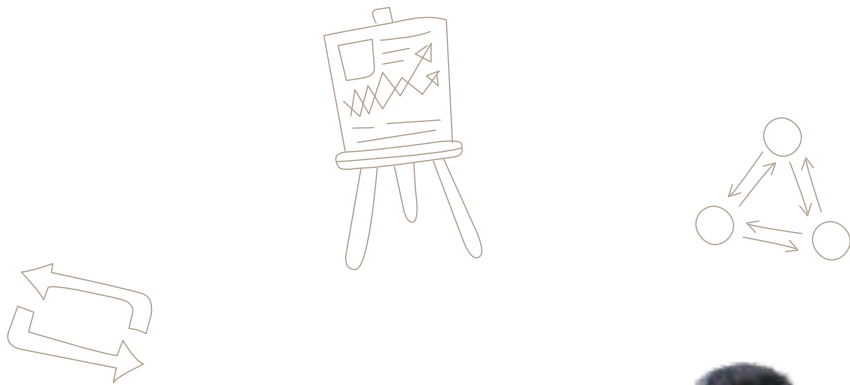


good corporate governance



good corporate governance (gcg) report

BTPN Syariah became a public company officially by listing and trading its shares in the Indonesia Stock Exchange on May 8, 2018.



Upholding the principles of GCG and sharia banking, the whole process of Initial Public Offering reflected that all the legal review, financial review and operational review had been through an active supervision by the Board of Directors, the Board of Commissioners and the Sharia Supervisory Board.

By going public, BTPN Syariah has more opportunities to have a more optimum capital structure with good implementation of GCG to realize their dream to create financial literacy in the underprivileged segment, that allows them to have access to the banking products and services that are comfortable and safe, that will ultimately bring them towards a more meaningful life.

The Objectives of GCG Implementation in BTPN Syariah

BTPN Syariah upholds the rights of the stakeholders and consistently makes BTPN Syariah accountable and transparent in order to nurture the confidence of the shareholders and investors by implementing GCG as a Public Company taking into account the industrial sector and the complexity of BTPN Syariah.

The implementation of GCG in BTPN Syariah is aimed at building a Sharia banking industry that is solid and strong to protect the interest of the stakeholders, to improve compliance to the prevailing regulations and the ethical values in Sharia banking industry.

Internally, BTPN Syariah is a Bank with continued commitment to apply good corporate governance, that manages the business and operational activities in a professional manner, while keep on increasing the standards of internal control system and risk management according to the prevailing regulations.

Externally, BTPN Syariah are involved in business competition that is healthy, fair and maintains integrity while anticipating the potential risks; upholding its vision and mission in keeping the company reputation through the good implementation of GCG as on Public Company.

The Result of GCG Implementation in BTPN Syariah

The implementation of GCG in BTPN Syariah is reflected in the performance of BTPN Syariah that is increasingly better as indicated by the following measures:

- ROE of 30.8%.
- CAR of 40.9%.
- Total assets growth of 31.5%.
- Total financing of Rp7.3 trillion.
- Third party funds of Rp7.6 trillion.

A number of recognitions have been awarded to BTPN Syariah both from the national and international level, including The Bank BUKU 2 with the Best Micro, Small and Medium Company Products from Bank Indonesia (from all Bank BUKU 2 both Conventional and Sharia Banking), The Best Sharia Bank, Best SME from Global Islamic Financial Award for 3 consecutive years and Critic's Choice Best Bank for Financial Inclusion 2018 at the 4th Islamic Retail Banking Award (IRBA) held by Cambridge IFA, the Best Sharia Bank for Category Bank BUKU 2 from Anugerah Syariah Republika, the Best Bank Supporting Micro, Small and Medium Company for Category Bank BUKU 1 and BUKU 2 and the best BI-RTGS and BI-SSSS participant, Rank 2 Best Private Sharia Bank Non-Tbk in Indonesia 2018 for Category Bank BUKU 2 from Anugerah Perbankan Indonesia (Economic Review), and the Bank with title "Very Healthy" for Category Sharia Bank BUKU 2 and BUKU 3 from Indonesia Best Banking Award (Warta Ekonomi).

Realization of GCG Implementation in BTPN Syariah

Continuing our commitment to implement GCG in every layer in organization is always the priority of BTPN Syariah in 2018.

As a Sharia Commercial Bank, BTPN Syariah is subject to the GCG guidelines for Sharia Commercial Bank that are based on 6 foundational principles, including:

1. Transparency
2. Accountability
3. Responsibility
4. Professionalism
5. Fairness
6. Sharia Compliance

As a public company, the implementation of GCG in BTPN Syariah follows the GCG Implementation Guidelines for Public Company that includes 5 (five) Aspects, 8 (eight) GCG Principles and 25 (twenty five) implementation of GCG aspects and principles.

The aspects of Good GCG Implementation for a Public Company include:

1. Aspect 1: Relationship of Public Company and the Shareholders in Guaranteeing Shareholders' Rights;
2. Aspect 2: Function and Roles of the Board of Commissioners and the Sharia Supervisory Board;
3. Aspect 3: Function and Roles of the Board of Directors
4. Aspect 4: Stakeholders Engagement
5. Disclosure of Information

The principles of good GCG Implementation for Public Company includes:

1. Improving the values of the Annual General Meeting of Shareholders;
2. Improving the quality of communication between the Public Company and the Shareholders or Investors;
3. Strengthening the membership and composition of the Board of Commissioners;
4. Improving the quality of the execution of duties and responsibilities of the Board of Commissioners;
5. Strengthening the membership and composition of the Board of Directors;
6. Improving the quality of the execution of duties and responsibilities of the Board of Directors;
7. Improving the corporate governance through stakeholders engagement;
8. Improving the implementation of disclosure of information.

Commitment for GCG Implementation in BTPN Syariah

The optimum growth in 2018 further strengthens the commitment of BTPN Syariah to keep on improving the quality of GCG implementation and protect the interests of the Bank and all stakeholders according to the regulations.

The commitment for good GCG implementation in BTPN Syariah, as a Public Company and as a Sharia Commercial Bank, was manifested in the following:

1. In order to comply with the regulation POJK No.35/POJK.04/2014 and the Board of Directors Decree of PT Bursa Efek Indonesia No. Kep-00001/BEI/01-2014 dated January 2014 concerning the Amendment to the Regulation No. I-A, BTPN Syariah had appointed the Corporate Secretary. The appointment of the

Corporate Secretary is pursuant to the Circular Resolution of the Board of Directors No.015/CIR/DIR/VIII/2017 dated August 22, 2017 and stated in the the Board of Directors Decree No. SK.012/DIR/LG/VIII/2017 concerning the Appointment of Corporate Secretary on August 22, 2017. The term of office of the Corporate Secretary started since the signing of the Board of Directors Decree No. SK.012/DIR/LG/VIII/2017 until the Annual General Meeting of Shareholders in 2020 (that corresponded to the term of office of the Board of Directors that was appointed pursuant to the Decision of the Annual General Meeting of Shareholders on March 2014). This appointment indicated the disclosure of Information by BTPN Syariah as stated in the Prospectus for the Initial Public Offering issued on April 26, 2018.

2. Fulfill the obligation of information disclosure by issuing online Monthly Registration Report of Securities holders through reporting system to the Regulator and the Bank website.
3. Fulfill the obligation of information disclosure by issuing online Publication of Quarterly Financial Report through reporting system to the Regulator and announcing it to the public through national newspaper and the Bank website as obligated for public companies.
4. Fulfill the other obligation, including the fulfillment of the the Board of Directors Decree of PT Bursa Efek Jakarta No. Kep-306/BEJ/07-2004 dated July 9, 2004, Regulation No. I-E concerning the Obligation to Submit Information, by which BTPN had fulfilled the obligation to conduct annual Public Expose on August 29, 2018. On this matter, BTPN had submitted the report to the Authority through the letter No.S.346/DIR/CSL/VIII/2018 dated September 3, 2018 concerning the Public Expose Report of BTPN Syariah in 2018;
5. Representing BTPN Syariah, the Corporate Secretary fulfills the obligation of information disclosure concerning the condition of the Bank by means of press release to press and investor on regular basis that was published in the Bank website;
6. From the perspective of internal control, BTPN Syariah periodically reviews and refines the availability of the infrastructure of policies and internal standard operating procedures, including the policy of Good Corporate Governance, the policy Ownership, Information Confidentiality, and Investment for Employees, Risk Management Policy, Information Technology Policy, the Charters of the Board of Commissioners, the Board of Directors, and the Sharia Supervisory Board that had been refined according to the standard of public company. The refinement also included the Charters of the Board of Commissioners' Committee and the Board of Directors' Committee and the updates of the Document Hierarchy in BTPN Syariah;
7. Periodic review of internal documentation is done to all policies and procedures in BTPN Syariah to ensure their adherence to the prevailing regulations, internal regulations and current condition;
8. BTPN Syariah continuously conducts Induction Program for the new Executive Officers and Employees about GCG Principles including the education of the Company Code of Ethics and its routine refreshment for all employees;

9. Supervision in Risk Management, including, enhancement of human capital by fulfilling the mandatory Risk Management Certification and the refreshment for all the Board of Commissioners, the Board of Directors, the Sharia Supervisory Board and the employees according to the regulations;
10. In implementing GCG as Sharia Commercial Bank, BTPN performs check balances to avoid the conflict of interest in the undertaking of duties and improved the protection for the shareholders, especially the minority fund owner and shareholders. To ensure the GCG Implementation, BTPN had engaged 2 (two) Independent Commissioners in the Board of Commissioners and 2 (two) independent party as the members of the Board of Commissioners' Committee;
11. The Board of Commissioners, the Sharia Supervisory Board and the Board of Directors are committed to do self assessment on periodic basis, as such that nurtured the culture of improvement and compliance in a sustainable and measureable manner;
12. BTPN Syariah had submitted the GCG Implementation Report that was contained in the Annual Report to the Shareholders to improve the understanding of shareholders and to encourage them to do check and balances.

The Standard of Quality of GCG Implementation in BTPN Syariah

Setting the standard of quality starts from strengthening the character of every employee in BTPN Syariah with the principles of GCG embodied in every layers of the organization, every business and operational activities of the Bank.

Continuously, BTPN Syariah is committed to reduce the number of internal fraud by conducting routine education on "Fraud Awareness" and establishing the "JAGA" portal as the media to channel information through email jaga@btpnsyariah.com dedicated to administer employees complaints through telephone (021) 300 26 400 (ext. 83553 dan 86470). In 2018, 417 complaints were registered and all had been properly followed up.

The Standard of quality for GCG Implementation through Internal Audit, as the independent unit reporting directly to the President Director and functionally to the Audit Committee, whereby the Internal Audit had completed all the audit plan and program in 2018 and the audit results had been used as one of the evaluation for improvement in management policies, business and operational processes, adequacy of infrastructure and procedures and human capital management. Internal Audit had recommended the actions for improvement to all units through objective assurance and consultation referring to the Standard of the Bank Internal Audit Function, the Charter of Internal Audit and the Annual Audit Plan 2018. The audit results had been discussed on periodic basis with the Board of Directors and the Audit Committee, and regularly reported the summary of the audit result to the President Director and the Board of Commissioners through the Audit Committee to ensure the good implementation of GCG in BTPN Syariah based on independent assessment report.

