articles of Association.

The Bank obtained Rp 236 additional share capital and Rp 30,633 additional paid-in capital.

d. Securities issued

Medium term notes

This MTN was issued by PT Bank Sumitomo Mitsui Indonesia before merger with the Bank.

PT Bank Mega Tbk acts as the Trustee for all MTN issued by the Bank.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

1. GENERAL INFORMATION (continued)

d. Efek-efek yang diterbitkan (lanjutan)

d. Securities issued (continued)

Utang obligasi

Bonds payable

Nama/Name	Pernyataan efektif/ Effective registration	Persetujuan/ Approval	Jumlah pokok/ Nominal value	Jangka waktu/ Tenor	Tanggal jatuh tempo/ Maturity date	Tingkat bunga setahun/ Interest rate per annum
Obligasi Berkelanjutan I Bank BTPN Tahap III Tahun 2013 dengan tingkat bunga tetap ("Obligasi Berkelanjutan I Tahap III") / Bank BTPN Continuing Bonds I Phase III Year 2013 with a fixed interest rate ("Continuing Bonds I Phase III")	20 Juni/June 2011	Dinyatakan efektif oleh OJK bersamaan dengan surat efektif Obligasi Berkelanjutan I Tahap I/ Became effective by the OJK in conjunction with effective letter of Continuing Bonds I Phase I	Seri/Series B: 400,000	Seri/Series B: 5 tahun/years	5 Maret/ March 2018	8.25%
Obligasi Berkelanjutan II Bank BTPN Tahap I Tahun 2013 dengan tingkat bunga tetap ("Obligasi Berkelanjutan II Tahap I") / Bank BTPN Continuing Bonds II Phase I Year 2013 with a fixed interest rate ("Continuing Bonds II Phase I")	26 Juni/June 2013	Dinyatakan efektif oleh OJK, melalui suratnya No.S.188/D.04/2013 / Became effective by the OJK in its letter No.S.188/D.04/2013	Seri/Series B: 350,000	Seri/Series B: 5 tahun/years	4 Juli/July 2018	8.25%
Obligasi Berkelanjutan III Bank BTPN Tahap I Tahun 2016 Dengan Tingkat Bunga Tetap ("Obligasi Berkelanjutan III Tahap I") / Bank BTPN Continuing Bonds III Phase I Year 2016 with a fixed interest rate ("Continuing Bonds III Phase I")	27 Juni/June 2016	Dinyatakan efektif oleh OJK, melalui suratnya No.S-325/D.04/2016/OJK tanggal 27 Juni 2016/ Became effective by OJK by its letter No. S-325/D.04/2016 dated 27 June 2016	Seri/Series B: 300,000	Seri/Series B: 3 tahun/years	1 Juli/July 2019	8.00%
Obligasi Berkelanjutan III Bank BTPN Tahap II Tahun 2017 Dengan Tingkat Bunga Tetap ("Obligasi Berkelanjutan III Tahap II") / Bank BTPN Continuing Bonds III Phase II Year 2017 with a fixed interest rate ("Continuing Bonds III Phase II")	27 Juni/June 2016	Dinyatakan efektif oleh OJK bersamaan dengan surat efektif Obligasi Berkelanjutan III Tahap V/ Became effective by the OJK in conjunctoin with effective letter of Continuance Bonds III Phase I	Seri/ Series A: 600,000 Seri/Series B: 900,000	Seri/Series A: 370 hari/days Seri/Series B: 3 tahun/years	27 Oktober/ October 2018 17 Oktober/ October 2020	6.60% 7.50%
Obligasi Berkelanjutan IV Bank BTPN Tahap I Tahun 2019 Dengan Tingkat Bunga Tetap ("Obligasi Berkelanjutan IV Tahap I") / Bank BTPN Continuing Bonds V Phase I Year 2019 with a fixed interest rate ("Continuing Bonds IV Phase I")	26 November/ November 2019	Dinyatakan efektif oleh OJK, melalui suratnya No. S-168/D.04/2019 tanggal 15 November 2019/ Became effective by OJK by its letter No. S-168/D.04/2019 dated 15 November 2019	Seri/Series A: 799.000 Seri/Series B: 201.000	Seri/Series A: 3 tahun/years Seri/Series B: 5 tahun/years	26 November/ November 2022 26 November/ November 2024	7.55% 7.75%

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

d. Efek-efek yang diterbitkan (lanjutan)

Seluruh utang obligasi yang diterbitkan Bank dicatatkan di Bursa Efek Indonesia dan dananya dipergunakan untuk pertumbuhan usaha dalam bentuk ekspansi kredit.

PT Bank Permata Tbk bertindak sebagai Wali Amanat atas Obligasi Berkelanjutan III Tahap I dan Obligasi Berkelanjutan III Tahap II dan PT Bank Mega Tbk bertindak sebagai Wali Amanat atas Obligasi Berkelanjutan IV Tahap I

e. Dewan Komisaris, Direksi, Komite Audit, Sekretaris Perusahaan dan Satuan Kerja Audit Internal

Pada tanggal 31 Desember 2019 dan 2018 susunan Dewan Komisaris dan Direksi Bank adalah sebagai berikut:

	<u>31 Desember/ December 2019¹⁾</u>
Dewan Komisaris	
Komisaris Utama (Independen)	Mari Elka Pangestu
Wakil Komisaris Utama	Chow Ying Hoong
Komisaris	-
Komisaris	Takeshi Kimoto
Komisaris (Independen)	Ninik Herlani Masli Ridhwan
Komisaris (Independen)	Irwan Mahjudin Habsjah ²⁾
Direksi	
Direktur Utama	Ongki Wanadjati Dana
Wakil Direktur Utama	Kazuhisa Miyagawa
Direktur Kepatuhan (Independen)	Dini Herdini
Direktur	Yasuhiro Daikoku
Direktur	Henoch Munandar
Direktur	Adrianus Dani Prabawa
Direktur	Hirokichi Kubo
Direktur	Merisa Darwis
Direktur	Hanna Tantani ³⁾

¹⁾ Kecuali apabila dinyatakan lain, Anggota Direksi dan Dewan Komisaris efektif menjabat sejak tanggal penggabungan usaha dan diangkat kembali dengan Rapat Umum Pemegang Saham Tahunan tanggal 15 Februari 2019

²⁾ Efektif diangkat dengan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) tanggal 11 September 2019 untuk mengisi posisi lowong karena Bapak Tony Prasetyantono meninggal dunia pada tanggal 16 Januari 2019

³⁾ Efektif diangkat dengan RUPSLB tanggal 11 September 2019

Susunan Komite Audit Bank pada tanggal 31 Desember 2019 dan 2018 terdiri dari:

	<u>31 Desember/ December 2019</u>
Ketua	Ninik Herlani Masli Ridhwan
Anggota	-
Anggota	Kanaka Puradiredja
Anggota	Ivan Purnama Sanoesi

1. GENERAL INFORMATION (continued)

d. Securities issued (continued)

All bonds payable issued by the Bank were listed at the Indonesia Stock Exchange and the funds are used for business growth in form of credit expansion.

PT Bank Permata Tbk acts as the Trustee for Continuation Bonds III Phase I and Continuation Bonds III Phase II, and PT Bank Mega acts as the Trustee for Continuation Bonds IV Phase I.

e. Board of Commissioners, Board of Directors, Audit Committee, Corporate Secretary and Internal Audit Unit

As of 31 December 2019 and 2018 the composition of Board of Commissioners and Board of Directors was as follows:

	<u>31 Desember/ December 2018</u>
Board of Commissioners	
	President Commissioner (Independent)
	Vice President Commissioner
	Commissioner
	Commissioner (Independent)
	Commissioner (Independent)
Board of Directors	
	President Director
	Deputy President Director
	Compliance Director (Independent)
	Director
	Director
	Director
	Director
	Director

¹⁾ Unless stated otherwise, all members of the Board of Directors and the Board of Commissioners are effective as of the merger date, and to re-appointed by the reappointed through the Annual General Meeting of Shareholders on 15 February 2019

²⁾ Effectively appointed by Extraordinary General Meeting of Shareholders (EGMS) on 11 September 2019 to fill the vacant position due to Mr. Tony Prasetyantono passed away on 16 January 2019

³⁾ Effectively appointed by EGMS on 11 September 2019

The composition of the Audit Committee as of 31 December 2019 and 2018 was as follows:

	<u>31 Desember/ December 2018</u>	
	Irwan Mahjudin Habsjah	Chairman
	Arief Tarunakarya	Member
	Surowidjojo	Member
	Kanaka Puradiredja	Member
	Yosef Antonius Badilangoe	Member

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

e. Dewan Komisaris, Direksi, Komite Audit, Sekretaris Perusahaan dan Satuan Kerja Audit Internal (lanjutan)

Sekretaris Perusahaan

Sekretaris Perusahaan pada tanggal 31 Desember 2019 adalah Dini Herdini dan pada tanggal 31 Desember 2018 adalah Anika Faisal.

Satuan Kerja Audit Internal

Kepala Satuan Kerja Audit Internal pada tanggal 31 Desember 2019 dan 2018 adalah Noerhajati Soerjo Hadi.

f. Entitas Anak

Bank mempunyai kepemilikan langsung pada Entitas Anak sebagai berikut:

Entitas Anak/ Subsidiary	Domisili/ Domicile	Bidang usaha/ Business activities	Persentase kepemilikan/ Percentage of ownership		Tahun mulai operasi komersial/ year of starting commercial operations	Jumlah aset/ Total assets	
			31 Desember/ December 2019	31 Desember/ December 2018		31 Desember/ December 2019	31 Desember/ December 2018
PT Bank Tabungan Pensiunan Nasional Syariah Tbk	Jakarta	Perbankan/ Banking	70%	70%	2014	15,383,038	12,039,275

Entitas Anak berkantor pusat di Menara BTPN, lantai 12, CBD Mega Kuningan, Jl. Dr. Ide Anak Agung Gde Agung Kav 5.5 - 5.6, Jakarta Selatan 12950.

Pada tanggal 19 Juli 2013, Bank Indonesia menyetujui rencana Bank untuk melakukan akuisisi sebesar 70% saham PT Bank Sahabat Purba Danarta ("BSPD") melalui suratnya No. 15/10/DPBI/PBI-5/Rahasia dengan syarat dilakukan perubahan atas kegiatan usaha dari BSPD yang semula merupakan bank konvensional menjadi bank umum berdasarkan prinsip syariah.

Berdasarkan Akta Notaris No. 25 tanggal 27 Agustus 2013 juncto Akta Notaris No. 30 tanggal 25 September 2013 keduanya dibuat di hadapan Notaris Hadijah, S.H., M.Kn., BSPD mengubah namanya menjadi PT Bank Tabungan Pensiunan Nasional Syariah ("BTPNS" atau "Entitas Anak"). Perubahan di atas telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan No. AHU-50529.AH.01.02 Tahun 2013 tanggal 1 Oktober 2013 dan telah diumumkan dalam Berita Negara Republik Indonesia Nomor 94 tahun 2013, tambahan Berita Negara Republik Indonesia No. 124084 tanggal 22 November 2013.

1. GENERAL INFORMATION (continued)

e. Board of Commissioners, Board of Directors, Audit Committee, Corporate Secretary and Internal Audit Unit (continued)

Corporate Secretary

The Corporate Secretary as of 31 December 2019 was Dini Herdini and as of 31 December 2018 was Anika Faisal.

Internal Audit Unit

Head of Internal Audit as of 31 December 2019 and 2018 was Noerhajati Soerjo Hadi.

f. Subsidiary

The Bank has direct ownership in the following Subsidiary:

The head office of Subsidiary is located at Menara BTPN 12th floor, CBD Mega Kuningan, Jl. Dr. Ide Anak Agung Gde Agung Kav 5.5 - 5.6, Jakarta Selatan 12950.

On 19 July 2013, Bank Indonesia approved the Bank's plan to acquire 70% shares of PT Bank Sahabat Purba Danarta ("BSPD") through its letter No. 15/10/DPBI/PBI-5/rahasia which is subject to the change of BSPD's business activities from a conventional bank into a commercial bank under sharia principles.

Pursuant to the Notarial Deed No. 25 dated 27 August 2013 juncto Notarial Deed No. 30 dated 25 September 2013 before Hadijah, S.H., M.Kn., BSPD changed its name to PT Bank Tabungan Pensiunan Nasional Syariah ("BTPNS" or "Subsidiary"). The above change was subsequently approved by the Minister of Law and Human rights of the Republic of Indonesia through its letter No. AHU-50529.AH.01.02 Year 2013 dated 1 October 2013 and has been published in State Gazette No.94 year 2013, in supplement of the State Gazette No. 124084 dated 22 November 2013.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

f. Entitas Anak (lanjutan)

Pada tanggal 20 Januari 2014, Rapat Umum Pemegang Saham Luar Biasa Bank yang diaktakan dengan Akta Notaris No. 8 tanggal 4 Juli 2014 di hadapan Hadijah, S.H., M.Kn., notaris di Jakarta dan telah menyetujui pemisahan Unit Usaha Syariah PT Bank Tabungan Pensiunan Nasional Tbk (“UUS BTPN”) dari PT Bank Tabungan Pensiunan Nasional Tbk (“BTPN”). Pemisahan dilakukan dengan mengacu kepada Peraturan Bank Indonesia No. 11/10/PBI/2009 yang telah diubah dengan PBI No. 15/14/PBI/2013 tentang Unit Usaha Syariah. Pendirian tersebut telah disetujui oleh Bank Indonesia melalui dua tahap, yaitu persetujuan izin konversi dan izin pemisahan.

Pada tanggal 22 Mei 2014, Bank telah mendapatkan izin dari Bank Indonesia untuk melaksanakan konversi BSPD berdasarkan Surat Keputusan Dewan Komisiner Otoritas Jasa Keuangan (“OJK”) No.Kep-49/D-03/2014. Izin tersebut mengubah kegiatan usaha Entitas Anak dari bank umum konvensional menjadi bank umum yang melaksanakan kegiatan usaha berdasarkan prinsip syariah.

Pada tanggal 23 Juni 2014, Entitas Anak memperoleh izin pemisahan dari OJK berdasarkan Surat No: S-17/PB.1/2014. Pemisahan UUS BTPN dilakukan dengan Akta Pemisahan No. 8 tanggal 4 Juli 2014 yang dibuat di hadapan Hadijah, S.H., M.Kn., notaris di Jakarta. Selanjutnya, pemisahan terjadi secara efektif pada tanggal 14 Juli 2014 dan Entitas Anak memulai kegiatan usaha berdasarkan prinsip syariah, sebagaimana yang dilaporkan kepada Bank Indonesia dengan surat No. S.031/DIR/LG/VII/2014 tanggal 17 Juli 2014 perihal Laporan Pelaksanaan Pembukaan Bank Umum Syariah Hasil Pemisahan.

Setelah menjadi Bank Umum Syariah, Entitas Anak telah melakukan beberapa kali perubahan Anggaran Dasar. Perubahan terakhir Anggaran Dasar sebagaimana tercantum dalam Akta No. 8 tanggal 5 April 2018, yang dibuat di hadapan Jose Dima Satria, S.H., M.Kn., notaris di Jakarta. Akta tersebut telah memperoleh persetujuan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Keputusan No. AHU-0007953.AH.01.02.Tahun 2018 tanggal 10 April 2018 dan Surat Penerimaan Pemberitahuan Perubahan Anggaran Dasar No. AHU-AH.01.03-0140091 tanggal 10 April 2018 *juncto* Akta No. 178 tanggal 31 Mei 2018, yang dibuat di hadapan Jose Dima Satria, S.H., M.Kn., notaris di Jakarta, yang telah diterima dan dicatat dalam Sistem Administrasi Badan Hukum sebagaimana Surat Penerimaan Pemberitahuan Perubahan Anggaran Dasar No. AHU-AH.01.03-0215425 tanggal 21 Juni 2018.

1. GENERAL INFORMATION (continued)

f. Subsidiary (continued)

On 20 January 2014, the Shareholders' Extraordinary General Meeting of the Bank which was notarised by Notarial Deed No. 8 dated 4 July 2014 before Hadijah, S.H., M.Kn., notary in Jakarta approved the spin-off of the sharia business unit of PT Bank Tabungan Pensiunan Nasional Tbk (“UUS BTPN”) from PT Bank Tabungan Pensiunan Nasional Tbk (“BTPN”). The spin-off was made with reference to Bank Indonesia Regulation No.11/10/PBI/2009 which has been amended by PBI No. 15/14/PBI/2013 regarding Sharia Business Unit. The establishment has been approved by Bank Indonesia in two stages, i.e. the approval of the conversion permit and spin-off permit.

On 22 May 2014, the Subsidiary received its permit from Bank Indonesia regarding conversion of BSPD based on the Decision Letter of Board of Commissioner of Otoritas Jasa Keuangan (“OJK”) No.Kep-49/D-03/2014. The permit changed the Subsidiary's business activities from conventional commercial bank to commercial bank which conducts business activities based on sharia principles.

On 23 June 2014, the Subsidiary received its spin-off permit from OJK based on the Letter No: S - 17/PB.1/2014. The spin-off of UUS BTN was made under Spin-off Deed No. 8 dated 4 July 2014 and was notarised by Hadijah, S.H., M.Kn., notary in Jakarta. Furthermore, the spin-off became effective on 14 July 2014 and the Subsidiary started its operational activity based on sharia principles, as reported to Bank Indonesia through its letter No. S.031/DIR/LG/VII/2014 dated 17 July 2014 regarding the Report on the Implementation of the Opening of Sharia Commercial Bank Resulting from the Spin-Off.

*The Subsidiary's Articles of Association have been amended several times, upon became Sharia Commercial Bank. The latest amendment of the Articles of Association was stated in the deed No. 8 dated 5 April 2018, which was notarised by Jose Dima Satria, S.H., M.Kn., notary in Jakarta. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia through its letter No AHU-0007953.AH.01.02. Year 2018 dated 10 April 2018 and the Letter of Acceptance of the amendment to Articles of Association No. AHU-AH.01.03-0140091 dated 10 April 2018 *juncto* deed No. 178 dated 31 May 2018, which was notarised by Jose Dima Satria, S.H., M.Kn., notary in Jakarta, which has been received and recorded in the Legal Entity Administration System as the Letter of Acceptance of the amendment to Articles of Association No. AHU-AH.01.03-0215425 dated 21 June 2018.*

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

f. Entitas Anak (lanjutan)

Sesuai dengan pasal 3 Anggaran Dasar Entitas Anak, maksud dan tujuan serta kegiatan Entitas Anak adalah melakukan kegiatan usaha di bidang perbankan berdasarkan prinsip syariah.

(i) Penawaran Umum Perdana Saham

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) Entitas Anak yang dilakukan melalui surat edaran resolusi pemegang saham pada tanggal 16 November 2017, para pemegang saham menyetujui rencana Penawaran Umum Saham Perdana Biasa kepada masyarakat melalui pasar modal serta melakukan pencatatan saham Bank di Bursa Efek Indonesia. Pada tanggal 25 April 2018, Entitas Anak memperoleh pernyataan efektif dari OJK dengan surat No. S-36/D-04/2018 untuk penawaran umum saham perdana tersebut.

Entitas Anak melakukan penawaran umum perdana atas 770.370.000 saham dengan nilai nominal sebesar Rp 100 (nilai penuh) setiap saham dengan harga penawaran setiap saham sebesar Rp 975 (nilai penuh) kepada masyarakat di Indonesia. Saham tersebut dicatat di Bursa Efek Indonesia pada tanggal 8 Mei 2018. Dana yang diterima oleh Entitas Anak atas penawaran umum perdana adalah sebesar Rp 735.020 (setelah biaya emisi dan pajak).

Atas tambahan saham yang diterbitkan sehubungan dengan penawaran umum perdana Entitas Anak kepada publik, jumlah kepemilikan Bank atas Entitas Anak menurun dari 70% menjadi 63%.

(ii) Akuisisi dari kepentingan non-pengendali pada Entitas Anak

Pada tanggal 11 Mei 2018, Bank mengakuisisi 7% saham atas Entitas Anak dengan imbalan pembelian sebesar Rp 550.045. Kepentingan non-pengendali Entitas Anak pada tanggal akuisisi adalah Rp 525.778. Dengan demikian, kepemilikan Bank atas Entitas Anak kembali menjadi 70%. Dampak perubahan atas kepemilikan saham Entitas Anak adalah sebagai berikut:

	2018	
Kepentingan non-pengendali yang diakuisisi	525,778	<i>Non-controlling interest acquired</i>
Imbalan yang dibayarkan kepada kepentingan non-pengendali	(550,045)	<i>Consideration paid to non-controlling interest</i>
Selisih lebih imbalan uang dibayarkan yang diakui pada ekuitas Bank	(24,267)	<i>Excess of consideration paid as recorded in the Bank's equity</i>

1. GENERAL INFORMATION (continued)

f. Subsidiary (continued)

In accordance with article 3 of the Subsidiary's Article of Association, the Subsidiary's objective and scope of activities is to engage in banking industry based on sharia principles.

(i) Initial Public Offering

Pursuant to the Subsidiary's Circular Resolution of the Shareholders in lieu of the Extraordinary General Meeting of Shareholders (EGMS) dated 16 November 2017, the shareholders approved the plan to conduct Initial Public Offering of Ordinary Shares to public through capital market and listing of the Subsidiary's shares at the Indonesia Stock Exchange. On 25 April 2018, the Subsidiary obtained the effective notification from OJK through letter No. S-36/D-04/2018 for this initial public offering.

The Subsidiary undertook an initial public offering of 770,370,000 shares with a nominal value of Rp 100 (full amount) per share with offering price of Rp 975 (full amount) per share to the public in Indonesia. The shares were listed at the Indonesia Stock Exchange on 8 May 2018. The funds received by the Subsidiary from the initial public offering amounting to Rp 735,020 (net of issuance costs and tax).

In relation to the additional shares issued in connection with the initial public offering of the Subsidiary to the public, the Bank's ownership in the Subsidiary decreased from 70% to 63%.

(ii) Acquisition of non-controlling interest of Subsidiary

On 11 May 2018, the Bank acquired 7% shares of Subsidiary for a purchase consideration of Rp 550,045. The non-controlling interest in Subsidiary on the date of acquisition was Rp 525,778. Therefore, the Bank's ownership in the Subsidiary became 70%. The effect of changes in the ownership interest of Subsidiary was as follows:

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

1. INFORMASI UMUM (lanjutan)

f. Entitas Anak (lanjutan)

(ii) Akuisisi dari kepentingan non-pengendali pada Entitas Anak (lanjutan)

Dampak transaksi dengan kepentingan non-pengendali pada ekuitas adalah sebagai berikut:

	2018
Perubahan pada ekuitas:	
- Dampak atas penawaran umum perdana	209,242
- Akuisisi saham tambahan pada Entitas Anak	(24,267)
Dampak bersih pada ekuitas	184,975

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING

Kebijakan-kebijakan akuntansi yang penting, yang diterapkan dalam penyusunan laporan keuangan konsolidasian Perseroan tanggal dan tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018, adalah sebagai berikut:

a. Pernyataan Kepatuhan

Laporan keuangan konsolidasian Perseroan disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan ("SAK") di Indonesia.

Laporan keuangan konsolidasian juga disusun dan disajikan sesuai dengan peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan ("BAPEPAM-LK" yang fungsinya dialihkan kepada OJK sejak tanggal 1 Januari 2013) No. VIII.G.7 yang merupakan lampiran keputusan ketua BAPEPAM-LK No. KEP 347/BL/2012 tanggal 25 Juni 2012 tentang "Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik".

Laporan keuangan konsolidasian ini yang merupakan konsolidasi dari laporan keuangan Bank dan Entitas Anak (secara bersama-sama disebut "Perseroan" dan Bank secara individu disebut "Bank") telah disetujui untuk diterbitkan oleh direksi pada tanggal 23 Maret 2020.

Laporan keuangan konsolidasi ini disajikan dalam bahasa Indonesia dan Inggris. Dalam hal terdapat perbedaan penafsiran akibat penerjemahan bahasa, maka yang digunakan sebagai acuan adalah dalam Bahasa Indonesia.

b. Dasar Penyusunan Laporan Keuangan Konsolidasian

Laporan keuangan konsolidasian ini disajikan dalam Rupiah, yang merupakan mata uang fungsional Bank. Kecuali dinyatakan secara khusus, informasi keuangan yang disajikan telah dibulatkan menjadi jutaan Rupiah.

1. GENERAL INFORMATION (continued)

f. Subsidiary (continued)

(ii) Acquisition of non-controlling interest of Subsidiary (continued)

Effects of transactions with non-controlling interests on the equity was as follows:

	2018	
		<i>Changes in equity:</i>
		<i>Effect on initial public offering -</i>
		<i>Acquisition of additional interest in -</i>
		<i>Subsidiary</i>
		<i>Net effect in equity</i>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, applied in the preparation of the Company's consolidated financial statements as of and for the years ended 31 December 2019 and 2018, are as follows:

a. Statement of Compliance

The Company's consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards ("SAK").

These consolidated financial statements have also been prepared and presented in accordance with Capital Market and Financial Institutions Supervisory Agency ("BAPEPAM-LK", whose function has been transferred to OJK starting 1 January 2013) rule No. VIII.G.7, Appendix of the Decree of the Chairman of the BAPEPAM-LK No. KEP-347/BL/2012 dated 25 June 2012 regarding "Financial Statements Presentation and Disclosure of The Issuer or Public Company".

These consolidated financial statements which represent the consolidation of the financial statements of the Bank and its subsidiary (together referred to as the "Company" and the Bank individually as the "Bank"), were authorized for issuance by the Board of Directors on 23 March 2020.

These consolidated financial statements are presented in Indonesian and English languages. Should there be any difference in interpretation due to translation, the Indonesian version shall prevail.

b. Basis for Preparation of Consolidated Financial Statements

Figures in these consolidated financial statements are presented in Rupiah, which is the Bank's functional currency. Unless otherwise stated, financial information presented in Rupiah has been rounded to the nearest million.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

Laporan keuangan konsolidasian disusun atas basis akrual dengan menggunakan konsep nilai historis, kecuali jika standar akuntansi mensyaratkan pengukuran nilai wajar.

Laporan arus kas konsolidasian menyajikan perubahan dalam kas dan setara kas dari aktivitas operasi, investasi dan pendanaan. Laporan arus kas disusun dengan metode langsung. Untuk tujuan laporan arus kas, kas dan setara kas meliputi kas, giro pada Bank Indonesia, giro pada bank-bank lain, penempatan pada Bank Indonesia dan bank-bank lain, dan efek-efek yang jatuh tempo dalam waktu tiga bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

c. Penggunaan pertimbangan dan estimasi

Penyusunan laporan keuangan sesuai dengan SAK di Indonesia mengharuskan manajemen untuk membuat pertimbangan dan estimasi yang mempengaruhi penerapan kebijakan akuntansi dan jumlah aset, liabilitas, pendapatan dan beban yang dilaporkan. Walaupun estimasi ini dibuat berdasarkan pengetahuan terbaik manajemen atas kejadian dan kegiatan saat ini, hasil aktual dapat berbeda dari estimasi tersebut.

Estimasi dan asumsi yang digunakan ditelaah secara berkesinambungan. Revisi atas estimasi akuntansi diakui pada periode dimana estimasi tersebut direvisi dan periode-periode yang akan datang yang dipengaruhi oleh revisi estimasi tersebut.

Informasi mengenai hal-hal penting yang terkait dengan ketidakpastian estimasi dan pertimbangan-pertimbangan penting dalam penerapan kebijakan akuntansi yang memiliki dampak yang signifikan terhadap jumlah yang diakui dalam laporan keuangan dijelaskan di Catatan 3.

d. Perubahan kebijakan akuntansi

Berikut ini adalah standar dan interpretasi standar yang berlaku efektif tanggal 1 Januari 2019 dan relevan terhadap laporan keuangan konsolidasian Perseroan:

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

The consolidated financial statements have been prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement.

The consolidated statements of cash flows present the changes in cash and cash equivalents from operating, investing and financing activities. The statements of cash flows are prepared using the direct method. For the purpose of the statements of cash flows, cash and cash equivalents consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, and marketable securities that mature within three months from the date of acquisition, as long as they are not being pledged as collateral for borrowings nor restricted.

c. Use of judgments and estimates

The preparation of financial statements in conformity with SAK requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and activities, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have significant effect on the amount recognized in the financial statements are described in Note 3.

d. Changes in accounting policies

The following standards and interpretation of standards became effective on 1 January 2019 and are relevant to the Company's consolidated financial statements:

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

d. Perubahan kebijakan akuntansi (lanjutan)

- Pernyataan Standar Akuntansi Keuangan ("PSAK") No. 24 (amandemen) "Amandemen, Kurtailmen atau Penyelesaian Program"
- PSAK No. 26 (Penyesuaian Tahunan) "Biaya Pinjaman"
- PSAK No. 46 (Penyesuaian Tahunan) "Pajak Penghasilan"
- Interpretasi Standar Akuntansi Keuangan ("ISAK") No. 33 "Transaksi Valuta Asing dan Imbalan Dimuka"
- ISAK No. 34 "Ketidakpastian dalam Perlakuan Pajak Penghasilan"

Implementasi dari standar-standar tersebut tidak membawa dampak perubahan yang signifikan terhadap kebijakan akuntansi Perseroan dan jumlah yang dilaporkan di tahun berjalan atau tahun sebelumnya.

e. Penjabaran Transaksi dan Saldo dalam Valuta Asing

Transaksi-transaksi dalam valuta asing dijabarkan ke dalam Rupiah, yang merupakan mata uang fungsional Perseroan, dengan menggunakan kurs pada tanggal transaksi.

Saldo akhir tahun aset moneter dan liabilitas moneter dalam valuta asing dijabarkan ke dalam Rupiah dengan menggunakan kurs pada tanggal laporan (penutupan) yang ditetapkan oleh Bank Indonesia, yaitu kurs tengah yang merupakan rata-rata kurs beli dan kurs jual berdasarkan Reuters pada pukul 16.00 WIB.

Kurs valuta asing utama yang digunakan pada tanggal pelaporan adalah sebagai berikut (nilai penuh):

	2019	2018	
1 Dolar Amerika Serikat (USD)	13.882,50	14.380,00	1 United States Dollar (USD)
1 Dolar Australia (AUD)	9.725,39	10.162,35	1 Australian Dollar (AUD)
1 Dolar Singapura (SGD)	10.315,05	10.554,91	1 Singapore Dollar (SGD)
1 Dolar Hong Kong (HKD)	1.782,75	1.836,28	1 Hong Kong Dollar (HKD)
1 Poundsterling Inggris (GBP)	18.238,14	18.311,50	1 British Poundsterling (GBP)
1 Yen Jepang (JPY)	127,81	130,62	1 Japanese Yen (JPY)
1 Euro (EUR)	15.570,61	16.440,66	1 Euro (EUR)

Keuntungan dan kerugian selisih kurs yang timbul dari transaksi dalam valuta asing dan dari penjabaran aset moneter dan liabilitas moneter dalam valuta asing diakui pada laba rugi.

Laba atau rugi kurs valuta asing atas aset dan liabilitas moneter merupakan selisih antara biaya perolehan diamortisasi dalam Rupiah pada awal tahun, disesuaikan dengan tingkat suku bunga efektif dan pembayaran selama tahun berjalan, dan biaya perolehan diamortisasi dalam valuta asing yang dijabarkan ke dalam Rupiah dengan menggunakan kurs pada akhir tahun.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Changes in accounting policies (continued)

- *Statement of Financial Accounting Standards ("PSAK") No. 24 (amendment) "Plan Amendment, Curtailment or Program Settlement"*
- *PSAK No. 26 (Annual Improvement) "Borrowing Costs"*
- *PSAK No. 46 (Annual Improvement) "Income Tax"*
- *Interpretation of Financial Accounting Standards ("ISAK") No. 33 "Foreign Currency Transactions and Advance Consideration"*
- *ISAK No. 34 "Uncertainty Over Income Tax Treatments"*

The implementation of the above standards did not result in significant changes to the Company's accounting policies and on the amounts reported for current or prior financial years.

e. Foreign Currency Transactions and Balances Translation

Transactions in foreign currencies are translated into Rupiah, the Company's functional currency, at the exchange rates prevailing at the transaction date.

Year-end balances monetary assets and liabilities denominated in foreign currencies are translated into Rupiah using exchange rate as of the reporting date (closing) as determined by Bank Indonesia, i.e. middle rates which are the average of buying rates and selling rates per Reuters at 16.00 WIB.

The major exchange rates used as of the reporting date were as follows (full amount):

	2019	2018	
1 Dolar Amerika Serikat (USD)	13.882,50	14.380,00	1 United States Dollar (USD)
1 Dolar Australia (AUD)	9.725,39	10.162,35	1 Australian Dollar (AUD)
1 Dolar Singapura (SGD)	10.315,05	10.554,91	1 Singapore Dollar (SGD)
1 Dolar Hong Kong (HKD)	1.782,75	1.836,28	1 Hong Kong Dollar (HKD)
1 Poundsterling Inggris (GBP)	18.238,14	18.311,50	1 British Poundsterling (GBP)
1 Yen Jepang (JPY)	127,81	130,62	1 Japanese Yen (JPY)
1 Euro (EUR)	15.570,61	16.440,66	1 Euro (EUR)

The exchange gains and losses arising from transactions in foreign currencies and from the translation of monetary assets and monetary liabilities denominated in foreign currencies are recognised in profit or loss.

The foreign currency gains or losses on monetary assets and liabilities are the difference between amortised cost in Rupiah at the beginning of the year, adjusted for effective interest rate and payments during the year, and the amortised cost in foreign currency translated into Rupiah using the exchange rate at the end of the year.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

f. Prinsip Konsolidasi

Laporan keuangan konsolidasian mencakup laporan keuangan Bank dan Entitas Anak.

f. Basis of Consolidation

The consolidated financial statements include the accounts of the Bank and its Subsidiary.

Suatu pengendalian atas entitas anak dianggap ada bilamana Perseroan terekspos atau memiliki hak atas imbal hasil variabel dari keterlibatannya dengan entitas anak dan memiliki kemampuan untuk mempengaruhi imbal hasil tersebut melalui kekuasaannya atas entitas anak. Perseroan akan menilai kembali apakah memiliki kendali jika ada perubahan atas satu atau lebih unsur pengendalian. Ini termasuk situasi dimana hak protektif yang dimiliki (seperti yang dihasilkan dari hubungan pinjaman) menjadi substantif dan mengakibatkan Perseroan memiliki kekuasaan atas entitas anak.

Control over a subsidiary is presumed to exist if the Company is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Company reassesses whether it has control if there are changes to one or more of the elements of the control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Company having power over a subsidiary.

Laporan keuangan dari entitas anak dimasukkan ke dalam laporan keuangan konsolidasian sejak tanggal pengendalian dimulai sampai dengan tanggal pengendalian berakhir.

The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

Ketika Perseroan kehilangan kendali atas entitas anak, Perseroan menghentikan pengakuan aset dan liabilitas entitas anak, dan kepentingan nonpengendali terkait dan komponen ekuitas lainnya. Laba atau rugi yang timbul diakui dalam laba rugi. Kepentingan yang dipertahankan di entitas anak sebelumnya diukur sebesar nilai wajar ketika pengendalian hilang.

When the Company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when the control is lost.

Seluruh transaksi dan saldo antar perusahaan dieliminasi dalam laporan keuangan konsolidasian, sehingga laporan keuangan konsolidasian hanya mencakup transaksi dan saldo dengan pihak lain.

All inter-company transactions and balances are eliminated in the consolidated financial statements; accordingly, the consolidated financial statements include only transactions and balances with other parties.

Akuisisi entitas anak oleh Perseroan dicatat dengan menggunakan metode akuisisi. Biaya perolehan akuisisi diukur pada nilai wajar aset yang diberikan, instrumen ekuitas yang diterbitkan, liabilitas yang terjadi atau diambil dan penyesuaian harga beli kontinjensi, jika ada, pada tanggal transaksi. *Goodwill* yang timbul dari akuisisi entitas anak diuji penurunan nilainya minimal secara tahunan. Keuntungan yang dihasilkan atas pembelian dengan diskon diakui langsung pada laba rugi. Biaya-biaya transaksi yang timbul dari akuisisi entitas anak dibebankan langsung pada laba rugi tahun berjalan.

The acquisition method is used to account for the acquisition of subsidiary by the Company. The cost of acquisition is measured at the fair value of the assets given, equity instruments issued, liabilities incurred or assumed and contingent consideration, if any, at the transaction date. Goodwill arising from the acquisition of subsidiary is tested at least annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs incurred in the acquisition of subsidiary are directly expensed in the current year profit or loss.

Kepentingan nonpengendali diakui pada tanggal kombinasi bisnis dan selanjutnya disesuaikan dengan proporsi atas perubahan aset bersih teridentifikasi entitas anak.

Non-controlling interest is recognised at the date of initial business combination and subsequently adjusted by proportion of change in identifiable net assets of subsidiaries.

Perubahan dalam bagian kepemilikan Perseroan pada entitas anak yang tidak mengakibatkan hilangnya pengendalian diperlakukan sebagai transaksi antara pemegang ekuitas dan dicatat sebagai transaksi ekuitas.

Changes in ownership interest in a Subsidiary that do not result in a loss of control are treated as transaction between equity holders and are accounted for as equity transactions.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

f. Prinsip Konsolidasi (lanjutan)

Kepentingan nonpengendali disajikan di ekuitas dalam laporan posisi keuangan konsolidasian dan dinyatakan sebesar proporsi pemegang saham nonpengendali atas laba tahun berjalan dan ekuitas entitas anak tersebut berdasarkan persentase kepemilikan pemegang saham nonpengendali pada entitas anak tersebut.

g. Transaksi dengan Pihak-pihak Berelasi

Dalam laporan keuangan konsolidasian ini, istilah pihak-pihak berelasi digunakan sesuai dengan PSAK No. 7 mengenai "Pengungkapan Pihak-pihak Berelasi".

h. Aset Keuangan dan Liabilitas Keuangan

Aset keuangan Perseroan terdiri dari kas, giro pada Bank Indonesia, giro pada bank-bank lain, penempatan pada Bank Indonesia dan bank-bank lain, efek-efek, efek-efek yang dibeli dengan janji dijual kembali, tagihan derivatif, tagihan akseptasi, pinjaman yang diberikan, pembiayaan/piutang syariah, penyertaan saham dan tagihan lainnya (yang disajikan sebagai bagian dari aset lain-lain).

Liabilitas keuangan Perseroan terdiri dari liabilitas segera, simpanan dari nasabah, simpanan dari bank-bank lain, liabilitas derivatif, liabilitas akseptasi, efek-efek yang diterbitkan, pinjaman yang diterima, akrual, pinjaman subordinasi, dan liabilitas lain-lain.

h.1. Klasifikasi

Perseroan mengklasifikasikan aset keuangannya ke dalam kategori pengukuran sebagai berikut pada saat pengakuan awal berdasarkan sifat dan tujuannya:

- i. 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 diklasifikasikan dalam kelompok diperdagangkan;
- ii. Tersedia untuk dijual;
- iii. Dimiliki hingga jatuh tempo;
- v. Pinjaman yang diberikan dan piutang.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

f. Basis of Consolidation (continued)

Non-controlling interest is presented as part of equity in the consolidated statements of financial position and represents the non-controlling shareholders' proportionate share in the net income for the year and equity of the subsidiary based on the percentage of ownership of the non-controlling shareholders in the subsidiary.

g. Transactions with Related Parties

In these consolidated financial statements, the term related parties is used as defined in PSAK No. 7 regarding "Related Party Disclosures".

h. Financial Assets and Financial Liabilities

The Company's financial assets consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, marketable securities, securities purchased under resale agreements, derivative receivables, acceptance receivables, loans, sharia financing/receivables, investment in shares and other receivables (presented as part of other assets).

The Company's financial liabilities consist of obligations due immediately, deposits from customers, deposits from other banks, derivative payables, acceptance payables, securities issued, borrowings, accruals, subordinated loans, and other liabilities.

h.1. Classification

The Company classifies its financial assets into the following measurement categories at initial recognition based on their nature and purpose:

- i. Fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial assets designated as such upon initial recognition and financial assets classified as held for trading;*
- ii. Available-for-sale;*
- iii. Held-to-maturity;*
- iv. Loans and receivables.*

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**h. Aset Keuangan dan Liabilitas Keuangan
(lanjutan)**

**h. Financial Assets and Financial Liabilities
(continued)**

h.1. Klasifikasi (lanjutan)

h.1. Classification (continued)

Liabilitas keuangan diklasifikasikan ke dalam kategori pengukuran sebagai berikut pada saat pengakuan awal berdasarkan sifat dan tujuannya:

Financial liabilities are classified into the following measurement categories at initial recognition based on their nature and purpose:

- i. 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 diklasifikasikan dalam kelompok diperdagangkan;
- ii. Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi.

- i. Fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial liabilities designated as such upon initial recognition and financial liabilities classified as held for trading;*
- ii. Financial liabilities measured at amortised cost.*

Instrumen keuangan dengan kategori untuk diperdagangkan adalah instrumen keuangan yang diperoleh atau dimiliki Perseroan terutama untuk tujuan dijual atau dibeli kembali dengan maksud untuk memperoleh keuntungan dari perubahan harga atau suku bunga dalam jangka pendek atau untuk lindung nilai instrumen *trading book* lainnya.

Held for trading financial instruments are those financial instruments that the Company acquires or incurs principally for the purpose of selling or repurchasing with the intention of benefiting from short-term price or interest rate movements or hedging for other trading book instruments.

Aset keuangan tersedia untuk dijual adalah aset keuangan non-derivatif yang ditetapkan sebagai tersedia untuk dijual atau yang tidak diklasifikasikan ke dalam salah satu kategori aset keuangan lainnya.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in one of the other categories of financial assets.

Investasi yang dimiliki hingga jatuh tempo adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan dimana Perseroan mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo, dan yang tidak ditetapkan pada nilai wajar melalui laba rugi atau tersedia untuk dijual.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available-for-sale.

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan yang tidak mempunyai kuotasi di pasar aktif dan Perseroan tidak berniat untuk menjualnya segera atau dalam waktu dekat.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term.

Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi terdiri dari liabilitas keuangan non-derivatif yang tidak dimiliki Perseroan untuk diperdagangkan dan tidak ditetapkan pada nilai wajar melalui laba rugi.

Financial liabilities measured at amortised cost consist of non-derivative financial liabilities that are not held for trading purpose and not designated at fair value through profit or loss.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**h. Aset Keuangan dan Liabilitas Keuangan
(lanjutan)**

h.1. Klasifikasi (lanjutan)

Perseroan pada awalnya mengakui pinjaman yang diberikan dan simpanan pada tanggal perolehan.

Pembelian dan penjualan aset keuangan yang lazim (reguler) diakui pada tanggal perdagangan dimana Perseroan memiliki komitmen untuk membeli atau menjual aset tersebut.

Semua aset dan liabilitas keuangan lainnya pada awalnya diakui pada tanggal perdagangan dimana Perseroan menjadi suatu pihak dalam ketentuan kontraktual instrumen tersebut.

h.2. Pengakuan

Pada saat pengakuan awal, aset keuangan atau liabilitas keuangan diukur pada nilai wajar ditambah/dikurangi (untuk instrumen keuangan yang tidak diukur pada nilai wajar melalui laba rugi setelah pengakuan awal) biaya transaksi yang dapat diatribusikan secara langsung atas perolehan aset keuangan atau penerbitan liabilitas keuangan. Pengukuran aset keuangan dan liabilitas keuangan setelah pengakuan awal tergantung pada klasifikasi aset keuangan dan liabilitas keuangan tersebut.

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 awal pengakuan 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**h. Financial Assets and Financial Liabilities
(continued)**

h.1. Classification (continued)

The Company initially recognises loans and deposits on the date of origination.

Regular way purchases and sales of financial assets are recognised on the trade date at which the Company commits to purchase or sell those assets.

All other financial assets and liabilities are initially recognised on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

h.2. Recognition

A financial asset or financial liability is initially measured at fair value plus/less (for financial instruments not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability. The subsequent measurement of financial assets and financial liabilities depends on their classification.

Transaction costs include only those costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability and are incremental costs that would not have been incurred if the instrument had not been acquired or issued. In the case of financial assets, transaction costs are added to the amount recognised initially, while for financial liabilities, transaction costs are deducted from the amount of debt recognised initially. Such transaction costs are amortised over the terms of the instruments based on the effective interest method and are recorded as part of interest income for transaction costs related to financial assets or interest expense for transaction costs related to financial liabilities.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**h. Aset Keuangan dan Liabilitas Keuangan
(lanjutan)**

**h. Financial Assets and Financial Liabilities
(continued)**

h.3. Pengukuran biaya perolehan diamortisasi

h.3. Amortised cost measurement

Biaya perolehan diamortisasi dari aset keuangan atau liabilitas keuangan adalah jumlah aset atau liabilitas keuangan yang diukur pada saat pengakuan awal, dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif dengan menggunakan metode suku bunga efektif yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dan dikurangi cadangan kerugian penurunan nilai.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, and minus any allowance for impairment losses.

Tingkat suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi arus 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 pada saat pengakuan awal. Pada saat menghitung tingkat suku bunga efektif, Perseroan mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, namun tidak mempertimbangkan kerugian kredit di masa mendatang.

The effective interest rate is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the net carrying amount at initial recognition. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but does not consider any future credit losses.

Perhitungan suku bunga efektif mencakup biaya transaksi (Catatan2h.2) dan seluruh imbalan/provisi dan bentuk lain yang dibayarkan atau diterima yang merupakan bagian tak terpisahkan dari suku bunga efektif.

The calculation of the effective interest rate includes transaction costs (Note2h.2) and all fees and points paid or received that are an integral part of the effective interest rate.

h.4. Penghentian pengakuan

h.4. Derecognition

Perseroan menghentikan pengakuan aset keuangan pada saat hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut kadaluwarsa, atau Perseroan mentransfer seluruh hak untuk menerima arus kas kontraktual dari aset keuangan dalam transaksi dimana Perseroan secara substansial telah mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan yang ditransfer. Setiap hak atau liabilitas atas aset keuangan yang ditransfer yang timbul atau yang masih dimiliki oleh Perseroan diakui sebagai aset atau liabilitas secara terpisah.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Perseroan menghentikan pengakuan liabilitas keuangan pada saat liabilitas yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluwarsa.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN** (lanjutan)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES** (continued)

h. Aset Keuangan dan Liabilitas Keuangan
(lanjutan)

h. Financial Assets and Financial Liabilities
(continued)

h.4. Penghentian pengakuan (lanjutan)

h.4. Derecognition (continued)

Dalam transaksi dimana Perseroan secara substansial tidak memiliki atau tidak mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan, Perseroan menghentikan pengakuan aset tersebut jika Perseroan tidak lagi memiliki pengendalian atas aset tersebut. Hak dan kewajiban yang masih dimiliki dalam transfer tersebut diakui secara terpisah sebagai aset atau liabilitas. Dalam transfer dimana pengendalian atas aset masih dimiliki, Perseroan tetap mengakui aset yang ditransfer tersebut sebesar keterlibatan berkelanjutan, dimana tingkat keberlanjutan Perseroan dalam aset yang ditransfer adalah sebesar perubahan nilai aset yang ditransfer.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the Company derecognises the asset if it does not retain control over the asset. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers in which control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Perseroan menghapusbukkan aset keuangan dan cadangan kerugian penurunan nilai terkait, pada saat Perseroan menentukan bahwa aset keuangan tersebut tidak dapat ditagih. Keputusan ini diambil setelah mempertimbangkan informasi seperti telah terjadinya perubahan signifikan pada posisi keuangan debitur/penerbit aset keuangan sehingga debitur/penerbit aset keuangan tidak lagi dapat melunasi kewajibannya, atau hasil penjualan agunan tidak akan cukup untuk melunasi seluruh eksposur kredit yang diberikan.

The Company writes off a financial asset and any related allowance for impairment losses, when the Company determines that the financial asset is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the financial position of borrower/financial asset's issuer such that the borrower/financial asset's issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

h.5. Saling hapus

h.5. Offsetting

Aset keuangan dan liabilitas keuangan disalinghapuskan dan jumlah netonya dilaporkan pada laporan posisi keuangan konsolidasian ketika terdapat hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan adanya niat untuk menyelesaikan menyelesaikan liabilitas secara bersamaan. Hak saling hapus tidak kontinjen atas peristiwa di masa depan dan dapat dipaksakan secara hukum dalam situasi bisnis yang normal dan dalam peristiwa gagal bayar, atau peristiwa kepailitan atau kebangkrutan Perseroan atau pihak lawan.

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise 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.

Pendapatan dan beban disajikan dalam jumlah bersih hanya jika diperkenankan oleh standar akuntansi.

Income and expenses are presented on a net basis only when permitted by accounting standards.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**i. Cadangan kerugian penurunan nilai aset
keuangan**

**i. Allowance for impairment losses of
financial assets**

**i.1. Aset keuangan yang dicatat
berdasarkan biaya perolehan
diamortisasi dan piutang murabahah**

**i.1. Financial assets carried at amortised
cost and murabahah receivables**

Pada setiap tanggal pelaporan, Bank dan Entitas Anak mengevaluasi apakah terdapat bukti yang obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai.

The Bank and Subsidiary assess at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

Aset keuangan atau kelompok aset keuangan diturunkan nilainya dan kerugian penurunan nilai terjadi, jika dan hanya jika, terdapat bukti yang obyektif mengenai penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut ("peristiwa yang merugikan"), dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara handal.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Kriteria yang digunakan oleh Perseroan untuk menentukan bukti obyektif dari penurunan nilai adalah:

The criteria used by the Company to determine that there is objective evidence of an impairment loss include:

- 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;
- 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.

- a) *significant financial difficulty of the issuer or obligor;*
- b) *a breach of contract, such as a default or delinquency in interest or principal payments;*
- c) *the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;*
- d) *it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;*
- e) *the disappearance of an active market for that financial asset because of financial difficulties; or*
- f) *observable data indicating that there is a measurable decrease in the estimated future cash flows.*

Periode yang diestimasi antara terjadinya peristiwa dan teridentifikasinya kerugian ditentukan oleh manajemen untuk setiap portofolio yang diidentifikasi.

The estimated period between a loss occurring and its identification is determined by the management for each identified portfolio.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**i. Cadangan kerugian penurunan nilai aset
keuangan (lanjutan)**

**i.1. Aset keuangan yang dicatat berdasarkan
biaya perolehan diamortisasi dan
piutang murabahah (lanjutan)**

Pada awalnya, Perseroan menentukan apakah terdapat bukti obyektif seperti yang dijelaskan di atas mengenai penurunan nilai atas aset keuangan. Penilaian individual dilakukan atas aset keuangan yang signifikan yang mengalami penurunan nilai. Aset keuangan yang tidak signifikan namun mengalami penurunan nilai atau direstrukturisasi dimasukkan dalam kelompok aset keuangan yang memiliki karakteristik risiko yang serupa dan dilakukan penilaian secara kolektif.

Jika Perseroan menilai bahwa tidak terdapat bukti obyektif mengenai penurunan nilai atas aset keuangan yang dinilai secara individual, baik aset keuangan tersebut signifikan atau tidak, maka akun atas aset keuangan tersebut akan masuk ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang serupa dan menilai penurunan nilai kelompok tersebut secara kolektif. Akun yang penurunan nilainya dinilai secara individual, dan untuk itu kerugian penurunan nilai diakui atau tetap diakui, tidak termasuk dalam penilaian penurunan nilai secara kolektif.

Jumlah kerugian penurunan nilai diukur berdasarkan selisih antara nilai tercatat aset keuangan dengan nilai kini dari estimasi arus kas masa datang (kecuali kerugian yang timbul di masa depan dari pinjaman yang diberikan atau pembiayaan/piutang syariah) yang didiskontokan menggunakan tingkat suku bunga efektif awal dari aset keuangan tersebut, atau dengan tingkat imbal hasil efektif awal untuk pembiayaan/piutang syariah.

Nilai tercatat aset tersebut dikurangi melalui akun cadangan kerugian penurunan nilai dan beban kerugian diakui pada laba rugi. Jika pinjaman yang diberikan atau investasi dimiliki hingga jatuh tempo memiliki suku bunga variabel, maka tingkat diskonto yang digunakan untuk mengukur setiap kerugian penurunan nilai adalah suku bunga efektif/tingkat imbal hasil terkini yang berlaku yang ditetapkan dalam kontrak.

Perhitungan nilai kini dari estimasi arus kas masa datang atas aset keuangan dengan 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**i. Allowance for impairment losses of financial
assets (continued)**

**i.1. Financial assets carried at amortised
cost and murabahah receivables
(continued)**

Initially, the Company assesses whether objective evidence of impairment for financial asset exists as described above. An individual assessment is performed on the significant impaired or restructured financial asset. The impaired financial assets which are not classified as individually significant are included in a group of financial asset with similar credit risk characteristics and collectively assessed.

If the Company assesses that there is no objective evidence of impairment for individually assessed financial asset, both for significant and insignificant amount, hence the account of financial asset will be included in a group of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Accounts that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future losses from loans and sharia financing/receivables) discounted at the financial asset's original effective interest rate, or at original effective rate of return for sharia financing/receivables.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. If a loan or held to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate/rate of return determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**i. Cadangan kerugian penurunan nilai aset
keuangan (lanjutan)**

**i. Allowance for impairment losses of financial
assets (continued)**

**i.1. Aset keuangan yang dicatat berdasarkan
biaya perolehan diamortisasi dan
piutang murabahah (lanjutan)**

**i.1. Financial assets carried at amortised
cost and murabahah receivables
(continued)**

Untuk tujuan evaluasi penurunan nilai secara kolektif, aset keuangan dikelompokkan berdasarkan kesamaan karakteristik risiko kredit seperti mempertimbangkan segmentasi kredit dan status tunggakan.

For the purpose of a collective evaluation of impairment, financial asset are grouped on the basis of similar credit risk characteristics such as considering credit segmentation and past due status.

Karakteristik yang dipilih adalah relevan dengan estimasi arus kas masa datang dari kelompok aset tersebut yang mengindikasikan kemampuan debitur atau pihak lawan untuk membayar seluruh saldo terutang sesuai persyaratan kontrak dari aset yang dievaluasi.

Those characteristics are relevant to the estimation of future cash flows for groups of such assets which indicate debtors or counterparties' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Perseroan menggunakan *statistical model analysis method*, yaitu *roll rates* dan *migration analysis method* untuk penilaian penurunan nilai aset keuangan yang ditinjau secara kolektif.

The Company uses statistical model analysis method, namely roll rates and migration analysis methods for financial assets impairment which collectively assessed.

Pada *migration analysis method*, manajemen menentukan estimasi periode antara terjadinya peristiwa dan teridentifikasinya kerugian untuk setiap portofolio yang diidentifikasi, yaitu 12 sampai 36 bulan.

In migration analysis method, management determines 12 to 36 months as the estimated and identification period between a loss occurring for each identified portfolio.

Ketika pinjaman yang diberikan atau pembiayaan/piutang syariah tidak tertagih, aset tersebut dihapusbuku dengan menjurnal balik cadangan kerugian penurunan nilai. Aset tersebut dapat dihapusbuku setelah semua prosedur yang diperlukan telah dilakukan dan jumlah kerugian telah ditentukan.

When a loan or sharia financing/receivable is uncollectible, the asset is written-off against the related allowance for impairment losses. Such assets are written-off after all necessary procedures have been completed and the amount of the loss has been determined.

Beban pembentukan cadangan kerugian penurunan nilai diakui pada laba rugi tahun berjalan.

The provision expense of impairment losses is recognised in the current year profit or loss.

Jika, pada periode berikutnya, jumlah kerugian penurunan nilai berkurang dan pengurangan tersebut dapat dikaitkan secara obyektif pada peristiwa yang terjadi setelah penurunan nilai diakui (seperti meningkatnya peringkat kredit debitur), maka kerugian penurunan nilai yang sebelumnya diakui harus dipulihkan, dengan menyesuaikan akun cadangan. Jumlah pemulihan aset keuangan diakui pada laba rugi tahun berjalan.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the current year profit or loss.

Penerimaan kembali atas pinjaman yang diberikan atau pembiayaan/piutang syariah yang telah dihapusbukukan pada tahun berjalan dikreditkan pada akun cadangan kerugian penurunan nilai. Penerimaan kembali atas pinjaman yang diberikan atau pembiayaan/piutang syariah yang telah dihapusbukukan pada tahun sebelumnya dicatat sebagai pendapatan operasional lainnya.

Subsequent recoveries of loans or sharia financing/receivables written off in the current year are credited to the allowance for impairment losses. Subsequent recoveries of loans or sharia financing/receivable written off in previous year are recognised as other operating income.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**i. Cadangan kerugian penurunan nilai aset
keuangan (lanjutan)**

**i.2. Aset keuangan yang tersedia untuk
dijual**

Pada setiap tanggal pelaporan, Perseroan mengevaluasi apakah terdapat bukti yang obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Penurunan yang signifikan atau penurunan jangka panjang atas nilai wajar dari investasi dalam instrumen utang di bawah biaya perolehannya merupakan bukti obyektif terjadinya penurunan nilai dan menyebabkan pengakuan kerugian penurunan nilai. Ketika terdapat bukti tersebut di atas untuk aset yang tersedia untuk dijual, kerugian kumulatif, yang merupakan selisih antara biaya perolehan dengan nilai wajar kini, dikurangi kerugian penurunan nilai aset keuangan yang sebelumnya telah diakui pada laba rugi, dikeluarkan dari komponen ekuitas dan diakui pada laba rugi tahun berjalan.

Jika, pada periode berikutnya, nilai wajar dari utang aset keuangan yang diklasifikasikan dalam kelompok tersedia untuk dijual meningkat dan peningkatan tersebut dapat secara obyektif dihubungkan dengan peristiwa yang terjadi setelah pengakuan kerugian penurunan nilai pada laba rugi, maka kerugian penurunan nilai tersebut harus dipulihkan melalui laba rugi tahun berjalan.

**j. Giro pada Bank Indonesia dan bank-bank
lain**

Setelah pengakuan awal, giro pada Bank Indonesia dan bank-bank lain diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Giro pada Bank Indonesia termasuk giro wadiah Entitas Anak yang disajikan sebesar biaya perolehan. Giro pada bank-bank lain termasuk giro pada bank-bank lain Entitas Anak yang dinyatakan sebesar saldo giro dikurangi dengan cadangan kerugian penurunan nilai.

**k. Penempatan pada Bank Indonesia dan bank-
bank lain**

Setelah pengakuan awal, penempatan pada Bank Indonesia dan bank-bank lain disajikan sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**i. Allowance for impairment losses of
financial assets (continued)**

**i.2. Financial assets classified as available
for sale**

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of debt instruments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment and resulting in the recognition of an impairment loss. If such evidence exists for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity component and recognised in the current year profit or loss.

If, in a subsequent period, the fair value of a debt financial asset classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, such impairment loss is reversed through the current year profit or loss.

**j. Current accounts with Bank Indonesia and
other banks**

Subsequent to initial recognition, current accounts with Bank Indonesia and other banks are measured at amortised cost using the effective interest rate method.

Current accounts with Bank Indonesia include the Subsidiary's wadiah current accounts which are stated at acquisition cost. Current accounts with other banks include the Subsidiary's current accounts with other banks which are stated at their outstanding balances, net of allowance for impairment losses.

**k. Placements with Bank Indonesia and other
banks**

Subsequent to initial recognition, placements with Bank Indonesia and other banks are stated at amortised cost using the effective interest rate method.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**k. Penempatan pada Bank Indonesia dan bank-
bank lain (lanjutan)**

**k. Placements with Bank Indonesia and other
banks (continued)**

Penempatan pada Bank Indonesia termasuk penanaman dana pada Bank Indonesia berupa Fasilitas Simpanan Bank Indonesia Syariah ("FASBIS") dan Sertifikat Bank Indonesia Syariah ("SBIS"). FASBIS dan SBIS merupakan sertifikat yang diterbitkan Bank Indonesia sebagai bukti penitipan dana berjangka pendek dengan akad masing-masing adalah wadiah dan jualah. Penempatan pada FASBIS dan SBIS disajikan sebesar biaya perolehan.

Placements with Bank Indonesia includes placements of funds with Bank Indonesia in the form of Bank Indonesia Sharia Deposit Facilities ("FASBIS") and Bank Indonesia Sharia Certificates ("SBIS"). FASBIS and SBIS are certificates issued by Bank Indonesia as a proof of short-term fund deposits under wadiah and jualah agreements, respectively. Placements of FASBIS and SBIS are stated at acquisition cost.

Penempatan Entitas Anak pada bank-bank lain disajikan sebesar saldo penempatan, setelah dikurangi cadangan kerugian penurunan nilai.

The Subsidiary's placements with other banks are stated at their outstanding balances, net of allowance for impairment losses.

l. Efek-efek

l. Marketable securities

Efek-efek terdiri dari Sertifikat Bank Indonesia (SBI), reksadana, Sertifikat Deposito Bank Indonesia (SDBI), wesel ekspor, obligasi korporasi, Sertifikat Investasi Mudharabah Antar bank ("SIMA"), dan obligasi pemerintah yang diperdagangkan di pasar uang dan pasar modal, serta wesel ekspor.

Marketable securities consist of Certificate of Bank Indonesia (SBI), mutual funds, Certificate of Deposit of Bank Indonesia (SDBI), export bills, corporate bonds, mutual fund, Certificate of Interbank Mudharabah Investment ("SIMA"), government bonds traded in the money market and capital market, and export bills.

Efek-efek (selain obligasi syariah-sukuk, SIMA, reksadana syariah, dan surat berharga lainnya berdasarkan prinsip syariah) pada awalnya dinilai berdasarkan nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung dan kemudian diperhitungkan tergantung pada klasifikasinya menjadi tersedia untuk dijual, dimiliki hingga jatuh tempo, atau pinjaman yang diberikan dan piutang. Lihat Catatan 2h untuk kebijakan akuntansi atas tersedia untuk dijual, dimiliki hingga jatuh tempo dan pinjaman yang diberikan dan piutang.

Marketable securities (other than sharia bonds-sukuk, SIMA, sharia mutual funds and other securities based on sharia principles) are initially measured at fair value plus directly attributable transaction costs and subsequently accounted for depending on their classification being available for sale, held to maturity, or loans and receivables. Refer to Note 2h for the accounting policy of available for sale, held to maturity, and loans and receivables.

Premi dan/atau diskonto diamortisasi dan dilaporkan sebagai pendapatan bunga dengan menggunakan metode suku bunga efektif.

Premium and/or discount is amortised and reported as interest income using the effective interest method.

Surat berharga syariah adalah surat bukti investasi berdasarkan prinsip syariah yang lazim diperdagangkan di pasar uang syariah dan/atau pasar modal syariah antara lain obligasi syariah (sukuk), SIMA, reksa dana syariah dan surat berharga lainnya berdasarkan prinsip syariah.

Sharia marketable securities are proof of investments based on sharia principles that are commonly traded in the sharia money market and/or sharia capital markets, including sharia bonds (sukuk), SIMA, sharia mutual funds and other securities based on sharia principles.

Perseroan menentukan klasifikasi investasi pada sukuk dan efek lain berprinsip syariah yang mempunyai karakteristik yang serupa dengan sukuk, sesuai dengan PSAK No. 110 (Revisi 2015) tentang "Akuntansi Sukuk" sebagai berikut:

The Company determined the classification of investments in sukuk and other securities under sharia principles which have similar characteristic with sukuk, in accordance with PSAK No. 110 (2015 Revision) regarding "Accounting for Sukuk" as follows:

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

I. Efek-efek (lanjutan)

- 1) Diukur pada biaya perolehan. 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. Pada saat pengakuan awal, investasi pada sukuk diukur pada biaya perolehan termasuk biaya transaksi yang dapat diatribusikan secara langsung untuk perolehan investasi tersebut. Setelah pengakuan awal, investasi pada sukuk dinyatakan sebesar biaya perolehan, ditambah biaya transaksi yang belum diamortisasi dengan menggunakan metode garis lurus, dikurangi cadangan kerugian penurunan nilai, jika ada.

- 2) Diukur pada nilai wajar melalui penghasilan komprehensif lain. 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.

Pada saat pengakuan awal, investasi pada sukuk diukur pada biaya perolehan termasuk biaya transaksi yang dapat diatribusikan secara langsung untuk perolehan investasi tersebut. Setelah pengakuan awal, investasi pada sukuk dicatat sebesar nilai wajar. Seluruh perubahan nilai wajar diakui pada penghasilan komprehensif lain. Ketika investasi sukuk dihentikan pengakuannya, akumulasi keuntungan atau kerugian yang sebelumnya diakui dalam penghasilan komprehensif lain dipindahkan ke laba rugi.

- 3) Diukur pada nilai wajar melalui laba rugi. Pada saat pengakuan awal, investasi pada sukuk diukur pada nilai wajar sebesar biaya perolehan. Biaya transaksi langsung diakui pada laba rugi. Setelah pengakuan awal, investasi pada sukuk dicatat sebesar nilai wajar. Seluruh perubahan nilai wajar diakui pada laba rugi tahun berjalan.

Investasi dalam unit reksa dana syariah dinyatakan sebesar nilai wajar yang ditentukan berdasarkan nilai aset bersih dari reksa dana pada tanggal pelaporan. Seluruh perubahan nilai aset bersih diakui pada penghasilan komprehensif lain.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

I. Marketable securities (continued)

- 1) *Measured at acquisition cost. The investment is held in a business model whereby the primary goal is to collect contractual cash flows and has contractual terms in determining the specific date of principal payments and or the margin. At the initial recognition, investments in sukuk are measured at acquisition cost plus directly attributable transaction costs. Subsequent to initial recognition, investments in sukuk are stated at acquisition cost, plus unamortised portion of transaction costs that are amortised using straight-line method, minus allowance for impairment losses, if any.*

- 2) *Measured at fair value through other comprehensive income. The investment is held in a business model whereby the primary goal is to obtain contractual cash flows and to sell the sukuk, and has contractual terms in determining the specific date of principal payments and/or the results.*

At the initial recognition, investments in sukuk are measured at acquisition cost plus directly attributable transaction costs. Subsequent to initial recognition, investments in sukuk are stated at fair value. All changes in fair value are recognised in other comprehensive income. When sukuk is derecognised, accumulated gain or loss which has previously recognised in other comprehensive income is reclassified to profit or loss.

- 3) *Measured at fair value through profit or loss. At the initial recognition, investments in sukuk are measured at fair value at acquisition cost. Transaction costs are directly recognised in profit or loss. Subsequent to initial recognition, investments in sukuk are stated at fair value. All changes in fair value are recognised in the current year profit or loss.*

Investment in sharia mutual funds are presented at fair value which is measured based on net asset value of mutual funds at reporting date. All changes in net asset value are recognised in other comprehensive income.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

l. Efek-efek (lanjutan)

Perseroan mencatat transaksi efek-efek berupa surat berharga syariah yang dibeli dengan janji dijual kembali berdasarkan PSAK No. 111 "Akuntansi Wa'd". Pada saat pengakuan awal, Perseroan 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.

m. Efek-efek yang dijual dengan janji dibeli kembali dan efek-efek yang dibeli dengan janji dijual kembali

Efek-efek yang dijual dengan janji dibeli kembali disajikan sebagai liabilitas dalam laporan posisi keuangan konsolidasian sebesar harga pembelian kembali yang disepakati dikurangi selisih antar harga jual dan harga pembelian kembali yang disepakati. Selisih antara harga jual dan harga pembelian kembali yang disepakati tersebut diamortisasi dengan menggunakan metode suku bunga efektif sebagai beban bunga selama jangka waktu sejak efek-efek tersebut dijual hingga saat dibeli kembali.

Efek-efek yang dibeli dengan janji untuk dijual kembali disajikan sebagai aset dalam laporan posisi keuangan konsolidasian sebesar harga beli ditambah dengan pendapatan bunga yang sudah diakui tapi belum diterima, dikurangi dengan cadangan kerugian penurunan nilai, jika diperlukan.

Pada pengukuran awal, efek-efek yang dibeli dengan janji dijual kembali disajikan sebesar nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung.

Efek-efek yang dibeli dengan janji dijual kembali diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2h untuk kebijakan akuntansi pinjaman yang diberikan dan piutang.

n. Tagihan dan liabilitas derivatif

Dalam melakukan usaha bisnisnya, Bank melakukan transaksi instrumen keuangan derivatif seperti *swap* mata uang asing, *cross currency swap*, dan *swap* suku bunga.

Instrumen keuangan derivatif diakui pada nilai wajar, dengan biaya transaksi yang terjadi diakui langsung pada laba rugi. Derivatif dicatat sebagai aset apabila memiliki nilai wajar positif dan sebagai liabilitas apabila memiliki nilai wajar negatif.

Keuntungan atau kerugian yang terjadi dari perubahan nilai wajar diakui sebagai laba rugi tahun berjalan.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

l. Marketable securities (continued)

The Company records securities in the forms of sharia marketable securities purchased under resale agreements in accordance with PSAK No. 111 "Accounting for Wa'd". At initial recognition, the Company classifies the underlying securities from the first sale and purchase transaction as measured at fair value through other comprehensive income. Gain or losses arising from changes in its fair value is recorded as other comprehensive income.

m. Securities sold under repurchase agreements and securities purchased under resale agreement

Securities sold under repurchase agreement are presented as liabilities in the consolidated statement of financial position at the agreed repurchases price less the difference between the selling price and agreed purchases price. The difference between the selling price and agreed repurchase price is amortised using effective interest rate method as interest expense over the period commencing from the selling date of the repurchase date.

Securities purchased under resale agreements are presented as an asset in the consolidated statement of financial position at the purchase price added with interest income recognised but not yet received, less allowance for impairment losses, where appropriate.

Securities purchased under resale agreement are initially measured at fair value plus directly attributable transaction costs.

Securities purchased under resale agreement are classified as loans and receivable. Refer to Note 2h for the accounting policy of loans and receivables.

n. Derivative receivables and payables

In the normal course of business, the Bank enters into transactions involving derivative financial instruments such as foreign currency swap, cross currency swap, and interest rate swap.

Derivative financial instruments are recognised at their fair value, with transaction costs recognised directly in profit or loss. Derivative are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Gains or losses as a result of fair value changes are recognised as current year profit or loss.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

o. Tagihan dan liabilitas akseptasi

Tagihan akseptasi disajikan sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif dikurangi cadangan kerugian penurunan nilai, jika diperlukan.

Liabilitas akseptasi pada awalnya diakui sebesar nilai wajar dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Tagihan akseptasi diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2h untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

**p. Pinjaman yang diberikan dan pembiayaan/
piutang syariah**

Pinjaman yang diberikan adalah penyediaan uang atau tagihan yang dapat disetarakan dengan kas, berdasarkan persetujuan atau kesepakatan pinjam-meminjam dengan debitur yang mewajibkan debitur untuk melunasi utang berikut bunganya setelah jangka waktu tertentu.

Pembiayaan bersama dicatat sesuai dengan porsi kredit yang risikonya ditanggung oleh Bank dan Entitas Anak, dan dinyatakan sebesar biaya perolehan diamortisasi.

Pinjaman yang diberikan diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2h untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

Termasuk dalam pinjaman yang diberikan adalah pembiayaan/piutang syariah yang terdiri dari piutang murabahah, pembiayaan musyarakah dan pinjaman qardh.

Murabahah adalah akad jual beli antara nasabah dengan Entitas Anak, dimana Entitas Anak membiayai kebutuhan barang untuk konsumsi, investasi dan modal kerja nasabah, yang dijual dengan harga pokok ditambah dengan margin 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 bersih yang dapat direalisasi ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung dan biaya tambahan untuk memperoleh piutang murabahah tersebut. Setelah pengakuan awal, piutang murabahah diukur pada biaya perolehan diamortisasi menggunakan metode imbal hasil efektif dikurangi pendapatan margin yang ditangguhkan dan cadangan kerugian penurunan nilai.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

o. Acceptance receivables and payables

Acceptance receivables are stated at amortised cost using the effective interest rate method less allowance for impairment losses, where appropriate.

Acceptance payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Acceptance receivables are classified as loans and receivables. Refer to Note 2h for the accounting policy of loans and receivables.

p. Loans and sharia financing/receivables

Loans represent disbursement of cash or cash equivalent based on agreements with borrowers, where borrowers are required to repay their debts with interest after a specified period.

Joint financing is recorded according to the proportion of risks borne by the Bank and Subsidiary and stated at amortised cost.

Loans are classified as loans and receivables. Refer to Note 2h for the accounting policy of loans and receivables.

Included in the loans are sharia financing/receivables which consist of murabahah receivables, musyarakah financing and qardh financing.

Murabahah is a sale and purchase contract between the customer and the Subsidiary, whereby the Subsidiary finances the goods for consumption, investment and working capital needs of the customer, sold with a principle 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 net realisable value plus directly attributable transaction costs and additional costs to obtain the respective murabahah receivables. Subsequent to the initial recognition, they are measured at amortised cost using the effective rate of return method less deferred margin income and allowance for impairment losses.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**p. Pinjaman yang diberikan dan pembiayaan/
piutang syariah (lanjutan)**

**p. Loans and sharia financing/receivables
(continued)**

Pembiayaan musyarakah adalah akad kerjasama antara dua pihak atau lebih untuk suatu usaha tertentu, dimana masing-masing pihak memberikan kontribusi dana dengan ketentuan bahwa keuntungan dibagi berdasarkan kesepakatan, sedangkan kerugian berdasarkan porsi kontribusi dana. Dana tersebut meliputi kas atau aset non-kas yang diperkenankan oleh syariah.

Musyarakah financing is an agreement between two or more parties for a particular business, in which each party contributes funds with the terms that profits are shared according to the agreement, while losses are borne by each party proportionate to the amount of fund contributions. The fund consists of cash or non-cash assets allowed by sharia.

Pembiayaan musyarakah dinyatakan sebesar saldo pembiayaan dikurangi dengan saldo cadangan kerugian penurunan nilai. Entitas Anak menetapkan cadangan kerugian penurunan nilai sesuai dengan kualitas pembiayaan berdasarkan penelaahan atas masing-masing saldo pembiayaan.

Musyarakah financing is stated at outstanding balance, net of allowance for impairment losses. The Subsidiary provides allowance for impairment losses based on the financing quality as determined by a review of each account.

Pinjaman qardh adalah penyaluran dana dengan akad qardh.

Funds of qardh represent a distribution of funds with qardh agreement.

Pinjaman qardh adalah penyediaan dana atau tagihan yang dapat dipersamakan dengan itu berdasarkan persetujuan atau kesepakatan antara peminjam dan Entitas Anak yang mewajibkan peminjam melunasi utangnya setelah jangka waktu tertentu.

Funds of qardh represent funds provided or similar claims based on an agreement or contract between the borrower and the Subsidiary, wherein the borrower should repay the loan after a specified period of time.

Pinjaman qardh diakui sebesar total dana yang dipinjamkan pada saat terjadinya. Entitas Anak dapat menerima imbalan namun tidak diperkenankan untuk dipersyaratkan di dalam perjanjian. Imbalan tersebut diakui pada saat diterima.

A funds of qardh is recognised in the amount lent at the transaction date. The Subsidiary may receive a fee, however, this should not be stated in the agreement. The fee is recognised upon receipt.

Pinjaman qardh disajikan sebesar saldonya dikurangi cadangan kerugian penurunan nilai.

Funds of qardh is stated at its outstanding balance less allowance for impairment losses.

Skema restrukturisasi termasuk penyesuaian kembali suku bunga, pokok bunga dan tunggakan bunga, perpanjangan jangka waktu jatuh tempo, penjadwalan kembali pembayaran angsuran serta modifikasi persyaratan kredit.

Restructuring scheme includes interest rate, loan principal and past due interest adjustment, extension of repayment period, rescheduling of installment and modification of the term of the loan.

Kerugian yang timbul dari restrukturisasi kredit yang berkaitan dengan modifikasi persyaratan kredit diakui bila nilai kini dari jumlah penerimaan kas yang akan datang yang telah ditentukan dalam persyaratan kredit yang baru, termasuk penerimaan yang diperuntukkan sebagai bunga maupun pokok, adalah lebih kecil dari nilai pinjaman yang diberikan yang tercatat sebelum restrukturisasi.

Losses on loan restructurings in respect of modification of the terms of the loans are recognised only if the present value of total future cash receipts specified by the new terms of the loans, including both receipts designated as interest and those designated as loan principal, are less than the carrying amount of loans before restructuring.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

q. Penyertaan saham

Penyertaan saham merupakan investasi yang diklasifikasikan sebagai aset keuangan tersedia untuk dijual yang pada awalnya dicatat sebesar biaya perolehan karena terdiri dari efek ekuitas tanpa harga kuotasi yang nilai wajarnya tidak dapat diukur secara andal, kecuali untuk penyertaan saham yang memiliki harga kuotasi, maka dicatat sebesar nilai wajar pada pengakuan awal. Setelah pengakuan awal, penyertaan yang mempunyai harga kuotasi tersebut diukur pada nilai wajar.

Dividen kas yang diterima dari penyertaan saham diakui sebagai pendapatan.

r. Beban dibayar dimuka

Beban dibayar dimuka adalah beban yang telah dibayarkan tetapi belum diakui sebagai beban pada periode terjadinya. Beban dibayar dimuka akan diakui sebagai beban pada laba rugi pada saat diamortisasi sesuai dengan masa manfaatnya.

s. Aset tetap

Tanah disajikan sebesar nilai wajar, berdasarkan penilaian yang dilakukan oleh penilai independen eksternal yang telah terdaftar di OJK. Penilaian atas aset tersebut dilakukan secara berkala dan apabila terdapat perubahan nilai wajar yang signifikan untuk memastikan bahwa nilai wajar aset yang direvaluasi tidak berbeda secara material dengan jumlah tercatatnya.

Kenaikan nilai tercatat yang timbul dari revaluasi tanah dikreditkan pada "cadangan revaluasi aset tetap" sebagai bagian dari pendapatan komprehensif lainnya. Penurunan yang menghapus nilai kenaikan yang sebelumnya atas aset tetap yang sama dibebankan terhadap "cadangan revaluasi aset tetap" sebagai bagian dari laba komprehensif; penurunan lainnya dibebankan pada laba rugi tahun berjalan.

Tanah tidak disusutkan. Jika aset yang direvaluasi dijual, jumlah yang dicatat di dalam ekuitas dipindahkan ke saldo laba.

Aset tetap selain tanah diakui sebesar harga perolehan setelah dikurangi akumulasi penyusutan.

Harga perolehan termasuk pengeluaran yang dapat diatribusikan secara langsung atas perolehan aset tersebut.

q. Investment in shares

Investment in shares represents investment that is classified as available for sale financial assets which are carried at acquisition cost at initial recognition as it consists of unquoted equity securities which fair value cannot be reliably measured, except for certain investment in shares that has quoted price at initial recognition. Subsequent to initial recognition, investment in shares that have quoted price are measured at fair value.

Cash dividend received from investment in shares is recognised as income.

r. Prepayments

Prepayments are expenses which have been paid but not yet recognised as an expense in the related period. Prepayments are recognised as expenses in the profit or loss when it is amortised in accordance with the expected period of benefit.

s. Fixed assets

Land are presented at fair value based on valuations performed by certified external independent valuers which are registered with OJK. Valuations are performed on a regular basis and if there is significant change in fair value to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

The increases in the carrying amount arising on revaluation of land is credited to the "reserve on revaluation of fixed asset" as part of other comprehensive income. The decreases that offset the previous increases are debited against "reserve on revaluation of fixed asset" as part of other comprehensive income; all other decreases are charged to the current year profit or loss.

Land is not depreciated. When revalued assets are sold, the amounts included in equity are transferred to retained earnings.

Fixed assets other than land are recognised at cost less accumulated depreciation.

Acquisition cost includes expenditure that is directly attributable to the acquisition of the assets.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Aset tetap (lanjutan)

s. Fixed assets (continued)

Aset tetap, selain tanah, disusutkan selama taksiran masa manfaat ekonomis aset tetap dengan metode garis lurus dan diakui sebesar harga perolehan setelah dikurangi dengan akumulasi penyusutan.

Fixed assets, except land, are depreciated over their expected useful lives using straight-line method and are stated at cost less accumulated depreciation.

Taksiran masa manfaat ekonomis aset tetap adalah sebagai berikut:

The expected useful lives of fixed assets are as follows:

	Tahun/Years	
Gedung	20	<i>Buildings</i>
Golongan I:		<i>Class I:</i>
Kendaraan bermotor	4	<i>Vehicles</i>
Perlengkapan kantor	3, 4 & 8	<i>Office equipment</i>
Golongan II:		<i>Class II:</i>
Kendaraan bermotor	3,5 & 8	<i>Vehicles</i>
Perlengkapan kantor	5 & 8	<i>Office equipment</i>
<i>Leasehold improvement</i>	<i>sesuai masa sewa/according to lease period</i>	<i>Leasehold improvement</i>

Kendaraan bermotor yang termasuk dalam golongan I adalah sepeda motor sedangkan kendaraan operasional dan kendaraan dinas untuk direktur atau komisaris termasuk dalam golongan II.

Motor vehicles classified in class I are motorcycles whilst operational vehicles and office vehicles for directors or commissioners are classified in class II.

Perlengkapan kantor yang termasuk dalam golongan I adalah mebel dan peralatan dari kayu dan rotan, mesin kantor seperti mesin tik, mesin fotokopi, komputer, laptop, alat komunikasi, alat dapur dan perlengkapan lain seperti CCTV. Sedangkan yang termasuk dalam golongan II adalah mebel dan peralatan dari logam seperti brankas, pendingin ruangan, dan generator listrik.

Office equipment classified as class I are furniture and office equipment made from wood, office machine such as typing machine, photocopy machine, computer, laptop, communication tools, kitchen set and other equipment such as CCTV. Whilst office equipment classified as class II are furniture and office equipment made from metal such as safes, air conditioning and electrical generator.

Biaya-biaya setelah pengakuan awal diakui sebagai bagian dari nilai tercatat aset atau sebagai aset yang terpisah sebagaimana mestinya, hanya jika kemungkinan besar Perseroan akan mendapatkan manfaat ekonomis masa depan berkenaan dengan aset tersebut dan biaya perolehan aset dapat diukur dengan handal. Nilai tercatat komponen yang diganti dihapuskan. Biaya perbaikan dan pemeliharaan dibebankan ke dalam laba rugi tahun berjalan.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance costs are charged to the current year profit or loss.

Apabila aset tetap tidak digunakan lagi atau dijual, maka nilai perolehan dan akumulasi penyusutannya dihapuskan dari laporan keuangan konsolidasian. Keuntungan atau kerugian bersih atas pelepasan aset tetap ditentukan dengan membandingkan hasil yang diterima dengan nilai tercatat dan diakui pada laba rugi tahun berjalan.

When fixed assets are no longer in use or disposed of, their costs and the related accumulated depreciation are written off in the consolidated financial statements. Net gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the current year profit or loss.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN** (lanjutan)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES** (continued)

s. Aset tetap (lanjutan)

s. Fixed assets (continued)

Akumulasi biaya konstruksi bangunan serta pemasangan peralatan kantor, dikapitalisasi sebagai aset dalam penyelesaian. Biaya tersebut direklasifikasi ke akun aset tetap pada saat proses konstruksi atau pemasangan selesai. Penyusutan dimulai pada saat aset tersebut siap untuk digunakan dengan tujuan yang diinginkan manajemen.

The accumulated costs of the construction of buildings and the installation of office equipment are capitalized as construction in progress. These costs are reclassified to fixed assets accounts when the construction or installation is completed. Depreciation is charged from the date the assets are ready for use in the manner intended by management.

Nilai tercatat aset segera diturunkan sebesar jumlah yang dapat dipulihkan ketika nilai tercatat aset lebih besar dari estimasi jumlah yang dapat dipulihkan.

The asset's carrying amount is written down immediately to its recoverable amount when the asset's carrying amount is greater than its estimated recoverable amount.

Nilai sisa aset, masa manfaat dan metode penyusutan ditelaah dan jika perlu disesuaikan, pada setiap akhir periode pelaporan.

The assets' residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

t. Aset takberwujud

t. Intangible assets

Goodwill

Goodwill

Goodwill dinyatakan sebesar nilai perolehan dikurangi akumulasi kerugian penurunan nilai. Peninjauan atas penurunan nilai pada *goodwill* dilakukan setahun sekali atau lebih sering apabila terdapat peristiwa atau perubahan keadaan yang mengindikasikan adanya potensi penurunan nilai.

Goodwill is carried at cost less accumulated impairment losses. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Piranti lunak

Software

Piranti lunak memiliki masa manfaat yang terbatas dan diakui sebesar harga perolehan, selanjutnya dicatat sebesar harga perolehan dikurangi akumulasi amortisasi dan kerugian penurunan nilai.

Software have a finite useful life and recognised at acquisition cost, subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

Biaya yang dikeluarkan untuk memperoleh lisensi piranti lunak dan mempersiapkan piranti lunak tersebut sehingga siap untuk digunakan dikapitalisasi.

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Biaya yang terkait dengan pemeliharaan program piranti lunak diakui sebagai beban pada saat terjadinya. Biaya pengembangan yang dapat secara langsung diatribusikan dalam pembuatan dan pengujian produk piranti lunak yang dapat diidentifikasi dan unik yang dikendalikan oleh Bank dan Entitas Anak diakui sebagai aset takberwujud.

Costs associated with maintaining software programs are recognised as expense when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank and Subsidiary are recognised as intangible assets.

Biaya yang dapat diatribusikan secara langsung dikapitalisasi sebagai bagian produk piranti lunak mencakup beban pekerja pengembang piranti lunak dan bagian *overhead* yang relevan.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

t. Aset takberwujud (lanjutan)

t. Intangible assets (continued)

Piranti lunak (lanjutan)

Software (continued)

Pengeluaran pengembangan lain yang tidak memenuhi kriteria ini diakui sebagai beban pada saat terjadinya. Biaya pengembangan yang sebelumnya diakui sebagai beban tidak dapat diakui sebagai aset pada periode berikutnya.

Other development expenditures that do not meet these criteria are recognised as expense when incurred. Development costs previously recognised as expense are not recognised as asset in a subsequent period.

Amortisasi diakui dalam laba rugi dengan menggunakan metode garis lurus sepanjang masa manfaat piranti lunak tersebut, sejak tanggal piranti tersebut siap untuk dipakai. Estimasi masa manfaat dari piranti lunak adalah 4-5 tahun.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date it is ready for use. The estimated useful life of software is 4-5 years.

