

## DISCLOSURE OF INFORMATION

In Fulfillment of Financial Service Authority (FSA/OJK) No.30/POJK.04/2017  
With Regard to the Company's plan to repurchase the Company's shares (Buyback)  
In the Context of Company's Management Long Term Incentive Program



**PT Bank Pembangunan Daerah Jawa Timur Tbk**  
(Company)

**Main Office:**

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

The Company intends to repurchase the Company's shares that have been issued and listed on the Indonesia Stock Exchange (IDX) by referring to the Financial Services Authority (FSA/OJK) Regulation No.30 / POJK.04 / 2017 regarding Shares Buyback, which is Issued by Public Companies, which will be used for the implementation of Company's Management Long Term Incentive Program (LTI), with maximum allocation of Rp 1,200,000,000, - which will be carried out in stages starting from May 1, 2019 - July 31, 2019.

The AGM of the Company to approve the implementation of Shares Buyback in the context of Long Term Incentive Program Implementation, which will be held on April 26, 2019 at Bromo Room 5th Floor of PT Bank Pembangunan Daerah Jawa Timur Tbk Main Office, Jl. Basuki Rachmad 98-104 Surabaya

Disclosure of Information is Published in Surabaya on March 20, 2019

## INFORMATION ABOUT LONG TERM INCENTIVE PROGRAM

Referring to the provisions of the Financial Services Authority Regulation No. 45 / POJK.03 / 2015 concerning Implementation of Governance in the Allocation of Remuneration in Commercial Banks (hereinafter referred to as POJK NO. 45/2015), banks may establish a fixed and variable remuneration policy that pays attention to performance and risk and determines the measurement method according to the scale and complexity of the Bank's business activities.

According to the article 17 of POJK No. 45/2015, the Company has determined variable Remuneration to be approved by the Company's AGM by providing variable remuneration in the form of:

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

In connection with this matter, the Company has compiled a Long Term Incentive Program (LTI Program) with LTI Program Participants Eligibility Criteria by paying attention to their duties and responsibilities to make decisions, which have a significant impact on the Company's risk profile consisting of the Company's Directors.

Allocation of shares in the LTI Program will be carried out with due regard to:

1. Approval of the AGM related to variable Remuneration in the form of Shares.
2. Approval of the AGM in the context of shares repurchase (buyback), which can be allocated in the LTI Program.
3. Shares Repurchase (Buyback), which has been carried out in accordance with the applicable laws and regulations, with the amount which can be allocated in the LTI Program.

### LTI 2018/2019 Program Requirements

#### 1. Lock-up Period

For LTI 2018/2019, participants who are corporate directors will be subject to locked-up until the relevant parties are no longer serving.

In the locked-up period, Participants will not be able to transfer and / or carry out stock transactions, which are obtained in the 2018/2019 LTI Program either through the stock exchange or outside the stock exchange.

#### 2. Supervision

The LTI 2018/2019 Program Supervision will be carried out by the Board of Directors and will be reported to the closest Company's AGM with regard to the implementation of the program.

## ESTIMATION OF SCHEDULE, EXPENSE OF SHARES REPURCHASE IN THE CONTEXT OF LTI PROGRAM AND ESTIMATION OF SHARES NOMINAL VALUES, WHICH WILL BE REPURCHASED

Shares Repurchase (Buy Back) will be conducted after obtaining the approval of the AGM on April 26, 2019.

The Share Repurchase Financing will derive from a bonus after obtaining the approval of the AGM with a maximum amount of Repurchase of IDR 1,200,000,000 (one billion and two hundred million rupiah).

## EXPLANATION, CONSIDERATIONS, AND BACKGROUND FOR REPURCHASING THE COMPANY'S SHARES (BUYBACK)

The Company carries out share repurchase (Buyback) in the framework of implementing the 2018/2019 LTI Program and fulfilling POJK NO. 45/2015. The Company believes that the implementation of the Company's Share Buyback transaction in the context of the LTI Program to be allocated to LTI Program participants as variable remuneration will not have a material negative impact on the Company's business activities considering that this is part of the remuneration that is

expected to encourage prudent risk taking so that the continuity of the Company's business can be maintained and will improve the Company's performance in the future.

**ESTIMATION OF THE DECREASE OF THE COMPANY'S INCOME AS DUE TO THE IMPLEMENTATION OF SHARES REPURCHASE AND THE IMPACT OF THE COMPANY'S FINANCING COSTS**

There are no impacts that affect the company's earnings and profits because the source of purchase funds comes from bonus after obtaining the approval of the AGM.

**PROFIT PROFORMA PER COMPANY'S BASIC SHARE AFTER THE PLAN OF SHARES REPURCHASE (BUYBACK) IS IMPLEMENTED BY CONSIDERING THE DECREASE OF COMPANY'S INCOME**

The following below is the Profit Proforma, Assets and ROA of the Financial Report as of December 31, 2018 by calculating the financing of the entire Company's Share Repurchase (Buyback) program amounting to Rp 1,200,000,000 (one billion and two hundred million rupiah) including transaction costs.

(\*in million rupiah)

	December 30, 2018		
	BEFORE BUYBACK	IMPACT	AFTER BUYBACK
Total Asset*	62.689.118	-1.200	62.687.918
Current Earning*	1.260.308		1.260.308
Equity*	8.471.937		8.471.937
Earning per Share	84,15		84,15
Return On Asset	2,962500%	0,000005%	2,962505%
Return On Equity	17,749682%		17,749682%

**LIMITATION OF SHARES PRICES FOR SHARES REPURCHASE (BUYBACK)**

The bid price to repurchase shares must be lower or equal to the price of the transaction, which occurred earlier.

**LIMITATION OF TIME PERIOD FOR SHARES REPURCHASE (BUYBACK)**

The Company's Shares Repurchase (Buyback) will be held for a period of 3 (three) months from May 1, 2019 to July 31, 2019.

**USABLE METHODE FOR SHARES REPURCHASE (BUYBACK)**

Buying transactions are made through 1 (one) member of the stock exchange.

**MANAGEMENT DISCUSSION AND ANALYSIS REGARDING THE EFFECT OF SHARES REPURCHASE (BUYBACK) ON BUSINESS ACTIVITIES AND COMPANY GROWTH IN THE**

Stock Buyback in the framework of the 2018/2019 LTI Program for variable remuneration in the form of shares does not have a material impact on the company's profitability and will enhance management's sense of belonging which is believed to have a good influence on the company's business activities and growth.

## THE COMPANY'S PLAN ON SHARES REPURCHASE (BUYBACK)

The Company will announce the plan regarding shares repurchase (buyback) allocation to the LTI Program participants through the Indonesia Stock Exchange (IDX) website and the Company's website [www.bankjatim.co.id](http://www.bankjatim.co.id) no later than 14 (fourteen) days prior to the implementation of the shares allocation in the LTI Program.

Shares which have been repurchased by the Company before being allocated to the LTI Program Participants, cannot be used to cast a vote at the AGM and are not taken into account in determining the quorum amount that must be achieved in accordance with the provisions of the applicable legislation, and also those shares do not have rights to receive dividends.

## ADDITIONAL INFORMATION

Shareholders who need additional information may contact the Company during working hours with the address:

Corporate Secretary  
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