The Standard of quality for GCG Implementation based on prudent principle through Risk Management is continuously executed by BTPN Syariah by improving the internal risk management implementation and coordinating the implementation of Integrated Risk Management with the Parent Bank as the Bank follow up in the implementation of integrated risk management in a Financial Conglomeration.

The Board of Directors, the Board of Commissioners and the Sharia Supervisory Board as the organs of the Bank were considered to have implemented the GCG principles by means of active supervision of the Board of Commissioners and the Sharia Supervisory Board supported by the Board of Commissioners' Committees. The Board of Directors had performed the management function supported by the Board of Directors' Committee. The Board of Commissioners, the Sharia Supervisory Board and The Board of Directors conducted routine corporate meetings according to the corporate governance that were well documented and of which all the implementation of meetings decisions had been well monitored. These organs of the Bank had also made regular visits to the field to ensure the implementation of GCG and Sharia principles in the Branches, Functional Operational Offices, Functional Non-Operational Offices, Wisma and customers centers.

From the perspective adequacy of processes of identification, measurement, monitoring and control of risks and risk management information system, BTPN Syariah had fulfilled the adequacy of processes, that was reflected in the Bank's very good capital adequacy ratio. The Bank also has the Operational Risk Management System (ORMS) in supporting the monitoring and control of operational risks by which all the risks event are registered, governed and analyzed in order to anticipate the potential of similar occurrence in the future.

The Bank implements the internal control system through Quality Assurance (QA) Unit, Risk Management Unit and Internal Audit Unit.

The Benefits of GCG Implementation in BTPN Syariah

BTPN Syariah believes that implementing GCG principles in BTPN Syariah will improve efficiency, effectiveness and sustainability of the Bank that contributes to the creation of welfare and trust of shareholders, employees and all stakeholders; and that upholding the good GCG principles and transparency will serve as the parameter and the benchmark in assessing the achievement of vision and mission of the Bank with a prudent principle with the participation of all stakeholders according to prevailing regulations.

GCG Policy in BTPN Syariah

The GCG policy is the Main Policy in BTPN Syariah as the Commitment for the implementation of Good Corporate Governance Principles in every layer of the organization. In 2018, BTPN Syariah had reviewed and updated the Corporate Governance Policy referring to the prevailing rules and regulations including those for public companies.

In line with the GCG policy, the Board of Commissioners, the Sharia Supervisory Board, the Board of Directors, the Executive Officers and all the employees had implemented the GCG principles and there were no materials violations to the prevailing regulations.

The GCG Policy in BTPN Syariah included:

Introduction

1. Background;
2. Objectives;
3. Scope;
4. Legal Basis and Reference;
5. Definition and Terms;
6. Socialization and Distribution.

Good Corporate Governance Principles of the Bank

1. General Principles;
2. Mission and Vision;
3. Core Values (PRISMA);
4. Internal Bank Documents;
5. GCG Implementation Report;
6. Management Report;
7. Reports to the Parent Bank;

Strategy

1. Business Plan;
2. Key Strategic Initiatives;
3. Risk Appetite

The Bank Organ

1. Shareholders;
2. The Board of Commissioners;
3. The Sharia Supervisory Board;
4. The Board of Directors

Corporate Secretary

1. Organization;
2. Functions of Corporate Secretary;
3. Qualifications of Corporate Secretary;
4. Duties and Responsibilities of Corporate Secretary.

Internal Control System and Assurance

1. Internal Control System Framework;
2. Risk Management;
3. Compliance;
4. Internal Audit;
5. Customer Protection;
6. Legal Financing Limit;
7. Responsibility to Environment, Health and Work Safety Practices.

Human Capital Management

1. Organization Structure and Management;
2. Recruitment;
3. Reward & Performance Management;
4. Learning Development;
5. Talent Management;
6. Employee Engagement;
7. Industrial Relations;
8. Whistle Blowing System

Transparency and Disclosure of Information

1. Corporate Actions;
2. Material Transactions and Related Parties;
3. Transactions involving Internal Parties.

Information Management and Security

1. General Principles in Information Management;
2. Information Management;
3. Information Security;
4. Security of Access to Information System;
5. Intellectual Property Rights;
6. Relationship with Stakeholders;
7. Communication with Shareholders and Stakeholders.

Implementation of Good Corporate Governance Guidelines in Public Company in 2018

According to the Regulation of Financial Services Authority No. 21/POJK.04/2015 and Circular Letter of Financial Services Authority No. 32/SEOJK.04/2015 concerning the Corporate Governance Guidelines for Public Company, below is the Implementation of the Corporate Governance Guidelines for Public Company in BTPN Syariah, referring to the fulfillment of “Comply” and “Explain”.

Principle		Recommendation	Fulfillment	Implementation
Principle 1 Improving the values of the Annual General Meeting of Shareholders (AGMS)	1.1	The Public Company defines the technical mechanism or procedures for voting, both in an open and closed mechanism, that upholds independency and protects the interest of shareholders.	Comply	<ol style="list-style-type: none"> 1. With regard to AGMS, include the Quorum, the right to cast vote and decision in AGMS are stipulated in the Articles of Association of BTPN Syariah; 2. The procedure to cast vote in the AGMS is stipulated in the Articles of Association of BTPN Syariah.
	1.2	All members of the Board of Directors and all members of the Board of Commissioners and all members of the Sharia Supervisory Board of the public Company are present in the Annual General Meeting of Shareholders.	Explain	<ol style="list-style-type: none"> 1. In the AGMS BTPN Syariah, held on February 28, 2018, that was attended by the members of the Board of Directors except M. Gatot Adhi Prasetyo (Company assignment); 2. In the AGMS BTPN Syariah, held on February 28, 2018 that was attended by all members of the Board of Commissioners; 3. In the AGMS BTPN Syariah, held on February 28, 2018 that was attended by members of the Sharia Supervisory Board except H. M. Faiz, MA (family matters); 4. Matters pertaining to AGMS had been reported to All members of the Board of Directors and all members of the Board of Commissioners and all members of the Sharia Supervisory Board.
	1.3	The Minutes of Meeting of the AGMS is available in the website of the Public Company at least for a period of 1 (one) year.	Comply	<ol style="list-style-type: none"> 1. BTPN Syariah has officialy listed and traded the initial shares in the Indonesia Stock Exchange on May 8, 2018; 2. The Disclosure of Information as a Public Company, being effective since May 8, 2018; including the disclosure of information about the minutes of meeting of AGMS that has been available in the website of BTPN Syariah (Deed of Annual AGMS).

Principle		Recommendation	Fulfillment	Implementation
Principle 2 Improving the quality of communication between the Public Company and the Shareholders and Investors	2.1	The Public Company has a policy about the communication between the Public Company and the Shareholders and Investors	Comply	<ol style="list-style-type: none"> 1. BTPN Syariah has had a policy about the communication between the Public Company and/or the Shareholders and Investors that is contained in the Corporate Governance Policy, which includes: <ol style="list-style-type: none"> a. General Principles b. Strategy c. Program and Implementation Timeline 2. Disclosure of Information to the stakeholders has been fulfilled referring to the regulations in Capital Market and Stock Exchange and the related law and regulations, that are briefly categorized as follows: <ul style="list-style-type: none"> - Reporting both periodically and incidentally to the related authorities (Financial Services Authority, Bank Indonesia, Indonesia Deposit Insurance Corporation, Ministry of Law and Human Rights, Stock Exchange) and submit the reports through e-reporting according to regulations; - Annual General Meeting to Shareholders (RUPS) was conducted according to the laws and the Articles of Association, that included Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders; - Conducting the other activities related to corporate actions and/or disclosure of information including Public Expose and Analyst Meeting.
	2.2	The Public Company discloses the policy about the communication between the Public Company and the Shareholders or Investors in the website	Comply	<ol style="list-style-type: none"> 1. BTPN Syariah has had a policy about the communication between the Public Company and/or the Shareholders and Investors that is contained in the Corporate Governance Policy 2. The Corporate Governance Policy has been disclosed in BTPN Syariah website.

Principle		Recommendation	Fulfillment	Implementation
Principle 3 Strengthening the membership and composition of the Board of Commissioners	3.1	The determination of the numbers of the members of the Board of Commissioners takes into account the condition of the Public Company	Comply	BTPN Syariah has complied with the regulations in Article 20 POJK No. 33/POJK.04/2014 about the Board of Directors and the Board of Commissioners of Issuer or Public Company, stating that the number of members of the Board of Commissioners shall be more than 2 (two) persons. The number of members of the Board of Commissioners BTPN Syariah is 4 (four) persons consisting of 2 (two) Independent Commissioners and 2 (two) Non-Independent Commissioners.
	3.2	The determination of the composition of the members of the Board of Commissioners takes into account the diversity of skills, knowledge and experience required.	Comply	The composition of the Board of Commissioners BTPN Syariah has taken into consideration the needs and complexity of the business and the diversity of skills based on knowledge in the areas of banking and sharia banking, expertise, professional experience and educational background to ensure the effectiveness of the execution of duties and responsibilities of the Board of Commissioners.
Principle 4 Improving the quality of the execution of duties and responsibilities of the Board of Commissioners	4.1	The Board of Commissioners has a policy to do self assessment to appraise the performance of the Board of Commissioners	Comply	<ol style="list-style-type: none"> 1. BTPN Syariah has had a policy about self assessment to appraise the performance of the Board of Commissioners; 2. The policy is contained in the Charter of Nomination and Remuneration Committee.
	4.2	The policy on Self Assessment to appraise the performance of the Board of Commissioners is disclosed in the Annual Report of the Public Company	Comply	The self assessment policy is contained in the Charter of Nomination and Remuneration Committee and disclosed in the Annual Report 2018 in the section "Performance Appraisal of the Board of Commissioners".
	4.3	The Board of Commissioners has a policy about the resignation of the member of The Board of Commissioners if the member is involved in financial crime.	Comply	The policy about the resignation of the member of The Board of Commissioners in BTPN Syariah is contained in the Charter of the Board of Commissioners.