Aset takberwujud dihentikan pengakuannya atau dilepas ketika tidak lagi terdapat manfaat masa depan yang diharapkan dari penggunaan atau pelepasannya.

Intangible assets shall be derecognised or disposal when no future economic benefits are expected from its use or disposal.

u. Aset lain-lain

u. Other assets

Aset lain-lain sebagian besar terdiri dari pembayaran obligasi, tagihan ATM dan transfer, jaminan sewa, aset imbalan kerja, tagihan kepada asuransi, uang muka, persediaan keperluan kantor, persediaan terkait dengan pembiayaan Syariah (murabahah) dan agunan yang diambil alih dari Entitas Anak.

Other assets mainly bonds payment, ATM transaction and transfer, rental security deposits, employee benefit assets, receivables from insurance company, advance payment, office supplies, inventories related to sharia financing (murabahah), and foreclosed collateral from Subsidiary.

Perseroan mengakui kerugian penurunan nilai untuk aset lain-lain apabila taksiran jumlah yang dapat diperoleh kembali dari suatu aset lebih rendah dari nilai tercatatnya. Pada setiap tanggal pelaporan, Perseroan melakukan penelaahan untuk menentukan apakah terdapat indikasi penurunan nilai. Pemulihan penurunan nilai diakui sebagai keuntungan dalam laba rugi pada saat terjadinya.

The Company recognises impairment losses of other assets if the recoverable amount of the assets is lower than the carrying value. At each reporting date, the Bank and Subsidiary evaluate the recoverable amount of the assets to determine whether there is an indication of impairment. Reversal of impairment losses is recognised as gain in the profit or loss when incurred.

**v. Simpanan nasabah dan simpanan dari bank-
bank lain**

**v. Deposits from customers and deposits from
other banks**

Simpanan nasabah adalah dana yang dipercayakan oleh masyarakat kepada Bank dan Entitas Anak berdasarkan perjanjian penyimpanan dana. Termasuk didalamnya adalah giro, tabungan, deposito berjangka deposito *on call* dan simpanan nasabah berdasarkan prinsip syariah.

Deposits from customers are the funds placed by customers to the Bank and Subsidiary based on fund deposits agreements. Included in these accounts are current accounts, saving deposits, time deposits and deposits on call and sharia deposits from customers.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**v. Simpanan nasaban dan simpanan dari
bank-bank lain (lanjutan)**

Simpanan nasabah berdasarkan prinsip syariah terdiri dari giro dan tabungan wadiah. Giro wadiah merupakan giro wadiah yadh-dhamanah yakni titipan dana pihak lain dimana pemilik dana mendapatkan bonus berdasarkan kebijakan Entitas Anak. Giro wadiah dicatat sebesar saldo titipan pemegang giro wadiah. Tabungan wadiah merupakan simpanan pihak lain yang bisa diambil kapan saja (*on call*) atau berdasarkan kesepakatan dimana tidak ada imbalan yang disyaratkan kecuali dalam bentuk pemberian ('Athaya') sukarela dari Entitas Anak.

Simpanan dari bank-bank lain terdiri dari liabilitas terhadap bank-bank lain, dalam bentuk giro, tabungan, deposito berjangka, sertifikat deposito tanpa warkat dan *call money*.

Simpanan nasabah dan simpanan dari bank-bank lain diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Biaya tambahan yang dapat diatribusikan secara langsung dengan perolehan simpanan nasabah dan simpanan dari bank lain dikurangkan dari jumlah simpanan nasabah dan simpanan dari bank-bank lain.

Simpanan dari bank-bank lain disajikan sebesar jumlah liabilitas terhadap bank lain.

w. Efek-efek yang diterbitkan

Efek-efek yang diterbitkan mencakup surat utang jangka menengah dan utang obligasi.

Surat utang jangka menengah yang diterbitkan pada awalnya diakui sebesar nilai wajar dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode bunga efektif.

Utang obligasi dicatat sebesar nilai nominal dikurangi dengan biaya emisi yang belum diamortisasi. Biaya emisi adalah biaya yang terjadi sehubungan dengan utang obligasi, diakui sebagai beban yang ditangguhkan dan dikurangkan langsung dari hasil emisi dan diamortisasi selama jangka waktu utang obligasi tersebut dengan menggunakan metode suku bunga efektif.

x. Pinjaman yang diterima

Pada saat pengakuan awal, pinjaman diakui sebesar nilai wajar, dikurangi dengan biaya-biaya transaksi yang terjadi. Selanjutnya, pinjaman yang diterima diukur sebesar biaya perolehan diamortisasi; selisih antara penerimaan (dikurangi biaya transaksi) dan nilai pelunasan dicatat pada laba rugi selama periode pinjaman dengan menggunakan metode suku bunga efektif.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**v. Deposits from customers and deposits from
other banks (continued)**

Sharia deposits consist of wadiah demand deposits and saving deposits. Wadiah demand deposits are wadiah yadh-dhamanah demand deposits in which the funds owner will get a bonus based on the Subsidiary's policy. Wadiah demand deposits are stated at the amount entrusted by depositors. Wadiah saving deposits represent third party funds which can be taken at any time (on call) or by an agreement which required no reward except in the form of voluntary bonus ('Athaya') on the part of the Subsidiary.

Deposits from other banks represent liabilities to other domestic banks, in the form of current accounts, saving deposits, term deposits, Negotiable Certificate of Deposits and call money.

Deposits from customers and deposits from other banks are classified as financial liabilities measured at amortised cost. Incremental costs directly attributable to the acquisition of deposits from customers and deposits from other banks are deducted from the amount of deposits from customers and deposits from other banks.

Deposits from other banks are stated at the amounts due to other banks.

w. Securities issued

Securities issued includes medium term notes and bonds payable.

Medium term notes issued are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Bonds payable are stated at nominal value net of unamortised bond issuance cost. Costs incurred in connection with the bonds payable, are recognised as a deferred expense and offset directly from the proceeds derived from such offerings and amortised over the period of the bonds payable using the effective interest rate method.

x. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest rate method.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

x. Pinjaman yang diterima (lanjutan)

Biaya yang dibayar untuk memperoleh fasilitas pinjaman diakui sebagai biaya transaksi pinjaman sepanjang besar kemungkinan sebagian atau seluruh fasilitas akan ditarik. Dalam hal ini, biaya memperoleh pinjaman ditangguhkan sampai penarikan pinjaman terjadi. Sepanjang tidak terdapat bukti bahwa besar kemungkinan sebagian atau seluruh fasilitas akan ditarik, biaya memperoleh pinjaman dikapitalisasi sebagai pembayaran dimuka untuk jasa likuiditas dan diamortisasi selama periode fasilitas yang terkait.

y. Imbalan kerja karyawan

Imbalan kerja jangka pendek

Imbalan kerja jangka pendek diakui pada saat terutang kepada karyawan.

Imbalan pascakerja

Liabilitas imbalan pascakerja dihitung sebesar nilai kini dari taksiran jumlah imbalan pascakerja di masa depan yang timbul dari jasa yang telah diberikan oleh karyawan tersebut pada masa kini dan masa lalu. Perhitungan dilakukan oleh aktuaris independen dengan metode *projected-unit-credit*.

Ketika imbalan pasca-kerja berubah, porsi imbalan sehubungan dengan jasa yang telah diberikan oleh karyawan pada masa lalu, diakui segera dalam dalam laba rugi. Pengukuran kembali liabilitas imbalan pascakerja (contohnya keuntungan/kerugian aktuarial) diakui segera sebagai penghasilan komprehensif lain.

Imbalan jangka panjang lainnya

Imbalan jangka panjang lainnya berupa cuti berimbalan jangka panjang dihitung dengan menggunakan metode *projected unit credit* dan didiskontokan ke nilai kini. Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial diakui dalam laba rugi tahun berjalan.

z. Pinjaman subordinasi

Pinjaman subordinasi pada awalnya diakui sebesar nilai wajar dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

x. Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawdown. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawdown, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

y. Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised when they are payable to the employees.

Post-employment benefits

The post-employment benefits liabilities are calculated at present value of estimated future benefits that the employees have earned in return for their services in the current and prior periods. The calculation is performed by an independent actuary using the projected-unit-credit method.

When the benefits of a plan are changed, the portion of the benefits that relate to service by employees is recognised immediately in profit or loss. Remeasurements of the post-employment benefits liabilities (for example actuarial gain/loss) are recognised immediately as other comprehensive income.

Other long-term benefits

Other long-term benefits such as long service leave are calculated using the projected unit credit method and discounted to present value. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumption are recognised to the current year profit or loss.

z. Subordinated loans

Subordinated loans are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

aa. Dana syirkah temporer

aa. Temporary syirkah funds

Dana syirkah temporer adalah dana yang diterima oleh Entitas Anak.

Temporary syirkah funds represent investment received by Subsidiary.

Dana syirkah temporer merupakan investasi dengan akad mudharabah mutlaqah, yaitu pemilik dana (shahibul maal) memberikan kebebasan kepada pengelola dana (mudharib/Entitas Anak) dalam pengelolaan investasinya sesuai prinsip syariah dengan keuntungan dibagikan sesuai kesepakatan. Dana syirkah temporer terdiri dari tabungan mudharabah dan deposito mudharabah.

Temporary syirkah funds represent investments from other parties conducted on the basis mudharabah mutlaqah contract in which the owners of the funds (shahibul maal) grant freedom to the fund manager (mudharib/Subsidiary) in the management of their investments according to sharia principle with profit distributed based on the agreement. Temporary syirkah funds consist of mudharabah saving accounts and mudharabah time deposits.

Tabungan mudharabah merupakan investasi yang bisa ditarik kapan saja (*on call*) atau sesuai dengan persyaratan tertentu yang disepakati. Tabungan mudharabah dinyatakan sebesar saldo tabungan nasabah di Entitas Anak.

Mudharabah saving accounts represent investment which could be withdrawn anytime (on call) or can be withdrawn based on certain agreed terms. Mudharabah saving deposits are stated based on the customer's savings deposit balance at the Subsidiary.

Deposito mudharabah merupakan investasi yang hanya bisa ditarik pada waktu tertentu sesuai dengan perjanjian antara pemegang deposito mudharabah dengan Entitas Anak. Deposito mudharabah dinyatakan sebesar nilai nominal sesuai dengan perjanjian antara pemegang deposito dengan Entitas Anak.

Mudharabah time deposits represent investment which can only be withdrawn at a certain time based on the agreement between the customer and the Subsidiary. Mudharabah time deposits are stated at nominal amount as agreed between the deposit holder and the Subsidiary.

Dana syirkah temporer tidak dapat digolongkan sebagai liabilitas. Hal ini karena Entitas Anak tidak berkewajiban untuk menjamin pengembalian jumlah dana awal dari pemilik dana bila Entitas Anak merugi kecuali kerugian akibat kelalaian atau wanprestasi. 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.

Temporary syirkah funds cannot be classified as liability, because the Subsidiary does not have any obligation to return the initial funds to the owners if the Subsidiary experiences losses, except for losses caused by the Subsidiary's management negligence or default. On the other hand, temporary syirkah fund cannot be classified as 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.

Pemilik dana syirkah temporer mendapatkan imbalan bagi hasil sesuai dengan nisbah yang ditetapkan.

The owner of temporary syirkah funds receives a return from the profit sharing based on a predetermined ratio.

ab. Modal saham

ab. Share capital

Saham biasa diklasifikasikan sebagai ekuitas.

Ordinary shares are classified as equity.

Tambahan biaya yang secara langsung terkait dengan penerbitan saham biasa atau opsi baru disajikan pada bagian ekuitas sebagai pengurang, sebesar jumlah yang diterima bersih setelah dikurangi pajak.

Incremental costs directly attributable to the issuance of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

ab. Modal saham (lanjutan)

ab. Share capital (continued)

Saham tresuri

Ketika Bank membeli modal saham ekuitas (saham tresuri), imbalan yang dibayar, termasuk biaya tambahan yang secara langsung dapat diatribusikan (dikurangi pajak penghasilan) dikurangkan dari ekuitas yang diatribusikan kepada pemilik ekuitas Bank sampai saham tersebut dibatalkan atau diterbitkan kembali. Ketika saham biasa tersebut selanjutnya diterbitkan kembali, imbalan yang diterima, dikurangi biaya tambahan transaksi yang terkait dan dampak pajak penghasilan yang terkait dimasukkan kepada ekuitas yang dapat diatribusikan kepada pemilik ekuitas Bank.

Treasury shares

When Bank purchases the equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Bank's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Bank's equity holders.

ac. Pembayaran berbasis saham

Bank dan Entitas Anak menyediakan program imbalan berbasis saham yang diselesaikan dengan ekuitas, dimana Bank dan Entitas Anak memberikan opsi instrumen ekuitas Bank kepada karyawan sebagai imbalan atas jasa mereka. Nilai wajar opsi yang diberikan diakui sebagai beban dan dengan peningkatan pada ekuitas. Jumlah nilai yang harus dibebankan ditentukan dengan mengacu kepada nilai wajar opsi pada tanggal diberikan:

ac. Share-based payments

The Bank and Subsidiary provide equity-settled share-based compensation plans, under which the Bank and Subsidiary give share option of the Bank's shares to employees in return for their services. The fair value of the options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options at grant date:

- termasuk kinerja pasar (misalnya: harga saham Bank);
- tidak termasuk dampak dari jasa dan kondisi *vesting* yang tidak dipengaruhi kinerja pasar (misalnya profitabilitas, target pertumbuhan penjualan dan tetap menjadi karyawan Bank atau Entitas Anak selama periode waktu tertentu); dan
- termasuk dampak dari kondisi *non-vesting*.

- including any market performance conditions (for example: a Bank's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example: profitability, sale growth targets and remaining an employee of the Bank or Subsidiary over a specified time period); and
- including the impact of any non-vesting conditions.

Syarat jasa dan syarat yang tidak dipengaruhi kinerja pasar dimasukkan di dalam asumsi mengenai jumlah opsi yang diharapkan akan menjadi hak (*vest*). Jumlah beban diakui selama periode *vesting*, yaitu periode dimana seluruh kondisi *vesting* tertentu telah terpenuhi.

Service conditions and non-market performance are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Setiap akhir periode pelaporan, Bank dan Entitas Anak merevisi estimasi jumlah opsi yang diharapkan *vest* berdasarkan syarat jasa. Selisih antara estimasi yang direvisi dengan jumlah estimasi sebelumnya, jika ada, diakui dalam laba rugi, dengan penyesuaian pada ekuitas.

At the end of each reporting period, the Bank and Subsidiary revise their estimates of the number of options that are expected to vest based on the service conditions. The difference between the revised estimates and original estimates, if any, is recognised in the profit or loss, with a corresponding adjustment to equity.

Ketika opsi dieksekusi, Bank menerbitkan sejumlah saham baru atau menerbitkan kembali saham tresurinya (jika ada). Nilai kas yang diterima dikurangi dengan biaya transaksi yang dapat diatribusikan dikreditkan ke modal saham (nilai nominal) dan tambahan modal disetor.

When the options are executed, the Bank issues new shares or reissue its treasury shares (if any). The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and additional paid-in capital.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

ad. Perpajakan

Beban pajak penghasilan terdiri dari beban pajak kini dan beban pajak tangguhan. Beban pajak penghasilan diakui pada laba rugi, kecuali untuk komponen yang diakui secara langsung di ekuitas atau di penghasilan komprehensif lain.

Pajak kini merupakan estimasi utang atau pengembalian pajak yang dihitung atas laba atau rugi kena pajak untuk tahun yang bersangkutan dengan menggunakan tarif pajak yang secara substansial telah berlaku pada tanggal pelaporan dan termasuk penyesuaian yang dibuat untuk penyesuaian pajak tahun sebelumnya, baik untuk merekonsiliasi pajak penghasilan dengan pajak yang dilaporkan di surat pemberitahuan tahunan, atau untuk memperhitungkan perbedaan yang muncul dari pemeriksaan pajak.

Utang atau restitusi pajak kini diukur menggunakan estimasi terbaik atas jumlah yang diperkirakan akan dibayar atau diterima, dengan mempertimbangkan ketidakpastian terkait dengan kompleksitas peraturan pajak.

Pajak tangguhan diakui atas perbedaan temporer antara nilai tercatat aset dan liabilitas untuk tujuan pelaporan keuangan dan nilai yang digunakan untuk tujuan perpajakan. Pajak tangguhan diukur dengan menggunakan tarif pajak yang diharapkan untuk ditetapkan atas perbedaan temporer pada saat pembalikan, berdasarkan peraturan yang telah berlaku atau secara substantif berlaku pada tanggal pelaporan. Metode ini juga mengharuskan pengakuan manfaat pajak masa depan, seperti rugi fiskal yang belum dikompensasi, apabila besar kemungkinan manfaat pajak tersebut dapat direalisasi.

Aset pajak tangguhan ditelaah ulang pada setiap tanggal pelaporan dan dikurangkan dengan manfaat pajak sejumlah nilai yang besar kemungkinan yang tidak dapat terealisasi; pengurangan tersebut akan dibalik ketika kemungkinan atas laba kena pajak di masa depan meningkat.

Aset pajak tangguhan yang belum diakui dinilai kembali pada setiap tanggal pelaporan dan diakui sepanjang kemungkinan besar laba kena pajak masa depan akan tersedia untuk digunakan.

Dalam menentukan jumlah pajak kini dan tangguhan, Bank dan Entitas Anak memperhitungkan dampak atas posisi pajak yang tidak pasti dan tambahan pajak serta penalti.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

ad. Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or refundable on taxable income or loss for the year using tax rates substantively enacted as of the reporting date, and includes true-up adjustments made to the previous years' tax provisions either to reconcile them with the income tax reported in annual tax returns, or to account for differences arising from tax assessments.

Current tax payable or refundable is measured using the best estimate of the amount expected to be paid or received, taking into consideration the uncertainty associated with the complexity of tax regulations.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted as of the reporting date. This method also requires the recognition of future tax benefits, such as tax loss carryforwards, to the extent that realisation of such benefits is probable.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable incomes improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable income will be available against which they can be used.

In determining the amount of current and deferred tax, the Bank and Subsidiary take into account the impact of uncertain tax positions and any additional taxes and penalties.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ad. Perpajakan (lanjutan)

ad. Taxation (continued)

Koreksi atas kewajiban pajak diakui pada saat surat ketetapan pajak diterima, atau apabila diajukan keberatan dan atau banding, maka koreksi diakui pada saat keputusan atas keberatan atau banding itu diterima.

Amendments to tax obligations are recognised when an assessment is received, or if objection and or appeal is applied, when the results of the objection or the appeal are received.

ae. Pendapatan dan beban bunga dan pendapatan syariah dan hak pihak ketiga atas bagi hasil dana syirkah temporer

ae. Interest income and expense and sharia income and third parties' shares on return of temporary syirkah funds

(i). Konvensional

(i). Conventional

Pendapatan dan beban bunga untuk semua instrumen keuangan dengan *interest-bearing* dicatat dalam "pendapatan bunga" dan "beban bunga" di dalam laba rugi menggunakan metode suku bunga efektif.

Interest income and expense for all interest-bearing financial instruments are recognised within "interest income" and "interest expense" in profit or loss using the effective interest rate method.

Metode suku bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan diamortisasi dari aset atau liabilitas keuangan dan metode untuk mengalokasikan pendapatan atau beban bunga selama periode yang relevan. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa datang selama perkiraan umur dari instrumen keuangan, atau jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh nilai tercatat bersih dari aset atau liabilitas keuangan.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

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.

Interest on impaired financial assets continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment losses.

(ii). Pendapatan syariah

(ii). Sharia income

Pendapatan pengelolaan dana oleh Entitas Anak sebagai mudharib terdiri atas pendapatan dari jual beli-margin murabahah, pendapatan bagi hasil-pembiayaan musyarakah, dan pendapatan usaha utama lainnya.

Income from fund management by Subsidiary as mudharib consist of income from sales and purchases-murabahah margin, income from profit sharing-musyarakah financing and other main operating income.

Pengakuan pendapatan atas piutang murabahah yang tidak memiliki risiko yang signifikan terkait dengan kepemilikan persediaan diakui pada laba rugi dengan menggunakan metode tingkat imbal hasil efektif.

The revenue recognition of murabahah receivables, which do not have significant risk in relation with the ownership of inventory, are recognised in profit or loss using the effective rate of return method.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

ae. Pendapatan dan beban bunga dan pendapatan syariah dan hak pihak ketiga atas bagi hasil dana syirkah temporer (lanjutan)

(ii). Pendapatan syariah (lanjutan)

Tingkat imbal hasil efektif merupakan metode alokasi pengakuan pendapatan dan merupakan tingkat imbal hasil yang secara tepat mendiskontokan estimasi penerimaan kas di masa depan selama perkiraan umur dari piutang murabahah untuk memperoleh nilai tercatat piutang murabahah. Pada saat menghitung tingkat imbal hasil efektif, Entitas Anak mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam piutang murabahah tersebut, tetapi tidak mempertimbangkan kerugian piutang di masa mendatang. Perhitungan ini mencakup seluruh komisi, provisi dan bentuk lain yang diterima oleh para pihak dalam akad yang merupakan bagian tidak terpisahkan dari tingkat imbal hasil efektif, biaya transaksi, dan seluruh premi atau diskon lainnya.

Pendapatan bagi hasil - pembiayaan musyarakah diakui dalam periode terjadinya hak bagi hasil sesuai nisbah yang disepakati.

(iii). Hak pihak ketiga atas bagi hasil dana syirkah temporer

Hak pihak ketiga atas bagi hasil dana syirkah temporer merupakan bagian bagi hasil milik nasabah yang didasarkan pada prinsip mudharabah atas hasil pengelolaan dana mereka oleh Entitas Anak. Pendapatan yang dibagikan adalah yang telah diterima (*cash basis*).

Pendapatan marjin atas pembiayaan yang diberikan dan atas aset produktif lainnya (penempatan pada Bank Indonesia, penempatan pada bank lain dan investasi pada surat berharga) akan dibagikan kepada nasabah pemilik dana dan Entitas Anak sesuai dengan proporsi dana yang dipakai dalam pembiayaan yang diberikan dan aset produktif lainnya. Selanjutnya, pendapatan marjin yang tersedia tersebut kemudian didistribusikan ke nasabah pemilik dana sebagai shahibul maal dan Entitas Anak sebagai mudharib sesuai porsi nisbah bagi hasil yang telah disepakati bersama sebelumnya.

Pendapatan marjin dari pembiayaan dan aset produktif lainnya yang memakai dana Entitas Anak, seluruhnya menjadi milik Entitas Anak, termasuk pendapatan dari transaksi Entitas Anak berbasis imbalan.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

ae. Interest income and expense and sharia income and third parties' shares on return of temporary syirkah funds (continued)

(ii). Sharia income (continued)

Effective rate of return is an allocation method of revenue recognition and the rate which exactly discounts the estimated future cash receipts through the expected life of the murabahah receivable to obtain the carrying amount of murabahah receivables. When calculating the effective rate of return, the Subsidiary estimates future cash flows by considering all contractual terms of the murabahah receivables, but does not consider the loss of receivables in the future. This calculation includes all commissions, provisions and other forms received by the parties in a contract which are an integral part of the effective rate of return, transaction costs and all other premiums or discounts.

Income from profit sharing - musyarakah financing is recognised during the period of profit sharing in accordance with the pre-determined ratio.

(iii). Third parties' shares on return of temporary syirkah funds

Third parties' share on returns of temporary syirkah funds represents customer's share on the Subsidiary's income derived from the management of their funds by the Subsidiary under mudharabah principles. Distributable income will be distributed from the cash received (*cash basis*).

Margin income on financing facilities and other earning assets (placements with Bank Indonesia, placements with other banks and investments in marketable securities) are distributed to fund owners and the Subsidiary based on proportion of funds used in the financing and other earning assets. Likewise, the available margin income is then distributed to fund owners as shahibul maal and the Subsidiary as mudharib based on a pre-determined ratio (*nisbah*).

Margin income from financing facilities and other earning assets using the Subsidiary's funds, are entirely shared for the Subsidiary, including income from the Subsidiary's fee-based transactions.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

af. Pendapatan provisi dan komisi

Pendapatan provisi dan komisi yang dapat diatribusikan secara langsung kepada aktivitas meminjamkan diakui sebagai pengurang biaya pinjaman dan nilai tercatat atas pinjaman tersebut akan diamortisasi sebagai pendapatan bunga dengan menggunakan metode suku bunga efektif.

Pada umumnya pendapatan provisi dan komisi diakui menggunakan basis akrual pada saat jasa telah diberikan. Pendapatan provisi atas komitmen memberikan pinjaman yang kemungkinan besar akan dicairkan (bersama-sama dengan biaya transaksi lain yang terkait langsung) diakui sebagai penyesuaian atas suku bunga efektif atas pinjaman yang diberikan.

Pendapatan provisi dan komisi yang tidak berkaitan dengan kegiatan pemberian kredit diakui sebagai pendapatan pada saat terjadinya transaksi dan diklasifikasikan sebagai pendapatan operasional lainnya atau beban operasional lainnya.

ag. Pendapatan dan beban operasional lainnya

Pendapatan operasional lainnya sebagian besar terdiri dari penerimaan kembali kredit atas hapus buku, administrasi atas pinjaman yang diberikan, denda pelunasan dipercepat, penjualan produk investasi, dan administrasi dana pihak ketiga.

Pendapatan dari komisi asuransi merupakan pendapatan yang diperoleh Bank berdasarkan persentase tertentu dari total premi yang dibayarkan oleh Bank kepada perusahaan asuransi atas nama nasabah.

Beban umum dan administrasi merupakan beban yang timbul sehubungan dengan aktivitas kantor dan operasional Bank dan Entitas Anak, yang terdiri dari jasa pihak ketiga dan perlengkapan kantor, sewa, penyusutan asset tetap, amortisasi piranti lunak, beban asuransi, promosi dan iklan. Beban tenaga kerja meliputi beban berupa gaji karyawan, bonus, lembur, tunjangan dan pelatihan.

Seluruh penghasilan dan beban yang terjadi dibebankan pada laporan laba rugi konsolidasian pada saat terjadi.

af. Fee and commission income

Fees and commissions income directly attributable to lending activity are recognised as a deduction of lending cost and will be recognised as interest income by amortising the carrying value of loan using effective interest rate method.

Fees and commissions income are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are (together with related direct costs) recognised as an adjustment to the effective interest rate on the loan.

Fees and commissions income which are not related to lending activities are recognised as revenue on the transaction date and classified under other operating income or other operating expenses.

ag. Other operating income and expenses

Other operating income mainly consists of write-off recovery, loan administration, early termination penalty and late penalty, sale of investment product, and third party fund administration income.

Insurance commission income represents the Bank's income based on certain percentage of insurance premium paid by the Bank to insurance company on behalf of customers.

General and administrative expenses represent expenses related to the Bank and Subsidiary's office and operational activities which mainly consist of service from third parties and office supplies, rent, depreciation of fixed assets, amortisation of software, insurance expense, and promotion and advertising. Personnel expense includes salaries for employees, bonuses, overtime, allowances and training.

All of these income and expenses are recorded in the consolidated statement of profit or loss when incurred.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

ah. Laba per saham

ah. Earning per share

Laba bersih per saham dasar dihitung dengan membagi laba bersih dengan rata-rata tertimbang jumlah saham biasa yang beredar pada periode berjalan.

Basic earnings per share are computed by dividing net profit with the weighted average number of ordinary shares outstanding during the period.

Laba per saham dilusian dihitung dengan membagi jumlah rata-rata tertimbang saham biasa yang beredar dengan dampak dari semua efek berpotensi saham biasa yang dilutif yang dimiliki Bank, yaitu opsi saham.

Diluted earnings per share is calculated by dividing the weighted average number of ordinary shares outstanding plus the assumed conversion of all dilutive potential ordinary shares owned by Bank, which is stock option.

Ketika opsi dieksekusi, Bank menerbitkan sejumlah saham baru atau menerbitkan kembali saham treasurinya (jika ada). Nilai kas yang diterima, dikurangi dengan biaya transaksi yang dapat diatribusikan, dikreditkan ke modal saham (nilai nominal) dan agio saham.

When the options are exercised, the Bank issues new shares or reissues its treasury shares (if any). The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

ai. Segmen operasi

ai. Operating segment

Segmen operasi adalah komponen dari Perseroan yang terlibat dalam aktivitas bisnis yang menghasilkan pendapatan dan menimbulkan beban, termasuk pendapatan dan beban yang terkait dengan transaksi dengan komponen lain Perseroan, dimana hasil operasinya dikaji ulang secara berkala oleh pengambil keputusan operasional untuk membuat keputusan mengenai sumber daya yang akan dialokasikan pada segmen tersebut dan menilai kinerjanya, serta tersedia informasi keuangan yang dapat dipisahkan. Hasil segmen yang dilaporkan kepada pengambil keputusan operasional meliputi komponen-komponen yang dapat diatribusikan secara langsung kepada suatu segmen, dan komponen-komponen yang dapat dialokasikan dengan dasar yang wajar.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the operating decision makers to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the operating decision makers include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

aj. Transaksi Sewa

aj. Lease Transaction

Sesuai dengan PSAK No. 30, Perseroan menentukan suatu perjanjian merupakan perjanjian sewa atau perjanjian yang mengandung sewa berdasarkan substansi perjanjian dan dilakukan evaluasi apakah pemenuhan perjanjian bergantung pada penggunaan suatu aset atau aset-aset tertentu dan perjanjian tersebut memberikan suatu hak untuk menggunakan aset tersebut.

In accordance with PSAK No. 30, the Company determines an arrangement is, or contains, a lease based on the substance of the arrangement and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

aj. Transaksi Sewa (lanjutan)

aj. Lease Transaction (continued)

Transaksi sewa yang dilakukan Perseroan diklasifikasikan sebagai sewa operasi jika tidak terdapat pengalihan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset. Pembayaran sewa diakui sebagai beban dengan garis lurus selama masa sewa. Seluruh insentif untuk perjanjian sewa operasi baru atau yang diperbarui diakui sebagai bagian tidak terpisahkan dari imbalan neto yang disepakati untuk menggunakan aset sewaan, terlepas dari sifat atau bentuk insentif atau waktu pembayaran. Perseroan mengakui manfaat agregat dari insentif sebagai pengurang beban rental selama masa sewa dengan dasar garis lurus.

The lease transaction entered into by the Company was classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease payment is recognised as an expense on a straight-line basis over the lease term. All incentives for the agreement of a new or renewal operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments. The Company recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis.

ak. Pengukuran nilai wajar

ak. Fair value measurement

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 di pasar utama atau, jika tidak terdapat pasar utama, di pasar yang paling menguntungkan dimana Perseroan memiliki akses pada tanggal tersebut. Nilai wajar liabilitas mencerminkan risiko wanprestasinya.

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 in the principal market or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Jika tersedia, Perseroan mengukur nilai wajar di pasar aktif untuk instrumen tersebut. Suatu pasar dianggap aktif jika transaksi atas aset dan liabilitas terjadi dengan frekuensi dan volume yang memadai untuk menyediakan informasi penentuan harga secara berkelanjutan.

When available, the Company measures the fair value in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Jika harga kuotasi tidak tersedia di pasar aktif, Perseroan menggunakan teknik penilaian dengan memaksimalkan penggunaan input yang dapat diobservasi yang relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi. Teknik penilaian yang dipilih menggabungkan semua faktor yang diperhitungkan oleh pelaku pasar dalam penentuan harga transaksi.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

ak. Pengukuran nilai wajar (lanjutan)

ak. Fair value measurement (continued)

Bukti terbaik atas nilai wajar pada saat pengakuan awal adalah harga transaksi, yaitu nilai wajar dari pembayaran yang diberikan atau diterima. Jika Perseroan menetapkan bahwa nilai wajar pada pengakuan awal berbeda dengan harga transaksi dan nilai wajar tidak dapat dibuktikan dengan harga kuotasi di pasar aktif untuk aset atau liabilitas yang identik atau berdasarkan teknik penilaian yang hanya menggunakan data dari pasar yang dapat diobservasi, maka nilai wajar instrumen keuangan pada saat pengakuan awal disesuaikan untuk menanggulangi perbedaan antara nilai wajar pada saat pengakuan awal dan harga transaksi. Setelah pengakuan awal, perbedaan tersebut diakui dalam laba rugi berdasarkan umur dari instrumen tersebut namun tidak lebih lambat dari saat penilaian tersebut didukung sepenuhnya oleh data pasar yang dapat diobservasi atau saat transaksi ditutup.

The best evidence of the fair value at initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Jika aset atau liabilitas yang diukur pada nilai wajar memiliki harga penawaran dan harga permintaan, maka Perseroan mengukur aset dan posisi *long* berdasarkan harga penawaran dan mengukur liabilitas dan posisi *short* berdasarkan harga permintaan.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Kelompok aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar, yang terekspos risiko pasar dan risiko kredit yang dikelola oleh Perseroan berdasarkan eksposur netonya baik terhadap risiko pasar ataupun risiko kredit, diukur berdasarkan harga yang akan diterima untuk menjual posisi *net long* (atau dibayar untuk mengalihkan posisi *net short*) untuk eksposur risiko tertentu. Penyesuaian pada level kelompok tersebut dialokasikan pada aset dan liabilitas individual berdasarkan penyesuaian risiko relatif dari masing-masing instrumen individual di dalam kelompok.

Portfolios of financial assets and financial liabilities measured at fair value, that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk, are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

**3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI
YANG PENTING**

**3. CRITICAL ACCOUNTING ESTIMATES AND
JUDGMENTS**

Sumber utama ketidakpastian estimasi

Key sources of estimation uncertainty

Informasi mengenai asumsi dan ketidakpastian estimasi dijelaskan di bawah ini dan pada catatan-catatan di bawah ini:

Information about the assumptions and estimation uncertainties is set out below and in the following notes:

- Catatan 24 – pengukuran liabilitas imbalan pascakerja dan imbalan jangka panjang lainnya: asumsi-asumsi aktuarial.

- *Note 24 – measurement of post-employment benefits liabilities and other long term benefits: actuarial assumptions.*

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI
YANG PENTING (lanjutan)**

**3. CRITICAL ACCOUNTING ESTIMATES AND
JUDGMENTS (continued)**

Sumber utama ketidakpastian estimasi (lanjutan)

**Key sources of estimation uncertainty
(continued)**

- Cadangan kerugian penurunan nilai aset keuangan.

- Allowance for impairment losses of financial assets.

Perseroan melakukan peninjauan kembali atas aset keuangan pada setiap tanggal laporan untuk melakukan penilaian atas cadangan penurunan nilai yang telah dicatat. Pertimbangan manajemen diperlukan dalam menentukan tingkat cadangan yang dibutuhkan.

The Company reviews its financial assets at reporting date to evaluate the allowance for impairment losses. Management's judgement is applied in the estimation when determining the level of allowance required.

Untuk penilaian secara individu, kondisi spesifik penurunan nilai debitur dalam pembentukan cadangan kerugian penurunan nilai atas aset keuangan dievaluasi secara individu berdasarkan estimasi terbaik manajemen atas nilai kini arus kas yang diharapkan akan diterima. Dalam mengestimasi arus kas tersebut, manajemen membuat pertimbangan tentang situasi keuangan debitur dan nilai realisasi bersih dari setiap agunan. Setiap aset yang mengalami penurunan nilai dinilai sesuai dengan manfaat yang ada dan strategi penyelesaian serta estimasi arus kas yang diperkirakan dapat diterima disetujui secara independen oleh Manajemen Risiko.

For individual assessment, the specific debtors' conditions in determining allowance for impairment amount of the financial assets is evaluated individually and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgments about the debtors' financial situation and the net realizable value of any underlying collateral. Each impaired asset is assessed on its merits and the workout strategy and estimated cash flows considered recoverable are independently approved by the Risk Management.

Perseroan juga membentuk cadangan kerugian penurunan nilai kolektif atas eksposur piutang yang diberikan, dimana evaluasi dilakukan berdasarkan data kerugian historis.

The Company also estimates the collective impairment allowance for its receivables portfolio, where evaluation is performed based on historical data.

Perhitungan cadangan penurunan nilai kolektif meliputi kerugian kredit yang melekat dalam portofolio aset keuangan dengan karakteristik ekonomi yang sama dan aset keuangan yang tidak signifikan secara individual. Dalam menilai kebutuhan untuk cadangan kolektif, manajemen mempertimbangkan faktor-faktor seperti kualitas kredit dan jenis produk. Guna membuat estimasi cadangan yang diperlukan, manajemen membuat asumsi untuk menentukan kerugian yang melekat, dan untuk menentukan parameter input yang diperlukan, berdasarkan pengalaman masa lalu dan kondisi ekonomi saat ini.

Collectively assessed impairment allowances covers credit losses inherent in portfolios of financial assets with similar economic characteristics and financial assets that are individually insignificant. In assessing the need for collective allowances, management considers factors such as credit quality and type of product. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING (lanjutan)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Sumber utama ketidakpastian estimasi (lanjutan)

Key sources of estimation uncertainty (continued)

- Cadangan kerugian penurunan nilai aset keuangan (lanjutan)

- Allowance for impairment losses of financial assets (continued)

Keakuratan cadangan tergantung pada seberapa baik estimasi arus kas masa depan untuk cadangan *counterparty* tertentu dan asumsi model dan parameter yang digunakan dalam menentukan penyisihan kolektif.

The accuracy of the allowances depends on how well these estimate future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances.

Basis evaluasi atas cadangan kerugian penurunan nilai aset keuangan dan piutang murabahah dijelaskan pada Catatan 2i.

Basis of evaluation of impairment for financial assets and murabahah receivables is described in Note 2i.

- Penentuan nilai wajar

- Determining fair values

Dalam menentukan nilai wajar atas aset keuangan dan liabilitas keuangan dimana tidak terdapat harga pasar yang dapat diobservasi, Perseroan harus menggunakan teknik penilaian seperti dijelaskan pada Catatan 2ak. Untuk instrumen keuangan yang jarang diperdagangkan dan tidak memiliki harga yang transparan, nilai wajarnya menjadi kurang obyektif dan karenanya, membutuhkan tingkat pertimbangan yang beragam, tergantung pada likuiditas, konsentrasi, ketidakpastian faktor pasar, asumsi penentuan harga, dan risiko lainnya yang mempengaruhi instrumen tertentu.

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 2ak. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Kebijakan akuntansi pengukuran nilai wajar Perseroan dibahas pada Catatan 2ak.

The company's accounting policy on fair value measurement is discussed in Note 2ak.

Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Perseroan

Critical accounting judgments in applying the Company's accounting policies

- Nilai wajar atas instrumen keuangan

- Fair value of financial instruments

Kebijakan akuntansi Perseroan untuk pengukuran nilai wajar dibahas di Catatan 2ak.

The Company's accounting policy on fair value measurements is discussed in Note 2ak.

Informasi mengenai penentuan nilai wajar dari instrumen keuangan diungkapkan pada Catatan 43.

Information about the determination of fair value of financial instruments is disclosed in Note 43.

- Klasifikasi aset dan liabilitas keuangan serta efek-efek syariah

- Financial assets and liabilities as well as sharia marketable securities classification

Kebijakan akuntansi Perseroan memberikan pilihan untuk mengklasifikasikan aset dan liabilitas keuangan ke dalam berbagai kategori pada saat pengakuan awal berdasarkan kondisi tertentu:

The Company's accounting policies provide choices to classify financial assets and liabilities into different categories at initial recognition based on certain circumstances:

Dalam mengklasifikasikan aset keuangan sebagai "dimiliki hingga jatuh tempo", Perseroan telah menetapkan bahwa Perseroan memiliki intensi positif dan kemampuan untuk memiliki aset tersebut hingga tanggal jatuh tempo seperti yang dijabarkan dalam Catatan 2h.

In classifying financial assets as "held-to-maturity", the Company has determined that it has both the positive intention and ability to hold the assets until their maturity dates as set out in Note 2h.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING (lanjutan)

Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Perseroan (lanjutan)

Dalam mengklasifikasikan investasi pada efek-efek syariah sebagai "diukur pada biaya perolehan" dan "diukur pada nilai wajar melalui penghasilan komprehensif lain", Perseroan telah menetapkan bahwa investasi tersebut telah memenuhi persyaratan klasifikasi sebagaimana dijabarkan dalam Catatan 2h.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Critical accounting judgments in applying the Company's accounting policies (continued)

In classifying investment in sharia marketable securities as "measured at acquisition cost" and "measured at fair value through other comprehensive income", the Company has determined that they meet the requirements of such classification as set out in Note 2h.

4. KAS

	31 Desember/December	
	2019	2018
Rupiah	2,270,444	1,833,169
Dolar Amerika Serikat	26,954	4,967
Yen Jepang	1,664	-
	2,299,062	1,838,136

Saldo dalam mata uang Rupiah termasuk uang pada mesin ATM (Anjungan Tunai Mandiri) pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp 55.866 dan Rp 58.899.

4. CASH

	31 Desember/December		
	2019	2018	
Rupiah	2,270,444	1,833,169	Rupiah
Dolar Amerika Serikat	26,954	4,967	United States Dollar
Yen Jepang	1,664	-	Japanese Yen
	2,299,062	1,838,136	

The Rupiah balance includes cash in ATMs (Automatic Teller Machines) as of 31 December 2019 and 2018 amounting to Rp 55,866 and Rp 58,899, respectively.

5. GIRO PADA BANK INDONESIA

	31 Desember/December	
	2019	2018
Rupiah	5,344,026	4,632,885
Dolar Amerika Serikat	3,643,053	615,759
	8,987,079	5,248,644

Termasuk dalam saldo giro pada Bank Indonesia adalah giro berdasarkan prinsip syariah dengan akad wadiah masing-masing sebesar Rp 458.402 dan Rp 398.552 pada tanggal 31 Desember 2019 dan 2018.

Giro Wajib Minimum (GWM) pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

5. CURRENT ACCOUNTS WITH BANK INDONESIA

	31 Desember/December		
	2019	2018	
Rupiah	5,344,026	4,632,885	Rupiah
Dolar Amerika Serikat	3,643,053	615,759	United States Dollar
	8,987,079	5,248,644	

Included in the balance of current accounts with Bank Indonesia are current accounts based on sharia principle under wadiah contract amounting to Rp 458,402 and Rp 398,552 as of 31 December 2019 and 2018, respectively.

As of 31 December 2019 and 2018, the statutory reserves were as follows:

	31 Desember/December		
	2019	2018	
<u>Bank</u>			<u>Bank</u>
Rupiah			Rupiah
- GWM (Bank Konvensional)	6.17%	6.57%	Statutory Reserves (Conventional Bank) -
- GWM Penyangga Likuiditas Makroprudensial ("PLM")	9.53%	11.42%	Statutory Reserve Macroprudential - Liquidity Buffer ("PLM")
- GWM Rasio Intermediasi Makroprudensial ("RIM")*	-	-	Statutory Reserve Macroprudential - Intermediation Ratio ("RIM")*
Mata uang asing			Foreign currencies
- GWM mata uang asing	8.02%	8.28%	Foreign currencies reserve -
<u>Entitas Anak</u>			<u>Subsidiary</u>
Rupiah			Rupiah
- GWM (Bank Syariah)	4.91%	5.47%	Statutory Reserves (Sharia Bank) -

*) Pada tanggal 31 Desember 2019 dan 2018 rasio RIM Bank berada di atas batas yang ditentukan. Walaupun demikian, Bank tidak dikenakan GWM RIM dikarenakan rasio KPMM Bank berada di atas 14%.

*) On 31 December 2019 and 2018, the Bank's RIM ratio is above the specified limit. Nevertheless the Bank is not subject to the GWM RIM as the Bank's CAR is above 14%.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

5. GIRO PADA BANK INDONESIA (lanjutan)

Berdasarkan Peraturan Anggota Dewan No. 20/30/PADG/2018 tanggal 30 November 2018, pemenuhan GWM Primer Rupiah rata-rata adalah sebesar 6,5% dengan pemenuhan harian sebesar 3,5% dan pemenuhan secara rata-rata 3%. Peraturan ini berlaku sejak tanggal 1 Desember 2018.

Berdasarkan Peraturan Anggota Dewan No. 21/14/PADG/2019 tanggal 26 Juni 2019, pemenuhan GWM Primer Rupiah rata-rata adalah sebesar 6% dengan pemenuhan harian sebesar 3% dan pemenuhan secara rata-rata 3%. Peraturan ini berlaku sejak tanggal 1 Juli 2019.

Penyangga likuiditas makroprudensial adalah cadangan likuiditas minimum yang wajib dipelihara oleh Bank dalam bentuk surat berharga yang memenuhi persyaratan tertentu, yang besarnya ditetapkan oleh Bank Indonesia.

Rasio Intermediasi Makroprudensial adalah tambahan simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo rekening giro pada Bank Indonesia, jika rasio hasil perbandingan antara: kredit yang diberikan dalam rupiah dan valuta asing dan surat berharga korporasi dalam Rupiah dan valuta asing yang memenuhi persyaratan tertentu, yang dimiliki Bank terhadap DPK Bank dalam bentuk giro, tabungan, dan deposito berjangka dalam rupiah dan valuta asing, tidak termasuk dana antarbank dan surat berharga dalam Rupiah dan valuta asing yang memenuhi persyaratan tertentu yang diterbitkan oleh Bank untuk memperoleh sumber pendanaan, di bawah minimum target Bank Indonesia (80%) atau jika di atas maksimum target Bank Indonesia (92%) dan Kewajiban Penyediaan Modal Minimum ("KPMM") Bank lebih kecil dari KPMM Insentif Bank Indonesia sebesar 14%.

Berdasarkan Peraturan Anggota Dewan No. 21/5/PADG/2019 tanggal 29 Maret 2019, minimum target Bank Indonesia adalah 84% dan maksimum target Bank Indonesia adalah 94%. Peraturan ini berlaku sejak tanggal 1 Juli 2019.

Sesuai dengan peraturan BI mengenai giro wajib minimum ("GWM") bagi bank umum syariah yang berlaku, setiap bank diwajibkan memelihara GWM dalam Rupiah secara harian sebesar 1,5%, secara rata-rata sebesar 3% dan total kewajiban pemenuhan GWM dalam Rupiah sebesar 4,5% dari dana pihak ketiga dalam Rupiah.

**5. CURRENT ACCOUNTS WITH BANK INDONESIA
(continued)**

Based on Board Members Regulation No. 20/30/PADG/2018 dated 30 November 2018, the required average of Rupiah Primary Statutory Reserves is 6.5% with daily fulfillment is 3.5% and average fulfillment is 3%. This regulation is effective since 1 December 2018.

Based on Board Members Regulation No. 21/14/PADG/2019 dated 26 June 2019, the required average of Rupiah Primary Statutory Reserves is 6% with daily fulfillment is 3% and average fulfillment is 3%. This regulation is effective since 1 July 2019.

Macroprudential liquidity buffer is minimum liquidity reserves that must be maintained by the Bank in the form of securities that meet certain requirements, which amount is determined by Bank Indonesia.

Macroprudential Intermediation Ratio is the additional reserve that should be maintained by the Bank in the form of current accounts with Bank Indonesia, if the ratio of the comparison between: loans in Rupiah and foreign currencies and corporate securities in Rupiah and foreign currencies that meet certain requirements, which are owned by the Bank, against Bank's third party funds in the form of current accounts, savings deposits and time deposits in Rupiah and foreign currencies, excluding interbank funds and securities in Rupiah and foreign currencies that meet certain requirements issued by the Bank to obtain funding sources, below the minimum target of Bank Indonesia (80%) or if above the maximum target of Bank Indonesia (92%) and the Capital Adequacy Ratio ("CAR") is below Bank Indonesia requirement of 14%.

Based on Board Members Regulation No. 21/5/PADG/2019 dated 29 March 2019, minimum target of Bank Indonesia is 84% and maximum target of Bank Indonesia is 94%. This regulation has been effective since 1 July 2019.

In accordance with the prevailing BI regulations regarding minimum reserve requirements ("GWM") for sharia commercial banks, each bank is required to maintain GWM in Rupiah on daily basis of 1.5%, with an average of 3% and total obligation of GWM Rupiah of 4.5% from third party funds.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

5. GIRO PADA BANK INDONESIA (lanjutan)

Bank dan Entitas Anak memenuhi ketentuan BI yang berlaku tentang Giro Wajib Minimum pada tanggal 31 Desember 2019 dan 2018.

5. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

The Bank and Subsidiary fulfilled BI's regulations regarding Statutory Reserve Requirements as of 31 December 2019 and 2018.

6. GIRO PADA BANK-BANK LAIN

a. Berdasarkan mata uang

	31 Desember/December	
	2019	2018
Rupiah	212,823	128,043
Mata uang asing		
Yen Jepang	575,604	1,160
Dolar Amerika Serikat	158,708	712,029
Dolar Singapura	46,378	232
Euro Eropa	35,410	-
Baht Thailand	15,955	-
Poundsterling Inggris	7,257	-
Dolar Australia	3,173	-
Mata uang asing lainnya	1,596	-
	844,081	713,421
	1,056,904	841,464

a. By currency

Rupiah

Foreign currencies
 Japanese Yen
 United States Dollar
 Singapore Dollar
 European Euro
 Thailand Baht
 Great Britain Poundsterling
 Australian Dollar
 Other foreign currencies

b. Berdasarkan hubungan dengan pihak lawan

	31 Desember/December	
	2019	2018
Pihak ketiga		
Rupiah	212,823	128,043
Mata uang asing	118,631	691,509
	331,454	819,552
Pihak berelasi		
Mata uang asing	725,450	21,912
	1,056,904	841,464

b. By relationship with counterparties

Third parties
 Rupiah
 Foreign currencies

Related party
 Foreign currencies

c. Berdasarkan pihak lawan

	31 Desember/December	
	2019	2018
Pihak ketiga		
PT Bank Central Asia Tbk	166,790	123,149
PT Bank Negara Indonesia (Persero) Tbk	88,832	52,612
Wells Fargo Bank NA, New York	46,598	-
PT Bank Mandiri (Persero) Tbk	14,738	54,492
Citibank N.A., New York	8,657	587,444
National Australia Bank	3,173	-
Lain-lain	2,666	1,855
	331,454	819,552
Pihak berelasi		
Sumitomo Mitsui Banking Corporation	725,450	21,912
	1,056,904	841,464

Third parties
 PT Bank Central Asia Tbk
 PT Bank Negara Indonesia (Persero) Tbk
 Wells Fargo Bank NA, New York
 PT Bank Mandiri (Persero) Tbk
 Citibank N.A., New York
 National Australia Bank
 Others

Related party
 Sumitomo Mitsui Banking Corporation

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

6. GIRO PADA BANK-BANK LAIN (lanjutan)

Giro pada bank-bank lain pada tanggal 31 Desember 2019 dan 2018 diklasifikasikan lancar berdasarkan kolektibilitas OJK. Tidak terdapat saldo giro pada bank-bank lain yang diblokir atau digunakan sebagai agunan pada tanggal-tanggal tersebut.

Tingkat suku bunga rata-rata giro pada bank-bank lain per tahun untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 masing-masing adalah 0,87% dan 1,15%.

Pada tanggal 31 Desember 2019 dan 2018 tidak terdapat giro pada bank-bank lain yang mengalami penurunan nilai.

Manajemen berpendapat bahwa tidak diperlukan adanya cadangan kerugian penurunan nilai.

7. PENEMPATANAN PADA BANK INDONESIA DAN BANK-BANK LAIN

Pada tanggal 31 Desember 2019 dan 2018, seluruh penempatan pada Bank Indonesia dan bank-bank lain ditempatkan pada pihak ketiga.

a. Berdasarkan mata uang

	31 Desember/December		
	2019	2018	
Rupiah	4,355,828	9,865,599	Rupiah
Mata uang asing			Foreign currencies
Dolar Amerika Serikat	4,484,048	1,855,020	United States Dollar
Pendapatan bunga yang masih akan diterima	74,228	29,284	Accrued interest income
	<u>8,914,104</u>	<u>11,749,903</u>	

Pada tanggal 31 Desember 2019 dan 2018, jumlah penempatan pada Bank Indonesia dan bank-bank lain yang digolongkan sebagai setara kas adalah masing-masing sebesar Rp 6.559.876 dan Rp 11.720.619.

b. Berdasarkan jenis

	31 Desember/December		
	2019	2018	
Deposito berjangka	4,484,048	2,130,020	Time deposits
Sertifikat Bank Indonesia Syariah ("SBIS")	2,280,000	1,110,000	Certificate of Bank Indonesia Sharia ("SBIS")
Fasilitas Simpanan Bank Indonesia ("FASBI") bersih setelah dikurangi dengan diskonto yang belum diamortisasi	1,825,828	3,131,708	Bank Indonesia's Deposit Facilities ("FASBI") net of unamortised discount
Call money	250,000	350,000	Call money
FTK (Fine Tune Kontraksi)	-	4,998,891	FTK (Fine Tune Kontraksi)
	<u>8,839,876</u>	<u>11,720,619</u>	
Pendapatan bunga yang masih akan diterima	74,228	29,284	Accrued interest income
	<u>8,914,104</u>	<u>11,749,903</u>	

6. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

As of 31 December 2019 and 2018, current accounts with other banks were classified as current based on OJK collectibility. There were no current accounts with other banks which were blocked or used as collateral as of those dates.

The average interest rates per annum of current accounts with other banks for the years ended 31 December 2019 and 2018 were 0.87% and 1.15%, respectively.

As of 31 December 2019 and 2018, there was no impairment on current accounts with other banks.

Management believes that no allowance for impairment losses is necessary.

7. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

As of 31 December 2019 and 2018, all placements with Bank Indonesia and other banks were placed at third parties.

a. By currency

	31 Desember/December		
	2019	2018	
Rupiah	4,355,828	9,865,599	Rupiah
Mata uang asing			Foreign currencies
Dolar Amerika Serikat	4,484,048	1,855,020	United States Dollar
Pendapatan bunga yang masih akan diterima	74,228	29,284	Accrued interest income
	<u>8,914,104</u>	<u>11,749,903</u>	

As of 31 December 2019 and 2018, total placements with Bank Indonesia and other banks that were classified as cash equivalents amounted to Rp 6,559,876 and Rp 11,720,619, respectively.

b. By type

	31 Desember/December		
	2019	2018	
Deposito berjangka	4,484,048	2,130,020	Time deposits
Sertifikat Bank Indonesia Syariah ("SBIS")	2,280,000	1,110,000	Certificate of Bank Indonesia Sharia ("SBIS")
Fasilitas Simpanan Bank Indonesia ("FASBI") bersih setelah dikurangi dengan diskonto yang belum diamortisasi	1,825,828	3,131,708	Bank Indonesia's Deposit Facilities ("FASBI") net of unamortised discount
Call money	250,000	350,000	Call money
FTK (Fine Tune Kontraksi)	-	4,998,891	FTK (Fine Tune Kontraksi)
	<u>8,839,876</u>	<u>11,720,619</u>	
Pendapatan bunga yang masih akan diterima	74,228	29,284	Accrued interest income
	<u>8,914,104</u>	<u>11,749,903</u>	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

7. PENEMPATAN PADA BANK INDONESIA DAN
BANK-BANK LAIN (lanjutan)

7. PLACEMENTS WITH BANK INDONESIA AND
OTHER BANKS (continued)

b. Berdasarkan jenis (lanjutan)

Termasuk dalam saldo penempatan pada bank-bank lain adalah deposito berjangka berdasarkan prinsip syariah dengan akad mudharabah sebesar Rp 275.000 pada tanggal 31 Desember 2018.

b. By type (continued)

Included in the balances of placements with other banks are time deposits based on sharia principle under mudharabah contract amounted to Rp 275,000 as of 31 December 2018.

c. Berdasarkan pihak lawan

c. By counterparties

	31 Desember/December	
	2019	2018
Call loan:		
Bank Indonesia - bersih setelah dikurangi dengan diskonto yang belum diamortisasi	4,105,828	9,240,599
Call money:		
PT Bank Bukopin Tbk	250,000	50,000
PT Bank Rakyat Indonesia (Persero) Tbk	-	100,000
PT Bank DKI	-	50,000
PT Bank HSBC Indonesia	-	50,000
PT Bank Jawa Tengah	-	50,000
PT Bank KEB Hana	-	25,000
PT BPD Riau Kepri	-	25,000
	250,000	350,000
Deposito berjangka:		
PT BPD Jawa Tengah	-	100,000
PT Bank OCBC NISP Tbk	-	90,000
PT BPD Nusa Tenggara Barat	-	85,000
Bank Indonesia	4,484,048	1,855,020
	4,484,048	2,130,020
	8,839,876	11,720,619
Pendapatan bunga yang masih akan diterima	74,228	29,284
	8,914,104	11,749,903

Call loan:
 Bank Indonesia - net of unamortised discount

Call money:
 PT Bank Bukopin Tbk
 PT Bank Rakyat Indonesia (Persero) Tbk
 PT Bank DKI
 PT Bank HSBC Indonesia
 PT Bank Jawa Tengah
 PT Bank KEB Hana
 PT BPD Riau Kepri

Time deposits:
 PT BPD Jawa Tengah
 PT Bank OCBC NISP Tbk
 PT BPD Nusa Tenggara Barat
 Bank Indonesia

d. Berdasarkan jangka waktu

d. By time period

	31 Desember/December	
	2019	2018
Hingga 1 bulan	6,559,876	11,720,619
Lebih dari 3 - 12 bulan	2,280,000	-
	8,839,876	11,720,619
Pendapatan bunga yang masih akan diterima	74,228	29,284
	8,914,104	11,749,903

Up to 1 month
 More than 3 - 12 months

Accrued interest income

e. Berdasarkan sisa periode sampai dengan tanggal jatuh tempo

e. By remaining period to maturity date

Informasi mengenai sisa periode sampai dengan tanggal jatuh tempo diungkapkan pada Catatan 43.

Information regarding remaining period to maturity date was disclosed in Note 43.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

7. PENEMPATAN PADA BANK INDONESIA DAN BANK-BANK LAIN (lanjutan)

7. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

f. Tingkat suku bunga

f. Interest rate

Tingkat suku bunga rata-rata per tahun atas penempatan pada Bank Indonesia dan bank-bank lain untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

The average interest rates per annum of placements with Bank Indonesia and other banks for the years ended 31 December 2019 and 2018 were as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Rupiah	5.20%	4.38%	Rupiah
Mata uang asing	2.16%	1.81%	Foreign currencies

g. Cadangan kerugian penurunan nilai

g. Allowance for impairment losses

Penempatan pada Bank Indonesia dan bank-bank lain pada tanggal 31 Desember 2019 dan 2018 diklasifikasikan lancar berdasarkan kolektibilitas OJK dan manajemen berpendapat bahwa tidak diperlukan adanya cadangan kerugian penurunan nilai. Tidak terdapat saldo penempatan di Bank Indonesia dan bank-bank lain yang diblokir atau digunakan sebagai agunan pada tanggal-tanggal tersebut.

Placements with Bank Indonesia and other banks as of 31 December 2019 and 2018 was classified as current based on OJK collectibility and management believes that no allowance for impairment losses is necessary. There were no placements with Bank Indonesia and other banks which were blocked or used as collateral as of those dates.

Pada tanggal 31 Desember 2019 dan 2018, tidak terdapat penempatan pada Bank Indonesia dan bank-bank lain yang mengalami penurunan nilai.

As of 31 December 2019 and 2018, there were no impaired placements with Bank Indonesia and other banks.

8. EFEK-EFEK

8. MARKETABLE SECURITIES

a. Berdasarkan jenis mata uang dan golongan penerbit

a. By currency and issuer

	31 Desember/December 2019			
	Nilai nominal/ Nominal value	Keuntungan (kerugian) yang belum direalisasi/ Unrealised gain (loss)	Premium (diskonto) yang belum diamortisasi/ Unamortised premium (discount)	Nilai tercatat/ Carrying amount
Rupiah				
<u>Tersedia untuk dijual/Available for sale</u> <u>Sertifikat Bank Indonesia/Certificate of</u> <u>Bank Indonesia</u>	5,647,030	14,367	(61,820)	5,599,577
	5,647,030	14,367	(61,820)	5,599,577
<u>Dimiliki hingga jatuh tempo/Held to</u> <u>maturity</u>				
Obligasi Pemerintah/Government Bonds	1,780,000	-	11,330	1,791,330
	1,780,000	-	11,330	1,791,330

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

8. EFEK-EFEK (lanjutan)

8. MARKETABLE SECURITIES (continued)

a. Berdasarkan jenis mata uang dan golongan penerbit (lanjutan)

a. By currency and issuer (continued)

31 Desember/December 2019				
	Nilai nominal/ <i>Nominal value</i>	Keuntungan (kerugian) yang belum direalisasi/ <i>Unrealised gain (loss)</i>	Premium (diskonto) yang belum diamortisasi/ <i>Unamortised premium (discount)</i>	Nilai tercatat/ <i>Carrying amount</i>
<u>Diukur pada nilai wajar melalui penghasilan komprehensif lain/ <i>Measured at fair value through other comprehensive income</i></u>				
Reksa dana Syariah/ <i>Sharia Mutual Funds</i>	80,000	185	-	80,185
	80,000	185	-	80,185
<u>Diukur pada biaya perolehan/ <i>Measured at acquisition cost</i></u>				
Sertifikat Investasi Mudharabah Antarbank (SIMA)/ <i>Certificate of Interbank Mudharabah Investment (SIMA)</i>	79,000	-	-	79,000
Sukuk Bank Indonesia/ <i>Bank Indonesia Sukuk</i>	1,005,926	-	-	1,005,926
Sukuk korporasi/ <i>Corporation sukuk</i>	50,000	-	-	50,000
Surat Berharga Syariah Negara/ <i>Sovereign Sharia Securities</i>	816,481	-	(2,439)	814,042
Reksa dana Syariah/ <i>Sharia Mutual Funds</i>	42,600	-	-	42,600
	1,994,007	-	(2,439)	1,991,568
<u>Pinjaman dan piutang/<i>Loans and receivables</i></u>				
Wesel ekspor/ <i>Export bills</i>	423,437	-	(1,136)	422,301
	423,437	-	(1,136)	422,301
Mata uang asing/<i>Foreign currency</i>				
<u>Pinjaman dan piutang/<i>Loans and receivables</i></u>				
Wesel ekspor/ <i>Export bills</i>	774,640	-	(4,976)	769,664
	774,640	-	(4,976)	769,664
Jumlah/ <i>Total</i>				10,654,624
Pendapatan bunga/margin yang masih akan diterima/ <i>Accrued interest/margin income</i>				48,233
Cadangan kerugian penurunan nilai/ <i>Allowance for impairment losses</i>				(6)
Jumlah/ <i>Total</i>				10,702,851

31 Desember/December 2018				
	Nilai nominal/ <i>Nominal value</i>	Keuntungan (kerugian) yang belum direalisasi/ <i>Unrealised gain (loss)</i>	Premium (diskonto) yang belum diamortisasi/ <i>Unamortised premium (discount)</i>	Nilai tercatat/ <i>Carrying amount</i>
<u>Tersedia untuk dijual/<i>Available for sale</i></u>				
Sertifikat Bank Indonesia/ <i>Certificate of Bank Indonesia</i>	1,300,000	4,043	(69,197)	1,234,846
Reksa dana/ <i>Mutual Funds</i>	24,945	(24,945)	-	-
	1,324,945	(20,902)	(69,197)	1,234,846

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

8. EFEK-EFEK (lanjutan)

8. MARKETABLE SECURITIES (continued)

a. Berdasarkan jenis mata uang dan golongan penerbit (lanjutan)

a. By currency and issuer (continued)

31 Desember/December 2018				
<u>Nilai nominal/ Nominal value</u>	<u>Keuntungan (kerugian) yang belum direalisasi/ Unrealised gain (loss)</u>	<u>Premium (diskonto) yang belum diamortisasi/ Unamortised premium (discount)</u>	<u>Nilai tercatat/ Carrying amount</u>	
<u>Dimiliki hingga jatuh tempo/Held to maturity</u>				
Obligasi Pemerintah/Government Bonds	3,645,000	-	37,435	3,682,435
Sertifikat Bank Indonesia/Certificate of Bank Indonesia	550,000	-	(11,328)	538,672
Obligasi Korporasi/Corporate Bonds	220,000	-	13	220,013
Sertifikat Deposito Bank Indonesia/Certificate Deposit of Bank Indonesia	100,000	-	(248)	99,752
	<u>4,515,000</u>	<u>-</u>	<u>25,872</u>	<u>4,540,872</u>
<u>Diukur pada nilai wajar melalui penghasilan komprehensif lain/ Measured at fair value through other comprehensive income</u>				
Surat Perbendaharaan Negara Syariah/ Government Sharia Treasury Bills	260,163	941	(456)	260,648
Reksa dana Syariah/Sharia Mutual Funds	50,000	-	-	50,000
	<u>310,163</u>	<u>941</u>	<u>(456)</u>	<u>310,648</u>
<u>Diukur pada biaya perolehan/ Measured at acquisition cost</u>				
Sertifikat Investasi Mudharabah Antarbank (SIMA)/Certificate of Interbank Mudharabah Investment (SIMA)	380,000	-	-	380,000
Sukuk Korporasi/Corporation Sukuk	26,000	-	-	26,000
Surat Berharga Syariah Negara/ Sovereign Sharia Securities	319,955	-	(5,914)	314,041
	<u>725,955</u>	<u>-</u>	<u>(5,914)</u>	<u>720,041</u>
Jumlah/Total				6,806,407
Pendapatan bunga/margin yang masih akan diterima/Accrued interest/margin income				60,099
Jumlah/Total				<u>6,866,506</u>

Atas Surat Perbendaharaan Negara Syariah sebesar Rp 260.648 pada tanggal 31 Desember 2018, Entitas Anak mempunyai wa'd/janji untuk menjual kembali kepada Bank Indonesia dengan rincian sebagai berikut:

For Government Sharia Treasury Bills amounted to Rp 260,648 as of 31 December 2018, the Subsidiary had wa'd/promise to resell to Bank Indonesia as detailed below:

<u>Jenis surat berharga/ Type of marketable securities</u>	<u>Tanggal beli dan janji/ Purchase and promise date</u>	<u>Tanggal jual kembali/ Resell date</u>	<u>Harga Beli/ Purchase price</u>	<u>Harga penjualan kembali/ Reselling price</u>	<u>Nilai tercatat/ Carrying amount</u>
SPNS 08022019	12 Desember/December 2018	9 Januari/January 2019	148,234	148,972	149,250
SPNS 01052019	5 Desember/December 2018	2 Januari/January 2019	20,018	20,117	20,224
SPNS 03042019	9 Desember/December 2018	16 Januari/January 2019	90,623	91,074	91,174
			<u>258,875</u>	<u>260,163</u>	<u>260,648</u>

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

8. EFEK-EFEK (lanjutan)

8. MARKETABLE SECURITIES (continued)

b. Berdasarkan akad

b. By contract

Termasuk di dalam efek-efek adalah efek-efek dengan akad syariah:

Included in marketable securities are securities under sharia contracts:

	31 Desember/December		
	2019	2018	
Mudharabah dan wakalah Ijarah Wa'd	251,785	456,000	Mudharabah and wakalah Ijarah Wa'd
Musyarakah muntahiyah bittamlik	814,042	314,041	Musyarakah muntahiyah bittamlik
	-	260,648	
	1,005,926	-	
	2,071,753	1,030,689	
Pendapatan yang masih akan diterima	14,836	7,361	Accrued income
	2,086,589	1,038,050	

c. Berdasarkan hubungan lawan

c. By relationship

	31 Desember/December		
	2019	2018	
Pihak ketiga	10,568,519	6,806,407	Third parties
Pihak berelasi	86,105	-	Related parties
	10,654,624	6,806,407	
Pendapatan bunga/margin yang masih akan diterima	48,233	60,099	Accrued interest/margin Income
Cadangan kerugian penurunan nilai	(6)	-	Allowance for impairment losses
	10,702,851	6,866,506	

d. Berdasarkan jangka waktu

d. By time period

	31 Desember/December		
	2019	2018	
Sampai dengan 1 bulan	327,884	-	Up to 1 month
1 - 3 bulan	610,854	775,348	1 - 3 months
3 - 6 bulan	1,136,222	-	3 - 6 months
6 - 9 bulan	44,918	-	6 - 9 months
9 - 12 bulan	5,848,064	758,685	9 - 12 months
Lebih dari 12 bulan	2,686,682	5,272,374	More than 12 months
	10,654,624	6,806,407	
Pendapatan bunga/margin yang masih akan diterima	48,233	60,099	Accrued interest/margin Income
Cadangan kerugian penurunan nilai	(6)	-	Allowance for impairment losses
	10,702,851	6,866,506	

e. Berdasarkan sisa periode sampai dengan tanggal jatuh tempo

e. By remaining period of maturity date

Informasi mengenai sisa periode sampai dengan tanggal jatuh tempo diungkapkan pada Catatan 43.

Information regarding remaining period to maturity date was disclosed in Note 43.

f. Tingkat suku bunga/margin rata-rata per tahun

f. Average interest rate/margin per annum

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Sertifikat Bank Indonesia	6.44%	6.16%	Certificate of Bank Indonesia
Sertifikat Deposito Bank Indonesia	5.75%	5.08%	Certificate Deposit of Bank Indonesia
Obligasi Korporasi	6.07%	6.43%	Corporate Bonds
Obligasi Pemerintah	6.84%	6.87%	Government Bonds
Reksa dana	-	5.71%	Mutual Funds
Surat Berharga Syariah Negara	6.81%	6.41%	Sovereign Sharia Securities
Surat Perbendaharaan Negara Syariah	-	4.58% - 6.40%	Government Sharia Treasury Bills
Sertifikat Mudharabah Antar Bank (SIMA)	5.12%	3.90% - 7.50%	Certificate of Interbank Mudharabah Investment (SIMA)
Reksa dana Syariah	7.79%	8.66%	Sharia Mutual Funds
Sukuk Korporasi	7.00%	8.35%	Corporate Sukuk
Sukuk Bank Indonesia	5.54%	-	Sukuk Bank Indonesia

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

8. EFEK-EFEK (lanjutan)

g. Berdasarkan peringkat

Peringkat penerbit obligasi dan sukuk korporasi adalah sebagai berikut:

PT Adira Dinamika Multi Finance Tbk
 PT Federal International Finance
 PT Astra Sedaya Finance
 PT Bank CIMB Niaga Tbk
 PT BFI Finance Indonesia Tbk
 PT Bank Maybank Indonesia Tbk
 PT Indomobil Finance Indonesia
 PT Bank UOB Indonesia Tbk

h. Cadangan kerugian penurunan nilai

Manajemen berpendapat bahwa cadangan kerugian yang dibentuk cukup untuk menutup kemungkinan kerugian akibat penurunan nilai atas efek-efek pada tanggal 31 Desember 2019.

Manajemen berpendapat bahwa tidak diperlukan adanya cadangan kerugian penurunan nilai atas efek-efek pada tanggal 31 Desember 2018.

Perubahan dalam cadangan kerugian penurunan nilai efek-efek adalah sebagai berikut:

	31 Desember/December	
	2019	2018
Saldo awal tahun	-	-
Penyisihan selama tahun berjalan (Catatan 36)	44	-
Pengalihan cadangan kerugian penurunan nilai akibat penggabungan usaha	(50)	-
Saldo akhir tahun	<u>(6)</u>	<u>-</u>

i. Informasi penting lainnya sehubungan dengan efek-efek

Selama tahun yang berakhir pada tanggal 31 Desember 2019, Bank tidak melakukan penjualan atas efek-efek tersedia untuk dijual, sehingga tidak ada pemindahan keuntungan atau kerugian dari ekuitas ke laba rugi.

Selama tahun yang berakhir 31 Desember 2018, Bank melakukan penjualan efek-efek tersedia untuk dijual sehingga terdapat pemindahan keuntungan sebesar Rp 15.981 dari ekuitas ke laba rugi.

8. MARKETABLE SECURITIES (continued)

g. By rating

Rating of issuers of corporate bonds and sukuk were as follows:

31 Desember/December 2018		
Pemeringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying amount
Pefindo	idAAA	60,008
Pefindo	idAAA	60,000
Fitch	AAA(idn)	30,000
Pefindo	idAAA	26,000
Fitch	AA-(idn)	20,005
Pefindo	idAAA	20,000
Pefindo	idA	20,000
Fitch	AAA(idn)	10,000
		<u>246,013</u>

h. Allowance for impairment losses

Management believes that the allowance for losses was adequate to cover impairment losses for marketable securities as of 31 December 2019.

Management believes that no allowance for impairment losses was necessary on marketable securities as of 31 December 2018.

The movement of the allowance for impairment losses for marketable securities was as follows:

i. Other significant information relating to marketable securities

During the year ended 31 December 2019, the Bank did not sell available for sale marketable securities, so there were no gains or losses transferred from equity to profit or loss.

During the year ended 31 December 2018, the Bank sold its available for sale marketable securities resulting in transfer of gain from equity to profit or loss amounting to Rp 15,981.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

8. EFEK-EFEK (lanjutan)

i. Informasi penting lainnya sehubungan dengan efek-efek (lanjutan)

Pada tanggal 31 Desember 2019 dan 2018, jumlah efek-efek yang digolongkan sebagai setara kas adalah masing-masing sebesar Rp 1.809.849 dan Rp 775.348.

9. EFEK-EFEK YANG DIBELI DENGAN JANJI DIJUAL KEMBALI

Efek-efek yang dibeli dengan janji dijual kembali adalah dalam mata uang Rupiah dan ditempatkan pada Bank Indonesia.

Pada tanggal 31 Desember 2019 tidak terdapat efek-efek yang dibeli dengan janji dijual kembali.

a. Berdasarkan jenis

Rupiah	Tanggal beli/ Purchase date	Tanggal penjualan kembali/ Resell date	Tingkat bunga kontraktual setahun/ Contractual rate per interest annum	Nilai pokok/ Principal amount	Pendapatan bunga yang masih akan diterima/ Accrued interest income	Nilai tercatat/ Carrying amount ¹⁾	Harga penjualan kembali/ Resell price
Obligasi/Bonds FR0040	19 Desember/ December 2018	2 Januari/ January 2019	6.20%	559,884	1,253	561,137	561,233
Obligasi/Bonds FR0047	21 Desember/ December 2018	4 Januari/ January 2019	6.20%	547,752	1,038	548,790	549,072
Obligasi/Bonds FR0052	21 Desember/ December 2018	4 Januari/ January 2019	6.20%	287,071	544	287,615	287,763
Obligasi/Bonds FR0047	6 Juli/ July 2018	4 Januari/ January 2019	5.80%	111,740	3,222	114,962	115,016
Obligasi/Bonds FR0064	27 Juli/ July 2018	25 Januari/ January 2019	5.95%	85,225	2,226	87,451	87,790
Jumlah/Total				1,591,672	8,283	1,599,955	1,600,874

¹⁾ Nilai tercatat merupakan harga pembelian efek ditambah dengan pendapatan bunga yang masih akan diterima yang sudah diakui.

b. Berdasarkan sisa periode sampai dengan tanggal jatuh tempo

Efek-efek yang dibeli dengan janji dijual kembali akan diselesaikan dalam waktu tidak lebih dari 12 bulan setelah tanggal laporan posisi keuangan konsolidasian.

Informasi mengenai sisa periode sampai dengan tanggal jatuh tempo diungkapkan pada Catatan 43.

c. Cadangan kerugian penurunan nilai

Berdasarkan ketentuan BI yang berlaku, efek-efek yang dibeli dengan janji dijual kembali pada tanggal 31 Desember 2018 digolongkan sebagai lancar.

Pada tanggal 31 Desember 2018 tidak terdapat efek-efek yang dibeli dengan janji dijual kembali yang mengalami penurunan nilai.

Manajemen berpendapat bahwa tidak diperlukan adanya cadangan kerugian penurunan nilai pada efek-efek yang dibeli dengan janji dijual kembali.

8. MARKETABLE SECURITIES (continued)

i. Other significant information relating to marketable securities (continued)

As of 31 December 2019 and 2018, total marketable securities that were classified as cash equivalents amounted to Rp 1,809,849 and Rp 775,348, respectively.

9. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

Securities purchased under resale agreements were denominated in Rupiah and were placed at Bank Indonesia.

As of 31 December 2019, there were no outstanding securities purchased under resale agreements.

a. By type

b. By remaining period to maturity date

Securities purchased under resale agreements will be settled no more than 12 months after the date of the consolidated financial positions.

Information regarding remaining period to maturity date is disclosed in Note 43.

c. Allowance for impairment losses

Based on the prevailing BI regulation, all securities purchased under resale agreements as of 31 December 2018 were classified as current.

As of 31 December 2018, there was no impairment of securities purchased under resale agreements.

Management believes that no allowance for impairment losses was necessary on securities purchased under resale agreements.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

10. TAGIHAN DAN LIABILITAS DERIVATIF

10. DERIVATIVE RECEIVABLES AND PAYABLES

a. Berdasarkan jenis dan hubungan

a. By type and relationship

31 Desember/December 2019					
<i>Instrumen/Instruments</i>	Nilai kontrak/nosional/ Contract/ notional amount	Nilai wajar/Fair value			
		Tagihan derivatif/ Derivative receivables		Liabilitas derivatif/ Derivative payables	
		Pihak berelasi/ Related parties	Pihak ketiga/ Third parties	Pihak berelasi/ Related parties	Pihak ketiga/ Third parties
Kontrak tunai mata uang asing/Foreign currency spot	634,430	29	595	17	712
Kontrak berjangka mata uang asing/Foreign currency forward	7,595,993	-	154,417	172	55,967
Swap mata uang asing/Foreign currency swap	20,715,098	1	30,472	-	248,151
Cross currency swap	24,832,379	58,079	526,583	2,796	514,448
Swap suku bunga/Interest rate swap	9,024,155	3,573	66,623	51,086	21,598
	<u>62,802,055</u>	<u>61,682</u>	<u>778,690</u>	<u>54,071</u>	<u>840,876</u>
31 Desember/December 2018					
<i>Instrumen/Instruments</i>	Nilai kontrak/nosional/ Contract/ notional amount	Nilai wajar/Fair value			
		Tagihan derivatif/ Derivative receivables		Liabilitas derivatif/ Derivative payables	
		Pihak berelasi/ Related parties	Pihak ketiga/ Third parties	Pihak berelasi/ Related parties	Pihak ketiga/ Third parties
Swap mata uang asing/Foreign currency swap	5,080,034	-	-	-	116,521
	<u>5,080,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,521</u>

Bank menyediakan produk derivatif untuk nasabahnya seperti kontrak pembelian atau penjualan berjangka mata uang asing, perjanjian swap mata uang asing dan perjanjian swap/cap tingkat suku bunga yang memungkinkan nasabahnya untuk memindahkan, memodifikasi atau mengurangi risiko atas kurs nilai tukar dan/atau risiko tingkat suku bunga. Sebagai bagian dari kebijakan manajemen risiko, Bank melindungi sebagian besar transaksi derivatif dengan nasabahnya dengan membuat transaksi derivatif timbal balik dengan jumlah dan waktu jatuh tempo yang sama dengan perusahaan afiliasi di luar negeri dan bank lain. Bank juga menggunakan instrumen derivatif sebagai sarana sehubungan dengan kegiatan manajemen risiko. Derivatif digunakan oleh Bank terutama untuk mengatasi risiko kurs nilai tukar atas aset dan liabilitas dalam mata uang asing, dan untuk mengatasi risiko tingkat suku bunga yang berhubungan dengan aset dan liabilitas tertentu di dalam laporan posisi keuangan konsolidasian.

The Bank provides derivative products to its customers such as forward exchange contracts, cross-currency swap agreements and interest rate swap/cap agreements to enable its customers to transfer, modify or reduce their foreign exchange and/or interest rate risks. As part of its risk management policy, the Bank covers most of these derivative contracts with customers with back-to-back derivative contracts with the same notional amount and maturity with its foreign affiliates and other banks. Also, the Bank uses derivative instruments as an end-user in connection with its risk management activities. Derivatives are used by the Bank mainly to manage foreign exchange risk on its foreign currency denominated assets and liabilities and to manage interest rate risk relating to specific groups of assets and liabilities in the consolidated statement of financial position.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

10. TAGIHAN DAN LIABILITAS DERIVATIF (lanjutan)

10. DERIVATIVE RECEIVABLES AND PAYABLES (continued)

b. Berdasarkan kolektibilitas

Tagihan derivatif pada tanggal 31 Desember 2019 dan 2018 tidak mengalami penurunan nilai, dan diklasifikasikan sebagai lancar berdasarkan kolektibilitas OJK.

Manajemen berpendapat bahwa tidak diperlukan adanya cadangan kerugian penurunan nilai pada tagihan derivatif.

b. By collectibility

Derivative receivables as of 31 December 2019 and 2018 were not impaired and were all classified as current based on OJK grading.

Management believes that no allowance for impairment losses was necessary on derivative receivables.

c. Berdasarkan sisa periode sampai dengan tanggal jatuh tempo

Informasi mengenai sisa periode sampai dengan tanggal jatuh tempo diungkapkan pada Catatan 43.

c. By remaining period to maturity date

Information regarding remaining period to maturity date was disclosed in Note 43.

11. TAGIHAN DAN LIABILITAS AKSEPTASI

11. ACCEPTANCE RECEIVABLES AND PAYABLES

Tagihan akseptasi

Semua tagihan akseptasi adalah transaksi dengan pihak ketiga.

Acceptance receivables

All acceptance receivables transactions were with third parties.

a. Berdasarkan mata uang

a. By currency

	31 Desember/December		
	2019	2018	
Rupiah	847,922	-	Rupiah
Mata uang asing	844,538	-	Foreign currency
	<u>1,692,460</u>	<u>-</u>	
Dikurangi: Cadangan kerugian penurunan nilai	(69)	-	Less: Allowance for impairment losses
	<u><u>1,692,391</u></u>	<u><u>-</u></u>	

b. Berdasarkan jangka waktu

b. By time period

	31 Desember/December		
	2019	2018	
Rupiah			Rupiah
Hingga 1 bulan	-	-	Up to 1 month
Lebih dari 1 – 3 bulan	24,046	-	More than 1 – 3 months
Lebih dari 3 – 6 bulan	56,061	-	More than 3 – 6 months
Lebih dari 6 bulan	767,815	-	More than 6 months
	<u>847,922</u>	<u>-</u>	
Mata uang asing			Foreign currencies
Hingga 1 bulan	3,079	-	Up to 1 month
Lebih dari 1 – 3 bulan	106,249	-	More than 1 – 3 months
Lebih dari 3 – 6 bulan	632,400	-	More than 3 – 6 months
Lebih dari 6 bulan	102,810	-	More than 6 months
	<u>844,538</u>	<u>-</u>	
Dikurangi: Cadangan kerugian penurunan nilai	(69)	-	Less: Allowance for impairment losses
	<u><u>1,692,391</u></u>	<u><u>-</u></u>	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

11. TAGIHAN DAN LIABILITAS AKSEPTASI (lanjutan)

11. ACCEPTANCE RECEIVABLES AND PAYABLES (continued)

Tagihan akseptasi (lanjutan)

Acceptance receivables (continued)

c. Berdasarkan kolektabilitas OJK

c. By OJK grading

	31 Desember/December		
	2019	2018	
Lancar	1,688,749	-	Current
Dalam perhatian khusus	3,711	-	Special mention
	1,692,460	-	
Dikurangi: Cadangan kerugian penurunan nilai	(69)	-	Less: Allowance for impairment losses
	1,692,391	-	

d. Cadangan kerugian penurunan nilai

d. Allowance for impairment losses

Perubahan dalam cadangan kerugian penurunan nilai tagihan akseptasi adalah sebagai berikut:

The movement of the allowance for impairment losses for acceptance receivables was as follows:

	31 Desember/December		
	2019	2018	
Saldo awal tahun	-	-	Balance at beginning of year
Pemulihan cadangan selama tahun berjalan (Catatan 36)	7	-	Reversal of allowance during the year (Note 36)
Pengalihan cadangan kerugian penurunan nilai akibat penggabungan usaha	(76)	-	Transfer allowance for impairment losses due to merger
Saldo akhir tahun	(69)	-	Balance at end of year

Manajemen berpendapat bahwa cadangan yang dibentuk cukup untuk menutup kemungkinan kerugian akibat penurunan nilai tagihan akseptasi pada tanggal 31 Desember 2019.

Management believes that the allowance for losses was adequate to cover impairment losses on acceptance receivables as of 31 December 2019.

Liabilitas akseptasi

Acceptance payables

a. Berdasarkan hubungan dengan pihak lawan dan mata uang

a. By relationship with counterparties and currency

	31 Desember/ December		
	2019	2018	
Rupiah			Rupiah
- Pihak ketiga	557,430	-	Third parties -
- Pihak berelasi	-	-	Related parties -
	557,430	-	
Mata uang asing			Foreign Currency
- Pihak ketiga	173,506	-	Third parties -
- Pihak berelasi	157,523	-	Related parties -
	331,029	-	
	888,459	-	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

11. TAGIHAN DAN LIABILITAS AKSEPTASI (lanjutan)

11. ACCEPTANCE RECEIVABLES AND PAYABLES (continued)

Liabilitas akseptasi (lanjutan)

Acceptance payables (continued)

b. Berdasarkan jangka waktu

b. By time period

	31 Desember/ December		
	2019	2018	
Rupiah			Rupiah
Hingga 1 bulan	-	-	Up to 1 month
Lebih dari 1 - 3 bulan	21,568	-	More than 1 - 3 months
Lebih dari 3 - 6 bulan	56,060	-	More than 3 - 6 months
Lebih dari 6 bulan	479,802	-	More than 6 months
	<u>557,430</u>	<u>-</u>	
Mata uang asing			Foreign currency
Hingga 1 bulan	3,079	-	Up to 1 month
Lebih dari 1 - 3 bulan	106,249	-	More than 1 - 3 months
Lebih dari 3 - 6 bulan	118,891	-	More than 3 - 6 months
Lebih dari 6 bulan	102,810	-	More than 6 months
	<u>331,029</u>	<u>-</u>	
	<u>888,459</u>	<u>-</u>	

c. Berdasarkan sisa periode sampai dengan tanggal jatuh tempo

c. By remaining period to maturity date

Informasi mengenai sisa periode sampai dengan tanggal jatuh tempo diungkapkan pada Catatan 43.

Information regarding remaining period to maturity date was disclosed in Note 43.

12. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/ PIUTANG SYARIAH

12. LOANS AND SHARIA FINANCING/ RECEIVABLES

	31 Desember/December		
	2019	2018	
Pinjaman yang diberikan:			Loans:
Pihak ketiga			Third parties
- Rupiah	94,923,456	60,840,986	Rupiah -
- Dolar Amerika Serikat	34,762,076	-	United States Dollar -
- Yen Jepang	942,368	-	Japanese Yen -
Pihak berelasi			Related parties
- Rupiah	98,492	18,632	Rupiah -
- Dolar Amerika Serikat	2,032,884	-	United States Dollar -
- Yen Jepang	1,333	-	Japanese Yen -
Pembiayaan/piutang syariah:			Sharia financing/receivables:
Pihak ketiga			Third parties
- Rupiah	8,999,574	7,277,162	Rupiah -
Pendapatan bunga/margin yang masih akan diterima			Accrued interest/margin income
- Rupiah	673,920	605,519	Rupiah -
- Dolar Amerika Serikat	153,093	-	United States Dollar -
- Yen Jepang	346	-	Japanese Yen -
Dikurangi: Cadangan kerugian penurunan nilai	<u>(1,467,199)</u>	<u>(1,134,065)</u>	Less: Allowance for impairment losses
	<u>141,120,343</u>	<u>67,608,234</u>	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

12. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/PIUTANG SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING/ RECEIVABLES(continued)

a. Berdasarkan jenis, mata uang dan kolektibilitas OJK

a. Based on type, currency and OJK grading

31 Desember/December 2019						
	Lancar/ Current	Dalam Perhatian Khusus/ Special Mention	Kurang Lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Jumlah/ Total
Rupiah						
Korporasi	37,178,116	782,332	14,750	-	-	37,975,198
Pensiunan	33,249,734	696,810	53,791	50,180	119,767	34,170,282
Usaha Kecil Menengah	13,218,680	206,224	20,154	90,853	348,069	13,883,980
Usaha Mikro Kecil	1,399,899	165,758	18,818	19,281	7,393	1,611,149
Pembiayaan/piutang syariah	8,749,269	127,635	71,504	25,102	26,064	8,999,574
Pegawai instansi lain	1,306,174	99,226	5,540	10,826	19,218	1,440,984
Keperluan rumah tangga	2,132,674	207,335	38,782	67,025	13,074	2,458,890
Karyawan	178,308	372	237	85	300	179,302
Umum	2,986,003	122,555	11,019	2,508	3,024	3,125,109
Kepemilikan mobil	149,531	23,936	2,082	798	706	177,053
Mata uang asing						
Korporasi	35,616,340	2,010,667	90,236	13,883	7,536	37,738,662
	136,164,728	4,442,850	326,913	280,541	545,151	141,760,183
Pendapatan bunga/margin yang masih akan diterima	773,975	53,384	-	-	-	827,359
Cadangan kerugian penurunan nilai	(507,755)	(422,856)	(104,196)	(125,544)	(306,848)	(1,467,199)
	136,430,948	4,073,378	222,717	154,997	238,303	141,120,343

31 Desember/December 2018						
	Lancar/ Current	Dalam Perhatian Khusus/ Special Mention	Kurang Lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Jumlah/ Total
Rupiah						
Pensiunan	35,693,556	514,805	45,549	54,708	95,940	36,404,558
Usaha Kecil Menengah	12,439,073	155,079	16,661	79,521	207,955	12,898,289
Usaha Mikro Kecil	2,628,132	322,085	28,629	45,363	19,594	3,043,803
Pembiayaan/piutang syariah	7,060,620	115,660	55,637	39,466	5,779	7,277,162
Pegawai instansi lain	1,982,277	51,823	6,186	5,602	9,394	2,055,282
Keperluan rumah tangga	2,397,272	213,416	36,221	55,597	29,401	2,731,907
Karyawan	184,142	339	-	395	406	185,282
Umum	3,442,540	79,031	4,536	494	1,249	3,527,850
Kepemilikan mobil	11,141	1,233	170	61	42	12,647
	65,838,753	1,453,471	193,589	281,207	369,760	68,136,780
Pendapatan bunga/margin yang masih akan diterima	550,662	54,857	-	-	-	605,519
Cadangan kerugian penurunan nilai	(359,643)	(274,278)	(114,336)	(171,232)	(214,576)	(1,134,065)
	66,029,772	1,234,050	79,253	109,975	155,184	67,608,234

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

12. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/PIUTANG SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)

a. Berdasarkan jenis, mata uang dan kolektibilitas OJK (lanjutan)

a. Based on type, currency and OJK grading (continued)

Pembiayaan/piutang syariah terdiri atas piutang murabahah, pembiayaan musyarakah, dan pinjaman qardh masing-masing sebesar Rp 8.969.565, Rp 29.129, dan Rp 880 pada tanggal 31 Desember 2019 dan masing-masing sebesar Rp 7.277.010, Rp 152, dan Rp 0 pada tanggal 31 Desember 2018.

Sharia financing/receivables consists of murabahah receivables, musyarakah financing, and funds of qardh amounted to Rp 8,969,565, Rp 29,129, dan Rp 880, respectively, as of 31 December 2019 and Rp 7,277,010, Rp 152, and Rp 0, respectively, as of 31 December 2018.

Rasio kredit yang diberikan kepada Usaha Mikro, Kecil dan Menengah ("UMKM") terhadap jumlah kredit yang diberikan pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar 12,27% dan 24,96%. Rasio tersebut dihitung sesuai dengan peraturan Bank Indonesia yang berlaku.

Ratios of loans extended to Micro, Small and Medium Enterprises ("UMKM") to total loans as of 31 December 2019 and 2018. were 12.27% and 24.96%. respectively. These ratios were calculated based on the prevailing Bank Indonesia regulations.

b. Berdasarkan sektor ekonomi

b. By economic sector

31 Desember/December 2019

	Lancar/ Current	Dalam Perhatian Khusus/ Special Mention	Kurang lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Jumlah/ Total	
Rupiah							Rupiah
Rumah tangga	37,511,417	1,139,395	112,704	132,562	156,107	39,052,185	Household
Perdagangan	18,499,411	346,132	72,195	78,456	214,812	19,211,006	Trading
Perindustrian	18,288,234	545,075	14,548	41,345	84,562	18,973,764	Manufacturing
Jasa lainnya	11,348,037	343,960	12,158	4,551	3,325	11,712,031	Other services
Pertanian	1,886,553	12,534	4,551	1,534	1,506	1,906,678	Agriculture
Jasa akomodasi	238,745	14,914	1,167	742	12,017	267,585	Accommodation services
Konstruksi	6,116,404	21,504	14,750	3,060	36,759	6,192,477	Construction
Transportasi & komunikasi	6,258,173	7,929	4,343	4,337	28,466	6,303,248	Transportation & communication
Pertambangan	233,648	252	16	3	-	233,919	Mining
Lainnya	167,766	488	245	68	62	168,629	Others
	100,548,388	2,432,183	236,677	266,658	537,616	104,021,522	
Dolar Amerika Serikat							United States Dollar
Perdagangan	2,563,857	-	-	-	-	2,563,857	Trading
Perindustrian	8,800,555	1,792,162	90,236	13,882	7,536	10,704,371	Manufacturing
Jasa lainnya	13,801,425	-	-	-	-	13,801,425	Other services
Pertanian	1,784,640	-	-	-	-	1,784,640	Agriculture
Konstruksi	195,576	-	-	-	-	195,576	Construction
Transportasi & komunikasi	1,636,441	-	-	-	-	1,636,441	Transportation & communication
Pertambangan	1,835,920	-	-	-	-	1,835,920	Mining
Lainnya	4,272,730	-	-	-	-	4,272,730	Others
	34,891,144	1,792,162	90,236	13,882	7,536	36,794,960	
Yen Jepang							Japanese Yen
Perdagangan	23,006	-	-	-	-	23,006	Trading
Perindustrian	600,087	218,505	-	-	-	818,592	Manufacturing
Jasa lainnya	102,103	-	-	-	-	102,103	Other services
	725,196	218,505	-	-	-	943,701	
	136,164,728	4,442,850	326,913	280,540	545,152	141,760,183	
Pendapatan bunga/margin yang masih akan diterima	773,975	53,384	-	-	-	827,359	Accrued interest/margin income
Cadangan kerugian penurunan nilai	(507,755)	(422,856)	(104,196)	(125,544)	(306,848)	(1,467,199)	Allowance for impairment losses
	136,430,948	4,073,378	222,717	154,996	238,304	141,120,343	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

12. PINJAMAN YANG DIBERIKAN DAN
PEMBIAYAAN/PIUTANG SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING/
RECEIVABLES (continued)

b. Berdasarkan sektor ekonomi (lanjutan)

b. By economic sector (continued)

31 Desember/December 2018							
	Lancar/ Current	Dalam Perhatian Khusus/ Special Mention	Kurang lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Jumlah/ Total	
Rupiah							Rupiah
Rumah tangga	40,474,195	868,216	94,701	119,372	137,023	41,693,507	Household
Perdagangan	14,459,657	351,407	83,203	111,852	157,573	15,163,692	Trading
Perindustrian	3,992,104	80,083	5,111	17,882	45,236	4,140,416	Manufacturing
Jasa lainnya	4,323,954	48,003	5,387	6,440	9,560	4,393,344	Other services
Pertanian	762,175	22,171	3,426	4,119	1,269	793,160	Agriculture
							Accommodation services
Jasa akomodasi	323,857	42,980	1,416	2,854	12,871	383,978	Construction
Konstruksi	742,365	31,978	-	12,429	-	786,772	Transportation & communication
Transportasi & komunikasi	563,962	7,569	116	6,092	6,202	583,941	Mining
Pertambangan	143,114	354	10	8	-	143,486	Others
Lainnya	53,370	710	219	159	26	54,484	Total
Jumlah	<u>65,838,753</u>	<u>1,453,471</u>	<u>193,589</u>	<u>281,207</u>	<u>369,760</u>	<u>68,136,780</u>	
Pendapatan bunga/margin yang masih akan diterima	550,662	54,857	-	-	-	605,519	Accrued interest/margin income
Cadangan kerugian penurunan nilai	<u>(359,643)</u>	<u>(274,278)</u>	<u>(114,336)</u>	<u>(171,232)</u>	<u>(214,576)</u>	<u>(1,134,065)</u>	Allowance for impairment losses
	<u>66,029,772</u>	<u>1,234,050</u>	<u>79,253</u>	<u>109,975</u>	<u>155,184</u>	<u>67,608,234</u>	

c. Berdasarkan jangka waktu

c. By time period

	31 Desember/December		
	2019	2018	
Hingga 1 tahun	19,250,098	15,031,995	Up to 1 year
1 – 2 tahun	33,033,629	6,006,140	1 – 2 years
2 – 3 tahun	9,753,606	2,983,717	2 – 3 years
3 – 4 tahun	8,147,728	2,566,031	3 – 4 years
4 – 5 tahun	26,202,246	4,402,548	4 – 5 years
Lebih dari 5 tahun	45,372,876	37,146,349	More than 5 years
	<u>141,760,183</u>	<u>68,136,780</u>	
Pendapatan bunga/margin yang masih akan diterima	827,359	605,519	Accrued interest/margin income
Cadangan kerugian penurunan nilai	<u>(1,467,199)</u>	<u>(1,134,065)</u>	Allowance for impairment losses
	<u>141,120,343</u>	<u>67,608,234</u>	

d. Berdasarkan sisa periode sampai dengan tanggal jatuh tempo

d. By remaining period to maturity date

Informasi mengenai sisa periode sampai dengan tanggal jatuh tempo diungkapkan pada Catatan 43.

Information regarding remaining period to maturity date is disclosed in Note 43.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

12. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/PIUTANG SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)

d. Berdasarkan hubungan dengan pihak lawan/debitur

d. By relationship with counterparties/debtors

	31 Desember/December		
	2019	2018	
Pihak ketiga	139,627,474	68,118,148	<i>Third parties</i>
Pihak berelasi	2,132,709	18,632	<i>Related parties</i>
	<u>141,760,183</u>	<u>68,136,780</u>	
Pendapatan bunga/margin yang masih akan diterima	827,359	605,519	<i>Accrued interest/margin income</i>
Cadangan kerugian penurunan nilai	(1,467,199)	(1,134,065)	<i>Allowance for impairment losses</i>
	<u>141,120,343</u>	<u>67,608,234</u>	

e. Tingkat suku bunga/margin rata-rata per tahun

e. Average interest/margin rate per annum

	Tahun berakhir 31 Desember/Year ended 31 December		
	2019	2018	
Tingkat suku bunga rata-rata per tahun:			<i>Average interest rate per annum:</i>
Rupiah	16.37%	19.75%	<i>Rupiah</i>
Mata uang asing	3.33%	-	<i>Foreign currencies</i>

	Tahun berakhir 31 Desember/Year ended 31 December		
	2019	2018	
Tingkat margin rata-rata per tahun:			<i>Average margin rate per annum:</i>
Piutang murabahah	25%-30%	25%-30%	<i>Murabahah receivables</i>
Pembiayaan musyarakah	10.75%	-	<i>Musyarakah financing</i>

f. Cadangan kerugian penurunan nilai

f. Allowance for impairment losses

Perubahan cadangan kerugian penurunan nilai pinjaman yang diberikan dan pembiayaan/piutang syariah adalah sebagai berikut:

The movement of the allowance for impairment losses for loans and sharia financing/receivables was as follows:

	31 Desember/December 2019			
	Individual/Individual	Kolektif/Collective	Jumlah/Total	
Saldo awal tahun	(85,456)	(1,048,609)	(1,134,065)	<i>Balance at beginning of year</i>
Penyisihan selama tahun berjalan (Catatan 36)	(268,164)	(1,177,769)	(1,445,933)	<i>Provision during the year (Note 36)</i>
Penerimaan kembali	-	(113,243)	(113,243)	<i>Recovery</i>
Penghapusbukuan	124,192	1,369,039	1,493,231	<i>Write-off</i>
Pengalihan cadangan kerugian penurunan nilai akibat penggabungan usaha	(92,610)	(7,641)	(100,251)	<i>Transfer allowance for impairment losses due to merger</i>
Lain-lain	-	(166,938)	(166,938)	<i>Others</i>
Saldo akhir tahun	<u>(322,038)</u>	<u>(1,145,161)</u>	<u>(1,467,199)</u>	<i>Balance at end of year</i>

Manajemen berpendapat bahwa cadangan yang dibentuk cukup untuk menutup kemungkinan kerugian akibat penurunan nilai pinjaman yang diberikan dan pembiayaan/piutang syariah pada tanggal 31 Desember 2019 dan 2018.

Management believes that the allowance for losses was adequate to cover impairment losses on loans and sharia financing/receivables as of 31 December 2019 and 2018

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

12. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/PIUTANG SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)

f. Cadangan kerugian penurunan nilai (lanjutan)

f. Allowance for impairment losses (continued)

	31 Desember/December 2018			
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total	
Saldo awal tahun	(19,409)	(774,706)	(794,115)	<i>Balance at beginning of year</i>
Penyisihan selama tahun berjalan (Catatan 36)	(189,523)	(1,175,418)	(1,364,941)	<i>Provision during the year (Note 36)</i>
Penerimaan kembali	-	(124,526)	(124,526)	<i>Recovery</i>
Penghapusbukuan	123,476	1,049,456	1,172,932	<i>Write-off</i>
Lain-lain	-	(23,415)	(23,415)	<i>Others</i>
	<u>(85,456)</u>	<u>(1,048,609)</u>	<u>(1,134,065)</u>	
Saldo akhir tahun				<i>Balance at end of year</i>

g. Pembiayaan bersama

g. Joint financing

Bank mengadakan perjanjian pembiayaan bersama, antara lain dengan PT SMFL Leasing Indonesia, PT Home Credit Indonesia (HCI), PT Andalan Finance Indonesia, PT Bank Bukopin Tbk (BBKP) dan PT Finansia Multi Finance (Catatan 42).

The Bank has entered into joint financing agreements, among others with PT SMFL Leasing Indonesia, PT Home Credit Indonesia (HCI), PT Andalan Finance Indonesia, PT Bank Bukopin Tbk (BBKP) and PT Finansia Multi Finance (Note 42).

h. Jasa pemasaran dan administrasi

h. Marketing and administration services

Bank mengadakan perjanjian kerjasama jasa pemasaran dan administrasi dengan PT Oto Multiartha (OMA), PT Summit Oto Finance (SOF), PT Digital Tunai Kita (DTK), dan PT Kredit Pintar Indonesia (KPI) (Catatan 42).

The Bank has entered into marketing and administration services agreement with PT Oto Multiartha (OMA), PT Summit Oto Finance (SOF), PT Digital Tunai Kita (DTK), and PT Kredit Pintar Indonesia (KPI) (Note 42).

i. Batas Maksimum Pemberian Kredit ("BMPK")

i. Legal Lending Limit ("LLL")

Berdasarkan laporan Batas Maksimum Pemberian Kredit (BMPK) Bank dan Entitas Anak yang disampaikan kepada OJK, pada tanggal 31 Desember 2019 dan 2018 tidak terdapat pelanggaran ataupun pelampauan BMPK kepada pihak ketiga dan pihak berelasi sesuai dengan peraturan yang telah ditetapkan OJK.

Based on the the Bank and Subsidiary's Legal Lending Limit (LLL) report to OJK, as of 31 December 2019 and 2018 there was no violation or excess of LLL to both third parties and related parties in compliance with OJK's regulation.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

12. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/PIUTANG SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)

j. Pinjaman yang diberikan/pembiayaan/piutang syariah bermasalah

j. Non-performing loans/sharia financing/receivables

Berdasarkan peraturan OJK yang berlaku, rasio bruto kredit/pembiayaan/piutang syariah bermasalah setinggi-tingginya adalah 5% dari jumlah pinjaman yang diberikan/pembiayaan/piutang syariah. Rasio kredit bermasalah bruto dan bersih Bank dan Entitas Anak adalah sebagai berikut:

Based on prevailing OJK regulations, the maximum gross non-performing loan/sharia financing/receivables ratio for a bank is 5% from total loans/sharia financing/receivables given. The gross and net non-performing loan ratios of the Bank and Subsidiary were as follows:

	31 Desember/December		
	2019	2018	
Kurang lancar	326,913	193,589	Substandard
Diragukan	280,541	281,207	Doubtful
Macet	545,151	369,760	Loss
Jumlah pinjaman yang diberikan/pembiayaan/piutang syariah bermasalah - kotor	1,152,605	844,556	Total non-performing loans/sharia financing/receivables - gross
Cadangan kerugian penurunan nilai	(536,588)	(500,144)	Allowance for impairment losses
Jumlah pinjaman yang diberikan/pembiayaan/piutang syariah bermasalah - bersih	616,017	344,412	Total non-performing loans/sharia financing/receivables - net
Jumlah pinjaman yang diberikan/pembiayaan/piutang syariah yang diberikan	141,760,183	68,136,780	Total loans/sharia financing/receivables
Rasio pinjaman yang diberikan/pembiayaan/piutang syariah bermasalah - kotor	0.81%	1.24%	Non-performing loans/sharia financing/receivables ratio - gross
Rasio pinjaman yang diberikan/pembiayaan/piutang syariah bermasalah - bersih	0.43%	0.51%	Non-performing loans/sharia financing/receivables ratio - net

Rasio pemenuhan cadangan kerugian penurunan nilai aset keuangan Bank (persentase cadangan kerugian penurunan nilai aset keuangan yang telah dibentuk terhadap jumlah minimum cadangan kerugian penurunan nilai aset keuangan sesuai ketentuan Bank Indonesia) pada tanggal 31 Desember 2019 dan 2018 masing-masing adalah sebesar 63,45% dan 89,08%.

The Bank's ratio of allowance for impairment losses on financial assets (percentage of allowance for impairment losses on financial assets recorded by the Bank to the minimum allowance for impairment losses on financial assets as required by Bank Indonesia) as of 31 December 2019 and 2018 were 63.45% and 89.08%, respectively.

Pinjaman yang diberikan pada umumnya dijamin dengan agunan yang diikat dengan hipotik, hak tanggungan atau surat kuasa untuk menjual dan jaminan lainnya.

Loans are generally collateralised by registered mortgages, mortgages or powers of attorney to sell and other guarantees.

Pada tanggal 31 Desember 2019, pinjaman yang diberikan yang dijamin dengan jaminan tunai adalah Rp 13.940.291 (31 Desember 2018: Rp 255.050).

As of 31 December 2019, loans secured by cash collateral were Rp 13,940,291 (31 December 2018: Rp 255,050).

k. Kredit penerusan

k. Channeling loans

Bank juga menyalurkan fasilitas kredit yang dananya bersumber dari Pemerintah Indonesia atau Bank Indonesia melalui kredit penerusan (*channeling loan*) dalam bentuk Kredit Usaha Tani (KUT) dan Kredit Pengusaha Kecil Menengah (KPKM).

The Bank also provides loan facilities funded by the Government of Indonesia or Bank Indonesia through channeling loans in the form of Kredit Usaha Tani (KUT) and Kredit Pengusaha Kecil Menengah (KPKM).

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

12. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/ PIUTANG SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING RECEIVABLES (continued)

k. Kredit penerusan (lanjutan)

k. Channeling loans (continued)

Saldo dari kredit penerusan tidak diakui pada laporan keuangan konsolidasian. Rincian saldo kredit penerusan adalah sebagai berikut:

These channelling loans are not recognised in the consolidated financial statements. The balances were as follows:

	31 Desember/December	
	2019	2018
Kredit Penerusan KUT	24,687	24,687
Kredit Penerusan KPKM	9,788	9,851
	<u>34,475</u>	<u>34,538</u>

KUT Channeling Loans
 KPKM Channeling Loans

l. Kredit sindikasi

l. Syndicated loans

Kredit sindikasi merupakan kredit yang diberikan kepada nasabah berdasarkan perjanjian pembiayaan bersama (sindikasi) dengan bank-bank lain dan umumnya digunakan untuk memenuhi kebutuhan modal kerja dan investasi. Dalam kredit sindikasi, Bank dapat bertindak sebagai anggota dan/atau *arranger* dan/atau *security agency*. Sindikasi dilakukan dengan bank-bank di Indonesia dan luar negeri. Keikutsertaan Bank sebagai anggota dan/atau *arranger* dalam kredit sindikasi berkisar antara 5% sampai dengan 60% dari fasilitas kredit sindikasi pada tanggal 31 Desember 2019. Bank tidak berpartisipasi dalam fasilitas kredit sindikasi pada tanggal 31 Desember 2018.

Syndicated loans represent loans provided to customers under syndication agreements with other banks and are generally used to support the working capital needs and investment. In syndicated loans, the Bank may act as a member and/or arranger and/or security agency. Syndication is done with several banks in Indonesia and offshore. Total participation of the Bank in syndicated loans, in which the Bank acted as a member and/or arranger, ranged from 5% up to 60%, of syndicated loan facility as of 31 December 2019. The Bank did not participate in syndicated loan facilities as of 31 December 2018.

m. Perjanjian asuransi

m. Insurance agreements

PT Asuransi Allianz Life Indonesia

PT Asuransi Allianz Life Indonesia

Pada tanggal 26 November 2008, Bank melakukan perjanjian ("PKS") dengan PT Asuransi Allianz Life Indonesia ("Allianz"), pihak ketiga, untuk melindungi Bank dari risiko kerugian tidak tertagihnya kredit pensiunan dan mikro dengan asuransi jiwa. Perjanjian Kerjasama ini mencakup 3 bagian (asuransi untuk debitur Kredit Pensiun sebelum tanggal 1 Desember 2008, asuransi untuk debitur Kredit Pensiun sejak tanggal 1 Desember 2008, dan asuransi untuk debitur kredit mikro) dan berlaku hingga 5 (lima) tahun sejak tanggal perjanjian, dan kemudian dengan sendirinya diperbaharui untuk jangka waktu berikutnya masing-masing 5 (lima) tahun atau sebagaimana disepakati bersama oleh para pihak.

On 26 November 2008, the Bank entered into an agreement ("PKS") with PT Asuransi Allianz Life Indonesia ("Allianz"), a third party, to cover the Bank from the risk of uncollectible pension and micro loans with life insurance. The insurance agreement consists of 3 sections (insurance for pension loan debtors before 1 December 2008, insurance for pension loan debtors since 1 December 2008 onwards, and insurance for micro loan debtors) and is effective for 5 (five) years since the date of the agreement, and shall then be automatically renewed for further successive periods of each of 5 (five) years or as mutually agreed by both parties.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
 TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED 31 DECEMBER 2019 AND 2018**
 (Expressed in millions of Rupiah, unless otherwise stated)

**12. PINJAMAN YANG DIBERIKAN DAN
 PEMBIAYAAN/ PIUTANG SYARIAH (lanjutan)**

**12. LOANS AND SHARIA FINANCING/
 RECEIVABLES (continued)**

m. Perjanjian (lanjutan)

m. Agreements (continued)

PT Asuransi Allianz Life Indonesia (lanjutan)

PT Asuransi Allianz Life Indonesia (continued)

Pada tanggal 1 April 2013 dilakukan perubahan atas PKS yang dibuat dalam bentuk PKS Induk (Perjanjian Bancassurance untuk Kegiatan Referensi) dan PKS Turunan yang dibuat untuk masing-masing produk.

On 1 April 2013, the PKS has been amended in the form of Master Agreement (Bancassurance Agreement for Referral Activities) and Sub PKS which were provided for each product.

Premi asuransi Kredit Pensiun akan ditanggung bersama-sama oleh debitur dan Bank. Sebesar 10,5% dari premi yang dibayarkan oleh debitur, yang diterima oleh Allianz, akan dikembalikan kepada Bank sebagai komisi.

Insurance premium of pension loan is borne by both debtors and the Bank. 10.5% of the premiums paid by debtors, which is received by Allianz, will be returned to the Bank as commission.

Sedangkan untuk debitur mikro, premi asuransi akan ditanggung oleh Bank.

Meanwhile for micro debtors, the insurance premium is borne by Bank.

Jumlah premi yang dibayarkan oleh debitur melalui Bank dan komisi yang diterima dari Allianz untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

Total premium paid by debtors through the Bank and commission fees received from Allianz for the years ended 31 December 2019 and 2018 were as follows:

Tahun berakhir 31 Desember/ Year ended 31 December	
2019	2018

Premi yang dibayarkan oleh debitur melalui Bank ke Allianz	353,707	648,713	
Penerimaan komisi dari Allianz	34,090	65,093	

*Premium paid by debtors through the Bank to Allianz
Commissions received from Allianz*

PT Avrist Assurance

PT Avrist Assurance

Pada tanggal 23 Juni 2011, Bank melakukan perjanjian dengan PT Avrist Assurance ("Avrist"), pihak ketiga, untuk melindungi Bank dari risiko kerugian tidak tertagihnya kredit pensiunan. Perjanjian Kerjasama ini berlaku selama satu tahun dan kemudian dengan sendirinya diperbaharui untuk jangka waktu berikutnya masing-masing satu tahun atau sebagaimana disepakati bersama oleh kedua belah pihak.

On 23 June 2011, the Bank entered an agreement with PT Avrist Assurance ("Avrist"), a third party, to cover the Bank from the risk of uncollectible pensioners loan. The agreement is effective for one year and shall then be automatically renewed for further successive periods of each of one year or as mutually agreed by both parties.

Premi asuransi akan ditanggung bersama-sama oleh debitur dan Bank. Sebesar 11% dari premi yang dibayarkan oleh debitur yang diterima oleh Avrist, akan dikembalikan kepada Bank sebagai komisi.

The insurance premium is borne by both debtors and the Bank. 11% of the premiums paid by debtors which is received by Avrist will be returned to the Bank as commission.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

12. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/ PIUTANG SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)

m. Perjanjian (lanjutan)

m. Agreements (continued)

PT Avrist Assurance (lanjutan)

PT Avrist Assurance (continued)

Jumlah premi yang dibayarkan oleh debitur melalui Bank dan komisi yang diterima dari Avrist untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

Total premiums paid by debtors through the Bank and commission fees received from Avrist for the years ended 31 December 2019 and 2018 were as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December	
	2019	2018
Premi yang dibayarkan oleh debitur melalui Bank ke Avrist	130,219	81,692
Penerimaan komisi dari Avrist	12,945	8,971

*Premium paid by debtors through the Bank to Avrist
 Commissions received from Avrist*

PT Asuransi Jiwa Generali

PT Asuransi Jiwa Generali

Pada tanggal 22 Juni 2011, Bank telah melakukan perjanjian dengan PT Asuransi Jiwa Generali ("Generali"), pihak ketiga, untuk melindungi Bank dari risiko kerugian tidak tertagihnya kredit pensiunan. Perjanjian Kerjasama ini berlaku selama satu tahun dan kemudian dengan sendirinya diperbaharui untuk jangka waktu berikutnya masing-masing satu tahun atau sebagaimana disepakati bersama oleh kedua belah pihak.

On 22 June 2011, the Bank entered into an agreement with PT Asuransi Jiwa Generali ("Generali"), a third party, to cover the Bank from the risk of uncollectible pension loans. The agreement is effective for one year and shall then be automatically renewed for further successive periods of each of one year or as mutually agreed by both parties.

Premi asuransi akan ditanggung bersama-sama oleh debitur dan Bank. Sebesar 11% dari premi yang dibayarkan oleh debitur, yang diterima oleh Generali, akan dikembalikan kepada Bank sebagai komisi.

The insurance premium is borne by both debtors and the Bank. 11% of the premiums paid by debtors which is received by Generali will be returned to the Bank as commission.

Jumlah premi yang dibayarkan oleh debitur melalui Bank dan komisi yang diterima dari Generali untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

Total premium paid by debtors through the Bank and commission fees received from Generali for the year ended 31 December 2019 and 2018 were as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December	
	2019	2018
Premi yang dibayarkan oleh debitur melalui Bank ke Generali	149,996	247,552
Penerimaan komisi dari Generali	15,051	25,030

*Premium paid by debtors through from the Bank to Generali
 Commissions received from Generali*

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

12. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/ PIUTANG SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)

m. Perjanjian (lanjutan)

m. Agreements (continued)

PT FWD Life Indonesia

PT FWD Life Indonesia

Pada tanggal 13 Desember 2016, Bank juga melakukan implementasi kerjasama dengan P FWD Life Indonesia ("FWD"), pihak ketiga, untuk melindungi Bank dari risiko kerugian tidak tertagihnya kredit pegawai. Perjanjian Kerjasama ini berlaku selama lima tahun dan kemudian dengan sendirinya diperbaharui untuk jangka waktu berikutnya selama lima tahun atau sebagaimana disepakati bersama oleh kedua belah pihak.

On 13 December 2016, the Bank signed an agreement with PT FWD Life Indonesia ("FWD"), a third party, to cover the Bank from the risk of uncollectible active employee loans. The agreement is effective for five years and shall then be automatically renewed for further five years or as mutually agreed by both parties.

Premi asuransi akan ditanggung oleh debitur. Sebesar 20% dari seluruh premi yang dibayarkan oleh debitur, yang diterima oleh FWD, akan dibayarkan kepada Bank sebagai komisi.

The insurance premium is borne by debtors. 20% of all premiums paid by debtors which is received by FWD, will be paid to the Bank as commission.

Jumlah premi yang dibayarkan oleh debitur melalui Bank dan komisi yang diterima dari FWD untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

Total premium paid by the debtors through the Bank and commission fees received from FWD for the years ended 31 December 2019 and 2018 were as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December	
	2019	2018

Premi yang dibayarkan oleh debitur melalui Bank ke FWD	58	
Penerimaan komisi dari FWD	30	

<i>Premium paid by debtors through the Bank to FWD</i>	<i>1,265</i>	
<i>Commissions received from FWD</i>	<i>300</i>	

PT Proteksi Antar Nusa

PT Proteksi Antar Nusa

Pada tanggal 1 Maret 2017, Bank telah melakukan perjanjian dengan PT Proteksi Antar Nusa ("PAN"), pihak ketiga, untuk melindungi Bank dari risiko kerugian tidak tertagihnya kredit pensiunan. Perjanjian Kerjasama ini berlaku selama tiga tahun dan dapat diperpanjang sebagaimana disepakati bersama oleh kedua belah pihak.

On 1 March 2017, the Bank entered an agreement with PT Proteksi Antar Nusa ("PAN"), a third party, to cover the Bank from the risk of uncollectible pensioners loan. The agreement is effective for three years and can be extended as mutually agreed by both parties.

Premi asuransi akan ditanggung oleh debitur. Sebesar 10,5% dari seluruh premi yang dibayarkan oleh debitur yang diterima oleh PAN akan dibayarkan kepada Bank sebagai komisi.

The insurance premium is borne by debtors. 10.5% of all premiums paid by debtors which is received by PAN will be paid to the Bank as commission.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

12. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/ PIUTANG SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)

m. Perjanjian (lanjutan)

m. Agreements (continued)

PT Proteksi Antar Nusa (lanjutan)

PT Proteksi Antar Nusa (continued)

Jumlah premi yang dibayarkan oleh debitur melalui Bank dan komisi yang diterima dari PAN untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

The total premium paid by the debtors through the Bank and commission fees received from PAN for the year ended 31 December 2019 and 2018 were as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December	
	2019	2018

Premi yang dibayarkan oleh debitur melalui Bank ke PAN	7,930	2,395
Penerimaan komisi dari PAN	222	221

Premium paid by debtors through the Bank to PAN

Commissions received from PAN

PT Adonai Pialang Asuransi

PT Adonai Pialang Asuransi

Pada tanggal 14 September 2018, Bank telah melakukan perjanjian dengan PT Adonai Pialang Asuransi ("APA"), pihak ketiga, untuk melindungi Bank dari risiko kerugian tidak tertagihnya kredit pensiunan. Perjanjian Kerjasama ini berlaku selama tiga tahun dan dapat diperpanjang sebagaimana disepakati bersama oleh kedua belah pihak.

On 14 September 2018, the Bank has entered an agreement with PT Adonai Pialang Asuransi ("APA"), a non-related party, to cover the Bank from the risk of uncollectible pensioner loan. The agreement is effective for three years and can be extended as mutually agreed by both parties.

Premi asuransi akan ditanggung oleh debitur. Sebesar 20% dari seluruh premi yang dibayarkan oleh debitur, yang diterima oleh APA akan dibayarkan kepada Bank sebagai komisi.

The insurance premium is borne by debtors. 20% of all premiums paid by debtors which is received by APA will be paid to the Bank as commission.

Jumlah premi yang dibayarkan oleh debitur melalui Bank dan komisi yang diterima dari APA untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

The total premium paid by the debtors through the Bank and commission fees received from APA for the year ended 31 December 2019 and 2018 were as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December	
	2019	2018

Premi yang dibayarkan oleh debitur melalui Bank ke APA	24	-
Penerimaan komisi dari APA	8	-

Premium paid by debtors through the Bank to APA

Commissions received from APA

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

12. PINJAMAN YANG DIBERIKAN DAN PEMBIAYAAN/ PIUTANG SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING/ RECEIVABLES (continued)

n. Pinjaman yang diberikan dan pembiayaan/ piutang syariah yang direstrukturisasi

n. Restructured loans and sharia financing/ receivables

31 Desember/December 2019							
	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Jumlah/ Total	
Korporasi	4,781	209,109	-	-	-	213,890	Corporates
Pensiunan	475	-	-	-	-	475	Pensioners
Usaha kecil menengah	251,168	44,175	10,753	12,561	54,630	373,287	Small medium enterprises
Usaha mikro kecil	226,497	74,942	9,349	6,564	3,277	320,629	Micro business
Pembiayaan/piutang syariah	47,400	2,229	968	572	384	51,553	Sharia financing/ receivables
	<u>530,321</u>	<u>330,455</u>	<u>21,070</u>	<u>19,697</u>	<u>58,291</u>	<u>959,834</u>	
31 Desember/December 2018							
	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Jumlah/ Total	
Korporasi	-	-	-	-	-	-	Corporate
Pensiunan	-	638	-	-	-	638	Pensioners
Usaha kecil menengah	173,255	56,198	4,317	52,529	29,335	315,634	Small medium enterprises
Usaha mikro kecil	377,775	151,092	11,492	18,559	10,343	569,261	Micro business
Pembiayaan/piutang syariah	127,841	3,386	2,059	618	187	134,091	Sharia financing/ receivables
	<u>678,871</u>	<u>211,314</u>	<u>17,868</u>	<u>71,706</u>	<u>39,865</u>	<u>1,019,624</u>	

13. BEBAN DIBAYAR DIMUKA

13. PREPAYMENTS

	31 Desember/December		
	2019	2018*	
Asuransi kredit	1,860,240	1,913,689	Loans insurance
Sewa bangunan	235,564	223,933	Building rental
Pemeliharaan dan pembaharuan IT	86,400	55,902	IT maintenance and renewal
Tunjangan perumahan	18,686	8,786	Housing allowance
Jasa profesional	8,672	9,988	Professional service
Promosi	19	2,227	Promotion
Lainnya	24,940	12,553	Others
	<u>2,234,521</u>	<u>2,227,078</u>	

Beban dibayar dimuka lainnya termasuk beban dibayar dimuka untuk asuransi jiwa, asuransi uang tunai dan asuransi gedung.

Other prepayments primarily includes prepayments for life, cash and building insurance.

*) Setelah penyajian kembali (Catatan 48)

*) After restatement (Note 48)

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

14. PERPAJAKAN

14. TAXATION

a. Pajak dibayar dimuka

a. Prepaid taxes

Bank memiliki pajak dibayar dimuka terkait:

The Bank has prepaid taxes related to:

	31 Desember/December		
	2019	2018	
Klaim pengembalian pajak	124,022	53,308	Claim for tax refund Corporate income tax overpayment
Kelebihan pembayaran pajak penghasilan	197,290	-	
	<u>321,312</u>	<u>53,308</u>	

b. Utang pajak

b. Taxes payable

	31 Desember/December		
	2019	2018	
Pajak penghasilan badan:			Corporate income taxes:
<u>Bank</u>			
- Pasal 29	-	214,287	<u>Bank</u>
- Pasal 25	60,894	-	Article 29 - Article 25 -
<u>Entitas anak</u>			<u>Subsidiary</u>
- Pasal 25	45,980	30,132	Article 25 -
- Pasal 29	12,186	63,989	Article 29 -
	<u>119,060</u>	<u>308,408</u>	
Pajak lainnya:			Other taxes:
<u>Bank</u>			
- Pasal 23, 26 dan 4(2)	62,269	64,565	<u>Bank</u>
- Pasal 21	36,018	24,447	Article 23,26 and 4(2) - Article 21 -
- Pajak pertambahan nilai	3,129	1,884	Value added tax -
<u>Entitas anak</u>			<u>Subsidiary</u>
- Pasal 23, 26 dan 4(2)	9,701	7,907	Article 23,26 and 4(2) -
- Pasal 21	6,716	4,335	Article 21 -
- Pajak pertambahan nilai	-	81	Value added tax -
	<u>117,833</u>	<u>103,219</u>	
	<u>236,893</u>	<u>411,627</u>	

c. Beban pajak penghasilan

c. Income tax expense

	31 Desember/December		
	2019	2018	
Pajak penghasilan:			Income taxes:
- Kini			
Bank	545,060	521,559	Current - Bank
Entitas anak	526,767	377,414	Subsidiary
- Tangguhan			Deferred -
Bank	2,828	(63,903)	Bank
Entitas anak	(48,151)	(43,706)	Subsidiary
Jumlah beban pajak penghasilan	<u>1,026,504</u>	<u>791,364</u>	Total income tax expenses

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

14. PERPAJAKAN (lanjutan)

c. Beban pajak penghasilan (lanjutan)

Rekonsiliasi antara laba akuntansi konsolidasi sebelum pajak penghasilan dikali tarif pajak yang berlaku dengan beban pajak penghasilan konsolidasian adalah sebagai berikut:

	31 Desember/December	
	2019	2018*
Laba akuntansi konsolidasian sebelum pajak penghasilan	4,018,922	3,049,248
Tarif pajak	25%	25%
Pajak dihitung dengan tarif pajak	1,004,730	762,312
Perbedaan permanen dengan tarif pajak 25%		
- Bank	12,721	20,099
- Entitas anak	9,053	8,953
Beban pajak penghasilan konsolidasian	<u>1,026,504</u>	<u>791,364</u>

Rekonsiliasi antara laba akuntansi konsolidasian sebelum pajak penghasilan dan penghasilan kena pajak Bank adalah sebagai berikut:

	31 Desember/December	
	2019	2018*
Laba akuntansi konsolidasian sebelum pajak penghasilan	4,018,922	3,049,248
Dikurangi:		
Laba Entitas Anak sebelum pajak penghasilan	(1,878,249)	(1,299,019)
Laba akuntansi sebelum pajak penghasilan (Bank saja)	<u>2,140,673</u>	<u>1,750,229</u>
Perbedaan temporer:		
Penyisihan kerugian aset produktif - pinjaman yang diberikan	14,632	237,317
Beban penyusutan	(51,247)	(18,940)
Bonus direksi	(55,752)	59,111
Beban atas imbalan pascakerja	59,962	4,451
Akrual, bonus, tantiem dan lain-lain	21,090	(26,327)
Jumlah perbedaan temporer	<u>(11,315)</u>	<u>255,612</u>
Perbedaan permanen:		
Beban yang tidak dapat dikurangkan	50,884	80,396
Penghasilan kena pajak Bank	<u>2,180,242</u>	<u>2,086,237</u>

d. Perhitungan pajak kini dan utang pajak adalah sebagai berikut:

	31 Desember/December	
	2019	2018*
Penghasilan kena pajak:		
Bank	2,180,242	2,086,237
Entitas anak	2,107,068	1,509,656
	<u>4,287,310</u>	<u>3,595,893</u>
Pajak kini:		
Bank	545,060	521,559
Entitas anak	526,767	377,414
	<u>1,071,827</u>	<u>898,973</u>
Pajak dibayar dimuka:		
Bank	321,312	53,308
Entitas anak	-	-
	<u>321,312</u>	<u>53,308</u>
Utang pajak penghasilan badan:		
Bank	60,894	214,287
Entitas anak	58,166	63,989
	<u>119,060</u>	<u>278,276</u>
Kelebihan pembayaran pajak penghasilan badan:		
Bank	197,290	-
Entitas anak	-	-
	<u>197,290</u>	<u>-</u>

*Sebelum penyajian kembali. Lihat penyajian kembali di Catatan 48

14. TAXATION (continued)

c. Income tax expense (continued)

Reconciliation between consolidated accounting profit before income tax multiplied by the prevailing tax rate and consolidated income tax expense was:

Consolidated accounting profit before income tax	4,018,922
Tax rate	25%
Tax calculated at tax rate	1,004,730
Permanent differences at 25% tax rate:	
Bank -	12,721
Subsidiary -	9,053
Consolidated income tax expense	<u>791,364</u>

The reconciliation between consolidated accounting profit before income tax and taxable income of the Bank was as follows:

Consolidated accounting profit before income tax	4,018,922
Less:	
Subsidiary's profit before income tax	(1,878,249)
Accounting profit before income tax (Bank only)	<u>2,140,673</u>
Temporary differences:	
Allowance for impairment losses on earning assets - loans	14,632
Depreciation expenses	(51,247)
Bonus for directors	(55,752)
Post-employment benefit expenses	59,962
Accruals, bonus, tantiem and others	21,090
Total temporary differences	<u>(11,315)</u>
Permanent differences:	
Non-deductible expenses	50,884
Taxable income of the Bank	<u>2,180,242</u>

d. The computation of current income tax and tax payable was as follows:

Taxable income:	
Bank	2,180,242
Subsidiary	2,107,068
	<u>4,287,310</u>
Current tax expense:	
Bank	545,060
Subsidiary	526,767
	<u>1,071,827</u>
Prepaid taxes:	
Bank	321,312
Subsidiary	-
	<u>321,312</u>
Corporate income tax payable:	
Bank	60,894
Subsidiary	58,166
	<u>119,060</u>
Income tax overpayment:	
Bank	197,290
Subsidiary	-
	<u>197,290</u>

*Before restatement. See Note 48 for the restatement

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

14. PERPAJAKAN (lanjutan)

- e. Sesuai dengan peraturan perpajakan di Indonesia, Bank dan Entitas Anak menghitung dan melaporkan/menyetorkan pajak untuk setiap perusahaan sebagai suatu badan hukum yang terpisah (pelaporan pajak penghasilan konsolidasian tidak diperbolehkan) berdasarkan sistem *self-assessment*. Fiskus dapat menetapkan/mengubah pajak-pajak tersebut dalam jangka waktu tertentu sesuai peraturan yang berlaku.

Manajemen mempertahankan posisi perpajakan Perseroan yang diyakini berdasarkan pada teknik dasar yang kuat, sesuai dengan peraturan perpajakan dan upaya manajemen dalam mengantisipasi kemungkinan risiko timbulnya pajak di masa depan.

Perhitungan pajak penghasilan badan untuk tahun yang berakhir pada 31 Desember 2019 di atas adalah suatu perhitungan sementara yang dibuat untuk tujuan akuntansi dan dapat berubah pada waktu Bank menyampaikan Surat Pemberitahuan Pajak (SPT) tahunannya.

f. Aset (liabilitas) pajak tangguhan

Rincian dari aset (liabilitas) pajak tangguhan Bank dan Entitas Anak adalah sebagai berikut:

Bank

	Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) ke laba rugi/ Credited/ (charged) to profit or loss	Transfer dari SMBCI terkait dengan merger/ Transfer from SMBCI related to merger	Dibebankan ke ekuitas/ Charged to equity	Saldo akhir/ Ending balance	
Cadangan kerugian penurunan nilai atas pinjaman yang diberikan	66,492	3,658	(178,678)	-	(108,528)	Allowance for impairment losses on loans
Imbalan kerja jangka pendek	82,246	(2,944)	3,800	-	83,102	Short-term employee benefits
Imbalan pascakerja dan imbalan kerja jangka panjang	(33,906)	15,901	-	10,742	(7,263)	Post-employment benefits and other long-term employee benefits
Keuntungan/kerugian yang belum direalisasi dari efek-efek tersedia untuk dijual dan diukur pada nilai wajar pada penghasilan komprehensif lain	(1,010)	-	86	(3,102)	(4,026)	Unrealized (gain) loss on available for sale and measured at fair value through other comprehensive income marketable securities
Aset tetap	690	(12,812)	(5,714)	-	(17,836)	Fixed assets
Lain-lain	1,638	(6,631)	6,492	-	1,499	Others
Liabilitas pajak tangguhan - bersih	116,150	(2,828)	(174,014)	7,640	(53,052)	Deferred tax liabilities - net

14. TAXATION (continued)

- e. Under the taxation laws of Indonesia, the Bank and its Subsidiary calculate and submit individual company tax returns (submission of consolidated income tax computation is not allowed) on a self-assessment basis. The tax authorities may assess/amend taxes within the statute of limitations under prevailing regulations.

Management vigorously defends the Company's tax positions which are believed to be grounded on sound technical basis, in compliance with the tax regulations and management efforts to anticipate possible future tax exposure.

The calculation of income tax for the year ended 31 December 2019 is a preliminary estimate made for accounting purposes and is subject to change at the time Bank submits its annual tax return (SPT).

f. Deferred tax assets (liabilities)

Details of deferred tax assets (liabilities) of the Bank and Subsidiary were as follows:

Bank

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

14. PERPAJAKAN (lanjutan)

14. TAXATION (continued)

f. Aset (liabilitas) pajak tangguhan (lanjutan)

f. Deferred tax assets (liabilities) (continued)

Bank (lanjutan)

Bank (continued)

31 Desember/December 2018					
Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) ke laba rugi/ Credited/ (charged) to profit or loss	Dibebankan ke ekuitas/ Charged to equity	Saldo akhir/ Ending balance		
Cadangan kerugian penurunan nilai atas pinjaman yang diberikan	7,163	59,329	-	66,492	Allowance for impairment losses on loans
Imbalan kerja jangka pendek	69,614	12,632	-	82,246	Short-term employee benefits
Imbalan pascakerja dan imbalan kerja jangka panjang lainnya	9,175	1,113	(44,195)	(33,907)	Post-employment benefits and other long-term employee benefits
Keuntungan/kerugian yang belum direalisasi dari efek-efek tersedia untuk dijual dan diukur pada nilai wajar pada penghasilan komprehensif lain	(205)	-	(805)	(1,010)	Unrealized loss on available for sale and measured at fair value through other comprehensive income marketable securities
Aset tetap	5,425	(4,735)	-	690	Fixed assets
Lain-lain	6,074	(4,435)	-	1,639	Others
Aset pajak tangguhan – bersih	97,246	63,904	(45,000)	116,150	Deferred tax assets - net

Entitas Anak

Subsidiary

31 Desember/December 2019					
Saldo awal/ Beginning balance	Dikreditkan/ ke laba rugi/ Credited to profit or loss	Dibebankan ke ekuitas/ Charged to equity	Saldo akhir/ Ending balance		
Imbalan kerja jangka pendek	34,021	15,401	-	49,422	Short-term employee benefits
Imbalan pascakerja dan imbalan kerja jangka panjang lainnya	(433)	3,267	(3,050)	(216)	Post-employment benefits and other long-term employee benefits
Aset tetap	11,424	7,357	-	18,781	Fixed assets
Cadangan kerugian penurunan nilai atas piutang murabahah	26,425	10,801	-	37,226	Allowance for impairment losses on murabahah receivables
Keuntungan/kerugian yang belum direalisasi dari surat berharga	(235)	-	189	(46)	Unrealized gain (loss) from marketable securities
Lainnya	28,382	11,325	-	39,707	Others
Aset pajak tangguhan – bersih	99,584	48,151	(2,861)	144,874	Deferred tax assets - net

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

14. PERPAJAKAN (lanjutan)

14. TAXATION (continued)

f. Aset (liabilitas) pajak tangguhan (lanjutan)

f. Deferred tax assets (liabilities) (continued)

Entitas Anak (lanjutan)

Subsidiary (continued)

	31 Desember/December 2018				
	Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) ke laba rugi/ Credited/ (charged) to profit or loss	Dibebankan ke ekuitas/ Charged to equity	Saldo akhir/ Ending balance	
Imbalan kerja jangka pendek	28,378	5,643	-	34,021	Short-term employee benefits
Imbalan pascakerja dan imbalan kerja jangka panjang lainnya	5,307	6,836	(12,576)	(433)	Post-employment benefits and other long-term employee benefits
Aset tetap	12,330	(906)	-	11,424	Fixed assets
Cadangan kerugian penurunan nilai atas piutang murabahah	13,618	12,807	-	26,425	Allowance for impairment losses on murabahah receivables
Cadangan kerugian penurunan nilai atas persediaan	1,000	(1,000)	-	-	Allowance for impairment loses on inventory
Keuntungan/kerugian yang belum direalisasi dari surat berharga	-	-	(235)	(235)	Unrealized gain/loss from marketable securities
Lainnya	8,056	20,326	-	28,382	Others
Aset pajak tangguhan - bersih	68,689	43,706	(12,811)	99,584	Deferred tax assets - net

g. Surat ketetapan pajak

g. Tax assessment letters

Sebelum penggabungan usaha (Catatan 1.b), SMBCI memiliki surat ketetapan pajak sebagai berikut:

Before the merger (Note 1.b), SMBCI had the following tax assessments:

Tahun pajak 2002

Fiscal year 2002

Pada tahun 2005, Direktur Jendral Pajak ("DJP") menerbitkan Surat Ketetapan Pajak Kurang Bayar ("SKPKB") atas pemeriksaan hasil pajak untuk tahun pajak 2002. Pada tahun 2016, SMBCI mengajukan surat keberatan ke DJP. DJP menolak keberatan Bank tersebut.

In 2005, Director of General Taxation ("DGT") issued the Tax Underpayment Letter ("SKPKB") for fiscal year 2002. In 2016, SMBCI filed an objection letter to DGT. DGT rejected SMBCI's objection.

SMBCI mengajukan gugatan ke Pengadilan Pajak pada tanggal 22 Juni 2007 setelah membayar semua denda dan bunga. Di bulan Desember 2010, Pengadilan Pajak mengabulkan gugatan SMBCI tersebut dan SMBCI menerima semua kelebihan pengembalian pajak.

SMBCI filed an appeal to the Tax Court on 22 June 2007 after paying all penalty and interest. In December 2010, the Tax Court approved SMBCI's appeal and SMBCI received all tax refund.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

14. PERPAJAKAN (lanjutan)

14. TAXATION (continued)

g. Surat ketetapan pajak (lanjutan)

g. Tax assessments letters (continued)

Sebelum penggabungan usaha (Catatan 1.b), SMBCI memiliki surat ketetapan pajak sebagai berikut (lanjutan):

Before the merger (Note 1.b), SMBCI had the following tax assessments (continued):

Tahun pajak 2002 (lanjutan)

Fiscal year 2002 (continued)

Atas putusan Pengadilan Pajak yang menyetujui banding SMBCI, DJP mengajukan permohonan kasasi kepada Mahkamah Agung di bulan Februari 2011 untuk membatalkan keputusan dari Pengadilan Pajak. Sampai dengan tanggal laporan keuangan konsolidasian, permohonan kasasi tersebut masih dalam proses.

Based on the Tax Court's decision which approved the SMBCI's appeal, DGT filed a judicial review to the Supreme Court in February 2011 to revoke the decision of the Tax Court. Up to the date of consolidated financial statements, the judicial review was still in process.

Untuk kompensasi bunga, pada bulan Februari 2011, SMBCI mengajukan gugatan baru ke Pengadilan Pajak untuk memperoleh kompensasi bunga terkait pemeriksaan pajak tahun 2002. Pada tanggal 22 September 2011, SMBCI memenangkan gugatan ke Pengadilan Pajak tersebut.

For the interest compensation, in February 2011, SMBCI filed a new appeal to the Tax Court to get interest compensation related with 2002 tax assessment. On 22 September 2011, SMBCI won its appeal to the Tax Court.

Pada bulan Januari 2012, DJP mengajukan permohonan kasasi kepada Mahkamah Agung untuk membatalkan keputusan dari Pengadilan Pajak atas imbalan bunga tersebut. Sampai dengan tanggal 31 Desember 2019, belum ada hasil atas permohonan kasasi yang diajukan oleh DJP ke Mahkamah Agung.

In January 2012, DGT filed a judicial review to the Supreme Court to revoke the decision of the Tax Court for interest compensation. Up to 31 December 2019, the outcome of the judicial review filed by the DGT to Supreme Court has not been determined yet.

Tahun pajak 2010

Fiscal year 2010

Pada tanggal 18 Desember 2015, SMBCI menerima SKPKB sejumlah Rp 817. SMBCI melunasi seluruh SKPKB (termasuk denda) sebesar Rp 817 pada tanggal 14 Januari 2016.

On 18 December 2015, SMBCI received SKPKB amounted Rp 817. SMBCI paid all taxes underpayment (including penalties) amounting to Rp 817 on 14 January 2016.

Pada tanggal 14 Maret 2016, SMBCI mengajukan keberatan ke Kantor Pajak.

On 14 March 2016, SMBCI filed an objection to Tax Office.

Pada tanggal 20 Januari 2017, Kantor Pajak telah mengeluarkan Surat Keputusan atas Keberatan Wajib Pajak yang menyetujui keberatan SMBCI sebesar Rp 14. SMBCI mengajukan permohonan banding atas tersebut.

On 20 January 2017, the Tax Office issued Decision Letter on Taxpayer Objection which approved SMBCI's objection amounting to Rp 14. SMBCI filed an appeal against the decision.

Pada bulan Februari 2020, Bank menerima Putusan Pengadilan yang menolak permohonan banding Bank. Atas hasil Putusan Pengadilan tersebut, Bank akan mengajukan Peninjauan Kembali ke Mahkamah Agung.

In February 2020, the Bank has received the decision letter from Tax Court which rejected the Bank's appeal request. Based on the decision letter, the Bank will file an appeal for Judicial Review to the Supreme Court.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

14. PERPAJAKAN (lanjutan)

g. Surat ketetapan pajak (lanjutan)

Sebelum penggabungan usaha (Catatan 1.b), SMBCI memiliki surat ketetapan pajak sebagai berikut (lanjutan):

Tahun pajak 2015

Pada tahun 2016, sehubungan dengan kelebihan pembayaran pajak penghasilan badan tahun 2015 sebesar Rp 36.179, kewajiban perpajakan SMBCI tahun 2015 diperiksa oleh Kantor Pajak.

Pada tanggal 26 April 2017, SMBCI menerima surat ketetapan bahwa Kantor Pajak hanya menyetujui klaim pengembalian pajak SMBCI sebesar Rp 4.249 dari Rp 36.179. SMBCI mengajukan surat keberatan sejumlah Rp 31.930, yang dicatat sebagai klaim pengembalian pajak.

Pada tanggal 12 Juli 2018, SMBCI menerima surat penolakan dari kantor pajak atas keberatan yang diajukan sebelumnya.

Pada tanggal 9 Oktober 2018, SMBCI mengajukan surat banding atas surat penolakan kantor pajak.

Pada tanggal 1 November 2019, SMBCI menerima putusan Pengadilan Pajak dimana dalam putusan disebutkan permohonan banding SMBCI dikabulkan seluruhnya oleh Pengadilan Pajak.

Pada bulan Januari 2020, Bank menerima pengembalian pajak sebesar Rp 31.930. Pada bulan Februari 2020, Bank menerima pemberitahuan Peninjauan Kembali yang diajukan oleh DJP. Bank telah menyampaikan Surat Kontra Memorandum kepada Mahkamah Agung melalui Pengadilan Pajak pada tanggal 5 Maret 2020.

Tahun pajak 2014

Pada tanggal 19 Februari 2019, SMBCI menerima beberapa SKPKB sehubungan dengan tahun pajak 2014 dengan total sebesar Rp 48.227 (termasuk denda). Sesuai dengan peraturan yang berlaku, SMBCI telah melunasi SKPKB (termasuk denda) tersebut pada 27 Februari 2019. Pada tanggal 26 April 2019, SMBCI mengajukan keberatan atas SKPKB PPh Badan dan PPN. Sampai dengan tanggal 31 Desember 2019, proses keberatan pajak tahun pajak 2014 masih berlangsung.

Sebelum penggabungan usaha (Catatan 1.b), BTPN memiliki surat ketetapan pajak sebagai berikut:

Tahun pajak 2016

Pada tanggal 5 Desember 2018, BTPN menerima surat pemberitahuan pemeriksaan pajak untuk tahun pajak 2016. Sampai dengan tanggal 31 Desember 2019, proses pemeriksaan masih berlangsung.

14. TAXATION (continued)

g. Tax assessments letters (continued)

Before the merger (Note 1.b), SMBCI had the following tax assessments (continued):

Fiscal year 2015

In 2016, in relation with the overpayment income tax for year 2015 of Rp 36,179, SMBCI's 2015 taxes were being audited by the Tax Office.

On 26 April 2017, SMBCI received a decision letter that the Tax Office only approved SMBCI's claim for tax refund amounting to Rp 4,249 out of Rp 36,179. SMBCI filed an objection letter amounted to Rp 31,930, which was recorded as claim for tax refund.

On 12 July 2018, SMBCI received rejection letter from the tax office for the objection letter submitted earlier.

On 9 October 2018, SMBCI filed on appeal letter for the rejection letter sent by the tax office.

On 1 November 2019, SMBCI has received Tax Court decision which stated then SMBCI's appeal request has been wholly granted by the Tax Court.

In January 2020, the Bank has received the tax refund amounted to Rp 31,930. In February 2020, the Bank received notification of Judicial Review filed by DGT. On 5 March 2020, the Bank has submitted the letter of Counter Memorandum to the Supreme Court through the Tax Court.

Fiscal year 2014

On 19 February 2019, SMBCI received assessment letters of SKPKB relating to fiscal year 2014 totaling to Rp 48,227 (including penalties). Based on the prevailing tax regulation, SMBCI fully paid the SKPKB (including penalties) on 27 February 2019. On 26 April 2019, SMBCI filed an objection letter toward SKPKB for corporate income tax and VAT. Up to 31 December 2019, the objection process for fiscal year 2014 was still on going.

Before the merger (Note 1.b), BTPN had the following tax assessments

Fiscal year 2016

On 5 December 2018, BTPN received tax audit notice for fiscal year 2016. Up to 31 December 2019, the tax audit was still on going.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

14. PERPAJAKAN (lanjutan)

g. Surat ketetapan pajak (lanjutan)

Sebelum penggabungan usaha (Catatan 1.b), BTPN memiliki surat ketetapan pajak sebagai berikut: (lanjutan)

Tahun pajak 2017

Pada tanggal 29 April 2019, BTPN menerima Surat Ketetapan Pajak Lebih Bayar ("SKPLB") sebesar Rp 48.017 dari total lebih bayar menurut SPT Tahunan PPh Badan sebesar Rp 53.308. Atas selisih Rp 5.237, BTPN mengajukan keberatan dengan surat pengajuan tanggal 23 Juli 2019. Sampai dengan tanggal 31 Desember 2019, proses pengajuan keberatan masih berlangsung.

Pada tanggal 19 Desember 2019, BTPN menerima surat pemberitahuan pemeriksaan pajak untuk PPh Pasal 23/26 masa pajak Januari 2019. Sampai dengan tanggal 31 Desember 2019, proses pemeriksaan masih berlangsung.

h. Persetujuan penggunaan nilai buku atas pengalihan harta dalam rangka penggabungan usaha

Pada tanggal 28 Mei 2019, sesuai dengan surat No. S.022/DIRUT/FINCP/V/2019, Bank telah mengajukan permohonan izin untuk dapat menggunakan nilai buku atas pengalihan harta dalam rangka penggabungan usaha antara BTPN dengan SMBCI.

Pada tanggal 2 Agustus 2019, Bank telah menerima surat keputusan dari DGT No. KEP-196/WPJ.19/2019 tertanggal 30 Juli 2019 mengenai persetujuan penggunaan nilai buku menurut pajak atas pengalihan harta dalam rangka penggabungan usaha.

15. ASET TETAP

14. TAXATION (continued)

g. Tax assessments letters (continued)

Before the merger (Note 1.b), BTPN had the following tax assessments (continued)

Fiscal year 2017

On 29 April 2019, BTPN received Tax Overpayment Letter ("SKPLB") amounting to Rp 48,017 from the total overpayment in annual tax return amounting to Rp 53,308. BTPN filed an objection letter on 23 July 2019 for the difference of Rp 5,237. Up to 31 December 2019, the objection process was still on going.

On 19 December 2019, BTPN received a tax audit notification letter for Income Tax Article 23/26 for the January 2019 tax period. Up to 31 December 2019, the tax audit was still on going.

h. Approval of the use of book value towards the transfer asset in regards of merger

On 28 May 2019, in accordance with Letter No. S.022/DIRUT/FINCP/V/2019, the Bank submitted a request for permission to use the book value towards the transfer asset in regards of merger between BTPN and SMBCI.

On 2 August 2019, the Bank received decision letter from DGT No. KEP-196/WPJ.19/2019 dated 30 July 2019 regarding approval to use tax book value towards the transfer asset in regards of merger.

15. FIXED ASSETS

		31 Desember/December 2019						
	Saldo awal/ Beginning balance	Penambahan dari penggabungan usaha/ Additions from merger	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassification	Saldo akhir/ Ending balance		
Model revaluasi							Revaluation model	
Kepemilikan langsung							Direct ownership	
Tanah	908,804	-	-	-	-	908,804	Land	
Model biaya							Cost model	
Kepemilikan langsung							Direct ownership	
Gedung	394,886	-	1,613	-	13,555	410,054	Buildings	
Kendaraan bermotor	152,354	-	73,943	(24,265)	5,836	207,868	Motor vehicles	
Perlengkapan kantor	1,226,677	154,952	48,251	(174,113)	162,445	1,418,212	Office equipments	
Leasehold improvement	670,356	105,429	24,206	(40,989)	13,661	772,663	Leasehold improvement	
Aset dalam penyelesaian	35,339	-	176,110	(1,667)	(175,538)	34,244	Construction in progress	
	<u>3,388,416</u>	<u>260,381</u>	<u>324,123</u>	<u>(241,034)</u>	<u>19,959</u>	<u>3,751,845</u>		
Akumulasi penyusutan							Accumulated depreciation	
Gedung	(210,527)	-	(45,086)	154	4	(255,455)	Buildings	
Kendaraan bermotor	(88,358)	-	(32,453)	16,364	-	(104,447)	Motor vehicles	
Perlengkapan kantor	(847,709)	(75,760)	(215,249)	166,358	(3)	(972,363)	Office equipments	
Leasehold improvement	(455,095)	(39,565)	(65,476)	34,303	(1)	(525,834)	Leasehold improvement	
	<u>(1,601,689)</u>	<u>(115,325)</u>	<u>(358,264)</u>	<u>217,179</u>	<u>-</u>	<u>(1,858,099)</u>		
Nilai buku bersih	<u>1,786,727</u>					<u>1,893,746</u>	Net book value	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

15. ASET TETAP (lanjutan)

15. FIXED ASSETS (continued)

31 Desember/December 2018						
	Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassification	Saldo akhir/ Ending balance	
Model revaluasi						Revaluation model
Kepemilikan langsung						Direct ownership
Tanah	831,700	77,104	-	-	908,804	Land
Model biaya						Cost model
Kepemilikan langsung						Direct ownership
Gedung	326,099	39,189	-	29,598	394,886	Buildings
Kendaraan bermotor	131,646	41,366	(20,658)	-	152,354	Motor vehicles
Perlengkapan kantor	1,097,189	126,824	(34,818)	37,482	1,226,677	Office equipments
Leasehold improvement	592,996	61,657	(211)	15,914	670,356	Leasehold improvement
Aset dalam penyelesaian	14,438	113,935	(10,596)	(82,438)	35,339	Construction in progress
	<u>2,994,068</u>	<u>460,075</u>	<u>(66,283)</u>	<u>556</u>	<u>3,388,416</u>	
Akumulasi penyusutan						Accumulated depreciation
Gedung	(188,112)	(22,415)	-	-	(210,527)	Buildings
Kendaraan bermotor	(79,748)	(27,056)	18,446	-	(88,358)	Motor vehicles
Perlengkapan kantor	(699,652)	(176,378)	28,321	-	(847,709)	Office equipments
Leasehold improvement	(366,436)	(88,724)	65	-	(455,095)	Leasehold improvement
	<u>(1,333,948)</u>	<u>(314,573)</u>	<u>46,832</u>	<u>-</u>	<u>(1,601,689)</u>	
Nilai buku bersih	<u>1,660,120</u>				<u>1,786,727</u>	Net book value

Rincian kerugian penjualan aset tetap adalah sebagai berikut:

Detail of the loss on disposal of fixed assets was as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Hasil atas penjualan aset tetap	6,026	4,456	Proceeds from sale of fixed assets
Nilai buku bersih	(9,551)	(7,820)	Net book value
Kerugian penjualan aset tetap	(3,525)	(3,364)	Loss on sale of fixed assets

Aset dalam penyelesaian pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp 34.245 dan Rp 35.339 merupakan gedung yang disewa dari pihak ketiga dan masih dalam tahap renovasi dan perlengkapan kantor yang masih dalam tahap konstruksi. Konstruksi tersebut diperkirakan akan selesai pada tahun 2020 dengan persentase penyelesaian adalah antara 5% - 95% pada tanggal 31 Desember 2019 (31 Desember 2018: 5% - 95%).

Assets under construction as of 31 December 2019 and 2018 amounted to Rp 34,245 and Rp35,339, respectively, related to buildings that were rented from third parties but was still in the renovation progress and office equipments that were still under construction. Those constructions are estimated to be completed in 2020 with current percentages of completion between 5% - 95% as of 31 December 2019 (31 December 2018: 5% - 95%).

Pada tanggal 31 Desember 2019 dan 2018, aset tetap, kecuali tanah, telah diasuransikan kepada perusahaan asuransi pihak ketiga:

As of 31 December 2019 and 2018, fixed assets, except for land, have been insured by the third party insurance companies:

	31 Desember/December		
	2019	2018	
PT Asuransi MSIG Indonesia	1,165,071	-	PT Asuransi MSIG Indonesia
PT Asuransi Adira Dinamika Syariah	142,288	121,655	PT Asuransi Adira Dinamika Syariah
PT Asuransi Adira Dinamika	11,130	1,056,569	PT Asuransi Adira Dinamika
PT Salvus Inti	-	15,550	PT Salvus Inti
Jumlah	<u>1,318,489</u>	<u>1,193,774</u>	Total

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

15. ASET TETAP (lanjutan)

Bank dan Entitas Anak berpendapat bahwa nilai pertanggungans asuransi cukup untuk menutup kemungkinan kerugian dari aset tetap tersebut.

Pada tanggal 31 Desember 2019 dan 2018, Bank dan Entitas Anak melakukan peninjauan kembali atas masa manfaat, metode penyusutan dan nilai residu aset tetap dan menyimpulkan bahwa tidak diperlukan perubahan atas metode dan asumsi tersebut.

Penyusutan aset tetap untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp 358.264 dan Rp 314.573 dibebankan pada beban umum dan administrasi (Catatan 35).

Pada tanggal 31 Desember 2019, aset tetap yang sudah disusutkan penuh namun masih digunakan untuk menunjang aktivitas operasi Bank adalah sebesar Rp 1.529.897 (31 Desember 2018: Rp 1.079.504).

Manajemen Bank dan Entitas Anak berpendapat bahwa tidak terdapat indikasi adanya penurunan nilai yang permanen atas aset tetap pada tanggal 31 Desember 2019 dan 2018.

Pada tanggal 31 Desember 2019 dan 2018, tidak terdapat aset tetap yang digunakan sebagai jaminan dan semua aset tetap tidak dibatasi kepemilikannya.

Revaluasi tanah

Penilaian atas tanah pada tanggal 31 Desember 2018 dilakukan oleh penilai independen eksternal KJPP Susan, Widjojo & Rekan/VPC Asia Pacific dalam Laporan Penilaian No. 004/SWR/ADF/I/2019 tertanggal 18 Januari 2019. Penilaian dilakukan berdasarkan Standar Penilaian Indonesia Edisi VI tahun 2015 dan Peraturan Bapepam-LK No.VIII.C.4, ditentukan berdasarkan transaksi pasar terkini dan dilakukan dengan ketentuan-ketentuan yang lazim. Metode penilaian yang dipakai adalah metode data pasar. Pada tanggal 31 Desember 2018 nilai wajar (hirarki nilai wajar level 2) tanah yang dimiliki Bank bernilai Rp 899.337.

Nilai wajar tingkat 2 dari tanah dihitung dengan menggunakan pendekatan perbandingan harga pasar dan estimasi biaya reproduksi baru atau biaya pengganti baru. Harga pasar dari tanah yang paling mendekati disesuaikan dengan perbedaan atribut utama seperti ukuran aset, lokasi dan penggunaan aset. Untuk kedua pendekatan di atas, input yang paling signifikan dalam pendekatan penilaian ini adalah asumsi harga per meter.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

15. FIXED ASSETS (continued)

The Bank and Subsidiary believe that the insurance coverage is adequate to cover possible losses arising from the fixed assets.

As of 31 December 2019 and 2018, the Bank and Subsidiary performed a review on useful life, depreciation method and residual value of fixed assets and concluded that no change in these method and assumptions was necessary.

The depreciation of fixed assets for the years ended 31 December 2019 and 2018 amounting to Rp 358,264 and Rp 314,573, respectively, was charged to general and administrative expenses (Note 35).

As of 31 December 2019, fixed assets that have been fully depreciated but were still in use to support the Bank's operation activities amounted to Rp 1,529,897 (31 December 2018: Rp 1,079,504).

The Bank and Subsidiary's management believe that there was no indication of permanent impairment in the value of fixed assets as of 31 December 2019 and 2018.

As of 31 December 2019 and 2018 there was no fixed asset pledged as collateral and no limitation of ownership of the fixed assets.

Revaluation of land

The valuation of land as of 31 December 2018 was performed by external independent valuer, KJPP Susan, Widjojo & Rekan/VPC Asia Pacific in the Valuation Report No. 004/SWR/ADF/I/2019 dated 18 January 2019. Valuations are performed based on Indonesian Valuation Standards Edition VI year 2015 and Bapepam-LK Regulations No.VIII.C.4 which appropriate with recent market transactions done on arm's length terms. The valuation method used is market data approach. As of 31 December 2018 fair values (fair value hierarchy level 2) of the Bank's land was Rp 899,337.

Level 2 fair values of land is calculated using the comparable market data approach and cost reproduction or cost replacement approach. The approximate market prices of comparable land is adjusted for differences in key attributes such as property size, location and use of an asset. For the two above approaches, the most significant input into this valuation approach is price per square meter assumption.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

15. ASET TETAP (lanjutan)

Informasi mengenai penilaian kembali tanah pada tanggal 31 Desember 2018 untuk kelompok aset tanah yang dilakukan oleh Bank adalah sebagai berikut:

15. FIXED ASSETS (continued)

Information of the revaluation of land as of 31 December 2018 performed by Bank was as follows:

	Nilai buku sebelum revaluasi/ <i>Carrying amount before revaluation</i>	Nilai buku setelah revaluasi/ <i>Carrying amount after revaluation</i>	Keuntungan revaluasi/ <i>Gain on revaluation</i>	
Tanah	822,233	899,337	77,104	Land

Penilaian kembali yang dilakukan atas tanah yang menghasilkan jumlah kenaikan nilai tercatat sebesar Rp 77.104 dicatat sebagai "Pendapatan Komprehensif Lain".

The revaluation of land that resulted in an increase in the carrying amount of land and building amounting to Rp 77,104 was recognised as "Other Comprehensive Income".

Penilaian kembali tanah untuk tujuan perpajakan dilakukan setelah mendapatkan persetujuan dari Direktorat Jenderal Pajak dengan Surat Keputusan No. KEP-356/WPJ.19/2016 tanggal 16 Maret 2016. Bank melakukan penilaian kembali aset tetap dengan mengacu pada ketentuan Peraturan Menteri Keuangan (PMK) No. 191/PMK.010/2015 tanggal 15 Oktober 2015 sebagaimana telah diubah dengan PMK No. 233/PMK.03/2015 tanggal 21 Desember 2015. Ketentuan penyusutan fiskal aset tetap untuk tujuan pajak setelah penilaian kembali dimulai sejak tanggal 1 Januari 2016.

Revaluation of land for tax purposes was performed after the approval from Directorate General of Tax through its letter No. KEP-356/WPJ.19/2016 dated 16 March 2016. The Bank performed revaluation of fixed assets in accordance with the Finance Minister Regulation (PMK) No. 191/PMK.010/2015, dated 15 October 2015, as amended by PMK No. 233/PMK.03/2015, dated 21 December 2015. The provision concerning the fiscal depreciation of fixed assets for tax purpose after revaluation was started on 1 January 2016.

Berdasarkan kajian manajemen pada tanggal 31 Desember 2019, tidak terdapat kenaikan yang signifikan atas nilai tanah sehingga manajemen memutuskan untuk tidak membukukan nilai kenaikan tanah tersebut.

Based on assessment performed by management as of 31 December 2019, there was no significant increase on the value of land. Therefore, management decided not to book the increment of fair value.

16. ASET TAK BERWUJUD

16. INTANGIBLE ASSETS

31 Desember/December 2019

	Saldo awal/ <i>Beginning balance</i>	Penambahan dari penggabungan usaha/ <i>Additions from merger</i>	Penambahan/ <i>Additions</i>	Pengurangan/ <i>Deductions</i>	Reklasifikasi / <i>Reclassifica tion</i>	Saldo akhir/ <i>Ending balance</i>	
Harga perolehan							Cost
Piranti lunak	1,236,783	199,330	13,622	(6,144)	448,571	1,892,162	Software
Pengembangan piranti lunak	365,786	-	366,612	(19,749)	(468,530)	244,119	Software development
Goodwill	61,116	-	-	-	-	61,116	Goodwill
	<u>1,663,685</u>	<u>199,330</u>	<u>380,234</u>	<u>(25,893)</u>	<u>(19,959)</u>	<u>2,197,397</u>	
Akumulasi amortisasi							Accumulated amortisation
Piranti lunak	(722,855)	(93,063)	(318,284)	5,347	-	(1,128,855)	Software
Nilai buku bersih	<u>940,830</u>					<u>1,068,542</u>	Net book value

31 Desember/December 2018

	Saldo awal/ <i>Beginning balance</i>	Penambahan/ <i>Additions</i>	Pengurangan/ <i>Deductions</i>	Reklasifikasi/ <i>Reclassification</i>	Saldo akhir/ <i>Ending balance</i>	
Harga perolehan						Cost
Piranti lunak	936,505	15,843	-	284,435	1,236,783	Software
Pengembangan piranti lunak	283,766	377,097	(10,086)	(284,991)	365,786	Software development
Goodwill	61,116	-	-	-	61,116	Goodwill
	<u>1,281,387</u>	<u>392,940</u>	<u>(10,086)</u>	<u>(556)</u>	<u>1,663,685</u>	
Akumulasi amortisasi						Accumulated amortisation
Piranti lunak	(512,325)	(210,530)	-	-	(722,855)	Software
Nilai buku bersih	<u>769,062</u>				<u>940,830</u>	Net book value

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

16. ASET TAK BERWUJUD (lanjutan)

Sisa periode amortisasi untuk piranti lunak adalah 1 sampai dengan 4 tahun.

Goodwill merupakan selisih antara nilai perolehan dengan nilai wajar dari aset Entitas Anak yang diakuisisi pada tahun 2014 dimana Bank mengakuisisi 70% saham PT Bank Sahabat Purba Danarta (sekarang PT Bank Tabungan Pensiunan Nasional Syariah Tbk).

Manajemen Bank dan Entitas Anak berpendapat bahwa tidak terdapat indikasi adanya penurunan nilai aset tak berwujud pada tanggal 31 Desember 2019 dan 2018.

Amortisasi aset tak berwujud untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp 318.284 dan Rp 210.530 dan dibebankan sebagai beban umum dan administrasi (Catatan 35).

16. INTANGIBLE ASSETS (continued)

Remaining amortisation period of software is 1 to 4 years.

Goodwill arises from the difference between the cost of acquisition with the fair value of Subsidiary's assets acquired in 2014 where the Bank acquired 70% of PT Bank Sahabat Purba Danarta's shares (now PT Bank Tabungan Pensiunan Nasional Syariah Tbk).

Bank and Subsidiary's management believe that there is no impairment in the value of intangible assets as of 31 December 2019 and 2018.

The amortisation of intangible assets for the years ended 31 December 2019 dan 2018 amounted to Rp 318,284 and Rp 210,530, respectively, and was changed to general and administrative expenses (Note 35).

17. ASET LAIN-LAIN – BERSIH

17. OTHER ASSETS – NET

	31 Desember/December		
	2019	2018	
Transaksi ATM dan transfer	89,998	55,505	<i>ATM transaction and transfer</i>
Aset imbalan kerja (Catatan 24)	69,202	172,312	<i>Employee benefits assets (Note 24)</i>
Jaminan sewa	69,177	41,070	<i>Rental security deposits</i>
Uang muka	32,945	41,738	<i>Advance payment</i>
Tagihan kepada asuransi	23,232	20,618	<i>Receivables from insurance company</i>
Persediaan keperluan kantor	14,290	6,853	<i>Office supplies</i>
Agunan yang diambil alih dari entitas anak	169	169	<i>Foreclosed collateral from subsidiary</i>
Pembayaran obligasi	-	6,000	<i>Bonds payment</i>
Lain-lain	33,918	20,587	<i>Others</i>
	<u>332,931</u>	<u>364,852</u>	
Cadangan kerugian penurunan nilai	(169)	(169)	<i>Allowance for impairment losses</i>
	<u>332,762</u>	<u>364,683</u>	

Uang muka merupakan uang muka pembelian inventaris, beban perjalanan dinas dan uang muka operasional lainnya.

Transaksi ATM dan transfer terdiri dari piutang atas transaksi ATM dan transfer antar bank yang akan diselesaikan pada hari kerja berikutnya.

Aset imbalan kerja merupakan kelebihan pendanaan pada aset program dimana terdapat manfaat ekonomi masa depan untuk Bank.

Jaminan sewa merupakan pembayaran atas uang jaminan sewa gedung.

Advance payment consists of advances for purchase on office supplies, business trip allowances and other operational advances.

ATM transaction and transfer consists of receivables from ATM transaction and transfer from other banks that will be settled on the following working day.

Employee benefit assets derived from overfunding in plan asset program which provide future economic benefit to the Bank.

Rental security deposits represent security deposits payment on building rent.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

17. ASET LAIN-LAIN – BERSIH (lanjutan)

Tagihan kepada asuransi adalah klaim kepada pihak asuransi atas uang pesangon karyawan dan klaim pengembalian premi nasabah kredit pensiun.

Persediaan keperluan kantor merupakan persediaan atas formulir aplikasi, materai, kartu ATM dan cek.

Pembayaran obligasi merupakan pembayaran atas hutang pokok dan bunga obligasi ke PT Kustodian Sentral Efek Indonesia ("KSEI") yang akan jatuh tempo di awal bulan berikutnya.

Lain-lain terdiri dari berbagai macam tagihan dari transaksi kepada pihak ketiga.

Perubahan cadangan kerugian penurunan nilai aset lain-lain adalah sebagai berikut:

	31 Desember/December	
	2019	2018
Saldo awal	(169)	(4,000)
Cadangan kerugian penurunan nilai (Catatan 36)	-	(10,331)
Penghapusbukuan	-	14,162
Saldo akhir tahun	<u>(169)</u>	<u>(169)</u>

Penyisihan kerugian aset lain-lain pada tanggal 31 Desember 2019 dan 2018 dibentuk untuk agunan yang diambil alih dari Entitas Anak. Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai tersebut telah memadai.

18. LIABILITAS SEGERA

Seluruh liabilitas segera adalah dalam mata uang Rupiah dan dengan pihak ketiga.

	31 Desember/December	
	2019	2018
Titipan bagi hasil deposito syariah	4,307	2,906
Titipan uang pensiun	4,304	7,108
Titipan uang notaris	1,730	1,537
Titipan asuransi pensiun	473	525
Kiriman uang yang belum diselesaikan	423	301
Lain-lain	7,031	2,946
	<u>18,268</u>	<u>15,323</u>

Titipan uang pensiun merupakan tumpukan uang pembayaran pensiun nasabah yang akan dibayarkan ke rekening nasabah.

Liabilitas segera lain-lain terutama merupakan titipan pemulihan *fraud* dan aktivitas sosial.

17. OTHER ASSETS – NET (continued)

Receivables from insurance company are the claim to the insurance companies on employees' severance pay and premium refund claim for pension loan's debtors.

Office supplies represent supply of application forms, stamps, ATM cards and cheques.

Bonds payment represents principal and interest payment of bonds which will be due in the beginning of the following month to PT Kustodian Sentral Efek Indonesia ("KSEI").

Others mainly consist of various receivables from transaction with third parties.

The movement of the allowance for impairment losses for other assets was as follows:

31 Desember/December	
2019	2018
(169)	(4,000)
-	(10,331)
-	14,162
<u>(169)</u>	<u>(169)</u>

Allowance for impairment losses as of 31 December 2019 and 2018 were made for foreclosed collateral from Subsidiary. Management believes that allowance for impairment losses is sufficient.

18. OBLIGATIONS DUE IMMEDIATELY

All obligations due immediately were denominated in Rupiah and to third parties.

31 Desember/December	
2019	2018
4,307	2,906
4,304	7,108
1,730	1,537
473	525
423	301
7,031	2,946
<u>18,268</u>	<u>15,323</u>

Unsettled pension funds represent the customer's retirement payments that will be paid to the customer's bank account.

Other obligations due immediately mostly consist of unsettled fraud recovery and social activities.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

19. SIMPANAN NASABAH

19. DEPOSITS FROM CUSTOMERS

	31 Desember/December		
	2019	2018	
Pihak ketiga:			<i>Third parties:</i>
- Giro	14,315,643	1,115,370	<i>Current accounts -</i>
- Tabungan	9,944,811	7,707,013	<i>Savings deposits -</i>
- Deposito berjangka	51,619,382	52,469,682	<i>Time deposits -</i>
- Deposito <i>on call</i>	2,969,819	2,562,223	<i>Deposits on call -</i>
	<u>78,849,655</u>	<u>63,854,288</u>	
Pihak berelasi:			<i>Related parties:</i>
- Giro	58,583	3,535	<i>Current accounts -</i>
- Tabungan	10,894	21,825	<i>Savings deposits -</i>
- Deposito berjangka	469,683	392,704	<i>Time deposits -</i>
- Deposito <i>on call</i>	-	579,500	<i>Deposits on call -</i>
	<u>539,160</u>	<u>997,564</u>	
	<u>79,388,815</u>	<u>64,851,852</u>	
Beban bunga yang masih harus dibayar	210,601	233,429	<i>Accrued interest expenses</i>
	<u>79,599,416</u>	<u>65,085,281</u>	
Berdasarkan mata uang:			<i>By currency:</i>
	31 Desember/December		
	2019	2018	
Simpanan nasabah:			<i>Deposits from customers:</i>
Rupiah	67,317,139	60,627,621	<i>Rupiah</i>
Dolar Amerika Serikat	10,893,144	4,224,152	<i>United States Dollar</i>
Yen Jepang	1,103,663	-	<i>Japanese Yen</i>
Mata uang asing lainnya	74,869	79	<i>Other foreign currency</i>
	<u>79,388,815</u>	<u>64,851,852</u>	
Beban bunga yang masih harus dibayar	210,601	233,429	<i>Accrued interest expenses</i>
	<u>79,599,416</u>	<u>65,085,281</u>	

a. Giro

a. Current accounts

Berdasarkan mata uang:

By currency:

	31 Desember/December		
	2019	2018	
Rupiah	5,431,023	1,089,507	<i>Rupiah</i>
Dolar Amerika Serikat	7,866,301	29,398	<i>United States Dollar</i>
Yen Jepang	1,036,827	-	<i>Japanese Yen</i>
Mata uang asing lainnya	40,075	-	<i>Other foreign currencies</i>
	<u>14,374,226</u>	<u>1,118,905</u>	
Beban bunga yang masih harus dibayar	731	961	<i>Accrued interest expenses</i>
	<u>14,374,957</u>	<u>1,119,866</u>	

Giro Wadiah yang dikelola oleh anak perusahaan, masing-masing sebesar Rp 25.248 & Rp 100.350 pada tanggal 31 Desember 2019 dan 2018.

Wadiah current account managed by Bank's subsidiary, amounted to Rp 25,248 & Rp 100,350 as of 31 December 2019 and 2018, respectively.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

19. SIMPANAN NASABAH (lanjutan)

19. DEPOSITS FROM CUSTOMERS (continued)

a. Giro (lanjutan)

a. Current accounts (continued)

Tingkat suku bunga rata-rata giro per tahun:

The average interest rate per annum for current accounts:

	Tahun berakhir 31 Desember/ Year ended December		
	2019	2018	
Rupiah	1.43%	4.46%	Rupiah
Mata uang asing	0.15%	0.97%	Foreign currencies

Saldo giro yang diblokir pada tanggal 31 Desember 2019 adalah sebesar Rp 163.395 (31 Desember 2018: nihil).

