

DISCLOSURE OF INFORMATION

In Fulfillment of OJK Regulation No. IX.B.2

Decision Attachment of Chief of Investment Coordinating Board and Financial Department No. Kep-105/BL/2010
In Connection with The Company's Plan to Buyback Shares Distribution
In the Context of Long Term Incentive Program

The Board of Commissioners and Board of Directors of the Company are fully responsible for the accuracy of all material information or facts contained in this Information Disclosure and affirm that no important and relevant information is not disclosed and which may cause material information in this Disclosure to be untrue and / or misleading



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**DISCLOSURE OF INFORMATION
IN CONNECTION WITH THE COMPANY'S PLAN TO BUYBACK SHARES DISTRIBUTION
IN THE CONTEXT OF LONG TERM INCENTIVE PROGRAM**

DISCLOSURE OF INFORMATION IS PUBLISHED IN SURABAYA ON June 8th, 2017

INFORMATION ABOUT REPURCHASED BUYBACK

The Company has executed the buyback of shares of the Company (buyback) that have been issued and listed on the Indonesia Stock Exchange. The repurchase of shares is carried out under Regulation no. XI.B.2 concerning Repurchase of Shares Issued by Issuers or Public Companies Appendix to Decision of Chairman of Capital Market and Financial Institution Supervisory Agency No. Kep 105 / BL / 2010, which has been implemented for the period February 1, 2017 to June 1, 2017.

- Number of shares which have been fully repurchased totaling 1,278,900 (one million two hundred seventy eight thousand and nine hundred) shares.
- The amount of funds used for the Share Repurchase as well as transaction fee is IDR 859,005,157, - (eight hundred fifty nine million five thousand one hundred and fifty seven rupiah) thus the average price of Shares Buyback is IDR 671,675 (six Hundred seventy-one rupiah six hundred and seventy-five cents) per share.

Furthermore, with due attention to Information Disclosure dated December 23, 2016 stating that the Execution of Share Buyback conducted by the Company is in the framework of implementation of the provisions of the Financial Services Authority Regulation no. 45 / POJK.03 / 2015 on the Application of Good Corporate Governance in the Provision of Remuneration to Commercial Banks (hereinafter referred to as POJK No. 45/2015) through the Long Term Incentive Program. Thus, the implementation of LTI Program will be done with the transfer of shares that have been bought back.

INFORMATION ABOUT REPURCHASED SHARES (BUYBACK) THROUGH LTI PROGRAM

Referring to the provisions of the Financial Services Authority Regulation No. 45 / POJK.03 / 2015 on the Implementation of Good Corporate Governance in Commercial Banks (hereinafter referred to as POJK No. 45/2015), in order to cope with the dynamics of the global economy, the banking industry needs to improve its resilience through improved governance in the provision of remuneration for Encourage prudent risk taking so that the Company's business continuity can be maintained. Furthermore, the bank may establish fixed and variable remuneration policies that pay attention to the performance and risk and determine the measurement method according to the scale and complexity of the Bank's business activities.

Pursuant to Article 17 POJK no. 45/2015, the Company as a publicly listed bank has set a variable Remuneration which has been applied for approval of the General Meeting of Shareholders of the Company by providing variable remuneration in the form of:

1. Cash and / or
2. Shares or stock-based instruments issued by the Company.

In relation thereto, the Company has prepared a Long Term Incentive Program (LTI) with eligibility criteria for LTI Program Participants with due regard to its duties and responsibilities in making decisions that have a significant impact on the Company's risk profile consisting of members of the Board of Directors of the Company.

The allocation of shares in the LTI Program will be implemented taking into account:

1. Approval of the General Meeting of Shareholders related to the variable's Remuneration in the form of Shares.
2. Approval of the General Meeting of Shareholders in the framework of the buyback that can be allocated in the LTI Program.
3. The share buyback has been executed in accordance with prevailing laws and regulations, with the amounts that can be allocated in the LTI Program.
4. Implementation of share allocation in LTI Program refers to POJK No. 45/2015 and the implementation of Good Corporate Governance in the Company.

LTI Program Requirements

1. Lock-up Period

For LTI 2016/2017 with participants who are members of the Board of Directors of the Company subject to locked-up until the official is no longer serving.

In the lock-up period, the Participant couldn't be able to transfer and / or conduct share transactions obtained in LTI Program 2016/2017 either through the Indonesia Stock Exchange or outside.

2. Supervision

Supervision of LTI Program 2016/2017 will be executed by the Board of Directors and will be reported to the nearest General Meeting of Shareholders of the Company for the implementation of the program.

Impact of Shares Distribution in Treasury through LTI Program

The acquisition cost of the Shares currently recorded as Buyback Shares become the remuneration cost of the members of Board of Directors amounting to IDR 859,005,157, - (eight hundred fifty nine million five thousand one hundred and fifty seven rupiah) and additional amount of remuneration which is income tax related to Receipt of shares in the LTI Program in accordance with the applicable income tax rate. Therefore, the Company will account the cost of IDR 859,005,157, - (eight hundred fifty nine million five thousand one hundred fifty seven rupiah).

ADDITIONAL INFORMATION

The shareholders who need additional information may contact the Company within working hours of:

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