Principle		Recommendation	Fulfillment	Implementation
	4.4	The Board of Commissioners or the Committee in charge of Nomination and Remuneration develops succession policy for the Board of Directions nomination process.	Comply	The succession for the Board of Directions nomination process in BTPN Syariah is contained in the Charter of the Nomination and Remuneration Committee.
Principle 5 Strengthening the membership and composition of the Board of Directors	5.1	The determination of the numbers of the members of the Board of Directors takes into account the condition of the Public Company and the effectiveness in decision making.	Comply	The determination of the numbers of the members of the Board of Directors according to the prevailing regulation, Article 2 POJK POJK 33/POJK.04/2014 about the Board of Directors of the Issuer of Public Company stating that the Board of Directors of Issuer or Public Company shall at least consist of 2 (two) members of the Board of Directors. The total number of members of the Board of Directors is 5 (five) persons and the appointment is based on the needs to the achieve the intent and the objectives of the company taking into account the condition and complexity of BTPN Syariah.
	5.2	The determination of the composition of the members of the Board of Directors takes into account the diversity of skills, knowledge and experience required.	Comply	The composition of the Board of Directors BTPN Syariah has taken into consideration the needs and complexity of the business and the diversity of skills based on knowledge in the areas of banking and sharia banking, expertise, professional experience and educational background to ensure the effectiveness of the execution of duties and responsibilities of the Board of Directors.
	5.3	The Director in charge of accounting and finance shall have the skills and knowledge in the areas of accounting.	Comply	<ol style="list-style-type: none"> 1. The Director in charge of accounting and finance in BTPN Syariah has the skills and knowledge in the areas of accounting 2. The Finance Director in BTPN Syariah is under direct coordination of the Deputy of President Director. Prior to the appointmet as the Director in charge of accounting, he had held various positions including Finance, Operations & Collection Head (Card Business), Operation Head, Operation Director, dan UMK Business Director (Micro Credit)

Principle		Recommendation	Fulfillment	Implementation
Principle 6 Improving the quality of the execution of duties and responsibilities of the Board of Directors	6.1	The Board of Directors has a policy to do self assessment to appraise the performance of the Board of Directors	Comply	1. BTPN Syariah has had a policy about self assessment to appraise the performance of the Board of Directors; 2. The policy is contained in the Charter of Nomination and Remuneration Committee.
	6.2	The policy on Self Assessment to appraise the performance of the Board of Directors is disclosed in the Annual Report of the Public Company	Comply	The self assessment policy is contained in the Charter of Nomination and Remuneration Committee and disclosed in the Annual Report 2018 in the section "Performance Appraisal of the Board of Directors".
	6.3	The Board of Directors has a policy about the resignation of the member of The Board of Directors if the member is involved in financial crime.	Comply	The policy about the resignation of the member of The Board of Directors in BTPN Syariah is contained in the Charter of the Board of Directors.
Principle 7 Improving the corporate governance aspect through stakeholders engagement	7.1	The Public Company has a policy to prevent insider trading.	Comply	The rules to prevent insider trading is stipulated in the Corporate Governance Policy and Policy of Ownership, Information Confidentiality and Investment for Employees; and has been disclosed in BTPN Syariah website.
	7.2	The Public Company has an anti-corruption and anti-fraud policy.	Comply	BTPN Syariah has Anti-Corruption Policy that is contained in the Code of Ethics and the Anti-Fraud Policy and have been disclosed in BTPN Syariah website.
	7.3	The Public Company has a policy about selection and development of supplier or vendor capability.	Comply	BTPN Syariah has a policy about selection and development of supplier or vendor capability that is contained in the Procurement and Vendor Management Policy and has been disclosed in BTPN Syariah website.
	7.4	The Public Company has a policy about fulfillment of creditors' rights.	Explain	1. BTPN Syariah does not have any loans from other party (Creditor); 2. The policy that includes the consideration in preparing the agreement and the follow up of the fulfillment of the obligation will be available should there be any changes in the future.

Principle		Recommendation	Fulfillment	Implementation
	7.5	The Public Company has a policy about whistleblowing system.	Comply	BTPN Syariah has a regulation regarding whistleblowing system and has been disclosed in BTPN Syariah website.
	7.6	The Public Company has a policy about providing long-term incentive for the Board of Directors and Employees.	Comply	<ol style="list-style-type: none"> 1. BTPN Syariah has a regulation about Employee Stock Allocation (ESA) program that was offered to the employee in the initial public offerings (IPO), of which the employees who were entitled for that program got the allocation to purchase the shares from the fix allotment of the offered shares; 2. BTPN Syariah has a regulation about the Long-Term Compensation Program (LTCP) for Senior Officers, terms and condition applied, in BTPN Syariah.
Principle 8 Improving the implementation of disclosure of information	8.1	The Public Company makes an intensive use of information technology, not only website, as the media for information disclosure.	Explain	Currently BTPN Syariah uses website as the media for information disclosure for the knowledge of shareholders and/or investors, taking into account the cost and benefits for the company.
	8.2	The Annual Report of the Public Company discloses the ultimate beneficial owner in the shares ownership of the Public Company, at least 5% of the shares are owned by the major and controlling shareholder.	Comply	The Annual Report of BTPN Syariah has disclosed the ultimate beneficial owner in the shares ownership of the Public Company, at least by 5%. The information has also been disclosed in the BTPN Syariah website.

corporate governance structure

General Meeting of Shareholders (GMS)

General Meeting of Shareholders is the highest organ in the Limited Liability Company. This organ has the rights and authorities that are not owned by the Board of Directors and the Board of Commissioners. The GMS is, therefore, the highest organ in the Company.

The resolution made in the GMS is based on the interest of the Company. The GMS is unable to do any intervention to the duties, function, and authorities of the Board of Commissioners and the Board of Directors without reducing the authorities of GMS to exercise its rights according to the Articles of Association and prevailing regulation.

The Rights and Responsibilities of Shareholders

The rights of shareholders are, amongst others:

1. The shareholders have the right to attend the GMS, both by him/herself and by proxy; to give comment to the GMS agenda, and to cast votes according the number of shares owned;
2. The shareholders have the right to obtain accurate, adequate and timely information about the Bank, in so far as it is connected to the Agenda items and does not in conflict with the interest of BTPN Syariah so that the shareholders can make the right decision in the GMS;
3. The shareholders have the right for the distribution of nett profit in the form of dividend and the distribution of profit in the other form according to the number of shares owned.

The responsibilities of shareholders are, amongst others:

1. Every shareholder shall abide and comply with the Articles of Association and the prevailing laws and regulations;
2. The controlling shareholder shall appropriately consider the interest of the minority shareholders and the other stakeholders according to the prevailing laws and regulations;
3. The minority shareholders are responsible to use their rights according to the prevailing laws and regulations and the Articles of Association of BTPN Syariah;
4. To disclose the list of related parties if the shareholder is the Ultimate Controlling Shareholder of BTPN Syariah.

Implementation of GMS in 2018

In 2018, BTPN Syariah has conducted Annual General Meeting of Shareholders of 1 (one) time and the Circular Extraordinary Meeting of Shareholders of 1 (one) time.

The Mechanism of GMS Implementation in 2018

On the Annual General Meeting of Shareholders (AGMS) 2018 and Extraordinary General Meeting of Shareholders (EGMS) 2018, the status of BTPN Syariah was not yet effective as a Public Company, so thus the mechanism of both the GMS referred to the mechanism of GMS in a Close Company.

The Mechanism of Casting Votes and Votes Calculation in the AGMS 2018

The AGMS was attended by the representatives of shareholders and/or the proxy that represented 6.933.330.000 (six billion nine hundred thirty three million three hundred and thirty thousand) shares or 100% of the entire shares with the voting rights granted by BTPN Syariah until the date of the meeting, according to the list of shareholders as of February 9, 2018.

The mechanism and the means of casting votes and votes calculation in the AGMS 2018 were stipulated in the Charter of AGMS 2018 and informed to the the shareholders and/or the proxy.

The Mechanism of Voting and Votes Calculation in the EGMS 2018

The shareholders of the entire shares that had been issued and paid up by the Company until that point in time, that was of 6.933.330.000 (six billion nine hundred thirty three million three hundred and thirty thousand) shares, each with the nominal value of Rp 100.- (one hundred Rupiah) had made the decision without holding the General Meeting of Shareholders, one and the other as stated in the Decision taken Apart from the Extraordinary General Meeting of Shareholders PT Bank Tabungan Pensiunan Nasional Syariah dated April 4 (four), 2018 (two thousand eighteens).

AGMS 2018

AGMS BTPN Syariah for the accounting year ending December 31, 2017 had been held on February 28, 2018, in Menara BTPN 12 Floor, CBD Mega Kuningan, Jalan Dr. Ide Anak Agung Gde Agung Kav 5.5-5.6, Jakarta Selatan 12950. The materials and the agenda of the AGMS 2018 had been presented to the shareholders in the invitation for AGMS according to the prevailing regulation.

The Notary as the Independent Party was present in the AGMS 2018 to perform quorum calculation and administer the votes.

Attendance in the AGMS 2018

The AGMS BTPN Syariah held on February 28, 2018:

1. Was attended by the members of the Board of Directors; except M. Gatot Adhi Prasetyo (company assignment);
2. Was attended by all members of the Board of Commissioners;
3. Was attended by members of Sharia Supervisory Board, except H. M. Faiz, MA for reason of family matters;
4. Matters pertaining to AGMS had been reported to All members of the Board of Directors and all members of the Board of Commissioners and all members of the Sharia Supervisory Board.

In the AGMS, every shareholder and/or the proxy was given an opportunity to ask question for every item in the agenda and the questions asked had been answered during the AGMS and were contained in the Minutes of Meeting of AGMS 2018.

The AGMS was opened and led by Kemal Azis Stamboel, the President Commissioner.

No.	Deed	Concerning	Agenda Item	Meeting Decision
1	Deed No. 33 dated February 28, 2018 by Notary & PPAT Ashoya Ratam,SH.,Mkn, Administrative City Jakarta Selatan	MINUTES OF MEETING OF ANNUAL GENERAL MEETING OF SHAREHOLDERS "PT BANK TABUNGAN PENSUNAN NASIONAL SYARIAH"	The First Agenda of the Meeting: First Agenda of the Meeting: Approval of The Annual Report and Endorsement of Financial Statement of BTPN Syariah for the accounting year ended 31-12-2017 (thirty first of December twenty seventeen), including the Annual Supervision Reports of The Board of Commissioners and the Sharia Supervisory Board	<p>a. Approved the Annual Report of BTPN Syariah including the Supervision Reports of the Board of Commissioners and the Sharia Supervisory Board for the accounting year ended December 31, 2017 (thirty first of December two thousand seventeen) that was presented by the Board of Directors and the Board of Commissioners in the Meeting.</p> <p>b. Endorsed the Financial Statements of BTPN Syariah for the accounting year ended December 31, 2017 (thirty first of December two thousand seventeen) that had been audited by the Public Accounting Firm TANUDIREDDJA, WIBISANA, RINTIS dan Rekan (a member of Pricewaterhouse Coopers Global Network) that had been contained in the Annual Report of BTPN Syariah for the Year 2017 (two thousand seventeen).</p> <p>c. To grant full release and discharge (acquitted and discharge) to the incumbent members of the Board of Directors of the Company during the accounting year ended December 31, 2017 (thirty first of December two thousand seventeen) for all the deeds of managing the company, and to the incumbent members of the Board of Commissioners and Sharia Supervisory Board for the supervision that had been performed during the accounting year ended December 31, 2017 (thirty first of December two thousand seventeen), to the extent that such deeds are recorded in the Annual Report and the Financial Statement of the Company for the accounting year ended December 31, 2017 (thirty first of December two thousand seventeen), except in the event of fraud, embezzlement or other criminal deeds</p>
Realization/ Follow Up				The Annual Report and the Financial Report of BTPN Syariah had been approved by the Shareholders and has been available on BTPN Syariah website.