Total current accounts which were blocked as of 31 December 2019 amounted to Rp 163,395 (31 December 2018: nil).

b. Tabungan

b. Saving deposits

Berdasarkan jenis:

By type:

	31 Desember/December		
	2019	2018	
Tabungan "Jenius"	3,141,319	1,015,428	"Jenius" Savings
Tabungan "Citra Pensiun"	2,501,285	2,642,607	"Citra Pensiun" Savings
Tabungan "Se To"	2,094,713	2,129,805	"Se To" Savings
Tabungan "Wadiah TUR Prospera"	1,813,317	1,505,640	"Wadiah TUR Prospera" Savings
Tabungan "Pasti"	175,326	199,082	"Pasti" Savings
Tabungan "Citra"	38,003	-	"Citra" Savings
Tabungan "Wadiah WOW iB"	15,205	13,206	"Wadiah WOW iB" Savings
Lain-lain	176,537	223,070	Others
	9,955,705	7,728,838	
Beban bunga yang masih harus dibayar	3,066	2,575	Accrued interest expenses
	9,958,771	7,731,413	

Berdasarkan mata uang:

By currency:

	31 Desember/December		
	2019	2018	
Simpanan nasabah			Deposits from customers
Rupiah	9,807,345	7,705,784	Rupiah
Dolar Amerikat Serikat	95,712	22,996	United States Dollar
Yen Jepang	17,854	54	Japanese Yen
Mata uang asing lainnya	34,794	4	Other foreign currencies
	9,955,705	7,728,838	
Beban bunga yang masih harus dibayar	3,066	2,575	Accrued interest expenses
	9,958,771	7,731,413	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

19. SIMPANAN NASABAH (lanjutan)

19. DEPOSITS FROM CUSTOMERS (continued)

b. Tabungan (lanjutan)

b. Saving deposits (continued)

Tingkat suku bunga rata-rata tabungan per tahun:

Average interest rate per annum for saving deposits:

	Tahun berakhir 31 Desember/ Year ended December		
	2019	2018	
Rupiah	2.5%	2.14%	<i>Rupiah</i>
Mata uang asing	0.31%	0.69%	<i>Foreign currencies</i>

Saldo tabungan yang diblokir pada tanggal 31 Desember 2019 dan 2018 masing-masing adalah sebesar Rp 5.072 dan Rp 5.195.

Total saving deposits which are blocked as of 31 December 2019 and 2018 amounted to Rp 5,072 and Rp 5,195, respectively.

c. Deposito berjangka

c. Time deposits

Berdasarkan mata uang:

By currency:

	31 Desember/December		
	2019	2018	
Deposito berjangka			<i>Time Deposits</i>
Rupiah	49,751,557	48,690,607	<i>Rupiah</i>
Dolar Amerika Serikat	2,298,367	4,171,758	<i>United States Dollar</i>
Yen Jepang	39,141	-	<i>Japanese Yen</i>
Mata uang asing lainnya	-	21	<i>Other foreign currencies</i>
	<u>52,089,065</u>	<u>52,862,386</u>	
Beban bunga yang masih harus dibayar	204,823	225,934	<i>Accrued interest expenses</i>
	<u>52,293,888</u>	<u>53,088,320</u>	

Berdasarkan jangka waktu:

By time period:

	31 Desember/December		
	2019	2018	
Hingga 1 bulan	28,516,430	30,014,943	<i>Up to 1 month</i>
Lebih dari 1 - 3 bulan	16,018,424	14,330,755	<i>More than 1 - 3 months</i>
Lebih dari 3 - 6 bulan	4,996,149	5,250,452	<i>More than 3 - 6 months</i>
Lebih dari 6 - 12 bulan	2,521,906	3,224,498	<i>More than 6 - 12 months</i>
Lebih dari 1 tahun	36,156	41,738	<i>More than 1 year</i>
	<u>52,089,065</u>	<u>52,862,386</u>	
Beban bunga yang masih harus dibayar	204,823	225,934	<i>Accrued interest expenses</i>
	<u>52,293,888</u>	<u>53,088,320</u>	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

19. SIMPANAN NASABAH (lanjutan)

19. DEPOSITS FROM CUSTOMERS (continued)

c. Deposito berjangka (lanjutan)

c. Time deposits (continued)

Berdasarkan sisa umur sampai dengan tanggal jatuh tempo:

By remaining period to maturity date:

	31 Desember/December		
	2019	2018	
Hingga 1 bulan	35,345,144	35,294,075	<i>Up to 1 month</i>
Lebih dari 1 - 3 bulan	13,792,455	12,580,594	<i>More than 1 - 3 months</i>
Lebih dari 3 - 6 bulan	1,906,146	4,109,846	<i>More than 3 - 6 months</i>
Lebih dari 6 - 12 bulan	1,028,813	858,647	<i>More than 6 - 12 months</i>
Lebih dari 1 tahun	16,507	19,224	<i>More than 1 year</i>
	<u>52,089,065</u>	<u>52,862,386</u>	
Beban bunga yang masih harus dibayar	204,823	225,934	<i>Accrued interest expenses</i>
	<u>52,293,888</u>	<u>53,088,320</u>	

Berdasarkan tingkat suku bunga:

By interest rate:

	31 Desember/December		
	2019	2018	
Hingga 7%	44,590,172	11,598,222	<i>Up to 7%</i>
7% - 8%	7,236,869	25,852,788	<i>7% - 8%</i>
8% - 9%	262,024	15,411,376	<i>8% - 9%</i>
	<u>52,089,065</u>	<u>52,862,386</u>	
Beban bunga yang masih harus dibayar	204,823	225,934	<i>Accrued interest expenses</i>
	<u>52,293,888</u>	<u>53,088,320</u>	

Tingkat suku bunga rata-rata per tahun untuk deposito:

Average interest rate per annum for time deposits:

	Tahun berakhir 31 Desember/ Year ended December		
	2019	2018	
Rupiah	7.41%	6.71%	<i>Rupiah</i>
Mata uang asing	2.21%	2.16%	<i>Foreign currencies</i>

Saldo deposito berjangka yang diblokir atau dijadikan jaminan kredit pada tanggal 31 Desember 2019 dan 2018, masing-masing adalah sebesar Rp 235.095 dan Rp 143.678.

Total time deposits blocked or pledged for collaterals of loans as of 31 December 2019 and 2018 amounted to Rp 235,095 and Rp 143,678, respectively.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

19. SIMPANAN NASABAH (lanjutan)

19. DEPOSITS FROM CUSTOMERS (continued)

d. Deposito on call

d. Deposits on call

Berdasarkan mata uang:

By currency:

	31 Desember/December		
	2019	2018	
Deposito <i>on call</i>			<i>Deposits on call</i>
- Rupiah	2,327,214	3,141,723	<i>Rupiah -</i>
- Dolar Amerika Serikat	632,764	-	<i>United States Dolar -</i>
- Yen Jepang	9,841	-	<i>Japanese Yen -</i>
	<u>2,969,819</u>	<u>3,141,723</u>	
Beban bunga yang masih harus dibayar	1,981	3,959	<i>Accrued interest expenses</i>
	<u>2,971,800</u>	<u>3,145,682</u>	

Rata-rata suku bunga deposito *on call* per tahun untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018, masing-masing adalah 6,66% dan 6,56%.

Average interest rates on deposits on call per annum for the years ended 31 December 2019 and 2018 were 6.66% and 6.56%, respectively.

20. SIMPANAN DARI BANK-BANK LAIN

20. DEPOSITS FROM OTHER BANKS

	31 Desember/December		
	2019	2018	
Pihak ketiga	4,342,049	14,394	<i>Third parties</i>
Pihak berelasi	7,291,425	-	<i>Related parties</i>
	<u>11,633,474</u>	<u>14,394</u>	
Beban bunga yang masih harus dibayar	57,081	-	<i>Accrued interest expenses</i>
	<u>11,690,555</u>	<u>14,394</u>	

a. Berdasarkan jenis:

a. By type:

	31 Desember/December		
	2019	2018	
<i>Call money</i>	11,568,219	-	<i>Call money</i>
<i>Bank acceptance finance</i>	50,000	-	<i>Bank acceptance finance</i>
Giro	15,234	14,373	<i>Current accounts</i>
Tabungan	21	21	<i>Saving deposits</i>
	<u>11,633,474</u>	<u>14,394</u>	
Beban bunga yang masih harus dibayar	57,081	-	<i>Accrued interest expenses</i>
	<u>11,690,555</u>	<u>14,394</u>	

Tidak ada saldo simpanan dari bank-bank lain yang diblokir atau dijadikan jaminan pada tanggal 31 Desember 2019 dan 2018.

There were no deposits from other banks which were blocked or pledged as of 31 December 2019 and 2018.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

20. SIMPANAN DARI BANK-BANK LAIN (lanjutan)

20. DEPOSITS FROM OTHER BANKS (continued)

b. Berdasarkan mata uang:

b. By currency:

	31 Desember/December		
	2019	2018	
Rupiah	4,345,162	14,394	<i>Rupiah</i>
Dolar Amerika Serikat	7,288,312	-	<i>United States Dollar</i>
	<u>11,633,474</u>	<u>14,394</u>	
Beban bunga yang masih harus dibayar	57,081	-	<i>Accrued interest expenses</i>
	<u>11,690,555</u>	<u>14,394</u>	

c. Tingkat suku bunga rata-rata per tahun:

c. Average interest rate per annum:

	Tahun berakhir 31 Desember/ Year ended December		
	2019	2018	
Rupiah			<i>Rupiah</i>
<i>Call money</i>	6.81%	4.83%	<i>Call money</i>
<i>Bank acceptance finance</i>	7.5%	-	<i>Bank acceptance finance</i>
Tabungan	1.5%	0.55%	<i>Savings deposits</i>
Giro	0.03%	0.31%	<i>Current accounts</i>
Deposito berjangka	-	6.29%	<i>Time deposits</i>
Dolar Amerika Serikat			<i>United States Dollar</i>
<i>Call money</i>	2.94%	-	<i>Call money</i>

d. Jangka waktu:

d. Time period:

Jangka waktu simpanan dari bank-bank lain pada tanggal 31 Desember 2019 dan 2018 adalah kurang dari 1 tahun.

The time period of deposits from other banks as of 31 December 2019 and 2018 was less than 1 year.

Informasi mengenai sisa periode sampai dengan tanggal jatuh tempo diungkapkan pada Catatan 43.

Information regarding remaining period to maturity date was disclosed in Note 43.

21. EFEK-EFEK YANG DITERBITKAN

21. SECURITIES ISSUED

a. Surat utang jangka menengah

a. Medium term notes

	Peringkat/ Rating*)	31 Desember/ December 2019	
Nilai nominal: <i>Medium term notes II SMBCI</i>	idAAA	1,302,000	<i>Nominal value: Medium term notes II SMBCI</i>
Dikurangi: Biaya transaksi yang belum diamortisasi		(591)	<i>Less: Unamortised transaction costs</i>
		<u>1,301,409</u>	
Ditambah: Beban bunga yang masih harus dibayar		5,032	<i>Add: Accrued interest expenses</i>
		<u>1,306,441</u>	
Surat utang jangka menengah sesuai dengan jangka waktunya: 1 - 3 tahun		<u>1,302,000</u>	<i>Medium term notes based on time period: 1 - 3 years</i>
		<u>1,302,000</u>	

*) Berdasarkan peringkat dari PT Pemeringkat Efek Indonesia

*) Based on rating by PT Pemeringkat Efek Indonesia

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

21. EFEK-EFEK YANG DITERBITKAN (lanjutan)

21. SECURITIES ISSUED (continued)

a. Surat utang jangka menengah (lanjutan)

a. Medium term notes (continued)

Pembayaran bunga surat utang jangka menengah dilakukan setiap 3 bulan dan pembayaran pokok dilakukan pada saat jatuh tempo (Juni 2020). Bank telah melakukan pembayaran bunga sesuai dengan jadwal.

Interest on medium term notes are paid every 3 months and the principal are paid on maturity date (June 2020). The Bank has paid the interest based on the schedule.

Dalam perjanjian perwalianamanatan, diatur beberapa pembatasan yang harus dipenuhi, antara lain untuk mempertahankan tingkat kesehatan Bank minimal berada dalam peringkat komposit 3 yang tergolong "Cukup Baik" sesuai penilaian internal berdasarkan ketentuan Bank Indonesia atau penilaian dari Otoritas Jasa Keuangan atau lembaga otoritas keuangan lainnya. Bank telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian tersebut.

The trustee agreements provide several negative covenants, among others, maintain the Bank's health level at least in composite rating 3, which is classified as "Fair" according to internal rating Bank Indonesia or by Financial Service Authority or other financial institutions authority. The Bank has complied with the covenants on the trustee agreement.

Beban bunga atas surat utang jangka menengah untuk tahun yang berakhir pada tanggal 31 Desember 2019 sebesar Rp 99.628 (Catatan 32).

The interest expenses of medium term notes for the years ended 31 December 2019 amounted to Rp 99,628 (Note 32).

b. Utang obligasi

b. Bonds payable

	Peringkat/ Rating*)	31 Desember/December		
		2019	2018	
Nilai nominal:				Nominal value:
- Obligasi Berkelanjutan III Tahap I	AAA(idn)	-	300,000	Continuance Bonds III - Phase I
- Obligasi Berkelanjutan III Tahap II	AAA(idn)	900,000	900,000	Continuance Bonds III - Phase II
- Obligasi Berkelanjutan IV Tahap I	AAA(idn)	1,000,000		Continuance Bonds IV - Phase I
		<u>1,900,000</u>	<u>1,200,000</u>	
Dikurangi:				Less:
Biaya emisi yang belum diamortisasi		(10,781)	(2,558)	Unamortised bonds issuance costs
		<u>1,889,219</u>	<u>1,197,442</u>	
Ditambah:				Add:
Beban bunga yang masih harus dibayar		21,254	19,875	Accrued interest expenses
		<u>1,910,473</u>	<u>1,217,317</u>	
Utang obligasi sesuai dengan jangka waktunya:				Bonds payable based on time period:
Hingga 1 tahun		-	300,000	Up to 1 year
Lebih dari 1-3 tahun		-	900,000	More than 1-3 years
Lebih dari 3 tahun		1,900,000	-	More than 3 years
		<u>1,900,000</u>	<u>1,200,000</u>	

*) Berdasarkan peringkat dari PT Fitch Ratings Indonesia

*) Based on rating by PT Fitch Ratings Indonesia

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

21. EFEK-EFEK YANG DITERBITKAN (lanjutan)

21. SECURITIES ISSUED (continued)

b. Utang obligasi (lanjutan)

b. Bonds payable (continued)

Informasi lain mengenai utang obligasi pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

Other information relating to bonds payable as of 31 December 2019 and 2018 was as follows:

Seri/ Series	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Tanggal penerbitan/ Date of issuance	Jatuh tempo/ Due date	Cicilan pokok obligasi/ Bonds principal installment
Obligasi Berkelanjutan III Tahap I/Continuing Bonds III Phase I:					
Seri/ Series B	300,000	8.00%	1 Juli/ July 2016	1 Juli/ July 2019	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date
Obligasi Berkelanjutan III Tahap II/Continuing Bonds III Phase II:					
Seri/ Series B	900,000	7.50%	17 Oktober/ October 2020	17 Oktober/ October 2020	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date
Obligasi Berkelanjutan IV Tahap I/Continuing Bonds IV Phase I:					
Seri/ Series A	799,000	7.55%	26 November/ November 2022	26 November/ November 2022	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date
Seri/ Series B	201,000	7.75%	26 November/ November 2024	26 November/ November 2024	Pembayaran penuh pada saat jatuh tempo/Bullet payment on due date

Pembayaran bunga obligasi dilakukan setiap 3 bulan dan pembayaran pokok dilakukan pada saat jatuh tempo. Bank telah melakukan pembayaran pokok dan bunga obligasi sesuai dengan jadwal.

Bonds interests are paid every 3 months and bonds principals are paid on the maturity date. Bank has paid the bonds principal and interest based on the schedule.

Perjanjian perwaliamanatan mengatur beberapa pembatasan yang harus dipenuhi oleh Bank, antara lain tidak menerbitkan obligasi lain atau instrumen utang lain yang sejenis yang mempunyai hak tagih yang lebih tinggi dari Obligasi Berkelanjutan III Tahap I dan Obligasi Berkelanjutan III Tahap II serta yang dijamin dengan aset, kecuali pinjaman dan fasilitas dari pinjaman bilateral interbank dan fasilitas bilateral dengan Bank Indonesia yang dijamin dengan aset dalam jumlah 20% dari aset yang dihitung dari laporan keuangan yang terakhir yang telah diaudit (untuk Obligasi Berkelanjutan III Tahap II).

The trustee agreements provide several negative covenants to the Bank, among others, not issuing another bonds or other similar debt instrument with higher collecting right compares to Continuing Bonds III Phase I and Continuing Bonds III Phase II and collateralised with asset, except loans and facilities from bilateral interbank loan and bilateral facilities from Bank Indonesia which are secured with assets in the amount of 20% from assets which are calculated from the last audited financial statements (Applied to Continuing Bond III Phase II).

Bank berkewajiban menjaga jumlah aset yang tidak diagunkan secara khusus minimal sebesar 125% dari total obligasi yang diterbitkan termasuk pokok obligasi. Bank telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian tersebut.

The Bank should keep the total assets that have not been specifically pledged at the minimum 125% from total issued bonds including bonds principal. The Bank has complied with the covenants on the trustee agreement.

Beban bunga atas utang obligasi untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp 88.648 dan Rp 148.646 (Catatan 32).

The interest expenses of bonds payable for the years ended 31 December 2019 and 2018 amounted to Rp 88,648 and Rp 148,646, respectively (Note 32).

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA

Pinjaman yang diterima terdiri dari pinjaman bank dan pinjaman bukan bank yang dilakukan dengan pihak berelasi dan pihak ketiga.

22. BORROWINGS

Borrowings consists of bank borrowings and non-bank borrowings with related parties and third parties.

	31 Desember/December		
	2019	2018	
Pihak ketiga			Third parties:
Pinjaman bank:			<i>Bank borrowings:</i>
PT Bank UOB Indonesia	-	2,876,000	<i>PT Bank UOB Indonesia</i>
PT Bank Central Asia Tbk	5,500,000	2,500,000	<i>PT Bank Central Asia Tbk</i>
Pinjaman bukan bank:			<i>Non-bank borrowings:</i>
International Finance Corporation	1,368,500	2,010,625	<i>International Finance Corporation</i>
Fasilitas Likuiditas Pembiayaan Perumahan Pemerintah	295	314	<i>Government Housing Financing Liquidity Facility</i>
	<u>6,868,795</u>	<u>7,386,939</u>	
Pihak berelasi			Related party:
Pinjaman bank:			<i>Bank borrowings:</i>
Sumitomo Mitsui Banking Corporation	31,193,978	1,078,500	<i>Sumitomo Mitsui Banking Corporation</i>
	<u>38,062,773</u>	<u>8,465,439</u>	
Dikurangi:			<i>Less:</i>
Biaya transaksi yang belum diamortisasi	(15,318)	(22,674)	<i>Unamortised transaction costs</i>
Ditambah:			<i>Add:</i>
Beban bunga yang masih harus dibayar	141,471	114,109	<i>Accrued interest expenses</i>
	<u>38,188,926</u>	<u>8,556,874</u>	

a. Pinjaman bank

Cicilan pokok pinjaman yang dibayarkan sesuai dengan tanggal jatuh temponya:

a. Bank borrowings

Installments of borrowing principals based on maturity date:

	31 Desember/December		
	2019	2018	
Hingga 1 tahun	-	3,954,500	<i>Up to 1 year</i>
Lebih dari 1 – 2 tahun	5,500,000	-	<i>More than 1 – 2 years</i>
Lebih dari 2 – 3 tahun	-	2,500,000	<i>More than 2 – 3 years</i>
Lebih dari 3 tahun	31,193,978	-	<i>More than 3 years</i>
	<u>36,693,978</u>	<u>6,454,500</u>	
Dikurangi:			<i>Less:</i>
Biaya transaksi yang belum diamortisasi	(939)	(10,758)	<i>Unamortised transaction costs</i>
	<u>36,693,039</u>	<u>6,443,742</u>	
Ditambah:			<i>Add:</i>
Beban bunga yang masih harus dibayar	118,650	64,246	<i>Accrued interest expenses</i>
	<u>36,811,689</u>	<u>6,507,988</u>	

(i) Perjanjian Pinjaman 2017

Pada tanggal 12 September 2017, Bank menandatangani fasilitas kredit melalui pinjaman sindikasi dengan nilai maksimum sebesar USD 250.000.000 (angka penuh) dengan SMBC sebagai *Mandated Lead Arranger* dan *Bookrunner*, dan Sumitomo Mitsui Banking Corporation cabang Singapura sebagai agen.

(i) Borrowing Agreement 2017

On 12 September 2017, the Bank entered into syndicated loan amounting to maximum of USD 250,000,000 (full amount) with SMBC as the Mandated Lead Arranger as well Bookrunner, and Sumitomo Mitsui Banking Corporation - Singapore branch as the agent.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

a. Pinjaman bank (lanjutan)

(i) Perjanjian Pinjaman 2017 (lanjutan)

Tujuan pinjaman tersebut adalah untuk mendanai pembiayaan kredit mikro dan SME.

Berdasarkan perjanjian, fasilitas kredit terdiri dari Pinjaman Berjangka Sindikasi USD 115.000.000 (angka penuh) ("Fasilitas A") dan Pinjaman *Revolving* sebesar USD 135.000.000 (angka penuh) ("Fasilitas B").

Periode ketersediaan Fasilitas A adalah tiga bulan terhitung sejak tanggal perjanjian. Bank tidak dapat melakukan penarikan kembali atas fasilitas pinjaman yang telah dilunasi.

Periode ketersediaan Fasilitas B dimulai sejak tanggal perjanjian sampai dengan satu bulan sebelum tanggal jatuh tempo final. Tanggal jatuh tempo final adalah 360 hari sejak tanggal penarikan pertama fasilitas pinjaman.

Dalam perjanjian pinjaman tersebut diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman,
- tidak melakukan penggabungan usaha, *spin-off*, konsolidasi atau restrukturisasi Bank, yang dapat memberikan dampak merugikan yang signifikan,
- selain itu, Bank diwajibkan untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit tidak lebih dari 25%, rasio kecukupan modal tidak kurang dari 8%, rasio likuiditas aset tidak kurang dari 20% dan rasio NPL (*Non-Performing Loan*) tidak lebih dari 5%.

Fasilitas A

Pada tanggal 20 November 2017, dilakukan penarikan Pinjaman Fasilitas A sebesar USD 115.000.000 (angka penuh), ekuivalen Rp 1.560.263 dengan suku bunga 2,43567% (3 bulan LIBOR + 1%) jatuh tempo pada tanggal 20 Februari 2018.

Pada tanggal 20 Februari 2018, Bank melakukan pembayaran penuh pokok dan bunga pinjaman Fasilitas A.

22. BORROWINGS (continued)

a. Bank borrowings (continued)

(i) Borrowing Agreement 2017 (continued)

The borrowing purpose was to finance the micro and SME loans.

Based on agreement, credit facilities consist of Syndicated Term borrowing amounted to USD 115,000,000 (full amount) ("Facility A") and Revolving borrowing amounting to USD 135,000,000 (full amount) ("Facility B").

The availability period of Facility A is three months commencing from the date of agreement. The Bank could not re-drawdown this borrowing facility that already repaid.

The availability period of Facility B is commencing from the date of agreement until one month before final maturity date. Final maturity date is 360 days from the date of first drawdown of the borrowing facility.

The borrowing agreements provide several negative covenants to the Bank, such as:

- *no substantial change is made to the general nature of its business without prior written consent of the lender,*
- *not undertake or permit any merger, spin-off, consolidation or reorganisation, which has or could reasonably be expected to have material adverse effect,*
- *moreover, the Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain an open credit exposures ratio of not more than 25%, capital adequacy ratio of not less than 8%, liquidity asset ratio of not less than 20% and NPL (Non-Performing Loan Ratio) of not more than 5%.*

Facility A

On 20 November 2017, Facility A amounting to USD 115,000,000 (full amount), equivalent to Rp 1,560,263 had been drawdown with interest rate 2.43567% (3 months LIBOR + 1%), due date on 20 February 2018.

On 20 February 2018, the Bank fully paid the outstanding principal and interest of Facility A.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

a. Pinjaman bank (lanjutan)

a. Bank borrowings (continued)

(i) Perjanjian Pinjaman 2017 (lanjutan)

(i) Borrowing Agreement 2017 (continued)

Fasilitas B

Facility B

Pada tanggal 26 Oktober 2017, dilakukan penarikan pinjaman Fasilitas B (Pinjaman *Revolving*) sebesar USD 50.000.000 (nilai penuh), ekuivalen Rp 678.375 dengan suku bunga 2,56444% (3 bulan LIBOR + 1%), jatuh tempo pada tanggal 26 April 2018. Pada tanggal 26 April 2018, Bank melakukan pembayaran penuh pokok dan bunga pinjaman.

On 26 October 2017, Facility B (*Revolving Borrowing*) amounting to USD 50,000,000 (full amount), equivalent to Rp 678,375 has been drawdown with interest rate 2.56444% (3 months LIBOR + 1%), due date on 26 April 2018. On 26 April 2018, the Bank fully paid the principal and interest.

Pada tanggal 16 Januari 2018, dilakukan penarikan Pinjaman Fasilitas B (Pinjaman *Revolving*) sebesar USD 85.000.000 (nilai penuh), ekuivalen Rp 1.168.325 dengan suku bunga 2,72152% (3 bulan LIBOR + 1%) jatuh tempo pada tanggal 16 April 2018. Pada tanggal 16 April 2018, Bank melakukan pembayaran penuh pokok dan bunga pinjaman.

On 16 January 2018, Facility B (*Revolving Borrowing*) amounting to USD 85,000,000 (full amount), equivalent to Rp 1,168,325 has been drawdown with interest rate 2.72152% (3 months LIBOR + 1%), due date on 16 April 2018. On 16 April 2018, the Bank fully paid the principal and interest.

Pada tanggal 8 Mei 2018, dilakukan penarikan Pinjaman Fasilitas B (Pinjaman *Revolving*) sebesar USD 100.000.000 (nilai penuh), ekuivalen Rp 1.405.000 dengan suku bunga 3,36313% (3 bulan LIBOR + 1%) jatuh tempo pada tanggal 8 Agustus 2018. Pada tanggal 8 Agustus 2018, Bank melakukan pembayaran penuh pokok dan bunga pinjaman.

On 8 May 2018, Facility B (*Revolving Borrowing*) amounting to USD 100,000,000 (full amount), equivalent to Rp 1,405,000 has been drawdown with interest rate 3.36313% (3 months LIBOR + 1%) due date on 8 August 2018. On 8 August 2018, the Bank fully paid the principal and interest.

Pada tanggal 6 Juni 2018, dilakukan penarikan Pinjaman Fasilitas B (Pinjaman *Revolving*) sebesar USD 35.000.000 (nilai penuh), ekuivalen Rp 484.838 dengan suku bunga 3,31381% (3 bulan LIBOR + 1%), jatuh tempo pada tanggal 6 September 2018. Pada tanggal 6 September 2018, Bank melakukan pembayaran penuh pokok dan bunga pinjaman.

On 6 June 2018, Facility B (*Revolving Borrowing*) amounting to USD 35,000,000 (full amount), equivalent to Rp 484,838 has been drawdown with interest rate 3.31381% (3 months LIBOR + 1%) due date on 6 September 2018. On 6 September 2018, the Bank fully paid the principal and interest.

Periode ketersediaan fasilitas telah berakhir pada tanggal 7 Agustus 2018.

The facility availability period was due on 7 August 2018.

(ii) Perjanjian Pinjaman 2018

(ii) Borrowing Agreement 2018

Pinjaman Bilateral Sumitomo Mitsui Banking Corporation - Cabang Singapura

Bilateral Borrowing with Sumitomo Mitsui Banking Corporation - Singapore Branch

Pada tanggal 27 September 2018, Bank telah menandatangani fasilitas kredit melalui pinjaman bilateral dengan nilai maksimum sebesar USD 75.000.000 (nilai penuh) dengan Sumitomo Mitsui Banking Corporation - Cabang Singapura.

On 27 September 2018, the Bank entered into bilateral borrowing amounting to maximum USD 75,000,000 (full amount) with Sumitomo Mitsui Banking Corporation - Singapore Branch.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

a. Pinjaman bank (lanjutan)

a. Bank borrowings (continued)

(ii) Perjanjian Pinjaman 2018 (lanjutan)

(ii) Borrowing Agreement 2018 (continued)

Pinjaman Bilateral Sumitomo Mitsui Banking Corporation - Cabang Singapura (lanjutan)

Bilateral Borrowing with Sumitomo Mitsui Banking Corporation - Singapore Branch (continued)

Tujuan pinjaman tersebut adalah untuk modal kerja Bank.

The purpose of that borrowing was for Bank's working capital purpose.

Berdasarkan perjanjian, fasilitas kredit adalah Pinjaman *Revolving* sebesar USD 75.000.000 (nilai penuh).

Based on the agreement, credit facility is *Revolving Borrowing* amounting to USD 75,000,000 (full amount).

Periode ketersediaan fasilitas dimulai sejak tanggal perjanjian sampai dengan satu bulan sebelum tanggal jatuh tempo final. Tanggal jatuh tempo final adalah 365 hari sejak pinjaman pertama disediakan.

The availability period of facility is commencing from the date of agreement until one month before termination date. Termination date is 365 days after the first borrowing was provided.

Dalam perjanjian pinjaman tersebut diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain, Bank diwajibkan untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio kecukupan modal tidak kurang dari 8% dan rasio NPL (*Non Performing Loan*) tidak lebih dari 5%.

The borrowing agreements provide several negative covenants to the Bank, such as, Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain capital adequacy ratio of no less than 8% and NPL (*Non Performing Loan Ratio*) of no more than 5%.

Pada tanggal 20 Desember 2018, dilakukan penarikan fasilitas sebesar USD 75.000.000 (nilai penuh), ekuivalen Rp 1.078.500 dengan suku bunga 3,67638% (6 bulan LIBOR + 0,8%) jatuh tempo pada tanggal 20 Juni 2019. Pada tanggal 20 Juni 2019, Bank telah melakukan pembayaran penuh pokok dan bunga pinjaman.

On 20 December 2018, facility amounting to USD 75,000,000 (full amount), equivalent to Rp 1,078,500 has been drawdown with interest rate 3.67638% (6 months LIBOR + 0.8%), due date on 20 June 2019. On 20 June 2019, the Bank fully paid the principal and interest.

Pinjaman Bilateral PT Bank Central Asia Tbk

Bilateral Borrowing with PT Bank Central Asia Tbk

Pada tanggal 4 Mei 2018, Bank telah menandatangani perjanjian fasilitas kredit *term loan non revolving* sebesar Rp 1.400.000 dengan PT Bank Central Asia Tbk sebagai kreditur. Tujuan pinjaman adalah untuk modal kerja Bank.

On 4 May 2018, the Bank signed non revolving term borrowing facility agreement amounting to Rp 1,400,000 with PT Bank Central Asia Tbk as the creditor. The purpose of the borrowing is for the Bank's working capital.

Pada tanggal 31 Juli 2018 telah ditandatangani Perubahan Pertama atas Perjanjian Kredit yaitu penambahan pokok fasilitas *Term Loan Non-Revolving* sebesar Rp 1.100.000, sehingga jumlah pokok fasilitas menjadi Rp 2.500.000.

On 31 July 2018, the Bank signed first amendment of borrowing agreement that increase the principal amount of *Term Loan Non-Revolving* facility by Rp 1,100,000, then total facility became Rp 2,500,000.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

a. Pinjaman bank (lanjutan)

a. Bank borrowings (continued)

(ii) Perjanjian Pinjaman 2018 (lanjutan)

(ii) Borrowing Agreement 2018 (continued)

Pinjaman Bilateral PT Bank Central Asia Tbk (lanjutan)

Bilateral Borrowing with PT Bank Central Asia Tbk (continued)

Berdasarkan perjanjian, batas waktu penggunaan fasilitas kredit adalah sampai dengan 6 (enam) bulan dari tanggal penandatanganan Perjanjian Kredit.

Based on the facility agreement, the availability period will be ended on the 6 (sixth) month from the date of agreement.

Fasilitas kredit harus ditarik sepenuhnya dalam batas waktu penarikan dengan ketentuan jumlah minimum penarikan adalah Rp 500.000 atau sebesar jumlah fasilitas kredit yang belum ditarik.

The facility should be fully drawdown within the availability period with minimum drawdown amount is Rp 500,000 or any remaining undrawn amount.

Jatuh tempo waktu pembayaran pinjaman tidak boleh melebihi 2 (dua) tahun sejak tanggal perjanjian pinjaman. Periode bunga adalah setiap 3 (tiga) atau 6 (enam) bulan berdasarkan suku bunga JIBOR, dengan pembayaran bunga dilakukan setiap tanggal jatuh tempo.

The borrowing should be repaid within 2 (two) years after the date of borrowings agreement. Interest period is 3 (three) or 6 (six) months based on JIBOR interest rate and the payment of interest execute every due date.

Penarikan pertama dilakukan pada tanggal 23 Mei 2018 sebesar Rp 700.000 dengan suku bunga 7,78% (6 bulan JIBOR + 1,35%), jatuh tempo pada tanggal 4 Mei 2020. Suku bunga akan disesuaikan setiap 6 (enam) bulan. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 23 November dan 23 Mei, yang dimulai pada tanggal 23 November 2018 dan berakhir pada tanggal 4 Mei 2020. Pada tanggal 23 November 2018, suku bunga telah disesuaikan menjadi 9,165%.

The first drawdown was on 23 May 2018, amounting to Rp 700,000 with interest rate 7.78% (JIBOR 6 months + 1.35%) maturing on 4 May 2020. Interest rate will be repriced on semi-annual basis. Interest will be paid every 6 (six) months, which is on 23 November and 23 May, started on 23 November 2018 and will be ended on 4 May 2020. On 23 November 2018 the interest rate was repriced to 9.165%.

Penarikan kedua dilakukan pada tanggal 5 Juni 2018 sebesar Rp 700.000 dengan suku bunga 7,815% (6 bulan JIBOR + 1,35%), jatuh tempo pada tanggal 4 Mei 2020. Suku bunga akan disesuaikan setiap 6 (enam) bulan. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 5 Desember dan 5 Juni, yang dimulai pada tanggal 5 Desember 2018 dan berakhir pada tanggal 4 Mei 2020. Pada tanggal 5 Desember 2018, suku bunga telah disesuaikan menjadi 9,16500%.

The second drawdown was on 5 June 2018, amounting to Rp 700,000 with interest rate 7.815% (JIBOR 6 months + 1.35%), due date on 4 May 2020. Interest rate will be repriced on semi-annual basis. Interest will be paid every 6 (six) months, which is on 5 December and 5 June, started on 5 December 2018 and will be ended on 4 May 2020. On 5 December 2018, the interest rate was repriced to 9.16500%.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

a. Pinjaman bank (lanjutan)

(ii) Perjanjian Pinjaman 2018 (lanjutan)

Pinjaman Bilateral PT Bank Central Asia Tbk (lanjutan)

Penarikan ketiga dilakukan pada tanggal 12 September 2018 sebesar Rp 1.100.000 dengan suku bunga 8,69% (6 bulan JIBOR + 1,35%), jatuh tempo pada tanggal 4 Mei 2020. Suku bunga akan disesuaikan setiap 6 (enam) bulan. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 12 Maret dan 12 September yang dimulai pada tanggal 12 Maret 2019 dan berakhir pada tanggal 4 Mei 2020.

Sebelum penggabungan, SMBCI memiliki 5 fasilitas Pinjaman Bilateral dari PT Bank Central Asia Tbk yang ditandatangani pada rentang waktu tahun 2009 hingga 2017.

Pada tanggal 31 Desember 2019, terdapat 4 (empat) fasilitas yang masih berlaku, dengan total fasilitas adalah sebesar Rp 3.500.000 dengan detail sebagai berikut:

- a) Perjanjian pinjaman *revolving Term Loan I* sebesar Rp 500.000 yang ditandatangani pada tanggal 15 Mei 2009 dan telah diperpanjang beberapa kali dengan perpanjangan terakhir kali ditandatangani pada tanggal 13 Mei 2019.

Berdasarkan perjanjian, batas waktu penggunaan fasilitas kredit adalah sampai dengan 18 (delapan belas) bulan dari tanggal penandatanganan Perjanjian Kredit.

Jangka waktu pinjaman adalah 18 (delapan belas) bulan sejak tanggal Perjanjian Kredit. Periode bunga adalah setiap 3 (tiga) bulan berdasarkan suku bunga JIBOR, dengan pembayaran bunga dilakukan setiap tanggal jatuh tempo. Suku bunga terhadap pinjaman ini adalah JIBOR + 0,60%.

- b) Perjanjian pinjaman *revolving Term Loan III* sebesar Rp 1.000.000 yang ditandatangani pada tanggal 1 April 2015 dan telah diperpanjang beberapa kali dengan perpanjangan terakhir kali ditandatangani pada tanggal 1 April 2019.

Berdasarkan perjanjian, batas waktu penggunaan fasilitas kredit adalah sampai dengan 2 (dua) bulan dari tanggal penandatanganan perjanjian kredit.

22. BORROWINGS (continued)

a. Bank borrowings (continued)

(ii) Borrowing Agreement 2018 (continued)

Bilateral Borrowing with PT Bank Central Asia Tbk (continued)

The third drawdown was on 12 September 2018, amounting to Rp 1,100,000 with interest rate 8.69% (JIBOR 6 months + 1.35%), due date on 4 May 2020. Interest rate will be repriced on semi-annual basis. Interest will be paid every 6 (six) months, which is on 12 March and 12 September, started on 12 March 2019 and will be ended on 4 May 2020.

Before the merger, SMBCI had 5 Bilateral Borrowing facilities from PT Bank Central Asia which were signed during 2009 to 2017.

As of 31 December 2019, there were 4 (four) outstanding facilities, with total facilities amounting to Rp 3,500,000 with details as follows:

- a) The facility Agreement of revolving Term Loan I amounting to Rp 500,000 which was signed on 15 May 2009 and has been amended several times with the latest amendment signed on 13 May 2019.

Based on the facility agreement, the availability period will be ended within 18 (eighteen) months from the date of agreement.

The facility should be fully drawdown within 18 (eighteen) months from the date of agreement. The interest period is 3 (three) months based on JIBOR interest rate and the interest will be paid every due date. The interest rate for this facility is JIBOR + 0.60%.

- b) The facility Agreement of revolving Term Loan III amounting to Rp 1,000,000 which was signed on 1 April 2015 and has been amended several times with the latest amendment signed on 1 April 2019.

Based on the facility agreement, the availability period will be ended within 2 (two) months of the date of agreement.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

a. Pinjaman bank (lanjutan)

a. Bank borrowings (continued)

(ii) Perjanjian Pinjaman 2018 (lanjutan)

(ii) Borrowing Agreement 2018 (continued)

Pinjaman Bilateral PT Bank Central Asia Tbk (lanjutan)

Bilateral Borrowing with PT Bank Central Asia Tbk (continued)

Jangka waktu pinjaman adalah 18 (delapan belas) bulan sejak tanggal Perjanjian Kredit. Periode bunga adalah setiap 3 (tiga) bulan berdasarkan suku bunga JIBOR, dengan pembayaran bunga dilakukan setiap tanggal jatuh tempo. Suku bunga terhadap pinjaman ini adalah JIBOR + 0,60%.

The facility should be fully drawdown within 18 (eighteen) months from the date of agreement. The interest period is 3 (three) months based on JIBOR interest rate and the interest will be paid of every due date. The interest rate for this facility is JIBOR + 0.60%.

- c) Perjanjian pinjaman *non-revolving Term Loan IV* sebesar Rp 1.000.000 ditandatangani pada tanggal 10 Juni 2015 dan telah diperpanjang beberapa kali dengan perpanjangan terakhir kali ditandatangani pada tanggal 10 Juni 2019.

- c) *The facility Agreement of non-revolving Term Loan IV amounting Rp 1,000,000 signed on 10 June 2015 which has been amended several times with the latest amendment signed on 10 June 2019.*

Berdasarkan perjanjian, batas waktu penggunaan fasilitas kredit adalah sampai dengan 2 (dua) bulan dari tanggal penandatanganan perjanjian kredit.

Based on the facility agreement, the availability period will be ended in 2 (two) months from the date of agreement.

Jangka waktu pinjaman adalah 18 (delapan belas) bulan sejak tanggal perjanjian kredit. Periode bunga adalah setiap 3 (tiga) bulan berdasarkan suku bunga JIBOR, dengan pembayaran bunga dilakukan setiap tanggal jatuh tempo. Suku bunga terhadap pinjaman ini adalah JIBOR + 0,60%.

The borrowing should be fully drawdown within 18 (eighteen) months from the date of agreement. The interest period is 3 (three) months based on JIBOR interest rate and the interest will be paid every due date. The interest rate for this facility is JIBOR + 0.60%.

- d) Perjanjian pinjaman *non-revolving Term Loan V* sebesar Rp 1.000.000 ditandatangani pada tanggal 16 Agustus 2017 dan telah diperpanjang dengan perpanjangan terakhir kali ditandatangani pada tanggal 15 Agustus 2019.

- d) *The facility Agreement of non-revolving Term Loan V amounting Rp 1,000,000 signed on 16 August 2017 has amended with the latest amendment signed on 15 August 2019.*

Berdasarkan perjanjian, batas waktu penggunaan fasilitas kredit adalah sampai dengan 2 (dua) bulan dari tanggal penandatanganan perjanjian kredit.

Based on the facility agreement, the availability period will be ended within 2 (two) months from the date of agreement.

Jangka waktu pinjaman adalah 18 (delapan belas) bulan sejak tanggal Perjanjian Kredit. Periode bunga adalah setiap 3 (tiga) bulan berdasarkan suku bunga JIBOR, dengan pembayaran bunga dilakukan setiap tanggal jatuh tempo. Suku bunga terhadap pinjaman ini adalah JIBOR + 0,60%.

The facility should be fully drawdown within 18 (eighteen) months from the date of agreement. The interest period is 3 (three) months based on JIBOR interest rate and the interest will be paid every due date. The interest rate for this facility is JIBOR + 0.60%.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

a. Pinjaman bank (lanjutan)

a. Bank borrowings (continued)

(ii) Perjanjian Pinjaman 2018 (lanjutan)

(ii) Borrowing Agreement 2018 (continued)

**Pinjaman Bilateral PT Bank Central
Asia Tbk (lanjutan)**

**Bilateral Borrowing with PT Bank
Central Asia Tbk (continued)**

Pada tanggal 31 Desember 2019, total fasilitas PT Bank Central Asia Tbk yang belum digunakan adalah sebesar Rp 500.000.

As of 31 December 2019, total unused facility for loan from PT Bank Central Asia Tbk amounted to Rp 500,000.

Pinjaman Bilateral PT Bank OCBC NISP

**Bilateral Borrowing with PT Bank OCBC
NISP**

Sebelum penggabungan usaha, SMBCI memiliki fasilitas Pinjaman Bilateral dari PT Bank OCBC NISP yang ditandatangani di tanggal 15 Januari 2019 sebesar Rp 500.000.

Before the merger, SMBCI had Bilateral Borrowing facility from PT Bank OCBC NISP which was signed on 15 January 2019 amounting Rp 500,000.

Fasilitas ini bersifat *stand by* dan belum ditarik pada tanggal 31 Desember 2019. Jatuh tempo fasilitas tersebut adalah 15 Januari 2020.

The facility is on a stand by basis and has not been utilised as of 31 December 2019. Maturity date of this facility is on 15 January 2020.

**Pinjaman Sindikasi United Overseas
Bank Limited (UOB)**

**United Overseas Bank Limited (UOB)
Syndication Borrowing**

Pada tanggal 30 Juli 2018, Bank telah menandatangani fasilitas kredit melalui pinjaman sindikasi dengan nilai maksimum sebesar USD 200.000.000 (nilai penuh) dengan United Overseas Bank Limited sebagai *Mandated Lead Arranger*, *Bookrunner* dan Agen, serta PT Bank UOB Indonesia dan PT Bank Maybank Indonesia Tbk sebagai *Mandated Lead Arrangers*.

On 30 July 2018, the Bank entered into syndicated borrowing amounting to maximum USD 200,000,000 (full amount) with United Overseas Bank Limited (UOB Ltd) as the Mandated Lead Arranger, Bookrunner and Agent, also PT Bank UOB Indonesia and PT Bank Maybank Indonesia Tbk as Mandated Lead Arrangers.

Tujuan pinjaman tersebut adalah untuk kebutuhan umum Bank.

The loan was used for the Bank's general needs.

Berdasarkan perjanjian, fasilitas kredit dibagi menjadi 3 tranche yaitu Fasilitas A dari kreditur United Overseas Bank Limited sebesar USD 100.000.000 (nilai penuh), Fasilitas B dari kreditur PT Bank UOB Indonesia sebesar USD 50.000.000 (nilai penuh) dan Fasilitas C dari kreditur PT Bank Maybank Indonesia Tbk sebesar USD 50.000.000 (nilai penuh). Setiap permohonan pencairan akan dibagi secara prorata untuk masing-masing fasilitas.

Based on the agreement, credit facilities consist of 3 tranches, such as Facility A from lender United Overseas Bank Limited amounting to USD 100,000,000 (full amount), Facility B from PT Bank UOB Indonesia amounting to USD 50,000,000 (full amount) and Facility C from PT Bank Maybank Indonesia Tbk amounting to USD 50,000,000 (full amount). Each disbursement request will be prorated for each facility.

Periode ketersediaan ketiga fasilitas adalah 3 (tiga) bulan terhitung sejak tanggal perjanjian. Bank tidak dapat melakukan penarikan kembali atas fasilitas pinjaman yang telah dilunasi.

The availability period of the three facilities are 3 (three) months commencing from the date of agreement. The Bank could not re-drawdown this loan facility that already repaid.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

a. Pinjaman bank (lanjutan)

a. Bank borrowings (continued)

(ii) Perjanjian Pinjaman 2018 (lanjutan)

(ii) Borrowing Agreement 2018 (continued)

Pinjaman Sindikasi United Overseas Bank Limited (UOB) (lanjutan)

United Overseas Bank Limited (UOB) Syndication Borrowing (continued)

Jangka waktu pembayaran final untuk ketiga fasilitas adalah 365 hari sejak penarikan pertama dari setiap fasilitas.

Final repayment date for the three facilities are 365 days after the first utilisation date under each facility.

Dalam perjanjian pinjaman tersebut diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

The borrowing agreements provide several negative covenants to the Bank, such as:

- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman,
- tidak melakukan penggabungan usaha, *spin-off*, konsolidasi atau restrukturisasi Bank, kecuali penggabungan usaha dengan SMBCI,
- selain itu, Bank diwajibkan untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit tidak lebih dari 25%, rasio kecukupan modal tidak kurang dari 8%, rasio likuiditas aset tidak kurang dari 20% dan rasio NPL net (Non Performing Loan) tidak lebih dari 5%.

- *no substantial change is made to the general nature of its business without the prior written consent of the lender,*
- *not undertake or permit any merger, spin-off, consolidation or reorganisation, except for the merger with SMBCI,*
- *moreover, the Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain an open credit exposures ratio of no more than 25%, capital adequacy ratio of no less than 8%, liquidity asset ratio no less than 20% and net NPL Ratio (Non Performing Loan) of no more than 5%.*

Pada tanggal 10 September 2018, telah dilakukan pencairan pertama fasilitas sebesar USD 50.000.000 (nilai penuh), yang terbagi secara prorata masing-masing untuk Fasilitas A sebesar USD 25.000.000 (nilai penuh) dengan suku bunga 3,24419% (LIBOR 6 bulan + 0,7%), Fasilitas B sebesar USD 12.500.000 (nilai penuh) dengan suku bunga 3,24419% (LIBOR 6 bulan + 0,7%); Fasilitas C sebesar USD 12.500.000 (nilai penuh) dengan suku bunga 3,34419% (LIBOR 6 bulan + 0,8%). Jatuh tempo pertama suku bunga adalah pada tanggal 11 Maret 2019.

On 10 September 2018, the Bank requested the first drawdown of facility amounting to USD 50,000,000 (full amount), which was prorated into Facility A amounting to USD 25,000,000 (full amount) with interest rate of 3.24419% (LIBOR 6 months + 0.7%), Facility B amounting to USD 12,500,000 (full amount) with interest rate of 3.24419% (LIBOR 6 months + 0.7%), Facility C amounting to USD 12,500,000 (full amount) with interest rate of 3.34419% (LIBOR 6 months + 0.8%). First interest payment was due on 11 March 2019.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

a. Pinjaman bank (lanjutan)

a. Bank borrowings (continued)

(ii) Perjanjian Pinjaman 2018 (lanjutan)

(ii) Borrowing Agreement 2018 (continued)

Pinjaman Sindikasi United Overseas Bank Limited (UOB) (lanjutan)

United Overseas Bank Limited (UOB) Syndication Borrowing (continued)

Pada tanggal 12 Oktober 2018 telah dilakukan pencairan kedua fasilitas sebesar USD 50.000.000 (nilai penuh) yang terbagi secara prorata menjadi Fasilitas A sebesar USD 25.000.000 (nilai penuh) dengan suku bunga 3,25950% (LIBOR 6 bulan + 0,7%), Fasilitas B sebesar USD 12.500.000 (nilai penuh) dengan suku bunga 3,25950% (LIBOR 6 bulan + 0,7%); Fasilitas C sebesar USD 12.500.000 (nilai penuh) dengan suku bunga 3,35950% (LIBOR 6 bulan + 0,8%). Jatuh tempo pertama suku bunga adalah pada tanggal 11 Maret 2019.

On 12 October 2018, the Bank requested the second drawdown of facility amounting to USD 50,000,000 (full amount), which was prorated into Facility A amounting to USD 25,000,000 (full amount) with interest rate of 3.25950% (LIBOR 6 months + 0.7%); Facility B amounting to USD 12,500,000 (full amount) with interest rate of 3.25950% (LIBOR 6 months + 0.7%); Facility C amounting to USD 12,500,000 (full amount) with interest rate of 3.35950% (LIBOR 6 months + 0.8%). First interest period was due on 11 March 2019.

Pada tanggal 22 Oktober 2018 telah dilakukan pencairan ketiga fasilitas sebesar USD 50.000.000 (nilai penuh) yang terbagi secara prorata menjadi Fasilitas A sebesar USD 25.000.000 (nilai penuh) dengan suku bunga 3,28907% (LIBOR 6 bulan + 0,7%), Fasilitas B sebesar USD 12.500.000 (nilai penuh) dengan suku bunga 3,28907% (LIBOR 6 bulan + 0,7%); Fasilitas C sebesar USD 12.500.000 (nilai penuh) dengan suku bunga 3,38907% (LIBOR 6 bulan + 0,8%). Jatuh tempo pertama suku bunga adalah pada tanggal 11 Maret 2019.

On 22 October 2018, the Bank requested the third drawdown of facility amounting to USD 50,000,000 (full amount), which was prorated into Facility A amounting to USD 25,000,000 (full amount) with interest rate of 3.28907% (LIBOR 6 months + 0.7%); Facility B amounting to USD 12,500,000 (full amount) with interest rate of 3.28907% (LIBOR 6 months + 0.7%); Facility C amounting to USD 12,500,000 (full amount) with interest rate of 3.38907% (LIBOR 6 months + 0.8%). First interest period was due on 11 March 2019.

Pada tanggal 29 Oktober 2018 telah dilakukan pencairan keempat fasilitas sebesar USD 50.000.000 (nilai penuh) yang terbagi secara prorata menjadi Fasilitas A sebesar USD 25.000.000 (nilai penuh) dengan suku bunga 3,32992% (LIBOR 6 bulan + 0,7%), Fasilitas B sebesar USD 12.500.000 (nilai penuh) dengan suku bunga 3,2992% (LIBOR 6 bulan + 0,7%); Fasilitas C sebesar USD 12.500.000 (nilai penuh) dengan suku bunga 3,4992% (LIBOR 6 bulan + 0,8%). Jatuh tempo pertama suku bunga adalah pada tanggal 11 Maret 2019.

On 29 October 2018, the Bank requested the fourth drawdown of facility amounting to USD 50,000,000 (full amount), which was prorated into Facility A amounting to USD 25,000,000 (full amount) with interest rate of 3.32992% (LIBOR 6 months + 0.7%); Facility B amounting to USD 12,500,000 (full amount) with interest rate of 3.2992% (LIBOR 6 months + 0.7%); Facility C amounting to USD 12,500,000 (full amount) with interest rate of 3.4992% (LIBOR 6 months + 0.8%). First interest period was due on 11 March 2019.

Bank melakukan pembayaran pokok dan bunga pada tanggal 10 September 2019.

Bank fully paid the principal and interest on 10 September 2019.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

a. Pinjaman bank (lanjutan)

a. Bank borrowings (continued)

(iii) Pinjaman Bilateral Sumitomo Mitsui Banking Corporation - Cabang Singapura

(iii) Bilateral Borrowing with Sumitomo Mitsui Banking Corporation - Singapore Branch

Pinjaman jangka panjang ini merupakan pinjaman dari Sumitomo Mitsui Banking Corporation - Cabang Singapura sejumlah USD 2.247.000.000 (nilai penuh). Pinjaman ini akan jatuh tempo berkisar antara tanggal 11 Januari 2021 sampai 27 Desember 2021.

This borrowing represents long-term borrowings from Sumitomo Mitsui Banking Corporation - Singapore Branch amounted to USD 2,247,000,000 (full amount). This borrowing will mature ranging from 11 January 2021 until 27 December 2021.

Pada tanggal 29 November 2019, Bank mendapatkan tambahan fasilitas baru pinjaman jangka panjang dari Sumitomo Mitsui Banking Corporation - Cabang Singapura sebesar USD 525.000.000 (nilai penuh) berjangka waktu 7 (tujuh) tahun sehingga total fasilitas pinjaman jangka panjang dari Sumitomo Mitsui Banking Corporation - Cabang Singapura meningkat menjadi USD 2.825.000.000 (nilai penuh) dari sebelumnya USD 2.300.000 (nilai penuh).

On 29 November 2019, the Bank obtained additional new long-term borrowings facility from Sumitomo Mitsui Banking Corporation - Singapore Branch amounted to USD 525,000,000 (full amount) with the term of 7 (seven) years so that total amount of long-term borrowings facilities from Sumitomo Mitsui Banking Corporation - Singapore Branch is increased to become USD 2,825,000,000 (full amount) from USD 2,300,000 (full amount) previously.

Tingkat suku bunga kontraktual setahun atas pinjaman jangka panjang ini adalah *cost of fund* ditambah margin tertentu. Untuk posisi pada tanggal 31 Desember 2019, margin yang diterapkan adalah 0,50%.

Contractual interest rate per annum on long-term borrowings is cost of fund plus certain margin. For position as of 31 December 2019, the applied margin was 0.50%.

Pada tanggal 31 Desember 2019, tidak terdapat pembatasan-pembatasan tertentu yang diharuskan dalam pemberian pinjaman jangka panjang kepada Bank.

As of 31 December 2019, there was no certain covenant which was required to be maintained in terms of long-term borrowings.

b. Pinjaman bukan bank

b. Non-bank borrowings

Cicilan pokok pinjaman yang dibayarkan sesuai dengan jangka waktu:

Installments of borrowing principal based on time period:

	31 Desember/December		
	2019	2018	
Hingga 1 tahun	-	1,341,375	Up to 1 year
Lebih dari 3 tahun	1,368,795	669,564	More than 3 years
	<u>1,368,795</u>	<u>2,010,939</u>	
Dikurangi:			Less:
Biaya transaksi yang belum diamortisasi	(14,380)	(11,916)	Unamortised transaction costs
	<u>1,354,415</u>	<u>1,999,023</u>	
Ditambah:			Add:
Beban bunga yang masih harus dibayar	22,821	49,863	Accrued interest expenses
	<u>1,377,236</u>	<u>2,048,886</u>	

Pembayaran bunga pinjaman yang diterima telah dibayarkan oleh Bank sesuai dengan jadwal.

Payments of interest on non-bank borrowings had been paid by the Bank in accordance with the schedule.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

b. Pinjaman bukan bank (lanjutan)

b. Non-Bank borrowings (continued)

Pinjaman bukan bank adalah fasilitas pinjaman dengan International Finance Corporation (IFC) dan Pemerintah, bukan pihak berelasi yang terdiri dari beberapa perjanjian sebagai berikut:

Non-bank borrowings consisted of some agreements of borrowing facilities from International Finance Corporation (IFC) and Government, non-related party, consist of some agreement as follows:

(i) Perjanjian Pinjaman 2012

(i) Borrowing Agreement 2012

Pada tanggal 8 Juni 2017 telah dilakukan penandatanganan atas amandemen perjanjian sebesar USD 100.000.000 (nilai penuh) yang dapat dicairkan dalam Dollar Amerika Serikat atau Rupiah.

Amendment Agreement was signed on 8 June 2017, amounting to USD 100,000,000 (full amount) which can be drawdown in United States Dollar or Rupiah.

Bank dapat melakukan penarikan kembali atas fasilitas pinjaman ini (*revolving loan*) atas jumlah yang telah dibayar kembali atau dilunasi sebelum atau pada tanggal 8 Juni 2020.

The Bank could re-drawdown this loan facility (revolving loan) amounting to portion that already repaid prior to or on 8 June 2020.

Tujuan pinjaman tersebut adalah untuk mendanai pembiayaan kredit mikro dan UKM.

The purpose of this borrowing was to finance the growth of the Bank's micro and SME loan portfolio.

Pada tanggal 5 Desember 2017, Bank melakukan penarikan sebesar Rp 676.250, ekuivalen USD 50.000.000 (nilai penuh) dengan suku bunga 7,59% dan jatuh tempo pada 5 Juni 2019. Pembayaran bunga dilakukan setiap 6 (enam) bulan, yaitu tanggal 15 Januari dan 15 Juli yang dimulai pada tanggal 15 Januari 2018 dan akan berakhir pada tanggal 5 Juni 2019. Pada tanggal 10 Juni 2019 (hari kerja berikutnya), Bank telah melakukan pembayaran penuh pokok dan bunga.

On 5 December 2017, loan was drawdown amounting to Rp 676,250, equivalent to USD 50,000,000 (full amount) with interest rate 7.59% and maturity date on 5 June 2019. Interest payment will be paid every 6 (six) months, which is on 15 January and 15 July, started on 15 January 2018 and will be ended on 5 June 2019. On 10 June 2019 (the next business day), the Bank fully paid the principal and interest.

Pada tanggal 2 Februari 2018, Bank melakukan penarikan kembali sebesar Rp 669.250, ekuivalen USD 50.000.000 (nilai penuh) dengan suku bunga 7,50% dan jatuh tempo pada 2 Februari 2021. Pembayaran bunga dilakukan setiap 6 (enam) bulan, yaitu tanggal 15 Januari dan 15 Juli yang dimulai pada tanggal 16 Juli 2018 dan akan berakhir pada tanggal 2 Februari 2021.

On 2 February 2018, loan was drawdown amounting to Rp 669,250, equivalent to USD 50,000,000 (full amount) with interest rate 7.50% and maturity date on 2 February 2021. Interest will be paid every 6 (six) months, which is on 15 January and 15 July, started on 16 July 2018 and will be ended on 2 February 2021.

Pada tanggal 31 Desember 2019, Bank telah menggunakan seluruh fasilitas pinjaman yang ada.

As of 31 December 2019, the Bank has utilized all borrowing facility.

Dalam perjanjian pinjaman tersebut, diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

The borrowing agreements provide several negative covenants to the Bank, such as:

- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman,
- tidak melakukan penggabungan usaha, *demerger*, restrukturisasi Bank, yang dapat memberikan dampak merugikan yang signifikan,

- *no substantial change is made to the general nature of its business without prior written consent of the lender,*
- *not undertake or permit any merger, demerger, corporate restructuring, which has or could reasonably be expected to have material adverse effect,*

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

b. Pinjaman bukan bank (lanjutan)

b. Non-bank borrowings (continued)

(i) Perjanjian Pinjaman 2012 (lanjutan)

(i) Borrowing Agreement 2012 (continued)

Dalam perjanjian pinjaman tersebut, diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain: (lanjutan)

The borrowing agreements provide several negative covenants to the Bank, such as: (continued)

- tidak menerbitkan saham tambahan dan tidak akan melakukan transfer saham, penjualan, perjanjian yang akan mengubah SMBC menjadi pemegang saham non-pengendali sesuai dengan ketentuan Peraturan Perbankan atau Keuangan di Indonesia,
- selain itu, Bank diwajibkan untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit tidak lebih dari 25%, rasio kecukupan modal tidak kurang dari 8% dan rasio likuiditas aset tidak kurang dari 20%.

- *not issue any additional shares and shall not have its existing shares transferred, sold, pledged or otherwise encumbered such that action would make the SMBC to become non-controlling shareholder under the Indonesia's Banking or Financial Regulations,*
- *moreover, Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain an open credit exposures ratio of no more than 25%, capital adequacy ratio of no less than 8% and liquidity asset ratio of no less than 20%.*

Pada tanggal 31 Desember 2019, Bank telah memenuhi seluruh rasio yang dipersyaratkan.

As of 31 December 2019, the Bank had fulfilled all the required ratios.

(ii) Perjanjian Pinjaman 2015

(ii) Borrowing Agreement 2015

Pada tanggal 27 Februari 2015, Bank telah menandatangani fasilitas kredit dengan IFC. Berdasarkan Perjanjian Pinjaman, IFC memberikan fasilitas pinjaman kepada Bank sebesar USD 300.000.000 (nilai penuh) yang terdiri dari fasilitas pinjaman A1 sebesar USD 75.000.000 (nilai penuh) dan fasilitas pinjaman A2 sebesar USD 225.000.000 (nilai penuh).

On 27 February 2015, the Bank entered into borrowing facility with IFC. Based on the borrowing agreement, IFC granted to distribute a loan to the Bank amounting to USD 300,000,000 (full amount), which consists of A1 loan facility amounting to USD 75,000,000 (full amount) and A2 loan facility amounting to USD 225,000,000 (full amount).

Pada tanggal 6 Juni 2017, Bank melakukan penarikan fasilitas A1 sebesar Rp 333.000, ekuivalen USD 25.000.000 (nilai penuh) dengan suku bunga 8,17%, jatuh tempo pada tanggal 6 Juni 2019. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 6 Juni dan 6 Desember, yang dimulai pada tanggal 6 Desember 2017 dan berakhir pada tanggal 6 Juni 2019. Pada tanggal 10 Juni 2019 (hari kerja berikutnya), Bank melakukan pembayaran penuh pokok dan bunga.

On 6 June 2017, the Bank has drawdown the A1 facility amounting to Rp 333,000, equivalent to USD 25,000,000 (full amount) with the interest rate 8.17%, maturing on 6 June 2019. Interest will be paid every 6 (six) months, which is on 6 June and 6 December, started on 6 December 2017 and ended on 6 June 2019. On 10 June 2019 (the following business day), the Bank fully paid the principal and interest.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

b. Pinjaman bukan bank (lanjutan)

b. Non-bank borrowings (continued)

(ii) Perjanjian Pinjaman 2015 (lanjutan)

(ii) Borrowing Agreement 2015 (continued)

Pada tanggal 6 Juni 2017, Bank melakukan penarikan fasilitas A2 sebesar Rp 1.000.350, ekuivalen USD 75.000.000 (nilai penuh) dengan suku bunga 6,64%, jatuh tempo pada 6 Desember 2017. Bank telah melakukan pembayaran pokok dan bunga pinjaman pada tanggal 6 Desember 2017.

On 6 June 2017, the Bank has drawdown the A2 facility amounting to Rp 1,000,350, equivalent to USD 75,000,000 (full amount) with the interest rate 6.64%, due date on 6 December 2017. The Bank fully paid the outstanding principal and interest on 6 December 2017.

Pada tanggal 20 Juni 2017, Bank melakukan penarikan fasilitas A1 sebesar Rp 332.125, ekuivalen USD 25.000.000 (nilai penuh) dengan suku bunga 8,06%, jatuh tempo pada tanggal 20 Juni 2019. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 20 Juni dan 20 Desember, yang dimulai pada tanggal 20 Desember 2017 dan berakhir pada tanggal 20 Juni 2019. Pada tanggal 20 Juni 2019, Bank telah melakukan pembayaran penuh pokok dan bunga.

On 20 June 2017, the Bank has drawdown the A1 facility amounting to Rp 333,125, equivalent to USD 25,000,000 (full amount) with the interest rate 8.06%, maturing on 20 June 2019. Interest will be paid every 6 (six) months, which is on 20 June and 20 December, started on 20 December 2017 and ended on 20 June 2019. On 20 June 2019, the Bank fully paid the principal and interest.

Pada tanggal 20 Juni 2017, Bank melakukan penarikan fasilitas A2 sebesar Rp 988.530, ekuivalen USD 75.000.000 (nilai penuh) dengan suku bunga 7,02%, jatuh tempo pada tanggal 20 Juni 2018. Pembayaran bunga akan dilakukan setiap 6 (enam) bulan, yaitu pada tanggal 20 Juni dan 20 Desember, yang dimulai pada tanggal 20 Desember 2017 dan berakhir pada tanggal 20 Juni 2018. Bank telah melakukan pembayaran pokok pinjaman pada akhir periode pinjaman yaitu pada tanggal 20 Juni 2018.

On 20 June 2017, the Bank has drawdown the A2 facility amounting to Rp 988,530, equivalent to USD 75,000,000 (full amount) with the interest rate 7.02%, maturing on 20 June 2018. Interest will be paid every 6 (six) months, which is on 20 June and 20 December, started on 20 December 2017 and ended on 20 June 2018. The Bank fully paid the outstanding principal by way of a bullet payment on 20 June 2018.

Dalam perjanjian pinjaman tersebut diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

The borrowing agreements provide several negative covenants to the Bank, such as:

- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman;
- tidak melakukan penggabungan usaha, *spin-off*, konsolidasi atau restrukturisasi Bank, yang dapat memberikan dampak merugikan yang signifikan;
- tidak menerbitkan saham tambahan dan tidak akan melakukan transfer saham, penjualan, perjanjian yang akan mengubah Sumitomo Mitsui Banking Corporation (SMBC) menjadi pemegang saham non-pengendali sesuai dengan ketentuan Peraturan Perbankan atau Keuangan di Indonesia;

- no substantial change is made to the general nature of its business without prior written consent of the lender;
- not undertake or permit any merger, spin-off, consolidation or reorganisation, which has or could reasonably be expected to have material adverse effect;
- not issue any additional shares and shall not have its existing shares transferred, sold, pledged or otherwise encumbered such that the action would change the Sumitomo Mitsui Banking Corporation (SMBC) as non-controlling shareholder under the Indonesia's Banking or Financial Regulations;

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

22. BORROWINGS (continued)

b. Pinjaman bukan bank (lanjutan)

b. Non-bank borrowings (continued)

(ii) Perjanjian Pinjaman 2015 (lanjutan)

(ii) Borrowing Agreement 2015 (continued)

Dalam perjanjian pinjaman tersebut diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain: (lanjutan)

The borrowing agreements provide several negative covenants to the Bank, such as: (continued)

- selain itu, Bank wajib untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit tidak lebih dari 25%, rasio kecukupan modal tidak kurang dari 8% dan rasio likuiditas aset tidak kurang dari 20%.

- *moreover, the Bank is obliged to comply with reporting obligations and certain financial covenants such as: the Bank shall at all times maintain an open credit exposures ratio of no more than 25%, capital adequacy ratio of no less than 8% and liquid asset ratio of no less than 20%.*

Periode ketersediaan fasilitas telah berakhir pada tanggal 27 Februari 2018.

The facility availability period ended on 27 February 2018.

(iii) Perjanjian Pinjaman 2018

(iii) Borrowing Agreement 2018

Fasilitas Likuiditas Pembiayaan Perumahan (FLPP) Pemerintah

Fasilitas Likuiditas Pembiayaan Perumahan (FLPP) Pemerintah

Pada tanggal 18 Desember 2017, Bank telah menandatangani Perjanjian Kerjasama Operasional dengan Pusat Pengelolaan Dana Pembiayaan Perumahan (PPDPP) di bawah Kementerian Pekerjaan Umum dan Perumahan Rakyat terkait dengan Dana Fasilitas Likuiditas Pembiayaan Perumahan (FLPP). Perjanjian tersebut berlaku sejak tanggal perjanjian sampai dengan tanggal 31 Desember 2018.

On 18 December 2017, the Bank signed an Operational Agreement with Pusat Pengelolaan Dana Pembiayaan Perumahan (PPDPP) under the Public Works and Public Housing Ministry regarding Dana Fasilitas Likuiditas Pembiayaan Perumahan (FLPP). The agreement was valid from the date of the agreement until 31 December 2018.

Pinjaman tersebut digunakan untuk penyaluran Pembiayaan Rumah Sejahtera Bagi Masyarakat Berpenghasilan Rendah (Program Kredit Pemilikan Rumah Bersubsidi Pemerintah). Bank bertindak sebagai Bank Pelaksana Kredit Pemilikan Rumah Sejahtera.

The borrowing is used to distribute Prosperous Home Financing for Low-Income Communities (Government Subsidized Housing Ownership Credit Program). Bank acted as an executing bank of Prosperous Home Ownership Loans.

Besarnya dana yang disalurkan oleh PPDPP adalah 90% dari nilai pinjaman untuk periode pencairan sebelum Agustus 2018. Sedangkan untuk pencairan yang dilakukan setelah periode tersebut, dana yang disalurkan oleh PPDPP adalah 75% dari nilai pinjaman.

The amount that was distributed by PPDPP is 90% from loan value for the loan that was disbursed before August 2018. However for loan that was disbursed after that period, the amount that is distributed by PPDPP is 75% from loan value.

Pada tanggal 31 Desember 2019, Bank telah menyalurkan dana FLPP kepada 3 (tiga) debitur dengan jangka waktu pinjaman 120-180 bulan dengan nilai pokok Rp 300. Bank memiliki kewajiban untuk membayar bunga kepada PPDPP sebesar 0,5% per tahun.

As of 31 December 2019, the Bank has disbursed FLPP fund for 3 (three) debtors with tenor of 120-180 months and outstanding amount of Rp 300. The Bank was obliged to pay at the 0.5% per annum.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

22. PINJAMAN YANG DITERIMA (lanjutan)

b. Pinjaman bukan bank (lanjutan)

(iv) Perjanjian Pinjaman 2019

Pada tanggal 3 Desember 2019 telah dilakukan penandatanganan atas perjanjian pinjaman sebesar USD 150.000.000 (nilai penuh) yang dapat dicairkan dalam Dolar Amerika Serikat atau Rupiah.

Tujuan pinjaman tersebut adalah untuk mendanai pembiayaan kredit mikro, usaha kecil menengah yang dimiliki perempuan, green loans, SCF loans. Bank akan melakukan upaya terbaiknya untuk memastikan bahwa jumlah agregat dari pencairan yang diberikan untuk setiap pinjaman setidaknya sama dengan 25% dari jumlah maksimum pinjaman.

Pada tanggal 30 Desember 2019, Bank melakukan penarikan sebesar Rp 699.250.000, ekuivalen USD 50.000.000 (nilai penuh) dengan suku bunga 7,75% dan jatuh tempo pada 3 Desember 2024. Pembayaran bunga dilakukan setiap 6 (enam) bulan, yang dimulai pada tanggal 30 Juni 2020 dan akan berakhir pada tanggal 30 Desember 2024 (hari kerja berikutnya), Bank telah melakukan pembayaran penuh pokok dan bunga.

Pada tanggal 31 Desember 2019, total fasilitas yang belum dipergunakan sebesar USD 100.000.000 (nilai penuh).

Dalam perjanjian pinjaman tersebut, diatur beberapa pembatasan yang harus dipenuhi oleh Bank antara lain:

- tidak diperkenankan melakukan perubahan bisnis secara substansial tanpa persetujuan tertulis dari pemberi pinjaman,
- tidak melakukan penggabungan usaha, demerger, restrukturisasi Bank, yang dapat memberikan dampak merugikan yang signifikan,
- tidak menerbitkan saham tambahan dan tidak akan melakukan transfer saham, penjualan, perjanjian yang akan mengubah SMBC menjadi pemegang saham non-pengendali sesuai dengan ketentuan Peraturan Perbankan atau Keuangan di Indonesia,
- selain itu, Bank diwajibkan untuk memenuhi persyaratan keuangan tertentu dan liabilitas penyampaian laporan lainnya seperti: Bank harus selalu memantau rasio eksposur kredit tidak lebih dari 25%, rasio kecukupan modal tidak kurang dari 8% dan rasio likuiditas aset tidak kurang dari 20%.

Pada tanggal 31 Desember 2019, Bank telah memenuhi seluruh rasio yang dipersyaratkan.

22. BORROWINGS (continued)

b. Non-bank borrowings (continued)

(iv) Borrowing Agreement 2019

Borrowing Agreement was signed on 3 December 2019, amounting to USD 100,000,000 (full amount) which can be drawdown in United States Dollar or Rupiah.

The purpose of borrowing was to finance the Women-Owned Micro, Small Medium Enterprise (MSME) loans, Green loans and SCF loans. The Bank will use its best efforts to ensure that the aggregated amount of the disbursements made to each loans was at least equal to 25% of the maximum loan amount.

On 30 December 2019, loan was drawdown amounting to Rp 699,250,000, equivalent to USD 50,000,000 (full amount) with interest rate 7.75% and maturity date on 3 December 2024. Interest payment will be paid every 6 (six) months, which is started on 30 June 2020 and will be ended on 30 December 2024 (the next business day), the Bank fully paid the principal and interest.

As of 31 December 2019, the unused facility was amounting to USD 100,000,000 (full amount).

The borrowing agreements provide several negative covenants to the Bank, such as:

- *no substantial change is made to the general nature of its business without prior written consent of the lender,*
- *not undertake or permit any merger, demerger, corporate restructuring, which has or could reasonably be expected to have material adverse effect,*
- *not issue any additional shares and shall not have its existing shares transferred, sold, pledged or otherwise encumbered such that action would make the SMBC to become non-controlling shareholder under the Indonesia's Banking or Financial Regulations,*
- *moreover, the Bank is obliged to comply with reporting obligations and certain financial covenants such as: Bank shall at all times maintain an open credit exposures ratio of no more than 25%, capital adequacy ratio of no less than 8% and liquidity asset ratio of no less than 20%.*

As of 31 December 2019, the Bank had fulfilled all the required ratios.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

23. AKRUAL

23. ACCRUALS

	31 Desember/December		
	2019	2018	
Akrual beban operasional	347,631	189,396	<i>Accrued operational expenses</i>
Akrual beban promosi	55,564	50,047	<i>Accrued promotion expenses</i>
Akrual jasa profesional	48,191	28,414	<i>Accrued professional fees</i>
	<u>451,386</u>	<u>267,857</u>	

24. LIABILITAS IMBALAN KERJA KARYAWAN

24. EMPLOYEE BENEFITS LIABILITIES

Liabilitas imbalan kerja karyawan terdiri dari:

Employee benefits liabilities consist of:

	31 Desember/December		
	2019	2018	
<u>Imbalan kerja jangka pendek</u>			<i>Short-term employee benefits</i>
Akrual bonus karyawan, THR, tantiem, dan liabilitas jangka pendek pembayaran Program ESOP 2016-2021			<i>Accrual of employee bonus, THR, tantiem, and short-term liabilities related with ESOP 2016-2021</i>
- Bank	360,987	335,535	<i>Program settlement</i>
- Entitas Anak	199,633	136,088	<i>Bank -</i>
	<u>560,620</u>	<u>471,623</u>	<i>Subsidiary -</i>
<u>Imbalan kerja jangka panjang lainnya</u>			<i>Other long-term employee benefits</i>
- Bank	26,436	22,791	<i>Bank -</i>
- Entitas Anak	11,022	10,335	<i>Subsidiary -</i>
	<u>37,458</u>	<u>33,126</u>	
	<u>598,078</u>	<u>504,749</u>	

Bank dan Entitas Anak menerapkan kebijakan program manfaat imbalan pascakerja sesuai dengan Undang-Undang Tenaga Kerja ("UUTK") No. 13 Tahun 2003 dan Perjanjian Kerjasama yang berlaku di Bank. Dasar perhitungan manfaat UUTK No. 13 ini menggunakan gaji pokok terkini. Program pensiun manfaat pasti ini dikelola oleh PT Asuransi Allianz Life Indonesia.

The Bank and Subsidiary implement post-employment benefits policy based on Labor Law ("UUTK") No. 13 Year 2003 and Collective Labor Agreement applied in Bank. The calculation basis of this UUTK No. 13 benefit is the current basic salary. The Bank's defined benefit pension plan is managed by PT Asuransi Allianz Life Indonesia.

Program tersebut memberikan manfaat pensiun yang akan dibayarkan kepada karyawan yang berhak pada saat karyawan pensiun atau pada saat karyawan tersebut berhenti sesuai dengan peraturan UUTK. Pendanaan program pensiun ini dilakukan oleh Bank dan Entitas Anak dengan membayar iuran tahunan yang setidaknya memenuhi jumlah minimum seperti yang diharuskan oleh peraturan perundang-undangan yang berlaku.

The program calls for benefits to be paid to eligible employees at retirement or when the employees resign according to the UUTK. The funding of the pension plan is conducted by the Bank and Subsidiary through payments of annual contributions which are sufficient to meet the minimum requirements set forth in applicable laws.

Pada tanggal 31 Desember 2019, jumlah karyawan Bank yang memiliki hak atas manfaat ini adalah 6.750 karyawan (31 Desember 2018: 6.274 karyawan) (tidak diaudit).

As of 31 December 2019, the total number of the Bank's employees eligible for this benefit are 6,750 employees (31 December 2018: 6,274 employees) (unaudited), respectively.

Pada tanggal 31 Desember 2019, jumlah karyawan Entitas Anak yang memiliki hak atas imbalan ini adalah sebanyak 5.111 karyawan (31 Desember 2018: 5.159 karyawan) (tidak diaudit).

As of 31 December 2019, the total number of the Subsidiary's employees eligible for this benefit was 5,111 employees (31 December 2018: 5,159 employees) (unaudited).

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018

(Expressed in millions of Rupiah, unless otherwise stated)

24. LIABILITAS IMBALAN KERJA KARYAWAN
(lanjutan)

Pada tahun 2019, Bank dan Entitas Anak berinisiatif memberikan program *cash retention* kepada karyawan yang memiliki hak opsi saham dari "Program ESOP 2016-2021", di mana pemegang hak opsi saham tersebut sepakat untuk menyerahkan terlebih dahulu hak opsi saham mereka kepada Bank dan Entitas Anak. Oleh karena itu, cadangan atas Program ESOP 2016-2021 tanggal 31 Desember 2019 kini dicatat sebagai liabilitas sesuai dengan kebijakan akuntansi imbalan kerja jangka pendek (Catatan 2y).

Selain memberikan manfaat yang disebutkan di atas, Bank juga memberikan manfaat cuti panjang kepada karyawannya.

Imbalan pascakerja

Bank

Perhitungan aktuarial atas liabilitas imbalan kerja karyawan Bank pada tanggal 31 Desember 2019 dan 2018 dilakukan oleh PT Sentra Jasa Aktuarial, independen, dengan menggunakan metode "Projected Unit Credit" berdasarkan laporannya masing-masing tertanggal 28 Februari 2020 dan 15 Januari 2019.

Perhitungan aktuarial tersebut menggunakan asumsi-asumsi sebagai berikut:

	31 Desember/December	
	2019	2018
Asumsi ekonomi:		
Tingkat diskonto per tahun	5.42% - 8.15%	8.08%
Tingkat kenaikan gaji per tahun	7%	7%
Asumsi lainnya:		
Usia pensiun normal	55	55
	Tabel mortalita/ Mortality table Indonesia 2011	Tabel mortalita/ Mortality table Indonesia 2011
Tingkat kematian	(TMI 11)	(TMI 11)
Tingkat cacat	10% TMI 11	10% TMI 11

Status pendanaan atas program pensiun pada tanggal 31 Desember 2019 dan 2018 berdasarkan laporan aktuarial adalah sebagai berikut:

	31 Desember/December	
	2019	2018
Nilai kini liabilitas imbalan manfaat pasti	540,349	477,067
Nilai wajar aset program	(595,828)	(635,475)
Kelebihan pendanaan	<u>(55,479)</u>	<u>(158,408)</u>

24. EMPLOYEE BENEFITS LIABILITIES (continued)

In 2019, the Bank and Subsidiary initiatively provided a cash retention program to employees who owned share option rights from "ESOP 2016-2021 Program", of which the share option holders agree to first surrender their share option rights to the Bank and the Subsidiary. As a result, the reserve for ESOP 2016-2021 Program as of 31 December 2019 is now recorded as liabilities in accordance with the accounting policy for short-term employee benefits (Note 2y).

In addition to the benefits mentioned above, the Bank also provides its employees with long leave benefits.

Post-employment benefits

Bank

The actuarial calculation for the Bank's employee benefit liabilities as of 31 December 2019 and 2018 was performed by PT Sentra Jasa Aktuarial, an independent actuary, using the "Projected Unit Credit" method based on its reports dated 28 February 2020 and 15 January 2019, respectively.

The actuarial valuations were carried out using the following assumptions:

Economic assumptions:
Interest discount rate per annum
Salary increment rate per annum
Other assumptions:
Normal pension age
Mortality rate
Disability rate

The funding status of the pension plan as of 31 December 2019 and 2018 based on the actuarial reports was as follows:

Present value of defined benefits liabilities
Fair value of plan assets
Funding surplus

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

24. LIABILITAS IMBALAN KERJA KARYAWAN
 (lanjutan)

24. EMPLOYEE BENEFITS LIABILITIES (continued)

Imbalan pascakerja (lanjutan)

Post-employment benefits (continued)

Bank (lanjutan)

Bank (continued)

Perubahan liabilitas imbalan manfaat pasti selama tahun berjalan adalah sebagai berikut:

The movement in the defined benefits liabilities during the year was as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Perubahan nilai kini liabilitas imbalan manfaat pasti:			Movement in present value of defined benefits liabilities:
Nilai kini kewajiban imbalan manfaat pasti, awal tahun	477,067	603,599	Present value of defined benefits liabilities, beginning of the year
Termasuk dalam laba rugi			Included in profit or loss
Beban jasa kini	72,761	56,519	Current service cost
Beban bunga	38,547	38,932	Interest expense
Termasuk dalam penghasilan komprehensif lain			Included in other comprehensive income
Kerugian/keuntungan aktuarial yang timbul dari:			Actuarial losses/gains arising from:
- Asumsi keuangan	15,997	(89,278)	Financial assumption -
- Penyesuaian pengalaman	9,886	(98,163)	Experience adjustment -
Lain-lain			Others
Imbalan yang dibayarkan oleh aset program selama tahun berjalan	(73,909)	(34,542)	Benefits paid by the plan assets during the year
Nilai kini liabilitas imbalan manfaat pasti, akhir tahun	540,349	477,067	Present value of net defined benefits liabilities, end of year

Perubahan nilai wajar aset program selama tahun berjalan adalah sebagai berikut:

The movement of fair value of plan assets during the year was as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Perubahan nilai wajar aset program:			Movement in the fair value of plan assets:
Nilai wajar aset program, awal tahun	635,475	603,774	Fair value of plan assets, beginning of year
Termasuk dalam laba rugi			Included in profit or loss
Pendapatan bunga atas aset program	51,347	38,942	Interest income on plan assets
Termasuk dalam penghasilan komprehensif lain			Included in other comprehensive income
Imbal hasil atas aset program di luar pendapatan bunga	(17,085)	(10,850)	Return on plan assets excluding interest income
Lain-lain			Others
Kontribusi yang dibayarkan kepada program	-	38,151	Contributions paid into the plan
Imbalan yang dibayarkan oleh program	(73,909)	(34,542)	Benefits paid by the plan
Nilai wajar aset program, akhir tahun	595,828	635,475	Fair value of plan assets, end of year

Aset program terdiri dari:

Plan assets comprise the following :

	31 Desember/December 2019		31 Desember/December 2018		
	Total	%	Total	%	
Kas/deposito berjangka	595,828	100%	360,124	56.67%	Cash/time deposits
Reksa dana	-	-	275,351	43,33%	Mutual funds
Jumlah	595,828	100%	635,475	100%	Total

Seluruh aset program pensiun ditempatkan pada deposito berjangka di Bank dan reksa dana.

All of the pension plan assets are placed on time deposits with the Bank and mutual funds.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

24. LIABILITAS IMBALAN KERJA KARYAWAN
(lanjutan)

Imbalan pascakerja (lanjutan)

Bank (lanjutan)

Bank terekspos dengan beberapa risiko melalui program imbalan pasti. Risiko yang paling signifikan adalah sebagai berikut:

Volatilitas aset

Liabilitas program dihitung menggunakan tingkat diskonto yang merujuk kepada tingkat imbal hasil obligasi pemerintah, jika imbal hasil aset program lebih rendah, maka akan menghasilkan defisit program.

Perubahan imbal hasil obligasi

Penurunan imbal hasil obligasi korporasi akan meningkatkan liabilitas program, walaupun hal ini akan saling hapus dengan kenaikan dari nilai obligasi program yang dimiliki.

Hasil yang diharapkan dari aset program ditentukan dengan mempertimbangkan imbal hasil yang diharapkan atas aset dengan mengacu pada kebijakan investasi. Hasil investasi bunga tetap didasarkan pada hasil pengembalian bruto pada tanggal pelaporan.

Nilai kini liabilitas imbalan manfaat pasti, nilai wajar aset program, defisit/surplus pada program dan penyesuaian pengalaman pada liabilitas program dan aset program untuk 5 tahun terakhir adalah sebagai berikut:

	31 Desember/December					
	2019	2018	2017	2016	2015	
Nilai kini liabilitas imbalan manfaat pasti	540,349	477,067	603,599	827,306	704,905	<i>Present value of defined benefits liabilities</i>
Nilai wajar aset program	(595,828)	(635,475)	(603,774)	(825,087)	(715,923)	<i>Fair value of plan assets</i>
Dampak batas atas aset	-	-	175	-	-	<i>The effect of the asset ceiling</i>
Defisit (surplus)	<u>(55,479)</u>	<u>(158,408)</u>	<u>-</u>	<u>2,219</u>	<u>(11,018)</u>	<i>Deficit (surplus)</i>
Penyesuaian pengalaman pada liabilitas program	<u>(9,886)</u>	<u>98,163</u>	<u>25,062</u>	<u>(24,670)</u>	<u>22,084</u>	<i>Experience adjustment on plan liabilities</i>
Penyesuaian pengalaman pada aset program	<u>(17,085)</u>	<u>(10,850)</u>	<u>4,279</u>	<u>(9,601)</u>	<u>3,372</u>	<i>Experience adjustment on plan assets</i>

Manajemen berkeyakinan bahwa estimasi liabilitas atas imbalan pascakerja pada tanggal 31 Desember 2019 dan 2018 telah memenuhi persyaratan minimum UUTK No. 13.

