

REPORT ON  
THE IMPLEMENTATION OF  
INTEGRATED GOVERNANCE



2015

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# The Implementation of bank bjb's Integrated Governance 2015

## A. Background

The implementation of the Financial Service Authority's Regulation number 18/POJK.03/2014 regarding the Application of Governance to Financial Conglomerates is a topic that has been widely discussed during 2015, particularly to companies engaging in the sectors of banking, insurance, reinsurance, securities and/or financing. PT Bank Pembangunan Daerah Jawa Barat and Banten, Tbk., hereinafter referred to as Bank, is a Financial Service Institution that is obliged to implement the Integrated Governance for Financial Conglomerates. This is due to the Bank's shareholding in several Financial Service Institutions. In addition, with its capacity as a Financial Service Institution, the controlling shareholder of which is the Government of West Java Province, the Bank has a relation with the Financial Service Institutions owned by the Government of West Java Province. This makes the Bank to have a controlling relationship with the Financial Service Institutions owned by the Government of West Java Province. On this basis, the Bank together with all Financial Service Institutions having ownership or controlling relationship can be categorized as a Financial Conglomerate.

As part of the Financial Conglomerates, the Bank wishes to actively take part in implementing the integrated governance in accordance with the Financial Service Authority's Regulation number 18/POJK.03/2014 regarding the Application of Governance to Financial Conglomerates, so that in the future, the integrated governance implementation can realize a healthy financial conglomerate that is able to contribute to the sustainable and stable growth of financial service sector.

### Key Principles

Referring to the Financial Service Authority's Regulation number 18/POJK.03/2014 regarding the Application of Governance to Financial Conglomerates, the implementation of Integrated Governance is a governance that applies the principles of:

1. Transparency;
2. Accountability;
3. Responsibility;
4. Independency or Professionalism; and
5. Fairness.

The above principles have been implemented by the Bank in performing Good Corporate Governance so that it is highly committed to implementing this Integrated Governance in Financial Conglomerates in a proper manner.

## B. Financial Conglomerate Structure

In determining the structure of the Financial Conglomerate, the Bank refers to the Financial Service Authority's Regulation number 18/POJK.03/2014 regarding the Application of Governance to Financial Conglomerates, where each Financial Service Institution is obliged to identify its ownership and/or controlling relationship with any other Financial Service Institution. Therefore, the Bank has performed identification in determining the structure of Financial Conglomerate to identify the subsidiaries, related companies and Main Entity.

In determining the subsidiaries, the Bank has performed identification of Financial Service Institutions under its direct and indirect ownership and/or control. Based on the

identification result, the Bank determined 3 (three) Financial Service Institutions as those directly owned and/or controlled by the Bank. Due to its shareholding and/or control in Financial Service Institutions that it directly owns and/or controls, the Bank automatically acts as the Main Entity. The 3 (three) Financial Service Institutions directly owned and/or controlled by the Bank are as follows:

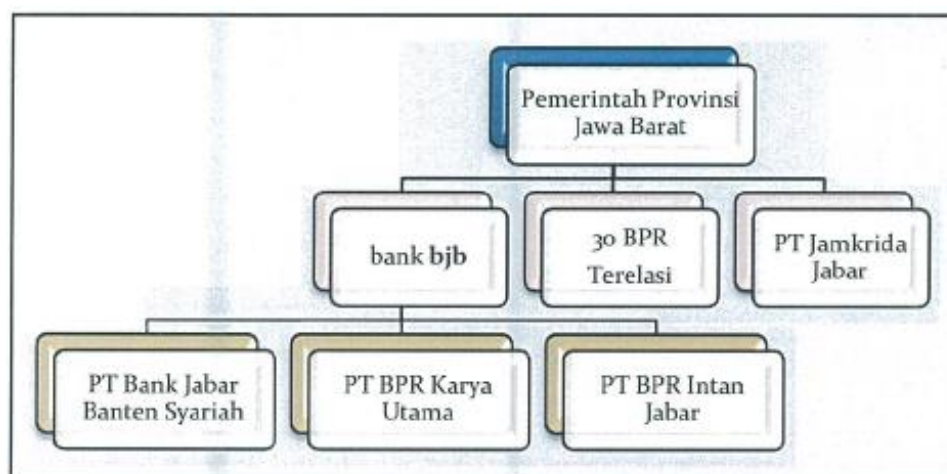
1. PT Bank Jabar Banten Syariah;
2. PT BPR Karya Utama; and
3. PT BPR Intan Jabar.