No.	Deed	Concerning	Agenda Item	Meeting Decision
			The Second Agenda of the Meeting: Determination of the Use of the Nett Profit of the Company for 31-12-2017 (thirty first of December, two thousand seventeen)	<p>a. To state that according to the income statement of BTPN Syariah for the accounting year ended December 31, 2017 (thirty first of December two thousand seventeen), the current year nett profit after tax earned by BTPN Syariah amounted to Rp670.181.742.631 (six hundred seventy billion one hundred eighty one million seven hundred forty two thousand six hundred and thirty one Rupiah);</p> <p>b. To approve the use of all the Company's nett profit after tax earned by BTPN Syariah for the accounting year ended December 31, 2017 (thirty first of December two thousand seventeen) as follows:</p> <p>i. For the accounting year ended 31-12-2017 (thirty first of December two thousand seventeen), BTPN Syariah will not distribute dividend to the shareholders. After the Initial Public Offering, to maximize the shareholders' values, to strengthen the position in the competition, to retain a healthy growth and to maximize the investment in the infrastructure and the other resources (including information technology) the management of BTPN Syariah planned the cash payment of dividend to the shareholders of BTPN Syariah at the maximum by 40% (forty percent) of the net profit of the respective year, starting from 2020 (two thousand twenty) based on the net profit in 2019 (two thousand nineteen), unless otherwise decided in the General Meeting of Shareholders;</p> <p>ii. An amount of Rp.5.000.000.000,- (five billion Rupiah) was set aside as the additional reserves, making the total reserves of BTPN Syariah amounted to Rp25.000.000.000 (twenty five billion);</p> <p>iii. The remaining net profit of the current year (after deducted by income tax) of Rp665.181.742.631,- (six hundred sixty five billion one hundred eighty one million seven hundred forty two thousand six hundred and thirty one Rupiah) will be booked as the Retained Earning to strengthen the financial position of BTPN Syariah.</p>

No.	Deed	Concerning	Agenda Item	Meeting Decision
	Realization/ Follow Up			Setting aside the remaining net profit of BTPN Syariah to increase the amount of reserves had been followed up and had been booked according to the decision of the AGMS 2018.
			The Third Agenda of the Meeting: The appointment of Public Accountant and/or Public Accounting Firm for the accounting year ended December 31, 2018 (thirty first of December two thousand eighteen) and the determination of the amount of honorarium and other terms and conditions for such the appointment.	<p>a. To grant full power and authority to the Board of Commissioners of the Company to appoint the Public Accountant and/or Public Accounting Firm to examine and audit the Company bookkeeping and financial statements for the accounting year ended December 31, 2018 (thirty first of December two thousand eighteen) and to determine the amount of honorarium and other terms and conditions for such the appointment, taking into consideration the recommendation of Audit Committee and the prevailing regulations.</p> <p>b. That the Appointment of Public Accountant and/or Public Accounting Firm must be in accordance to the following conditions</p> <p>i. The appointed Public Accounting Firm must be registered as the Capital Market Supporting Professional in the Financial Services Authority and is experienced in auditing banks;</p> <p>ii. The appointed Public Accounting Firm must be affiliated to the International Public Accounting Firm;</p> <p>iii. Referring to the Regulations of Financial Services Authority POJK No. 6/POJK.03/2015 concerning Transparency and Publications of Bank Reports juncto POJK 32/POJK.03/2016 concerning Amendment to the Financial Services Authority Regulation No. 6/POJK.03/2015 concerning Transparency and Publication – Bank Reports juncto Circular Letter of OJK No. 18/SEOJK.03/2015 concerning Transparency and Publication of the Reports of Sharia Commercial Bank and Sharia Business Unit, stipulating that the Bank is obliged to prepare consolidated Financial Statement with the Parent Company</p> <p>iv. Referring to POJK No 13/POJK.03/2017 concerning the Engagement of the Services of Public Accountant and Public Accounting Firm in the activities of Financial Services.</p>

No.	Deed	Concerning	Agenda Item	Meeting Decision
	Realization/ Follow up			<ol style="list-style-type: none"> 1. Circular Resolution of the Board of Commissioners No. 007/CIR/DEKOM/IX/2018 dated September 21, 2018 concerning the Approval of the Board of Commissioners for the Appointment of Public Accountant and/or Public Accounting Firm for the accounting year ended December 31, 2018; 2. Circular Resolution of the Audit Committee No. 003/CIR/AK/IX/2018 dated September 21, 2019 concerning the Recommendation of the Audit Committee regarding the Appointment of Public Accountant and/or Public Accounting Firm for the accounting year ended December 31, 2018; 3. The Report of the Appointment of Public Accountant and/or Public Accounting Firm to audit the historical financial information on December 31, 2018 had been submitted to OJK in the letter No. S.473/DIR/CSL/X/2018 dated October 3, 2018;
			<p>The Fourth Agenda of the Meeting: The determination of the amount of remuneration and allowance for the members of the Board of Directors, the members of the Board of Commissioners and the members of Sharia Supervisory Board for the year 2018.</p>	<ol style="list-style-type: none"> 1. To grant full power and authority to the Board of Commissioners of BTPN Syariah to determine the remuneration for the members of the Board of Directors and the members of Sharia Supervisory Board for the year 2018 through the Meeting of the Nomination and Remuneration Committee and to determine the distribution for the members of the Board of Directors and the members of the Sharia Supervisory Board under the condition that in determining such total amount of remuneration and its distribution for the the members of the Board of Directors and the members of the Sharia Supervisory Board, the Board of Commissioners is obliged to take into consideration the recommendation of the Nomination and Remuneration Committee of BTPN Syariah;

No.	Deed	Concerning	Agenda Item	Meeting Decision
				<p>2. According to the recommendation of Nomination and Remuneration Committee that was contained in the Minutes of Meeting of the Nomination and Remuneration Committee of BTPN Syariah No. MOM.001/RNC/II/2018 dated 12-2-2018 (twelveth of February two thousand eighteen), that was approved by the Board of Commissioners as stated in the Minutes of Meeting of the Board of Commissioners No. MOM.002/KOM/LG/II/2018 dated 12-2-2018 (twelveth of February two thousand eighteen), determined the total gross remuneration for the members of the Board of Commissioners for the accounting year ended December 31, 2018 (thirty first of December two thousand eighteen), the total amount not exceeding Rp6.200.000.000 (six billion two hundred million Rupiah) and grant full power and authority to the Board of Commissioners to determine, in a Decree of the Board of Commissioners, the distribution of such the total remuneration to the members of the Board of Commissioners, under the condition that in determining the distribution of the total remuneration, the Board of Commissioners is obliged to take into consideration the recommendation of the Nomination and Remuneration Committee of BTPN Syariah</p>
	Realization/ Follow up			<p>The granting of full power and authority to the Board of Commissioners to determine to determine the remuneration of the Board of Directors and the members of the Sharia Supervisory Board for the year 2018 and to determine its distribution amongst the members of the Board of Directors and the members of the Sharia Supervisory Board, and the determination of the remuneration for the members of the Board of Commissioners and its distribution amongst the members of the Board of Commissioners had been done by BTPN Syariah in accordance to the related decision.</p>

No.	Deed	Concerning	Agenda Item	Meeting Decision
			The Fifth Agenda of the Meeting: Reappointment of the member of the Board of Commissioners BTPN Syariah, Mr. Mahdi Syahbuddin	<p>a. To approve the reappointment of Mr. Mahdi Syahbuddin as the Commissioner of BTPN Syariah being effective upon the closure of this Meeting, with the term of office until the closure of the Annual General Meeting of Shareholders BTPN Syariah 2020 (two thousand twenty), without reducing the changes that might happen before the end of the term.</p> <p>The complete composition of the Board of Commissioners BTPN Syariah since the closure of the Meeting is, as follows:</p> <p>The Board of Commissioners</p> <ol style="list-style-type: none"> 1) Kemal Aziz Stamboel (President Commissioner and Independent Commissioner) 2) Dewie Pelitawati (Independent Commissioner), written Dewi Pelitawati Sarjana Hukum 3) Maya Kartika (Commissioner) 4) Mahdi Syahbuddin (Commissioner) <p>The Sharia Supervisory Board</p> <ol style="list-style-type: none"> 1) Haji Ikhwan Abidin, MA (Chairman) 2) Haji Muhamad Faiz, MA (Member) <p>The Board of Directors:</p> <ol style="list-style-type: none"> 1) Ratih Rachmawaty (President Director/ Independent) 2) Mulia Salim (Deputy President Director) 3) Taras Wibawa Siregar (Director) 4) Mohamad Gatot Adhi Prasetyo (Director) 5) Arief Ismail (Compliance Director)
	Realization/ Follow Up			The Deed of the Shareholders Resolution of the Annual General Meeting of Shareholders of BTPN Syariah No. 34 dated February 28, 2018 by the Notary Ashoya Ratam, SH.,Mkn, Administrative City Jakarta Selatan; registered in the Ministry of Law and Human Rights of the Republic of Indonesia in the Decree No. AHU.AH.01.03-0092641 dated March 2, 2018.

The Stages of the Convening of the Annual General Meeting of Shareholders 2018

The date of Submission of the Plan to Convene AGMS	Announcement Date	The Date of Recording In the List of Shareholders	Invitation Date	The Convention	The Date of Submission of AGMS Resolution
N/A	N/A	The List of Shareholders dated February 9, 2018 (recording date was not yet made)	February 13, 2018 through letters: a. AGMS Invitation through letters No. S.068/DIR/LG/II/2018 and No. S.069/DIR/LG/II/2018 b. Revision of AGMS Agenda through letters No. S.091/DIR/LG/II/2018 No. S.092/DIR/LG/II/2018	February 28, 2018 in Menara BTPN Board Room, 12th Floor, CBD Mega Kuningan Jl. Dr. Ide Anak Agung Gde Agung Kav.5,5.5-6 Jakarta Selatan 12950	a. To the Financial Services Authority dated March 7, 2018 in Letter No.S.110/DIR/LG/III/2018 and March 22, 2018 through Letter No. S.150/DIR/LG/III/2018 b. The Report of the Convening of AGMS 2018 was provided to the Shareholders on March 7, 2018 through Letters No.S.112/DIR/LG/III/2018 and S.113/DIR/LG/III/2018

Note:

BTPN Syariah had effectively listed and traded its shares in the Indonesia Stock Exchange on May 8, 2018. The convening of the AGMS on February 28, 2018 was, therefore, referring to the mechanism of AGMS for close company.

Extraordinary General Meeting of Shareholders (EGMS) 2018

BTPN Syariah convened the EGMS concerning The Amendment to the Articles of Association and the Increase of Authorized Capital of BTPN Syariah on April 5, 2018.

The shareholders of BTPN Syariah had made the decision without conducting GMS, as stated in the Circular Resolution of Shareholders taken apart from Extraordinary General Meeting of Shareholders BTPN Syariah on April 4, 2018.