Durasi rata-rata tertimbang dari liabilitas program pensiun imbalan pasti pada tanggal 31 Desember 2019 dan 2018 masing-masing adalah 12 tahun dan 7 tahun.

24. EMPLOYEE BENEFITS LIABILITIES (continued)

Post-employment benefits (continued)

Bank (continued)

The Bank is exposed to a number of risks through its defined benefit pension plans. The most significant risks are as follows:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields, if plan assets underperform this yield, this will create a deficit.

Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as of the reporting date.

Present value of defined benefits liabilities, fair value of plan assets, deficit/surplus of program and experience adjustment on plan liabilities and plan assets for the last 5 years were as follows:

Management believes that the estimated post-employment benefit liabilities as of 31 December 2019 and 2018 have fulfilled the minimum requirements of UUTK No. 13.

The weighted average duration of the defined benefit pension obligation as of 31 December 2019 and 2018 was 12 years and 7 years, respectively.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

24. LIABILITAS IMBALAN KERJA KARYAWAN
 (lanjutan)

24. EMPLOYEE BENEFITS LIABILITIES (continued)

Imbalan pascakerja (lanjutan)

Post-employment benefits (continued)

Bank (lanjutan)

Bank (continued)

Analisis jatuh tempo yang diharapkan dari manfaat pensiun yang tidak didiskontokan adalah sebagai berikut:

Expected maturity analysis of undiscounted pension benefits are as follows:

	31 Desember/ December		
	2019	2018	
Hingga 1 tahun	35,553	39,089	<i>Up to 1 year</i>
Lebih dari 1 - 2 tahun	44,932	35,349	<i>More than 1 - 2 years</i>
Lebih dari 2 - 5 tahun	186,109	200,176	<i>More than 2 - 5 years</i>
Lebih dari 5 tahun	2,666,202	6,531,768	<i>More than 5 years</i>

Sensitivitas liabilitas imbalan pascakerja untuk perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the post-employment benefits liabilities to changes in the key actuarial assumptions was as follows:

	31 Desember/December 2019			
	Perubahan asumsi/ Change in assumption	Nilai kini liabilitas imbalan pascakerja/ Present value of post- employment benefits liabilities	Beban jasa kini/ Current service cost	
Tingkat diskonto	Kenaikan/Increase 1%	504,076	67,037	<i>Discount rate</i>
	Penurunan/Decrease 1%	581,472	79,342	
Tingkat kenaikan gaji	Kenaikan/Increase 1%	583,263	79,592	<i>Salary increase rate</i>
	Penurunan/Decrease 1%	502,020	66,739	

Analisis sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam prakteknya, hal ini jarang terjadi dan perubahan beberapa asumsi mungkin saling berkorelasi. Dalam perhitungan sensitivitas kewajiban imbalan pascakerja atas asumsi aktuarial utama, metode yang sama (perhitungan nilai kini kewajiban imbalan pasti dengan menggunakan metode *projected unit credit* di akhir periode pelaporan) telah diterapkan seperti dalam perhitungan liabilitas imbalan pascakerja.

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the post-employment benefits liabilities to significant actuarial assumptions, the same method (present value of the defined benefits liabilities calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the post-employment benefits liabilities.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

24. LIABILITAS IMBALAN KERJA KARYAWAN
 (lanjutan)

24. EMPLOYEE BENEFITS LIABILITIES (continued)

Imbalan pascakerja (lanjutan)

Post-employment benefits (continued)

Entitas Anak

Subsidiary

Perhitungan aktuaria pada tanggal 31 Desember 2019 dan 2018 dilakukan oleh konsultan aktuaria terdaftar, PT Sentra Jasa Aktuaria, aktuaris independen, dengan menggunakan metode "Projected Unit Credit" sebagaimana yang tercantum dalam laporan pada tanggal 10 Januari 2020 dan 11 Januari 2019 dengan asumsi-asumsi sebagai berikut:

The actuarial calculation as of 31 December 2019 and 2018 was performed by registered actuarial consulting firm, PT Sentra Jasa Aktuaria, independent actuary, using the "Projected Unit Credit" method as stated in its reports dated 10 January 2020 and 11 January 2019 with the following assumptions:

	31 Desember/December		
	2019	2018	
Tingkat diskonto per tahun	5.53% - 8.29%	8.04%	Annual discount rate
Tingkat kenaikan gaji per tahun	9%	10%	Annual salary increase rate
Tabel mortalita	Tabel mortalita/ Mortality table Indonesia 2011	Tabel mortalita/ Mortality table Indonesia 2011	Mortality table
Usia pensiun normal	55 tahun/years	55 tahun/years	Normal pension age

Status pendanaan atas program pensiun pada tanggal 31 Desember 2019 dan 2018 berdasarkan laporan aktuaria adalah sebagai berikut:

The funding status of the pension plan as of 31 December 2019 and 2018 was based on the actuarial reports as follows:

	31 Desember/December		
	2019	2018	
Nilai kini liabilitas imbalan pasti	175,160	154,699	Present value of defined benefits liabilities
Nilai wajar aset program	(188,883)	(168,602)	Fair value of plan assets
Kelebihan pendanaan	(13,723)	(13,903)	Funding surplus

Perubahan liabilitas imbalan manfaat pasti selama tahun berjalan adalah sebagai berikut:

The movement of defined benefits liabilities during the year was as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Perubahan nilai kini liabilitas imbalan manfaat pasti:			Movement in present value of defined benefits liabilities:
Nilai kini liabilitas imbalan manfaat pasti, awal tahun	154,699	178,167	Present value of defined benefits liabilities, beginning of year
Termasuk dalam laba rugi			Included in profit or loss
Beban jasa kini	28,498	28,567	Current service cost
Beban bunga	12,438	11,225	Interest expense
Termasuk dalam penghasilan komprehensif lain			Included in other comprehensive income
Keugian/keuntungan aktuaria yang timbul dari:			Actuarial losses/gains arising from:
- Asumsi keuangan	(15,187)	(30,005)	Financial assumption -
- Penyesuaian pengalaman	(1,066)	(22,711)	Experience adjustment -
Lain-lain			Others
Imbalan yang dibayar	(4,222)	(10,544)	Benefits paid
Nilai kini liabilitas imbalan manfaat pasti, akhir tahun	175,160	154,699	Present value of defined benefits liabilities, end of year

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

24. LIABILITAS IMBALAN KERJA KARYAWAN
(lanjutan)

24. EMPLOYEE BENEFITS LIABILITIES (continued)

Imbalan pascakerja (lanjutan)

Post-employment benefits (continued)

Entitas Anak (lanjutan)

Subsidiary (continued)

Perubahan nilai wajar aset program selama tahun berjalan adalah sebagai berikut:

The movement of fair value of plan assets during the year was as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Saldo, awal tahun	168,602	170,795	<i>Balance, beginning of year</i>
Hasil yang diharapkan dari aset program	13,555	10,761	<i>Expected return on plan assets</i>
Kontribusi pemberi kerja	15,000	-	<i>Employer's contribution</i>
Imbalan yang dibayar	(4,222)	(10,544)	<i>Benefits paid</i>
Kerugian aktuarial - bersih	(4,052)	(2,410)	<i>Actuarial losses - net</i>
Saldo, akhir tahun	<u>188,883</u>	<u>168,602</u>	<i>Balance, end of year</i>

Seluruh aset program pensiun ditempatkan pada Program Dana Pensiun Lembaga Keuangan Allianz dengan deposito berjangka sebagai aset yang mendasari. Nilai wajar atas deposito berjangka tersebut pada tanggal 31 Desember 2019 dan 2018 adalah masing-masing sebesar Rp 188.883 dan Rp 168.602.

All of the pension plan assets are placed on Program Dana Pensiun Lembaga Keuangan Allianz with time deposits as underlying assets. The fair value of time deposits as of 31 December 2019 and 2018 was Rp 188,883 and Rp 168,602, respectively.

Entitas Anak terekspos dengan risiko volatilitas aset melalui program imbalan pasti. Liabilitas program dihitung menggunakan tingkat diskonto yang merujuk kepada tingkat imbal hasil obligasi pemerintah, jika imbal hasil aset program lebih rendah, maka akan menghasilkan defisit program.

Subsidiary is exposed to asset volatility risks through its defined benefit pension plans. The plan liabilities are calculated using a discount rate set with reference to government bond yields, if plan assets underperform this yield, this will create a deficit.

Nilai kini liabilitas imbalan manfaat pasti, nilai wajar aset program, defisit/surplus pada program dan penyesuaian pengalaman pada liabilitas program dan aset program untuk 5 tahun terakhir adalah sebagai berikut:

Present value of defined benefits liabilities, fair value of plan assets, deficit/surplus of program and experience adjustment on plan liabilities and plan assets for the last 5 years were as follows:

	31 Desember/December					
	2019	2018	2017	2016	2015	
Nilai kini liabilitas imbalan manfaat pasti	(175,160)	(154,699)	(178,167)	(122,058)	(95,400)	<i>Present value of defined benefits liabilities</i>
Nilai wajar aset program	188,883	168,602	170,795	148,488	104,417	<i>Fair value of plan asset</i>
Surplus (defisit)	13,723	13,903	(7,372)	26,430	9,017	<i>Surplus (deficit)</i>
Penyesuaian pengalaman pada liabilitas program	16,253	52,716	15,626	7,261	6,615	<i>Experience adjustment on plan liabilities</i>
Penyesuaian pengalaman pada aset program	(4,052)	(2,410)	(3,411)	(943)	468	<i>Experience adjustment on plan assets</i>

Analisis jatuh tempo yang diharapkan dari imbalan pensiun yang tidak didiskontokan adalah sebagai berikut:

Expected maturity analysis of undiscounted pension benefits was as follow:

	2019	2018	
Hingga 1 tahun	8,115	2,682	<i>Up to 1 years</i>
Lebih dari 1 - 2 tahun	13,295	3,097	<i>More than 1 - 2 years</i>
Lebih dari 2 - 5 tahun	36,980	30,150	<i>More than 2 - 5 years</i>
Lebih dari 5 tahun	1,892,882	9,178,888	<i>More than 5 years</i>

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

24. LIABILITAS IMBALAN KERJA KARYAWAN
 (lanjutan)

Imbalan pascakerja (lanjutan)

Entitas Anak (lanjutan)

Sensitivitas kewajiban imbalan pascakerja untuk perubahan asumsi aktuarial utama adalah sebagai berikut:

24. EMPLOYEE BENEFITS LIABILITIES (continued)

Post-employment benefits (continued)

Subsidiary (continued)

The sensitivity of the post-employment benefit obligation to change in the key actuarial assumption was as follow:

31 Desember/December 2019				
	Perubahan asumsi/ Change in assumption	Nilai kini liabilitas imbalan pascakerja/ Present value of post- employment benefits liabilities		Beban jasa kini/ Current service cost
		Kenaikan/Increase 1%	Penurunan/Decrease 1%	
Tingkat diskonto		158,267	195,255	25,644 31,909
				<i>Discount rate</i>
Tingkat kenaikan gaji		195,627	157,656	31,969 25,543
				<i>Salary increase rate</i>

Analisis sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam praktiknya, hal ini jarang terjadi dan perubahan beberapa asumsi mungkin saling berkorelasi. Dalam perhitungan sensitivitas liabilitas imbalan pascakerja atas asumsi aktuarial utama, metode yang sama (perhitungan nilai kini liabilitas imbalan pasti dengan menggunakan metode *projected unit credit* di akhir periode pelaporan) telah diterapkan seperti dalam penghitungan liabilitas imbalan pascakerja.

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the post-employment benefits liabilities to key actuarial assumptions, the same method (present value of the defined benefits liabilities calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the post-employment benefits liabilities.

Imbalan kerja jangka panjang lainnya

Other long-term employee benefits

Bank

Bank

Bank juga memberikan manfaat cuti panjang kepada karyawannya.

The Bank also provides its employees with long leave benefit.

Perubahan liabilitas yang timbul dari imbalan kerja jangka panjang lainnya adalah sebagai berikut:

The movement in the Bank's liabilities arising from other long-term employee benefits was as follows:

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Perubahan nilai kini liabilitas imbalan manfaat pasti:			Movement in present value of defined benefits liabilities:
Nilai kini liabilitas imbalan manfaat pasti, awal tahun	22,791	26,258	<i>Present value of defined liabilities, beginning of the year</i>
Termasuk dalam laba rugi			Included in profit or loss
Beban jasa kini	5,081	4,222	<i>Current service cost</i>
Beban bunga	1,842	1,694	<i>Interest expense</i>
Pengukuran kembali:			<i>Remeasurement:</i>
- Penyesuaian asumsi keuangan	643	(1,976)	<i>Changes in financial assumptions -</i>
- Penyesuaian pengalaman	442	(4,739)	<i>Experience adjustment -</i>
Lain-lain			Others
Imbalan yang dibayarkan dari pemberi kerja selama tahun berjalan	(4,363)	(2,668)	<i>Benefits paid by the employer during year</i>
Nilai kini liabilitas imbalan manfaat pasti, akhir tahun	26,436	22,791	Present value of net defined benefits liabilities, end of year

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

24. LIABILITAS IMBALAN KERJA KARYAWAN
 (lanjutan)

24. EMPLOYEE BENEFIT LIABILITIES (continued)

Imbalan kerja jangka panjang lainnya (lanjutan)

Other long term employee benefits (continued)

Bank (lanjutan)

Bank (continued)

Analisis jatuh tempo yang diharapkan dari imbalan jangka panjang lainnya tidak didiskontokan adalah sebagai berikut:

Expected maturity analysis of undiscounted other long term employee benefits are as follow:

	<u>31 Desember 2019/ 31 December 2019</u>	<u>31 Desember 2018/ 31 December 2018</u>	
Hingga 1 tahun	5,880	3,869	Up to 1 year
Lebih dari 1 - 2 tahun	5,904	6,991	More than 1 - 2 years
Lebih dari 2 - 5 tahun	12,752	19,828	More than 2 - 5 years
Lebih dari 5 tahun	62,787	132,425	More than 5 years

Sensitivitas liabilitas pensiun imbalan pasti untuk perubahan asumsi aktuarial pokok adalah sebagai berikut:

The sensitivity of the pension obligation to changes in the principal actuarial assumptions was as follows:

		<u>31 Desember/December 2019</u>		
		<u>Perubahan asumsi/ Change in assumption</u>	<u>Nilai kini kewajiban imbalan kerja/ Presents value of benefit obligation</u>	<u>Beban jasa kini/ Current service cost</u>
Tingkat diskonto	Kenaikan/Increase 1%		25,510	4,878
	Penurunan/Decrease 1%		27,449	5,303
Tingkat kenaikan gaji	Kenaikan/Increase 1%		27,441	5,302
	Penurunan/Decrease 1%		25,501	4,876

Discount rate

Salary increase rate

Entitas Anak

Subsidiary

Perubahan liabilitas yang timbul dari imbalan kerja jangka panjang lainnya selama tahun berjalan adalah sebagai berikut:

The movement in the liabilities arising from other long-term employee benefits over the year was as follows:

	<u>31 Desember 2019 /31 December 2019</u>	<u>31 Desember 2018/ 31 December 2018</u>	
Perubahan nilai kini liabilitas imbalan manfaat pasti:			Movement in present value of defined benefits liabilities:
Nilai kini liabilitas imbalan pasti, awal tahun	10,335	12,024	Present value of the defined benefits liabilities, beginning of year
Termasuk dalam laba rugi			Included in profit or loss
Beban jasa kini	2,016	2,106	Current service cost
Beban bunga	831	757	Interest expense
Pengukuran kembali:			Remeasurement:
- Penyesuaian asumsi keuangan	(228)	(857)	Changes in financial assumptions -
- Penyesuaian pengalaman	(127)	(1,530)	Experience adjustment -
Lain-lain			Others
Imbalan yang dibayar	(1,805)	(2,165)	Benefit paid
Nilai kini liabilitas imbalan pasti, akhir tahun	<u>11,022</u>	<u>10,335</u>	Present value of defined benefits liabilities, end of year

Analisis jatuh tempo yang diharapkan dari imbalan jangka panjang lainnya tidak didiskontokan adalah sebagai berikut:

Expected maturity analysis of undiscounted other long term employee benefits are as follow:

	<u>2019</u>	<u>2018</u>	
Hingga 1 tahun	1,917	2,047	Up to 1 years
Lebih dari 1-2 tahun	1,956	2,445	More than 1-2 years
Lebih dari 2-5 tahun	4,961	5,945	More than 2-5 years
Lebih dari 5 tahun	42,828	187,789	More than 5 years

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

24. LIABILITAS IMBALAN KERJA KARYAWAN
 (lanjutan)

24. EMPLOYEE BENEFIT LIABILITIES (continued)

Imbalan kerja jangka panjang lainnya (lanjutan)

Other long term employee benefits (continued)

Entitas Anak (lanjutan)

Subsidiary (continued)

Sensitivitas dari kewajiban imbalan jangka panjang lainnya terhadap perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the other long term employee benefit obligation to changes in the principal actuarial assumptions is as follows:

		31 Desember/December 2019		
		Nilai kini liabilitas imbalan pascakerja		
		Present value of post-employment benefits		
	Perubahan asumsi/ Change in assumption	liabilities	Beban jasa kini/ Current service cost	
Tingkat diskonto	Kenaikan/Increase 1%	10,471	1,917	
	Penurunan/Decrease 1%	11,643	2,127	Discount rate
Tingkat kenaikan gaji	Kenaikan/Increase 1%	11,627	2,125	
	Penurunan/Decrease 1%	10,474	1,917	Salary increase rate

25. PINJAMAN SUBORDINASI

25. SUBORDINATED LOANS

Pinjaman subordinasi merupakan pinjaman dari SMBC Cabang Singapura sejumlah USD 435.000.000 (nilai penuh), ekuivalen dengan Rp 6.038.888.

The outstanding subordinated loans represent loans obtained from SMBC Singapore Branch amounted to USD 435,000,000 (full amount), equivalent to Rp 6,038,888.

Pinjaman subordinasi di atas terdiri dari pinjaman subordinasi sejumlah USD 100.000.000, USD 100.000.000, USD 150.000.000, USD 35.000.000 dan USD 50.000.000 (nilai penuh), masing-masing diperoleh pada tanggal 23 November 2018, 26 September 2018, 24 Desember 2013, 5 September 2008 dan 27 Maret 2003. Pinjaman subordinasi USD 150.000.000, USD 35.000.000 dan USD 50.000.000 telah diperbaharui dengan Perjanjian Perubahan dan Pernyataan Kembali Perjanjian Pinjaman Subordinasi pada tanggal 27 Maret 2018. Pinjaman subordinasi USD 100.000.000 dan USD 100.000.000 masing-masing akan jatuh tempo pada tanggal 21 November 2025 dan 26 September 2025, sedangkan pinjaman subordinasi USD 150.000.000, USD 35.000.000 dan USD 50.000.000 akan jatuh tempo pada tanggal 27 Maret 2025. Pinjaman subordinasi memiliki opsi pembayaran lebih awal dengan pemberitahuan 20 hari sebelumnya dan dengan persetujuan dari kreditur.

The above subordinated loans consist of subordinated loan amounting to USD 100,000,000, USD 100,000,000, USD 150,000,000, USD 35,000,000 dan USD 50,000,000 (full amount), which were obtained on 23 November 2018, 26 September 2018, 24 December 2013, 5 September 2008 and 27 March 2003, respectively. Subordinated loan of USD 150,000,000, USD 35,000,000 and USD 50,000,000 have been renewed by Amendment and Restatement of Subordinated Loan Agreement on 27 March 2018. Subordinated loan of USD 100,000,000 and USD 100,000,000 will mature on 21 November 2025 and 26 September 2025, respectively, while Subordinated loan of USD 150,000,000, USD 35,000,000 and USD 50,000,000 will mature on 27 March 2025. These subordinated loans have early repayment option by 20 days notification in advance with lender's approval.

Kisaran tingkat suku bunga pinjaman subordinasi adalah 3,23% - 3,27% per tahun.

Range of interest rate for subordinated loans per year was 3.23% - 3.27%.

Pinjaman subordinasi digunakan untuk memperkuat struktur modal Debitur sebagai Modal pelengkap (Tier 2).

Subordinated loans are used to strengthen the Borrower's capital structure as the supplementary Capital (Tier 2).

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

25. PINJAMAN SUBORDINASI (lanjutan)

Sesuai Peraturan OJK Nomor 11/POJK.03/2016 tentang Kewajiban Penyediaan Modal Minimum Bank Umum dan Surat Edaran OJK Nomor 20/SEOJK.03/2016 tentang Fitur Konversi Menjadi Saham Biasa atau *Write Down* terhadap instrumen Modal Inti Tambahan dan Modal Pelengkap, Kreditur dan Debitur memahami bahwa terdapat kondisi yang menyebabkan (*trigger events*) pinjaman yang diberikan sesuai dengan Perjanjian ini harus dikonversi menjadi saham biasa atau dilakukan *write down*, yaitu dalam hal kelangsungan usaha debitur berpotensi terganggu (*point of non viability*) sehingga mempengaruhi kewajiban debitur kepada kreditur, yaitu dapat berupa:

- (i) rasio Modal Inti Utama (*Common Equity Tier 1/CET 1*) lebih rendah atau sama dengan 5,125% dari Aset Tertimbang Menurut Risiko (ATMR) baik secara individu maupun konsolidasi dengan Entitas Anak; dan/atau
- (ii) terdapat rencana dari otoritas yang berwenang untuk melakukan penyertaan modal kepada Debitur yang dinilai berpotensi terganggu kelangsungan usahanya; dan
- (iii) terdapat perintah dari OJK untuk melakukan konversi menjadi saham biasa dan/atau *write down*.

Pada tanggal 31 Desember 2019, Bank memenuhi seluruh persyaratan yang disebutkan dalam perjanjian pinjaman subordinasi.

26. LIABILITAS LAIN-LAIN

	31 Desember 2019/ 31 December 2019	31 Desember 2018/ 31 December 2018	
Utang kepada pihak ketiga	200,157	14,195	<i>Payable to third parties</i>
Transaksi ATM, transfer dan tagihan <i>merchant</i>	102,110	31,348	<i>ATM transaction, transfer and merchant bills</i>
Komisi asuransi diterima dimuka	91,667	135,000	<i>Up-front insurance commission</i>
Beban <i>Standby Letter of Credit</i> yang masih harus dibayarkan	58,246	-	<i>Accrued Standby Letter of Credit fee</i>
Utang premi asuransi kredit	47,730	62,576	<i>Loan insurance premium payable</i>
Pendapatan ditangguhkan	38,251	-	<i>Unearned income</i>
Utang premi asuransi lainnya	18,742	11,203	<i>Other insurance premium payable</i>
Klaim asuransi	10,811	39,378	<i>Insurance claim</i>
Lainnya	137,131	61,356	<i>Others</i>
	704,845	355,056	

25. SUBORDINATED LOANS (continued)

In accordance with the Regulation of OJK Number 11/POJK.03/2016 and Circular Letter of OJK Number 20/SEOJK.03/2016 regarding Feature of Conversion to Common Stock or Write Down The Instruments of Additional Tier 1 and Tier 2, Lender and Borrower acknowledge the trigger events that will cause the loan provided under this Agreement to be converted to common stock or written down, particularly in the event when the business continuity of the debtor is potentially disrupted (point of non viability) and therefore affecting the liabilities of borrower to the lender, in the term of:

- (i) Common Equity Tier 1 (CET 1) is lower than or equal to 5.125% of Risk-Weighted Assets (RWA), both individually and consolidated with its Subsidiaries; and/or*
- (ii) there is a plan of the competent authority to make capital injection to the Borrower which continuity of its business is evaluated to have the potential to be disrupted; and*
- (iii) There is an order from OJK to convert into common stock and/or write-down*

As of 31 December 2019, the Bank complied with all the requirements mentioned in the subordinated loan agreements.

26. OTHER LIABILITIES

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

26. LIABILITAS LAIN-LAIN (lanjutan)

Transaksi ATM, transfer dan tagihan *merchant* merupakan hutang atas transaksi ATM dan transfer antar bank yang akan diselesaikan pada hari kerja berikutnya, serta transaksi dengan *merchant* melalui gerbang pembayaran.

Komisi asuransi diterima dimuka merupakan komisi yang diterima dari Allianz atas penjualan produk-produk asuransi kepada nasabah Bank melalui seluruh saluran distribusi Bank.

Beban *standby letters of credit* yang masih harus dibayarkan merupakan beban biaya yang masih harus dibayar atas *standby letter of credit* terkait dengan pinjaman yang diberikan.

Utang premi asuransi lainnya merupakan premi terutang atas asuransi karyawan Bank dan Entitas Anak.

Utang premi asuransi kredit terdiri dari pembayaran premi asuransi yang telah diterima dari debitur namun belum dibayarkan kepada perusahaan asuransi.

Pendapatan ditangguhkan terdiri atas pendapatan dari pembelian wesel ekspor yang ditangguhkan.

Utang kepada pihak ketiga sebagian besar merupakan utang terkait informasi dan teknologi (IT) dan utang kepada ASABRI.

Klaim asuransi terdiri dari dana yang diterima dari hasil klaim asuransi atas nasabah kredit pensiun yang meninggal dunia dan pencatatan sementara penerimaan kembali premi asuransi Bank. Dana yang diterima akan berada dalam akun ini sampai Bank dapat mengidentifikasi kontrak terkait.

Lainnya terutama terdiri dari akun tampungan untuk penerimaan cicilan kredit yang diberikan. Dana yang diterima akan berada dalam akun ini sampai Bank dapat mengidentifikasi kontrak terkait.

27. DANA SYIRKAH TEMPORER

Perseroan menyajikan dana *syirkah* temporer sehubungan dengan kepemilikan Bank atas Entitas Anak yang bergerak di bidang perbankan syariah.

26. OTHER LIABILITIES (continued)

ATM transaction, transfer and merchant bills consist of payables from Bank ATM transaction and transfer to other banks that will be settled on the next working day and transactions with merchants via payment gateway.

Up-front insurance commission represents commission received from Allianz for the sales of insurance products to the Bank's customers through all Bank's distribution channel.

Accrued standby letters of credit fees are expense for standby letters of credit related to loans that has not been paid.

Other insurance premium payables are employees insurance premium payables of the Bank and Subsidiary.

Loan insurance premium payable consists of insurance premium payment from debtors not yet paid to the insurance company.

Unearned income consists of deferred income from export bills purchase.

Payables to third parties mainly represent payable related to information and technology (IT) and payable to ASABRI.

Insurance claim represents funds received from insurance claim on pensioner debtors who passed away and a temporary record of refund of Bank's insurance premium. The received fund would be in this account until the Bank can identify the specific contract.

Others mainly consist of escrow account for loan installments received. The received fund would be in this account until the Bank can identify the specific contract.

27. TEMPORARY SYIRKAH FUNDS

The Company presented temporary syirkah funds in relation to the Bank's ownership in the Subsidiary which engages in sharia banking industry.

	31 Desember/ December	
	2019	2018
Simpanan nasabah:		
Tabungan <i>mudharabah</i>	104,878	114,382
Deposito <i>mudharabah</i>	7,445,786	5,878,478
	7,550,664	5,992,860

Deposits from customer:
Mudharabah saving deposits
Mudharabah time deposits

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

27. DANA SYIRKAH TEMPORER (lanjutan)

27. TEMPORARY SYIRKAH FUNDS (continued)

a. Tabungan mudharabah

a. Mudharabah savings deposits

Berdasarkan hubungan dengan pihak lawan:

By relationship with counterparties:

	31 Desember/ December		
	2019	2018	
Pihak ketiga	104,628	113,788	<i>Third parties</i>
Pihak berelasi	250	594	<i>Related parties</i>
	<u>104,878</u>	<u>114,382</u>	

Berdasarkan jenis produk:

By product type:

	31 Desember/ December		
	2019	2018	
Tabungan Taseto Premium iB	104,878	70,801	<i>Taseto Premium iB Savings</i>
Tabungan Citra iB	-	40,370	<i>Citra iB Savings</i>
Tabungan Taseto Mapan iB	-	3,211	<i>Taseto Mapan iB Savings</i>
	<u>104,878</u>	<u>114,382</u>	

Pada bulan Mei 2019, akad atas Tabungan Citra iB dan Tabungan Taseto Mapan iB berubah dari akad mudharabah menjadi akad wadiah.

In May 2019, deeds for Citra iB Saving and Taseto Mapan iB Saving were changed from mudharabah to wadiah.

Nisbah dan tingkat bagi hasil rata-rata untuk tabungan mudharabah untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

The average of pre-determined ratio and profit sharing rate for mudharabah savings deposits for the years ended 31 December 2019 and 2018 were as follows:

	2019		
	<i>Nisbah (%) / Pre-determined ratio (%)</i>	<i>Tingkat bagi hasil (%) / Profit sharing rate (%)</i>	
Tabungan mudharabah	3.45%	4.56%	<i>Mudharabah savings deposits</i>
	2018		
	<i>Nisbah (%) / Pre-determined ratio (%)</i>	<i>Tingkat bagi hasil (%) / Profit sharing rate (%)</i>	
Tabungan mudharabah	1.80%	4.01%	<i>Mudharabah savings deposits</i>

Pada tanggal 31 Desember 2019 dan 2018, tidak ada saldo tabungan mudharabah yang diblokir atau dijadikan jaminan pembiayaan.

As of 31 December 2019 and 2018, there were no mudharabah saving deposits which were blocked or pledged for financing.

b. Deposito mudharabah

b. Mudharabah time deposits

Berdasarkan hubungan dengan pihak lain:

By relationship with counterparties:

	31 Desember/ December		
	2019	2018	
Pihak ketiga	7,428,302	5,872,246	<i>Third parties</i>
Pihak berelasi	17,484	6,232	<i>Related parties</i>
	<u>7,445,786</u>	<u>5,878,478</u>	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

27. DANA SYIRKAH TEMPORER (lanjutan)

27. TEMPORARY SYIRKAH FUNDS (continued)

c. Berdasarkan jangka waktu

c. By time period

	2019	2018	
<u>Bukan Bank</u>			<u>Non-Bank</u>
Lebih dari 1 - 3 bulan	6,917,619	5,590,403	More than 1 - 3 months
Lebih dari 3 - 6 bulan	399,197	212,424	More than 3 - 6 months
Lebih dari 6 - 9 bulan	25,510	18,000	More than 6 - 9 months
Lebih dari 9 - 12 bulan	103,450	56,871	More than 9 - 12 months
Lebih dari 12 bulan	10	780	More than 12 months
	<u>7,445,786</u>	<u>5,878,478</u>	

d. Berdasarkan sisa umur sampai jatuh tempo

d. By remaining period to maturity date

	2019	2018	
<u>Bukan Bank</u>			<u>Non-Bank</u>
Hingga 1 bulan	5,298,489	4,108,910	Up to 1 months
Lebih dari 1 - 3 bulan	1,847,295	1,658,085	More than 1 - 3 months
Lebih dari 3 - 6 bulan	256,445	88,170	More than 3 - 6 months
Lebih dari 6 - 9 bulan	32,041	17,460	More than 6 - 9 months
Lebih dari 9 - 12 bulan	11,506	5,833	More than 9 - 12 months
Lebih dari 12 bulan	10	20	More than 12 months
	<u>7,445,786</u>	<u>5,878,478</u>	

Pada tanggal 31 Desember 2019 dan 2018, tidak ada saldo deposito mudharabah yang diblokir atau dijadikan sebagai jaminan atas pembiayaan.

As of 31 December 2019 and 2018, there were no mudharabah time deposits which were blocked or pledged for financing.

Nisbah dan tingkat bagi hasil rata-rata untuk deposito mudharabah pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

The average of pre-determined ratio (nisbah) and profit sharing rate for mudharabah time deposits as of 31 December 2019 and 2018 were as follows:

	2019		
	Nisbah (%)/ Pre-determined Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	
1 bulan	13.95%	7.76%	1 month
3 bulan	14.20%	7.82%	3 month
6 bulan	13.90%	7.87%	6 month
12 bulan	13.48%	7.83%	12 month
	2018		
	Nisbah (%)/ Pre-determined Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	
1 bulan	12.68%	7.10%	1 month
3 bulan	12.74%	6.92%	3 month
6 bulan	12.58%	6.96%	6 month
12 bulan	12.56%	6.75%	12 month

28. MODAL SAHAM

28. SHARE CAPITAL

Susunan pemegang saham Bank pada tanggal 31 Desember 2019 dan 2018 berdasarkan catatan yang dibuat oleh Biro Administrasi Efek adalah sebagai berikut:

Based on the share registrant record from Biro Administrasi Efek, the composition of the Bank's shareholders composition as of 31 December 2019 and 2018 was as follows:

Pemegang saham	31 Desember 2019/31 December 2019			Shareholder
	Lembar saham/ Number of shares	Persentase/ Percentage	Jumlah/Total	
Sumitomo Mitsui Banking Corporation	7,532,311,297	92.43%	150,647	Sumitomo Mitsui Banking Corporation
PT Bank Central Asia Tbk	83,052,408	1.02%	1,661	PT Bank Central Asia Tbk
PT Bank Negara Indonesia (Persero) Tbk	12,007,137	0.15%	240	PT Bank Negara Indonesia (Persero) Tbk
Publik	426,359,127	5.23%	8,527	Public
	8,053,729,969	98.83%	161,075	
Saham tresuri	95,198,900	1.17%	1,904	Treasury shares
	<u>8,148,928,869</u>	<u>100%</u>	<u>162,979</u>	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

28. MODAL SAHAM (lanjutan)

28. SHARE CAPITAL (continued)

Pemegang saham	31 Desember 2018/31 December 2018		Jumlah/Total	Shareholder
	Lembar saham/ Number of shares	Persentase/ Percentage		
Sumitomo Mitsui Banking Corporation, Tokyo	2,336,114,903	39.92%	46,722	Sumitomo Mitsui Banking Corporation, Tokyo
Summit Global Capital Management B.V.	1,168,057,451	19.96%	23,361	Summit Global Capital Management B.V.
Direksi				Directors
- Jerry Ng	25,504,500	0.44%	510	Jerry Ng -
- Ongki Wanadjati Dana	11,255,000	0.19%	225	Ongki Wanadjati Dana -
- Anika Faisal	4,600,000	0.08%	92	Anika Faisal -
- Arief Harris Tandjung	11,975,000	0.20%	239	Arief Harris Tandjung -
- Kharim Indra Gupta Siregar	1,130,500	0.02%	23	Kharim Indra Gupta Siregar -
Publik	2,197,810,503	37.56%	43,957	Public
	5,756,447,857	98.37%	115,129	
Saham tresuri	95,198,900	1.63%	1,904	Treasury shares
	5,851,646,757	100%	117,033	

Pemegang saham publik terdiri dari pemegang saham yang memiliki kurang dari 5% jumlah saham beredar. Seluruh saham yang beredar adalah saham biasa.

Public shareholders consist of shareholders whose ownership are less than 5% of outstanding shares. All the outstanding shares are ordinary shares.

Perubahan komposisi kepemilikan saham

Changes in share ownership composition

Pada tanggal 31 Desember 2018, SMBC merupakan pemegang saham dengan pengaruh signifikan (kepemilikan saham sebesar 40%) dan pada tanggal 30 Januari 2019 telah menjadi pemegang saham pengendali atas Bank.

As of 31 December 2018, SMBC was the shareholder with significant influence (40% of shares ownership) and as of 30 January 2019 has become the controlling shareholder.

Pada tanggal 1 Februari 2019, Bank melakukan aksi korporasi berupa *Cash Offer* dan Konversi Saham karena penggabungan usaha dengan SMBCI, sehingga terdapat perubahan kepemilikan saham dan penambahan sejumlah 2.296.846.112 saham.

On 1 February 2019, The Bank carried out corporate action namely cash offer and Share Conversion due to the merger with SMBCI, resulting in changes in share ownership and an additional 2,296,846,112 shares.

Dengan aksi korporasi tersebut, maka kepemilikan SMBC di Bank mengalami peningkatan menjadi 7.932.311.297 lembar saham atau 97,34%.

After this corporate action, SMBC ownership in the Bank's increased to 7,932,311,297 shares of equivalent to 97.34%.

Sesuai dengan Peraturan Bursa Efek Indonesia, jumlah saham yang dimiliki oleh pemegang saham bukan pengendali dan bukan pemegang saham utama adalah minimum sebesar 7,5% dari jumlah saham yang diterbitkan oleh Bank (Saham *Free float*). Oleh karenanya, SMBC telah menjual 400 juta lembar sahamnya pada tanggal 26 Agustus 2019 dengan harga jual Rp 3.600 (Rupiah penuh) per lembar saham, sehingga pemenuhan ketentuan Saham *Free Float* ini telah menyebabkan kepemilikan SMBC berubah dari 97,34% ke 92,43%.

In accordance with the Indonesia Stock Exchange Regulation, The number of shares owned by the non controlling shareholders and non majority shareholders is at the minimum of 7.5% of total issued shares of the Bank (Free Float Shares). Therefore, SMBC sold 400 million of its shares in 26 August 2019 with the selling price of Rp 3,600 (full amount Rupiah) per share. The compliance with Free Float Shares requirement has changed the SMBC's ownership from 97.34% to 92.43%.

29. CADANGAN PEMBAYARAN BERBASIS SAHAM

29. SHARE-BASED PAYMENT RESERVE

Pada tanggal 31 Desember 2019 dan 2018, Bank dan Entitas Anak memiliki cadangan pembayaran berbasis saham sebesar masing-masing Rp 244.012 dan Rp 281.748.

As of 31 December 2019 and 2018, the Bank and Subsidiary had share-based payments reserve amounting to Rp 244,012 and Rp 281,748, respectively.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

29. CADANGAN PEMBAYARAN BERBASIS SAHAM
(lanjutan)

Program MESOP 2015-2020

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) tanggal 26 Maret 2015 sebagaimana dituangkan kedalam Akta Risalah Rapat Umum Pemegang Saham Luar Biasa No. 50 tanggal 26 Maret 2015 yang dibuat di hadapan Hadijah, S.H., M.Kn, para pemegang saham menyetujui rencana Bank untuk meningkatkan modal ditempatkan dan modal disetor Bank dengan jumlah tidak melebihi Rp 4.672, sehingga modal ditempatkan dan modal disetor Bank menjadi tidak melebihi Rp 121.478.

Hal ini dilakukan dengan cara mengeluarkan hak opsi atas saham-saham baru masing-masing bernilai nominal Rp 20 (nilai penuh) dengan jumlah tidak melebihi 233.611.491 saham.

Berdasarkan Keputusan Sirkuler Resolusi Direksi No. PS/BOD/004/IV/2015, pada tanggal 15 April 2015, Bank memberikan hak opsi sebesar 141.575.000 saham. Hak opsi tersebut diberikan kepada para anggota Direksi dan para karyawan jenjang tertentu dari Bank dan Entitas Anak yang ditentukan oleh Dewan Komisaris atau oleh Direksi Bank berdasarkan kuasa yang diberikan oleh Dewan Komisaris, selama jangka waktu yang ditentukan oleh Dewan Komisaris.

Para anggota Direksi dan karyawan pada jenjang tertentu dapat mengeksekusi opsi saham yang diberikan selama mereka tetap memberikan jasa selama periode opsi saham.

Pelaksanaan atas hak opsi atas saham-saham baru tersebut harus sesuai dengan harga pelaksanaan, syarat dan ketentuan yang telah diumumkan dalam "Keterbukaan Informasi" yang diumumkan melalui *website* Bank dan *website* Bursa Efek Indonesia tanggal 17 Februari 2015.

Periode pelaksanaan eksekusi opsi saham atas Program MESOP 2015-2020 terdiri dari: (1) Maksimum 30% pada bulan Mei 2017, dengan periode pelaksanaan selama 30 hari bursa dimulai pada tanggal 1 Mei 2017; (2) Maksimum 30% pada bulan November 2017, dengan periode pelaksanaan selama 30 hari bursa dimulai pada tanggal 6 November 2017; (3) Maksimum 60% pada bulan Mei 2018, dengan periode pelaksanaan selama 30 hari bursa dimulai pada tanggal 7 Mei 2018; (4) Maksimum 60% pada bulan November 2018, dengan periode pelaksanaan selama 30 hari bursa dimulai pada tanggal 5 November 2018; (5) Maksimum 100% pada bulan Mei 2019, dengan periode pelaksanaan selama 30 hari bursa dimulai pada tanggal 6 Mei 2019; (6) Maksimum 100% pada bulan Desember 2019, dengan periode pelaksanaan selama 30 hari bursa dimulai pada tanggal 2 Desember 2019. Sisa hak opsi yang belum dieksekusi secara penuh sampai dengan 100% selama periode eksekusi sebelumnya dapat dilaksanakan pada periode pelaksanaan eksekusi terakhir.

29. SHARE-BASED PAYMENT RESERVE (continued)

MESOP 2015-2020 Program

Based on Extraordinary General Meeting of Shareholders (RUPSLB) dated 26 March 2015 as notarised on Deed of Minutes of Extraordinary General Meeting of Shareholders No. 50 dated 26 March 2015 made before Hadijah, S.H., M.Kn, the shareholders approved the Bank's plan to increase the issued and paid-in capital of the Bank by a number not exceeding Rp 4,672 which resulted in the issued and paid-up capital of the Bank not exceeding Rp 121,478.

This is done by issuing option rights on new shares with a par value of Rp 20 (full amount) by a number not exceeding 233,611,491 shares.

Based on Circular Resolution of Directors No. PS/BOD/004/IV/2015, dated 15 April 2015, the Bank granted 141,575,000 share options. Share options granted to the Bank's and the Subsidiary's members of the Board of Directors and the employees on a certain level are determined by the Board of Commissioners or by the Board of Directors of the Bank under authority granted by the Board of Commissioners, during a certain period determined by the Board of Commissioners.

Board of Directors and the employees at certain levels are able to execute share options that have been granted to them under the condition that the respected party continues to provide service during the share options period.

Implementation of the right options on new shares shall be in accordance with the exercise price, the terms and conditions that have been published in the "Disclosure of Information" published in Bank's and Indonesia Stock Exchange's website on 17 February 2015.

The exercise period of MESOP 2015-2020 Program will be conducted on (1) Maximum 30% in May 2017, with the implementation period of 30 trading days starting on 1 May 2017; (2) Maximum 30% in November 2017, with the implementation period of 30 trading days starting on 6 November 2017; (3) Maximum 60% in May 2018, with the implementation period of 30 trading days starting on 7 May 2018; (4) Maximum 60% in November 2018, with the implementation period of 30 trading days starting on 5 November 2018; (5) Maximum 100% on May 2019, with the implementation period of 30 trading days starting on 6 May 2019; (6) Maximum 100% on December 2019, with the implementation period of 30 trading days starting on 2 December 2019. The remaining option rights which have not yet been fully exercised up to prior exercise period can be implemented in the last exercise period of implementation.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

29. CADANGAN PEMBAYARAN BERBASIS SAHAM
(lanjutan)

Program MESOP 2015-2020 (lanjutan)

Nilai wajar rata-rata tertimbang opsi Program MESOP 2015-2020 yang diberikan selama tahun berjalan yang ditentukan dengan menggunakan Binomial Model Parameter adalah sebesar Rp 1.144,16; Rp 1.388,54; dan Rp 1.622,72 (nilai penuh) per opsi untuk masing-masing periode *vesting*. Input model yang signifikan adalah harga saham rata-rata tertimbang sebesar Rp 4.030 pada tanggal pemberian, harga eksekusi seperti ditunjukkan di bawah, volatilitas sebesar 29,37%, hasil dividen 0%, usia opsi yang diharapkan selama lima tahun dan tingkat bunga bebas risiko tahunan sebesar 7,5%.

Volatilitas yang diukur dengan standar deviasi atas imbal hasil saham yang terus dimajemukkan berdasarkan analisis stastisik atas harga saham harian sejak tanggal 3 Januari 2011 sampai tanggal pemberian.

Tingkat suku bunga bebas risiko sesuai dengan pengembalian keuntungan atas obligasi pemerintah dengan jangka waktu 5 tahun sejak tanggal pemberian.

Program ESOP 2016-2021

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) tanggal 29 April 2016 sebagaimana dituangkan kedalam Akta Risalah Rapat Umum Pemegang Saham Luar Biasa No. 60 tanggal 29 April 2016 yang dibuat di hadapan Hadijah, S.H., M.Kn, para pemegang saham menyetujui rencana Bank untuk meningkatkan modal ditempatkan dan modal disetor Bank dengan jumlah tidak melebihi Rp 2.336.

Hal ini dilakukan dengan cara mengeluarkan hak opsi atas saham-saham baru masing-masing bernilai nominal Rp 20 (nilai penuh) dengan jumlah tidak melebihi 116.805.746 saham.

Para karyawan pada jenjang tertentu dapat mengeksekusi opsi saham yang diberikan selama mereka tetap menyediakan jasa selama periode opsi saham.

Pelaksanaan atas hak opsi atas saham-saham baru tersebut harus sesuai dengan harga pelaksanaan, syarat dan ketentuan yang telah diumumkan dalam "Keterbukaan Informasi" yang diumumkan melalui situs Bank dan situs Bursa Efek Indonesia tanggal 8 Maret 2016 dan 27 April 2016.

29. SHARE-BASED PAYMENT RESERVE (continued)

MESOP 2015-2020 Program (continued)

The weighted average fair value of options granted during the year for MESOP 2015-2020 Program was determined using the Binomial Model Parameter amounted to Rp 1,144.16; Rp 1,388.54; and Rp 1,622.72 (full amount) per option for each vesting period. The significant inputs into the model were weighted average share price of Rp 4,030 on the grant date, exercise price shown below, volatility of 29.37%, dividend yield of 0%, an expected option life of five years, and an annual risk-free interest rate of 7.5%.

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices starting from 3 January 2011 until grant date.

The risk free interest rate corresponds to market yields on government bonds of 5 years from grant date.

ESOP 2016-2021 Program

Based on Extraordinary General Meeting of Shareholders (RUPSLB) dated 29 April 2016 which was notarised on Deed of Minutes of Extraordinary General Meeting of Shareholders No. 60 dated 29 April 2016 made before Hadijah, S.H., M.Kn, the shareholders approved the Bank's plan to increase the issued and paid-in capital of the Bank by an amounts not exceeding Rp 2,336.

This is done by issuing option rights on new shares with a par value of Rp 20 (full amount) by a number not exceeding 116,805,746 shares.

Employees at certain levels are able to execute share options that have been granted to them under the condition that the respected party continues to provide services during the share options period.

Implementation of the right options on new shares shall be in accordance with the exercise price, the terms and conditions that have been published in the "Disclosure of Information" published at the Bank's website and Indonesia Stock Exchange's website on 8 March 2016 and 27 April 2016.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

29. CADANGAN PEMBAYARAN BERBASIS SAHAM
(lanjutan)

Program ESOP 2016-2021 (lanjutan)

Periode waktu pelaksanaan eksekusi opsi saham atas Program ESOP 2016-2021 terdiri dari: (1) Maksimum 30% pada bulan Mei 2018, dengan periode pelaksanaan selama 30 hari bursa dimulai pada 28 Mei 2018; (2) Maksimum 30% pada bulan Desember 2018, dengan periode pelaksanaan selama 30 hari bursa dimulai pada tanggal 17 Desember 2018; (3) Maksimum 60% pada bulan Mei 2019, dengan periode pelaksanaan selama 30 hari bursa dimulai pada tanggal 28 Mei 2019; (4) Maksimum 60% pada bulan Desember 2019, dengan periode pelaksanaan selama 30 hari bursa dimulai pada tanggal 19 Desember 2019; (5) Maksimum 100% pada bulan Juni 2020, dengan periode pelaksanaan selama 30 hari bursa dimulai pada tanggal 1 Juni 2020; (6) Maksimum 100% pada bulan Desember 2020, dengan periode pelaksanaan selama 30 hari bursa dimulai pada tanggal 17 Desember 2020. Sisa hak opsi yang belum dieksekusi secara penuh sampai dengan 100% selama periode eksekusi sebelumnya dapat dilaksanakan pada periode pelaksanaan eksekusi terakhir.

Nilai wajar rata-rata tertimbang opsi Program ESOP 2016-2021 yang diberikan selama tahun berjalan yang ditentukan dengan menggunakan *Binomial Model Parameter* adalah Rp 546,50, Rp 709,55, dan Rp 839,99 (nilai penuh) per opsi untuk masing-masing periode *vesting*. Input model yang signifikan adalah harga saham rata-rata tertimbang sebesar Rp 2.480 pada tanggal pemberian, harga eksekusi seperti ditunjukkan di bawah, volatilitas per masing-masing periode *vesting* sebesar 28,92%, 29,60%, dan 29,10%, hasil dividen 0%, usia opsi yang diharapkan selama lima tahun dari tanggal pemberian, dan tingkat bunga bebas risiko tahunan masing-masing periode *vesting* sebesar 6,52%, 6,60% dan 6,71%.

Volatilitas diukur dengan standar deviasi atas imbal hasil saham yang terus dimajemukkan berdasarkan analisis statistik atas harga saham harian sejak 15 Mei 2014 sampai tanggal pemberian untuk periode *vesting* pertama, sejak tanggal 13 Mei 2013 sampai tanggal pemberian untuk periode *vesting* kedua dan sejak 14 Mei 2012 sampai tanggal pemberian untuk periode *vesting* ketiga.

Tingkat suku bunga bebas risiko sesuai dengan pengembalian keuntungan atas obligasi pemerintah pada saat tanggal pemberian dengan jangka waktu 1 sampai dengan 5 tahun.

29. SHARE-BASED PAYMENT RESERVE (continued)

ESOP 2016-2021 Program (continued)

The exercise period of ESOP 2016-2021 Program is divided into the following: (1) Maximum 30% in May 2018, with the implementation period of 30 trading days starting on 28 May 2018; (2) Maximum 30% in December 2018, with the implementation period of 30 trading days starting on 17 December 2018; (3) Maximum 60% in May 2019, with the implementation period of 30 trading days starting on 28 May 2019; (4) Maximum 60% in December 2019, with the implementation period of 30 trading days starting on 19 December 2019; (5) Maximum 100% in June 2020, with the implementation period of 30 trading days starting on 1 June 2020; (6) Maximum 100% in December 2020, with the implementation period of 30 trading days starting on 17 December 2020. The remaining option rights which have not yet been fully exercised up to prior exercise period can be implemented in the last exercise period of implementation.

The weighted average fair value of options granted during the year for ESOP 2016-2021 Program was determined using Binomial Model Parameter amounted to Rp 546.50, Rp 709.55, and Rp 839.99 (full amount) per option for each vesting period. The significant inputs into the model were weighted average share price of Rp 2,480 on the grant date, exercise price as shown below, volatility of 28.92%, 29.60%, and 29.10%, respectively for each vesting period, dividend yield of 0%, expected life of five years from grant date, and annual risk-free interest rate of 6.52%, 6.60% and 6.71%, respectively.

The volatility measured at the standard deviation of continuously compounded share returns, which is based on statistical analysis of daily share prices starting from 15 May 2014 until the grant date for the first vesting period, starting from 13 May 2013 until the grant date for the second vesting period and starting from 14 May 2012 for the third vesting period.

The risk free interest rate corresponds to market yields on government bonds at grant date with duration ranging from 1 to 5 years.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

29. CADANGAN PEMBAYARAN BERBASIS SAHAM
 (lanjutan)

29. SHARE-BASED PAYMENT RESERVE (continued)

Program ESOP 2016-2021 (lanjutan)

ESOP 2016-2021 Program (continued)

Pada tahun 2019, Bank dan Entitas Anak berinisiatif memberikan program *cash retention* kepada karyawan yang memiliki hak opsi saham dari "Program ESOP 2016-2021", dimana pemegang hak opsi saham tersebut sepakat untuk menyerahkan terlebih dahulu hak opsi saham mereka kepada Bank dan Entitas Anak. Oleh karena itu, cadangan atas Program ESOP 2016-2021 tanggal 31 Desember 2019 kini dicatat sebagai liabilitas sesuai dengan kebijakan akuntansi imbalan kerja jangka pendek (Catatan 2y dan 24).

In 2019, the Bank and Subsidiary initiatively provided a cash retention program to employees who own share option rights from "ESOP 2016-2021 Program", of which the share option holders agree to first surrender their share option rights to the Bank and the Subsidiary. As a result, the reserve for ESOP 2016-2021 Program as of 31 December 2019 is now recorded as liabilities in accordance with short-term employee benefits accounting policy (Note 2y and 24).

Perubahan jumlah opsi saham adalah sebagai berikut:

Movements in the number of share options were as follows:

31 Desember 2019/31 December 2019			
	Harga eksekusi per lembar dalam Rupiah (nilai penuh)/ Exercise price per share in Rupiah (full amount)	Opsi Saham/ Share Option	
<u>Pada awal tahun</u>			<u>At beginning of year</u>
- Program MESOP 2015-2020	4,000	108,140,000	MESOP 2015-2020 Program -
- Program ESOP 2016-2021	2,617	38,383,500	ESOP 2016-2021 Program -
		<u>146,523,500</u>	
<u>Dieksekusi</u>			<u>Executed</u>
- Program MESOP 2015-2020	4,000	-	MESOP 2015-2020 Program -
<u>Kadaluwarsa</u>			<u>Forfeited</u>
- Program MESOP 2015-2020	4,000	(17,230,000)	MESOP 2015-2020 Program -
- Program ESOP 2016-2021	2,617	(38,383,500)	ESOP 2016-2021 Program -
		<u>(55,613,500)</u>	
<u>Pada akhir tahun</u>			<u>At end of year</u>
- Program MESOP 2015-2020	4,000	<u>90,910,000</u>	MESOP 2015-2020 Program -
31 Desember 2018/31 December 2018			
	Harga eksekusi per lembar dalam Rupiah (nilai penuh)/ Exercise price per share in Rupiah (full amount)	Opsi Saham/ Share Option	
<u>Pada awal tahun</u>			<u>At beginning of year</u>
- Program MESOP 2015-2020	4,000	120,900,000	MESOP 2015-2020 Program -
- Program ESOP 2016-2021	2,617	53,080,000	ESOP 2016-2021 Program -
		<u>173,980,000</u>	
<u>Dieksekusi</u>			<u>Executed</u>
- Program MESOP 2015-2020	4,000	-	MESOP 2015-2020 Program -
- Program ESOP 2016-2021	2,617	(11,359,500)	ESOP 2016-2021 Program -
		<u>(11,359,500)</u>	
<u>Kadaluwarsa</u>			<u>Forfeited</u>
- Program MESOP 2015-2020	4,000	(12,760,000)	MESOP 2015-2020 Program -
- Program ESOP 2016-2021	2,617	(3,337,000)	ESOP 2016-2021 Program -
		<u>(16,097,000)</u>	
<u>Pada akhir tahun</u>			<u>At end of year</u>
- Program MESOP 2015-2020	4,000	108,140,000	MESOP 2015-2020 Program -
- Program ESOP 2016-2021	2,617	38,383,500	ESOP 2016-2021 Program -
		<u>146,523,500</u>	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

29. CADANGAN PEMBAYARAN BERBASIS SAHAM (lanjutan)

Opsi saham atas Program MESOP 2015-2020 yang masih ada pada tanggal 31 Desember 2019 dan 2018 memiliki tanggal kadaluwarsa dan harga eksekusi berikut ini:

Tanggal Pemberian/ Grant date	Tanggal kadaluwarsa/ Expiry date	Harga eksekusi per lembar (nilai penuh)/ Exercise price per share (full amount)	Opsi Saham/Share Option	
			31 Desember/ December 2019	31 Desember/ December 2018
15 April/April 2015	Januari/January 2020	4,000	81,310,000	98,540,000
10 Juli/July 2015	Januari/January 2020	4,000	-	-
9 Oktober/October 2015	Januari/January 2020	4,000	-	-
8 Januari/January 2016	Januari/January 2020	4,000	-	-
11 April/April 2016	Januari/January 2020	4,000	-	-
11 Juli/July 2016	Januari/January 2020	4,000	-	-
10 Oktober/October 2016	Januari/January 2020	4,000	9,600,000	9,600,000
			<u>90,910,000</u>	<u>108,140,000</u>

Opsi saham atas Program ESOP 2016-2021 yang masih ada pada tanggal 31 Desember 2019 dan 2018 memiliki tanggal kadaluwarsa dan harga eksekusi berikut ini:

Tanggal Pemberian/ Grant date	Tanggal kadaluwarsa/ Expiry date	Harga eksekusi per lembar (nilai penuh)/ Exercise price per share (full amount)	Opsi Saham/Share Option	
			31 Desember/ December 2019	31 Desember/ December 2018
21 September/September 2016	Januari/January 2021	2,617	-	38,383,500
9 Desember/December 2016	Januari/January 2021	2,617	-	-
10 Maret/March 2017	Januari/January 2021	2,617	-	-
12 Juni/June 2017	Januari/January 2021	2,617	-	-
11 September/September 2017	Januari/January 2021	2,617	-	-
11 Desember/December 2017	Januari/January 2021	2,617	-	-
			<u>-</u>	<u>38,383,500</u>

30. PENGGUNAAN LABA BERSIH

Para pemegang saham menyetujui penggunaan laba bersih untuk tahun yang berakhir pada tanggal 31 Desember 2018 sebagai saldo laba yang belum ditentukan penggunaannya.

Para pemegang saham menyetujui penggunaan laba bersih untuk tahun yang berakhir pada tanggal 31 Desember 2017 sebagai berikut: (1) Bank akan membagikan dividen kepada para pemegang saham sebesar Rp 574.509 atau Rp 100 per lembar saham dan (2) sisa dari total laba bersih yang diperoleh Bank untuk tahun buku yang berakhir pada tanggal 31 Desember 2017 dinyatakan sebagai saldo laba yang belum ditentukan penggunaannya.

Pada tanggal 3 Mei 2018, PT Kustodian Sentral Efek Indonesia telah melakukan distribusi dividen tunai Bank kepada pemegang saham sesuai Daftar Pemegang Saham pada tanggal 11 April 2018 (tanggal pencatatan).

29. SHARE-BASED PAYMENT RESERVE (continued)

Share options of MESOP 2015-2020 Program outstanding as of 31 December 2019 and 2018 have the following expiry dates and exercise prices:

Share options of ESOP 2016-2021 Program outstanding as of 31 December 2019 and 2018 have the following expiry dates and exercise prices:

30. APPROPRIATION OF NET INCOME

The shareholders approved the appropriation of net income for the year ended 31 December 2018 as unappropriated retained earnings.

The shareholders approved the appropriation of net income for the year ended 31 December 2017 as follows: (1) the Bank shall distribute dividend to the shareholders amounted Rp 574,509 or Rp 100 each shares and (2) the remaining balance of the net income acquired by the Bank in book year ended on 31 December 2017 shall be declared as unappropriated retained earnings.

On 3 May 2018, PT Kustodian Sentral Efek Indonesia has distributed Bank's cash dividends to Shareholders based on Shareholders List on 11 April 2018 (recording date).

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

31. PENDAPATAN BUNGA DAN PENDAPATAN SYARIAH

31. INTEREST INCOME AND SHARIA INCOME

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Pihak ketiga:			Third parties:
Pinjaman yang diberikan	13,252,279	9,947,176	Loans
Efek-efek	624,104	376,940	Marketable securities
Penempatan pada Bank Indonesia	242,273	126,813	Placements with Bank Indonesia
Derivatif	184,778	-	Derivatives
Giro dan penempatan pada bank-bank lain	37,276	15,885	Current accounts and placements with other banks
Efek-efek yang dibeli dengan janji dijual kembali	19,871	211,763	Securities purchased under resale agreements
	<u>14,360,581</u>	<u>10,678,577</u>	
Pihak berelasi:			Related parties:
Derivatif	168,879	-	Derivatives
Pinjaman yang diberikan	92,956	573	Loans
Giro dan penempatan pada bank-bank lain	2,468	235	Current accounts and placements with other banks
Efek-efek	2,174	-	Marketable securities
	<u>266,477</u>	<u>808</u>	
	<u>14,627,058</u>	<u>10,679,385</u>	
Pendapatan syariah			Sharia income
Pihak ketiga:			Third parties:
Pendapatan dari jual beli - marjinal murabahah	4,203,294	3,303,491	Income from sales and purchases - murabahah margin
Pendapatan dari bagi hasil - pembiayaan musyarakah	1,045	-	Revenue from profit sharing - musyarakah financing
Pendapatan usaha utama lainnya	253,013	143,775	Other main operating income
	<u>4,457,352</u>	<u>3,447,266</u>	
	<u>19,084,410</u>	<u>14,126,651</u>	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

32. BEBAN BUNGA DAN HAK PIHAK KETIGA ATAS
BAGI HASIL DANA SYIRKAH TEMPORER

32. INTEREST EXPENSE AND THIRD PARTIES'
SHARES ON RETURN OF TEMPORARY
SYIRKAH FUNDS

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
<u>Beban bunga</u>			<u>Interest expense</u>
<u>Pihak ketiga:</u>			<u>Third parties:</u>
Simpanan nasabah			<i>Customer deposits</i>
Deposito berjangka	4,667,302	3,371,265	<i>Time deposits</i>
Tabungan	141,034	138,635	<i>Saving deposits</i>
Giro	90,105	23,992	<i>Current accounts</i>
Deposito on call	36,153	35,545	<i>Deposits on call</i>
	<u>4,934,594</u>	<u>3,569,437</u>	
Pinjaman yang diterima	636,998	350,784	<i>Borrowings</i>
Derivatif	235,786	-	<i>Derivatives</i>
Simpanan dari bank-bank lain	215,188	14,396	<i>Deposits from other banks</i>
Surat utang jangka menengah	99,628	-	<i>Medium Term Notes</i>
Utang obligasi	88,648	148,646	<i>Bonds payables</i>
Efek-efek yang dijual dengan janji dibeli kembali	21	50	<i>Securities sold under repurchase agreements</i>
	<u>6,210,863</u>	<u>4,083,313</u>	
<u>Pihak berelasi:</u>			<u>Related parties:</u>
Pinjaman yang diterima	794,945	45,783	<i>Borrowings</i>
Pinjaman subordinasi	236,426	-	<i>Subordinated loans</i>
Derivatif	111,576	-	<i>Derivatives</i>
Simpanan dari bank-bank lain	88,249	-	<i>Deposits from other banks</i>
	<u>1,231,196</u>	<u>45,783</u>	
Simpanan nasabah			<i>Customer deposits</i>
Deposito berjangka	46,438	4,944	<i>Time deposits</i>
Tabungan	14,429	6,463	<i>Saving deposits</i>
Giro	10,133	18,068	<i>Current accounts</i>
	<u>71,000</u>	<u>29,475</u>	
	<u>1,302,196</u>	<u>75,258</u>	
	<u>7,513,059</u>	<u>4,158,571</u>	
<u>Hak pihak ketiga atas bagi hasil dana syirkah temporer</u>			<u>Third parties' shares on return of temporary syirkah funds</u>
Pihak ketiga	522,771	367,176	<i>Third parties</i>
Pihak berelasi	816	496	<i>Related parties</i>
	<u>523,587</u>	<u>367,672</u>	
	<u>8,036,646</u>	<u>4,526,243</u>	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

33. PENDAPATAN OPERASIONAL LAINNYA

33. OTHER OPERATING INCOME

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Pendapatan komisi atas pinjaman yang diberikan	221,392	61,855	<i>Loan commission income</i>
Pendapatan dari penerimaan kembali kredit yang dihapusbuku	197,900	171,994	<i>Income from recovery of loans written-off</i>
Pendapatan administrasi dana pihak ketiga	133,474	65,096	<i>Third party fund administration income</i>
Denda pelunasan dipercepat dan keterlambatan	126,586	171,887	<i>Early termination penalty and late penalty income</i>
Pendapatan dari penjualan produk investasi	108,169	87,100	<i>Income from sale of investment products</i>
Pendapatan dari komisi asuransi	66,836	102,025	<i>Insurance commission income</i>
Jasa penerbitan garansi	42,156	-	<i>Guarantee fees</i>
Jasa kliring dan transfer	15,987	-	<i>Clearing and transfer fees</i>
Pendapatan komisi lainnya	15,617	-	<i>Others commission income</i>
Penerimaan kembali dari kerugian operasional	5,353	5,263	<i>Operational loss recovery</i>
Lain-lain	40,280	119,141	<i>Others</i>
	<u>973,750</u>	<u>784,361</u>	

Pendapatan administrasi atas pinjaman yang diberikan adalah pendapatan administrasi yang diperoleh dari pinjaman bank.

Loan administration income are administration income received from bank.

Pendapatan dari penjualan produk investasi adalah pendapatan komisi dari pihak ketiga atas produk investasi yang dijual melalui Bank.

Income from sale of investment products are commission income received from third party related with investment product that are sold through the Bank.

Pendapatan dari komisi asuransi adalah pendapatan atas komisi penjualan *unit link* dan komisi yang diterima oleh Bank berdasarkan perjanjian yang telah disepakati dengan Allianz, Avrist, Generali, FWD, Proteksi Antar Nusa dan Adonai Pialang Asuransi (Catatan 12).

Insurance commission income are income from unit link sales commission and commission received by the Bank based on agreements with Allianz, Avrist, Generali, FWD, Proteksi Antar Nusa and Adonai Pialang Asuransi (Note 12).

Lain-lain termasuk jasa *cash handling*, jasa *payment point* dan pendapatan dividen.

Others consist of cash handling services, payment point service, and dividend income.

34. BEBAN KEPEGAWAIAN

34. PERSONNEL EXPENSES

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Gaji, upah, bonus, tantiem dan imbalan kerja karyawan	2,016,558	1,830,104	<i>Salaries, wages, bonus, tantiem and employee benefits</i>
Tunjangan hari raya	414,784	308,230	<i>Holiday allowances</i>
Tunjangan kesehatan	185,553	140,089	<i>Medical benefit</i>
Tunjangan pajak	173,624	135,217	<i>Tax allowances</i>
Pendidikan dan latihan	138,688	109,446	<i>Training and education</i>
Tunjangan representasi	125,493	95,430	<i>Representation allowance</i>
Jamsostek	82,663	73,283	<i>Jamsostek</i>
Tunjangan program kepemilikan kendaraan	56,054	44,502	<i>Car ownership program allowance</i>
Tunjangan telepon	24,828	20,870	<i>Telephone allowance</i>
Tunjangan perumahan	22,012	15,824	<i>Housing allowance</i>
Lain-lain	89,378	38,127	<i>Others</i>
	<u>3,329,635</u>	<u>2,811,122</u>	

Termasuk dalam beban kepegawaian adalah gaji, opsi saham dan kompensasi lainnya yang dibayarkan kepada Direksi, Dewan Komisaris dan Komite Audit.

Included under personnel expenses are salaries, share options and other compensations paid to the Board of Directors, Board of Commissioners and Audit Committee.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

35. BEBAN UMUM DAN ADMINISTRASI

35. GENERAL AND ADMINISTRATIVE EXPENSES

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018*	
Jasa dari pihak ketiga dan perlengkapan kantor	1,080,648	909,372	Services from third parties and office supplies
Sewa	620,873	480,602	Rent
Beban asuransi	445,471	381,658	Insurance expense
Penyusutan aset tetap (Catatan 15)	358,264	314,573	Depreciation of fixed assets (Note 15)
Amortisasi piranti lunak (Catatan 16)	318,284	210,530	Amortisation of software (Note 16)
Promosi dan iklan	216,201	154,620	Promotion and advertising
Jasa profesional	109,641	172,475	Professional fees
Pemeliharaan dan perbaikan	78,712	46,596	Repairs and maintenance
Lain-lain	34,445	60,412	Others
	3,262,539	2,730,838	

*) Setelah penyajian kembali (Catatan 48) dan reklasifikasi (Catatan 49)

*) After restatement (Note 48) and reclassification (Note 49)

Jasa dari pihak ketiga dan perlengkapan kantor terdiri dari beban honorarium, perjalanan dinas, tagihan kantor pos, beban listrik, air dan telepon, komunikasi data, peralatan kantor dan jasa pengiriman.

Services from third parties and office supplies consist of expenses from honorarium, business travelling, post office billing, utilities, data communication, office supplies, and delivery services.

Lain-lain termasuk pajak reklame, pajak kendaraan, pajak daftar perusahaan, dan beban lain-lain Entitas Anak.

Others consist of advertisement tax, vehicle tax, company registration tax and Subsidiary's miscellaneous expenses.

36. CADANGAN KERUGIAN PENURUNAN NILAI

36. ALLOWANCE FOR IMPAIRMENT LOSSES

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Pinjaman yang diberikan dan pembiayaan/piutang syariah (Catatan 12f)	1,445,933	1,364,941	Loans and sharia financing/receivables (Note 12f)
Efek-efek (Catatan 8h)	(44)	-	Marketable securities (Note 8h)
Tagihan akseptasi (Catatan 11)	(7)	-	Acceptance receivables (Note 11)
Aset lain-lain (Catatan 17)	-	10,331	Other assets (Note 17)
	1,445,882	1,375,272	

37. BEBAN OPERASIONAL LAINNYA

37. OTHER OPERATING EXPENSES

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Beban komisi dan administrasi	280,270	145,001	Commissions and administrative fees
Iuran tahunan OJK	79,152	40,200	OJK annual fee
Beban pengembangan komunitas	43,982	16,024	Community development expenses
Kerugian terkait risiko operasional	35,020	26,687	Loss of operational risk
Beban rumah tangga	24,104	52,870	Household expenses
Beban retribusi	3,216	2,939	Retribution expenses
Beban pengurusan klaim asuransi	3,117	3,466	Insurance claim expenses
Rekrutmen	1,822	1,328	Recruitment
Lain-lain	67,015	47,044	Others
	537,698	335,559	

Lain-lain termasuk beban jamuan, beban keanggotaan dan beban penyelesaian kredit.

Others consist of entertainment expenses, membership fees and credit settlement charges.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

38. INFORMASI MENGENAI PIHAK BERELASI

Dalam kegiatan usahanya, Bank dan Entitas Anak melakukan transaksi dengan pihak-pihak berelasi, terutama meliputi transaksi-transaksi keuangan.

Di bawah ini adalah ikhtisar pihak-pihak berelasi yang bertransaksi dengan Bank dan Entitas Anak, termasuk sifat hubungan dan sifat transaksinya:

38. RELATED PARTY INFORMATION

In the normal course of business, the Bank and Subsidiary engage in transactions with related parties, primarily consisting of financial transactions.

The following is a summary of related parties who have transactions with the Bank and Subsidiary, including the nature of the relationships and transactions:

Pihak berelasi/ Related parties	Sifat hubungan/ Nature of relationships	Sifat transaksi/ Nature of transactions
Sumitomo Mitsui Banking Corporation, Tokyo	Pemegang saham pengendali/ <i>Controlling shareholders</i>	Giro pada bank lain; simpanan dari bank lain/ <i>Current accounts with other banks; deposits from other banks</i>
Sumitomo Mitsui Banking Corporation, Singapore	Perusahaan afiliasi/ <i>affiliated company</i>	Giro pada bank lain; simpanan dari bank lain; efek-efek; pinjaman yang diterima; pinjaman subordinasi; transaksi derivatif/ <i>Current accounts with other banks; deposits from other banks; marketable securities; borrowings; subordinated loans; derivative transactions</i>
Sumitomo Mitsui Banking Corporation, Hongkong Branch	Perusahaan afiliasi/ <i>affiliated company</i>	Giro pada bank lain; simpanan dari bank lain/ <i>Current accounts with other banks; deposits from other banks</i>
Sumitomo Mitsui Banking Corporation, Europe Limited	Perusahaan afiliasi/ <i>affiliated company</i>	Giro pada bank lain/ <i>Current accounts with other banks</i>
Sumitomo Mitsui Banking Corporation, Dusseldorf Branch	Perusahaan afiliasi/ <i>affiliated company</i>	Giro pada bank lain/ <i>Current accounts with other banks</i>
Sumitomo Mitsui Banking Corporation, Malaysia Berhad	Perusahaan afiliasi/ <i>affiliated company</i>	Simpanan dari bank lain; transaksi derivatif/ <i>Deposits from other banks; derivative transactions</i>
Sumitomo Mitsui Banking Corporation, Bangkok	Perusahaan afiliasi/ <i>affiliated company</i>	Giro pada bank lain; simpanan dari bank lain/ <i>Current accounts with other banks; deposits from other banks</i>
Sumitomo Mitsui Banking Corporation, New York	Perusahaan afiliasi/ <i>affiliated company</i>	Giro pada bank lain/ <i>Current accounts with other banks</i>
PT SMFL Leasing Indonesia	Perusahaan afiliasi/ <i>affiliated company</i>	Simpanan nasabah; pinjaman yang diberikan; transaksi derivatif/ <i>Deposits from customers; loans; derivative transactions</i>
PT Oto Multi Artha	Perusahaan afiliasi/ <i>affiliated company</i>	Simpanan nasabah; pinjaman yang diberikan; transaksi derivatif/ <i>Deposits from customers; loans; derivative transactions</i>
PT Summit Oto Finance	Perusahaan afiliasi/ <i>affiliated company</i>	Simpanan nasabah; pinjaman yang diberikan; transaksi derivatif/ <i>Deposits from customers; loans; derivative transactions</i>
PT Nikko Securities Indonesia	Perusahaan afiliasi/ <i>affiliated company</i>	Simpanan nasabah/ <i>Deposits from customers</i>
PT SBCS Indonesia	Perusahaan afiliasi/ <i>affiliated company</i>	Simpanan nasabah/ <i>Deposits from customers</i>
Personil manajemen kunci/ <i>Key Management Personnel</i>	Direktur, Komisaris dan pejabat eksekutif/ <i>Directors, Commissioners and executive employees</i>	Pinjaman yang diberikan, simpanan nasabah, pembayaran kompensasi dan remunerasi, imbalan pascakerja/ <i>Loans, deposits from customers, payments of compensation and remuneration, post-employment benefits</i>

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

38. INFORMASI MENGENAI PIHAK BERELASI
 (lanjutan)

38. RELATED PARTY INFORMATION (continued)

Transaksi dengan pihak berelasi

Transactions with related parties

Saldo dan rincian transaksi dengan pihak berelasi adalah sebagai berikut:

The outstanding balances and detail transactions with related parties were as follows:

(a) Giro pada bank-bank lain

(a) Current accounts with other banks

	31 Desember/31 December		
	2019	2018	
Giro pada bank-bank lain	725,450	21,912	Current accounts with other banks
Pihak berelasi			Related party
Persentase terhadap jumlah aset	0.40%	0.02%	Percentage to total assets

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Pendapatan bunga	2,468	235	Interest income
Persentase terhadap jumlah pendapatan bunga	0.02%	0.00%	Percentage to total interest income

(b) Efek-efek

(b) Marketable securities

	31 Desember/31 December		
	2019	2018	
Efek-efek	86,105	-	Marketable securities
Pihak berelasi			Related parties
Persentase terhadap jumlah aset	0.05%	0.00%	Percentage to total assets

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Pendapatan bunga	2,174	-	Interest income
Persentase terhadap jumlah pendapatan bunga	0.01%	0.00%	Percentage to total interest income

(c) Tagihan derivatif

(c) Derivative receivables

	31 Desember/31 December		
	2019	2018	
Tagihan derivatif	61,682	-	Derivative receivables
Pihak berelasi			Related parties
Persentase terhadap jumlah aset	0.03%	0.00%	Percentage to total assets

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Pendapatan bunga	168,879	-	Interest income
Persentase terhadap jumlah pendapatan bunga	1.15%	0.00%	Percentage to total interest income

(d) Pinjaman yang diberikan

(d) Loans

	31 Desember/31 December		
	2019	2018	
Pinjaman yang diberikan	8,714	18,632	Loans
Personil manajemen kunci	2,123,995	-	Key management personnel
Pihak berelasi			Related parties
	2,132,709	18,632	

Pendapatan bunga yang masih akan diterima	12,538	7	Accrued interest income
	2,145,247	18,639	

Persentase terhadap jumlah aset	1.18%	0.02%	Percentage to total assets
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	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Pendapatan bunga:			Interest income:
Personil manajemen kunci	300	573	Key management personnel
Pihak berelasi	92,656	-	Related parties
	92,956	573	

Persentase terhadap jumlah pendapatan bunga	0.64%	0.00%	Percentage to total interest income
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PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

38. INFORMASI MENGENAI PIHAK BERELASI
(lanjutan)

38. RELATED PARTY INFORMATION (continued)

Transaksi dengan pihak berelasi (lanjutan)

Transactions with related parties (continued)

(g) Liabilitas derivatif

(g) Derivative liabilities

	31 Desember/31 December		
	2019	2018	
Liabilitas derivatif			<i>Derivative liabilities</i>
Pihak berelasi	54,071	-	<i>Related parties</i>
Persentase terhadap jumlah liabilitas	0,04%	0,00%	<i>Percentage to total liabilities</i>

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Beban bunga	111,576	-	<i>Interest expense</i>
Persentase terhadap jumlah beban bunga	1.49%	0.00%	<i>Percentage to total interest expenses</i>

(h) Pinjaman yang diterima

(h) Borrowings

	31 Desember/31 December		
	2019	2018	
Pinjaman yang diterima	31,193,978	1,078,500	<i>Borrowings</i>
Beban bunga yang masih harus dibayar	59,954	1,322	<i>Accrued interest expenses</i>
	<u>31,253,932</u>	<u>1,079,822</u>	
Persentase terhadap jumlah liabilitas	21.92%	1.41%	<i>Percentage to total liabilities</i>

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Beban bunga Pihak berelasi	794,945	45,783	<i>Interest expense Related party</i>
Persentase terhadap jumlah beban bunga	10.58%	1.10%	<i>Percentage to total interest expenses</i>

(i) Liabilitas akseptasi

(i) Acceptance payables

	31 Desember/31 December		
	2019	2018	
Liabilitas akseptasi Pihak berelasi	157,523	-	<i>Acceptance payables Related party</i>
Persentase terhadap jumlah liabilitas	0.11%	0.00%	<i>Percentage to total liabilities</i>

(j) Pinjaman subordinasi

(j) Subordinated loans

	31 Desember/31 December		
	2019	2018	
Pinjaman subordinasi	6,038,888	-	<i>Subordinated loans</i>
Beban bunga yang masih harus dibayar	6,305	-	<i>Accrued interest expenses</i>
	<u>6,045,193</u>	<u>-</u>	
Persentase terhadap jumlah liabilitas	4.24%	0.00%	<i>Percentage to total liabilities</i>

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Beban bunga: Pihak berelasi	236,426	-	<i>Interest expense: Related party</i>
Persentase terhadap jumlah beban bunga	3.15%	0.00%	<i>Percentage to total interest expenses</i>

(k) Dana syirkah temporer

(k) Temporary syirkah funds

	31 Desember/31 December		
	2019	2018	
Simpanan nasabah			<i>Deposits from customers</i>
Personil manajemen kunci: Tabungan mudharabah	250	594	<i>Key management personnel: Mudharabah saving deposits</i>
Deposito mudharabah	17,484	6,232	<i>Mudharabah time deposits</i>
	<u>17,734</u>	<u>6,826</u>	
Persentase terhadap jumlah dana syirkah temporer	0.24%	0.11%	<i>Percentage to total temporary syirkah funds</i>

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

38. INFORMASI MENGENAI PIHAK BERELASI
 (lanjutan)

38. RELATED PARTY INFORMATION (continued)

Transaksi dengan pihak berelasi (lanjutan)

Transactions with related parties (continued)

(k) Dana syirkah temporer (lanjutan)

(k) Temporary syirkah funds (continued)

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2019	2018	
Hak atas bagi hasil dana syirkah temporer	816	496	Shares on return of temporary syirkah funds
Persentase terhadap beban bagi hasil	0.16%	0.13%	Percentage to total profit-sharing

(l) Kompensasi dan remunerasi personil manajemen kunci

(l) Compensation and remuneration of key management personnel

Kompensasi yang dibayar atau terutang pada manajemen kunci atas jasa kepegawaian adalah sebagai berikut:

The compensation paid or payable to key management for employee services is shown below:

	31 Desember/December 2019						
	Direksi/Board of Directors		Dewan Komisaris/Board of Commissioners		Personil manajemen kunci lainnya/Other key management personnel		
	%*	Rp	%*	Rp	%*	Rp	
Gaji dan imbalan karyawan jangka pendek lainnya	6.06%	202,589	0.62%	20,709	10.09%	337,368	Salaries and other short-term employee benefits
Imbalan pascakerja	-	-	-	-	0.39%	12,915	Post-employment benefits
Imbalan jangka panjang lainnya	-	-	-	-	0.02%	637	Other long-term benefits
Jumlah	6.06%	202,589	0.62%	20,709	10.50%	350,920	Total

	31 Desember/December 2018						
	Direksi/Board of Directors		Dewan Komisaris/Board of Commissioners		Personil manajemen kunci lainnya/Other key management personnel		
	%*	Rp	%*	Rp	%*	Rp	
Gaji dan imbalan karyawan jangka pendek lainnya	6.60%	187,092	0.80%	22,525	9.15%	257,096	Salaries and other short-term employee benefits
Imbalan pascakerja	-	-	-	-	0.39%	10,907	Post-employment benefits
Imbalan jangka panjang lainnya	-	-	-	-	0.01%	323	Other long-term benefits
Jumlah	6.60%	187,092	0.80%	22,525	9.55%	268,326	Total

*% terhadap jumlah beban kepegawaian

% to total personnel expenses

(m) Pembayaran berbasis saham

(m) Share-based payments

Pembayaran berbasis saham yang diberikan kepada personil manajemen kunci adalah sebagai berikut:

Share-based payments given to the key management personnel are as follows:

	Program ESOP 2016-2021*				
	Bank		Entitas Anak		
	Harga eksekusi opsi/ Option exercise price	Opsi saham/ Share option	Harga eksekusi opsi (sebelum modifikasi*)/ Option exercise price (before modification)**	Opsi saham/ Share option	
Manajemen kunci lainnya	2,617	52,865,000	2,617	3,780,000	Other key management

*) dalam nilai penuh

**) terdapat modifikasi yang mengubah skema pembayaran Program ESOP 2016-2021 (Catatan 29).

*) in full amount

**) there was modification on the payment scheme for ESOP 2016-2021 Program (Note 29)

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

38. INFORMASI MENGENAI PIHAK BERELASI
(lanjutan)

38. RELATED PARTY INFORMATION (continued)

Transaksi dengan pihak berelasi (lanjutan)

Transactions with related parties (continued)

(m) Pembayaran berbasis saham (lanjutan)

(m) *Share-based payments* (continued)

Pembayaran berbasis saham yang diberikan kepada personil manajemen kunci adalah sebagai berikut: (lanjutan)

Share-based payments given to the key management personnel were as follows: (continued)

	Program MESOP 2015-2020*				
	Bank		Entitas Anak		
	Harga eksekusi opsi/ <i>Option exercise price</i>	Opsi saham/ <i>Share option</i>	Harga eksekusi opsi/ <i>Option exercise price</i>	Opsi saham/ <i>Share option</i>	
Direksi	4,000	36,700,000	4,000	9,400,000	<i>Board of Directors</i>
Manajemen kunci lainnya	4,000	96,215,000	4,000	9,760,000	<i>Other key management</i>
		<u>132,915,000</u>		<u>19,160,000</u>	

*) dalam nilai penuh

**) in full amount

39. KOMITMEN DAN KONTINJENSI

39. COMMITMENTS AND CONTINGENCIES

Seluruh komitmen dan kontinjensi adalah dengan pihak ketiga.

All commitments and contingencies are with the third parties.

a. Berdasarkan jenis

a. By type

	31 Desember/December		
	2019	2018	
Aset komitmen			Committed assets
Fasilitas pinjaman yang belum ditarik	3,124,023	-	<i>Unused borrowing facilities</i>
Aset kontinjensi			Contingent assets
Pendapatan bunga pinjaman yang diberikan yang bermasalah	97,680	86,310	<i>Interest receivable on non-performing loans</i>
Garansi yang diterima	19,839,026	2,157	<i>Guarantees received</i>
	<u>19,936,706</u>	<u>88,467</u>	
Liabilitas komitmen			Committed liabilities
Fasilitas kredit kepada nasabah yang belum digunakan - <i>committed</i>	8,433,080	6,160,762	<i>Unused credit facilities to customers - committed</i>
Fasilitas kredit kepada nasabah yang belum digunakan - <i>uncommitted</i>	73,413,906	-	<i>Unused credit facilities to customers - uncommitted</i>
Fasilitas kredit kepada bank yang belum digunakan - <i>uncommitted</i>	63,163	-	<i>Unused credit facilities to banks - uncommitted</i>
<i>Letters of credit</i> yang tidak dapat dibatalkan	925,174	-	<i>Irrevocable letters of credit</i>
	<u>82,835,323</u>	<u>6,160,762</u>	
Liabilitas kontinjensi			Contingent liabilities
Garansi yang diberikan	8,924,578	107,719	<i>Guarantees provided</i>

b. Berdasarkan kolektibilitas OJK

b. By OJK grading

	31 Desember/December		
	2019	2018	
Lancar	90,359,090	6,268,346	<i>Current</i>
Dalam perhatian khusus	1,350,086	135	<i>Special mention</i>
Kurang lancar	50,725	-	<i>Substandard</i>
	<u>91,759,901</u>	<u>6,268,481</u>	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

39. KOMITMEN DAN KONTINJENSI (lanjutan)

**39. COMMITMENTS AND CONTINGENCIES
(continued)**

c. Kasus hukum

Berkaitan dengan gugatan perdata Perbuatan Melawan Hukum yang diajukan oleh Pemerintah Kota Semarang di Pengadilan Negeri Semarang, pihak-pihak yang terkait adalah Pemerintah Kota Semarang sebagai penggugat, PT Bank BTPN Tbk cabang Sinaya Pandanaran Semarang sebagai tergugat satu dan PT Bank BTPN Tbk kantor pusat di Jakarta sebagai tergugat dua.