As an effort to determine the related companies, the Bank together with its controlling shareholder, i.e. the Government of West Java Province, performed identification of the Financial Service Institutions owned and/or controlled by the Government of West Java Province. In response to such identification, the Government of West Java Province has presented all data on Financial Service Institutions under its ownership and/or control via the letter number 539/1030/Inves&BUMD dated 02 March 2015 concerning the Appointment of bank bjb as the Main Entity and letter number 539/1495/Inves&BUMD dated 27 March 2015 concerning the Appointment of bank bjb as the Main Entity. In addition, by virtue of letter from the Government of West Java Province, the Bank has been appointed as the Main Entity for all Financial Service Institutions owned and/or controlled by the Government of West Java Province. The Financial Service Institutions owned and/or controlled by the Government of West Java Province are as follows:

1. PT BPR Cianjur Jabar;
2. PD BPR Cipatujah Kabupaten Tasikmalaya;
3. PD BPR Leuwiliang Kabupaten Bogor;
4. PD BPR Citeureup Kabupaten Bogor;
5. PD BPR Parungpanjang Kabupaten Bogor;
6. PD BPR Sawangan Kabupaten Bogor;
7. PD BPR Pancoran Mas Kabupaten Bogor;
8. PD BPR Bekasi Kabupaten Bekasi;
9. PD BPR Setu Kabupaten Bekasi;
10. PD BPR Sukatani Kabupaten Bekasi;
11. PD BPR Pondokgede Kabupaten Bekasi;
12. PD BPR Cibarusah Kabupaten Bekasi;
13. PD BPR Cibitung Kabupaten Bekasi;
14. PD BPR Arahman Kidul Kabupaten Indramayu;
15. PD BPR Balongan Kabupaten Indramayu;
16. PD BPR Bongas Kabupaten Indramayu;
17. PD BPR Cantigi Kulon Kabupaten Indramayu;
18. PD BPR Kroya Kabupaten Indramayu;
19. PD BPR Sukra Kabupaten Indramayu;
20. PD BPR Banjaran Kabupaten Majalengka;
21. PD BPR Cigasong Kabupaten Majalengka;
22. PD BPR Cingambul Kabupaten Majalengka;
23. PD BPR Panyingkiran Kabupaten Majalengka;
24. PD BPR Cimerak Kabupaten Ciamis;
25. PD BPR Saketi Kabupaten Pandeglang;
26. PD BPR Malingping Kabupaten Lebak;
27. PD BPR Cipanas Kabupaten Lebak;

28. PD BPR Warunggunung Kabupaten Lebak;
29. PD BPR Kertaraharja Kabupaten Tangerang;
30. PD BPR Serang Kabupaten Serang;
31. PT. Jamkrida Jabar

Based on the result of the aforesaid identification, the Bank reported the structure of the Bank's Financial Conglomerate to the Financial Service Authority via its letter number 232/DIR-MR/2015 dated 30 March 2015 concerning the Report on the Main Entity Appointment and the Structure of Conglomerate as follows:



Following the identification, the Bank reviewed all Financial Service Institutions incorporated in the Bank's Financial Conglomerate, mainly the Financial Service Institutions owned and/or controlled by the Government of West Java Province to ensure the implementation of Integrated Governance in the Financial Conglomerate. The findings of such review led to a change in the structure of Bank's Financial Conglomerate as follows:

1. The review of PT Jamkrida Jabar's field of business indicate that PT Jamkrida Jabar is a company dealing with assurance. Referring to the Financial Service Authority's Regulation number 18/POJK.03/2014 regarding the Application of Governance to Financial Conglomerates (Article 3), an assurance company is not a Financial Service Institution Incorporated in the Financial conglomerate so that it does not meet the membership criteria of the financial conglomerate. This is also confirmed by the Financial Service Authority through the letter number S-22/KR.212/2016 concerning the Financial Conglomerate Confirmation.
2. The merger of Financial Service Institutions domiciled in Bekasi Regency including PD BPR Bekasi Kabupaten Bekasi; PD BPR Setu Kabupaten Bekasi; PD BPR Sukatani Kabupaten Bekasi; PD BPR Pondokgede Kabupaten Bekasi; PD BPR Cibarusah Kabupaten Bekasi; PD BPR Cibitung Kabupaten Bekasi is in accordance with the Minutes of Extraordinary General Meeting of Shareholders number 55 concerning the Approval of Shareholders for the Merger of District Rural Banks including PD BPR LPK Pondokgede, PD BPR LPK Sukatani, PD BPR LPK Setu, PD BPR LPK Cibarusah, PD BPR LPK Cibitung into PD BPR LPK Bekasi.

In view of the above, the structure of Bank Financial Conglomerates by December 2015 is as follows:

## C. Ownership Structure of Financial Service Institutions Incorporated in the Financial Conglomerate

### C.1 Subsidiaries

The ownership structure of subsidiary Financial Service Institutions is as follows:

1. PT Bank Jabar Banten Syariah

Shareholders	Shareholding Percentage
Bank	97.70%
PT. Banten Global Development	2.30%

2. PT BPR Intan Jabar

Shareholders	Shareholding Percentage
Bank	39.57%
The Government of West Java Province	33.65%
The Government of Garut Regency	26.78%

3. PT BPR Karya Utama Jabar

Shareholders	Shareholding Percentage
Bank	44.32%
The Government of West Java Province	33.41%
The Government of Subang Regency	22.27%

### C.2 Related Companies

The ownership structure of the Bank-related Financial Service Institutions is as follows:

1. PT BPR Cianjur Jabar

Shareholders	Shareholding Percentage
The Government of West Java Province	39.88%
The Government of Cianjur Regency	47.87%
Bank	12.25%

2. PD BPR Cipatujah Kabupaten Tasikmalaya

Shareholders	Shareholding Percentage
The Government of West Java Province	19.78%
The Government of Tasikmalaya Regency	74.28%
Bank	5.94%

3. PD BPR Leuwiliang Kabupaten Bogor

Shareholders	Shareholding Percentage
The Government of West Java Province	39.27%
The Government of Bogor Regency	56.10%
Bank	4.63%

4. PD BPR Citeureup Kabupaten Bogor

Shareholders	Shareholding Percentage
The Government of West Java Province	39.29%
The Government of Bogor Regency	56.08%
Bank	4.63%

5. PD BPR Parungpanjang Kabupaten Bogor

Shareholders	Shareholding Percentage
The Government of West Java Province	36.65%
The Government of Bogor Regency	52.36%
Bank	10.99%

6. PD BPR Sawangan Kabupaten Bogor

Shareholders	Shareholding Percentage
The Government of West Java Province	36.65%
The Government of Bogor Regency	52.36%
Bank	10.99%

7. PD BPR Pancoran Mas Kabupaten Bogor

Shareholders	Shareholding Percentage
The Government of West Java Province	36.65%
The Government of Bogor Regency	52.36%
Bank	10.99%

8. PD BPR Bekasi Kabupaten Bekasi

Shareholders	Shareholding Percentage
The Government of West Java Province	61.84%
The Government of Bekasi Regency	30.88%
Bank	7.28%

9. PD BPR Arahau Kabupaten Indramayu

Shareholders	Shareholding Percentage
The Government of West Java Province	36.65%
The Government of Indramayu Regency	52.36%
Bank	10.99%

10. PD BPR Balongan Kabupaten Indramayu

Shareholders	Shareholding Percentage
The Government of West Java Province	36.65%
The Government of Indramayu Regency	52.36%
Bank	10.99%

11. PD BPR Bongas Kabupaten Indramayu

Shareholders	Shareholding Percentage
The Government of West Java Province	36.65%
The Government of Indramayu Regency	52.36%
Bank	10.99%