Deed	Concerning	Agenda Item	Meeting Decision
Deed No. 8 dated April 5, 2018 by the Notary Jose Dima Satria, SH.,Mkn, Administrative City Jakarta Selatan	STATEMENT OF SHAREHOLDERS RESOLUTION REGARDING THE AMENDMENT TO THE ARTICLES OF ASSOCIATION OF PT BANK TABUNGAN Pensiunan Nasional SYARIAH TBK	The one and only agenda in the Meeting: The Amendment to the Articles of Association of BTPN Syariah and the restatement of the entire Articles of Association of BTPN Syariah	<p>a. To approve the increase of Authorized Capital of BTPN Syariah at the amount of 12.500.000.000 (twelve billion five hundred million) new shares with the total nominal value of Rp.1.250.000.000.000 (one trillion two hundred fifty billion rupiah) from the total shares that had been issued by BTPN Syariah.</p> <p>b. To approve Amendment to the Articles of Association of BTPN Syariah</p> <p>c. To grant full power and authority to the Board of Directors with substitution rights to the Board of Directors BTPN Syariah, to restate the decision concerning the Increase of Authorized Capital and the Amendment to the Articles of Association in the Notarial Deed and then inform the related Authorities and for that purpose do the other necessary actions according to the prevailing rules and regulations.</p>
Realization/ Follow Up			The Deed of the Statement of Shareholders Resolution regarding The Amendment to the Articles of Association of BTPN Syariah No. 178 dated May 31, 2018 by the Notary Jose Dima Satria, SH.,Mkn, Administrative City Jakarta Selatan, that had obtained the Receipt of the Notification regarding The Amendment to the Articles of Association in the Ministry of Law and Human Rights of the Republic of Indonesia in the Decree No. AHU.AH.01.03-0215425 dated June 21, 21 Juni 2018 dan in the List of Companies No. AHU-0-81561.AH.01.11 Year 2018 dated June 21, 2018

The Stages of the Convening of the Extraordinary General Meeting of Shareholders (EGMS) 2018

Date of Submission of the Plan to Convene EGMS	Announcement Date	Recording Date in the List of Shareholders	The Date of the Communication of the Circular Resolution of Shareholders	Execution of the Circular Resolution of Shareholders	The Date of Communicating the Shareholders Resolution
a. To the Financial Services Authority Banking Supervision regarding the Notification of the Plan to Increase the Authorized Capital of BTPN Syariah on March 28, 2018 through the letter No. S.156/DIR/LG/III/2018	N/A	N/A	April 2, 2018 through the Letters No. 60/DIR/LG/IV/2018 and No. S.161/DIR/LG/IV/2018	April 5, 2018 in Menara BTPN, 12 th Floor, CBD Mega Kuningan Jalan Dr.Ide Anak Agung Gde Agung Kav.5.5-5.6 Jakarta Selatan	Fulfillment of the obligation to report the Changes of the Authorized Capital and the Amendment to the Articles of Association had been submitted by BTPN Syariah through Letters : - No. S.179/DIR/LG/IV/2018 dated April 12, 2018, - No. S.180/DIR/LG/IV/2018 dated April 12, 2018, - No. S.181/DIR/LG/IV/2018, - No. S.182/DIR/LG/IV/2018 dated April 12, 2018, No. S.183/DIR/LG/IV/2018 dated April 12, 2018.
b. To the Shareholders on March 29, 2018 through the Letters No. S.157/DIR/LG/III/2018 and No. S.158/DIR/LG/III/2018					

Note:

BTPN Syariah had effectively listed and traded its shares in the Indonesia Stock Exchange on May 8, 2018. The convening of the EGMS conducted with Circular mechanism on April 5, 2018 was, therefore, referring to the mechanism of EGMS for close company

Follow Up – The Decisions of the General Meeting of Shareholders in the Previous Year

BTPN Syariah had realized the decisions resulted in the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders held for the accounting year ended December 31, 2017, with the following explanation.

Follow Up – The Annual General Meeting of Shareholders (March 6, 2017)

No	Agenda	Decisions	Status	Description
1	Submission of the Annual Report and the Endorsement of the Financial Report of BTPN Syariah for the accounting year ended December 31, 2016 (thirty first of December two thousand sixteen) including the Supervision Reports of the Board of Commissioners and the Sharia Supervisory Board.	<p>a. To approve the Annual Report of BTPN Syariah including the report on the supervision by the Board of Commissioners and the Sharia Supervisory Board for the accounting year ended December 31, 2016 (thirty first of December two thousand sixteen) that was contained in the BTPN Syariah Annual Report 2016.</p> <p>b. To approve the Financial Report of BTPN Syariah for the accounting year ended December 31, 2016 (thirty first of December two thousand sixteen) that had been audited by the Public Accounting Firm Tanudiredja, Wibisana, Rintis dan Rekan (a member of PwC Global Network) that was contained in the BTPN Syariah Annual Report 2016.</p> <p>c. To grant full release and discharge (acquitt et decharge) to the incumbent members of the Board of Directors of the Company during the accounting year ended December 31, 2016 (thirty first of December two thousand sixteen) for all the deeds of managing the company, and to the incumbent members of the Board of Commissioners and the Sharia Supervisory Board for the supervision that had been performed during the accounting year ended December 31, 2016 (thirty first of December two thousand sixteen), to the extent that such deeds were recorded in the Annual Report and the Financial Statement of the Company for the accounting year ended December 31, 2016 (thirty first of December two thousand sixteen), except in the event of fraud, embezzlement or other criminal deeds.</p>	Completed	Had been approved at the convening of AGMS on March 6, 2017

No	Agenda	Decisions	Status	Description
2	Determination of the Use of the Nett Profit of BTPN Syariah for the accounting year ended 31-12-2016 (thirty first of December, two thousand sixteen)	<p>a. To state that according to the Income Statement of BTPN Syariah the accounting year ended 31-12-2016 (thirty first of December, two thousand sixteen) the total profit/loss for the current year (after deducted by income tax) earned by BTPN Syariah was Rp412,495,068,191,- (four hundred twelve billion four hundred ninety five million sixty</p> <p>b. To approve the use of nett profit of the current year (after income tax) earned by BTPN Syariah for the accounting year ended 31-12-2016 (thirty first of December, two thousand sixteen), entirely as follows:</p> <p>i. For the accounting year ended 31-12-2016, BTPN Syariah would not distribute dividend to the shareholders;</p> <p>ii. An amount of Rp5,000,000,000,- (five billion rupiah) would be set aside to increase the amount of reserves, making the current total reserves of BTPN Syariah amounting to Rp20,000,000,000,- (twenty billion rupiah)</p> <p>iii. The remaining nett profit of Rp407,495,068,191 (four hundred seven billion four hundred ninety five million sixty eight thousand one hundred and ninety one Rupiah) would be booked as the Retained Earning to strengthen the financial position of BTPN Syariah.</p>	Completed	The remaining nett profit had been booked as the increase of reserves in accordance with the Decision of Shareholders in the AGMS on March 6, 2017

No	Agenda	Decisions	Status	Description
3	The appointment of Public Accountant and/or Public Accounting Firm for the accounting year ended December 31, 2016 (thirty first of December two thousand sixteen) and the determination of the amount of honorarium and other terms and conditions for such the appointment.	<p>a. To grant full power and authority to the Board of Commissioners of BTPN Syariah to appoint the Public Accounting Firm to examine and audit the Company bookkeeping and financial statements for the accounting year ended December 31, 2017 (thirty first of December two thousand seventeen) and to determine the amount of honorarium and other terms and conditions for such the appointment, taking into consideration the recommendation of Audit Committee;</p> <p>b. That the Appointment of the Public Accounting Firm must be in accordance to the following conditions:</p> <p>i. The appointed Public Accounting Firm must be registered as the Capital Market Supporting Professional in the Financial Services Authority and is experienced in auditing banks;</p> <p>ii. The appointed Public Accounting Firm must be affiliated to the International Public Accounting Firm;</p> <p>iii. Referring to the Regulations of Financial Services Authority POJK No. 6/POJK.03/2015 concerning Transparency and Publications of Bank Reports juncto POJK 32/POJK.03/2016 concerning Amendment to the Financial Services Authority Regulation juncto Circular Letter of OJK No. 18/SEOJK.03/2015 concerning Transparency and Publication of the Reports of Sharia Commercial Bank and Sharia Business Unit, stipulating that the Bank is obliged to prepare consolidated Financial Statement with the Parent Company</p>	Completed	<p>a. Circular Resolution of the Board of Commissioners as the substitute of the Decisions made in the meeting of the Board of Commissioners BTPN Syariah No.016/CIR/DEKOM/IX/2017 dated September 12, 2017 regarding the Approval of the Board of Commissioners with regard to the Appointment of Public Accountant and/or Public Accounting Firm for the accounting year ended December 31, 2017;</p> <p>b. Circular Resolution of the Audit Committee as the substitute of the decision made in the meeting of Audit Committee of BTPN Syariah No.004/CIR/AK/IX/2017 dated September 12, 2017 concerning the Recommendation of the Audit Committee for the Appointment of Public Accountant and/or Public Accounting Firm for the accounting year ended December 31, 2017;</p>

No	Agenda	Decisions	Status	Description
4	Determination of the amount of remuneration and allowance for the members of the Board of Directors and the amount of honorarium and allowance for the members of the Board of Commissioners and the Sharia Supervisory Board of BTPN Syariah.	<p>a. To grant full power and authority to the Board of Commissioners of BTPN Syariah to determine the remuneration for the members of the Board of Directors and the members of Sharia Supervisory Board for the year 2017 (two thousand seventeen) that would be discussed upon the completion of the Annual General Meeting of Shareholders, and to determine its distribution amongst the members of the Board of Directors and the members of the Sharia Supervisory Board under the condition that in determining such total amount of remuneration and its distribution for the the members of the Board of Directors and the members of the Sharia Supervisory Board, the Board of Commissioners is obliged to take into consideration the recommendation of the Nomination and Remuneration Committee of BTPN Syariah.</p> <p>b. According to the recommendation of the Nomination and Remuneration Committee as stated in the Circular Resolution of the Nomination and Remuneration Committee of BTPN Syariah No. 002/CIR/KRN/III/2017 dated 2-3-2017 (March the second, two thousand seventeen), that had been approved by the Board of Commissioners as stated in the Circular Resolution of the Board of Commissioners No. 005/CIR/DEKOM/III/2017 dated 2-3-2017 (March the second, two thousand seventeen), determined total gross remuneration for the members of the Board of Commissioners for the accounting book ended 31-12-2017 (thirty first of December two thousand seventeen) entirely not exceeding Rp5.600.000.000,- (five billion six hundred million Rupiah) and grant full power and authority to the Board of Commissioners to determine, in a Decision of the Board of Commissioners, the distribution of such the total honorarium, allowances and bonus amongst the members of the Board of Commissione s under the condition that in determining the distribution of such the total honorarium, allowances and bonus, the Board of Commissioners is obliged to take into consideration the recommendation of the Nomination and Remuneration Committee of BTPN Syariah.</p>	Completed	<p>1. The Circular Resolution of the Board of Commissioners of PT Bank Tabungan Pensiunan Nasional Syariah No. 005/DIR/DEKOM/III/2017 dated March 2, 2017 concerning the Approval of the Board of Commissioners with regard to the remuneration for the members of the Board of Directors, the Board of COMmissioners and the Sharia Supervisory Board for the year 2017 (two thousand seventeen)</p> <p>2. The Circular Resolution of the of the Nomination and Remuneration Committee 002/CIR/KRN/II/2017 dated March 2, 2017 concerning the Total Gross Remuneration for the Board of Commissioners of PT Bank Tabungan Pensiunan Nasional Syariah</p>

