

COMMUNICATION POLICY WITH SHAREHOLDERS OR INVESTORS





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**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR TBK**

2020

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BACKGROUND

PT Bank Pembangunan Jawa Timur Tbk (referred to as Bank Jatim) conducted an Initial Public Offering on July 12, 2012 by selling 20% ownership to the public and the remaining 80% is owned by the Provincial Government, Regency Government and the Government of East Java City. By doing the Initial Public Offering, Bank Jatim has become a publicly traded company. Companies that have gone public will seek to maximize the value of their stock investment in the company, which includes communication with investors through programs and providing information about the company's balance sheet and financial statements to Investors.

OBJECTIVE

To create Good Corporate Governance (GCG) in order to strengthen the internal conditions of the national banking system and manage the company's communication relationships with Investors.

LEGAL BASIS

The references, which are used in the preparations are as follows :

- Regulation of Indonesia Capital Market, Law No. 8 of 1995 with regards to Capital Market. ;
- Constitution of the Republic of Indonesia No. 10 of 1998 with regards to Amendment to Constitution No. 7 of 1992 with regards to Banking ;
- Constitution of the Republic of Indonesia No. 40 of 2007 with regards to Limited Company ;
- Constitution of the Republic of Indonesia No. 25 of 2009 with regards to Public Service ;
- Regulation of Financial Service Authority No. 35/POJK.04/2014 with regards to Issuers' Corporate Secretary or Publicly Traded Company ;
- Regulation of Financial Service Authority No. 38 /POJK.04/2014 with regards to Company's Capital Increase Without Preemptive Rights ;
- Regulation of Financial Service Authority No. 11/POJK.04/2017 with regards to Ownership Reports or Any Change in Public Company Share Ownership ;
- Decree of the Chairperson of the Capital Market Supervisory Agency No. Kep-86 / Pm / 1996 concerning Information Disclosure that Must Be Made Public Immediately ;
- Circular Letter of BAPEPAM-LK No. Se-02 / BL / 2009 Year 2009 with regards To Debt / Liability Data Reports of Companies in Foreign Currencies.
- Regulation of Indonesian Stock Exchange No. I-E Regarding Obligation to Submit Information on July 19, 2004.

PRINCIPLES AND SCOPE

This policy is arranged based on principles as follows :

1. **Information Disclosure**

Investor Relations are required to provide sufficient, accurate, timely information to all regulators, investors and the public.

2. **Accountability**

Clarity of functions, obligations and authority as well as responsibilities.

3. **Liability**

The form of Liability of Investor Relations is compliance with applicable laws and regulations, while also being responsible to regulators, investors, and the public.

4. **Independence**

Professional relationship management without any conflict of interest and without pressure or intervention from any party that is not in accordance with applicable laws and regulations.

5. **Equality and Fairness**

This principle requires fair treatment in fulfilling the rights of shareholders in accordance with applicable laws and regulations. It is hoped that this principle can become a motivating factor that can monitor and guarantee fair treatment among various interests within the company.

SCOPE

This policy is formulated and implemented in the Internal of Bank Jatim, especially Investor Relations who deal directly with investors or stakeholders.

BASIC PRINCIPLES OF COMMUNICATION

Basic Principles of Communication are as follows :

1. Disclosure of information is done fairly by taking into account the principles of equality and transparency ;
2. Bank Jatim, both Directors and Employees must provide information by adhering to the principle of prudence by observing the provisions of confidentiality in the applicable banking sector ;
3. In communicating with regulators, investors and the public, one-stop policies are used.

APPLICATION OF INFORMATION DISCLOSURE PRINCIPLES

Information disclosure is one of the special characteristics in the field of capital markets. Law number 8 of 1995 mandates that issuers and or public companies always implement the principle of openness, which is implemented through the delivery of information or material facts related to the business or its effects. In its journey, issuers and / or public companies must take the form of corporate actions, whether in the form of dividends, bonus share issues, and so on. BI, OJK and IDX have arranged that in carrying out their corporate actions, the Issuer and / or Public Company still pay attention to the principle of transparency in order to prevent any loss for stakeholders.

The purpose of the principle of openness is to create efficiency in securities transactions where investors in securities trading can trade transparently, fairly and wisely. Without this openness obligation, it is impossible to create an efficient market. On the contrary, there could be the possibility of investors who did not obtain information due to the unequal distribution of information to investors because there is information that is not opened transparently or there is information that is not yet available to the public, but has been conveyed to certain people.

TERMS

a. Analyst Meeting

The meeting will be held by a public company, where the meeting will present the company's financial performance and business plan to analysts.

b. Bank Jatim

PT Bank Pembangunan Daerah Jawa Timur Tbk

c. Conference Call

A telephone/video call to analysts, institutional investors and individual investors, and potential investors where in the conversation the company reports the results of its financial performance and business plans. During the conversation, analysts, investors and potential investors will be allowed to ask questions at the end of the call.

d. ESOP (Employee Stock Option Program)

Programs that entitle employees with regards to company's share ownership. The company's share ownership program in Indonesia is known as the Employee Stock Option Program.

e. MSOP (Management Stock Option Program)

Programs that entitle management with regards to company's share ownership.

f. Go Public

The activity of a company when first offering shares to the investors, which is also called an IPO (Initial Public Offering).

g. Good Corporate Governance

The series of processes, habits, policies, rules and institutions that influence the direction, management, and control of a company or corporation.

h. One On One Meeting

Meeting between public companies and analysts, investors, prospective investors, where the meeting discuss about the company's financial performance and company prospects.