12. PD BPR Cantigi Kulon Kabupaten Indramayu

Shareholders	Shareholding Percentage
The Government of West Java Province	36.65%
The Government of Indramayu Regency	52.36%
Bank	10.99%

13. PD BPR Kroya Kabupaten Indramayu

Shareholders	Shareholding Percentage
The Government of West Java Province	36.65%
The Government of Indramayu Regency	52.36%
Bank	10.99%

14. PD BPR Sukra Kabupaten Indramayu

Shareholders	Shareholding Percentage
The Government of West Java Province	36.65%
The Government of Indramayu Regency	52.36%
Bank	10.99%

15. PD BPR Banjaran Kabupaten Majalengka

Shareholders	Shareholding Percentage
The Government of West Java Province	56.29%
The Government of Majalengka Regency	35.07%
Bank	8.64%

16. PD BPR Cigasong Kabupaten Majalengka

Shareholders	Shareholding Percentage
The Government of West Java Province	55.90%
The Government of Majalengka Regency	34.71%
Bank	9.38%

17. PD BPR CingambuI Kabupaten Majalengka

Shareholders	Shareholding Percentage
The Government of West Java Province	57.79%
The Government of Majalengka Regency	34.57%
Bank	7.64%

18. PD BPR Panyingkiran Kabupaten Majalengka

Shareholders	Shareholding Percentage
The Government of West Java Province	54.81%
The Government of Majalengka Regency	36.97%
Bank	8.22%

19. PD BPR Cimerak Kabupaten Ciamis

Shareholders	Shareholding Percentage
The Government of West Java Province	35 /0
The Government of Ciamis Regency	50%
Bank	15%



20. PD BPR Saketi Kabupaten Pandeglang

Shareholders	Shareholding Percentage
The Government of West Java Province	16.12%
The Government of Banten Province	16.12%
The Government of Pandeglang Regency	59.70%
Bank	8,06%

21. PD BPR Malingping Kabupaten Lebak

Shareholders	Shareholding Percentage
The Government of West Java Province	22.90%
The Government of Banten Province	22.90%
The Government of Lebak Regency	38.17%
Bank	16.03%

22. PD BPR Cipanas Kabupaten Lebak

Shareholders	Shareholding Percentage
The Government of West Java Province	18.15%
The Government of Banten Province	18.15%
The Government of Lebak Regency	56.88%
Bank	6.81%

23. PD BPR Warunggunung Kabupaten Lebak

Shareholders	Shareholding Percentage
The Government of West Java Province	19.58%
The Government of Banten Province	19.58%
The Government of Lebak Regency	55.47%
Bank	5.38%

24. PD BPR Kertaraharja Kabupaten Tangerang

Shareholders	Shareholding Percentage
The Government of West Java Province	0.84%
The Government of Banten Province	20.94%
The Government of Lebak Regency	76.76%
Bank	1.47%

25. PD BPR Serang Kabupaten Serang

Shareholders	Shareholding Percentage
The Government of West Java Province	8.23%
The Government of Banten Province	35.77%
The Government of Lebak Regency	50.28%
Bank	5.72%

**D. The Management Structure of Financial Service Institutions Incorporated in the Financial Conglomerate**

**D.1 Subsidiaries**

The management structure of the Bank's subsidiary Financial Service Institutions:

1. PT. Bank Jabar Banten Syariah

Board of Commissioners	Erick
	Cahya
	Didit Supriyadi
	Santoso Djojokoesoemo
Board of Directors	Yocie Gusman
	Hamara Adam
	Harta Purnama
	Yana Iriana
Sharia Board of Supervisors	Prof. DR. Jaih, SE, MH. M.Ag
	Rikza Maulan, Lc, M.Ag
	Drs. H. Endjo Sunidja, MM, M.Ag

2. PT. BPR Intan Jabar

Board of Commissioners	Rahmat
	Bunyamin Saepudin
Board of Directors	Aam Muhamad
	Dani Hadian
	Deden Rachmat Syawaludin

3. PT BPR Karya Utama Jabar

Board of Commissioners	Sarpan Sujana
	Hetty Juitaningrum
Board of Directors	Oman Sunandar
	R. Mohammad Noor Rahman