No	Agenda	Decisions	Status	Description
5	The appointment of the members of the Board of Directors, the appointment of the members of the Board of Commissioners and the appointment of the members of the Sharia Supervisory Board of BTPN Syariah	<p>a. To approve the appointment of the members of the Board of Directors BTPN Syariah as proposed by the Shareholders of BTPN Syariah, being effective since the closure of the AGMS of BTPN Syariah for the year 2017. The term of office of the members of the Board of Directors would end by the closure of AGMS of BTPN Syariah in 2020, without reducing the changes that might happen before the end of the term of office;</p> <p>b. To approve the appointment of the members of the Board of Commissioners BTPN Syariah (except Mr. Mahdi Syahbuddin whose term of office ended by the closure of the AGMS of BTPN Syariah for the year 2018) as proposed by the Shareholders of BTPN Syariah, being effective since the closure of the AGMS of BTPN Syariah for the year 2017. The term of office of the members of the Board of Commissioners would end by the closure of AGMS of BTPN Syariah in 2020, without reducing the changes that might happen before the end of the term of office;</p> <p>c. To approve the appointment of the members of the Sharia Supervisory Board BTPN Syariah as proposed by the Shareholders of BTPN Syariah, being effective since the closure of the AGMS of BTPN Syariah for the year 2017. The term of office of the the Sharia Supervisory Board would end by the closure of AGMS of BTPN Syariah in 2020, without reducing the changes that might happen before the end of the term of office</p> <p>d. Therefore, complete composition of the Board of Directors, the Board of Commissioners and the Sharia Supervisory Board of BTPN Syariah for the year 2017 is, as follows:</p>	Completed	<p>The Deed of the Decisions of the Annual General Meeting of Shareholders of BTPN Syariah stating as follows:</p> <p>a. The Deed No. 26 Dated March 14, 2017 (The Appointment of President Director), that had been registered in the Ministry of Law and Human Rights of the Republic of Indonesia according to the Decree No. AHU. AH.01.03-0118678 dated March 16, 2017;</p> <p>b. The Deed No. 27 dated May 19, 2017 (The Appointment of the Members of the Sharia Supervisory Board) that had been registered in the Ministry of Law and Human Rights of the Republic of Indonesia according to the Decree No. AHU. AH.01.03-0138034 dated May 19, 2017;</p>

No	Agenda	Decisions	Status	Description
		<p>The Board Of Directors President Director : Ratih Rachmawaty; Deputy President Director : Mulia Salim; Director : Taras Wibawa Siregar; Director : M. Gatot Adhi Prasetyo; Compliance Director : Arief Ismail.</p> <p>The Board Of Commissioners President Commissioner/Independent : Kemal Azis Stamboel; Independent Commissioner : Dewie Pelitawati; Commissioner : Mahdi Syahbuddin; Commissioner : Maya Kartika.</p> <p>The Sharia Supervisory Board Chairman : H. Ikhwan Abidin, MA; Member : H. Muhamad Faiz, MA</p>		<p>c. The Deed No. 73 dated June 22, 2017 (The Appointment of the Deputy President Director and the Chairman of the Sharia Supervisory Board) that had been registered in the Ministry of Law and Human Rights of the Republic of Indonesia according to the Decree No. AHU.AH.01.03-0149732 dated July 3, 2017;</p> <p>d. The Deed No. 17 dated July 12, 2017 (The Appointment of the Members of the Board of Commissioners) that had been registered in the Ministry of Law and Human Rights of the Republic of Indonesia according to the Decree No. AHU.AH.01.03-0152969 dated July 4, 2017;</p> <p>e. The Deed No. 06 dated September 5, 2017 (The Appointment of Compliance Director) that had been registered in the Ministry of Law and Human Rights of the Republic of Indonesia according to the Decree No. AHU.AH.01.03-0168935 dated September 6, 2017</p>
		<p>e. To grant power with substitution rights to the members of the Board of Directors of BTPN Syariah to restate the changes of the the Board of Directors, the Board of Commissioners and the Sharia Supervisory Board of BTPN Syariah in the Notarial Deed and then to report the related authorities, and for that purpose, do the other necessary actions according to the prevailing rules and regulations.</p>		

Follow Up – The Extraordinary General Meeting of Shareholders/EGMS (March 6, 2017)

Agenda	Decision	Status	Description
Refinement of the Articles of Association of BTPN Syariah and restatement of the entire Articles of Association of BTPN Syariah	<p>a. To approve the refinement of several provisions in the Articles of Association of BTPN Syariah:</p> <p>i. Article 11 verse 12 concerning the Duties and Responsibilities of the Board of Directors;</p> <p>ii. Article 13 verse 4 concerning the Reappointment of the Board of Commissioners within the same term of office not requiring the approval of the Financial Services Authority;</p> <p>iii. Article 13 verse 6 concerning the term of office of the Board of Commissioners;</p> <p>iv. Article 16 verse 9 concerning the term of office of the Sharia Supervisory Board</p> <p>b. To grant full power and authority to the Board of Directors with substitution rights to take all the necessary actions related to the decision of this meeting agenda, including to prepare and to restate the entire provisions of the Articles of Association of BTPN Syariah in the Notarial Deed and notify the related authorities and do all the necessary actions for that purpose without any exception, including creating the supplement and/or amendment to the Articles of Association should it be required by the authorities.</p>	Completed	Deed of the Decisions of Extraordinary General Meeting of Shareholders of BTPN Syariah No 27 dated March 14, 2017, by the Notary & PPAT Ashoya Ratam, SH.,Mkn, Administrative City Jakarta Selatan, that had been registered in the Ministry of Law and Human Rights of the Republic of Indonesia according to the Decree No. AHU.AH.01.03-0121841 dated March 27, 2017.

Follow Up – The Extraordinary General Meeting of Shareholders/EGMS (November 16, 2017)

Agenda	Decision	Status	Description
With regard to the Plan for Initial Public Offering of BTPN Syariah and the Amendment to the entire Articles of Association of BTPN Syariah in order to become a Public Company that need to be amended according to the rules and regulations in capital market in Indonesia	<ol style="list-style-type: none"> 1. The change of the status of BTPN Syariah from Close Company to become a Public Company and change the name of BTPN Syariah from previously PT Bank Tabungan Pensiunan Nasional Syariah to PT Bank Tabungan Pensiunan Nasional Syariah Tbk, which therefore, amend the provision in Article 1 of the Articles of Association of BTPN Syariah. 2. The changes of the intent and objectives of the business activities of BTPN Syariah to accommodate the main business activities and supporting business activities that had been and/or would be implemented by BTPN Syariah, according to the Regulation of Bapepam and LK No. IX.J.1 regarding the Essence of the Articles of Association of the Company that Offered Equity Securities and Public Company, Attachment of the Decree of the Chairman of Bapepam & LK, No. Kep-179/BL/2008 dated May 14, 2008; which therefore, amend the provision in Article 3 of the Articles of Association of BTPN Syariah. 3. To approve the nominal value of the shares of BTPN Syariah from initially Rp1.000.000 (one million Rupiah) per share to Rp100.0 (one hundred rupiah) per share, which therefore amend the provision in Article 4 verse (1) of the Articles of Association of BTPN Syariah. With the above decision, the capital structure and the composition of shares ownership of BTPN Syariah became that as mentioned in the Deed 57; 	Completed	Deed of the Decisions of Shareholders concerning the Amendment to the Articles of Association of BTPN Syariah No. 57 dated November 16, 2017 (Deed 57) by the Notary Jose Dima Satria, SH.,Mkn, Administrative City Jakarta Selatan, that had been registered in the in the Ministry of Law and Human Rights of the Republic of Indonesia according to decision and Approval of the Amendment to the Articles of Association of the Limited Liability Company No. AHU-0024076.AH.01.02.YEAR 2017 dated November 16, 2017, The Receipt of the Notification of the Amendment to the Articles of Association No. AHU.AH.01.03-0191730 dated November 16, 2017 and The Receipt of the Notification of the Changes of the Company Data No. AHU. AH.01.03-0191731 dated November 16, 2017

Agenda	Decision	Status	Description
	<p>4. The Initial Public Offering of BTPN Syariah by issuing new shares from the portfolio of BTPN Syariah at the maximum of 770.370.000 (seven hundred seventy million three hundred seventy thousand) shares with the nominal value of Rp 100.- (one hundred Rupiah) per share to offered to the public in the regions of the Republic of Indonesia and to be listed in the Indonesia Stock Exchange, including the allocation of the newly issued share at the maximum of 10% (ten percent) from the new shares issued for the purpose of Initial Public Offering (IPO) of BTPN Syariah for Employee Stock Allocation Program according to the terms and conditions to be further stipulated by the Board of Directors of BTPN Syariah while maintaining the adherence to the prevailing laws and regulations, including but not limited to the laws and regulations in the Capital Market in Indonesia and the regulations of PT Bursa Efek Indonesia where the BTPN Syariah shares are listed.</p> <p>5. To release the rights of the shareholders of BTPN Syariah to take part in the newly issued shares in the Initial Public Offering of BTPN Syariah.</p> <p>6. The amendment to the entire provisions in the Articles of Association of BTPN Syariah in order to become a Public Company that need to be ammended according to the rules and regulations in capital market in Indonesia, in whatsoever forms as stated in the Deed 57;</p>		

Agenda	Decision	Status	Description
	<p>7. To approve the reappointment of Mrs. Ratih Rachmawaty as the Independent Director and the President Director, which therefore affirm and restate the composition of the Board of Directors, the Board of Commissioners and the Sharia Supervisory Board of BTPN Syariah as follows:</p> <p>The Board Of Directors President Director : Ratih Rachmawaty; Deputy President Director : Mulia Salim; Director : Taras Wibawa Siregar; Director : M. Gatot Adhi Prasetyo; Compliance Director : Arief Ismail.</p> <p>The Board Of Commissioners President Commissioner/Independent : Kemal Azis Stamboel; Independent Commissioner : Dewie Pelitawati; Commissioner : Mahdi Syahbuddin; Commissioner : Maya Kartika.</p> <p>The Sharia Supervisory Board Chairman : H. Ikhwan Abidin, MA; Member : H. Muhamad Faiz, MA</p>		
	<p>8. To delegate and grant the power with substitution rights, both partly and entirely, to the Board of Commissioners of BTPN Syariah to implement the Circular Resolution, including:</p> <p>a. State in the Notarial Deed regarding the Increase of Issued and Paid Up Capital of BTPN Syariah in order to issue new shares for the purpose of Initial Public Offering of BTPN Syariah, the number of shares purchased during the Initial Public Offering of BTPN Syariah and the Composition of shares ownership of BTPN Syariah after the Initial Public Offering of BTPN Syariah and to list the shares in PT Bursa Efek Indonesia;</p> <p>b. To approve the offering price as offered by the Board of Directors of BTPN Syariah;</p> <p>c. To approve the certainty of the shares offered as proposed by the Board of Directors of BTPN Syariah.</p>		