TERMS

i. Capital Market

Activities related to public offering and trading of securities, public companies related to the issuance of securities, and institutions and professions related to securities.

j. Security Companies

An intermediary company that provides services for certain parties in the capital market, both for the sale and purchase of securities transactions.

k. Press Conference

Meetings where the media such as journalists are invited to hear presentations and company news such as the latest financial performance or product launches.

l. The Principle of Disclosure

General guidelines requiring Banks subject to the Capital Market Law to inform the public in a timely manner all Material Information about their business or securities that may affect the investor's decision on the said Securities and or the price of the Securities.

m. General Meeting of Shareholder (RUPS)

Company organs that hold the highest authority in the Company and hold all authority, which is not delegated to the Directors and Board of Commissioners, as a place for shareholders to make important decisions relating to capital invested in the company by taking into account the provisions of the Articles of Association and legislation.

n. Share/Stock

Sign of capital participation of a person or party (business entity) in a company or limited liability company. By including this capital, the party has a claim on company income, a claim on company assets, and is entitled to attend the General Meeting of Shareholders (GMS).

TERMS

o. Site Visit

Meeting between public companies and analysts, investors, prospective investors, where the meeting discussed about the company's performance and know firsthand the office operations.

MANAGERIAL DUTIES

Managerial duties are as follows :

1. Organizing with related work units in the framework of formulating policy plans and standardizing the implementation of Corporate Actions of Bank Jatim based on applicable regulations;
2. Building and maintaining a good image for Bank Jatim to support and maintain corporate value (company value) so that it always increases;
3. Strive for smooth and effective communication between Bank Jatim and investors and stakeholders;
4. Control and monitor the implementation of studies and analysis of capital market developments and provide recommendations for steps/actions to be taken;
5. Controlling and monitoring information services to the public/ shareholders including material for holding General Meeting of Shareholders, road shows, Analyst Meetings, One on One Meeting, Conference Calls, Public Expose, and Site Visit, Material media publications and so on;
6. Proposal for fulfillment and addition of human resources for positions under his work unit and Proposal of Promotion based on the performance management that has been carried out;
7. Organizing the preparation of annual Work Plans and Budgets in the framework of carrying out activities in accordance with the scope of their duties;
8. Oversee and control budget utilization.

MANAGERIAL DUTIES

Some of the activities that include these include the following :

a. **Analyst meeting**

A regular meeting with analysts from Indonesian securities companies which is held every 3 months. This meeting discussed about the financial performance of Bank Jatim, where Bank Jatim explained its performance to securities analysts and conducted dialogues and questions and answers related to the performance of Bank Jatim.

b. **One on One Meeting**

An incidental activity carried out by Investor Relations to discuss important events or company performance to establish relationships with analysts, investors, and potential investors.

c. **Site Visit**

An incidental activity carried out at the request of analysts or investors to discuss and find out more in the field about the operations of Bank Jatim.

d. **Conference Call**

An incidental activity carried out by Investor Relations at the request of analysts or investors to discuss the company's performance by telephone.

e. **Public Expose**

An activity carried out at least once a year as an obligation of a company that has gone public to explain the company's performance to analysts, investors, potential investors and the general public.

f. **Press Conferences**

A Special event, which is arranged as a means to announce, explain, maintain or promote wisdom with a view to strengthening public and media understanding and acceptance.

MANAGERIAL DUTIES

Some of the activities that include these include the following :

g. **Road Show**

Activities where the issuer along with other parties involved introduce securities and their companies, to foreign investors (institutional investors) by visiting and meeting with these parties so that they are expected to be able to increase the sale of shares during the primary market.

h. **Investor Day**

An activity carried out by a company that has gone public to explain the company's performance to analysts, investors, potential investors and the general public.

i. **Stock Market Socialization**

An activity that aims to educate participants in socializing all information regarding the shares of Bank Jatim, prospects and profits to be obtained by shareholders of Bank Jatim.

REPORT

In this case, the reporting duties carried out include the following points :

1. Monitor operational changes through ongoing relationships with the management of Bank Jatim, and develop investor relations based on changes in regulations;
2. Communicating to Stakeholders about the Bank's strategic plan;
3. Monitor publications through media that are in line with the needs of the Bank of East Java related to the implementation of the Bank's Corporate Action;
4. Develop communication with shareholders and inform financial reports that are required in accordance with applicable regulations and laws through financial statements;
5. Controlling the preparation of financial reports and / or other publication reports to the IDX, Financial Services Authority (OJK) and BI;
6. Monitor administration and reporting activities related to the use of funds originating from share capital for external purposes.

To carry out these reporting tasks, Investor Relations adheres to the regulatory basis in the underlying Capital Market field. All reports that are the responsibility of Investor Relations will be explained in full in the next chapter on Administration & Reporting.

DISCLOSURE OF INFORMATION

Bank Jatim provides facilities for all stakeholders to access company information. With reference to OJK Regulation No. 08 / POJK.04 / 2015 concerning Issuer or Public Company Website, the information presented includes all activities and conditions of the Bank that need to be known. To describe the bank's performance on a regular basis, the Bank has Investor Relations that always builds good relations with analysts. The information services presented can be accessed at :

MEDIA SOCIAL



www.bankjatim.co.id



Bank Jatim



@bank_jatim



info@bankjatim.co.id



@bankjatim




14044 (24 hours)



Bank Jatim



(031) 5310090-99
(031) 5310838



PT Bank Pembangunan Daerah Jawa Timur Tbk
(031) 5310090-99
www.bankjatim.co.id