## D.2 Related Companies

The management structure of the Bank-related Financial Service Institutions:

1. PT BPR Cianjur Jabar

Board of Directors	Yayan Suryana
	Rachmat Aries
	Subadri
Board of Commissioners	Agus Takkarin Siddiq

2. PD BPR Cipatujah Kabupaten Tasikmalaya

Board of Directors	H. Atang Sutarsa
	Asep Darlianto
Board of Supervisors	H. Amar Sumarna
	Asep Budiman

3. PD BPR Leuwiliang Kabupaten Bogor

Board of Directors	Endang Sukarman
	M. Roby Binarta
Board of Supervisors	Arief Husin

4. PD BPR Citeureup Kabupaten Bogor

Board of Directors	Supriyanto
	Rupini Surtiastuti
Board of Supervisors	Arief Husin
	Mulyani

5. PD BPR Parungpanjang Kabupaten Bogor

Board of Directors	H. Risman
	Anjas Asmara
Board of Supervisors	Asep Dadan Suryadarma

6. PD BPR Sawangan Kabupaten Bogor

Board of Directors	Elih S
	Nurhikmah
Board of Supervisors	Mulyani

7. PD BPR Pancoran Mas Kabupaten Bogor

Board of Directors	Bachrum Suraatmaja
	Eka Sugiawibawa
Board of Supervisors	Asep Dadan Suryadarma

8. PD BPR Bekasi Kabupaten Bekasi

Board of Directors	Adi Dadan Nugraha
	Devi Puspita Sari
Board of Supervisors	Suherman

9. PD BPR Arahan Kidul Kabupaten Indramayu

Board of Directors	Warli
	Nandang Suherman
Board of Supervisors	Nurjaman

10. PD BPR Balongan Kabupaten Indramayu

Board of Directors	Jayana
	M. Hasan Sadli
Board of Supervisors	Suwardi
	Rosyimin

11. PD BPR Bongas Kabupaten Indramayu

Board of Directors	Munandar
	Mashuri
Board of Supervisors	Darma

12. PD BPR Cantigi Kulon Kabupaten Indramayu

Board of Directors	Bukaersih
	Nasidi
Board of Supervisors	Darma
	Maman Kusman

13. PD BPR Kroya Kabupaten Indramayu

Board of Directors	Amar Jaya
	Atno Suratno
Board of Supervisors	Wahyudi
	Gatot

14. PD BPR Sukra Kabupaten Indramayu

Board of Directors	Runanto
	Duningsih
Board of Supervisors	Wibisono

15. PD BPR Banjaran Kabupaten Majalengka

Board of Directors	Wirtam
Board of Supervisors	Basuni Basrah

16. PD BPR Cigasong Kabupaten Majalengka

Board of Directors	Oci Sanusi
Board of Supervisors	Basuni Basrah

17. PD BPR Cingambul Kabupaten Majalengka

Board of Directors	Kusnadi
Board of Supervisors	Uyet Suyatna

18. PD BPR Panyingkiran Kabupaten Majalengka

Board of Directors	Nano Priatno
Board of Supervisors	Uyet Suyatna

19. PD BPR Cimerak Kabupaten Ciamis

Board of Directors	Endang Suryono
	Asep Herman
Board of Supervisors	Amir Nuryadin
	Nandang Herdiana

20. PD BPR Saketi Kabupaten Pandeglang

Board of Directors	Jaenudin
	Kiki Al Hudan
Board of Supervisors	Tri Waskito Budiningrat
	Tati Suwagiharti

21. PD BPR Malingping Kabupaten Lebak

Board of Directors	Yatna Supriatna
Board of Supervisors	Rina Dewiyanti
	Dani Hendarman

22. PD BPR Cipanas Kabupaten Lebak

Board of Directors	Elly Burhanudin
Board of Supervisors	Imam Santoso

23. PD BPR Warunggunung Kabupaten Lebak

Board of Directors	Multini
Board of Supervisors	Rina Dewiyanti
	Dani Hendarman

24. PD BPR Kertaraharja Kabupaten Tangerang

Board of Directors	Ai Suherlan
	Uus Mustaudi
Board of Supervisors	Aswandi
	Moch. Naim