Agenda	Decision	Status	Description
	<p>9. To approve and to grant power with the substitution rights, both partly and entirely, to the Board of Directors of BTPN Syariah, to perform all the necessary actions for the purpose of Initial Public Offering of BTPN Syariah, including but not limited to:</p> <ul style="list-style-type: none"> a. Sign the registration statement to be submitted to the Financial Services Authority the Republic of Indonesia; b. Negotiate and sign the other agreements related to the shares issuance with the terms and conditions that are considered good for BTPN Syariah by the Board of Directors of BTPN Syariah; c. Sign, print and/or issue Brief Prospectus, Refinement and/or Supplement to the Brief Prospectus and/or the entire agreements and/or documents required for the Initial Public Offering through capital market (go public); d. Determine the offering price with the approval of the Board of Commissioners; e. Determine the certainty of the number of shares to be offered with the approval of the Board of Commissioners; f. Determine the ESA program at the maximum 10% (ten percent) of the new shares to be issued in the Initial Public Offering of BTPN Syariah; g. Deposit the shares of BTPN Syariah in the collective deposit PT Kustodian Central Effect Indonesia (Indonesian Central Securities Depository, the Indonesian abbreviation "KSEI") according to the prevailing laws and regulations, including but not limited to the regulations of KSEI, prevailing laws and regulations in capital market and banking in Indonesia; h. List the entire shares of BTPN Syariah that had been issued and paid up to PT Bursa Efek Indonesia to be traded to the public through capital market and the shares owned by shareholders to PT Bursa Efek Indonesia, while abiding to the prevailing laws and regulations in capital market and banking in Indonesia; 		

Agenda	Decision	Status	Description
	<ul style="list-style-type: none"> i. Do all the necessary actions for the purpose of Initial Public Offering of BTPN Syariah to the public through capital market, including those required by the prevailing laws and regulations; j. State one more decisions that had been made in the Circular Resolution in one or more Notarial Deed both separately or integratedly; k. Affirm and cause the statement of affirmation of one or more decisions in the Circular Resolution in one or more Notarial Deed; l. Prepare, develop, refine, amend and/or modify (including by way of adding or reducing) the sentences and/or words in the related Notarial Deeds and sign the Deeds, m. Request for approval and/or notify the amendment to the Articles of Association and/or changes of data of BTPN Syariah and/or register or cause the registration to the relevant authorities regarding one or more decisions in Circular Resolution, including but not limited to the approval of the Financial Services Authority regarding the Initial Public Offering by Commercial Banks; n. Do all the other necessary actions and/or required actions in order to execute or complete all the above matters and in order to achieve the intent and objectives of the decisions made by the shareholders based on and as contained in the Circular Resolution, including the actions by attorney and complete all matters related to each and everything of the above matters, including but not limited to be present before the Notary or other parties; provide obtain and/or receive information and/or document whatsoever; or create or cause the creation of, provide initial on and/or sign any document whatsoever. 		

Table of the Attendance of the Board of Commissioners, the Sharia Supervisory Board and the Board of Directors in the Annual General Meeting of Shareholders 2018

No	Name	Position	Attend	Not Attend	Remarks
1	Kemal Azis Stamboel	President Commissioner / Independent Commissioner	√	-	-
2	Dewie Pelitawati	Independent Commissioner	√	-	-
3	Mahdi Syahbuddin	Commissioner	√	-	-
4	Maya Kartika	Commissioner	√	-	-
5	H. Ikhwan Abidin, MA	Chairman of the Sharia Supervisory Board	-	√	Family Matters
6	H. Muhamad Faiz, MA	Member of the Sharia Supervisory Board	-	-	-
7	Ratih Rachmawaty	President Director / Independent Director	√	-	-
8	Mulia Salim	Deputy President Director	√	-	-
9	Taras Wibawa Siregar	Director	√	-	-
10	M. Gatot Adhi Prasetyo	Director	-	√	Company Assignment
11	Arief Ismail	Director	√	-	-

Board of Commissioners, Sharia Supervisory Board, and Board of Directors

Fit and Proper Test

All members of the Board of Commissioners and the Board of Directors have met the requirement of Fit and Proper Test by the Financial Services Authorities as of December 31, 2018.

Board of Commissioners

According to the Good Corporate Governance Manual of BTPN Syariah, the Board of Commissioners is the company organ that – in an independent manner – performs the supervisory function in general and/or particular, in accordance to the Articles of Association and to advise the Board of Directors in managing the Bank under the principles of Good Corporate Governance.

Duties and Responsibilities of the Board of Commissioners

The Duties and Responsibilities of the Board of Commissioners according to the latest Charter of the Board of Commissioners are, as follows:

1. The Board of Commissioners is obliged to ensure the implementation of Good Corporate Governance in every business activity of the Bank at all layers of the organization;
2. The Board of Commissioners is obliged to perform supervision the fulfillment of Duties and responsibilities of the Board of Directors and to advise the Board of Directors;
3. In performing the supervision, the Board of Commissioners is obliged to direct, monitor and evaluate the implementation of the Bank strategic policy, for which the Board of Commissioners may require data and information from the Board of Directors;
4. In performing the supervision, the Board of Commissioners is not allowed to take part in the decision making of the Bank operational activities, with the exceptions in following:
 - a. Provision of funds to certain party, as stipulated in the Regulation of Bank Indonesia or Financial Services Authority concerning Legal Lending Limit or in amount exceeding the limit from time to time is determined by the Board of Commissioners; and

- b. Other matters according to the Articles of Association or the prevailing laws and regulations.
5. Decision made by the Board of Commissioners do not negate the responsibilities of the Board of Directors in the management of the Bank;
6. The Board of Commissioners is obliged to allocate sufficient time to fulfill the Duties and responsibilities to the best of their capability;
7. The Board of Commissioners is obliged to ensure that the Board of Directors follow through the audit findings and recommendation of the internal audit of the Bank, external auditor, examination of Financial Services Authority and/or examination of other authorities;
8. The Board of Commissioners is obliged to report to the Financial Services Authority no later than 7 (seven) days since the finding of:
 - a. Violation of the Laws concerning financial services and banking; and
 - b. Situation or prediction of situation that may jeopardize the sustainability of the business of the Bank.
9. The Board of Commissioners shall propose the Sharia Supervisory Board candidates, taking into consideration the recommendation of the Nomination and Remuneration Committee, for further endorsement from the Indonesia Ulama Council and approval from Financial Services Authority. The GMS may grant the authority to the Board of Commissioners to appoint the member of Sharia Supervisory Board.

Establishment of Committees

The Charter of the Board of Commissioners BTPN Syariah stipulates that, to support the effective fulfillment of its Duties and responsibilities, the Board of Commissioners shall establish Committees, which include at least the following:

1. Audit Committee;
2. Risk Monitoring Committee;
3. Nomination and Remuneration Committee.

The Board of Commissioners is obliged to ensure the effectiveness of the work of the committees. Each of the Board of Commissioners Committee will prepare a Committee Charter.

The Board of Commissioners Charter

The undertaking of Duties and responsibilities of the Board of Commissioners will always be governed within the principles stated in the Charter of the Board of Commissioners which is amended on regular basis to ensure adherence to the prevailing rules and regulations.

In 2018, the Board of Commissioners have reviewed and updated the Charter of the Board of Commissioners according to publicly-listed company condition.

The current Charter of the Board of Commissioners is No.01/PedomanKerja/LG/V/2018 dated May 8, 2018.

The Charter includes:

1. Organization;
2. Independency;
3. Duties and Responsibilities;
4. Establishment of Committees;
5. The Function of the President Commissioner;
6. Work Ethics;
7. Office Hours;
8. Meetings;
9. Conflict of Interest;
10. Transparency/Disclosure;
11. Terms of Office;
12. Accountability of the Board of Commissioners;
13. Development;
14. Others.

The Composition and the Criteria of the Board of Commissioners

The Composition and the criteria of the members of the Board of Commissioners according to the Charter of the Board of Commissioners BTPN Syariah are, as follows:

1. The minimum number of the members of the Board of Commissioners shall consist of 3 (three) and the maximum is the same as the total number of members of the Board of Directors;
2. At least 1 (one) member of the Board of Commissioners shall domiciled in Indonesia;
3. The Board of Commissioners is chaired by the President Commissioner. The appointment of President Commissioners shall prioritize the Independent Commissioner;
4. The Board of Commissioners must at least consist of members with a mastery of knowledge in following: macro economy, banking and Sharia banking, legal, accounting and audit;
5. The Board of Commissioners shall maintain independency in performing its duties and responsibilities. To assure the adherence to the principle of independency, at least 50% (fifty percent) of the members of the Board of Commissioners is Independent Commissioner;
6. The candidate eligible to be appointed as the member of the Board of Commissioners shall be the individual who meet the following criteria at the date of appointment and during his/her term of office:
 - a. Demonstrate good character, morality and integrity;
 - b. Capable to perform legal action;
 - c. Within the past 5 years prior to the appointment and during the terms of office:
 - i. Had never been declared bankrupt;
 - ii. Had never served as the member of the Board of Directors and/or the member of the Board of Commissioners who have adjudicated to have caused bankruptcy of a Company;
 - iii. Had never been sentenced for a criminal offense that caused financial loss to the country and/or the financial sector; and

- iv. Had never served as the member of the Board of Directors and/or the member of the Board of Commissioners with the following act during his/her term of office:
 - a) Never had held the Annual General Meeting of Shareholders;
 - b) Whose report of accountability as the member of the Board of Directors and/or the Board of Commissioners had not been accepted by the General Meeting of Shareholders or had not submitted report of accountability as the member of the Board of Directors or the Board of Commissioners to the General Meeting of Shareholders; and
 - c) Had caused the company – with license, approval or registration from the Financial Services Authority – to fail to fulfill the obligation to submit the annual report and/or financial statements to the Financial Services Authority.
 - d. Is committed to comply with the laws and regulations;
 - e. Has the knowledge and/or skills in the areas required by an Issuer or Public Company.
 - f. Fulfillment of the above mentioned requirements shall be written a statement and submitted to the Bank.
 - g. The bank shall hold AGMS to replace the member of the Board of Commissioners who does not meet the above-mentioned criteria.
7. Any proposal for replacement and/or appointment of the member of the Board of Commissioners shall take into consideration the recommendation of the Nomination and Remuneration Committee;
 8. All members of the Board of Commissioners must meet the requirement to pass the fit and proper test pursuant to Financial Services Authority Regulation concerning fit and proper test;
 9. The members of the Board of Commissioners are allowed to hold dual positions, restricted only for the following positions:
 - a. A member of the Board of Commissioners, the Board of Directors or Executive Officer in 1 (one) non-financial institution/company;
 - b. A member of the Board of Commissioners or the Board of Directors who perform supervisory role in 1 (one) subsidiary, non-sharia-bank financial institution owned by the Bank;
 - c. A member of the Board of Commissioners or Executive Officers in 1 (one) bank which is the shareholder of the Bank;
 - d. A member of the Board of Commissioners, Board of Directors or Executive Officers in 1 (one) nonfinancial institution which is the shareholder of the Bank; or
 - e. An Officer in the maximum of 3 (three) non-profit institution.
 10. The majority of members of the Board of Commissioners are prohibited from having a family relationship up the second grade with the other members of the Board of Commissioners and/or with the members of the Board of Directors.