Pada tanggal 20 Agustus 2018, Bank telah menerima surat pemberitahuan bahwa gugatan perdata dimaksud telah diputus oleh Mahkamah Agung Republik Indonesia pada tanggal 12 Oktober 2016 dengan isi putusan "Gugatan Penggugat Tidak Dapat Diterima". Dengan demikian Putusan telah mempunyai kekuatan hukum tetap (*In Kracht*) dan tidak ada kerugian Bank atas gugatan dalam perkara tersebut.

Perkara tindak pidana korupsi, pada tanggal 8 Juli 2019 telah diputus oleh Pengadilan Tindak Pidana Korupsi di Pengadilan Negeri Semarang, dengan isi putusan "Terdakwa Pihak Eksternal Bank terbukti melakukan Tindak Pidana Korupsi dihukum dengan pidana penjara 2 tahun dan 6 bulan". Dengan demikian Putusan telah mempunyai kekuatan hukum tetap (*In Kracht*).

Perseroan menghadapi beberapa tuntutan hukum, pengurusan administrasi dan klaim yang belum terselesaikan, yang berhubungan dengan kegiatan usaha Perseroan. Adalah tidak mungkin untuk memastikan apakah Perseroan akan memenangkan masalah atau tuntutan hukum tersebut, atau dampaknya jika Perseroan kalah. Namun demikian, manajemen Perseroan yakin bahwa hasil keputusan masalah atau tuntutan hukum tersebut tidak akan membawa dampak yang signifikan pada hasil usaha, posisi keuangan atau likuiditas Perseroan.

40. SEGMENT OPERASI

Segmen operasi dilaporkan sesuai dengan laporan internal yang disiapkan untuk Direksi, yang bertindak sebagai pengambil keputusan operasi, yang bertanggung jawab untuk mengalokasikan sumber daya ke segmen dan melakukan penilaian atas performanya. Seluruh segmen operasi yang digunakan oleh Bank dan Entitas Anak telah memenuhi kriteria pelaporan berdasarkan PSAK 5, "Segmen Operasi".

Bank dan Entitas Anak memiliki 5 (lima) pelaporan segmen, berdasarkan produk usaha, sebagaimana disajikan dalam tabel di bawah ini.

c. Litigation cases

In relation with the civil lawsuit Tort filed by Semarang City Government in the Semarang District Court, the related parties are Semarang City Administration as plaintiff, PT Bank BTPN Tbk, Sinaya Pandanaran Branch Office as first defendant and PT Bank BTPN Tbk, Head office in Jakarta as second defendant.

*On 20 August 2018, the Bank received a notification that the civil lawsuit has been decided by the Supreme Court of the Republic of Indonesia on 12 October 2016 with the contents of the decision "Plaintiff's Claim Not Acceptable". Thus the Decision has a permanent legal force (*In Kracht*); therefore, the Bank has not suffered a loss in this case*

*In relation with criminal case of corruption, on 8 July 2019 has been decided by Corruption Court in the Semarang District Court with the contents of the decision "The Bank's external defendant were proven to have committed a criminal Corruption Act and were sentenced 2 years and 6 months imprisonment". Thus the Decision has a permanent legal force (*In Kracht*).*

The Company is a party to various unresolved legal actions, administrative proceedings, and claims in the ordinary course of its business. It is not possible to predict with certainty whether or not the Company will ultimately be successful in any of these legal matters or, if not, what the impact might be. However, the Company's management does not expect that the results in any of these proceedings will have a material adverse effect on the Company's results of operations, financial position or liquidity.

40. OPERATING SEGMENT

Operating segments are reported in accordance with the internal reporting provided to the Directors, as the chief operating decision maker, who are responsible for allocating resources to the reportable segments and assesses its performance. All operating segments used by the Bank and Subsidiary meet the definition of a reportable segment under PSAK 5, "Operating Segment".

The Bank and Subsidiary have 5 (five) reportable segments, in accordance with the business product, as set out in the table below.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

40. SEGMENT OPERASI (lanjutan)

Ritel

Terdiri dari pinjaman yang diberikan kepada nasabah pensiunan dan nasabah individual lainnya.

Kredit Usaha Mikro, Kecil & Menengah (UMKM)

Terdiri dari pinjaman yang diberikan kepada nasabah usaha mikro, kecil dan menengah yang digunakan untuk kegiatan usaha.

Penghimpunan dana dan treasury

Terdiri dari aktivitas penghimpunan dana dari pihak ketiga dan bank lain, serta aktivitas treasury termasuk pinjaman yang diterima dan surat berharga yang diterbitkan. Penghimpunan dana treasury berada di bawah direktorat yang sama.

Korporasi

Terdiri dari pinjaman dan layanan yang diberikan dari nasabah korporasi yang digunakan untuk kegiatan usaha.

Syariah

Merupakan lini segmen operasi atas Entitas Anak yang dimulai dari tanggal efektif beroperasi sebagai bank umum syariah.

Terdiri dari pembiayaan syariah dan dana pihak ketiga dari nasabah syariah yang digunakan untuk kegiatan usaha.

Dalam mengalokasikan beban operasional, manajemen mengatribusikan beberapa pos beban operasional sesuai dengan kebijakan pelaporan internal Bank dan Entitas Anak.

Informasi pelaporan segmen adalah sebagai berikut:

40. OPERATING SEGMENT (continued)

Retail

Consists of loans to pensioners and other individual customers.

Micro, Small & Medium Enterprises (MSME)

Consists of loans to micro, small & medium enterprise customers for commercial purpose.

Funding and treasury

Consists of funding business activity in raising funds from third party and other banks, and centralised treasury operations including borrowings and securities issued. Funding and treasury are under the same directorate.

Corporate

Consists of loans and services from corporate customers which related to commercial purpose.

Sharia

Represents a line of operating segments of Subsidiary which started from the effective date to operate as a sharia commercial bank.

Consists of sharia financing and third party fund from sharia customers which related to commercial purpose.

In allocating operating expenses, management attributed some of its expenses based on Bank and Subsidiary's internal reporting policy.

The reportable segment information was as follows:

31 Desember/December 2019							
	Ritel/ Retail	UMKM/ MSME	Penghimpunan dana dan treasury/ Funding and Treasury	Korporasi/ Corporate	Syariah/ Sharia	Penyesuaian dan eliminasi/ Adjustment and elimination	Konsolidasi/ Consolidation
Pendapatan dan beban operasional							Operating income and expense
Pendapatan bunga dan syariah dari pihak eksternal	7,462,017	1,881,192	1,208,296	4,075,553	4,457,352	-	19,084,410
Pendapatan bunga antar segmen	(4,122,228)	(1,116,614)	8,265,397	(3,026,555)	-	-	-
Beban bunga antar segmen	127,688	37,365	(3,811,466)	3,646,413	-	-	-
Beban bunga dan bagi hasil syariah	(18,430)	(16,034)	(4,302,390)	(3,176,205)	(523,587)	-	(8,036,646)
Pendapatan bunga dan syariah segmen dilaporkan-bersih	3,449,047	785,909	1,359,837	1,519,206	3,933,765	-	11,047,764
							Net reportable segment interest and sharia income

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

40. SEGMENT OPERASI (lanjutan)

40. OPERATING SEGMENT (continued)

31 Desember/December 2019								
	Ritel/ Retail	UMKM/ MSME	Penghimpunan dana dan tresuri/ Funding and Treasury	Korporasi/ Corporate	Syariah/ Sharia	Penyesuaian dan eliminasi/ Adjustment and elimination	Konsolidasi/ Consolidation	
Pendapatan operasional lainnya:								Other operating income:
Pendapatan operasional lainnya	215,455	272,816	222,683	246,114	17,742	(1,060)	973,750	Other operating income
Keuntungan transaksi spot dan derivatif - bersih	-	-	87,529	499,230	-	-	586,759	Net gain from spot and derivative transactions
Pendapatan operasional lainnya	215,455	272,816	310,212	745,344	17,742	(1,060)	1,560,509	Other operating income
Beban operasional lainnya								Other operating expenses
Beban operasional lainnya	(1,829,251)	(1,011,711)	(1,827,378)	(701,551)	(1,761,041)	1,060	(7,129,872)	Other operating expense
Cadangan kerugian penurunan nilai	(483,712)	(564,473)	(6,537)	(81,758)	(309,402)	-	(1,445,882)	Allowance for impairment losses
Beban operasional lainnya	(2,312,963)	(1,576,184)	(1,833,915)	(783,309)	(2,070,443)	1,060	(8,575,754)	Other operating expenses
Beban non-operasional - bersih	(6,056)	(97)	(4,629)	-	(2,815)	-	(13,597)	Non-operating expenses
Laba segmen sebelum pajak penghasilan	1,345,483	(517,556)	(168,495)	1,481,241	1,878,249	-	4,018,922	Segment income (loss) before income tax
Beban pajak penghasilan	(344,365)	132,465	43,124	(379,113)	(478,615)	-	(1,026,504)	Income tax expense
Laba (rugi) bersih	1,001,118	(385,091)	(125,371)	1,102,128	1,399,634	-	2,992,418	Net income (loss)
Aset								Assets
Pinjaman/pembiayaan yang diberikan-bersih	41,051,406	15,019,353	-	75,514,770	8,707,455	-	140,292,984	Net loans/financing
Pendapatan bunga/margin yang masih akan diterima dari pinjaman/pembiayaan yang diberikan	373,606	68,661	-	295,491	89,601	-	827,359	Accrued interest/margin income from loans/financing
Aset lain-lain	-	-	25,932,578	-	5,929,356	(1,244,387)	30,617,547	Other assets
Pendapatan bunga yang masih akan diterima	-	-	33,615	-	88,846	-	122,461	Accrued interest income
Jumlah aset yang dialokasikan	41,425,012	15,088,014	25,966,193	75,810,261	14,815,258	(1,244,387)	171,860,351	Total allocated assets
Aset yang tidak dialokasikan*							9,771,034	Unallocated assets*
Jumlah aset							181,631,385	Total assets
Liabilitas								Liabilities
Simpanan nasabah	2,501,285	625,497	27,612,593	46,753,556	1,895,885	-	79,388,816	Customer deposits
Beban bunga/bagi hasil yang masih harus dibayar	-	-	210,601	-	21,861	-	232,462	Undistributed revenue sharing
Liabilitas lain-lain	-	-	58,936,647	-	-	(26,202)	58,910,445	Others liabilities
Beban bunga yang masih harus dibayar	-	-	231,143	-	-	-	231,143	Accrued interest expenses
Jumlah liabilitas yang dialokasikan	2,501,285	625,497	86,990,984	46,753,556	1,917,746	(26,202)	138,762,866	Total allocated liabilities
Liabilitas yang tidak dialokasikan							3,845,927	Unallocated liabilities
Jumlah liabilitas							142,608,793	Total liabilities
Dana syirkah temporer	-	-	-	-	7,550,664	-	7,550,664	Temporary syirkah fund

*) Komponen yang tidak dapat dialokasikan terutama terdiri dari aset dan liabilitas pajak penghasilan, termasuk pajak kini dan pajak tangguhan, aset dan liabilitas derivatif, aset tetap, aset tak berwujud, liabilitas lainnya dan akrual

*) Unallocated items mainly comprise of income tax assets and liabilities, including current and deferred taxes, derivative assets and liabilities, fixed assets, intangible assets, other liabilities and accruals

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

40. SEGMENT OPERASI (lanjutan)

Informasi pelaporan segmen adalah sebagai berikut (lanjutan):

40. OPERATING SEGMENT (continued)

The reportable segment information was as follows (continued):

	31 Desember/December 2018*							
	Ritel/ Retail	UMKM/ MSME	Penghimpunan dana dan tresuri/ Funding and Treasury	Korporasi/ Corporate	Syariah/ Sharia	Penyesuaian dan eliminasi/ Adjustment and elimination		Konsolidasi/ Consolidation
Pendapatan dan beban operasional							Operating income and expense	
Pendapatan bunga dan syariah dari pihak eksternal	7,803,030	2,106,690	769,665	-	3,447,266	-	14,126,651	External interest and sharia income
Pendapatan bunga antar segmen	-	-	5,313,279	-	-	-	5,313,279	Inter-segment interest income
Beban bunga antar segmen	(4,260,807)	(1,052,472)	-	-	-	-	(5,313,279)	Inter-segment interest expense
Beban bunga dan bagi hasil syariah	-	(11,673)	(4,146,898)	-	(367,672)	-	(4,526,243)	Interest expense and sharia profit sharing
Pendapatan bunga dan syariah segmen dilaporkan - bersih	3,542,223	1,042,545	1,936,046	-	3,079,594	-	9,600,408	Net reportable segment interest and sharia income
Pendapatan operasional lainnya							Other operating income	
Pendapatan operasional lainnya	324,448	291,615	159,178	-	13,149	(4,029)	784,361	Other operating income
Keuntungan (kerugian) transaksi spot dan derivatif bersih	-	-	(184,222)	-	-	-	(184,222)	Net gain (loss) from spot and derivative transactions
Pendapatan operasional lainnya	324,448	291,615	(25,044)	-	13,149	(4,029)	600,139	Other operating income
Beban operasional lainnya							Other operating expenses	
Beban operasional lainnya	(1,706,037)	(1,051,682)	(1,609,537)	-	(1,514,292)	4,029	(5,877,519)	Other operating expenses
Cadangan kerugian penurunan nilai	(549,603)	(549,133)	(634)	-	(275,902)	-	(1,375,272)	Allowance for impairment losses
Beban operasional Lainnya	(2,255,640)	(1,600,815)	(1,610,171)	-	(1,790,194)	4,029	(7,252,791)	Other operating expenses
Beban non-operasional	(286)	(123)	(24,389)	-	(3,530)	-	(28,328)	Net non-operating expenses
Laba (rugi) segmen sebelum pajak penghasilan	1,610,745	(266,778)	276,442	-	1,299,019	-	2,919,428	Segment income (loss) before income tax
Beban pajak penghasilan	(454,927)	75,347	(78,076)	-	(333,708)	-	(791,364)	Income tax expense
Laba (rugi) bersih	1,155,818	(191,431)	198,366	-	965,311	-	2,128,064	Net income (loss)
Aset							Assets	
Pinjaman/pembiayaan yang diberikan-bersih	43,722,043	15,582,407	637,051	-	7,061,214	-	67,002,715	Net loans/financing
Pendapatan bunga/margin yang masih akan diterima dari pinjaman/pembiayaan yang diberikan	437,935	82,354	3,091	-	82,139	-	605,519	Accrued interest margin income from loans/financing
Aset lain-lain	-	-	23,670,144	-	4,404,288	(27,490)	28,046,942	Other assets
Pendapatan bunga yang masih akan diterima	-	-	61,868	-	35,798	-	97,666	Accrued interest income
Jumlah aset yang dialokasikan	44,159,978	15,664,761	24,372,154	-	11,583,439	(27,490)	95,752,842	Total allocated assets
Aset yang tidak dialokasikan**							5,588,382	Unallocated assets**
Jumlah aset							101,341,224	Total assets

*) Setelah penyajian kembali (Catatan 48)

*) After restatement (Note 48)

**) Komponen yang tidak dapat dialokasikan terutama terdiri dari aset dan liabilitas pajak penghasilan, termasuk pajak kini dan pajak tangguhan, aset dan liabilitas derivatif, aset tetap, aset tak berwujud, liabilitas lainnya dan akrual

**) Unallocated items mainly comprise of income tax assets and liabilities, including current and deferred taxes, derivative assets and liabilities, fixed assets, intangible assets, other liabilities and accruals

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

40. SEGMENT OPERASI (lanjutan)

40. OPERATING SEGMENT (continued)

	31 Desember/December 2018*						Konsolidasi/ Consolidation	
	Ritel/ Retail	UMKM/ MSME	Penghimpunan dana dan treasury/ Funding and Treasury	Korporasi/ Corporate	Syariah/ Sharia	Penyesuaian dan eliminasi/ Adjustment and elimination		
Liabilitas								Liabilities
Simpanan nasabah	-	419,368	63,046,659	-	1,619,254	-	65,085,281	Customer deposit
Bagi hasil yang belum dibagikan	-	-	-	-	17,035	-	17,035	Undistributed revenue sharing
Beban bunga/bagi hasil yang masih harus dibayar	-	-	-	-	-	-	-	Accrued interest/profit sharing
Liabilitas lain-lain	-	-	9,683,182	-	-	(28,581)	9,654,601	Others liabilities
Beban bunga yang masih harus dibayar	-	-	133,984	-	-	-	133,984	Accrued interest expenses
Jumlah liabilitas yang dialokasikan	-	419,368	72,863,825	-	1,636,289	(28,581)	74,890,901	Total allocated liabilities
Liabilitas yang tidak dialokasikan**							1,671,133	Unallocated liabilities**
Jumlah liabilitas							76,562,034	Total liabilities
Dana syirkah								Temporary syirkah
temporer	-	-	-	-	5,992,860	-	5,992,860	fund

*) Setelah penyajian kembali (Catatan 48)

*) After restatement (Note 48)

**) Komponen yang tidak dapat dialokasikan terutama terdiri dari aset dan liabilitas pajak penghasilan, termasuk pajak kini dan pajak tangguhan, aset dan liabilitas derivatif, aset tetap, aset tak berwujud, liabilitas lainnya dan akrual

**) Unallocated items mainly comprise of income tax assets and liabilities, including current and deferred taxes, derivative assets and liabilities, fixed assets, intangible assets, other liabilities and accrual

41. LABA BERSIH PER SAHAM

41. EARNINGS PER SHARE

a. Laba per saham dasar

a. Basic earnings per share

	31 Desember/December		
	2019	2018*	
Jumlah laba per saham dasar yang tersedia bagi pemegang saham biasa Bank	327	320	Total basic earnings per share attributable to the ordinary equity holders of the Bank

b. Laba per saham dilusian

b. Diluted earnings per share

	31 Desember/December		
	2019	2018*	
Jumlah laba per saham dilusian yang tersedia bagi pemegang saham biasa Bank	324	312	Total diluted earnings per share attributable to the ordinary equity holders of the Bank

c. Laba yang digunakan dalam perhitungan laba per saham

c. Earnings used in calculating earnings per share

	31 Desember/December		
	2019	2018*	
<u>Laba per saham dasar</u>			<u>Basic earnings per share</u>
Laba yang tersedia bagi pemegang saham biasa Bank yang digunakan dalam perhitungan laba per saham dasar	2,572,528	1,838,471	Profit attributable to the ordinary equity holders of the Bank used in calculating basic earnings per share
<u>Laba per saham dilusian</u>			<u>Diluted earnings per share</u>
Laba yang tersedia bagi pemegang saham biasa Bank yang digunakan dalam perhitungan laba per saham dilusian	2,572,528	1,838,471	Profit attributable to the ordinary equity holders of the Bank used in calculating diluted earnings per share

d. Jumlah rata-rata tertimbang saham yang digunakan sebagai penyebut

d. Weighted average number of shares used as the denominator

	31 Desember/December		
	2019	2018	
Jumlah rata-rata tertimbang saham yang digunakan sebagai penyebut dalam perhitungan laba per saham dasar	7,858,627,916	5,750,209,622	Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share
Penyesuaian untuk perhitungan laba per saham dilusian:			Adjustments for calculation of diluted earnings per share:
- Opsi saham (Catatan 29)	90,910,000	146,523,500	Share options (Note 29) -
Jumlah rata-rata tertimbang saham yang digunakan sebagai penyebut dalam perhitungan laba per saham dilusian	7,949,537,916	5,896,733,122	Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share

*Setelah penyajian kembali (Catatan 48)

*After restatement (Note 48)

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**42. PERJANJIAN KERJASAMA, KONTRAK DAN
KOMITMEN YANG SIGNIFIKAN**

a. PT Taspen (Persero)

Sejak tahun 2007, Bank bekerja sama dengan PT Taspen (Persero) dimana Bank menjadi salah satu mitra untuk penanganan pembayaran uang pensiun kepada para pensiunan pegawai Pemerintah.

b. PT Pos Indonesia (Persero)

Sejak bulan Maret 2012 Bank bekerja sama dengan PT Pos Indonesia (Persero) dimana PT Pos Indonesia (Persero) membantu Bank dalam melakukan pemotongan uang pensiun para pegawai Pemerintah untuk angsuran kredit pensiun dan memasarkan produk kredit pensiun Bank.

Perjanjian kerjasama Bank dengan PT Pos Indonesia (Persero) diperbaharui secara berkala dan berdasarkan perjanjian terakhir kerjasama ini akan terus berlangsung sampai dengan bulan Juli 2020. Pada tahun 2019 dan 2018, Bank membayarkan komisi kepada PT Pos Indonesia (Persero) masing-masing sebesar Rp 97.613 dan Rp 64.460 terkait dengan kerjasama ini.

c. Perjanjian pembiayaan bersama

PT Home Credit Indonesia

Pada bulan Juni 2014, Bank melakukan kerjasama pembiayaan bersama (tanpa tanggung renteng) dengan PT Home Credit Indonesia ("HCI"). Berdasarkan perjanjian kerjasama ini, porsi fasilitas pembiayaan yang akan diberikan untuk debitur adalah maksimum 90% dari Bank dan minimum 10% dari pihak HCI.

Pada tanggal 31 Desember 2019 dan 2018, Bank menyediakan fasilitas pembiayaan bersama sebesar Rp 4.200.000.

PT Bank Bukopin Tbk

Pada bulan Juni 2018, Bank melakukan kerjasama pembiayaan bersama (tanpa tanggung renteng) dengan PT Bank Bukopin Tbk ("Bukopin") untuk kredit pensiunan. Berdasarkan perjanjian kerjasama ini, porsi pembiayaan yang akan diberikan oleh Bank dan Bukopin masing-masing adalah 90% dan 10% dari setiap kredit. Fasilitas maksimum pembiayaan bersama adalah sebesar Rp 2.000.000. Jangka waktu perjanjian adalah untuk 1 (satu) tahun, dihitung mulai tanggal 7 Juni 2018 hingga 7 Juni 2019 yang dapat diperpanjang berdasarkan kesepakatan bersama Bank dan Bukopin.

**42. SIGNIFICANT AGREEMENTS, CONTRACTS AND
COMMITMENTS**

a. PT Taspen (Persero)

Since 2007, the Bank has been cooperating with PT Taspen (Persero) in which the Bank become one of the partners for handling the payments of pension to retired government employees.

b. PT Pos Indonesia (Persero)

Since March 2012 the Bank been cooperating with PT Pos Indonesia (Persero) in which PT Pos Indonesia (Persero) assists the Bank in deducting the pension benefits of retired government employees for pension loan installments and marketing the Bank's pension loan products.

The Bank's cooperation agreement with PT Pos Indonesia (Persero) is renewed regularly and based on the latest agreement, the cooperation will be continuing until July 2020. In 2019 and 2018, the Bank paid commissions to PT Pos Indonesia (Persero) amounted to Rp 97,613 and Rp 64,460, respectively, in regards for this cooperation.

c. Joint financing agreements

PT Home Credit Indonesia

In June 2014, the Bank entered into a joint financing arrangement (without recourse) with PT Home Credit Indonesia ("HCI"). Based on the agreement, the amount of funds to be financed by each party will be a maximum of 90% from the Bank and a minimum of 10% from HCI.

As of 31 December 2019 and 2018, the Bank provided joint financing facilities of Rp 4,200,000.

PT Bank Bukopin Tbk

In June 2018, the Bank entered into a joint financing arrangement (without recourse) with PT Bank Bukopin Tbk ("Bukopin") for pension loans. Based on the agreement, the amount of funds to be financed by Bank and Bukopin are 90% and 10% of each loan, respectively. The maximum joint financing facility is amounted to Rp 2,000,000. The term of the agreement is for 1 (one) year, from 7 June 2018 to 7 June 2019, with possible extension based on the Bank and Bukopin's mutual agreement.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**42. PERJANJIAN KERJASAMA, KONTRAK DAN
KOMITMEN YANG SIGNIFIKAN** (lanjutan)

**42. SIGNIFICANT AGREEMENTS, CONTRACTS AND
COMMITMENTS** (continued)

c. Perjanjian pembiayaan bersama (lanjutan)

c. Joint financing agreements (continued)

PT Finansia Multi Finance

PT Finansia Multi Finance

Pada bulan Desember 2018, Bank melakukan kerjasama pembiayaan bersama (tanpa tanggung renteng) dengan PT Finansia Multi Finance ("Finansia"). Dalam kerjasama ini, porsi fasilitas pembiayaan yang akan diberikan adalah maksimum 90% dari Bank dan minimum 10% dari pihak Finansia. Fasilitas maksimum pembiayaan bersama adalah sebesar Rp 500.000. Jangka waktu perjanjian adalah untuk 3 (tiga) tahun, dihitung mulai tanggal 13 Desember 2018 hingga 13 Desember 2021.

In December 2018, the Bank entered into a joint financing arrangement (without recourse) with PT Finansia Multi Finance ("Finansia"). Based on the agreement, the amount of funds to be financed by each party will be a maximum of 90% from the Bank and minimum of 10% from Finansia. The maximum joint financing facility is amounted to Rp 500,000. The term of the agreement is for 3 (three) years, from 13 December 2018 to 13 December 2021.

**d. Perjanjian Kerjasama Jasa Pemasaran dan
Administrasi Produk BTPN**

**d. Marketing and Administration Services for
BTPN Product agreement**

PT Oto Multiartha

PT Oto Multiartha

Pada bulan Agustus 2015, Bank melakukan kerjasama dengan PT Oto Multiartha ("OMA"). Dalam kerjasama ini, OMA akan membantu memasarkan dan mengadministrasi produk pinjaman Bank. Seluruh sumber dana pinjaman berasal dari Bank.

In August 2015, the Bank entered into agreement with PT Oto Multiartha ("OMA"). Based on the agreement, OMA would assist to market and administer the Bank's loan product. All source of funds for the loans will come from the Bank.

Untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018, imbalan yang dibayarkan kepada OMA masing-masing sebesar Rp 20.617 dan Rp 10.466.

For years ended 31 December 2019 and 2018, the fees that were paid to OMA were Rp 20,617 and Rp 10,466, respectively.

PT Digital Tunai Kita

PT Digital Tunai Kita

Pada tanggal 9 Januari 2018, Bank melakukan kerjasama Jasa Pemasaran dan Administrasi Produk BTPN dengan PT Digital Tunai Kita ("TunaiKita"). Dalam Perjanjian Kerjasama ini, pembiayaan yang akan diberikan untuk debitur adalah 100% dari Bank. Jangka waktu perjanjian adalah untuk 3 (tiga) tahun, dihitung mulai tanggal 9 Januari 2018 hingga 9 Januari 2021. Pada bulan November 2019, Bank telah sepakat dengan TunaiKita untuk mengakhiri kerjasama ini paling lambat sejak tanggal 1 Januari 2020.

On 9 January 2018, the Bank entered into a Marketing and Administration Services for BTPN Product agreement with PT Digital Tunai Kita ("TunaiKita"). In the agreement, the financing to debtors is 100% from the Bank. The term of the agreement is for 3 (three) years, from 9 January 2018 to 9 January 2021. In November 2019, the Bank agreed with TunaiKita to terminate the cooperation at the latest by 1 January 2020.

Dalam perjanjian ini, Bank menunjuk TunaiKita untuk bertindak sebagai agen pemasaran dan penyelenggara atas produk Bank. Bank mendapatkan garansi dari perusahaan induk TunaiKita untuk biaya kredit dari pinjaman yang didistribusikan melalui KPI.

Under this agreement, the Bank appointed TunaiKita to act as marketing and administration agent for the Bank's product. The bank received a guarantee from TunaiKita's parent company for customer of credit related to loan distributed through KPI.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

42. PERJANJIAN KERJASAMA, KONTRAK DAN KOMITMEN YANG SIGNIFIKAN (lanjutan)

42. SIGNIFICANT AGREEMENTS, CONTRACTS AND COMMITMENTS (continued)

d. Perjanjian Kerjasama Jasa Pemasaran dan Administrasi Produk BTPN (lanjutan)

d. Marketing and Administration Services for BTPN Product agreement (continued)

PT Kredit Pintar Indonesia

PT Kredit Pintar Indonesia

Pada tanggal 21 Mei 2018, Bank melakukan kerjasama Jasa Pemasaran dan Administrasi Produk BTPN dengan PT Kredit Pintar Indonesia ("KPI"). Dalam Perjanjian ini, pembiayaan yang akan diberikan untuk debitur adalah 100% dari Bank. Jangka waktu perjanjian adalah untuk 3 (tiga) tahun, terhitung mulai tanggal 21 Mei 2018 hingga 21 Mei 2021.

On 21 May 2018, the Bank entered into a Marketing and Administration Services for BTPN Product agreement with PT Kredit Pintar Indonesia ("KPI"). In the agreement, the financing to debtors is 100% from the Bank. The term of the agreement is for 3 (three) years, from 21 May 2018 to 21 May 2021.

Dalam perjanjian ini, Bank menunjuk KPI untuk bertindak sebagai agen pemasaran dan penyelenggara atas produk Bank. Bank mendapatkan garansi dari perusahaan induk KPI untuk biaya kredit dari pinjaman yang didistribusikan melalui KPI.

Under this agreement, the Bank appointed KPI to act as marketing and administration agent for the Bank's product. The Bank received a guarantee from KPI's parent company for cost of credit related to loan distributed through KPI.

e. Perjanjian Kerjasama bancassurance

e. Bancassurance Agreement

Pada bulan Agustus 2014, Bank melakukan kerjasama *bancassurance* dengan PT Asuransi Allianz Life Indonesia ("Allianz"). Bank akan mendistribusikan produk-produk asuransi jiwa dari Allianz kepada nasabah Bank melalui seluruh jalur distribusi Bank. Perjanjian ini berlaku selama 10 tahun.

In August 2014, the Bank entered into a bancassurance agreement with PT Asuransi Allianz Life Indonesia ("Allianz"). The Bank will distribute life insurance products of Allianz to its customers through the Bank's distribution channels. The agreement is effective for 10 years.

f. Komitmen signifikan lainnya

f. Other significant commitment

Bank menyewa kantor dengan perjanjian sewa operasi yang tidak dapat dibatalkan. Masa sewa antara lima dan sebelas tahun dengan mayoritas perjanjian jasa dapat diperbarui pada akhir periode dengan harga pasar. Bank diharuskan memberitahukan enam bulan lebih awal apabila berniat mengakhiri perjanjian sewa. Beban sewa yang dibebankan pada laba rugi selama tahun berjalan diungkapkan dalam Catatan 35.

The Bank leases offices under non-cancellable operating lease agreements. The lease terms are between five and eleven years, and the majority of lease agreements are renewable at the end of the lease period at the market rate. The Bank is required to give a six-month notice for the termination of these agreements. The rental expense charged to the profit or loss during the year was disclosed in Note 35.

Berikut ini adalah pihak-pihak yang mengadakan perjanjian sewa dengan Bank:

The following are counterparties of the Bank's lease commitments:

<u>Pihak dalam perjanjian/ Counterparties</u>	<u>Item yang disewa/ Leased items</u>	<u>Periode perjanjian/ Period of agreement</u>
PT Wiratara Prima	Ruang Kantor/Office Space	17 Februari/February 2015 – 9 Oktober/October 2020
PT Bumi Serpong Damai	Ruang Kantor/Office Space	1 Februari/February 2014 – 1 September/September 2020
PT Bahana Semesta Citra Nusantara	Ruang Kantor/Office Space	5 Oktober/October 2015 – 31 Desember/December 2026

Jumlah pembayaran sewa minimum di masa depan dalam perjanjian sewa operasi yang tidak dapat dibatalkan adalah sebagai berikut:

The future aggregate minimum lease payments under non-cancellable operating leases were as follows:

	<u>31 Desember/December</u>		
	<u>2019</u>	<u>2018</u>	
Hingga 1 tahun	121,876	27,901	Up to 1 year
Lebih dari 1 - 5 tahun	148,770	193,181	More than 1 - 5 years
Lebih dari 5 tahun	396,986	398,426	More than 5 years
	<u>667,632</u>	<u>619,508</u>	

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN

Kerangka manajemen risiko

Perseroan tetap mengutamakan penerapan manajemen risiko baik pada Bank dan Entitas Anak setelah terlaksananya proses penggabungan usaha antara SMBCI dan BTPN. Penggabungan usaha merubah komposisi portofolio Bank dimana setelah penggabungan usaha, Bank memiliki segmen yang lebih lengkap mulai dari pinjaman dengan plafond kecil di BTPN Syariah, Pensiun, MUR (mikro), SME, Komersial sampai dengan Korporasi. Penggabungan ini juga menambah jenis produk yang dapat ditawarkan kepada nasabah antara lain produk *Trade Finance*. Pada konsentrasi portofolio, segmen Korporasi menjadi portofolio terbesar di BTPN yaitu di kisaran 53% pada posisi Desember 2019 diikuti oleh Pensiun di kisaran 24%.

Pengembangan manajemen risiko keuangan di Bank dan Entitas Anak berpedoman pada peraturan OJK yang mengatur penerapan manajemen risiko bagi bank umum serta dokumentasi *Basel Accord II* yang diterbitkan oleh *Basel Committee of Banking Supervision*.

Kerangka manajemen risiko Bank dan Entitas Anak diimplementasikan melalui kebijakan-kebijakan, prosedur, limit-limit transaksi dan kewenangan, toleransi risiko serta perangkat manajemen risiko. Bank dan Entitas Anak melakukan pengembangan manajemen risiko secara berkesinambungan sesuai dengan meningkatnya kompleksitas bisnis dan perkembangan organisasi, strategi dan manajemen sistem informasi.

Penerapan manajemen risiko mencakup:

- Pengawasan aktif Dewan Komisaris dan Direksi
- Kecukupan kebijakan, prosedur dan penetapan limit
- Kecukupan proses identifikasi, pengukuran, pemantauan dan pengendalian risiko serta sistem informasi manajemen risiko
- Pengendalian internal yang menyeluruh

Organisasi manajemen risiko Bank dan Entitas Anak melibatkan pengawasan dari Dewan Komisaris dan Direksi. Bank dan Entitas Anak telah membentuk Komite Pemantauan Risiko sebagai pengawas tertinggi di tingkat komisaris dan Komite Manajemen Risiko di tingkat direktur yang merupakan bagian yang sangat penting dalam pengendalian risiko, sebagai unit kontrol yang memantau seluruh risiko yang terdapat pada kegiatan operasional Bank dan Entitas Anak.

43. FINANCIAL RISK MANAGEMENT

Risk management framework

After merger process of SMBCI and BTPN was completed, the Company still focuses on supporting the risk management implementation for the Bank and Subsidiary. The merger changes the composition of the Bank's portfolio where the Bank after the merger has more complete segment from the loans with small limit at BTPN Syariah (the Subsidiary's), Pension, MUR (micro), SME, Commercial to Corporate segment. This merger also adds the types of products that can be offered to the customers, including Trade Finance products. In term of portfolio concentration, Corporate portfolio is the largest portfolio at BTPN at around 53% in the position of December 2019 followed by Pension at around 24%.

Financial risk management development in the Bank and Subsidiary is guided by OJK regulations which govern risk management implementation by commercial banks operating in Indonesia, as well as Basel Accord II documentation issued by the Basel Committee of Banking Supervision.

The Bank and Subsidiary's risk management framework is implemented through policies, procedures, transactions and authorisation limits, risk tolerance as well as risk management tools. The Bank and Subsidiary carry out continuous risk management development in line with the increasing business complexity and the development organisation, strategies and management information systems.

Implementation of risk management covers:

- *Active supervision from Board of Commissioners and Board of Directors*
- *Sufficient policies, procedures and limit sets*
- *Sufficient process of identification, measurement, risk oversight and control and risk management information*
- *Overall internal control system*

The risk management organisation of the Bank and Subsidiary involves the oversight from the Board of Commissioners and Board of Directors. The Bank and Subsidiary has established Risk Monitoring Committee as the highest risk authority in the commissioner level and Risk Management Committee at the director level, which constitutes a crucial element in risk control, as a control unit to monitor all of the risks in the Bank and Subsidiary operating activities.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Kerangka manajemen risiko (lanjutan)

Sejalan dengan ketentuan OJK terkait dengan manajemen risiko terintegrasi, setelah proses penggabungan, Bank ditunjuk oleh pemegang saham mayoritas sebagai Entitas Utama Konglomerasi Keuangan SMBC dengan Entitas Anak sebagai anggota dalam melakukan penerapan manajemen risiko terintegrasi. Dengan menjadi Entitas Utama, maka Direktur Manajemen Risiko Bank menjadi Pimpinan dari Komite Manajemen Risiko Terintegrasi.

Komite Audit Bank memiliki tanggung jawab untuk memantau kepatuhan terhadap kebijakan dan prosedur manajemen risiko dan untuk menelaah kecukupan kerangka manajemen risiko yang terkait dengan risiko-risiko yang dihadapi oleh Bank. Dalam menjalankan fungsinya ini, Komite Audit dibantu oleh Divisi Internal Audit.

Risiko yang timbul dari instrumen keuangan Bank dan Entitas Anak adalah risiko keuangan, termasuk diantaranya adalah risiko kredit dan pembiayaan, risiko likuiditas, risiko pasar dan risiko operasional.

Entitas Anak telah menerapkan manajemen risiko, antara lain dengan membentuk unit risiko pada Entitas Anak. Manajemen risiko pada Entitas Anak secara operasional dilakukan terpisah dari unit bisnis dan menjalankan fungsinya secara independen. Untuk mendukung penerapan manajemen risiko, pada struktur organisasi Entitas Anak juga dibentuk Komite Audit yang memiliki tanggung jawab untuk memantau kepatuhan terhadap kebijakan dan prosedur manajemen risiko secara berkala, dan untuk menelaah kecukupan kerangka manajemen risiko yang terkait dengan risiko-risiko yang dihadapi oleh Entitas Anak.

Disamping itu, Dewan Komisaris dan Direksi pada Entitas Anak secara aktif juga melakukan pemantauan, dan evaluasi terhadap pengendalian internal melalui laporan-laporan untuk digunakan sebagai dasar untuk merumuskan dan mengembangkan kebijakan yang tepat pada Entitas Anak.

Bank selaku Entitas Induk telah menerapkan manajemen risiko konsolidasian sesuai ketentuan OJK. Penerapan manajemen risiko konsolidasian antara lain mencakup laporan perhitungan Kecukupan Penyediaan Modal Minimum (KPMM) konsolidasian, Batas Maksimum Pemberian Kredit (BMPK) konsolidasian, laporan Profil Risiko konsolidasian, Tingkat Kesehatan Bank (*Risk-Based Bank Rating*) konsolidasian dan *Internal Capital Adequacy Assessment Process* (ICAAP) konsolidasian.

43. FINANCIAL RISK MANAGEMENT (continued)

Risk management framework (continued)

In line with the prevailing OJK regulation regarding integrated risk management, after the merger, Bank is currently appointed by majority shareholders as the Primary Entity of SMBC Financial Conglomerate and Subsidiary as a member in conducting integrated risk management. As the Primary Entity, Bank's Risk Management Director became the leader of the Integrated Risk Management Committee.

The Bank's Audit Committee is responsible for monitoring compliance with risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. In performing the role, the Audit Committee is assisted by Internal Audit Division.

The risks arising from the Bank and Subsidiary's financial instruments are financial risks, which include credit and financing risk, liquidity risk, market risk and operational risk.

Subsidiary has implemented risk management, among others by establishing a risk unit in Subsidiary. Risk management in Subsidiary is operating separately from the business unit and conducting its function independently. To support the implementation of risk management, the Subsidiary has established Audit Committee in their organisational structure, which has responsibility to monitor the compliance of risk management policies and procedures on a regular basis, and to analyse the adequacy of risk management framework which related to the risks faced by the Subsidiary.

In addition, the Subsidiary's Board of Commissioners and Board of Directors actively monitor and evaluate the internal controls, through the reports, as a basis in formulating and developing appropriate policies for the Subsidiary.

As the Parent Entity, the Bank has implemented consolidated risk management in accordance with OJK regulation. The Implementation of consolidated risk management among others include report of consolidated minimum Capital Adequacy Ratio (CAR), Legal Lending Limit (LLL), risk profile, Risk-Based Bank Rating and Internal Capital Adequacy Assessment Process (ICAAP).

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko kredit

Risiko kredit adalah risiko kerugian keuangan yang timbul jika nasabah, klien atau rekanan Bank dan Entitas Anak gagal memenuhi kewajiban kontraktualnya kepada Bank dan Entitas Anak. Risiko kredit terutama berasal dari pinjaman yang diberikan dan pembiayaan/piutang syariah.

Bank juga terekspos risiko kredit yang muncul dari investasi pada surat berharga utang (efek-efek).

(i) Manajemen risiko kredit

Bank melakukan harmonisasi kebijakan kredit setelah penggabungan dan kaji ulang atas kebijakan kredit secara periodik terutama jika terdapat perubahan kondisi perekonomian, perubahan peraturan dan/atau pendekatan bisnis.

Batas pemberian kredit ditetapkan dan ditelaah mengikuti perubahan pada kondisi pasar dan ekonomi. Penelaahan kredit secara periodik dan penilaian atas kemungkinan wanprestasi juga dilakukan. Proses persetujuan kredit dilakukan melalui komite kredit.

Bank dan Entitas Anak mengelola dan mengawasi secara aktif kualitas portofolio pinjaman yang diberikan dengan cara meningkatkan kebijakan manajemen risiko kredit dan pembiayaan secara efektif, penyempurnaan prosedur dan pengembangan sistem.

Sistem Informasi Manajemen telah tersedia dan akan terus dikembangkan serta telah mencakup tingkat yang cukup rinci untuk mendeteksi setiap perkembangan yang kurang baik sedini mungkin sehingga memungkinkan dilakukannya tindakan yang tepat waktu untuk mengatasi kemungkinan penurunan kualitas kredit atau untuk meminimalisasi kerugian kredit.

Agunan

Bank menerapkan berbagai kebijakan dan praktik untuk memitigasi risiko kredit, Bank menerapkan berbagai panduan atas jenis-jenis agunan yang dapat diterima dalam rangka memitigasi risiko kredit. Jenis-jenis agunan atas pinjaman yang diberikan antara lain adalah:

- Kas/Deposito;
- Tanah dan/atau Bangunan;
- Kendaraan; dan
- Mesin
- Persediaan
- Piutang

43. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss, should any of the Bank and Subsidiary customers, clients or counterparties fail to fulfill their contractual obligations to the Bank and Subsidiary. Credit risk arise mainly from loans and sharia financing/receivables.

The Bank is also exposed to credit risks arising from investment in debt securities (marketable securities).

(i) Credit risk management

The Bank conducts credit policies harmonization after merger and reviews the credit policies periodically, especially if there are any changes in market conditions, changes in regulations and/or business approach.

Lending limits are set and reviewed in the light of changing market and economic conditions. Periodic credit reviews and assessments of probability of default are also conducted. Credit approval is processed by credit committee.

The Bank and Subsidiary actively manage and monitor the loan portfolio quality by improving credit and financing risk management policies effectively, improving procedures and systems development.

Management Information Systems (MIS) are in place and continuously developed and have covered sufficient level of detail to detect any adverse development at an early stage, allowing timely measurement to be taken to counteract any possible deterioration in credit quality or to minimise credit losses.

Collaterals

The Bank employs a range of policies and practices to mitigate credit risk. The Bank implements guidelines on the acceptability of specific classes of collateral to mitigate credit risk. The collateral types for loans are as follows:

- Cash/Time deposits;
- Land and/or Building;
- Vehicles; and
- Machine
- Inventory
- Account receivables

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko kredit (lanjutan)

Untuk kredit korporasi, Bank mendapatkan jaminan dalam bentuk *standby letters of credit* dari bank afiliasi untuk membatasi risiko kredit bank. Bank juga menyediakan bank garansi kepada nasabahnya yang mengharuskan Bank melakukan pembayaran untuk kepentingan mereka. Hal ini menyebabkan Bank menghadapi risiko yang sama dengan kredit yang diberikan dan risiko tersebut juga dimitigasi dengan prosedur dan kebijakan yang sama.

Selain agunan yang disebutkan di atas, agunan yang diterima untuk kredit korporasi terutama terdiri dari jaminan yang diterima dari perusahaan induk debitur, penjaminan kredit korporasi dan entitas publik lainnya, lembaga keuangan dan perusahaan lain serta jaminan berupa efek-efek.

Porsi kredit yang diberikan yang mendapatkan manfaat dari agunan, baik sebagian maupun penuh, sebagai mitigasi dari risiko kredit pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar 41,02% dan 19,25% dari jumlah kredit yang diberikan.

- (ii) Eksposur maksimum risiko kredit (tanpa memperhitungkan agunan dan perlindungan kredit lainnya)

Untuk aset keuangan yang diakui di laporan posisi keuangan konsolidasian, eksposur maksimum terhadap risiko kredit sama dengan nilai tercatatnya. Untuk bank garansi dan *irrevocable L/C* yang diterbitkan, eksposur maksimum terhadap risiko kredit adalah nilai yang harus dibayarkan oleh Bank jika kewajiban atas bank garansi dan *irrevocable L/C* yang diterbitkan terjadi. Untuk komitmen kredit, eksposur maksimum atas risiko kredit adalah sebesar jumlah komitmen fasilitas kredit (*committed*) yang belum digunakan oleh nasabah.

Tabel berikut menyajikan eksposur maksimum Bank terhadap risiko kredit untuk instrumen keuangan pada laporan posisi keuangan dan rekening administratif, tanpa memperhitungkan agunan yang dimiliki atau perlindungan kredit lainnya:

43. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

For corporate loans, the Bank received collateral in the form of standby letters of credit from controlling banks to restrict Bank's credit risk. The Bank also provides bank guarantee to its customers which requires the Bank to make payments for their interests. This causes the Bank to face the same risks as the loans granted and these risks are also mitigated by the same procedures and policies.

In addition to the collateral mentioned above, collaterals for corporate loans mainly consists of guarantees received from the parent company of the debtor, corporate credit guarantees and other public entities, financial institutions and other companies as well as collateral in the form of securities.

The portion of loans that benefit from such partial or full collateralisation as credit risk mitigation as of 31 December 2019 and 2018 were 41.02% and 19.25% of total outstanding loans, respectively.

- (ii) Maximum exposure to credit risk (without taking into account collateral held or other credit enhancements)

For financial assets recognised in the consolidated statement of financial position, the maximum exposure to credit risk is equal to its carrying value. For bank guarantees and *irrevocable L/C* issued, maximum exposure to credit risk is the value that must be paid by the Bank if the liabilities on the bank guarantee and *irrevocable L/C* issued has been occurred. For credit commitments, the maximum exposure to credit risk is equal to the amount of committed credit facilities that have not been used by customers.

The following table presents the Company's maximum exposure to credit risk of financial instruments in the statement of financial position and off-balance sheet accounts, without taking into account any collateral held or other credit enhancements:

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit (lanjutan)

Credit risk (continued)

(ii) Eksposur maksimum risiko kredit (tanpa memperhitungkan angsuran dan perlindungan kredit lainnya) (lanjutan)

(ii) *Maximum exposure to credit risk (without taking into account collateral held or other credit enhancements) (continued)*

	31 Desember/December		
	2019	2018	
Giro pada Bank Indonesia	8,987,079	5,248,644	<i>Current accounts with Bank Indonesia</i>
Giro pada bank-bank lain	1,056,904	841,464	<i>Current accounts with other banks</i>
Penempatan pada Bank Indonesia dan bank-bank lain	8,914,104	11,749,903	<i>Placements with Bank Indonesia and other banks</i>
Efek-efek	10,702,851	6,866,506	<i>Marketable securities</i>
Efek-efek yang dibeli dengan janji dijual kembali	-	1,599,955	<i>Securities purchased under resale agreements</i>
Tagihan derivatif	840,372	-	<i>Derivative receivables</i>
Pinjaman yang diberikan dan pembiayaan/piutang syariah - bersih			<i>Loans and sharia financing/receivables - net</i>
- Korporasi	75,516,713	-	<i>Corporate -</i>
- Pensiun	33,906,446	36,144,492	<i>Pension -</i>
- UMKM	14,993,462	15,582,407	<i>MSME -</i>
- Syariah	8,707,455	7,061,213	<i>Sharia -</i>
- Lainnya	7,168,908	8,214,603	<i>Others -</i>
- Pendapatan bunga/margin yang masih akan diterima	827,359	605,519	<i>Accrued interest/margin income -</i>
Tagihan akseptasi	1,692,391	-	<i>Acceptance receivables</i>
Penyertaan saham	22,522	22	<i>Investment in shares</i>
Aset lain-lain	177,188	47,041	<i>Other assets</i>
	<u>173,513,754</u>	<u>93,961,769</u>	
<u>Komitmen dan kontinjensi dengan risiko kredit:</u>			<u>Commitments and contingencies with credit risk:</u>
Garansi yang diterbitkan	8,924,578	107,719	<i>Guarantees issued</i>
Fasilitas kredit kepada nasabah yang belum digunakan - <i>committed</i>	8,433,080	-	<i>Unused credit facilities to customers - committed</i>
<i>Letters of credit</i> yang tidak dapat dibatalkan	925,174	-	<i>Irrevocable letters of credit</i>

(iii) Konsentrasi risiko aset keuangan dengan eksposur risiko kredit

(iii) *Concentration of risks of financial assets with credit risk exposure*

Bank dan Entitas Anak mengelola dan mengendalikan konsentrasi risiko kredit dimanapun risiko tersebut teridentifikasi - secara khusus, terhadap debitur individu dan kelompok, dan industri serta sektor geografis.

The Bank and Subsidiary manage and control concentrations of credit risk wherever they are identified - in particular, to individual and group counterparties, and to industries and geographical sectors.

Bank dan Entitas Anak menentukan tingkat risiko kredit dan pembiayaan yang dimiliki dengan menetapkan batas jumlah risiko yang bisa diterima yang terkait dengan satu debitur atau kelompok debitur.

The Bank and Subsidiary structure the levels of credit and financing risk it undertakes by placing limits on the amount of risk accepted in relation to one or group borrowers.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit (lanjutan)

Credit risk (continued)

Konsentrasi risiko kredit berdasarkan sektor geografis adalah sebagai berikut:

Credit risk concentration by geographical sectors was as follows:

31 Desember/December 2019						
	Jawa*	Sumatera	Bali dan/and Nusa Tenggara	Kalimantan dan/and Sulawesi	Jumlah/ Total	
Giro pada Bank Indonesia	8,987,079	-	-	-	8,987,079	Current accounts with Bank Indonesia
Giro pada bank-bank lain	1,055,377	1,214	100	213	1,056,904	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank-bank lain	8,914,104	-	-	-	8,914,104	Placements with Bank Indonesia and other banks
Efek-efek	10,702,851	-	-	-	10,702,851	Marketable securities
Tagihan derivatif	840,372	-	-	-	840,372	Derivative receivables
Pinjaman yang diberikan dan pembiayaan/piutang syariah - bersih	116,335,218	11,981,511	2,947,684	9,855,930	141,120,343	Loans and sharia financing/receivables - net
Tagihan akseptasi	1,692,391	-	-	-	1,692,391	Acceptance receivables
Penyertaan saham	22,500	14	-	8	22,522	Investment in shares
Aset lain-lain	165,540	3,566	1,833	6,249	177,188	Other assets
	<u>148,715,432</u>	<u>11,986,305</u>	<u>2,949,617</u>	<u>9,862,400</u>	<u>173,513,754</u>	
Komitmen dan kontinjensi dengan risiko kredit:						Commitments and contingencies with credit risk:
Garansi yang diterbitkan	8,924,578	-	-	-	8,924,578	Guarantees issued
Fasilitas kredit kepada nasabah yang belum digunakan - committed Letters of credit yang tidak dapat dibatalkan	8,433,080	-	-	-	8,433,080	Unused credit facilities to customers - committed
	925,174	-	-	-	925,174	Irrevocable letters of credit

*) Termasuk Kantor Pusat

*) Including Head Office.

31 Desember/December 2018						
	Jawa*	Sumatera	Bali dan/and Nusa Tenggara	Kalimantan dan/and Sulawesi	Jumlah/ Total	
Giro pada Bank Indonesia	5,248,644	-	-	-	5,248,644	Current accounts with Bank Indonesia
Giro pada bank-bank lain	838,881	988	1,386	209	841,464	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank-bank lain	11,749,903	-	-	-	11,749,903	Placements with Bank Indonesia and other banks
Efek-efek	6,866,506	-	-	-	6,866,506	Marketable securities
Efek-efek yang dibeli dengan janji dijual kembali	1,599,955	-	-	-	1,599,955	Securities purchased under resale agreements
Pinjaman yang diberikan dan pembiayaan/piutang syariah - bersih	41,673,365	12,354,178	3,033,538	10,547,153	67,608,234	Loans and sharia financing/receivables - net
Penyertaan saham	35,279	3,892	1,663	6,207	47,041	Investment in shares
Aset lain-lain	68,012,533	12,359,072	3,036,587	10,553,577	93,961,769	Other assets
	<u>68,012,533</u>	<u>12,359,072</u>	<u>3,036,587</u>	<u>10,553,577</u>	<u>93,961,769</u>	
Komitmen dan kontinjensi dengan risiko kredit:						Commitments and contingencies with credit risk:
Garansi yang diterbitkan	107,459	-	-	260	107,719	Guarantee issued

*) Termasuk Kantor Pusat

*) Including Head Office.

Konsentrasi risiko kredit berdasarkan sektor industri adalah sebagai berikut:

Credit risk concentration by industry sectors was as follows:

31 Desember/December 2019								
	Pemerintah/ Government	Lembaga keuangan/ Financial institution	Perdagangan/ Trading	Jasa/ Business services	Perindustrian/ Manufacturing	Lain-lain/ Others	Jumlah/ Total	
Giro pada Bank Indonesia	8,987,079	-	-	-	-	-	8,987,079	Current accounts with Bank Indonesia
Giro pada bank-bank lain	-	1,056,904	-	-	-	-	1,056,904	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank-bank lain	8,664,070	250,034	-	-	-	-	8,914,104	Placements with Bank Indonesia and other banks
Efek-efek	9,334,690	1,368,161	-	-	-	-	10,702,851	Marketable securities
Tagihan derivatif	-	840,372	-	-	-	-	840,372	Derivative receivables
Pinjaman yang diberikan dan pembiayaan/piutang syariah - bersih	-	18,893,600	21,376,687	21,160,585	332,010	79,357,461	141,120,343	Loans and sharia financing/receivables - net
Tagihan akseptasi	-	-	1,692,391	-	-	-	1,692,391	Acceptance receivables
Penyertaan saham	-	22,522	-	-	-	-	22,522	Investment in shares
Aset lain-lain	-	16,693	-	-	-	160,495	177,188	Other assets
	<u>26,985,839</u>	<u>22,448,286</u>	<u>23,069,078</u>	<u>21,160,585</u>	<u>332,010</u>	<u>79,517,956</u>	<u>173,513,754</u>	
Komitmen dan kontinjensi dengan risiko kredit:								Commitments and contingencies with credit risk:
Garansi yang diterbitkan	-	-	8,924,578	-	-	-	8,924,578	Guarantees issued
Fasilitas kredit kepada nasabah yang belum digunakan - committed Letters of credit yang tidak dapat dibatalkan	-	2,069,413	709,869	1,648,598	905,056	3,090,144	8,433,080	Unused credit facilities to customers - committed
	-	-	925,174	-	-	-	925,174	Irrevocable letters of credit

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit (lanjutan)

Credit risk (continued)

(iii) Konsentrasi risiko aset keuangan dengan eksposur risiko kredit (lanjutan)

(iii) Concentration of risks of financial assets with credit risk exposure (continued)

31 Desember/December 2018

	Pemerintah/ Government	Lembaga keuangan/ Financial institution	Perdagangan/ Trading	Jasa/ Business services	Perindustrian/ Manufacturing	Lain-lain/ Others	Jumlah/ Total	
Giro pada Bank Indonesia	5,248,644	-	-	-	-	-	5,248,644	Current accounts with Bank Indonesia
Giro pada bank-bank lain	-	841,464	-	-	-	-	841,464	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank-bank lain	11,124,176	625,727	-	-	-	-	11,749,903	Placements with Bank Indonesia and other banks
Efek-efek	6,594,785	271,721	-	-	-	-	6,866,506	Marketable securities
Efek-efek yang dibeli dengan janji dijual kembali	1,599,955	-	-	-	-	-	1,599,955	Securities purchased under resale agreements
Pinjaman yang diberikan dan pembiayaan/ piutang syariah - bersih	-	3,073,432	14,860,220	3,002,368	209,852	46,462,362	67,608,234	Loans and sharia financing/receivables - net
Penyertaan saham	-	22	-	-	-	-	22	Investment in shares
Aset lain-lain	-	18,927	-	-	-	28,114	47,041	Other assets
	<u>24,567,560</u>	<u>4,831,293</u>	<u>14,860,220</u>	<u>3,002,368</u>	<u>209,852</u>	<u>46,490,476</u>	<u>93,961,769</u>	
<u>Komitmen dan kontinjensi dengan risiko kredit:</u>								<u>Commitments and contingencies with credit risk:</u>
Garansi yang diberikan	-	-	107,719	-	-	-	107,719	Guarantee provided

Konsentrasi risiko kredit berdasarkan jenis kredit atau pembiayaan, mata uang, sektor ekonomi dan hubungan dengan debitur diungkapkan pada Catatan 12.

The credit risk concentration by type of credit or financing, currency, economic sector and relationship with debtors is disclosed in Note 12.

(iv) Kualitas kredit aset keuangan

(iv) Credit quality of financial assets

Proses penentuan kualitas kredit Perseroan mengacu pada kolektibilitas sesuai peraturan OJK.

Process of determining the Company's credit quality refers to collectibility in accordance with the OJK regulations.

Untuk segmen korporasi, kualitas kredit dikelola oleh Bank dengan menggunakan peringkat kredit internal. Bank menentukan peringkat suatu debitur dengan terlebih dahulu menetapkan peringkat keuangan (financial grade) dengan menggunakan model peringkat dari aspek keuangan dan data yang diperoleh dari laporan keuangan debitur, termasuk kekayaan bersih dan arus kas. Peringkat keuangan ini kemudian disesuaikan dengan mempertimbangkan kondisi dari posisi keuangan debitur dan faktor kualitatif untuk menentukan peringkat debitur.

For corporate segment, the quality of credit is managed by the Bank using internal credit ratings. The Bank determines the rating of a debtor by first determining the financial grade using a rating model from financial aspects and data obtained from the debtor's financial statements, including net worth and cash flows. This financial grade is then adjusted by considering the conditions of the debtor's financial position and qualitative factors to determine the grade of the debtor.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko kredit (lanjutan)

(iv) Kualitas kredit aset keuangan (lanjutan)

Faktor kualitatif terutama mencakup arus kas masa depan yang diharapkan dengan mempertimbangkan faktor-faktor seperti informasi kerugian historis, kesesuaian rencana bisnis debitur atau rencana perbaikan operasional, status perkembangan rencana bisnis dan dukungan menyeluruh dari lembaga keuangan.

Selain prosedur peringkat di atas, dalam hal debitur dianggap sebagai anak perusahaan yang dikonsolidasi oleh induk perusahaan di luar negeri, peringkat debitur bisa ditentukan dengan mengadopsi peringkat obligor berdasarkan kualitas kredit induk perusahaan atau peringkat kredit yang diberikan induk perusahaan Bank terhadap induk perusahaan tersebut. Peringkat debitur dan peringkat fasilitas ditelaah paling sedikit setahun sekali, atau bila diperlukan, ketika ada perubahan kredit.

Pada tanggal 31 Desember 2019 dan 2018, nilai tercatat aset keuangan berdasarkan kualitas kredit adalah sebagai berikut:

	31 Desember/December 2019			Jumlah/ Total
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>Neither past due nor impaired</i>	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ <i>Past due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	
Giro pada Bank Indonesia	8,987,079	-	-	8,987,079
Giro pada bank-bank lain	1,056,904	-	-	1,056,904
Penempatan pada Bank Indonesia dan bank-bank lain	8,914,104	-	-	8,914,104
Efek-efek	10,702,851	-	-	10,702,851
Tagihan derivatif	840,372	-	-	840,372
Pinjaman yang diberikan dan pembiayaan/piutang syariah - bersih:				
- Pihak ketiga				
Korporasi	73,650,198	-	40,900	73,691,098
Non-korporasi	62,962,709	1,349,981	971,747	65,284,437
- Pihak berelasi				
Korporasi	2,136,091	-	-	2,136,091
Non-korporasi	8,717	-	-	8,717
Tagihan akseptasi	1,688,680	3,711	-	1,692,391
Penyertaan saham	22,522	-	-	22,522
Aset lain-lain	177,188	-	-	177,188
	<u>171,147,415</u>	<u>1,353,692</u>	<u>1,012,647</u>	<u>173,513,754</u>

Current accounts with Bank Indonesia
Current accounts with other banks
Placements with Bank Indonesia and other banks
Marketable securities
Derivative receivables

Loans and sharia financing/ receivables - net:
Third parties -
Corporates
Non-corporates
Related parties -
Corporates
Non-corporates
Acceptance receivables
Investment in shares
Other assets

43. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

(iv) Credit quality of financial assets (continued)

Qualitative factors mainly cover expected future cash flows with considering some factors such as historical loss information, conformity of the debtor's business plan or operational improvement plan, status of developments in the business plan and overall support from financial institutions.

In addition of grading procedure above, in the event that the debtor is considered as a subsidiary that is consolidated by a parent company abroad, the debtor's grading can be determined by adopting an obligor grading based on the quality of the parent loan or credit grading provided by the Bank's parent company. Debtor grading and facility grading are reviewed at least once a year, or if needed, when there are changes in credit.

As of 31 December 2019 and 2018, the carrying amount of financial assets based on credit quality was as follows:

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit (lanjutan)

Credit risk (continued)

(iv) Kualitas kredit aset keuangan (lanjutan)

(iv) *Credit quality of financial assets (continued)*

	31 Desember/December 2018				
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>Past due and impaired</i>	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ <i>Past due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>	
Giro pada Bank Indonesia	5,248,644	-	-	5,248,644	<i>Current accounts with Bank Indonesia</i>
Giro pada bank-bank lain	841,464	-	-	841,464	<i>Current accounts with other banks</i>
Penempatan pada Bank Indonesia dan bank-bank lain	11,749,903	-	-	11,749,903	<i>Placements with Bank Indonesia and other banks</i>
Efek-efek	6,866,506	-	-	6,866,506	<i>Marketable securities</i>
Efek-efek yang dibeli dengan janji dijual kembali	1,599,955	-	-	1,599,955	<i>Securities purchased under resale agreements</i>
Pinjaman yang diberikan dan pembiayaan/piutang syariah - bersih:					<i>Loans and sharia financing/ receivables - net:</i>
- Pihak ketiga	66,011,133	1,234,050	344,412	67,589,595	<i>Third parties -</i>
- Pihak berelasi	18,639	-	-	18,639	<i>Related parties -</i>
Penyertaan saham	22	-	-	22	<i>Investment in shares</i>
Aset lain-lain	47,041	-	-	47,041	<i>Other assets</i>
	<u>92,383,307</u>	<u>1,234,050</u>	<u>344,412</u>	<u>93,961,769</u>	

Kualitas kredit dengan kategori "mengalami penurunan nilai" adalah sebagai berikut:

Credit quality in "impaired" category is as follows:

- Pinjaman/pembiayaan non-korporasi

- *Non-corporate loans/financing*

Kategori pinjaman/pembiayaan yang mengalami penurunan nilai adalah kredit yang minimum memenuhi salah satu kriteria sebagai berikut:

Loans/financing that are categorised as impaired are loans that satisfy at least one of the following criteria:

- a. Menunggak di atas 90 hari
- b. Kredit yang direstrukturisasi dengan kolektibilitas OJK 3, 4 dan 5.

- a. *Days past due over 90 days*
- b. *Restructured loans with OJK grading 3, 4 and 5.*

- Pinjaman korporasi

- *Corporate loans*

Kategori pinjaman yang mengalami penurunan nilai adalah kredit yang diberikan kepada debitur yang peringkat internal pinjamannya adalah sama dengan 7R atau lebih rendah.

Loans that are categorised as impaired are loans from debtors with internal grading at 7R or lower.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit (lanjutan)

Credit risk (continued)

(iv) Kualitas kredit aset keuangan (lanjutan)

(iv) *Credit quality of financial assets (continued)*

Pada tanggal 31 Desember 2019 dan 2018, rincian kualitas kredit dan pembiayaan/piutang syariah yang diberikan yang "belum jatuh tempo dan tidak mengalami penurunan nilai berdasarkan ketentuan internal Bank adalah sebagai berikut:

The detail of credit quality of loans and sharia financing/receivables that were "neither past due nor impaired" as of 31 December 2019 and 2018 based on the Bank's internal policy was as follows:

		31 Desember/December 2019			
		Lancar/ Current	Pernah mengalami keterlambatan pembayaran/ Has an overdue experience	Jumlah/ Total	
Kredit dan pembiayaan/piutang syariah yang diberikan:					<i>Loans and sharia financing/receivables:</i>
Pensiunan	24,167,980	9,081,820	33,249,800		<i>Pension</i>
UMKM	11,736,023	2,404,909	14,140,932		<i>MSME</i>
Korporasi	75,499,669	-	75,499,669		<i>Corporate</i>
Syariah	8,713,045	36,224	8,749,269		<i>Sharia</i>
Lainnya	3,470,353	3,281,779	6,752,132		<i>Others</i>
	<u>123,587,070</u>	<u>14,804,732</u>	<u>138,391,802</u>		
Pendapatan bunga/margin yang masih akan diterima	661,355	112,406	773,761		<i>Accrued interest/margin income</i>
Cadangan kerugian penurunan nilai	(321,561)	(86,287)	(407,848)		<i>Allowance for impairment losses</i>
	<u>123,926,864</u>	<u>14,830,851</u>	<u>138,757,715</u>		
		31 Desember/December 2018			
		Lancar/ Current	Pernah mengalami keterlambatan pembayaran/ Has an overdue experience	Jumlah/ Total	
Kredit dan pembiayaan/piutang syariah yang diberikan:					<i>Loans and sharia financing/receivables:</i>
Pensiunan	28,666,212	7,027,344	35,693,556		<i>Pension</i>
UMKM	11,779,354	3,287,851	15,067,205		<i>MSME</i>
Syariah	7,023,762	36,858	7,060,620		<i>Sharia</i>
Lainnya	5,287,341	2,730,031	8,017,372		<i>Others</i>
	<u>52,756,669</u>	<u>13,082,084</u>	<u>65,838,753</u>		
Pendapatan bunga/margin yang masih akan diterima	444,761	105,901	550,662		<i>Accrued interest/margin income</i>
Cadangan kerugian penurunan nilai	(249,254)	(110,389)	(359,643)		<i>Allowance for impairment losses</i>
	<u>52,952,176</u>	<u>13,077,596</u>	<u>66,029,772</u>		

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko kredit (lanjutan)

(iv) Kualitas kredit aset keuangan (lanjutan)

Kualitas kredit dengan kategori “belum jatuh tempo dan tidak mengalami penurunan nilai” adalah sebagai berikut:

- Lancar

Pinjaman dalam kategori ini memiliki kemampuan yang sangat kuat untuk membayar bunga dan pokok pinjaman yang diberikan dan pembiayaan/ piutang syariah oleh Bank dan Entitas Anak, yang terdiri dari:

- o Pinjaman non-korporasi
Pinjaman dengan kondisi kolektibilitas “lancar” pada tanggal pelaporan.
- o Pinjaman korporasi
Pinjaman berdasarkan peringkat internal sebagai berikut:
 - Debitur *Grading* 1-3 memiliki kemampuan membayar kewajiban yang tinggi,
 - Debitur *Grading* 4-6 tidak mengalami kesulitan pembayaran kewajiban, namun terdapat faktor bisnis atau ekonomi yang dapat menyebabkan masalah dalam pembayaran kewajiban,
 - Debitur *Grading* 7A dan 7B memerlukan pemantauan khusus karena bisnis yang lesu/tidak stabil, atau masalah keuangan.

- Pernah mengalami keterlambatan pembayaran

Pinjaman dalam kategori ini dianggap memiliki kapasitas memadai untuk membayar bunga dan pokoknya walaupun pernah mengalami keterlambatan pembayaran pada saat jatuh tempo.

43. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

(iv) *Credit quality of financial assets (continued)*

Credit quality in “past due and impaired” category is as follows:

- *Current*

Loans in this category are considered to have very strong capacity to pay interest and principal of loans, and sharia financing by the Bank and Subsidiary, which consists of:

- o *Non-corporate loans*
Loans with “current” grading at the reporting date.
- o *Corporate loans*
Loans categorised by internal grading as follows:
 - *Grading 1-3 debtors have very strong ability to pay their obligations,*
 - *Grading 4-6 debtors do not experience difficulties to pay their obligations; however, there are business or economy factors that may cause difficulties to pay the obligations,*
 - *Grading 7A and 7B debtors need special observation as they experience sluggish/unstable business, or financial issues.*

- *Has an overdue experience*

Loans in this category are considered to have adequate capacity to pay interest and principal although they have overdue experience in making payments when due.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko kredit (lanjutan)

(iv) Kualitas kredit aset keuangan (lanjutan)

Pada tanggal 31 Desember 2019, jumlah pinjaman korporasi yang “belum jatuh tempo dan tidak mengalami penurunan nilai” berdasarkan umur tagihan berdasarkan peringkat internal antara lain: grading 1-3 sebesar Rp 64.500.956, grading 4-6 sebesar Rp 10.976.758 dan grading 7A dan 7B sebesar Rp 21.955.

Pada tanggal 31 Desember 2018 tidak terdapat pinjaman korporasi.

Rincian kualitas kredit yang “telah jatuh tempo tetapi tidak mengalami penurunan nilai” berdasarkan umur tagihan pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

43. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

(iv) Credit quality of financial assets (continued)

As of 31 December 2019, total corporate loans that were “neither past due nor impaired” are as follows: grading 1-3 amounted to Rp 64,500,956 grading 4-6 amounted to Rp 10,976,758, and grading 7A and 7B amounted to Rp 21,955.

As of 31 December 2018 there were no corporate loans.

The detail of credit quality that is “past due but not impaired” as of 31 December 2019 and 2018 based on aging of receivables was as follows:

		31 Desember/December 2019					
	Pensiunan/ Pension	UMKM/ MSME	Syariah/ Sharia	Lainnya/ Others	Jumlah/ Total		
Tunggakan							
1 – 30 hari	441,993	118,774	63,165	280,286	904,218	Days past due: 1 – 30 days	
31 – 60 hari	159,879	113,461	34,685	110,292	418,317	31 – 60 days	
61 – 90 hari	94,985	139,747	29,785	63,180	327,697	61 – 90 days	
	<u>696,857</u>	<u>371,982</u>	<u>127,635</u>	<u>453,758</u>	<u>1,650,232</u>		
Pendapatan bunga/ marjin yang masih akan diterima	18,384	8,783	7,605	15,795	50,567	Accrued interest/ margin income	
Cadangan kerugian penurunan nilai	(52,795)	(76,095)	(60,176)	(67,501)	(256,567)	Allowance for impairment losses	
	<u>662,446</u>	<u>304,670</u>	<u>75,064</u>	<u>402,052</u>	<u>1,444,232</u>		
		31 Desember/December 2018					
	Pensiunan/ Pension	UMKM/ MSME	Syariah/ Sharia	Lainnya/ Others	Jumlah/ Total		
Tunggakan							
1 – 30 hari	320,409	200,579	70,851	205,868	797,707	Days past due: 1 – 30 days	
31 – 60 hari	124,823	160,978	22,477	78,259	386,537	31 – 60 days	
61 – 90 hari	69,573	115,607	22,332	61,715	269,227	61 – 90 days	
	<u>514,805</u>	<u>477,164</u>	<u>115,660</u>	<u>345,842</u>	<u>1,453,471</u>		
Pendapatan bunga/marjin yang masih akan diterima	21,549	13,938	5,310	14,060	54,857	Accrued interest/ margin income	
Cadangan kerugian penurunan nilai	(44,796)	(79,344)	(55,739)	(94,399)	(274,278)	Allowance for impairment losses	
	<u>491,558</u>	<u>411,758</u>	<u>65,231</u>	<u>265,503</u>	<u>1,234,050</u>		

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Risiko kredit (lanjutan)

Credit risk (continued)

(iv) Kualitas kredit aset keuangan (lanjutan)

(iv) Credit quality of financial assets (continued)

Perubahan pada penyisihan kerugian penurunan nilai berdasarkan jenis portofolio kredit/pembiayaan adalah sebagai berikut:

Movement of the allowance for impairment losses by credit/financing portfolio types was as follows:

31 Desember/December 2019							
	Pensiunan/ <i>Pension</i>	UMKM/ <i>MSME</i>	Korporasi/ <i>Corporate</i>	Syariah/ <i>Sharia</i>	Lainnya/ <i>Others</i>	Jumlah/ <i>Total</i>	
Saldo awal	295,887	359,684	-	215,949	262,545	1,134,065	<i>Beginning balance</i>
Penambahan	163,476	564,581	82,043	309,402	326,431	1,445,933	<i>Addition</i>
Penerimaan kembali	32,925	64,146	-	3,676	12,496	113,243	<i>Recovery</i>
Penghapusbukuan	(184,046)	(495,707)	-	(236,908)	(576,570)	(1,493,231)	<i>Write-off</i>
Pengalihan cadangan kerugian penurunan nilai dampak penggabungan usaha	-	-	100,251	-	-	100,251	<i>Transfer of allowance for impairment losses due to merger</i>
Lainnya	-	-	(134)	-	167,072	166,938	<i>Others</i>
Saldo akhir	<u>308,242</u>	<u>492,704</u>	<u>182,160</u>	<u>292,119</u>	<u>191,974</u>	<u>1,467,199</u>	<i>Ending balance</i>

31 Desember/December 2018						
	Pensiunan/ <i>Pension</i>	UMKM/ <i>MSME</i>	Syariah/ <i>Sharia</i>	Lainnya/ <i>Others</i>	Jumlah/ <i>Total</i>	
Saldo awal	197,410	348,382	157,657	90,666	794,115	<i>Beginning balance</i>
Penambahan	252,885	549,133	265,571	297,352	1,364,941	<i>Addition</i>
Penerimaan kembali	21,544	92,683	6,193	4,106	124,526	<i>Recovery</i>
Penghapusbukuan	(175,952)	(630,568)	(213,472)	(152,940)	(1,172,932)	<i>Write-off</i>
Lainnya	-	54	-	23,361	23,415	<i>Others</i>
Saldo akhir	<u>295,887</u>	<u>359,684</u>	<u>215,949</u>	<u>262,545</u>	<u>1,134,065</u>	<i>Ending balance</i>

Risiko likuiditas

Liquidity risk

Risiko likuiditas adalah risiko yang terjadi jika Bank dan Entitas Anak tidak dapat memenuhi pembayaran kewajiban pada saat jatuh tempo, termasuk pencairan simpanan nasabah. Salah satu parameter yang digunakan adalah dengan menganalisa profil jatuh tempo dari sumber pendanaan yang pada umumnya berjangka pendek dan sebagian besar aset yang disalurkan dalam bentuk kredit dengan jangka waktu yang pada umumnya berjangka panjang. Terjadinya kesenjangan yang cukup besar akan dapat meningkatkan risiko likuiditas.

Liquidity risk is the risk that the Bank and Subsidiary are unable to meet their payment obligations as they fall due, including withdrawal of customer deposits. One of the parameters used is by analysing the maturity profile from the funding source, which is usually short term, and most of the asset which were distributed in the form of loans, which is usually long-term. A relatively wide gap can increase liquidity risk.

Profil jatuh tempo diproyeksikan atas jangka waktu yang tersisa berdasarkan tanggal kontraktual aset dan liabilitas tertentu. Secara historis, sebagian besar dari simpanan diperpanjang pada saat jatuh tempo yang dipengaruhi oleh perilaku nasabah dan tingkat kepercayaan terhadap Bank dan Entitas Anak. Untuk mengelola risiko likuiditas atas kondisi tersebut, maka Bank dan Entitas Anak menetapkan strategi yang sesuai dan jumlah kas dan aset likuid yang perlu dimiliki, yang dapat dicairkan atau dijadikan jaminan jika ada kebutuhan likuiditas yang mendesak.

This maturity profile is projected based on the remaining period to the contractual maturity date of assets and liabilities. Historically, a significant portion of deposits are rolled-over on the maturity date which is affected by customer behaviour and confidence level to the Bank and Subsidiary. To manage the liquidity risk of this condition, the Bank and Subsidiary establish appropriate strategies and sufficient amount of cash and liquid assets that can be liquidated or used as collateral should there be an urgent need for liquidity.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko likuiditas (lanjutan)

Profil jatuh tempo diproyeksikan atas jangka waktu yang tersisa berdasarkan tanggal kontraktual aset dan liabilitas tertentu. Secara historis, sebagian besar dari simpanan diperpanjang pada saat jatuh tempo yang dipengaruhi oleh perilaku nasabah dan tingkat kepercayaan terhadap Bank dan Entitas Anak. Untuk mengelola risiko likuiditas atas kondisi tersebut, maka Bank dan Entitas Anak menetapkan strategi yang sesuai dan jumlah kas dan aset likuid yang perlu dimiliki, yang dapat dicairkan atau dijadikan jaminan jika ada kebutuhan likuiditas yang mendesak.

Tabel berikut ini menyajikan rincian sisa periode sampai dengan tanggal jatuh tempo aset keuangan (sebelum cadangan kerugian penurunan nilai).

43. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

This maturity profile is projected based on the remaining period to the contractual maturity date of assets and liabilities. Historically, a significant portion of deposits are rolled-over on the maturity date which is affected by customer behaviour and confidence level to the Bank and Subsidiary. To manage the liquidity risk of this condition, the Bank and Subsidiary establish appropriate strategies and sufficient amount of cash and liquid assets that can be liquidated or used as collateral should there be an urgent need for liquidity.

The following tables provide detail of remaining period to maturity date of financial assets (before allowance for impairment losses).

31 Desember/December 2019								
	Jumlah/ Total	Sesuai permintaan/ On demand	≤ 1 bulan/ ≤ 1 month	> 1-3 bulan/ > 1-3 months	> 3-6 bulan/ > 3-6 months	> 6-12 bulan/ > 6-12 months	> 12 bulan/ > 12 months	
Aset								Assets
Kas	2,299,062	2,299,062	-	-	-	-	-	Cash
Giro pada Bank Indonesia	8,987,079	8,987,079	-	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank-bank lain	1,056,904	1,056,904	-	-	-	-	-	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank-bank lain	8,914,104	-	7,254,104	485,000	370,000	805,000	-	Placements with Bank Indonesia and other banks
Efek-efek	10,702,857	-	1,302,594	6,949,639	209,282	512,240	1,729,102	Marketable securities
Tagihan derivatif	840,372	-	840,372	-	-	-	-	Derivative receivables
Tagihan akseptasi	1,692,460	-	662,819	446,301	418,076	165,264	-	Acceptance receivables
Pinjaman yang diberikan dan pembiayaan/piutang syariah	142,587,542	-	31,307,032	10,493,102	7,246,115	13,747,925	79,793,368	Loans and sharia financing/receivables
Penyertaan saham	22,522	22,522	-	-	-	-	-	Investment in shares
Aset lain-lain	177,188	19,961	119,150	1,588	1,791	1,077	33,621	Other assets
Jumlah aset	<u>177,280,090</u>	<u>12,385,528</u>	<u>41,486,071</u>	<u>18,375,630</u>	<u>8,245,264</u>	<u>15,231,506</u>	<u>81,556,091</u>	Total assets
Liabilitas								Liabilities
Liabilitas segera	(18,268)	-	(18,268)	-	-	-	-	Obligations due immediately
Bagi hasil yang belum dibagikan	(21,861)	-	(14,473)	(6,294)	(991)	(103)	-	Undistributed revenue sharing
Giro	(14,374,956)	(14,374,226)	(730)	-	-	-	-	Current accounts
Tabungan	(9,958,771)	(9,955,705)	(3,066)	-	-	-	-	Saving deposits
Deposito berjangka dan deposito on call	(55,265,689)	-	(38,521,768)	(13,792,455)	(1,906,146)	(1,028,813)	(16,507)	Time deposits and deposits on call
Simpanan dari bank-bank lain	(11,690,555)	(11,690,555)	-	-	-	-	-	Deposits from other banks
Liabilitas derivatif	(894,947)	-	(894,947)	-	-	-	-	Derivative payables
Liabilitas akseptasi	(888,459)	-	(519,441)	(225,754)	(116,395)	(26,869)	-	Acceptance payables
Surat utang jangka menengah	(1,306,441)	-	(5,032)	-	(1,301,409)	-	-	Medium term notes
Utang obligasi	(1,910,473)	-	(21,254)	-	-	(898,987)	(990,232)	Bonds payable
Pinjaman yang diterima	(38,188,926)	-	(141,472)	-	(2,499,061)	(1,000,000)	(34,548,393)	Borrowings
Pinjaman subordinasi	(6,045,193)	(6,305)	-	-	-	-	(6,038,888)	Subordinated loans
Liabilitas lain-lain	(582,809)	(582,809)	-	-	-	-	-	Other liabilities
Jumlah liabilitas	<u>(141,147,348)</u>	<u>(36,609,600)</u>	<u>(40,140,451)</u>	<u>(14,024,503)</u>	<u>(5,824,002)</u>	<u>(2,954,772)</u>	<u>(41,594,020)</u>	Total liabilities
Aset (liabilitas) bersih	<u>36,132,742</u>	<u>(24,224,072)</u>	<u>1,345,620</u>	<u>4,351,127</u>	<u>2,421,262</u>	<u>12,276,734</u>	<u>39,962,071</u>	Net assets (liabilities)

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Risiko likuiditas (lanjutan)

Liquidity risk (continued)

31 Desember/December 2018							
	Jumlah/ Total	Sesuai permintaan/ On demand	≤ 1 bulan/ ≤ 1 month	> 1-3 bulan/ > 1-3 months	> 3-6 bulan/ > 3-6 months	> 6-12 bulan/ > 6-12 months	> 12 bulan/ > 12 months
Aset							Assets
Kas	1,838,136	1,838,136	-	-	-	-	-
Giro pada Bank Indonesia	5,248,644	5,248,644	-	-	-	-	-
Giro pada bank-bank lain	841,464	841,464	-	-	-	-	-
Penempatan pada Bank Indonesia dan bank lain	11,749,903	-	10,854,903	-	395,000	500,000	-
Efek-efek	6,866,506	-	845,793	695,650	1,447,670	1,814,975	2,062,418
Efek-efek yang dibeli dengan janji dijual kembali	1,599,955	-	1,599,955	-	-	-	-
Pinjaman yang diberikan dan pembiayaan/piutang syariah	68,742,299	-	2,769,948	2,888,315	4,367,406	9,180,417	49,536,213
Penyertaan saham	22	22	-	-	-	-	-
Aset lain-lain	47,041	-	42,664	92	50	60	4,175
Jumlah aset	96,933,970	7,928,266	16,113,263	3,584,057	6,210,126	11,495,452	51,602,806
Liabilitas							Liabilities
Liabilitas segera Bagi hasil yang belum dibagikan	(15,323)	-	(13,655)	(1,668)	-	-	-
Giro	(1,119,866)	(1,118,905)	(12,737)	(3,923)	(375)	-	-
Tabungan	(7,731,413)	(7,728,838)	(2,575)	-	-	-	-
Deposito berjangka dan deposito on call	(56,234,002)	-	(38,665,691)	(12,580,594)	(4,109,846)	(858,647)	(19,224)
Simpanan dari bank-bank lain	(14,394)	(14,394)	-	-	-	-	-
Liabilitas derivatif	(116,521)	-	(116,521)	-	-	-	-
Utang obligasi	(1,217,317)	-	(19,875)	-	-	(299,360)	(898,082)
Pinjaman yang diterima	(8,556,874)	-	(114,109)	-	(2,152,320)	(1,792,522)	(4,497,923)
Liabilitas lain-lain	(99,231)	(99,231)	-	-	-	-	-
Jumlah liabilitas	(75,121,976)	(8,961,368)	(38,946,124)	(12,586,185)	(6,262,541)	(2,950,529)	(5,415,229)
Aset (liabilitas) bersih	21,811,994	(1,033,102)	(22,832,861)	(9,002,128)	(52,415)	8,544,923	46,187,577

Tabel berikut ini menunjukkan arus kas kontraktual yang tidak didiskonto dari liabilitas keuangan dan rekening administratif Bank berdasarkan periode tersisa sampai dengan jatuh tempo kontraktual:

The following table shows the contractual undiscounted cash flows of the Bank's financial liabilities and administrative accounts based on the remaining period to contractual maturity:

31 Desember/December 2019							
Nilai tercatat/ Carrying amount	Nilai nominal bruto arus kas masuk (keluar) Gross nominal inflow (outflow)	Hingga 1 bulan/ Up to 1 month	>1 - 3 bulan/ months	>3 - 12 bulan/ months	>1 - 2 tahun/ years	>2 tahun/ years	
Liabilitas non-derivatif							Non-derivative liabilities
Liabilitas segera Bagi hasil yang belum dibagikan	(18,268)	(18,268)	(18,268)	-	-	-	-
Giro	(21,861)	(21,861)	(14,473)	(6,294)	(1,094)	-	-
Tabungan	(14,374,956)	(14,682,160)	(14,682,160)	-	-	-	-
Deposito berjangka dan deposito on call	(9,958,771)	(10,227,599)	(10,223,874)	(783)	(2,435)	(507)	-
Simpanan dari bank-bank lain	(55,265,689)	(56,223,259)	(39,236,841)	(13,969,593)	(2,999,417)	(17,408)	-
Liabilitas akseptasi Surat utang jangka menengah	(11,690,555)	(11,716,794)	(8,849,763)	(2,867,031)	(143,264)	-	-
Utang obligasi	(888,459)	(888,459)	(537,764)	(207,431)	-	-	-
Pinjaman yang diterima	(1,306,441)	(1,328,263)	-	-	(1,328,263)	-	-
Pinjaman subordinasi	(1,910,473)	(2,218,261)	(17,014)	(19,131)	(1,008,435)	(76,526)	(1,097,155)
Liabilitas lain-lain	(38,188,926)	(39,793,169)	(77,513)	(207,486)	(5,197,113)	(33,292,842)	(1,018,215)
Jumlah liabilitas non-derivatif	(6,045,193)	(7,144,075)	(582,809)	(49,727)	(149,181)	(198,908)	(6,746,259)
Liabilitas derivatif	(582,809)	(582,809)	(582,809)	-	-	-	-
Jumlah liabilitas derivatif	(140,252,401)	(144,844,977)	(74,240,479)	(17,327,476)	(10,829,202)	(33,586,191)	(8,861,629)
Arus kas masuk	(894,947)	51,045,474	8,457,855	10,571,427	3,790,550	3,310,133	24,915,509
Arus kas keluar	-	(53,075,857)	(8,574,916)	(10,851,750)	(4,175,379)	(3,752,219)	(25,721,593)
Jumlah arus kas	(894,947)	(2,030,383)	(117,061)	(280,323)	(384,829)	(442,086)	(806,084)
L/C yang tidak dapat dibatalkan	-	(925,174)	(520,395)	(351,771)	(53,008)	-	-
Fasilitas kredit yang belum digunakan - committed	-	(8,433,080)	(10,000)	(550,000)	(3,653,169)	(198,321)	(4,021,590)
Garansi yang diterbitkan	-	(8,924,578)	(790,130)	(1,637,789)	(3,121,094)	(540,937)	(2,834,628)
Jumlah liabilitas lainnya	-	(18,282,832)	(1,320,525)	(2,539,560)	(6,827,271)	(739,258)	(6,856,218)
Jumlah	(141,147,348)	(165,158,192)	(75,678,065)	(20,147,359)	(18,041,302)	(34,767,535)	(16,523,931)

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko likuiditas (lanjutan)

Tabel berikut ini menunjukkan arus kas kontraktual yang tidak didiskonto dari liabilitas keuangan dan rekening administratif Bank berdasarkan periode tersisa sampai dengan jatuh tempo kontraktual: (Lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

The following table shows the contractual undiscounted cash flows of the Bank's financial liabilities and administrative accounts based on the remaining period to contractual maturity: (Continued)

31 Desember/December 2018						
Nilai tercatat/ Carrying amount	Nilai nominal bruto arus kas masuk (keluar)/Gross nominal inflow (outflow)	Hingga 1 bulan/ Up to 1 month	>1 - 3 bulan/ months	>3 - 12 bulan/ months	>1 - 2 tahun/ years	>2 tahun/ years
Liabilitas non-derivatif						
Liabilitas segera	(15,323)	(15,323)	(15,323)	-	-	-
Bagi hasil yang belum dibagikan	(17,035)	(17,035)	(12,737)	(3,923)	(375)	-
Giro	(1,119,866)	(1,123,601)	(1,123,601)	-	-	-
Tabungan	(7,731,413)	(7,741,554)	(7,738,581)	(680)	(2,067)	(226)
Deposito berjangka dan deposito on call	(56,234,002)	(56,649,990)	(38,792,782)	(12,776,089)	(5,061,162)	(19,957)
Simpanan dari bank-bank lain	(14,394)	(42,998)	(42,998)	-	-	-
Utang obligasi	(1,217,317)	(1,353,000)	-	(22,875)	(62,625)	(367,500)
Pinjaman yang diterima	(8,556,874)	(9,047,684)	-	(138,390)	(5,573,328)	(2,654,115)
Liabilitas lain-lain	(99,231)	(99,231)	(99,231)	-	-	-
	(75,005,455)	(76,090,416)	(47,825,253)	(12,941,957)	(10,699,557)	(3,041,798)
	(116,521)	(116,521)	(116,521)	-	-	-
Liabilitas derivatif						
Garansi yang diterbitkan	-	(107,719)	-	(65,480)	(42,239)	-
Jumlah	(75,121,976)	(76,314,656)	(47,941,774)	(13,007,437)	(10,741,796)	(3,041,798)
						(1,581,851)
						Total

Tabel di atas menyajikan arus kas yang tidak didiskontokan dari liabilitas keuangan Perseroan berdasarkan periode jatuh tempo kontraktual yang paling dekat. Arus kas yang diharapkan atas instrumen keuangan Perseroan mungkin berbeda dengan analisis ini. Sebagai contoh, simpanan diharapkan memiliki saldo yang stabil atau meningkat atau fasilitas kredit kepada nasabah yang belum digunakan (committed) tidak seluruhnya diharapkan untuk segera digunakan.