25. PD BPR Serang Kabupaten Serang

Board of Directors	Ukat
Board of Supervisors	Mohamad Tahyar

## E. Implementation of Integrated Compliance, Integrated Internal Audit and Integrated Risk Management Tasks

### E.1 Integrated Compliance

Based on the Financial Service Authority's Regulation number 18/POJK.03/2014 regarding the Application of Governance to Financial Conglomerates, the Bank as the Main Entity is obliged to have an independent Integrated Governance Working Unit. In view of the current organizational structure of the Bank, the Bank has already owned a Compliance Working Unit. Therefore, the implementation of the integrated compliance tasks is performed by the existing Compliance Working Unit.

### E.2 Integrated Internal Audit

Based on the Financial Service Authority's Regulation number 18/POJK.03/2014 regarding the Application of Governance to Financial Conglomerates, the Bank as the Main Entity is obliged to have an independent Integrated Internal Audit Working Unit. In view of the current organizational structure of the Bank, the Bank has already owned an Internal Audit Working Unit. Therefore, the implementation of the integrated internal audit tasks is performed by the existing Internal Audit Working Unit.

### E.3 Integrated Risk Management

Taking into account the Financial Service Authority's Regulation number 18/POJK.03/2014 regarding the Application of Governance to Financial Conglomerates, the Bank as the Main Entity is obliged to implement the integrated risk management in a comprehensive and effective manner. Taking into account the fields of business of the financial conglomerate's members, the Bank deemed it necessary to establish a special working unit to monitor the implementation of the integrated risk management. Therefore, through the Decree of the Board of Directors number 621/SK/DIR-PS/2015 concerning the Organizational Structure of PT. Bank Pembangunan Daerah Jawa Barat dan Banten, Tbk., the Bank established an

integrated risk management group reporting to the Risk Management Working Unit already owned by the Bank. Upon the establishment of this integrated risk management group, it is expected that the integrated risk management at the Bank's Financial Conglomerate can be implemented comprehensively and effectively.

#### **F. Integrated Governance Guidelines**

As the Main Entity, the Bank has also the obligation to draw up an Integrated Governance Guidelines. The preparation of Integrated Governance Guidelines refers to the Financial Service Authority's Regulation number 18/POJK.03/2014 regarding the Application of Governance to Financial Conglomerates and other regulations applicable to each Financial Service Institution incorporated in the Financial Conglomerate. Different types of business fields of the Financial Service Institutions incorporated in the Financial Conglomerate result in different regulations applicable to each member of the Financial Conglomerate. Until December 2015, the Integrated Governance Guidelines has been completely prepared and presented to all members of the Financial Conglomerate through a workshop on the Integrated Governance and Integrated Risk Management held by the Main Entity. In addition, during its preparation, the Integrated Governance Guidelines has received inputs and directions from the Board of Commissioners of the Bank as the Main Entity. This was done taking into account that prior to its enactment, the Integrated Governance Guidelines required approval from the Board of Commissioners.

#### **G. Intra-Group Transaction Policy**

The Bank has had the policy, system and procedure on the provision of funds for related parties and the provision of significant amounts of funds in the form of General Bank Credit Policy pursuant to the Decree of the Board of Directors number 160/SK/DIR-KOM/2015 dated 04 March 2015 concerning the General Bank Credit Policy, Corporate Segment Credit SOP pursuant to the Decree of the Board of Directors number 909/SK/DIR-KOM/2014 dated 27 November 2014 and Commercial Segment Credit SOP pursuant to the Decree of the Board of Directors number 910/SK/DIR-KOM/2014 dated 27 November 2014. The provision of funds for related parties and the provision of significant amounts of funds have taken into account the principle of prudence. This can be seen, among others, in the process of decision making that involves the risk management group and business unit functions as stipulated in the Decree of the Board of Directors number 238/SK/DIR-KOM/2015 dated 26 March 2015 concerning the Provision on the Credit Committee and the Credit Committee's Authority. Decision on the provision of funds is made in the Committee Meeting and approved by the Bank's Board of Commissioners (for related parties), which is followed up by mentioning the clause of Good Corporate Governance in the Credit Offering Letter (SPPK).