Nilai nominal arus kas masuk/(keluar) yang diungkapkan pada tabel di atas menyajikan arus kas kontraktual yang tidak didiskontokan terkait dengan nilai pokok dan bunga dari liabilitas keuangan. Pengungkapan instrumen derivatif menunjukkan nilai bersih derivatif yang dapat diselesaikan secara neto, juga nilai bruto arus kas masuk dan keluar untuk derivatif yang diselesaikan secara bruto. Arus kas liabilitas derivatif seperti yang ditunjukkan di tabel di atas merupakan arus kas berdasarkan jatuh tempo kontraktual yang menurut Perseroan adalah penting untuk memahami jadwal dari arus kas.

Kebijakan yang dijalankan Bank dan Entitas Anak dalam mengendalikan risiko likuiditas adalah:

- Menetapkan kebijakan pengendalian risiko likuiditas yang telah disesuaikan dengan misi, strategi bisnis, kecukupan permodalan, sumber daya manusia dan *risk appetite* Bank dan Entitas Anak.
- Menetapkan kebijakan dan prosedur penetapan limit risiko likuiditas secara tertulis, lengkap, memadai dan cukup mudah ditelusuri.

The above table shows the undiscounted cash flows on the Company financial liabilities on the basis of their earliest possible contractual maturity. The Company expected cash flows on these instruments may vary from this analysis. For example, deposits are expected to maintain a stable or increasing balance or unused credit facilities to customer-committed are not all expected to be drawn down immediately.

The nominal inflow/(outflow) disclosed in the above tables represents the contractual undiscounted cash flows relating to the principal and interest on the financial liabilities. The disclosure for derivatives shows the net amount of derivatives that are net settled, and a gross inflow and outflow amount for derivatives that have simultaneous gross settlement. The cash flows of derivatives liabilities in the table represent the cash flows based on contractual maturities which the Company believes is essential for an understanding of the timing of the cash flows.

Policies adopted by the Bank and Subsidiary in managing its liquidity risk include:

- Application of a liquidity risk control policy that is suited to the mission, business strategy, capital adequacy, human resources and appetite for risk of the Bank and Subsidiary.
- Application of a liquidity risk limit policies and procedures that are written, complete, adequate and easy to follow.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko likuiditas (lanjutan)

- Menjaga cadangan likuiditas agar sesuai dengan rekomendasi ALCO.
- Mengelola portofolio pendanaan untuk menghindari risiko konsentrasi dan ketergantungan pada sumber pendanaan tertentu. Hal ini dimonitor secara bulanan oleh ALCO dan *Risk Management Committee* (RMC).
- Fungsi pengawasan yang independen dari satuan kerja manajemen risiko.

Risiko pasar

Risiko pasar adalah potensi timbulnya kerugian dalam nilai buku atau fluktuasi arus kas di masa mendatang yang diakibatkan oleh perubahan suku bunga atau nilai tukar.

Secara keseluruhan, risiko pasar dibagi menjadi dua bagian sebagai berikut:

(i) Risiko mata uang asing

Risiko mata uang asing timbul dari adanya posisi neraca dan komitmen dan kontinjensi (*off-balance sheet*) baik di sisi aset maupun liabilitas yang timbul melalui transaksi mata uang asing.

Bank mengukur risiko nilai tukar untuk melihat dampak perubahan nilai tukar pada pendapatan dan modal Bank. Untuk mengelola dan memitigasi risiko nilai tukar, pembatasan posisi secara internal ditetapkan jauh di bawah limit posisi devisa neto yang ditetapkan regulator. Bank juga memonitor *stop loss limit* untuk menjaga tingkat kerugian karena pergerakan nilai pasar tidak melebihi kisaran yang telah ditetapkan.

Entitas anak tidak memiliki aset maupun liabilitas keuangan dalam mata uang asing, maupun pada posisi diperdagangkan, sehingga entitas anak tidak memiliki risiko mata uang asing.

Posisi Devisa Neto

Berdasarkan Peraturan Bank Indonesia (PBI) No. 17/5/PBI/2015 tanggal 29 Mei 2015, perubahan keempat atas PBI No. 5/13/PBI/2003, tentang Posisi Devisa Neto (PDN) Bank Umum tanggal 1 Juli 2010, maksimum PDN adalah 20% dari modal.

43. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

- *Maintain liquidity reserves to match the ALCO's recommendation.*
- *Managing it's funding portfolio to avoid concentration risk and dependence on single source of funding. It's monitored by ALCO and Risk Management Committee (RMC).*
- *The independent monitoring function of the risk management working unit.*

Market risk

Market risk is the potential loss in book value or future cash flows fluctuation due to changes in interest rates or exchange rates.

In overall, market risk is divided into two following risks:

(i) *Foreign currency risk*

Foreign exchange risk arises from on and off-balance sheet positions both on the asset and liability sides through transactions in foreign currencies.

The Bank measures the foreign exchange risk to understand the impact of the exchange rate movement on the Bank's revenue and capital. In order to manage and mitigate the foreign exchange risk, predefined limits are set below net open position limit that is defined by regulator. The Bank also monitors stop loss limit to maintain the loss rate caused by movement of market value do not not exceed the specified range.

The subsidiary does not have any assets or liabilities which denominated in foreign currencies, or held for trading, thus the subsidiary does not have foreign currency risk.

Net Open Position

Based on Bank Indonesia Regulation (PBI) No. 17/5/PBI/2015 dated 29 May 2015, the fourth amendment made to PBI No. 5/13/PBI/2003, regarding Net Open Position (NOP) for Commercial Banks dated 1 July 2010, NOP is set to a maximum of 20% of capital.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko pasar (lanjutan)

(i) Risiko mata uang asing (lanjutan)

Posisi Devisa Neto (lanjutan)

PDN adalah jumlah dari nilai absolut selisih bersih aktiva dan pasiva dalam laporan posisi keuangan untuk setiap valuta asing dan selisih bersih tagihan dan kewajiban komitmen dan kontinjensi dalam rekening administratif untuk setiap valuta asing, yang semuanya dinyatakan dalam Rupiah.

Berikut adalah Posisi Devisa Neto Bank pada tanggal 31 Desember 2019 dan 2018 dalam mata uang (ekuivalen Rupiah). Nilai ini adalah yang dilaporkan kepada Bank Indonesia pada tanggal laporan posisi keuangan sebagai bagian dari laporan harian.

Mata Uang	31 Desember/December 2019			Currencies
	Aset/ Assets	Liabilitas/ Liabilities	Posisi Devisa Neto/ Net Open Position	
Laporan posisi keuangan dan rekening administratif				
Dolar Amerika Serikat	84,803,983	84,816,091	12,108	United States Dollar
Yen Jepang	1,989,928	1,985,170	4,758	Japanese Yen
Dolar Singapura	56,694	49,033	7,661	Singapore Dollar
Euro Eropa	49,431	46,435	2,996	European Euro
Baht Thailand	15,955	14,275	1,680	Thailand Baht
Poundsterling Inggris	7,257	3,504	3,753	Great Britain Poundsterling
Dolar Australia	3,173	648	2,525	Australian Dollar
Yuan China	788	110	678	China Yuan
Dolar Hong Kong	449	266	183	Hong Kong Dollar
Franc Swiss	289	-	289	Swiss Franc
Rupece India	70	-	70	Indian Rupee
Jumlah			36,701	Total
Jumlah Modal Tier I dan II			30,948,624	Total Tier I and II Capital
Rasio PDN			0.12%	NOP Ratio

Mata Uang	31 Desember/December 2018			Currencies
	Aset/ Assets	Liabilitas/ Liabilities	Posisi Devisa Neto/ Net Open Position	
Laporan posisi keuangan dan rekening administratif				
Dolar Amerika Serikat	8,259,932	8,207,012	52,920	United States Dollar
Yen Jepang	1,160	54	1,106	Japanese Yen
Dolar Singapura	232	25	207	Singapore Dollar
Jumlah			54,233	Total
Jumlah Modal Tier I dan II*			13,666,506	Total Tier I and II Capital*
Rasio PDN			0.40%	NOP Ratio

Sensitivitas Bank terhadap mata uang asing diperhitungkan dengan menggunakan informasi selisih bersih aktiva dan pasiva dalam laporan posisi keuangan untuk setiap valuta asing dan selisih bersih tagihan dan kewajiban komitmen dan kontinjensi dalam rekening administratif untuk setiap valuta asing.

Tabel di bawah ini mengikhtisarkan sensitivitas laba bersih Bank (linier) pada tanggal 31 Desember 2019 dan 2018 atas perubahan nilai tukar mata uang asing yaitu:

	Menambah (mengurangi) laba bersih/Increase (decrease) net income	
	2019	2018
IDR melemah 1%	125	542
IDR menguat 1%	(125)	(542)

*) Setelah disajikan kembali (Catatan 48)

43. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Net Open Position (continued)

NOP is the sum of the absolute values of the net difference between assets and liabilities in the statement of financial position for each foreign currency and the net difference of receivables and commitments and contingent liabilities in the administrative accounts for each foreign currency, which are all stated in Rupiah.

Below is the Net Open Position of Bank as of 31 December 2019 and 2018 in currency (Rupiah equivalent). These amounts are reported to Bank Indonesia on the statement of financial position's date as part of daily reporting.

Mata Uang	31 Desember/December 2019			Currencies
	Aset/ Assets	Liabilitas/ Liabilities	Posisi Devisa Neto/ Net Open Position	
Statement of financial position and off-balance sheet				
Dolar Amerika Serikat	84,803,983	84,816,091	12,108	United States Dollar
Yen Jepang	1,989,928	1,985,170	4,758	Japanese Yen
Dolar Singapura	56,694	49,033	7,661	Singapore Dollar
Euro Eropa	49,431	46,435	2,996	European Euro
Baht Thailand	15,955	14,275	1,680	Thailand Baht
Poundsterling Inggris	7,257	3,504	3,753	Great Britain Poundsterling
Dolar Australia	3,173	648	2,525	Australian Dollar
Yuan China	788	110	678	China Yuan
Dolar Hong Kong	449	266	183	Hong Kong Dollar
Franc Swiss	289	-	289	Swiss Franc
Rupece India	70	-	70	Indian Rupee
Jumlah			36,701	Total
Jumlah Modal Tier I dan II			30,948,624	Total Tier I and II Capital
Rasio PDN			0.12%	NOP Ratio

Mata Uang	31 Desember/December 2018			Currencies
	Aset/ Assets	Liabilitas/ Liabilities	Posisi Devisa Neto/ Net Open Position	
Statement of financial position and off-balance sheet				
Dolar Amerika Serikat	8,259,932	8,207,012	52,920	United States Dollar
Yen Jepang	1,160	54	1,106	Japanese Yen
Dolar Singapura	232	25	207	Singapore Dollar
Jumlah			54,233	Total
Jumlah Modal Tier I dan II Capital*			13,666,506	Total Tier I and II Capital*
Rasio PDN			0.40%	NOP Ratio

Bank's sensitivity to foreign currency is calculated using net difference between assets and liabilities in the statement of financial position for each foreign currency and the net difference of receivables and commitments and contingent liabilities in the administrative accounts for each foreign currency information.

The table below shows the sensitivity of the Bank's net income (linear) to movement of foreign exchange rates as of 31 December 2019 and 2018 :

IDR weakening by 1%
 IDR strengthening by 1%

*) After restatement (Note 48)

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko pasar (lanjutan)

(i) Risiko mata uang asing (lanjutan)

Posisi Devisa Neto (lanjutan)

Proyeksi di atas mengasumsikan bahwa perubahan nilai tukar mata uang asing bergerak pada jumlah yang sama sehingga tidak mencerminkan perubahan potensial kepada laba atas perubahan beberapa nilai tukar mata uang asing sementara lainnya tidak berubah. Proyeksi juga mengasumsikan bahwa seluruh variabel lainnya adalah konstan dan berdasarkan tanggal pelaporan yang konstan serta seluruh posisi hingga jatuh tempo.

(ii) Risiko tingkat bunga

Pendapatan Bank dan Entitas Anak yang berasal dari kegiatan konvensional merupakan selisih antara bunga yang dihasilkan dari sisi aset dengan bunga yang dibayarkan kepada dana pihak ketiga. Perubahan tingkat bunga jika tidak diantisipasi dapat menyebabkan penurunan pendapatan Bank dan Entitas Anak.

Risiko tingkat bunga berdampak pada fluktuasi arus kas di masa mendatang baik pada aset maupun liabilitas. Hal ini dapat mempengaruhi pendapatan bunga Bank maupun nilai wajar dari instrumen keuangan yang dimiliki Bank dan Entitas Anak.

Manajemen risiko tingkat bunga

Kebijakan yang dijalankan Bank dan Entitas Anak dalam pengendalian terhadap risiko suku bunga:

- a) Melakukan pemantauan limit risiko suku bunga.
- b) Melakukan pengelolaan risiko suku bunga sesuai regulasi terkait dan kebijakan internal Bank.

Tabel di bawah ini mengikhtisarkan eksposur instrumen keuangan Bank dan Entitas Anak terhadap risiko tingkat suku bunga.

	31 Desember/December 2019											
	Suku bunga mengambang/ <i>Floating rate instrument</i>				Bunga tetap/ <i>Fixed rate</i>					Tidak dikenakan bunga/ <i>Non-interest bearing</i>	Jumlah/ <i>Total</i>	
	≤ 1 bulan/ <i>month</i>	1 - 3 bulan/ <i>months</i>	> 3 - 6 bulan/ <i>months</i>	> 6 - 12 bulan/ <i>months</i>	≤ 1 bulan/ <i>month</i>	1 - 3 bulan/ <i>months</i>	> 3 - 6 bulan/ <i>months</i>	> 6 - 12 bulan/ <i>months</i>	> 12 bulan/ <i>Months</i>			
Aset											Assets	
Kas	-	-	-	-	-	-	-	-	-	2,299,062	Cash	
Giro pada Bank Indonesia	-	-	-	-	8,987,079	-	-	-	-	8,987,079	Current accounts with Bank Indonesia	
Giro pada bank-bank lain	-	-	-	-	1,056,904	-	-	-	-	1,056,904	Current accounts with other banks	
Penempatan pada Bank Indonesia dan bank-bank lain	-	-	-	-	7,254,104	485,000	370,000	805,000	-	8,914,104	Placements with Bank Indonesia and other banks	
Efek-efek	-	-	-	-	1,410,377	6,841,856	209,282	512,240	1,729,102	10,702,857	Marketable securities	
Tagihan derivatif	-	-	-	-	-	-	-	-	-	840,372	Derivative receivables	
Tagihan akseptasi	-	-	-	-	-	-	-	-	-	1,692,460	Acceptance receivables	
Pinjaman yang diberikan dan pembiayaan/piutang syariah	24,397,043	13,266,564	3,106,261	118,354	32,372,753	9,648,276	6,748,059	9,484,626	43,445,606	-	Loans and sharia financing/receivables	
Penyertaan saham	-	-	-	-	-	-	-	-	-	22,522	Investment in shares	
Aset lain-lain	-	-	-	-	-	-	-	-	-	177,188	Other assets	
Jumlah aset keuangan, sebelum cadangan kerugian penurunan nilai	24,397,043	13,266,564	3,106,261	118,354	51,081,217	16,975,132	7,327,341	10,801,866	45,174,708	5,031,604	177,280,090	Total financial assets before allowance for impairment losses

43. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Net Open Position (continued)

The projection assumes that foreign exchange rates move by the same amount and, therefore, do not reflect the potential impact on profit of some rates changing while others remain unchanged. The projections also assume that all other variables are held constant and are based on a constant reporting date position and that all positions run to maturity.

(ii) Interest rate risk

The Bank and Subsidiary derive its conventional activities income from the difference between the interest generated on the asset side and the interest paid to third party funds. If not anticipated, changes in interest rates can result in a decrease in the Bank and Subsidiary's income.

Interest rate risk has an effect to future cash flow fluctuation of both assets and liabilities. It can affect the Bank and Subsidiary's interest income and fair value of the financial instruments.

Interest rate risk management

Policies adopted by the Bank and Subsidiary in managing its interest rate risk include:

- a) Monitoring of interest rate risk limit.
- b) Managing interest rate risk in accordance with relevant regulations and Bank's internal policies.

The tables below summarise the exposures of financial instruments of the Bank and Subsidiary to interest rate risks.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Risiko pasar (lanjutan)

Market risk (continued)

(ii) Risiko tingkat bunga (lanjutan)

(ii) Interest rate risk (continued)

Manajemen risiko tingkat bunga (lanjutan)

Interest rate risk management (continued)

	31 Desember/December 2019											
	Suku bunga mengambang/ <i>Floating rate instrument</i>				Bunga tetap/ <i>Fixed rate</i>					Tidak dikenakan bunga/ <i>Non-interest bearing</i>		Jumlah/ <i>Total</i>
	≤ 1 bulan/ <i>month</i>	1 - 3 bulan/ <i>Months</i>	> 3 - 6 bulan/ <i>months</i>	> 6 - 12 bulan/ <i>months</i>	≤ 1 bulan/ <i>month</i>	1 - 3 bulan/ <i>months</i>	> 3 - 6 bulan/ <i>months</i>	> 6 - 12 bulan/ <i>months</i>	> 12 bulan/ <i>months</i>			
Liabilitas											Liabilities	
Liabilitas segera	-	-	-	-	(868)	(8,756)	-	-	-	(8,644)	(18,268)	Obligation due immediately
Simpanan dari nasabah	-	-	-	-	(62,855,495)	(13,792,455)	(1,906,146)	(1,028,813)	(16,507)	-	(79,599,416)	Deposits from customer
Simpanan dari bank-bank lain	-	-	-	-	(8,857,355)	(2,833,200)	-	-	-	-	(11,690,555)	Deposits from other banks
Liabilitas derivatif	-	-	-	-	-	-	-	-	-	(894,947)	(894,947)	Derivative payables
Liabilitas akseptasi Surat utang jangka menengah	-	-	-	-	-	-	-	-	-	(888,459)	(888,459)	Acceptance payables
Utang obligasi	-	-	-	-	(5,032)	-	(1,301,409)	-	-	-	(1,306,441)	Medium term notes
Pinjaman yang diterima	(25,293,593)	(8,983,721)	-	(727,186)	(21,254)	-	(898,987)	(990,232)	(662,243)	-	(38,188,626)	Borrowings
Pinjaman subordinasi	-	(6,045,193)	-	-	-	-	-	-	-	-	(6,045,193)	Subordinated loans
Liabilitas lain-lain	-	-	-	-	-	-	-	-	-	(582,809)	(582,809)	Other liabilities
Jumlah liabilitas keuangan	(25,293,593)	(15,028,914)	-	(727,186)	(71,740,004)	(16,634,411)	(5,729,438)	(1,927,800)	(1,668,982)	(2,374,859)	(141,125,187)	Total financial liabilities
Jumlah gap repricing suku bunga	(896,550)	(1,762,350)	3,106,261	(608,832)	(20,658,787)	(340,721)	1,597,903	8,874,066	43,505,726	2,656,745	36,154,903	Total interest repricing gap

	31 Desember/December 2018							
	Bunga tetap/ <i>Fixed rate</i>					Tidak dikenakan bunga/ <i>Non-interest bearing</i>	Jumlah/ <i>Total</i>	
	≤ 1 bulan/ <i>month</i>	1 - 3 bulan/ <i>months</i>	> 3 - 6 bulan/ <i>months</i>	> 6 - 12 bulan/ <i>months</i>	> 12 bulan/ <i>months</i>			
Aset								Assets
Kas	-	-	-	-	-	1,838,136	1,838,136	Cash
Giro pada Bank Indonesia	5,248,644	-	-	-	-	-	5,248,644	Current accounts with Bank Indonesia
Giro pada bank-bank lain	841,464	-	-	-	-	-	841,464	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank-bank lain	10,854,903	-	395,000	500,000	-	-	11,749,903	Placement with Bank Indonesia and other banks
Efek-efek	845,793	695,650	1,447,670	1,814,975	2,062,418	-	6,866,506	Marketable securities
Efek-efek yang dibeli dengan janji dijual kembali	-	1,599,955	-	-	-	-	1,599,955	Securities purchased under resale agreements
Pinjaman yang diberikan dan pembiayaan/piutang syariah	2,769,948	2,888,315	4,367,406	9,180,417	49,536,213	-	68,742,299	Loans and sharia financing/receivables
Penyerahan saham	-	-	-	-	-	22	22	Investment in shares
Aset lain-lain	-	-	-	-	-	47,041	47,041	Other assets
Jumlah aset keuangan, sebelum cadangan kerugian penurunan nilai	20,560,752	5,183,920	6,210,076	11,495,392	51,598,631	1,885,199	96,933,970	Total financial assets, before allowance for impairment losses
Liabilitas								Liabilities
Liabilitas segera	-	-	-	-	-	(15,323)	(15,323)	Obligation due immediately
Bagi hasil yang belum dibagikan	-	-	-	-	-	(17,035)	(17,035)	Undistributed revenue sharing
Giro	(1,119,866)	-	-	-	-	-	(1,119,866)	Current accounts
Tabungan	(7,731,413)	-	-	-	-	-	(7,731,413)	Saving deposits
Deposito berjangka dan deposito on call	(38,665,691)	(12,580,594)	(4,109,846)	(858,647)	(19,224)	-	(56,234,002)	Time deposits and deposits on call
Simpanan dari bank-bank lain	(14,394)	-	-	-	-	-	(14,394)	Deposits from other banks
Liabilitas derivative	-	-	-	-	-	(116,521)	(116,521)	Derivative payables
Efek-efek yang diterbitkan	-	-	-	(319,235)	(898,082)	-	(1,217,317)	Securities issued
Pinjaman yang diterima	-	-	(2,266,429)	(1,792,522)	(4,497,923)	-	(8,556,874)	Borrowings
Liabilitas lain-lain	-	-	-	-	-	(99,231)	(99,231)	Other liabilities
Jumlah liabilitas keuangan	(47,531,364)	(12,580,594)	(6,376,275)	(2,970,404)	(5,415,229)	(248,110)	(75,121,976)	Total financial liabilities
Jumlah gap repricing suku bunga	(26,970,612)	(7,396,674)	(166,199)	8,524,988	46,183,402	1,637,089	21,811,994	Total interest repricing gap

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko pasar (lanjutan)

(ii) Risiko tingkat bunga (lanjutan)

Manajemen risiko tingkat bunga (lanjutan)

Tabel di bawah ini mengikhtisarkan sensitivitas Bank pada tanggal 31 Desember 2019 dan 2018 atas kenaikan atau penurunan tingkat suku bunga pasar, dengan asumsi bahwa tidak ada pergerakan asimetris di kurva imbal hasil:

	(Penurunan) peningkatan laba bersih/ <i>(Decrease) increase net income</i>	
	2019	2018
Peningkatan 100 bps	(129)	(389)
Penurunan 100 bps	111	389

Manajemen Risiko Permodalan

Modal regulasi

Tujuan manajemen permodalan Bank dan Entitas Anak adalah untuk mempertahankan posisi modal yang kuat untuk mendukung pertumbuhan bisnis dan mempertahankan investor, deposan, pelanggan dan kepercayaan pasar. Dalam pengelolaan permodalan, Bank dan Entitas Anak mempertimbangkan faktor-faktor seperti: pengembalian modal yang optimal pada pemegang saham, menjaga keseimbangan antara keuntungan yang lebih tinggi dengan *gearing ratio* serta keamanan yang diberikan oleh posisi modal yang sehat.

Sesuai dengan Peraturan OJK (POJK) No. 11/POJK.03/2016 tentang kewajiban penyediaan modal minimum bank umum dan SEOJK No. 26/SEOJK.03/2016 tentang KPMM sesuai Profil Risiko dan Pemenuhan *Capital Adequacy Maintained Assets (CEMA)*, Bank wajib melakukan perhitungan KPMM minimum berdasarkan profil risiko dan melakukan *Internal Capital Adequacy Assessment Process (ICAAP)*. Peraturan ini juga mengatur tentang pemenuhan rasio modal inti (*Tier 1*) paling rendah sebesar 6% dan rasio modal inti utama (*Common Equity Tier 1*) paling rendah sebesar 4,5%, efektif sejak tanggal 1 Januari 2014.

Selain itu, POJK di atas juga mengatur perubahan struktur permodalan Bank yang berlaku 1 Januari 2015 dan Bank diwajibkan untuk membentuk penyangga modal (*buffer*) yang berlaku secara bertahap mulai tanggal 1 Januari 2016 sampai 1 Januari 2019.

Bank dan Entitas Anak telah memenuhi semua persyaratan modal yang diwajibkan sepanjang tahun.

43. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(ii) *Interest rate risk* (continued)

Interest rate risk management (continued)

The table below shows the sensitivity of the Bank as of 31 December 2019 and 2018 to an increase or decrease in market interest rates, assuming no asymmetrical movement in curves:

	(Penurunan) peningkatan laba bersih/ <i>(Decrease) increase net income</i>	
	2019	2018
Peningkatan 100 bps	(129)	(389)
Penurunan 100 bps	111	389

Capital Risk Management

Regulatory capital

The Bank and Subsidiary capital management objectives is to maintain a strong capital position to support business growth and to sustain investors, depositors, customers and market confidence. In managing its capital, the Bank and Subsidiary consider factors such as: providing optimal capital rate of return to shareholders and maintaining a balance between high return gearing ratio and safety provided by a sound capital position.

According to OJK Regulation No. 11/POJK.03/2016 dated 12 December 2013 regarding Capital Adequacy Ratio (CAR) for Commercial Bank and SEOJK No. 26/SEOJK.03/2016 regarding Capital Adequacy Ratio based on Risk Profile and Fullfillment of Capital Adequacy Maintained Assets (CEMA), the Bank is required to calculate minimum CAR in accordance to its risk profile and to perform Internal Capital Adequacy Assessment Process (ICAAP). This regulation also stipulates minimum Tier 1 ratio at the minimum of 6% and common equity Tier 1 ratio at the minimum of 4.5%, effective on 1 January 2014.

Moreover, the above stated OJK Regulation also stipulates changes in capital components effective on 1 January 2015 and Bank is required to set aside capital buffer which is imposed in stages from 1 January 2016 to 1 January 2019.

The Bank and Subsidiary have complied with all externally imposed capital requirements throughout the year.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Manajemen Risiko Permodalan (lanjutan)

Capital Risk Management (continued)

Modal regulasi (lanjutan)

Regulatory capital (continued)

Posisi permodalan Bank dan Entitas Anak berdasarkan peraturan OJK yang berlaku pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

The Bank and Subsidiary regulatory capital position under the prevailing OJK regulation as of 31 December 2019 and 2018 were as follows:

	31 Desember/December		
	2019	2018*	
KONSOLIDASI			CONSOLIDATED
Aset tertimbang menurut risiko			Risk weighted assets
- Dengan memperhitungkan risiko kredit	124,368,632	49,742,514	<i>With credit risk charge -</i>
- Dengan memperhitungkan risiko kredit dan operasional	142,780,626	67,077,208	<i>With credit, operational risk - charge</i>
- Dengan memperhitungkan risiko kredit, operasional dan pasar	143,582,952	67,131,441	<i>With credit, operational and market - risk charge</i>
Modal			Capital
- Modal inti	27,259,773	15,898,538	<i>Core capital -</i>
- Modal pelengkap	7,543,294	622,526	<i>Supplementary capital -</i>
	<u>34,803,067</u>	<u>16,521,064</u>	
Rasio kewajiban penyediaan modal minimum			Capital adequacy ratio
- Dengan memperhitungkan risiko kredit	27.98%	33.21%	<i>With credit risk charge -</i>
- Dengan memperhitungkan risiko kredit dan operasional	24.38%	24.63%	<i>With credit, operational risk - charge</i>
- Dengan memperhitungkan risiko kredit, operasional dan pasar	24.24%	24.61%	<i>With credit, operational and market - risk charge</i>
Rasio kewajiban penyediaan modal minimum yang diwajibkan oleh Bank Indonesia	9% sampai dengan kurang dari 10%/9% to Less than 10%	9% sampai dengan kurang dari 10%/9% to Less than 10%	<i>Minimum capital adequacy ratio required by Bank Indonesia</i>
- Rasio Kewajiban Penyediaan Modal Minimum	24.24%	24.61%	<i>Capital Adequacy Ratio -</i>
- Rasio CET 1	18.99%	23.68%	<i>CET 1 ratio -</i>
- Rasio tier 1	18.99%	23.68%	<i>Tier 1 ratio -</i>
- Rasio tier 2	5.25%	0.93%	<i>Tier 2 ratio -</i>
BANK			BANK
Aset tertimbang menurut risiko			Risk weighted assets
- Dengan memperhitungkan risiko kredit	117,335,520	43,896,677	<i>With credit risk charge -</i>
- Dengan memperhitungkan risiko kredit dan operasional	131,011,596	57,601,216	<i>With credit, operational risk - charge</i>
- Dengan memperhitungkan risiko kredit, operasional dan pasar	131,813,922	57,655,449	<i>With credit, operational and market - risk charge</i>
Modal			Capital
- Modal inti	23,521,707	13,109,731	<i>Core capital -</i>
- Modal pelengkap	7,465,961	549,549	<i>Supplementary capital -</i>
	<u>30,987,668</u>	<u>13,659,280</u>	
Rasio kewajiban penyediaan modal minimum			Capital adequacy ratio
- Dengan memperhitungkan risiko kredit	26.41%	31.12%	<i>With credit risk charge -</i>
- Dengan memperhitungkan risiko kredit dan operasional	23.65%	23.71%	<i>With credit, operational risk - charge</i>
- Dengan memperhitungkan risiko kredit, operasional dan pasar	23.51%	23.69%	<i>With credit, operational and market - risk charge</i>
Rasio kewajiban penyediaan modal minimum yang diwajibkan oleh Bank Indonesia	9% sampai dengan kurang dari 10%/9% to Less than 10%	9% sampai dengan kurang dari 10%/9% to Less than 10%	<i>Minimum capital adequacy ratio required by Bank Indonesia</i>
- Rasio Kewajiban Penyediaan Modal Minimum	23.51%	23.69%	<i>Capital Adequacy Ratio -</i>
- Rasio CET 1	17.84%	22.74%	<i>CET 1 ratio -</i>
- Rasio tier 1	17.84%	22.74%	<i>Tier 1 ratio -</i>
- Rasio tier 2	5.66%	0.95%	<i>Tier 2 ratio -</i>

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Manajemen Risiko Permodalan (lanjutan)

Capital Risk Management (continued)

Modal regulasi (lanjutan)

Regulatory capital (continued)

	31 Desember/December		
	2019	2018	
ENTITAS ANAK			SUBSIDIARY
Modal inti	5,138,209	3,816,289	Core capital
Modal pelengkap (maksimum 100% dari modal inti)	87,914	60,583	Supplementary capital (maximum at 100% from core capital)
Jumlah modal	5,226,123	3,876,872	Total capital
Aset Tertimbang Menurut Risiko (ATMR)			Risk Weighted Assets (RWA)
Risiko Kredit	6,988,540	5,838,095	Credit Risk
Risiko Operasional	4,737,446	3,635,727	Operational Risk
Rasio total	44.57%	40.92%	Total ratio
Rasio KPMM yang diwajibkan	9% - 10%	9% - 10%	Minimum CAR

Manajemen menggunakan peraturan rasio permodalan untuk memantau kecukupan modal, sesuai dengan standar industri. Pendekatan Bank Indonesia untuk pengukuran modal tersebut terutama didasarkan pada pemantauan kebutuhan modal yang diwajibkan terhadap modal yang tersedia.

Management uses regulatory capital ratios in order to monitor its capital base and these capital ratios remain the industry standards for measuring capital adequacy. BI's approach to such measurement is primarily based on monitoring the relationship of the capital resources requirement to available capital resources.

Estimasi nilai wajar instrumen keuangan

Fair value estimation of financial instruments

Untuk aset dan liabilitas keuangan yang diukur menggunakan nilai wajar, berikut ini adalah hirarki nilai wajar:

For financial assets and liabilities measured at fair value, the following is the hierarchy of the fair values:

a. Tingkat 1

Harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik;

a. Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Tingkat 2

Input selain harga kuotasian yang termasuk dalam tingkat 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung (misalnya harga) maupun tidak langsung (misalnya turunan harga); dan

b. Level 2

Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is as prices) or indirectly (that is derived from prices); and

c. Tingkat 3

Input untuk aset atau liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

c. Level 3

Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Tabel berikut menyajikan aset dan liabilitas keuangan Bank dan Entitas Anak yang diukur sebesar nilai wajar pada tanggal 31 Desember 2019 dan 2018:

The tables below show the Bank and Subsidiary's financial assets and liabilities that were measured at fair value as of 31 December 2019 and 2018:

	31 Desember/December 2019				Nilai wajar/ Fair value	
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3		
Aset						Assets
Efek-efek	5,679,762	-	5,679,762	-	5,679,762	Marketable securities
Tagihan derivatif	840,372	-	840,372	-	840,372	Derivative receivables
Penyertaan saham	22,522	-	-	22,522	22,522	Investments in shares
	6,542,656	-	6,520,134	22,522	6,542,656	
Liabilitas						Liabilities
Liabilitas derivatif	894,947	-	894,947	-	894,947	Derivative payables

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Estimasi nilai wajar instrumen keuangan
 (lanjutan)

Fair value estimation of financial instruments
 (continued)

31 Desember/December 2018					
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Nilai wajar/ Fair value
Aset					
Efek-efek	1,545,494	-	1,545,494	-	1,545,494
Penyertaan saham	22	-	-	22	22
	<u>1,545,516</u>	<u>-</u>	<u>1,545,494</u>	<u>22</u>	<u>1,545,516</u>
Liabilitas					
Liabilitas derivatif	116,521	-	116,521	22	116,521

Tabel di bawah ini menggambarkan nilai tercatat dan nilai wajar dari instrumen keuangan yang tidak disajikan pada nilai wajarnya:

The table below summarises the carrying amounts and fair values of those financial instruments not stated at their fair values:

	31 Desember/December 2019		31 Desember/December 2018		
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
Aset					Assets
Giro pada Bank Indonesia	8,987,079	8,987,079	5,248,644	5,248,644	Current accounts with Bank Indonesia
Giro pada bank-bank lain	1,056,904	1,056,904	841,464	841,464	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank-bank lain	8,914,104	8,914,104	11,749,903	11,749,903	Placements with Bank Indonesia and other banks
Efek-efek	10,702,851	10,657,240	6,866,506	7,479,925	Marketable securities
Efek-efek yang dibeli dengan janji dijual kembali	-	-	1,599,955	1,599,955	Securities purchased under resale agreement
Tagihan akseptasi	1,692,391	1,692,391	-	-	Acceptance receivables
Pinjaman yang diberikan dan pembiayaan/piutang syariah	141,120,343	143,364,681	67,608,234	67,844,103	Loans and sharia financing/receivables
Aset lain-lain	177,188	177,188	47,041	47,041	Other assets
Liabilitas					Liabilities
Liabilitas segera	18,268	18,268	15,323	15,323	Obligation due immediately
Bagi hasil yang belum dibagikan	21,861	21,861	17,035	17,035	Undistributed revenue sharing
Simpanan nasabah	79,599,416	79,599,416	65,085,281	65,085,281	Deposits from customers
Simpanan dari bank-bank lain	11,690,555	11,690,555	14,394	14,394	Deposits from other banks
Liabilitas akseptasi	888,459	888,459	-	-	Acceptance payables
Surat utang jangka menengah	1,306,441	1,323,732	-	-	Medium term notes
Utang obligasi	1,910,473	1,921,161	1,217,317	1,202,490	Bonds payable
Pinjaman yang diterima	38,188,926	38,218,199	8,556,874	8,531,195	Borrowings
Liabilitas lain-lain	582,809	582,809	116,266	116,266	Other liabilities

Nilai wajar dari efek-efek yang memiliki jatuh tempo lebih dari 1 tahun diestimasi menggunakan nilai kuotasi pasar terakhir (level 2 - hirarki nilai wajar).

The fair value for marketable securities, which maturity date is more than 1 year, are estimated using the last quoted market price (level 2 - fair value hierarchy).

Estimasi nilai wajar dari pinjaman yang diberikan mencerminkan jumlah diskonto dari estimasi kini dari arus kas masa depan yang diharapkan akan diterima. Arus kas masa depan yang diharapkan didiskontokan pada tingkat suku bunga pasar terkini untuk menentukan nilai wajar (level 3 - hirarki nilai wajar).

The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received. Estimated cash flows are discounted at current market rates to determine fair value (level 3 - fair value hierarchy).

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

43. FINANCIAL RISK MANAGEMENT (continued)

Estimasi nilai wajar instrumen keuangan
(lanjutan)

Fair value estimation of financial instruments
(continued)

Nilai tercatat dari pembiayaan Syariah merupakan perkiraan yang layak atas nilai wajar dikarenakan pinjaman tersebut memiliki tenor jangka pendek.

Carrying value of sharia financing approximates the estimates fair value since sharia financing have short-term tenure.

Nilai wajar surat utang jangka menengah dihitung menggunakan teknik penilaian berdasarkan model internal Bank yaitu model penilaian diskonto arus kas. Input dalam teknik penilaian termasuk arus kas yang akan diterima di masa datang dan suku bunga pasar (level 2 - hirarki nilai wajar).

The fair value of medium term notes was calculated using valuation technique based on the Bank's internal model which is discounted cash flow valuation model. Inputs into the valuation technique include expected future cash flows and interest rates (level 2 - fair value hierarchy).

Nilai wajar utang obligasi diestimasi menggunakan nilai kuotasi pasar terakhir (level 2 - hirarki nilai wajar).

The fair value of bonds payable is estimated by using the last quoted market price (level 2 - fair value hierarchy).

Nilai wajar dari pinjaman yang diterima dinilai dengan menggunakan diskonto arus kas berdasarkan tingkat suku bunga efektif yang dikenakan pada pinjaman terakhir yang digunakan (level 2 - hirarki nilai wajar).

The fair value of borrowings is estimated by using discounted cash flows applying the effective interest rate charged by the lender for the last utilization of borrowings (level 2 – fair value hierarchy).

Nilai tercatat aset keuangan dan liabilitas keuangan lainnya mendekati nilai wajarnya karena instrumen keuangan bersifat jangka pendek atau yang ditinjau ulang menggunakan harga pasar secara berkala.

The carrying amount of remaining financial assets and financial liabilities are reasonable approximation of fair value because they are short term in nature or re-price to current market rates frequently.

Perhitungan nilai wajar dilakukan hanya untuk kepentingan pengungkapan dan tidak berdampak pada pelaporan posisi atau kinerja keuangan Perseroan. Nilai wajar yang dihitung oleh Perseroan mungkin berbeda dengan jumlah aktual yang akan diterima/dibayar pada saat penyelesaian atau jatuh tempo instrumen keuangan. Mengingat kategori tertentu instrument keuangan yang tidak diperdagangkan, maka terdapat pertimbangan manajemen dalam perhitungan nilai wajar.

The fair values calculated are for disclosure purposes only and do not have any impact on the Company's reported financial performance or position. The fair values calculated by the Company may be different from the actual amount that will be received/paid on the settlement or maturity of the financial instrument. As certain categories of financial instruments are not traded, there is management judgment involved in calculating the fair values.

Risiko operasional

Operational risk

Risiko operasional adalah risiko kerugian akibat ketidakcukupan atau tidak berfungsinya proses internal, kesalahan manusia, kegagalan sistem dan/atau adanya kejadian eksternal yang mempengaruhi operasional Bank.

Operational risk is defined as the risks of loss resulting from inadequate or failed internal processes, people, systems failure and/or external events that impacted to the bank's operational activities.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko operasional (lanjutan)

Tata Kelola Pengelolaan Risiko Operasional

Risiko operasional dikelola melalui kerangka kerja, kebijakan dan prosedur dimana unit kerja lini bisnis dan fungsi pendukung yang disebut sebagai unit pemilik risiko (Risk Taking Unit) mengidentifikasi, mengukur, memantau, mengendalikan dan melaporkan risikonya. Struktur Tata Kelola Risiko Operasional mengadopsi model Three Lines of Defence atau Pertahanan Tiga Lapis. Risk Taking Unit (RTU), sebagai lapis pertahanan pertama, bertanggung jawab secara langsung untuk mengelola dan mengontrol risiko operasional di kegiatan bisnis mereka. Mereka bertanggungjawab untuk menjalankan kebijakan dan prosedur manajemen risiko operasional. Pada tingkatan operasional, Bank telah membentuk fungsi Quality Assurance (QA) yang berperan membantu Risk Taking Unit (RTU) dalam memastikan pengelolaan risiko operasional sehari-hari.

Divisi ORM (Manajemen Risiko Operasional), sebagai lapis pertahanan kedua membuat kerangka kerja, kebijakan dan prosedur serta mengembangkan perangkat kerja ORM dan program-program lainnya untuk mengelola risiko operasional. Kebijakan Manajemen Risiko Operasional dikaji ulang minimal setahun sekali untuk memastikan kesesuaian dengan kondisi Bank. Divisi ORM secara periodik melaporkan risiko operasional kepada Manajemen Senior dan Komite Manajemen Risiko.

Pelaksanaan kaji ulang independen juga dilakukan oleh Internal Audit sebagai lapis pertahanan ketiga secara berkala.

Penyelarasan kerja antara pihak-pihak yang terkait dengan praktek pengendalian internal Bank dilakukan melalui forum-forum maupun rapat secara periodik.

Pengelolaan Risiko Operasional

Bank dan Entitas Anak memiliki Kebijakan Pengelolaan Risiko Operasional untuk memastikan proses pengelolaan risiko operasional yang terdiri dari identifikasi, pengukuran, pemantauan dan pengendalian risiko berjalan secara terstruktur dan konsisten. Proses Pengelolaan Risiko Operasional diterapkan berdasarkan praktik terbaik yang efektif untuk Bank yang juga mencakup Business Continuity Management.

43. FINANCIAL RISK MANAGEMENT (continued)

Operational risk (continued)

Operational Risk Management Governance

Operational risk is managed through a framework, policies and procedures where business and support function units called Risk Taking Unit (RTU) to identifies, measures, monitors, control and reports the risks. The Operational Risk Management Structure adopts the Three Lines of Defence model. Risk Taking Unit (RTU), as the first line of defence, is responsible directly to manage and control operational risk in their business activities. They responsible to implement the operational risk policy and procedures. At the operational level, the Bank has established a Quality Assurance (QA) function which has the role of assisting the Risk Taking Unit (RTU) in ensuring day-to-day operational risk management.

ORM (Operational Risk Management) Division, as the second line of defense, develop framework, policy and procedures, improve the ORM tools and other program to manage operational risk. Operational Risk Management Policy is reviewed at least once a year to ensure compliance with the Bank's conditions. ORM Division periodically report operational risks to the Senior Management and Risk Management Committee.

Independent review is also carried out by the Internal Audit as a third line of defense on a regular basis.

Alignment of work between parties related to the Bank's internal control practices is carried out through forums and meetings periodically.

Operational Risk Management

The Bank and Subsidiaries established an Operational Risk Management Policy to ensure the operational risk management process which consists of structured and consistent identification, measurement, monitoring and controlling of risks. The Operational Risk Management process is based on best practices that effective for the Bank which also includes Business Continuity Management.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko operasional (lanjutan)

Pengelolaan Risiko Operasional (lanjutan)

Proses identifikasi, pengukuran, pemantauan dan pengendalian atas risiko operasional sebagai berikut:

1. Identifikasi Risiko Operasional dilakukan melalui Kajian Risiko Operasional atas setiap produk/proses/layanan yang baru atau berubah. Risiko-risiko operasional yang teridentifikasi dari setiap proses disusun ke dalam tabel PRC (*Process Risk Control*) dengan masing-masing tingkat risiko diukur dengan menggunakan RGM (*Risk Grading Matrix*).
2. Pengukuran Risiko Operasional dilakukan dengan KCSA (*Key Control Self Assessment*), dan Perhitungan Beban Modal untuk Risiko Operasional.
3. Pemantauan Risiko Operasional dilakukan dengan menganalisa pelaporan atas kejadian/kerugian risiko operasional, hasil pelaksanaan KCSA (*Key Control Self Assessment*), hasil temuan QA dan parameter yang sudah ditentukan oleh regulator di dalam Profil Risiko Operasional.
4. Pengendalian risiko operasional dilakukan melalui berbagai rencana tindakan dimanakah satunya adalah transfer risiko dengan perlindungan asuransi. Bank juga menerapkan kerangka kerja *Business Continuity Management (BCM)* sebagai bentuk pengendalian risiko operasional
5. Proses pengelolaan risiko operasional sehari-hari baik di Bank maupun Entitas Anak dilakukan melalui ORMS (*Operational Risk Management System*) yang merupakan aplikasi *online real-time* untuk memudahkan pencatatan, analisis, dan pelaporan dari data risiko operasional, dengan kemampuan melakukan identifikasi risiko, penilaian/pengukuran, pemantauan dan pengendalian/mitigasi yang dilaksanakan secara terintegrasi, sehingga dapat meningkatkan efektivitas dari pengelolaan risiko operasional.
6. Kebijakan Pengelolaan Risiko Operasional Bank dan Entitas Anak dikaji ulang secara berkala agar sesuai dengan perkembangan kondisi eksternal dan internal Bank dan disetujui oleh Direksi melalui Komite Manajemen Risiko.
7. Perhitungan beban modal untuk risiko operasional yang dilakukan Bank dan Entitas Anak menggunakan Pendekatan Indikator Dasar. Selanjutnya perhitungan Kewajiban Penyediaan Modal Minimum (KPM) dengan pendekatan standar akan dilakukan sesuai dengan jadwal yang ditentukan oleh OJK.

43. FINANCIAL RISK MANAGEMENT (continued)

Operational risk (continued)

Operational Risk Management (continued)

The process of identifying, measurement, monitoring and controlling operational risks as follows:

1. *Operational Risk Identification is carried out through operational risk assessment for each new/changes of product/process/services. Operational risk which identified from each process tabled into PRC (Process Risk Control) with each risk level measured by using RGM (Risk Grading Matrix).*
2. *Operational Risk Measurement is carried out with KCSA (Key Control Self Assessment) and Capital Charge Calculation for Operational Risk.*
3. *Operational Risk Monitoring is carried out with analyze report of operational risk event/loss, result of KCSA exercise (Key Control Self Assessment), QA Finding and parameter which defined by Regulator in Operational Risk Profile.*
4. *Operational risk control is carried out by various action plans where one is a risk transfer with insurance coverage. Bank also implement framework of Business Continuity Management (BCM) as one of operational risk control*
5. *The day-to-day operational risk management process both at the Bank and Subsidiary is carried out through an ORMS (Operational Risk Management System) which is a real-time online application to facilitate the recording, analysis and reporting of operational risk data, with the ability to identify risks, assessment/measurement, monitoring and control/mitigation carried out in an integrated manner, so as to increase the effectiveness of operational risk management.*
6. *Operational Risk Management Policy of Bank and Subsidiary is periodically reviewed to reflect the development of the Bank's external and internal conditions and is approved by the Board of Directors through the Risk Management Committee.*
7. *Calculation of capital charges for operational risks by the Bank and Subsidiary using the Basic Indicator Approach. Furthermore, the calculation of the Capital Adequacy Ratio (CAR) with standardized approach will be carried out in accordance with the schedule determined by OJK.*

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko operasional (lanjutan)

Pengelolaan Risiko Operasional (lanjutan)

Proses identifikasi, pengukuran, pemantauan dan pengendalian atas risiko operasional sebagai berikut (lanjutan):

8. Bank dan Entitas Anak telah memiliki pedoman bagi Pengelolaan Kelangsungan Usaha yang komprehensif dan mengacu kepada standard industri ISO 22301, dengan tujuan untuk mengantisipasi risiko operasional yang dapat terjadi dari situasi ekstrim/kritikal karena bencana alam seperti banjir, gempa bumi dan juga faktor lainnya seperti kebakaran, gangguan sistem pasokan listrik, hingga situasi bisnis yang kurang menguntungkan. Hal ini untuk memastikan kelangsungan layanan kepada nasabah tetap terjamin.

Program Manajemen Risiko Operasional

Beberapa inisiatif pokok yang masih terus dilaksanakan di Bank guna terus meningkatkan praktek pengelolaan risiko operasional, yaitu:

- Pengembangan kerangka kerja, kebijakan, prosedur serta perbaikan perangkat kerja ORM agar dapat membantu unit kerja dalam pengelolaan risiko operasional.
- Proses penilaian risiko yang berkaitan dengan pengembangan bisnis *Smart Digital Banking* dan *Laku Pandai*;
- Harmonisasi dan penggabungan dokumentasi atas *Business Impact Analysis* (BIA) dan *Business Continuity Plan* (BCP);
- Konsolidasi Lokasi Alternatif Bank.
- Pelaksanaan Forum *Business Risk/QA* secara berkala.
- Implementasi *Key Operational Risk Indicator*.
- Implementasi *Significant Incident Notification Protocol* (SINP) dan *Risk and Control Meeting* (RCM).
- Peningkatan sistem keamanan informasi (*Information Security*) Bank.

Risiko non-keuangan lainnya

Bank dan Entitas Anak juga memonitor risiko non-keuangan sebagai berikut:

- (i) risiko hukum untuk mengurangi kemungkinan kerugian dari tuntutan hukum atau kelemahan dalam aspek yuridis, contohnya apabila Bank dan Entitas Anak terlibat dalam perikatan yang lemah secara hukum, ketiadaan dan/atau perubahan peraturan perundang-undangan yang menyebabkan suatu transaksi yang telah dilakukan oleh Bank dan Entitas Anak tidak sesuai dengan ketentuan yang ada, dan proses litigasi;

43. FINANCIAL RISK MANAGEMENT (continued)

Operational risk (continued)

Operational Risk Management (continued)

The process of identifying, measurement, monitoring and controlling operational risks as follows (continued):

8. The Bank and Subsidiary already have guidelines for comprehensive Business Continuity Management and refer to ISO 22301 industry standards, with the aim of anticipating operational risks that can occur from extreme / critical situations due to natural disasters such as floods, earthquakes and other factors such as fires, disruption to the electricity supply system, to unfavorable business situations. This is to ensure continuity of service to customers remains guaranteed.

Operational Risk Management Program

Some of the key initiatives that are still being implemented at the Bank are to continue improving operational risk management practices, namely:

- Development of framework, policies, procedures, improvement of ORM tools to support working unit to manage operational risks.
- The risk assessment process related to the business development of *Smart Digital Banking* and *Smart Practice*;
- Harmonisation and incorporation of documentation on *Business Impact Analysis* (BIA) and *Business Continuity Plan* (BCP);
- Consolidation of Alternate Site of the Bank.
- Implementation of the *Business Risk/QA* Forum regularly.
- Implementation of *Key Operational Risk Indicator*.
- Implementation of *Significant Incident Notification Protocol* (SINP) and *Risk and Control Meeting* (RCM).
- Improvement of *Bank Information Security* System.

Other non-financial risk

The Bank and Subsidiary also monitor non-financial risk as follows:

- (i) legal risks to minimise possible losses from lawsuits and/or weaknesses in juridical matters, for example if the Bank and Subsidiary being involved with weak legal arrangements, an absence and/or change of regulations, which causes a transaction done by the Bank and Subsidiary to become illegal and litigation process;

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko non-keuangan lainnya

Bank dan Entitas Anak juga memonitor risiko non-keuangan sebagai berikut (lanjutan):

- (ii) risiko reputasi untuk mengurangi kemungkinan kerugian dari publikasi negatif yang terkait dengan kegiatan usaha Bank dan Entitas Anak atau persepsi negatif terhadap Bank dan Entitas Anak;
- (iii) risiko strategis untuk mengurangi kemungkinan kerugian akibat ketidaktepatan dalam pengambilan dan/atau pelaksanaan suatu keputusan strategis yang gagal mengantisipasi perubahan lingkungan bisnis; dan
- (iv) risiko kepatuhan untuk mengurangi kemungkinan kerugian karena tidak mematuhi atau tidak melaksanakan peraturan perundang-undangan dan ketentuan lain yang berlaku, termasuk prinsip syariah bagi Entitas Anak.

Upaya-upaya yang dilakukan untuk mengelola risiko-risiko hukum, risiko reputasi, risiko strategis dan risiko kepatuhan seperti tersebut di atas diantaranya adalah:

- Risiko hukum dikelola dengan cara:
 - (i) Membentuk unit kerja khusus bidang hukum;
 - (ii) Menetapkan kebijakan pengendalian risiko hukum terutama yang berpengaruh kepada aktivitas fungsional. Kebijakan dievaluasi minimal satu tahun sekali;
 - (iii) Mengidentifikasi dan mengendalikan risiko hukum yang melekat pada produk dan aktivitas baru sebelum diperkenalkan kepada nasabah;
 - (iv) Mengidentifikasi risiko hukum yang mempengaruhi setiap aktivitas fungsional;
 - (v) Pengukuran risiko hukum secara kuantitatif.
- Risiko reputasi dikelola dengan cara:
 - (i) Membentuk satuan kerja yang memiliki kewenangan dan tanggung jawab untuk memberikan informasi yang komprehensif kepada nasabah dan pemangku kepentingan;
 - (ii) Menetapkan kebijakan komunikasi dalam rangka menghadapi publikasi negatif atau pencegahannya;
 - (iii) Mengidentifikasi risiko reputasi yang terdapat pada setiap aktivitas fungsional;
 - (iv) Mengukur risiko reputasi secara kuantitatif.

43. FINANCIAL RISK MANAGEMENT (continued)

Other non-financial risk

The Bank and Subsidiary also monitor non-financial risk as follows (continued):

- (ii) reputation risks to minimise possible losses from negative publication relating to the business activities of the Bank and Subsidiary or negative perception about the Bank and Subsidiary;
- (iii) strategic risks to minimise possible losses arising from wrong decision and/or carrying out a strategic decision that fails to anticipate changes in the business environment; and
- (iv) compliance risks to minimise possible loss from non-compliance or failure to implement prevailing laws and regulations, including sharia principles for Subsidiary.

Initiatives taken to manage legal risks, reputation risks, strategic risks and compliance risks as described above, include the following:

- Legal risks are managed by:
 - (i) Forming a legal division;
 - (ii) Establishing policies of legal risk controls, particularly risks affecting functional activities. Those policies are evaluated annually, at the minimum;
 - (iii) Identifying and controlling legal risks that were inherent to new products and activities before launching;
 - (iv) Identifying legal risks affecting all functional activities;
 - (v) Quantifying legal risks.
- Reputation risks are managed by:
 - (i) Forming a unit that is authorised and responsible to provide comprehensive information to customers and stakeholders;
 - (ii) Establishing communication policies to anticipate and handle any negative publication;
 - (iii) Identifying reputation risks in all functional activities;
 - (iv) Quantifying reputation risks.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

43. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Risiko non-keuangan lainnya (lanjutan)

Upaya-upaya yang dilakukan untuk mengelola risiko-risiko hukum, risiko reputasi, risiko strategis dan risiko kepatuhan seperti tersebut di atas diantaranya adalah (lanjutan):

- Risiko strategis dikelola dengan cara:
 - (i) Menyusun rencana korporasi dan rencana bisnis untuk 3 (tiga) tahun sesuai dengan misi dan strategi Bank yang disetujui oleh Dewan Komisaris serta Direksi dengan memperhitungkan dampak terhadap permodalan, dan dilakukan *review* minimal 2 kali per tahun;
 - (ii) Membangun Sistem Informasi Manajemen dengan pengukuran kinerja yang tepat yang melakukan pemantauan berkala atas *key initiatives* yang dilaksanakan oleh unit-unit untuk mencapai rencana bisnis sesuai dengan tenggat waktunya; dan
 - (iii) Menetapkan pedoman yang mengatur perumusan dan pemantauan pelaksanaan strategi termasuk rencana korporasi dan rencana bisnis.
- Risiko kepatuhan dikelola dengan cara:
 - (i) Membentuk unit kerja kepatuhan yang independen yang melakukan pengawasan aktif kepada unit-unit kerja lain secara berkala;
 - (ii) Menetapkan prosedur pengendalian risiko kepatuhan, kebijakan pengaturan tanggung jawab dan review kepatuhan secara berkala;
 - (iii) Menetapkan prosedur untuk mengidentifikasi dan mengukur risiko kepatuhan pada seluruh aktivitas fungsional;
 - (iv) Menetapkan sistem laporan risiko kepatuhan secara berkala minimal setiap bulan;
 - (v) Melakukan pemisahan fungsi yang jelas antara satuan kerja operasional, satuan kerja pengendalian risiko dan satuan kerja pemantau risiko dalam struktur organisasi

43. FINANCIAL RISK MANAGEMENT (continued)

Other non-financial risk (continued)

Initiatives taken to manage legal risks, reputation risks, strategic risks and compliance risks as described above, include the following (continued):

- *Strategic risks are managed by:*
 - (i) *Setting up 3 (three) years corporate and business plan in accordance with the Bank's objectives and strategies that have been approved by Boards of Commissioners and Directors by considering the impact to capital, and reviewed at least semi-annually;*
 - (ii) *Setting up a Management Information System with an accurate performance measurement that periodically monitors key initiatives initiated by the Bank and Subsidiary units to achieve business plan goal within the prescribed time; and*
 - (iii) *Establishing guidance to set up and monitor the implementation of strategies including corporate and business plan.*
- *Compliance risks are managed by:*
 - (i) *Forming an independent compliance division which performs active monitoring to other divisions periodically;*
 - (ii) *Establishing procedure of compliance risk control, policies of responsibility and compliance review periodically;*
 - (i) *Establishing procedures to identify and assess compliance risks in all functional activities;*
 - (ii) *Establishing compliance risk report system periodically at the minimum once a month;*
 - (iii) *Setting up a clear segregation of duties between operational, risk control and risk monitoring unit.*

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

44. ASET DAN LIABILITAS DALAM MATA UANG ASING

44. ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

Saldo aset dan liabilitas moneter dalam mata uang asing adalah sebagai berikut :

The balances of monetary assets and liabilities in foreign currencies are as follow :

ASET	2019	2018	ASSETS
Kas			Cash
Dolar Amerika Serikat	26,954	4,967	United States Dollar
Yen Jepang	1,664	-	Japanese Yen
	<u>28,618</u>	<u>4,967</u>	
Giro pada Bank Indonesia			Current accounts with Bank Indonesia
Dolar Amerika Serikat	3,643,053	615,759	United States Dollar
Giro pada bank-bank lain			Current accounts with other banks
Yen Jepang	575,604	1,160	Japanese Yen
Dolar Amerika Serikat	158,708	712,029	United States Dollar
Dolar Singapura	46,378	232	Singapore Dollar
Euro Eropa	35,410	-	European Euro
Baht Thailand	15,955	-	Thailand Baht
Poundsterling Inggris	7,257	-	Great Britain Poundsterling
Dolar Australia	3,173	-	Australian Dollar
Lain-lain	1,596	-	Others
	<u>844,081</u>	<u>713,421</u>	
Penempatan pada Bank Indonesia dan bank-bank lain			Placement with Bank Indonesia and other banks
Dolar Amerika Serikat	4,484,048	1,855,020	United States Dollar
Efek-efek			Marketable securities
Dolar Amerika Serikat	769,663	-	United States Dollar
Tagihan derivatif			Derivative receivables
Dolar Amerika Serikat	61,947	-	United States Dollar
Tagihan akseptasi			Acceptance receivables
Dolar Amerika Serikat	830,727	-	United States Dollar
Euro Eropa	13,811	-	European Euro
	<u>844,538</u>	<u>-</u>	
Pinjaman yang diberikan			Loans
Dolar Amerika Serikat	36,794,960	-	United States Dollar
Yen Jepang	943,701	-	Japanese Yen
	<u>37,738,661</u>	<u>-</u>	
Aset lain-lain			Other assets
Dolar Amerika Serikat	11,917	8	United States Dollar
Euro Eropa	210	-	European Euro
	<u>12,127</u>	<u>8</u>	
Jumlah aset	<u>48,426,826</u>	<u>3,189,175</u>	Total assets

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

44. ASET DAN LIABILITAS DALAM MATA UANG
ASING (lanjutan)

44. ASSETS AND LIABILITIES IN FOREIGN
CURRENCIES (continued)

	2019	2018	
LIABILITAS			LIABILITIES
Giro			<i>Current accounts</i>
Dolar Amerika Serikat	7,866,301	29,398	<i>United States Dollar</i>
Yen Jepang	1,036,827	-	<i>Japanese Yen</i>
Lain-lain	40,075	-	<i>Others</i>
	<u>8,943,203</u>	<u>29,398</u>	
Tabungan			<i>Savings deposits</i>
Dolar Amerika Serikat	95,712	22,996	<i>United States Dollar</i>
Dolar Singapura	34,794	4	<i>Singapore Dollar</i>
Yen Jepang	17,854	54	<i>Japanese Yen</i>
	<u>148,360</u>	<u>23,054</u>	
Deposito berjangka dan deposito <i>on call</i>			<i>Time deposits and deposits on call</i>
Dolar Amerika Serikat	2,931,131	4,171,758	<i>United States Dollar</i>
Yen Jepang	48,982	-	<i>Japanese Yen</i>
Dolar Singapura	-	21	<i>Singapore Dollar</i>
	<u>2,980,113</u>	<u>4,171,779</u>	
Simpanan dari bank lain			<i>Deposits from other banks</i>
Dolar Amerika Serikat	7,288,212	-	<i>United States Dollar</i>
Liabilitas derivatif			<i>Derivative payables</i>
Dolar Amerika Serikat	54,728	-	<i>United States Dollar</i>
Liabilitas akseptasi			<i>Acceptance payables</i>
Dolar Amerika Serikat	317,218	-	<i>United States Dollar</i>
Euro Eropa	13,811	-	<i>European Euro</i>
Yen Jepang	-	-	<i>Japanese Yen</i>
	<u>331,029</u>	<u>-</u>	
Pinjaman yang diterima			<i>Borrowings</i>
Dolar Amerika Serikat	31,193,978	8,268	<i>United States Dollar</i>
Pinjaman subordinasi			<i>Subordinated loans</i>
Dolar Amerika Serikat	6,038,888	-	<i>United States Dollar</i>
Liabilitas lain-lain			<i>Other liabilities</i>
Dolar Amerika Serikat	158,696	68,750	<i>United States Dollar</i>
Yen Jepang	3,050	-	<i>Japanese yen</i>
	<u>161,746</u>	<u>68,750</u>	
Jumlah liabilitas	<u>57,140,257</u>	<u>8,247,481</u>	Total liabilities
Aset (liabilitas) bersih	(8,713,431)	(5,058,306)	Net assets (liabilities)

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED 31 DECEMBER 2019 AND 2018
(Expressed in millions of Rupiah, unless otherwise stated)

45. JAMINAN PEMERINTAH TERHADAP LIABILITAS PEMBAYARAN BANK UMUM

Berdasarkan Undang-Undang No. 24 tanggal 22 September 2004 yang berlaku efektif sejak tanggal 22 September 2005, sebagaimana diubah dengan Peraturan Pemerintah Pengganti Undang-undang Republik Indonesia No. 7 Tahun 2009 tanggal 13 Januari 2009 tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang No. 3 Tahun 2008, dibentuk untuk menjamin liabilitas tertentu bank-bank umum berdasarkan program penjaminan yang berlaku, yang besaran nilai jaminannya dapat berubah jika memenuhi kriteria tertentu yang berlaku.

Berdasarkan Peraturan Pemerintah Republik Indonesia No. 66 tahun 2008 tanggal 13 Oktober 2008 mengenai Besarnya Nilai Simpanan yang Dijamin Lembaga Penjaminan Simpanan (LPS), maka pada tanggal 31 Desember 2019 dan 31 Desember 2018 jumlah simpanan yang dijamin LPS adalah simpanan sampai dengan Rp 2.000 untuk per nasabah per bank.

Berdasarkan Surat Edaran No. 17 tahun 2019 tanggal 23 September 2019, simpanan nasabah dijamin hanya jika suku bunganya sama dengan atau di bawah 6,50% untuk simpanan dalam Rupiah dan 2,00% untuk simpanan dalam mata uang asing pada tanggal 31 Desember 2019 (31 Desember 2018: 6,75% dan 2%).

Bank dan Entitas Anak adalah peserta dari program penjaminan tersebut. Premi yang telah dibayarkan selama tahun-tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 masing-masing adalah Rp 189.114 dan Rp 124.121.

46. STANDAR AKUNTANSI YANG DITERBITKAN NAMUN BELUM BERLAKU EFEKTIF

Beberapa amandemen, penyesuaian dan interpretasi standar akuntansi telah terbit tetapi belum efektif untuk tahun berakhir pada tanggal 31 Desember 2019, dan belum diterapkan dalam penyusunan laporan keuangan konsolidasian ini.

PSAK berikut ini, yang akan berlaku efektif mulai tanggal 1 Januari 2020, memiliki pengaruh atas laporan keuangan konsolidasian Perseroan di masa yang akan datang, dan mungkin akan membutuhkan penerapan secara retrospektif sebagaimana diatur dalam PSAK 25, "Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan":

- PSAK 71 "Instrumen Keuangan"
- PSAK 72 "Pendapatan dari Kontrak dengan Pelanggan"
- PSAK 73 "Sewa"
- Amandemen PSAK 1 "Penyajian Laporan Keuangan"
- Penyesuaian Tahunan PSAK 1 "Penyajian Laporan Keuangan"

45. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS

Based on Law No. 24 dated 22 September 2004, effective on 22 September 2005, which was amended by the Government Regulation as Substitution of Law No. 7 Year 2009 dated 13 January 2009 regarding with the Determination of Government Regulation as Substitution of Law No. 3 Year 2008, Deposit Insurance Agency ("LPS") was formed to guarantee certain liabilities of commercial banks under the applicable guarantee program, which the amount of guarantee can be amended if the situation complies with the valid particular criterias.

Based on Government Regulation No. 66 year 2008 dated 13 October 2008 regarding The Amount of Deposit Guaranteed by Indonesia Deposit Insurance Agency (LPS), the amount of deposits covered by LPS is customer deposits up to Rp 2,000 per depositor per bank as of 31 December 2019 and 31 December 2018.

Based on Press Release Circular Letter No. 17 year 2019 dated 23 September 2019, customer deposits are only covered if the rate of interest is equal to or below 6.50% for deposits denominated in Rupiah and 2.00% for deposits denominated in foreign currency as of 31 December 2019 (31 December 2018: 6.75% and 2%, respectively).

The Bank and Subsidiary both are participants of the guarantee program. Premium paid for the years ended 31 December 2019 and 2018 was Rp 189,114 and Rp 124,121, respectively.

46. ISSUED BUT NOT YET EFFECTIVE ACCOUNTING STANDARDS

Certain amendments, revisions and interpretations of accounting standards have been issued but are not yet effective for the year ended 31 December 2019, and have not been applied in preparing these consolidated financial statements.

The following PSAKs, which will become effective starting 1 January 2020, have an effect on the Company's future consolidated financial statements, and may require retrospective application under PSAK 25, "Accounting Policies, Changes in Accounting Estimates and Errors":

- PSAK 71 "Financial Instruments"
- PSAK 72 "Revenue from Contracts with Customers"
- PSAK 73 "Leases"
- Amendment to PSAK 1 "Presentation of Financial Statements"
- Annual Improvement to PSAK 1 "Presentation of Financial Statements"

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**46. STANDAR AKUNTANSI YANG DITERBITKAN
NAMUN BELUM BERLAKU EFEKTIF (lanjutan)**

Pada tanggal penerbitan laporan keuangan konsolidasian ini, manajemen telah menentukan dampak dari pengaruh retrospektif atas penerapan standar-standar di atas, dimana tidak terdapat dampak yang signifikan terhadap posisi keuangan dan hasil operasi Perseroan, kecuali atas penerapan standar-standar berikut:

PSAK 71 “Instrumen Keuangan”

PSAK No. 71 menggantikan hampir semua ketentuan di PSAK No. 55, “Instrumen Keuangan: Pengakuan dan Pengukuran”. Dalam PSAK ini terdapat ketentuan yang direvisi untuk klasifikasi dan pengukuran instrumen keuangan, metode kerugian kredit ekspektasian yang baru untuk menghitung penurunan nilai aset keuangan, persyaratan umum baru untuk akuntansi lindung nilai, dan tambahan pengungkapan. PSAK ini meneruskan ketentuan untuk pengakuan dan penghentian pengakuan instrumen keuangan yang diambil dari PSAK No. 55.

Penerapan secara retrospektif secara umum disyaratkan, kecuali untuk akuntansi lindung nilai. Untuk akuntansi lindung nilai, ketentuan secara umum diterapkan secara prospektif, dengan beberapa pengecualian yang terbatas. Saat ini Bank tidak melakukan transaksi yang berkaitan dengan akuntansi lindung nilai.

Penyajian kembali informasi komparatif tidak diwajibkan. Jika informasi komparatif tidak disajikan kembali, dampak kumulatif dicatat pada saldo awal ekuitas (saldo laba) pada tanggal penerapan awal.

i. Klasifikasi dan pengukuran – aset keuangan dan liabilitas

PSAK No. 71 ini mengatur klasifikasi baru untuk aset keuangan berdasarkan karakteristik dari arus kas kontraktual dan model bisnis dimana aset dikelola.

PSAK No. 71 mencakup tiga kategori untuk klasifikasi aset keuangan yaitu diukur dengan biaya perolehan diamortisasi, nilai wajar melalui penghasilan komprehensif lain (“FVOCI”) dan nilai wajar melalui laba rugi (“FVTPL”). Aset keuangan diklasifikasikan ke dalam salah satu dari kategori ini pada saat pengakuan awal.

Aset keuangan diukur dengan biaya perolehan diamortisasi hanya jika memenuhi kedua kondisi berikut dan tidak ditetapkan sebagai FVTPL:

- Aset keuangan dikelola dalam model bisnis yang bertujuan untuk memiliki aset keuangan untuk tujuan mendapatkan arus kas kontraktual; dan

**46. ISSUED BUT NOT YET EFFECTIVE ACCOUNTING
STANDARDS (continued)**

As of the issuance of these consolidated financial statements, management has assessed the extent of the retrospective impact that the future adoption on the above standards, for which there are no significant impact to the Company’s financial position and operating results, except on the adoption of the following standards:

PSAK 71 “Financial Instruments”

PSAK No. 71 replaces most of the existing requirements in PSAK No. 55, “Financial Instruments: Recognition and Measurement”. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, new general hedge accounting requirements, and additional disclosures. It also carries forward the requirements on recognition and derecognition of financial instruments from PSAK No. 55.

Retrospective application is generally is required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Currently the Bank did not enter into transactions related to the hedging accounting.

Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity (retained earnings) on initial implementation date.

i. Classification and measurement – financial assets and liabilities

PSAK No. 71 contains a new classification for financial assets based on their contractual cash flow characteristics and the business model in which assets are managed.

PSAK No. 71 includes three categories for financial assets which are measured at amortised cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVTPL”). Financial asset is classified into one of these categories on initial recognition.

A financial asset is measured at amortised cost only if it meets both of the following conditions and is not designated as at FVTPL:

- *The financial asset is held within a business model whose objective is to hold the asset to collect contractual cash flows; and*

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**46. STANDAR AKUNTANSI YANG DITERBITKAN
NAMUN BELUM BERLAKU EFEKTIF (lanjutan)**

**46. ISSUED BUT NOT YET EFFECTIVE ACCOUNTING
STANDARDS (continued)**

PSAK 71 “Instrumen Keuangan”

PSAK 71 “Financial Instruments”

**i. Klasifikasi dan pengukuran – aset keuangan
dan liabilitas (lanjutan)**

**i. Classification and measurement–financial
assets and liabilities (continued)**

- Persyaratan kontraktual dari aset keuangan yang pada tanggal tertentu menghasilkan arus kas yang merupakan pembayaran pokok dan bunga semata dari jumlah pokok terutang

- *Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.*

Aset keuangan diukur pada FVOCI, hanya jika memenuhi kedua kondisi berikut dan tidak ditetapkan sebagai FVTPL:

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- Aset keuangan dikelola dalam model bisnis yang tujuan tercapai dengan mendapatkan arus kas kontraktual dan menjual aset keuangan; dan
- Persyaratan kontraktual dari aset keuangan yang pada tanggal tertentu menghasilkan arus kas yang merupakan pembayaran pokok dan bunga semata dari jumlah pokok terutang.

- *The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset; and*
- *Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.*

Seluruh aset keuangan yang tidak diklasifikasikan sebagai aset keuangan yang diukur dengan biaya perolehan diamortisasi atau aset keuangan yang diukur pada FVOCI sebagaimana ketentuan di atas diukur dengan FVTPL.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Pada pengakuan awal atas instrumen ekuitas yang tidak dimiliki untuk diperdagangkan, Bank dapat melakukan pemilihan yang tidak dapat dibatalkan untuk menyajikan perubahan selanjutnya dalam nilai wajar dalam penghasilan komprehensif lain. Pemilihan ini dilakukan dengan basis per investasi.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

PSAK No. 71 mempertahankan hampir semua kriteria sesuai dengan PSAK No. 55 untuk klasifikasi liabilitas keuangan.

PSAK No. 71 largely retains the existing requirements in PSAK No. 55 for the classification of financial liabilities.

Berdasarkan penilaian awal secara umum atas kemungkinan perubahan klasifikasi dan pengukuran aset keuangan pada tanggal 31 Desember 2019, Bank memperkirakan perubahan terhadap klasifikasi dan pengukuran tidak akan memiliki dampak yang material terhadap laporan keuangan konsolidasian.

Based on its preliminary high-level assessment of possible changes to the classification and measurement of financial assets held as at 31 December 2019, the Bank expects the change in classification and measurement will not have material impact to the consolidated financial statements.

ii. Penurunan nilai aset keuangan

ii. Impairment of financial assets

PSAK No. 71 menggantikan model kerugian yang telah terjadi (*incurred loss*) pada PSAK No. 55 dengan model kerugian kredit ekspektasian yang *forward looking (forward looking expected credit losses - “ECL”)*. Hal ini mengharuskan pertimbangan atas bagaimana keadaan ekonomi mempengaruhi ECL, yang akan ditentukan berdasarkan rata-rata probabilitas tertimbang.

PSAK No. 71 replaces the “incurred loss” model in PSAK No. 55 with a forward-looking expected credit loss (ECL). This will require considerable judgment over how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**46. STANDAR AKUNTANSI YANG DITERBITKAN
NAMUN BELUM BERLAKU EFEKTIF (lanjutan)**

PSAK 71 “Instrumen Keuangan” (lanjutan)

ii. Penurunan nilai aset keuangan (lanjutan)

Model penurunan nilai yang baru diterapkan untuk seluruh instrumen keuangan yang tidak diukur pada FVTPL, termasuk komitmen pinjaman dan kontrak jaminan keuangan yang diterbitkan.

PSAK No. 71 mengharuskan cadangan kerugian diakui sejumlah kerugian kredit ekspektasian 12 bulan (*12-month ECL*) atau kerugian kredit ekspektasian sepanjang umur aset keuangan (*lifetime ECL*). *Lifetime ECL* adalah kerugian kredit ekspektasian yang berasal dari semua kemungkinan kejadian gagal bayar sepanjang umur ekspektasian suatu instrumen keuangan, sedangkan *12-month ECL* adalah porsi dari kerugian kredit ekspektasian yang berasal dari kemungkinan kejadian gagal bayar dalam 12 bulan setelah tanggal pelaporan.

Pada setiap tanggal pelaporan, Bank akan mengukur cadangan kerugian instrumen keuangan sejumlah kerugian kredit ekspektasian sepanjang umur instrumen keuangan, jika risiko kredit atas instrumen keuangan tersebut telah meningkat secara signifikan sejak pengakuan awal. Bank akan mengakui cadangan kerugian sejumlah *lifetime ECL*, kecuali dalam kondisi berikut dimana cadangan kerugian sejumlah *12-month ECL* yang akan diakui:

- Instrumen keuangan dengan risiko kredit rendah atau ekuivalen dengan tingkat risiko negara Republik Indonesia; dan
- Risiko kredit belum meningkat secara signifikan sejak pengakuan awal instrumen keuangan bersangkutan.

Kriteria penurunan nilai menurut PSAK No. 71 adalah kompleks dan memerlukan pertimbangan, estimasi dan asumsi manajemen, terutama untuk area berikut:

- Evaluasi apakah risiko kredit dari suatu aset keuangan telah meningkat secara signifikan sejak pengakuan awal; dan
- Memasukkan informasi yang bersifat *forward looking* dalam pengukuran *ECL*.

Pada saat penerbitan laporan keuangan konsolidasian ini, Bank masih terus menyempurnakan model perhitungan *expected credit loss* dan proses operasional.

**46. ISSUED BUT NOT YET EFFECTIVE ACCOUNTING
STANDARDS (continued)**

PSAK 71 “Financial Instruments” (continued)

ii. Impairment of financial assets (continued)

The new impairment model applies to the all financial instruments that are not measured at FVTPL, including loan commitments and financial guarantee contracts issued.

PSAK No. 71 requires a loss allowance to be recognized at an amount equal to either 12-month ECLs or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after reporting date.

At each reporting date, the Bank shall measure the loss allowance for a financial instrument at an amount equal to the lifetime credit losses, if the credit risk on that financial instrument has increased significantly since initial recognition. The Bank will recognize loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognized will be 12-month ECLs:

- *The financial instruments with low credit risk when its credit risk rating is equivalent to the sovereign risk rating of Republic of Indonesia; and*
- *Financial instruments for which credit risk has not increased significantly since initial recognition.*

The impairment requirements of PSAK No. 71 are complex and require management judgments, estimates and assumptions, particularly in the following areas:

- *Assessing whether the credit risk of an instrument has increased significantly since initial recognition; and*
- *Incorporating forward-looking information into the measurement of ECLs.*

As at the authorization date of this consolidated financial statements, the Bank is still continuously refining the expected credit loss models and operational processes.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN Pensiunan Nasional Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

**CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018**
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018**
(Expressed in millions of Rupiah, unless otherwise stated)

**46. STANDAR AKUNTANSI YANG DITERBITKAN
NAMUN BELUM BERLAKU EFEKTIF (lanjutan)**

**46. ISSUED BUT NOT YET EFFECTIVE ACCOUNTING
STANDARDS (continued)**

PSAK 71 “Instrumen Keuangan” (lanjutan)

PSAK 71 “Financial Instruments” (continued)

iii. Pengungkapan

iii. Disclosures

PSAK No. 71 mengharuskan pengungkapan baru yang lebih luas, terutama risiko kredit dan kerugian kredit ekspektasian. Evaluasi Bank termasuk analisa data untuk mengidentifikasi data yang tidak dapat diidentifikasi dalam proses saat ini dan saat ini Bank sedang dalam tahap implementasi sistem dan perubahan pengendalian yang diyakini diperlukan untukmendapatkan data untuk pengungkapan.

PSAK No. 71 requires extensive new disclosures, in particular about credit risks and expected credit losses. The Bank’s assessment included an analysis to identify unidentified data in current processes and the Bank is currently implement the system and controls changes that believe will be necessary to capture the required data for disclosures.

PSAK 73 “Sewa”

PSAK 73 “Leases”

PSAK 73 memperkenalkan model tunggal pengakuan sewa di neraca untuk akuntansi penyewa. Penyewa mengakui aset hak-guna yang merupakan hak penyewa untuk menggunakan aset yang mendasari perjanjian sewa dan liabilitas sewa yang merupakan kewajiban penyewa untuk melakukan pembayaran sewa. Terdapat pengecualian untuk pengakuan sewa jangka pendek dan sewa atas barang yang bernilai rendah.

PSAK 73 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

PSAK 73 menggantikan PSAK 30 “Sewa”, ISAK 8 “Penentuan Apakah Suatu Perjanjian Mengandung Suatu Sewa”, ISAK 23 “Sewa Operasi – Insentif”, dan ISAK 24 “Evaluasi Substansi Beberapa Transaksi yang Melibatkan Suatu Bentuk Legal Sewa”.

PSAK 73 replaces existing leases guidance, including PSAK 30 “Leases”, ISAK 8 “Determining Whether an Arrangement Contains a Lease”, ISAK 23 “Operating Leases – Incentives”, and ISAK 24 “Evaluating the Substance of Transactions in the Legal Form of a Lease”.

Bank telah melakukan penilaian awal atas dampak potensial terhadap laporan keuangannya, namun belum menyelesaikan penilaian terperinci. Dampak aktual penerapan PSAK 73 pada laporan keuangan pada periode penerapan awal akan tergantung pada kondisi ekonomi di masa depan, pengembangan portofolio sewa Bank, penilaian Bank apakah akan menggunakan pilihan untuk pembaruan sewa, dan sejauh mana Bank memilih untuk menggunakan tindakan praktis dan pengecualian pengakuan.

The Bank has completed an initial assessment of the potential impact on its financial statements, but has not yet completed its detailed assessment. The actual impact of applying PSAK 73 on the financial statements in the period of initial application will depend on future economic conditions, the development of the Bank’s lease portfolio, the Bank’s assessment of whether it will exercise any lease renewal options and the extent to which the Bank chooses to use practical expedients and recognition exemptions.

Bank akan mengakui aset dan liabilitas baru untuk sewa operasi gedung kantor dan kantor cabang. Pengakuan beban yang terkait dengan sewa ini akan berubah karena PSAK 73 menggantikan biaya sewa operasi dengan basis garis lurus dengan beban penyusutan untuk aset hak-guna dan beban bunga atas liabilitas sewa.

The Bank will recognize new assets and liabilities for its operating leases of office premises and branch. The nature of expenses related to these leases will change due to PSAK 73 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Sebelumnya, Bank mengakui beban sewa operasi berdasarkan garis lurus selama masa sewa, dan mengakui aset dan liabilitas hanya sejauh ketika terdapat perbedaan waktu antara pembayaran sewa aktual dan beban yang diakui.

Previously, the Bank recognized operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Pada tanggal 1 Januari 2020, Bank mengestimasi kenaikan kurang dari 1% atas total aset dikarenakan pengakuan aset hak-guna dan kenaikan kurang dari 1% atas total liabilitas dikarenakan penambahan liabilitas sewa.

As of 1 January 2020, Bank estimated the increase of total assets by less than 1% from recognition of right-of-use assets and increase of total liabilities by less than 1% from additional lease liabilities.

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSIUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

48. PENYAJIAN KEMBALI INFORMASI
KOMPARATIF ATAS LAPORAN KEUANGAN
KONSOLIDASIAN (lanjutan)

Informasi komparatif untuk laporan posisi keuangan konsolidasian tanggal 1 Januari 2018 (yang berasal dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2017) juga disesuaikan untuk mencerminkan saldo yang disajikan kembali, sebagai berikut:

48. RESTATEMENT OF THE COMPARATIVE
INFORMATION OF CONSOLIDATED FINANCIAL
STATEMENTS (continued)

Comparative information for the consolidated financial statements as of 1 January 2018 (which are derived from the consolidated financial statements as of 31 December 2017) is also adjusted to reflect the restated balance, as follows:

	1 Januari/January 2018			
	Dilaporkan sebelumnya/ As previously reported	Penyesuaian/ Adjustments	Setelah penyajian kembali/ As restated	
Laporan posisi keuangan konsolidasian				Consolidated statement of financial position
<u>Aset</u>				<u>Assests</u>
Beban dibayar dimuka	2,733,440	(448,257)	2,285,183	Prepayments
<u>Ekuitas</u>				<u>Equity</u>
Saldo laba - belum dicadangkan	14,227,025	(448,257)	13,778,768	Retained earnings - unappropriated

Penyajian kembali tidak mempengaruhi klasifikasi jumlah arus kas konsolidasian dari aktivitas operasi, investasi dan pendanaan yang dilaporkan sebelumnya, maupun mempengaruhi kelangsungan usaha Bank serta harga saham Bank di pasar.

The restatement neither affect the classification of the amount of consolidated cash flows from operating, investing and financing activities which were previously reported, nor affect the going concern of the Bank's business and the price of the Bank's shares in the market.

49. REKLASIFIKASI AKUN

Beberapa akun dalam informasi komparatif pada tanggal 31 Desember 2018 dan 1 Januari 2018/ 31 Desember 2017 telah direklasifikasi agar sesuai dengan penyajian laporan posisi keuangan konsolidasian tanggal 31 Desember 2019.

49. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the comparative information as of 31 December 2018 and 1 January 2018/ 31 December 2017 have been reclassified to conform with the presentation of the consolidated statement of financial position as of 31 December 2019.

	31 Desember/December 2018			
	Sebelum reklasifikasi/ Before reclassifications*	Reklasifikasi/ Reclassifications	Setelah reklasifikasi/ After reclassifications*	
Laporan posisi keuangan konsolidasian				Consolidated statement of financial position
<u>Liabilitas</u>				<u>Liabilities</u>
Bagi hasil yang belum dibagikan	-	17.035	17.035	Undistributed revenue sharing
<u>Dana syirkah temporer</u>				<u>Temporary syirkah funds</u>
Beban bagi hasil yang masih harus dibayar	17.035	(17.035)	-	Accrued profit sharing expenses
Laporan laba rugi dan penghasilan komprehensif lain konsolidasian				Consolidated statements of profit or loss and other comprehensive income
<u>Pendapatan operasional lainnya</u>				<u>Other operating income</u>
Pendapatan operasional lainnya	755,937	28,424	784,361	Other operating income
Keuntungan (kerugian) dari selisih kurs dan transaksi derivatif bersih	(155,033)	(29,189)	(184,222)	Net gain (loss) on foreign exchange and derivative transactions
<u>Beban operasional lainnya</u>				<u>Other operating expenses</u>
Beban umum dan administrasi	(2,726,914)	(3,924)	(2,730,838)	General and administrative expenses
Beban operasional lainnya	(339,483)	3,924	(335,559)	Other operating expenses
<u>Pendapatan (beban) non-operasional</u>				<u>Non-operating income (expenses)</u>
Pendapatan non-operasional	6,475	(1,353)	5,122	Non-operating income
Beban non-operasional	(35,568)	2,118	(33,450)	Non-operating expenses

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

PT BANK BTPN Tbk
(DAHULU/FORMERLY PT BANK TABUNGAN PENSUNAN NASIONAL Tbk)
DAN ENTITAS ANAK/AND SUBSIDIARY

CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
TAHUN BERAKHIR 31 DESEMBER 2019 DAN 2018
 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2019 AND 2018
 (Expressed in millions of Rupiah, unless otherwise stated)

49. REKLASIFIKASI AKUN (lanjutan)

49. RECLASSIFICATION OF ACCOUNTS (continued)

	1 Januari/January 2018/ 31 Desember/December 2017			
	Sebelum reklasifikasi/ Before reclassifications*	Reklasifikasi/ Reclassifications	Setelah reklasifikasi/ After reclassifications*	
Laporan posisi keuangan konsolidasian				Consolidated statement of financial position
<u>Liabilitas</u>				<u>Liabilities</u>
Bagi hasil yang belum dibagikan	-	13.735	13.735	Undistributed revenue sharing
<u>Dana syirkah temporer</u>				<u>Temporary syirkah funds</u>
Beban bagi hasil yang masih harus dibayar	13.735	(13.735)	-	Accrued profit sharing expenses

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

50. PERISTIWA SETELAH TANGGAL PELAPORAN

50. SUBSEQUENT EVENT

Efektif tanggal 1 Januari 2020, Perseroan telah mengadopsi PSAK 71 (Catatan 46) dan menerapkan perhitungan cadangan kerugian kredit ekspektasian yang *forward looking* ("ECL") atas aset keuangannya. Karena kejadian luar biasa terkait *Coronavirus Disease 2019* ("COVID-19"), di bulan Maret 2020, World Health Organization telah menyatakan pandemi, dan langkah-langkah pencegahan dan pengendalian atas COVID-19 telah berlangsung di Indonesia. Situasi ini telah mengganggu aktivitas usaha dan ekonomi global, termasuk Indonesia. Perseroan terus memantau situasi terkait COVID-19 tersebut, menilai dan merespon secara aktif atas dampaknya ke posisi keuangan dan hasil operasi. Sampai dengan tanggal laporan keuangan konsolidasian ini, penilaian tersebut masih berlangsung. Perseroan akan mempertimbangkan dampak dan tingkat probabilitas skenario ekonomi yang memburuk akibat situasi terkait COVID-19 tersebut ketika mengestimasi ECL pada tahun 2020.

Effective 1 January 2020, the company adopted PSAK 71 (Note 46) and applied forward-looking expected credit loss ("ECL") in determining impairment losses for its financial assets. Since the outbreak of *Coronavirus Disease 2019* ("COVID-19"), in March 2020, World Health Organization has declared a pandemic, and the prevention and control of the COVID-19 has been going on in Indonesia. The situation has distracted global, including Indonesia, business and economic activities. The company will keep continuous attention on the situation of the COVID-19, assess and react actively to its impacts on the financial position and operating results. Up to the date of the consolidated financial statements, the assessment is still in progress. The company will consider the impacts and likelihood of the downside economic scenarios following the situation of COVID-19 when estimating the ECL in 2020.

51. INFORMASI KEUANGAN TAMBAHAN

51. SUPPLEMENTARY FINANCIAL INFORMATION

Perseroan menerbitkan laporan keuangan konsolidasian yang merupakan laporan keuangan utama. Informasi keuangan tambahan PT Bank BTPN Tbk (Entitas Induk) ini, dimana investasi pada Entitas Anak dicatat dengan metode harga perolehan, disajikan untuk dapat menganalisis hasil usaha entitas induk saja. Informasi keuangan tambahan PT Bank BTPN Tbk (Entitas Induk) (halaman 202-210) berikut ini harus dibaca bersamaan dengan laporan keuangan konsolidasian PT Bank BTPN Tbk dan Entitas Anak.

The Company issued the consolidated financial statements as its primary financial statements. The supplementary financial information of PT Bank BTPN Tbk (Parent Entity) which account for investments in Subsidiary using the cost method, have been prepared in order that the parent entity's results of operations can be analysed. The following supplementary financial information of PT Bank BTPN Tbk (Parent Entity) (pages 202-210) should be read in conjunction with the consolidated financial statements of PT Bank BTPN Tbk and Subsidiary.

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

LAMPIRAN 1.1

APPENDIX 1.1

**PT BANK BTPN Tbk
ENTITAS INDUK/PARENT ENTITY**

**LAPORAN POSISI KEUANGAN
31 DESEMBER 2019 DAN 2018***

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2019 AND 2018***

(Expressed in millions of Rupiah, unless otherwise stated)

	31 Desember/December		
	2019	2018*	
ASET			ASSETS
Kas	1,587,729	1,422,553	Cash
Giro pada Bank Indonesia	8,528,677	4,850,092	Current accounts with Bank Indonesia
Giro pada bank-bank lain:			Current accounts with other banks
- Pihak ketiga	317,982	804,578	Third parties -
- Pihak berelasi	725,450	21,912	Related parties -
	1,043,432	826,490	
Penempatan pada Bank Indonesia dan bank-bank lain	6,189,876	9,203,619	Placements with Bank Indonesia and other banks
Pendapatan bunga yang masih akan diterima	218	846	Accrued interest income
	6,190,094	9,204,465	
Efek-efek			Marketable securities
- Pihak ketiga	8,496,766	5,775,718	Third parties -
- Pihak berelasi	86,105	-	Related parties -
	8,582,871	5,775,718	
Pendapatan bunga yang masih akan diterima	33,397	52,738	Accrued interest income
Dikurangi: Cadangan kerugian penurunan nilai	(6)	-	Less: Allowance for impairment losses
	8,616,262	5,828,456	
Efek-efek yang dibeli dengan janji dijual kembali	-	1,591,672	Securities purchased under resale agreements
Pendapatan bunga yang masih akan diterima	-	8,283	Accrued interest/margin income
	-	1,599,955	
Tagihan derivatif			Derivative receivables
- Pihak ketiga	778,690	-	Third parties -
- Pihak berelasi	61,682	-	Related parties -
	840,372	-	
Tagihan akseptasi	1,692,460	-	Acceptance receivables
Dikurangi: Cadangan kerugian penurunan nilai	(69)	-	Less: Allowance for impairment losses
	1,692,391	-	
Pinjaman yang diberikan:			Loans:
- Pihak ketiga	130,627,900	60,840,986	Third parties -
- Pihak berelasi	2,132,709	18,632	Related parties -
Pendapatan bunga yang masih akan diterima	737,758	523,380	Accrued interest income
Dikurangi: Cadangan kerugian penurunan nilai	(1,175,080)	(918,116)	Less: Allowance for impairment losses
	132,323,287	60,464,882	
Penyertaan saham	1,303,643	1,283,192	Investment in shares
Beban dibayar dimuka	2,140,893	2,137,716	Prepayments
Pajak dibayar dimuka			Prepaid taxes:
- Pajak penghasilan	321,312	53,308	Corporate income tax -
Aset pajak tangguhan	-	116,150	Deferred tax assets
Aset tetap	3,201,234	2,899,291	Fixed assets
Dikurangi: Akumulasi penyusutan	(1,517,038)	(1,289,365)	Less: Accumulated depreciation
	1,684,196	1,609,926	
Aset tak berwujud	2,009,007	1,510,528	Intangible assets
Dikurangi: Akumulasi amortisasi	(1,068,375)	(676,549)	Less: Accumulated amortisation
	940,632	833,979	
Aset lain-lain	279,814	320,329	Other assets
JUMLAH ASET	167,492,734	90,551,493	TOTAL ASSETS

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

LAMPIRAN 1.2

APPENDIX 1.2

PT BANK BTPN Tbk
ENTITAS INDUK/PARENT ENTITY

LAPORAN POSISI KEUANGAN
31 DESEMBER 2019 DAN 2018*

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2019 AND 2018*

(Expressed in millions of Rupiah, unless otherwise stated)

	31 Desember/December		
	2019	2018*	
LIABILITAS DAN EKUITAS			LIABILITIES AND EQUITY
Liabilitas segera	8,644	11,648	Liabilities due immediately
Simpanan nasabah:			Deposits from customers :
- Pihak ketiga	76,954,291	62,235,033	Third parties -
- Pihak berelasi	538,639	997,564	Related parties -
Beban bunga yang masih harus dibayar	210,601	233,429	Accrued interest expenses
	<u>77,703,531</u>	<u>63,466,026</u>	
Simpanan dari bank-bank lain:			Deposits from other banks:
- Pihak ketiga	4,368,251	42,975	Third parties -
- Pihak berelasi	7,291,425	-	Relate parties -
Beban bunga yang masih harus dibayar	57,081	-	Accrued interest expenses
	<u>11,716,757</u>	<u>42,975</u>	
Liabilitas derivatif	894,947	116,521	Derivative payables
Liabilitas akseptasi	888,459	-	Acceptance payables
Utang pajak:			Taxes payable:
- Pajak penghasilan	60,894	214,287	Income taxes -
- Pajak lain-lain	101,416	90,897	Other taxes -
	<u>162,310</u>	<u>305,184</u>	
Efek-efek yang diterbitkan:			Securities issued:
- Surat utang jangka menengah	1,301,409	-	Medium term notes -
- Utang obligasi	1,889,219	1,197,442	Bonds payable -
Beban bunga yang masih harus dibayar	26,286	19,875	Accrued interest expenses
	<u>3,216,914</u>	<u>1,217,317</u>	
Pinjaman yang diterima:			Borrowings:
- Pihak ketiga	6,868,795	7,386,939	Third parties -
- Pihak berelasi	31,193,978	1,078,500	Related parties -
Beban transaksi yang belum diamortisasi	(15,318)	(22,674)	Unamortised transaction costs
Beban bunga yang masih harus dibayar	141,471	114,109	Accrued interest expenses
	<u>38,188,926</u>	<u>8,556,874</u>	
Akrual	266,545	139,058	Accruals
Liabilitas imbalan kerja karyawan:			Employee benefits liabilities:
- Imbalan kerja jangka pendek	360,987	335,535	Short-term employee benefits -
- Imbalan pascakerja dan imbalan jangka panjang lainnya	26,436	22,791	Post-employment and other - long-term employees benefits
	<u>387,423</u>	<u>358,326</u>	
Liabilitas pajak tangguhan	53,052	-	Deferred tax liability
Pinjaman subordinasi	6,038,888	-	Subordinated loans
Beban bunga yang masih harus dibayar	6,305	-	Accrued interest expenses
	<u>6,045,193</u>	<u>-</u>	
Liabilitas lain-lain	661,432	326,105	Other liabilities
JUMLAH LIABILITAS	<u>140,194,133</u>	<u>74,540,034</u>	TOTAL LIABILITIES

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

LAMPIRAN 1.3

APPENDIX 1.3

**PT BANK BTPN Tbk
ENTITAS INDUK/PARENT ENTITY**

**LAPORAN POSISI KEUANGAN
31 DESEMBER 2019 DAN 2018***

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2019 AND 2018***

(Expressed in millions of Rupiah, unless otherwise stated)

	<u>31 Desember/December</u>		
	<u>2019</u>	<u>2018*</u>	
EKUITAS			SHAREHOLDERS' EQUITY
Modal saham -			<i>Share capital -</i>
Modal dasar Rp 300.000			<i>Authorised capital of Rp 300,000</i>
terdiri dari:			<i>consists of:</i>
15.000.000.000 saham			<i>15,000,000,000 shares</i>
dengan nilai nominal			<i>with par value of</i>
Rp 20 (nilai penuh) per saham			<i>Rp 20 (full amount) per share</i>
Modal ditempatkan dan disetor penuh sebesar			<i>Issued and fully paid-up capital is</i>
8.148.928.869 saham			<i>8,148,928,869 shares</i>
(31 Desember 2018: 5.851.646.757 saham)	162,979	117,033	<i>(31 December 2018: 5,851,646,757 shares)</i>
Tambahan modal disetor	11,168,215	1,458,886	<i>Additional paid-in capital</i>
Cadangan revaluasi aset tetap	797,886	797,886	<i>Reserve on revaluation of fixed assets</i>
Cadangan pembayaran berbasis saham	244,012	281,748	<i>Share-based payment reserve</i>
Keuntungan yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual	12,079	3,033	<i>Unrealised gain on available for sale marketable securities</i>
Saldo laba			<i>Retained earnings</i>
- Dicadangkan	23,361	23,361	<i>Appropriated -</i>
- Belum dicadangkan	15,152,473	13,591,916	<i>Unappropriated -</i>
	<u>27,561,005</u>	<u>16,273,863</u>	
Saham treasuri	<u>(262,404)</u>	<u>(262,404)</u>	<i>Treasury shares</i>
JUMLAH EKUITAS	<u>27,298,601</u>	<u>16,011,459</u>	TOTAL EQUITY
JUMLAH LIABILITAS DAN EKUITAS	<u>167,492,734</u>	<u>90,551,493</u>	TOTAL LIABILITIES AND EQUITY

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

LAMPIRAN 2.1

APPENDIX 2.1

**PT BANK BTPN Tbk
ENTITAS INDUK/PARENT ENTITY**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2019 DAN 2018***

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2019 AND 2018***

(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2019</u>	<u>2018*</u>	
PENDAPATAN (BEBAN) BUNGA			INTEREST INCOME (EXPENSES)
Pendapatan bunga	14,627,058	10,679,385	Interest income
Beban bunga	(7,513,059)	(4,158,571)	Interest expense
PENDAPATAN BUNGA BERSIH	<u>7,113,999</u>	<u>6,520,814</u>	NET INTEREST INCOME
Pendapatan operasional lainnya:			Other operating income:
Pendapatan komisi asuransi dan lain-lain	957,068	775,241	Insurance commission income and others
Keuntungan (kerugian) transaksi spot dan derivative bersih	586,759	(184,222)	Net gain (loss) from spot and derivative transactions
	<u>1,543,827</u>	<u>591,019</u>	
Beban operasional lainnya:			Other operating expenses:
Beban kepegawaian	(2,230,610)	(1,911,974)	Personnel expenses
Beban umum dan administrasi	(2,702,171)	(2,194,348)	General and administrative expenses
Kerugian penurunan nilai	(1,136,480)	(1,099,370)	Impairment losses
Beban operasional lain-lain	(437,110)	(260,933)	Other operating expenses
	<u>(6,506,371)</u>	<u>(5,466,625)</u>	
PENDAPATAN OPERASIONAL BERSIH	<u>2,151,455</u>	<u>1,645,208</u>	NET OPERATING INCOME
PENDAPATAN (BEBAN) NON-OPERASIONAL			NON-OPERATING INCOME (EXPENSES)
Pendapatan non-operasional	3,084	2,537	Non-operating income
Beban non-operasional	(13,866)	(27,335)	Non-operating expenses
	<u>(10,782)</u>	<u>(24,798)</u>	
LABA SEBELUM PAJAK PENGHASILAN	<u>2,140,673</u>	<u>1,620,410</u>	PROFIT BEFORE INCOME TAX
BEBAN PAJAK PENGHASILAN	<u>(547,889)</u>	<u>(457,656)</u>	INCOME TAX EXPENSE
LABA BERSIH TAHUN BERJALAN	<u><u>1,592,784</u></u>	<u><u>1,162,754</u></u>	NET PROFIT FOR THE YEAR

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

LAMPIRAN 2.2

APPENDIX 2.2

**PT BANK BTPN Tbk
ENTITAS INDUK/PARENT ENTITY**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN
31 DESEMBER 2019 DAN 2018***
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
31 DECEMBER 2019 AND 2018***
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2019</u>	<u>2018*</u>	
PENGHASILAN KOMPREHENSIF LAIN:			OTHER COMPREHENSIVE INCOME:
Pos-pos yang tidak akan direklasifikasi ke laba rugi			Items that will not be reclassified to profit or loss
Keuntungan revaluasi asset tetap	-	77,104	Gain on revaluation of fixed assets
Pengukuran kembali liabilitas imbalan kerja karyawan	(42,969)	176,777	Remeasurements from employee benefits liabilities
Pajak penghasilan terkait pos-pos yang tidak akan direklasifikasi ke laba rugi	10,742	(44,195)	Income tax relating to items that will not be reclassified to profit or loss
	<u>(32,227)</u>	<u>209,686</u>	
Pos-pos yang akan direklasifikasi ke laba rugi			Items that will be reclassified to profit or loss
Keuntungan (kerugian) yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual	12,062	(9,037)	Unrealised gain (loss) on available for sale marketable securities
Pajak penghasilan terkait pos-pos yang akan direklasifikasikan ke laba rugi	(3,016)	(805)	Income tax relating to items that will be reclassified to profit or loss
	<u>9,046</u>	<u>(9,842)</u>	
PENGHASILAN KOMPREHENSIF LAIN TAHUN BERJALAN, SETELAH PAJAK PENGHASILAN	<u>(23,181)</u>	<u>199,844</u>	OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX
JUMLAH LABA KOMPREHENSIF TAHUN BERJALAN, SETELAH PAJAK PENGHASILAN	<u>1,569,603</u>	<u>1,362,598</u>	TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX
LABA BERSIH PER SAHAM (NILAI PENUH)			EARNINGS PER SHARE (FULL AMOUNT)
Dasar	<u>203</u>	<u>202</u>	Basic
Dilusion	<u>200</u>	<u>197</u>	Diluted

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

PT BANK BTPN Tbk
ENTITAS INDUK/PARENT ENTITYLAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN-TAHUN YANG BERAKHIR 31 DESEMBER 2019 DAN 2018*
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018*
(Expressed in millions of Rupiah, unless otherwise stated)

	Modal ditempatkan dan disetor penuh/ Issued and fully paid-up share capital	Tambahan modal disetor/ Additional paid in capital	Cadangan revaluasi aset tetap/ Reserve on revaluation of fixed assets	Pembayaran berbasis saham/ Share-based payment reserve	Keuntungan yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual/ Unrealised gain on sale available for marketable securities	Saldo laba yang sudah ditentukan penggunaannya / Appropriated retained earnings	Saldo laba yang belum ditentukan penggunaannya / Unappropriated retained earnings	Saham treasury/ Treasury shares	Jumlah ekuitas/ Total equity	Balance as of 1 January 2019
Saldo tanggal 1 Januari 2019	117,033	1,458,886	797,886	281,748	3,033	23,361	13,591,916	(262,404)	16,011,459	Net profit for the year
Laba bersih tahun berjalan	-	-	-	-	-	-	1,592,784	-	1,592,784	Other comprehensive income: Changes in fair value of available for sale financial assets
Laba komprehensif lainnya: Perubahan nilai wajar atas aset keuangan tersedia untuk dijual	-	-	-	-	12,062	-	-	-	12,062	Remeasurements of employee benefits
Pengukuran kembali liabilitas imbalan kerja karyawan	-	-	-	-	-	-	(42,969)	-	(42,969)	Liabilities
Efek pajak terkait	-	-	-	-	(3,016)	-	10,742	-	7,726	Related tax effect
Jumlah laba komprehensif selama tahun berjalan	-	-	-	-	9,046	-	1,560,557	-	1,569,603	Total comprehensive income during the year
Efek dari penggabungan usaha	45,937	9,708,197	-	-	-	-	-	-	9,754,134	Impact of merger
Opsional saham: Penerimaan dari penerbitan saham	9	1,132	-	-	-	-	-	-	1,141	Share option: Proceed from shares issued
Pembayaran berbasis saham	-	-	-	(37,736)	-	-	-	-	(37,736)	Share-based payments
Saldo tanggal 31 Desember 2019	162,979	11,168,215	797,886	244,012	12,079	23,361	15,152,473	(262,404)	27,298,601	Balance as of 31 December 2019

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

PT BANK BTPN Tbk
ENTITAS INDUK/PARENT ENTITYLAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN-TAHUN YANG BERAKHIR 31 DESEMBER 2019 DAN 2018*
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018*
(Expressed in millions of Rupiah, unless otherwise stated)

	Modal ditempatkan dan disetor penuh/ Issued and fully paid-up share capital	Tambahan modal disetor/ Additional paid in capital	Cadangan revaluasi aset tetap/Reserve on revaluation of fixed assets	Pembayaran berbasis saham/ Share-based payment reserve	Keuntungan yang belum direalisasi atas efek- efek dalam kelompok tersedia untuk dijual/ Unrealised gain on available for sale marketable securities	Saldo laba yang sudah ditentukan penggunaannya / Appropriated retained earnings	Saldo laba yang belum ditentukan penggunaannya/ Unappropriated retained earnings	Saham treasury/ Treasury shares	Jumlah ekuitas/ Total equity
Saldo tanggal 1 Januari 2018	116,806	1,429,385	720,782	254,496	12,875	23,361	13,319,346	(262,404)	15,614,647
Dampak penyajian kembali mengenai beban dibayar dimuka, setelah pajak penghasilan	-	-	-	-	-	-	(448,257)	-	(448,257)
Saldo tanggal 1 Januari 2018, setelah penyajian kembali	116,806	1,429,385	720,782	254,496	12,875	23,361	12,871,089	(262,404)	15,166,390
Laba bersih akhir tahun	-	-	-	-	-	-	1,162,754	-	1,162,754
Laba (rugi) komprehensif lainnya:									
Cadangan revaluasi aset tetap	-	-	77,104	-	-	-	-	-	77,104
Perubahan nilai wajar atas aset keuangan tersedia untuk dijual	-	-	-	-	(9,037)	-	-	-	(9,037)
Penilaian kembali liabilitas imbalan kerja karyawan	-	-	-	-	-	-	176,777	-	176,777
Efek pajak terkait	-	-	-	-	(805)	-	(44,195)	-	(45,000)
Jumlah laba komprehensif selama tahun berjalan	-	-	77,104	-	(9,842)	-	1,295,336	-	1,362,598
Dividen	-	-	-	-	-	-	(574,509)	-	(574,509)
Opsi saham:									
Penerimaan dari penerbitan saham	227	29,501	-	-	-	-	-	-	29,728
Pembayaran berbasis saham	-	-	-	27,252	-	-	-	-	27,252
Saldo tanggal 31 Desember 2018	117,033	1,458,886	797,886	281,748	3,033	23,361	13,591,916	(262,404)	16,011,459

*Setelah penyajian kembali (Catatan 48)

* After restatement (Note 48)

LAMPIRAN 4.1

APPENDIX 4.1

**PT BANK BTPN Tbk
ENTITAS INDUK/PARENT ENTITY**

**LAPORAN ARUS KAS
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2019 DAN 2018**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2019 AND 2018**

(Expressed in millions of Rupiah, unless otherwise stated)

	2019	2018	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan pendapatan bunga	14,743,478	10,801,125	<i>Receipts of interest income</i>
Pembayaran beban bunga	(7,687,456)	(4,041,859)	<i>Payments of interest expense</i>
Penerimaan dari pendapatan provisi dan komisi	1,539,703	601,897	<i>Receipts from fee and commission income</i>
Penerimaan kembali atas kredit yang telah dihapusbukukan	109,567	118,333	<i>Recovery from written-off loans</i>
Pembayaran beban kepegawaian	(2,282,217)	(1,677,007)	<i>Payments of personnel expenses</i>
Pembayaran beban operasional lainnya	(2,269,151)	(2,272,075)	<i>Payments of other operating expenses</i>
Pembayaran lain-lain	(6,631)	(23,643)	<i>Other payments</i>
Pembayaran pajak penghasilan badan	(747,635)	(243,369)	<i>Payments of corporate income tax</i>
Arus kas sebelum perubahan dalam aset dan liabilitas operasi	3,399,658	3,263,402	Cash flows before changes in operating assets and liabilities
(Kenaikan) penurunan dalam aset operasional:			<i>(Increase) decrease in operating assets:</i>
Efek-efek yang dibeli dengan janji dijual kembali	1,591,672	(79,664)	<i>Securities purchased under resale agreement</i>
Pinjaman yang diberikan	(4,980,410)	(2,520,514)	<i>Loans</i>
Tagihan derivatif	(53,974)	2,338	<i>Derivative receivables</i>
Tagihan akseptasi	966,125	-	<i>Acceptance receivables</i>
Kenaikan (penurunan) dalam liabilitas operasional:			<i>Increase (decrease) in operating liabilities:</i>
Liabilitas segera	(3,004)	(16,983)	<i>Obligation due immediately</i>
Simpanan nasabah	(15,804,325)	1,860,403	<i>Deposits from customers</i>
Simpanan dari bank-bank lain	4,822,718	(816,382)	<i>Deposits from other banks</i>
Liabilitas derivatif	(222,689)	113,635	<i>Derivative payables</i>
Liabilitas akseptasi	(1,086,023)	-	<i>Acceptance receivables</i>
Arus kas (digunakan untuk) diperoleh dari aktivitas operasi	(11,370,252)	1,806,235	Net cash flows (used in) provided from operating activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Pembelian efek-efek	(28,997,061)	(8,669,075)	<i>Purchases of marketable securities</i>
Penerimaan dari pelepasan efek-efek	31,122,898	9,082,616	<i>Proceeds from disposal of marketable securities</i>
Pembelian aset tetap	(204,941)	(301,482)	<i>Purchases of fixed assets</i>
Perolehan aset takberwujud	(359,041)	(369,875)	<i>Acquisition of intangible assets</i>
Hasil dari penjualan aset tetap	3,864	1,415	<i>Proceeds from sale of fixed assets</i>
Pengalihan kas dan setara kas sehubungan dengan penggabungan usaha	11,289,137	-	<i>Cash and cash equivalents transfer due to merger</i>
Penambahan penyertaan saham	2,049	-	<i>Additional investment in shares</i>
Arus kas bersih diperoleh dari (digunakan untuk) aktivitas investasi	12,856,905	(256,401)	Net cash flows provided from (used in) investing activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Pembayaran utang obligasi	(300,000)	(1,350,000)	<i>Payments of bonds payable</i>
Penerimaan dari obligasi yang diterbitkan	1,000,000	-	<i>Proceeds from issuance of bonds</i>
Pembayaran biaya emisi obligasi	(9,992)	-	<i>Payments of bonds issuance cost</i>
Pembayaran biaya transaksi pinjaman	(7,077)	(7,297)	<i>Payments of borrowing transaction cost</i>
Penerimaan dari pinjaman yang diterima	172,265,489	10,287,664	<i>Proceeds from borrowings</i>
Pembayaran angsuran dan pelunasan pinjaman yang diterima	(172,817,491)	(7,065,018)	<i>Installment payments and settlement of borrowings</i>
Pembayaran dividen	-	(574,509)	<i>Payments of dividend</i>
Penerimaan dari penerbitan saham	1,141	29,728	<i>Proceeds from shares issued</i>
Akuisisi kepentingan pada Entitas Anak dari kepentingan non-pengendali	-	(550,045)	<i>Acquisition of Subsidiary from non-controlling shareholder</i>
Arus kas bersih diperoleh dari aktivitas pendanaan	132,070	770,523	Net cash flows provided from financing activities

INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

LAMPIRAN 4.2

APPENDIX 4.2

**PT BANK BTPN Tbk
ENTITAS INDUK/PARENT ENTITY**

**LAPORAN ARUS KAS
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2019 DAN 2018**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2019 AND 2018**

(Expressed in millions of Rupiah, unless otherwise stated)

	<u>2019</u>	<u>2018</u>	
KENAIKAN BERSIH KAS DAN SETARA KAS	1,618,723	2,320,357	NET INCREASE IN CASH AND CASH EQUIVALENTS
DAMPAK PERUBAHAN SELISIH KURS TERHADAP KAS DAN SETARA KAS	(35,026)	(10,878)	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS
SALDO KAS DAN SETARA KAS AWAL TAHUN	<u>16,302,754</u>	<u>13,993,275</u>	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR
SALDO KAS DAN SETARA KAS AKHIR TAHUN	<u><u>17,886,451</u></u>	<u><u>16,302,754</u></u>	CASH AND CASH EQUIVALENTS AT THE END OF YEAR

	<u>31 Desember/December</u>		
	<u>2019</u>	<u>2018</u>	
Kas dan setara kas akhir tahun terdiri dari:			<i>Cash and cash equivalents at end of year consists of:</i>
Kas	1,587,729	1,422,553	<i>Cash</i>
Giro pada Bank Indonesia	8,528,677	4,850,092	<i>Current accounts with Bank Indonesia</i>
Giro pada bank-bank lain	1,043,432	826,490	<i>Current accounts with other banks</i>
Penempatan pada Bank Indonesia dan bank-bank lain	6,189,876	9,203,619	<i>Placements with Bank Indonesia and other banks</i>
Efek-efek	536,737	-	<i>Marketable securities</i>
	<u><u>17,886,451</u></u>	<u><u>16,302,754</u></u>	

INFORMASI TAMBAHAN ARUS KAS:

**SUPPLEMENTAL CASH FLOWS
INFORMATION:**

**AKTIVITAS YANG TIDAK MEMPENGARUHI
ARUS KAS**

**ACTIVITIES NOT AFFECTING
CASH FLOWS**

Penerbitan modal saham sehubungan dengan penggabungan usaha	9,754,134	-	<i>Issuance of shares in relation with merger</i>
Cadangan pembayaran berbasis saham	37,736	27,252	<i>Share-based payment reserves</i>
Pembelian aset tetap yang masih terhutang	(1,402)	(1,979)	<i>Acquisition of fixed assets still unpaid</i>

SEOJK Reference

NO. 30-SEOJK.04-2016: ANNUAL REPORT OF PUBLIC COMPANIES

Description		Page
I. General Provision		
1.	The Annual Report of Issuers or Public Companies is an important source of information for investors or shareholders as one of the bases of considerations in making investment decision, and is a means of supervision on Issuers or Public Companies.	√
2.	Along with the development of the Capital Market and the growing needs of investors or shareholders for disclosure of information, the Board of Directors and the Board of Commissioners are required to improve the quality of information disclosure through the Annual Report of Issuers or Public Companies.	√
3.	The Annual Report should be prepared in an orderly and informative manner to facilitate the investors or shareholders in obtaining the required information.	√
4.	The Circular Letter of the Financial Service Authority serves as a guideline for Issuers or Public Companies that must be applied in preparing the Annual Report.	√
II. Format of Annual Report		
1.	Annual Report shall be presented in the printed format and in electronic document copy.	√
2.	The printed version of the Annual Report shall be printed on light-colored paper of fine quality, in A4 size, bound, and can be reproduced in good quality.	√
3.	The Annual Report presented in electronic document format is the Annual Report converted into pdf format.	√
III. Content of Annual Report		
1.	General Provision	
a.	Annual Report shall contain at least the following information:	
	1) summary of key financial information;	6-9
	2) stock information (if any);	10-11
	3) the Board of Directors report;	32-47
	4) the Board of Commissioners report;	24-31
	5) profile of Issuer or Public Company	52-105
	6) management discussion and analysis;	106-145
	7) corporate governance applied by the Issuer or Public Company;	206-299
	8) corporate social and environmental responsibility of the Issuer or Public Company;	300-312
	9) audited financial statements; and	313-528
	10) statement of members of the Board of Directors and members of the Board of Commissioners on accountability for the Annual Report;	50-51
b.	Annual Report may present the information in form of images, charts, tables, and/or diagrams mentioning the title and/or clear description, that is easy to read and be understood.	√
2.	Description of Content of Annual Report	
a.	Summary of Key Financial Information	6-9
	Summary of Key Financial Information contains financial information presented in comparison with previous 3 (three) fiscal years or since commencement of business if the Issuers or the Public Company commencing the business less than 3 (three) years, at least contain:	
	1) income/sales;	6
	2) gross profit;	6
	3) profit (loss);	6
	4) total profit (loss) attributable to equity holders of the parent entity and non-controlling interest;	6
	5) total comprehensive profit (loss);	6
	6) total comprehensive profit (loss) attributable to equity holders of the parent entity and non-controlling interest;	6
	7) earning (loss) per share;	6
	8) total assets;	6
	9) total liabilities;	6
	10) total equities;	6
	11) profit (loss) to total assets ratio;	7
	12) profit (loss) to equities ratio;	7
	13) profit (loss) to income ratio;	7
	14) current ratio;	7
	15) liabilities to equities ratio;	7
	16) liabilities to total assets ratio; and	7
	17) other information and financial ratios relevant to the Issuer or Public Company and type of industry;	7
b.	Stock Information	10-11
	Stock Information (if any) contains at least:	
	1) shares issued for each three-month period in the last 2 (two) fiscal years (if any), at least covering:	
	a) number of outstanding shares;	11
	b) market capitalization based on the price at the Stock Exchange where the shares listed on;	11
	c) highest share price, lowest share price, closing share price at the Stock Exchange where the shares listed on; and	11
	d) share volume at the Stock Exchange where the shares listed on;	11
	Information in point a) should be disclosed by the Issuer, the public company whose shares is listed or not listed in the Stock Exchange;	√
	Information in point b), point c), and point d) only be disclosed if the Issuer is a Public Company whose shares is listed in the Stock Exchange;	√

Description		Page
2)	in the event of corporate actions, including stock split, reverse stock, dividend, bonus share, and change in par value of shares, then the share price referred to in point 1), should be added with explanation on:	
a)	date of corporate action;	12
b)	ratios of stock split, reverse stock, dividend, shares;	12
c)	number of outstanding shares prior to and after corporate action; and	12
d)	share price prior to and after corporate action;	12
3)	in the event that the company's shares were suspended and/or delisted from trading during the year under review, then the Issuer or Public Company should provide explanation on the reason for the suspension and/or delisting; and	-
4)	in the event that the suspension and/or delisting as referred to in point 3) was still in effect until the date of the Annual Report, then the Issuer or the Public Company should also explain the corporate actions taken by the company in resolving the suspension and/or delisting;	-
c.	The Board of Directors Report	32-47
	The Board of Directors report should at least contain the following items:	
1)	brief summary on the performance of the Issuer or Public Company, at least covering:	
a)	strategy and strategic policies of the Issuer or Public Company;	36
b)	comparison between achievement of results and targets; and	35-36
c)	challenges faced by the Issuer or Public Company;	35-36
2)	description of business prospects;	39
3)	implementation of good corporate governance by the Issuer or Public Company; and	40
4)	changes to the composition of the Board of Directors and the reason behind it (if any);	40
d.	The Board of Commissioners Report	24-31
	The Board of Commissioners Report should at least contain the following items:	
1)	assessment on the performance of the Board of Directors in managing the Issuer or Public Company;	26
2)	supervision on the implementation of the strategy of the Issuer or Public Company;	27
3)	view on the business prospects of the Issuer or Public Company as established by the Board of Directors;	29
4)	view on the implementation of the corporate governance by the Issuer or Public Company;	27
5)	changes to the composition of the Board of Commissioners and the reason behind it (if any); and	28
6)	the frequency and procedure of providing advice to members of the Board of Directors;	27
e.	Profile of the Issuer or Public Company	52-105
	Profile of the Issuer or Public Company should cover at least:	
1)	name of Issuer or Public Company, including change of name, reason of change, and the effective date of the change of name during the year under review;	54
2)	access to Issuer or Public Company, including branch office or representative office, where public can have access of information of the Issuer or Public Company, which include	55
a)	address;	55
b)	telephone number;	55
c)	facsimile number;	55
d)	e-mail address; and	55
e)	website address	55
3)	brief history of the Issuer or Public Company;	56
4)	vision and mission of the Issuer or Public Company	64-65
5)	line of business according to the latest articles of association, line of business carried out in the fiscal year, and types of products and/or services produced;	60-61
6)	structure of organization of the Issuer or Public Company in chart form, at least 1 (one) level below the Board of Directors, with the names and titles;	62-63
7)	the Board of Directors profiles include:	
a)	name and short description of duties and functions;	71-79
b)	latest photograph;	71-79
c)	age;	71-79
d)	citizenship;	71-79
e)	education;	71-79
f)	history position, covering information on:	71-79
1)	legal basis for appointment as member of the Board of Directors to the said Issuer or Public Company;	71-79
2)	concurrent position, as member of the Board of Directors, member of the Board of Commissioners, and/or member of committee, and other position (if any); and	71-79
3)	working experience and period in and outside of Issuer or Public Company;	71-79
g)	competency enhancement education and/or training program for member of the Board of Directors during the year under review (if any); and	95
h)	disclosure of affiliation with other members of the Board of Directors, members of the Board of Commissioners, and major shareholders (if any) including the name of the affiliated party;	71-79
8)	the Board of Commissioners profile, at least include:	66-70
a)	name;	66-70
b)	latest photograph;	66-70
c)	age;	66-70
d)	citizenship;	66-70
e)	education;	66-70
f)	history position, covering information on:	66-70
(1)	legal basis of the appointment as a member of the Board of Commissioner who is not Independent Commissioner at the said Issuer or Public Company;	66-70
(2)	legal basis for the first appointment as member of the Board of Commissioners who also Independent Commissioner at the said Issuer or Public Company;	66-70
(3)	concurrent positions, as member of the Board of Commissioners, member of the Board of Directors, and/or member of committee and other position (if any); and	66-70
(4)	working experience and period in and outside the Issuer or Public Company;	66-70

	Description	Page
	g) competency enhancement education and/or training program for member of the Board of Commissioners during the year under review (if any);	94
	h) affiliation with other members of the Board of Commissioners, and major shareholders (if any) including name of the affiliated party; and	66-70
	i) statement of independence of Independent Commissioner in the event that the Independent Commissioner has been appointed more than 2 (two) periods (if any);	237
9)	in the event that there were changes to the composition of the Board of Commissioners and/or the Board of Directors occurring between the period after year-end until the date the Annual Report submitted, then the last and the previous composition of the Board of Commissioners and/or the Board of Directors shall be stated in the Annual Report;	28
10)	number of employees and description of distribution of education level and age of the employee in the year under review;	92-93
11)	names of shareholders and ownership percentage at the end of the fiscal year, including:	
	a) shareholders having 5% (five percent) or more shares of Issuer or Public Company;	96
	b) Commissioners and Directors who own shares of the Issuers or Public Company; and	97
	c) groups of public shareholders, or groups of shareholders, each with less than 5% (five percent) ownership shares of the Issuers or Public Company;	96
12)	Number of shareholders and ownership percentage at the end of the fiscal year, based on:	101
	a) ownership of local institutions;	101
	b) ownership of foreign institutions;	101
	c) ownership of local individual; and	101
	d) ownership of foreign individual;	101
13)	information on major shareholders and controlling shareholders of the Issuer or Public Company, directly or indirectly, and also individual shareholder, presented in the form of scheme or diagram;	98-99
14)	name of subsidiaries, associated companies, joint venture controlled by Issuers or Public Company, with entity, percentage of stock ownership, line of business, total assets and operating status of the Issuer of Public Company (if any);	100
	for subsidiaries, include the addresses of the said subsidiaries;	√
15)	chronology of share listing, number of shares, par value, and offering price from the beginning of listing up to the end of the financial year, and name of Stock Exchange where the Issuer of Public Company shares are listed;	102
16)	chronology of securities listing in addition to the said security in point 15), which at least should contain the name of the Securities, year of issuance, date of maturity, offering price, and rating of the securities (if any);	103
17)	name and address of capital market supporting institutions and/or professionals;	104
18)	in the event that the capital market supporting professionals provide services on a regular basis to the Issuer or the Public Company, then information on the services provided, fee and period of assignment should be disclosed; and	104
19)	awards and/or certification of national and international scales bestowed on the Issuer or Public Company during the last fiscal year (if any), covering:	20-21
	a) name of award and/or certification;	√
	b) organization/institution that gives the awards; and	√
	c) award/certificate validity period (if any);	√
f.	Management Discussion and Analysis	106-145
	Management Analysis and Discussion should contain discussion and analysis on financial statements and other material information emphasizing material changes that occurred during the year under review, at least including:	√
1)	operational review per business segment, according to the type of industry of the Issuer or Public Company including:	112-125
	a) production, including process, capacity, and growth;	112-125
	b) income/ sales; and	112-125
	c) profitability	112-125
2)	comprehensive financial performance analysis which includes a comparison between the financial performance of the last 2 (two) fiscal years, and explanation on the causes and effects of such changes, among others concerning:	126-145
	a) current assets, non-current assets, and total assets;	128-129
	b) short-term liabilities, long-term liabilities, and total liabilities;	130-131
	c) equities	132
	d) sales/ operating revenues, expenses and profit (loss), other comprehensive revenues, and total comprehensive profit (loss); and	132-133
	e) cash flows	133
3)	the capacity to pay debts by including the computation of relevant ratios;	134
4)	account receivables collectability of the Issuer or Public Company, including the computation of the relevant ratios;	134
5)	capital structure and management policies concerning capital structure, including the basis for determining the said policy;	135-136
6)	discussion on material ties for the investment of capital goods, including the explanation on at least;	136
	a) the purpose of such ties;	136
	b) source of funds expected to fulfill the said ties;	136
	c) currency of denomination; and	136
	d) steps taken by the Issuer or Public Company to protect the position of a related foreign currency against risk;	136
7)	discussion on investment of capital goods which was realized in the last fiscal year, at least include:	136
	a) type of investment of capital goods;	136
	b) objective of the investment of capital goods; and	136
	c) value of the investment of capital goods;	136
8)	material information and facts that occurring after the date of the accountant's report (if any);	136
9)	information on the prospect of the Issuer or Public Company in connection with the industry, economy in general, accompanied with supporting quantitative data if there is a reliable data source;	137-138
10)	comparison between target/ projection at the beginning of the year and result (realization), concerning:	137
	a) income/ sales;	137
	b) profit (loss);	137
	c) capital structure;	137
	d) dividend policy; or	137
	e) other matters deemed necessary for the Issuer or Public Company;	137
11)	target/projection at most for the next 1 (one) year of the Issuer or Public Company, concerning;	137

Description		Page
	a) income/ sales;	137
	b) profit (loss);	137
	c) capital structure;	137
	d) dividend policy; or	137
	e) other matters deemed necessary for the Issuer or Public Company;	137
12)	marketing aspects of the products and/or services of the Issuer or Public Company, among others concerning marketing strategy and market share;	112-125
13)	description regarding the dividend policy during the last 2 (two) fiscal years, at least:	138
	a) dividend policy;	138
	b) the date of the payment of cash dividend and/or date of distribution of non-cash dividend;	138
	c) amount of cash per share (cash and/or non cash); and	138
	d) amount of dividend per year paid;	138
14)	use of proceeds from Public Offerings, under the condition of:	141-142
	a) during the year under review, on which the Issuer has the obligation to report the realization of the use of proceeds, then the realization of the cumulative use of proceeds until the year end should be disclosed; and	141-142
	b) in the event that there were changes in the use of proceeds as stipulated in the Regulation of the Financial Services Authority on the Report of the Utilization of Proceeds from Public Offering, then Issuer should explain the said changes;	141-142
15)	material information (if any), among others concerning investment, expansion, divestment, acquisition, debt/capital restructuring, transactions with related parties and transactions with conflict of interest that occurred during the year under review, among others include:	143
	a) transaction date, value, and object;	143
	b) name of transacting parties;	143
	c) nature of related parties (if any);	143
	d) description of the fairness of the transaction; and	143
	e) compliance with related rules and regulations;	143
16)	changes in regulation which have a significant effect on the Issuer or Public Company and impacts on the company (if any); and	143
17)	changes in the accounting policy, rationale and impact on the financial statement (if any);	143
g.	Corporate Governance of the Issuer or Public Company	206-299
	Corporate Governance of the Issuer or Public Company contains at least:	
1)	the Board of Directors, covering:	238-243
	a) the tasks and responsibilities of each member of the Board of Directors;	241-242
	b) statement that the Board of Directors has already have board manual or charter;	239
	c) procedure, legal basis, structure, and amount of remuneration of each member of the Board of Directors, relation between remuneration and performance of the Issuer or Public Company;	238
	d) the policies and the frequency of the meeting of the Board of Directors, including the joint meeting with Board of Commissioners, and attendance of member of the Board of Directors in the said meeting;	245-250
	e) information on the resolution from the GMS of the previous 1 (one) year, covering:	229-232
	(1) GMS resolutions that were realized during the fiscal year; and	229-232
	(2) explanation for the unrealized resolution;	229-232
	f) information regarding the GMS resolution in the year under review, including	219-226
	(1) GMS resolutions that were realized during the fiscal year; and	221-226
	(2) explanation for the unrealized resolution; and	221-226
	g) assessment on the performance of the committee under the Board of Directors;	243
2)	the Board of Commissioners, among others include:	233-237
	a) duties and responsibilities of the Board of Commissioners;	235
	b) statement that the Board of Commissioner has already have the board manual or charter;	234
	c) procedure, legal basis, structure, and amount of remuneration for each member of Board of Commissioners;	233
	d) policies and frequency of meeting of the Board of Commissioners, including meeting with the Board of Directors, and attendance of each member of the Board of Commissioners in the said meetings;	245-246, 250
	e) policies of the Issuer or Public Company regarding the assessment on the performance of the Board of Directors and Board of Commissioners and the implementation, at least covering:	236
	(1) procedure for the implementation of performance assessment;	236
	(2) criteria for assessment; and	236
	(3) assessor;	236
	f) assessment on the performance of the committees under the Board of Commissioners; and	237
	g) in the event that the Board of Commissioners does not establish the Nomination and Remuneration Committee, then should contain at least:	254-256
	(1) reason not to establish the committee; and	254-256
	(2) procedure of nomination and remuneration performed in the year under review;	254-256
3)	Sharia Supervisory Board, for Issuer or Public Company that conduct business based on sharia law, as stipulated in the articles of association, at least containing:	86
	a) name;	86
	b) duty and responsibility of Sharia Supervisory Board; and	-
	c) frequency and procedure in providing advice and suggestion, as well as the compliance of Sharia Principles by the Issuer or Public Company in the Capital Market;	-
4)	Audit Committee, among others covering:	
	a) name and position in the committee;	253
	b) age;	253
	c) citizenship;	253
	d) educational background;	253

Description		Page
e)	history of position; including:	253
(1)	legal basis for the appointment as member of the committee;	253
(2)	concurrent positions, as member of Board of Commissioners, member of Board of Directors, and/or member of committee, and other position (if any); and	253
(3)	working experience and period in and outside the Issuer or Public Company;	253
f)	period and terms of office of the member of Audit Committee;	253
g)	statement of independence of the Audit Committee;	252
h)	policies and implementation of the frequency of meeting of the Audit Committee and attendance of member of Audit Committee;	253
i)	education and/or training during the year under review (if any); and	94
j)	the activities of the Audit Committee in the year under review, in accordance with the Audit Committee Charter;	253-254
5)	other committee of the Issuer or the Public Company formed to support the function and duty of the Board of Directors and/or the Board of Commissioners, such as Nomination and Remuneration Committee, containing:	
a)	name and position in the committee;	
b)	age;	
c)	citizenship;	
d)	educational background;	
e)	history of position, including:	
(1)	legal basis for the appointment as member of the committee;	254-256, 256-257, 258-259, 259-260, 260-261, 261-263, 264-265, 266-269, 269-271, 271-272, 272-273, 273-277
(2)	concurrent positions, as member of Board of Commissioners, member of Board of Directors, and/or member of committee, and other position (if any); and	
(3)	working experience and period in and outside the Issuer or Public Company;	
f)	period and terms of office of member of the committee;	
g)	description of duty and responsibility;	
h)	statement that the committee has already have the Charter;	
i)	statement of independence of the committee;	
j)	policies and frequency of meeting of the committee, and attendance of each member of the committee in the said meetings;	
k)	brief description on the activities of the committee in the fiscal year;	
l)	education and/or training during the year under review (if any);	94
6)	Corporate Secretary, including:	277-280
a)	name;	277
b)	domicile;	277
c)	history of position, including	277
(1)	legal basis for the appointment as Corporate Secretary; and	277
(2)	working experience and period in and outside the Issuer or Public Company;	277
d)	educational background;	277
e)	education and/or training during the year under review; and	277
f)	brief description on the implementation of duties of the Corporate Secretary in the year under review;	278
7)	Internal Audit Unit, among others including:	289-293
a)	name of Head of Internal Audit Unit;	289
b)	history of position, including:	289
(1)	legal basis for the appointment as Head of Internal Audit Unit; and	289
(2)	working experience and period in and outside the Issuer or Public Company;	289
c)	qualification or certification as internal auditor (if any);	291-292
d)	education and/or training during the year under review;	291
e)	structure and position of Internal Audit Unit;	290
f)	description of duties and responsibilities;	290-291
g)	statement that the Internal Audit Unit has already have Internal Audit Unit charter; and	291
h)	brief description on the implementation of duty of Internal Audit Unit during the year under review;	292
8)	description on internal control system adopted by the Issuer or Public Company, at least covering:	293-295
a)	financial and operational control, and compliance to the other prevailing rules; and	293-294
b)	review on the effectiveness of internal control systems;	295
9)	risk management system implemented by the company, at least includes:	148-193
a)	general description about the company's risk management system the Issuer or Public Company;	149
b)	types of risk and the management; and	153-193
c)	review the effectiveness of the risk management system applied by the Issuer or Public Company	153-193
10)	important cases faced by the Issuer or Public Company, subsidiaries, current members of the Board of Commissioners and the Board of Directors, among others include:	295
a)	substance of the case/claim;	295
b)	status of settlement of case/claim; and	295
c)	potential impacts on the condition of the Issuer or Public Company;	295
11)	information about administrative sanctions imposed to Issuer or Public Company, members of the Board of Commissioners and the Board of Directors, by the Capital Market Authority and other authorities during the last fiscal year (if any);	295
12)	information about codes of conduct of the Issuer or Public Company, includes:	295-296
a)	key points of the code of conduct;	296
b)	socialization of the code of conduct and enforcement; and	296
c)	statement that the code of conduct is applicable for the Board of Commissioners, the Board of Directors, and employees of the Issuer of Public Company;	296
13)	information about corporate culture or corporate value of the Issuer or Public Company (if any);	65

Description		Page
14)	description of employee or management stock ownership program of the Issuer or Public Company, among others containing:	138-141
a)	number of share and/or option;	139-141
b)	implementation period;	139-141
c)	requirement for eligible employee and/or management; and	140
d)	exercise price;	139-141
15)	description of whistleblowing system at the Issuer or Public Company (if any), among others include:	296-297
a)	mechanism for violation reporting;	297
b)	protection for the whistleblower;	297
c)	handling of violation reports;	297
d)	unit responsible for handling of violation report; and	297
e)	results from violation report handling, at least includes:	
(1)	number of complaints received and processed during the fiscal year; and	297
(2)	follow up of complaints;	297
16	implementation of the Guidelines of Corporate Governance for Public Companies for Issuer issuing Equity-based Securities or Public Company, including:	298-299
a)	statement regarding recommendation that have been implemented; and/or	298-299
b)	description of recommendation that have not been implemented, along with the reason and alternatives of implementation (if any)	298-299
h.	Social and Environmental Responsibility of the Issuer or Public Company	300-312
1)	Information on social and environmental responsibility of the Issuer or Public Company that covers policies, types of programs, and cost, among others related to:	
a)	environment, among others:	308
(1)	the use of environmentally friendly and recyclable materials and energy;	308
(2)	the waste treatment systems of the Issuer or Public Company;	308
(3)	mechanism for filling complaint on environmental issues; and	308
(4)	environmental certification;	308
b)	employment practices, occupational health and safety, among others	309-310
(1)	gender equality and equal work opportunity;	309
(2)	work and safety facilities;	310
(3)	employee turnover;	310
(4)	work incident rate;	310
(5)	education and/or training;	309
(6)	remuneration; and;	310
(7)	mechanism for filing complaint on employment issues;	310
c)	social and community development, among others:	
(1)	the use of local work force;	312
(2)	empowerment of local communities among others through the use of raw material produced by the community or by providing education;	312
(3)	improvement of public social facilities and infrastructure;	312
(4)	other form of donation; and	312
(5)	dissemination of the policies and procedures of anti-corruption at the Issuers or Public Company, and training on anti-corruption (if any);	
d)	products and/or services responsibilities, among others:	311
(1)	consumers' health and safety;	311
(2)	products and/or services information; and	311
(3)	facilities, number, and resolution of consumer complaint.	311
2)	In the event that the Issuer or the Public Company imparts information on social and environmental responsibility as referred to in point 1) in separate report such corporate social and environmental responsibility report, or sustainability report, then the Issuers or the Public Company is excluded from disclosing information on social and environmental responsibility in Annual Report; and	308
3)	The said report in point 2) should be submitted to the Financial Service Authority along with the Annual Report;	308
i	Audited Annual Financial Statement	314-528
	Financial Statements included in Annual Report should be prepared in accordance with the Financial Accounting Standards in Indonesia and audited by an Accountant. The said financial statement should be included with statement of responsibility for financial report as stipulated in the legislations in the Capital Markets sector governing the responsibility of the Board of Directors on the financial report or the legislations in the Capital Markets sector governing the periodic reports of securities company in the event the Issuer is a Securities Company; and	
j	Letter of Statement of the Board of Directors and the Board of Commissioners regarding the Responsibility for Annual Reporting	50-51
	Letter of statement of the Board of Directors and the Board of Commissioners regarding the responsibility for Annual Reporting should be prepared according to the format of letter of statement of member of Board of Directors and the Board of Commissioners regarding the responsibility for Annual Reporting as attached in the Attachment, which is an integral part of this Circulation Letter of the Financial Services Authority.	

Annual Report Award Criteria

	Description	Page
I. General		
1	The Annual Report shall be written in good and correct Indonesian, and is recommended to be presented in English	√
2	The Annual Report shall be printed with good quality using readable type and size of fonts	√
3	The Annual Report shall present clear identity of the company	√
4	Company name and the annual report financial year shall be presented on:	√
	a. Front Cover;	√
	b. Side Cover;	√
	c. Back Cover; and	√
	d. Every page	√
5	The Annual Report shall be posted in the company's website including the latest annual report as well as those for the last four years, at least.	√
II. Key Financial Highlights		
1	Income statement in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years, information contains the following:	6-9
	a. Income;	6
	b. Profit (loss):	6
	Attributable to equity holders of the parent entity; and	6
	Attributable to non controlling interest;	6
	c. Total comprehensive profit (loss):	6
	Attributable to equity holders of the parent entity; and	6
	Attributable to non controlling interest;	6
	d. Earning (loss) per share.	6
	Note: If the company does not have subsidiaries, the profit (loss) and other comprehensive income is presented in total.	
2	Financial position in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years. Information contains the following:	6
	a. Total investment on associates;	6
	b. Total assets	6
	c. Total liabilities; and	6
	d. Total equity.	6
3	Financial ratio in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years. Information covers 5 (five) financial ratios, which are generally applied and relevant to the company's industry.	
4	Share price information in tables and charts	7
	a. Number of shares outstanding;	10-11
	b. The table forms contain the following information:	11
	Market capitalization based on share price on the Stock Exchange where the shares are listed;	11
	Highest, lowest and closing share price based on share price on the Stock Exchange where the shares are listed; and	11
	Trading volume of shares on the Stock Exchange where the shares are listed.	11
	c. The graph forms contain at least the following information:	11
	The closing price of shares based on share price on the Stock Exchange where the shares are listed; and	11
	Trading volume of shares on the Stock Exchange where the shares are listed. For each quarter in the latest 2 (two) financial years.	11
	Note: Should be disclosed if the company does not have market capitalization, share price, and share trading volume.	
5	Information regarding outstanding bonds, sukuk or convertible bonds, in 2 (two) latest financial years Information contains:	12-13
	a. Number of outstanding bonds, sukuk or convertible bonds;	12-13
	b. Interest rate/yield;	13
	c. Maturity date; and	13
	d. Rating of bonds/sukuk in 2018 and 2019.	13
	Note: Should be disclosed if the company does not have outstanding bonds, sukuk or convertible bonds.	
III. Board of Commissioners and Board of Directors' Report		
1	Board of Commissioners' Report. Contain the following:	24-31
	a. Assessment on the performance of the Board of Directors in managing the company and the basis for such evaluation;	26
	b. Views on the business prospects of the company as prepared by the Board of Directors and the basis for such consideration;	29
	c. Views on the implementation/management of the company's whistleblowing system (WBS), and the role of the Board of Commissioners in the WBS; and	27
	d. Changes in the composition of the Board of Commissioners (if any) and the reason for such changes.	28

Annual Report Award Criteria

	Description	Page
2	Board of Directors' report. Contain the following:	32-47
	a. Analysis of the company's performance, covering among others:	
	Strategic policies;	36
	Comparison between targets and achievements; and	37-39
	Challenges faced by the company and initiatives to deal with those challenges;	35-36
	b. Analysis on business prospects;	39
	c. Developments in the implementation of GCG during the fiscal year; and	40
	d. Changes in the composition of the Board of Directors (if any) and the reason for such changes.	40
3	Signatures of members of the Board of Commissioners and Board of Directors, Contain the following:	50-51
	a. Signatures on a separate page;	√
	b. Statement of responsibility of the Board of Commissioners and Board of Directors for the accuracy of the contents of the Annual Report;	√
	c. Signed by all members of the Board of Commissioners and Board of Directors by stating their names and position; and	√
	d. Written explanation in separate letter from the person(s) concerned in the event that member(s) of Board of Commissioners or Board of Directors fail to sign the annual report; or: written explanation in separate letter from other member(s) in the event that there is no written explanation from the person(s) concerned.	√
IV. Company Profile		
1	Name and complete address of the company, Information contains, among others, name and address, post code, telephone number, fax, email and website.	52-105
2	Brief history of the company	54-55
	Contain among others: date/year of establishment, name of the company, change of name (if any), and effective date of the change of name.	56
	Note: to be disclosed if the company never had a change of name	
3	Line of business, Description of, among others:	60-61
	a. The line of business as stated in the latest Articles of Association;	60
	b. Business activities; and	60
	c. Product and/or services offered.	61
4	Organization structure. Diagram of organization structure, containing name and position of personnel up to one level below Director, at least	62-63
5	Vision, Mission and Corporate Culture, Covers:	64-65
	a. Vision;	64
	b. Mission;	65
	c. Statement that the vision and mission have been reviewed and approved by the Board of Commissioners/Directors in the fiscal year; and	65
	d. Statement on the corporate culture.	65
6	Profiles of members of the Board of Commissioners, Contain information on:	66-70
	a. Name;	66-70
	b. Position and period in position (including position(s) held at other company/institution);	66-70
	c. Age;	66-70
	d. Domicile;	66-70
	e. Education (study field and education institution);	66-70
	f. Work experience (position, company, and period in position); and	66-70
	g. History of assignments (period and position) as member of the Board of Commissioners at the company since the first appointment.	66-70
7	Profiles of members of the Board of Directors. Contain information on:	71-79
	a. Name;	71-79
	b. Position and period in position (including position(s) held at other company/institution);	71-79
	c. Age;	71-79
	d. Domicile;	71-79
	e. Education (study field and education institution);	71-79
	f. Work experience (position, company, and period in position); and	71-79
	g. History of assignments (period and position) as member of the Board of Directors at the company since the first appointment.	71-79
8	Total number of employees (comparative for 2 years) and data on employee competence development programs reflecting equal opportunities for each level of the organization. Information contains, among others:	92-93
	a. Number of employees at each level of the organization;	92
	b. Number of employees by education;	92
	c. Number of employees by employment status;	92
	d. Data on employee competence development programs during the fiscal year, concerning position of participants, type of training, and purpose of training; and	94
	e. The costs of employee competence development programs in the fiscal year.	93
9	Shareholders composition. Covering among others:	96-97
	a. Names of the 20 largest shareholders and their shareholding percentage;	96
	b. Details of shareholders and shareholding percentage:	96
	Names of shareholders with 5% or more shareholding; and	96
	Group of public shareholders with individual shareholding of less than 5% each.	96
	c. Names of Director and Commissioner with direct or indirect share-ownership and the percentage of such shareholding.	97
10	List of subsidiaries and/or associated entities. In table form, containing:	100
	a. Name of subsidiary and/or associated entity;	100
	b. Share-ownership percentage;	100
	c. Line of business of subsidiary and/or associated entity; and	100
	d. Operational status of subsidiary and/or associated entity (in commercial operation/not yet in commercial operation).	100

	Description	Page
11	Corporate group structure; Diagram of corporate group structure involving relationship of the parent company, subsidiary, associated entity, joint venture, and special purpose vehicle (SPV).	101
12	Chronology of share listing (including private placement) and/or share listing from the share issuance up to the end of the fiscal year. Covers, among others:	102
	a. Year of share issuance, number of shares issued, par value, and share offer price, for each separate corporate action;	102
	b. Total number of shares outstanding following the corporate action; and	102
	c. The stock exchange where the shares are listed.	102
	Note: should be disclosed if the company does not have a chronology of share listing.	
13	Chronology of other securities issuance and/or listing from the time of issuance up until the end of the fiscal year. Covers, among others:	103
	a. Name of security instrument, year of issuance, interest rate/yield of securities, and maturity date;	103
	b. Offering price of other securities;	103
	c. The stock exchange where the securities are listed; and	103
	d. Rating of securities.	103
	Note: should be disclosed if the company does not have chronology of other securities issuance/listing	
14	Name and address of supporting institutions and/or professionals; Covers, among others:	104
	a. Name and address of the company's Share Registrar;	104
	b. Name and address of Public Accountant Firm; and	104
	c. Name and address of rating agencies.	104
15	Awards received during the fiscal year, or valid certification in the fiscal year, at both national and international levels; Covers, among others:	20-21
	a. Name of award and/or certification;	20-21
	b. Year received/issued;	20-21
	c. Name of institution that issued the award/certification; and	20-21
	d. Validity period (certification).	20-21
16	Name and address of subsidiaries and/or branch offices or representative offices (if any); Covers information on:	100
	a. Name and address of subsidiaries; and	100
	b. Name and address of branch/representative office.	100
	Note: should be disclosed if the company does not have a subsidiary, branch office or representative office.	
17	Information in the corporate website; Covers at the very least:	105
	a. Information of shareholders up to the individual ultimate shareholder;	105
	b. Contents of the Code of Conduct;	105
	c. Information on the General Meeting of Shareholders (GMS), covering at least agenda of the GMS, summary of GMS resolutions, and information of pertinent dates, namely the dates of GMS announcement, GMS invitation, GMS event, and announcement of summary GMS resolutions;	105
	d. Annual financial statements (last 5 years);	105
	e. Profiles of the Board of Commissioners and Directors; and	105
	f. Board manual/Charter of the BoC, BoD, Committees and Internal Audit Unit.	105
18	Training and education for Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit; Cover at least information of type of training and participant of:	
	a. Training and/or education for Board of Commissioners;	94
	b. Training and/or education for Board of Directors;	95
	c. Training and/or education for Audit Committee;	-
	d. Training and/or education for Nomination and Remuneration Committee;	-
	e. Training and/or education for other Committee(s);	-
	f. Training and/or education for Corporate Secretary; and	-
	g. Training and/or education for Internal Audit Unit; During the fiscal year.	-
	Note: should be disclosed if there are no training and/or education during the fiscal year	
	V. Management Discussion and Analysis on the Company Performance	106-145
1	Operation review per business segment; Includes analysis on:	112-125
	a. Elaboration on each business segment.	112-125
	b. Performance of each business segment, among others:	112-125
	Production;	112-125
	Increase/Decrease of production capacity;	112-125
	Sales/income; and	112-125
	Profitability.	112-125
2	Description on the Company's financial performance; An analysis comparing the performance of the current year and that of the previous year (in the form of narration and tables) and the reasons for the increase/decrease of the accounts, including in:	126-145
	a. Current assets, non-current assets, and total assets;	128-129
	b. Short-term liabilities, long-term liabilities, and total liabilities;	130-131
	c. Equity;	132
	d. Sales/operating revenues, expenses, Profit (Loss), other comprehensive income, comprehensive income for the current year; and	132-133
	e. Cash flows.	133
3	Discussion and analysis on solvability and level of the company receivables collectibility, by presenting relevant ratio calculation in line with the company's type of industry; Explanation on:	134
	a. Solvability, both short term and long term; and	134
	b. Level of receivables collectibility.	134

Annual Report Award Criteria

	Description	Page
4	Discussion on capital structure, and management policy on capital structure; Explanation of:	135-136
	a. Details of capital structure comprising of interest-bearing debts/sukuk and equity;	136
	b. Capital structure policies; and	135
	c. Basis for the determination of capital structure policies.	135
5	Discussion on material commitments of capital investments (instead of funding commitments) in the last fiscal year; Explanation on:	136
	a. Parties in the commitments;	136
	b. Objectives of the commitments;	136
	c. Sources of funds to meet the commitments;	136
	d. Denomination currency of commitments; and	136
	e. Initiatives taken to mitigate exchange rate risk.	136
	Note: should be disclosed if the company does not have any material commitment for capital investments in the fiscal year.	
6	Discussion on capital investment realized at the latest financial year	136
	Explanation on:	
	a. Type of capital investment;	136
	b. Objectives of capital investment; and	136
	c. Nominal value of capital investment realized in the last fiscal year.	136
	Note: should be disclosed if there are no capital investment.	136
7	Information on the comparison between initial target at the beginning of financial year and the realization and target or projection for the next year concerning income, profit, capital structure, and others considered significant target for the company. Contain information on:	
	a. Comparison of targets at the beginning of fiscal year and achievements; and	137
	b. Targets or projections set for the next 1 (one) year.	137
8	Information and material facts following the date of accounting report (Subsequent events). Description of significant events following the date of accounting report including its impact on business risk and performance in the future.	136
	Note: should be disclosed if there are no subsequent events.	
9	Business prospects; Description on business prospects related to the general industry and economy including quantitative supporting data from reliable resources	137-138
10	Marketing aspects; Description on marketing aspects of the company's products and/or services, among others marketing strategy and market shares	112-125
11	Description on dividend policy and total cash dividend per share and total dividend per year that are published or disbursed during last 2 (two) financial years; Contain information on:	138
	a. Dividend payout policy;	138
	b. Total dividend disbursement;	138
	c. Total cash dividend per share;	138
	d. Payout ratio; and	138
	e. Announcement date and cash dividend payout for each year.	138
	Note: To disclose if there are no dividend disbursement and its reasons.	138
12	Employee/Management Share Ownership Program (ESOP/MSOP) still ongoing in the fiscal year; Contain information on:	138-141
	a. Number of ESOP/MSOP shares and its execution;	139
	b. Period;	139-141
	c. Eligible employee/management; and	140
	d. Exercise price.	139-141
	Note: should be disclosed if there are no such programs	
13	Realization of initial public offering proceeds (in the event of the company is obligated to submit the report); Covers the following:	
	a. Total proceeds;	141-142
	b. Proceeds utilization plan;	141-142
	c. Proceeds utilization details;	141-142
	d. Proceeds balance; and	141-142
	e. The date of GMS/GMB resolution on the change of proceeds utilization (if any).	141-142
	Note: should be disclosed if there are no such information of realization of proceeds of public offering.	
14	Material transaction information with conflict of interest and/or transaction with related parties; Covers the following:	143
	a. Name of transacting parties and the nature of related parties;	143
	b. Description of the transaction fairness;	143
	c. Transaction background;	143
	d. Transaction realization at the last financial year;	143
	e. Company policy related with transaction review mechanism; and	143
	f. Compliance to relevant regulations and provisions.	143
	Note: To disclose if there are no transactions.	
15	Description on changes in laws and regulations during the fiscal year that impacted on the company	143
	Covers information on:	
	a. Name of regulations; and	143
	b. The impact (quantitative and/or qualitative) on the company, or statement of the insignificant impact	143
	Note: To disclose if there are no changes in the laws and regulations that have significant impacts	

	Description	Page
16	Description on the changes in accounting policy implemented by the company at the last financial year; Descriptions include among others:	143
	a. Changes in accounting policy;	143
	b. Reasons for the change; and	143
	c. Quantitative impact on the financial statements	143
	Note: To disclose if there are no changes in accounting policies during the fiscal year	
17	Information on business continuity; Disclosures on:	144-145
	a. Significant issues on the company business continuity at the last financial year;	144
	b. Management assessment on point 1; and	144
	c. Assumption implemented by the management in conducting the assessment.	144
	Note: if there are no issues that potentially have significant influences to the company's business continuity at the last financial year, to disclose the basis of management assumption in ensuring that there are no issues that potentially have significant influences to the company's business continuity at the last financial year.	
VI. Good Corporate Governance		206-299
1	Description on the Board of Commissioners; Covers the following:	233-237
	a. Board of Commissioners responsibilities;	235
	b. Assessment of performance of committees under the Board and the basis for such assessment; and	237
	c. Board Charter disclosures (Board of Commissioners work guidelines and procedures)	234
2	Independent Commissioners (at least 30% of the total personnel of the Board of Commissioners); Covers the following:	237
	a. Assignment criteria of Independent Commissioners; and	237
	b. Independency statement of each Independent Commissioner.	237
3	Description on the Board of Directors; Covers information on, among others:	238-243
	a. Duties and responsibilities of each member of the Board of Directors;	241-242
	b. Assessment of performance of committees under the Board (if any); and	243
	c. Board Charter disclosures (Board of Directors work guidelines and procedures)	239
4	GCG implementation assessment for 2019, at least for aspects of the Board of Commissioners and/or Board of Directors. Covers the following:	298-299
	a. Assessment criteria;	298
	b. Assessor;	298
	c. Assessment score on each criteria;	298
	d. Recommendations on results of assessment; and	298-299
	e. Reasons for the delay or non implementation of such recommendations.	298-299
	Note: should be disclosed if there are no GCG assessment for fiscal 2019.	
5	Description of the remuneration policy for the Board of Commissioners and Board of Directors. Covers the following:	273-277
	a. Disclosure of procedure for the proposal and determination of remuneration for the Board of Commissioners;	273
	b. Disclosure of procedure for the proposal and determination of remuneration for the Board of Directors;	276
	c. Remuneration structure showing the remuneration components and amounts per component for each member of the Board of Commissioners;	274
	d. Remuneration structure showing the remuneration components and amounts per component for each member of the Board of Directors;	277
	e. Disclosure of indicators for the remuneration of the Board of Directors; and	276
	f. Disclosure of performance bonus, non-performance bonus, and/or share option received by each members of the Board of Commissioners and Directors (if any).	275
	Note: should be disclosed if there are no performance bonus, non-performance bonus, and/or share option received by each members of the Board of Commissioners and Directors.	
6	Meeting frequency and attendance of Board of Commissioners (at least once in 2 months), Board of Directors (at least once in a month), and joint meetings of BoC and BoD (at least once in 4 months); Covers among others:	244-250
	a. Date;	244-250
	b. Attendance; and	244-250
	c. Agenda.	244-250
7	Information on majority and controlling shareholders, direct or indirect, up to the ultimate individual shareholder Diagram with separate illustration for majority shareholders and controlling shareholders	98-99
	Note: majority shareholders are parties that own, directly or indirectly, at least 20% of the voting rights of the total share with voting rights issued by the company, but is not the controlling shareholder	
8	Disclosure of affiliation between members of the Board of Directors, Board of Commissioners and Majority/Controlling Shareholders Covers, among others:	251
	a. Affiliation between a member of the Board of Directors with fellow members of the Board of Directors;	251
	b. Affiliation between a member of the Board of Directors with members of the Board of Commissioners;	251
	c. Affiliation between a member of the Board of Directors with Majority and/or Controlling Shareholder;	251
	d. Affiliation between a member of the Board of Commissioners with fellow members of the Board of Commissioners; and	251
	e. Affiliation between a member of the Board of Commissioners with Majority and/or Controlling Shareholder.	251
	Note: should be disclosed if there are no affiliation relationship	
9	Audit Committee; Includes the following:	252-253
	a. Name, position and tenure of audit committee members;	253
	b. Education qualifications (study field and institution) and work experience (position, company and tenure) of audit committee members;	253
	c. Independency of audit committee members;	252
	d. Duties and responsibilities;	252
	e. Brief report of audit committee activity; and	253-254
	f. Meeting frequency and attendance of audit committee.	253

Annual Report Award Criteria

	Description	Page
10	Nomination and/or Remuneration Committee; Includes the following:	254-256
	a. Name, position and brief profiles of members of the Nomination and/or Remuneration Committee;	255
	b. Independency of Nomination and/or Remuneration Committee;	254
	c. Duties and responsibilities ;	254
	d. Brief report of committee activity in the fiscal year;	255-256
	e. Meeting frequency and attendance;	255
	f. Statement of committee charter; and	254
	g. Policies on Director succession.	243
11	Other committees under the Board of Commissioners; Includes the following:	256-257,
	a. Name, position and brief profile of members of committee;	258-259, 259-
	b. Independency of committee;	260,260-261,
	c. Duties and responsibilities ;	261-263, 264-
	d. Committee activity in the fiscal year; and	265, 266-269,
	e. Committee meeting frequency and attendance.	269-271, 271-
		272, 272-273,
		273-277
12	Description of duties and functions of Corporate Secretary; Information on, among others:	277-280
	a. Name and brief work experience of Corporate Secretary;	277
	b. Domicile;	277
	c. Duties and responsibilities; and	277
	d. Report of activities of Corporate Secretary in the fiscal year.	278-280
13	Description on Internal Audit Unit; Includes the following:	289-293
	a. Name of internal audit unit head;	289
	b. Total employees (internal auditors) in internal audit unit;	291
	c. Certification on internal audit profession;	291-292
	d. Internal audit unit composition in the company's structure;	290
	e. Brief report on internal audit unit activity implementation; and	292
	f. The parties responsible to appoint/terminate the internal audit unit head.	289
14	Public Accountant; Includes the following:	288-289
	a. Name and year of public accountant that audits the annual financial statements in the last 5 years;	288
	b. The amount of fee for each service provided by public accountant at the last financial year; and	288
	c. Other services provided by the accountant apart from the audit service of annual financial statements at the last financial year.	289
	Note: to disclose if there are no other services rendered	
15	Description on risk management of the company; Includes the following:	148-193
	a. Explanation on risk management system implemented by the company;	149
	b. Explanation on risk management system effectiveness evaluation;	153-193
	c. Explanation on risks faced by the company; and	153-193
	d. Risk mitigation.	153-193
16	Description of internal control system; Includes the following:	293-295
	a. Brief explanation on internal control system, among others on financial and operational control;	293-294
	b. Explanation on internal control system alignment with international standard framework (COSO – internal control framework); and	293-294
	c. Explanation on internal control system effectiveness evaluation.	295
17	Description of corporate social responsibility related to organizational governance of social responsibility:	300-312
	a. Information on Company's commitment to social responsibility;	304
	b. Information on methods and scope of due diligence on the social, economic and environmental impacts of Company's activities;	304
	c. Information on significant stakeholders that are impacted by, or having an influence to the impact of, the Company's activities;	304
	d. Information on significant social, economic and environmental issues related to impact of the Company's activities;	304
	e. Information on the scope of the Company's corporate social responsibility, both obligatory as well as beyond obligatory;	305
	f. Information on the Company's strategy and work programs in the management of social, economic and environmental issues, as a form of stakeholder engagement and in creating value for stakeholders and shareholders;	305
	g. Information on programs that are beyond the minimum obligatory level for the Company as relevant with its business activities;	305
	h. Information on the funding and budgeting of social responsibility programs.	305
18	Description of corporate social responsibility related to core subject - Human Rights:	306-307
	a. Information on commitment and policies related to social responsibility core subject - Human Rights;	306
	b. Information on Company's definition on the scope of social responsibility core subject - Human Rights;	306
	c. Information on the planning of CSR initiatives in the area of Human Rights;	306
	d. Information on the execution of CSR initiatives in the area of Human Rights;	306
	e. Information on achievements and awards for CSR initiatives in the area of Human Rights.	306
19	Description of corporate social responsibility related to core subject - fair operating practices:	307
	a. Information on commitment and policies related to social responsibility core subject - fair operating practices;	307
	b. Information on Company's definition on the scope of social responsibility core subject - fair operating practices;	307
	c. Information on the planning of CSR initiatives related to fair operating practices;	307
	d. Information on the execution of CSR initiatives related to fair operating practices;	307
	e. Information on achievements and awards for CSR initiatives related to fair operating practices.	307

	Description	Page
20	Description of corporate social responsibility related to the environment:	308
	a. Information on commitment and policies on environment;	308
	b. Information on significant environmental impact and risks, both directly or indirectly related to the Company;	308
	c. Information on 2018 activity target/plan established by the Management;	308
	d. Information on environment-related activities or programs undertaken as related to the Company's operational activities;	308
	e. Information on the execution of CSR initiatives related to the environment;	308
	f. Information on the quantitative impact or achievement of such CSR initiatives, such as the use of environmental-friendly and recyclable material and energy, waste processing system, mechanism for environment-related complaints, consideration of environmental aspects in the granting of credit to creditors, and others.	308
	g. Environment-related certification.	308
21	Description of corporate social responsibility related to labor practices, covering information on, among others:	309-310
	a. Commitment and policies on social responsibility core subject - labor practices;	309-310
	b. Information on scope and definition of social responsibility related to labor practices;	309-310
	c. Information on 2018 activity target/plan established by the Management;	309-310
	d. Information on initiatives undertaken and the quantitative impact of such initiatives;	309-310
	e. Information related to labor practices and work health and safety, such as gender equality and equal work opportunity, work health and safety equipment, employee turnover rate, work accident rate, employee remuneration, mechanism for labor-related complaints, and others.	309-310
22	Description of corporate social responsibility related to consumer issues, covering among others:	311
	a. Information on 2018 activity target/plan established by the Management;	311
	b. Initiatives undertaken and the impact of such initiatives;	311
	c. Information related to product stewardship, such as consumer health and safety issues, product information, mechanism, number and resolution of consumer complaints, and others.	311
23	Description of corporate social responsibility related to community involvement and development, covering among others:	312
	a. Commitment and policies on social responsibility core subject - community involvement and development;	312
	b. Information on social issues relevant to the Company;	312
	c. Information on social risks managed by the Company;	312
	d. Information on scope and definition of social responsibility related to community involvement and development;	312
	e. Information on 2018 activity target/plan established by the Management;	312
	f. Initiatives undertaken and the impact of such initiatives;	312
	g. Budget spent;	312
	h. Information related to community involvement and development, such as use of local workers, empowerment of surrounding communities, improvement of public facilities or infrastructure, other forms of donations, communications on anti-corruption policies and procedures, training on anti-corruption, and others.	312
24	Significant litigation currently faced by the company, subsidiaries, and members of the Board of Commissioners and Board of Directors that served the position at the annual report period. Includes the following:	295
	a. The principal litigation/claims;	295
	b. Settlement status of litigation/claims;	295
	c. Impact to the company's condition; and	295
	d. Administration sanctions charged to the company, members of the Board of Commissioners and Board of Directors, by relevant authorities (capital market, banking and others) at the last fiscal year (or a statement of no administration sanction being charged)	295
	Note: To disclose in the event of no litigation	
25	Access to company information and data. Description on the availability of company information and data for public access, including dissemination through company website (in Bahasa and English), mass media, mailing list, bulletin, analyst gatherings, and others.	295
26	Discussion on code of conduct; Includes the following:	295-296
	a. Contents of Code of Conduct;	296
	b. Disclosure of code of conduct application in all level of organization;	296
	c. Code of conduct dissemination;	296
	d. Sanctions on code of conduct violations; and	296
	e. Number of violation and sanction in the last fiscal year.	-
	Note: should be disclosed if there are no violations of code of conduct in the last fiscal year.	
27	Disclosure on whistleblowing system; Includes the following mechanism of whistleblowing system:	296-297
	a. Violations report submission;	297
	b. Whistleblowers protection;	297
	c. Claims handling;	297
	d. Claims managers; and	297
	e. Total claims registered; and	297
	f. Sanctions/report processed at the last fiscal year including its follow up measures.	297
	Note: should be disclosed if there is no report and follow up action in the last fiscal year.	
28	Diversity of the Board of Commissioners and Board of Directors Composition. Description of written policy regarding diversity of the Board of Commissioners and Board of Directors composition regarding education, work experience, age, and gender	243-244
	Note: to disclose the reasons and considerations, if there is no policy applied	

Annual Report Award Criteria

	Description	Page
VII. Financial Information		
1	Board of Directors and/or Board of Commissioners' Statements regarding the Responsibility for the Financial Statements Conformity with related regulations regarding the Financial Statements Responsibility	315
2	Independent auditor opinion on financial statements	317 (no number)
3	Independent Auditor Description in the Opinion; Description contains the following:	318
	a. Name & signatures;	318
	b. Audit Report date; and	318
	c. License of Public Accountant Firm and license of Public Accountant	318
4	Comprehensive financial statements;Comprehensively covers the financial statements elements:	
	a. Statements of financial position;	319
	b. Statements of comprehensive income and other comprehensive income;	323-324
	c. Statements of changes in equity;	325-326
	d. Statements of cash flows;	327-329
	e. Notes to financial statements;	330-519
	f. Comparative information on previous periods; and	√
	g. Statements of financial position at the beginning of previous periods upon the application of retrospective accounting policy by the entity or representation of financial statements postings, or reclassifications of postings in the financial statements (if relevant).	√
5	Profitability level comparison; Comparison of current profit (loss) with the previous year	323-324
6	Statements of Cash Flows; Conformity to the following provisions:	
	a. Grouping into three category of activities of operations, investment, and financing;	
	b. Direct method application in the statements of cash flows from operations activity;	327-329
	c. Separation of presentation between cash in and or cash out during current year in the operation, investment and financing activities;	
	d. Disclosure of non cash transaction shall be stated in the notes to financial statements.	
7	Summary of accounting policies; Including at least:	
	a. Compliance statement to SAK;	
	b. Basis of measurement and formulation of financial statements;	343-375
	c. Recognition of income and expense;	
	d. Employee benefits; and	
	e. Financial instrument.	
8	Disclosure of related parties transactions; The disclosures includes:	
	a. Name of related parties, and the nature and relationship with related parties;	466-471
	b. Transaction values and its percentage to total income and expense; and	
	c. Total balance and its percentage to total assets or liabilities.	
9	Disclosure related to taxes; The disclosures shall includes:	
	a. Fiscal reconciliation and current tax expense calculation;	
	b. Explanation of relationship between tax expenses (income) and accounting profit;	
	c. Statement that Taxable Income as a result of reconciliation is use as the basis in completing the 2016 Annual corporate income tax return;	369-370, 405-412
	d. The details of deferred tax assets and liabilities recognized in the financial position statements for every presentation period, and total deferred tax expenses (income) recognized in the income statements if the total are not visible from the total deferred tax assets or liabilities recognized in the financial position statements; and	
	e. Disclosure of availability or un-availability of tax disputes.	
10	Disclosure related to fixed assets; The disclosures shall includes:	
	a. Used depreciation method;	
	b. Description on accounting policies selected between revaluation model and cost model;	361-363, 413-415
	c. Significant methods and assumptions used in estimation of fixed assets fair value (for revaluation model) or disclosure of fixed assets fair value (for cost model); and	
	d. Reconciliation of gross total recorded and accumulation of fixed assets depreciation at the beginning and end of period by presenting: addition, deduction and reclassification.	
11	Disclosure related to operations segments; The disclosures shall includes:	
	a. General information covering factors used to identify reported segments;	
	b. Information on segment's reported profit loss, assets, and liabilities;	472-476
	c. Reconciliation of segment's total revenues, segment's reported profit loss, segment's assets, segment's liabilities, and segment's other material elements to related total in entity; and	
	d. Disclosure of entity level, which covers information on products and/or services, geographic areas and main customers.	
12	Disclosure related to Financial Instruments; The disclosures shall includes:	
	a. Financial instrument classification;	
	b. Fair value of every financial instrument group;	348-350, 502-504, 512-516
	c. Risk management objectives and policies;	
	d. Explanation on risks related to financial instrument: market risk, credit risk and liquidity risk; and	
	e. Risk analysis related to financial instrument in quantitative way.	
13	Financial statements publication; The disclosures includes:	
	a. Date of financial statements authorized for publication; and	316-318
	b. Parties responsible to authorize the financial statements.	

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