#### **H. Self-Assessment Report on the Implementation of Integrated Governance 2015**

Self-Assessment Result of Integrated Governance Implementation	
Rating	Rating Definition
2	The Financial Conglomerate is considered to have, in general, satisfactorily implemented the Integrated Governance. This is reflected in the adequate implementation of Integrated Governance principles. In case of weakness in the implementation of Integrated Governance principles, the weakness is generally insignificant and can be tackled using normal measures by the Main Entity and/or the Financial Service Institution.

## Analysis

Based on the indicator analysis of all Integrated Governance implementation assessment factors, it is concluded as follows:

### A. Integrated Governance Structure

The values reflecting the strength of the Financial Conglomerate's Integrated Governance structure are as follows:

- The Board of Directors of the Main Entity has been declared to have passed the fit and proper test held by the Financial Service Authority so that they have met the requirements for integrity, competence and financial reputation that the Main Entity's Board of Directors must have;
- The Board of Commissioners of the Main Entity has been declared to have passed the fit and proper test held by the Financial Service Authority so that they have met the requirements for integrity, competence and financial reputation that the Main Entity's Board of Commissioners must have;
- The Main Entity has established an Integrated Governance Committee presided by an Independent Commissioner with independent parties as members;
- The Main Entity has established Internal Audit Working Unit, Compliance Working Unit and Risk Management Working Unit to support the implementation of Integrated Governance by involving competent Human Resources who are able to work independently;
- The Main Entity has drawn up a concept of Integrated Governance Policy in order to fulfil the requirements of Financial Conglomerate's Integrated Governance;
- The Main Entity has drawn up the concept and framework of Integrated Risk Management Policy in order to fulfil its obligation related to the preparation of Risk Limit Policy, Procedure and Regulation for the Financial Conglomerate.

### B. Integrated Governance Process

The values reflecting the strength of the Financial Conglomerate's Integrated Governance process are as follows:

- The Main Entity's Board of Directors has presented the draft Integrated Governance Guidelines to the Boards of Directors of the Financial Conglomerate's members;
- The Main Entity's Board of Directors has provided directions for the preparation of Integrated Governance Guidelines;
- The Main Entity's Board of Commissioners held Board of Commissioners meetings to discuss the implementation of Integrated Governance and the preparation of Integrated Governance Guidelines;
- The Board of Commissioners supervises the implementation of tasks and responsibilities of the Main Entity's Board of Directors by giving inputs in respect of the drawn up Integrated Governance Guidelines;
- The Committee of the Main Entity's Board of Commissioners held Committee Meetings to discuss the implementation of Integrated Governance and the preparation of Integrated Governance Guidelines;

- The monitoring of compliance, audit internal and risk management functions at the Financial Service Institutions incorporated in the financial conglomerate will be effectively implemented in 2016;
- The implementation of Integrated Governance process by the Main Entity and Financial Service Institutions refers to the Integrated Governance Guidelines.

### C. Integrated Governance Results

The values reflecting the strength of the Financial Conglomerate's Integrated Governance results are as follows:

- The Integrated Governance Guidelines has been revised in accordance with the directions and recommendations provided by the Main Entity's Board of Commissioners;
- The Main Entity's Board of Directors is able to promote understanding about the implementation of Integrated Governance among members of the financial conglomerate;
- The Board of Directors of Financial Conglomerate's members has knowledge of the draft Integrated Governance Guidelines for the implementation of Integrated Governance.

Bandung, 6 June 2016

PT. BANK PEMBANGUNAN DAERAH JAWA BARAT DAN BANTEN, Tbk.

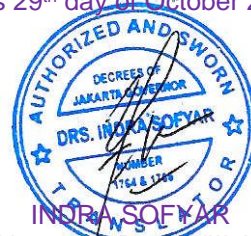
signed

Agus Mulyana

Director of Compliance and Risk Management

I hereby certify that, to the best of my knowledge and belief,  
this is the true and accurate translation of the original document.

This 29<sup>th</sup> day of October 2017



INDRASOFYAR

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