Independency and Diversity of Members of the Board of Commissioners

Independency

BTPN Syariah has complied with the laws concerning the independency of the Board of Commissioners. The independency of the Board of Commissioners is fulfilled in the following:

1. The Board of Commissioners has fulfilled its Duties and responsibilities in an independent manner;
2. Independent Commissioner is the member of the Board of Commissioner who does not have financial relationship, management, shares ownership, and/or family relationship with the other members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or other relationship of whatsoever in nature, which may influence his/her ability to act in an independent manner;

3. The former member of the Board of Directors or the Bank Executive Officer or other party who has relationship with the Bank, that may influence the ability to act in an independent manner is not eligible to serve as the Independent Commissioner of the respective Bank before taking the cooling off period of 6 (six) months (Reference: PBI 11/33/PBI/2009, as amended in PBI No. 15/13/PBI/2013 concerning the Amendment to PBI No. 11/3/PBI/2009 regarding Sharia banking);
4. This condition, however, does not apply the former member of the Board of Directors or Executive Officer performing supervisory function;
5. The Independent Commissioner must fulfill the following requirements:
 - a. Is not a person who works or has the authority and responsibility to plan, lead, control or supervise the Bank activities during the past 1 (year), except for the reappointment as the Independent Commissioner of the Bank for the subsequent term;
 - b. Does not own the shares, either directly or indirectly, of the Bank;
 - c. Does not have affiliation relationship to the Bank, member of the Board of Commissioner, member of the Board of Directors or the Controlling Shareholder of the Bank;
 - d. Does not have direct or indirect relationship to the Bank activities.
6. Independent Commissioner who has served for 2 (Two) terms of office may be reappointed for the next terms as long as the Independent Commissioner declares his independency in the AGMS;
7. The declaration of independency of the Independent Commissioner must be disclosed in the Annual Report;
8. In the case where the Independent Commissioner also serves as the Audit Committee, the respective Independent Commissioner can only be reappointed for next 1 (one) term of office of Audit Committee.

Diversity

All members of the Board of Commissioners are appointed by the General Meeting of Shareholders (GMS) based on recommendations from the Remuneration and Nomination Committee and has fulfilled the requirement to pass the fit and proper test pursuant to Financial Services Authority Regulation. Term of Office of the Board of Commissioners BTPN Syariah is effective until the closing of the GMS year 2020, by not reducing changes that can occur before the expiration of the term of office.

The composition of the Board of Commissioners is stipulated considering the Bank's complexities and requirements. The composition of the Board of Commissioners is based on expertise, professional experiences and background in order to support the effectiveness in carrying out the duties of the Board of Commissioners without discriminating gender, ethnicity, racial background and religion. The total number of BTPN Syariah Board of Commissioners is 4 (four) members, of which two (2) of the members of the Board of Commissioners are female Commissioners and two (2) of the members of the Board of Commissioners are Independent Commissioners.

All members of the Board of Commissioners BTPN Syariah has fulfilled the number, composition, criteria, and independency according to the prevailing regulation.

Composition of the Board of Commissioners

The Composition of the Board of Commissioners as of December 31, 2018 was, as follows:

No.	Name	Title	Approval of Authorities	Effective Date
1	Kemal Azis Stamboel	President Commissioner/ Independent	Feb 24 ,2014 (KEP-8/D-03/2014)	May 22, 2014
2	Dewie Pelitawati	Independent Commissioner	Feb 24, 2014 (KEP-9/D-03/2014)	May 22, 2014
3	Mahdi Syahbuddin	Commissioner	Dec 23, 2014 (KEP-128/D-03/2014)	January 13, 2015
4	Maya Kartika	Commissioner	June 14, 2017 (KEP-102/D.03/2017)	June 14, 2017

All the members of the Board of Commissioners BTPN Syariah has fulfilled the requirement as the Board of Commissioners according to the prevailing regulations.

Dual Positions of the Board of Commissioners

With regard to disclosure of dual positions held by the members of the Board of Commissioners as of December 31, 2018; the members of the Board of Commissioners do not hold dual positions as the member of the Board of Commissioners, the Board of Directors, and Executive Officers in other banks, companies or institutions, that exceeds the maximum limit as stipulated in the prevailing laws and regulations. The description is, as follows:

No.	Name	Title	Company Name	Year
1	Kemal Azis Stamboel	Chairman of Board of Management	WWF Indonesia	1999 - present
2	Dewie Pelitawati	-	-	-
3	Mahdi Syahbuddin	-	-	-
4	Maya Kartika	Head of Human Capital	PT Bank Tabungan Pensiunan Nasional Tbk	2015 - present

Orientation

The President Director shall ensure that newly appointed members of the Board of Commissioners have the necessary information related to the Bank in order to fulfill their duties and obligation. The Compliance Director who also holds the position of Corporate Secretary is responsible to provide such information.

In 2018, there is no new members of the Board of Commissioners taking the orientation program.

Aside from the orientation programs, all members of BTPN Syariah Board of Commissioners and Board of Directors have conducted refreshment programs in 2018, including:

1. Risk Management Certification Preparation Program for Executives by the Banking Professional Certification Institution on May 22, 2018 in Jakarta;
2. Banking Compliance Directors' Communication Forum (FKDKP) Seminar for the preparation of the Level 5 Risk Management Certification, on June 26, 2018 in Jakarta;
3. Level 5 Risk Management Certification Preparation Program by GPS & Partners Consulting Group on July 31 and August 16, 2018 in Jakarta;
4. Level 5 Risk Management Certification Preparation Program by GPS & Partners Consulting Group on July 31, 2018 in Jakarta;
5. Level 5 Risk Management Certification Preparation Program by GPS & Partners Consulting Group on July 31 and August 16, 2018 in Jakarta;
6. Level 5 Risk Management Certification by the Banking Professional Certification Institution, on September 3, 2018 in Jakarta;
7. Level 5 Risk Management Certification by the Banking Professional Certification Institution on August 20, 2018 in Jakarta;
8. Level 5 Risk Management Certification by the Banking Professional Certification Institution on August 31, 2018 in Jakarta;

9. Global Islamic Fintech Summit Seminar by Elmangos Embrace Change on September 18, 2018 in Kuala Lumpur;
10. Leading for Organization Impact (LOI) Workshop by the Center for Creative Leadership (CCL) on September 3-7, 2018 in Singapore;
11. Annual Meeting International Monetary Fund (IMF) on October 18-20, 2018 in Bali;
12. Seminar 2nd TOP 100 Bankers "How to Navigate Companies Trough Global Turbulence And Political Risk 2019" by Infobank on October 30, 2018 in Jakarta;
13. Refreshment in Capital Market Developments by PT UBS Indonesia on November 6, 2018 in Jakarta;
14. "Implementation of Prudential Banking Facing Global Economic Challenges" Seminar and "OJK's Supervision on the Banking Sector" Focus Group Discussion (FGD) by FKDKP, BI, and OJK on November 29, 2018 in Jakarta;
15. Synergy in Diversity Refreshment Program by Wishnutama – CEO of Net Mediatama on December 13, 2018.

Supervision Report and Recommendation of the Board of Commissioners

The Board of Commissioners has fulfilled its responsibility to oversee the management and operational of BTPN Syariah and provided recommendation to the Board of Directors and ensured the implementation of good corporate governance and compliance according to the sharia principles.

The Board of Commissioners has performed direct supervision to the Bank, supported by the Board of Commissioners' Committee.

In 2018, the Board of Commissioners has performed its supervisory function, including:

1. The Board of Commissioners reviewed and approved the Bank Business Plan and monitored the realization of the Bank Business Plan that were presented in the Report of the Board of Commissioners on Realization of the Bank Business Plan to the Authority;
2. The Board of Commissioners monitored the financial performance of the Bank on regular basis;
3. The Board of Commissioners reviewed and refined the adequacy of Bank infrastructure which included amongst others updating the Charter of the Board of Commissioners and the Board of Commissioners Committee;
4. The Board of Commissioners monitored the financial performance of the Bank through the regular meetings of the Board of Commissioners;
5. The Board of Commissioners approved the conduct of the Annual General Meetings of Shareholders and Extra Ordinary Meeting of Shareholders in 2018, as proposed by the Board of Directors;
6. The Board of Commissioners approved the Annual Work Plan of the Board of Commissioners Committee, including amongst others the Annual Audit Plan;
7. The Board of Commissioners reviewed the performance of the Board of Commissioners' Committees;
8. The Board of Commissioners executed the decisions made in the Annual General Meeting of Shareholders concerning the appointment of Public Accountant and Public Accounting Firm in 2018 by granting approval for the appointment of Public Accountant and Public Accounting Firm for the book year ending on December 31, 2018;
9. The Board of Commissioners performed the supervision to ensure that the Board of Directors conducted the necessary corrective action warranted by findings of internal audit and external audit and as recommended by Internal Audit through the Audit Committee;
10. The Board of Commissioners supervised the Bank in term of implementation of Good Corporate Governance, management of compliance risks and Risk Based Bank Rating-RBBR and the implementation of AML/CTF through the regular meetings with the established Board of Commissioners Committee;
11. The Board of Commissioners coordinated reviews to formulate recommendations regarding Internal Audit, Risk Management and Internal Control System of the Bank;
12. The Board of Commissioners coordinated consistently with the Sharia Supervisory Board to ensure the alignment of strategic direction to the sharia principles;
13. The Board of Commissioners supervised to ensure the implementation of prudent principles in the development of the Bank products and services, the formulation of strategic initiatives to respond to business competition, the development of information technology to support the Bank business development and in the recommendation to the Board of Directors in policy matters, taking into consideration the aspiration of the shareholders and the prevailing regulations;
14. The Board of Commissioners recommended the amendments to the internal policy and procedures of the Bank to support the Bank business activities in delivering service excellence to the customers;
15. The Board of Commissioners advised the Board of Directors, including in the field of Human Capital, supervised the implementation of training for all employees, Certification programs, as well as the policy of granting rewards for employees with outstanding performance through programs as proposed by the Board of Directors;

16. The Board of Commissioners also advised the Board of Directors in the support function related to Information Technology Architecture, implementation of process digitalization, security, support systems, investment management, and other strategic policies while taking into account operational costs;
17. The Board of Commissioners monitored the handling of fraud incidents according to the prevailing regulations;
18. The Board of Commissioners supervised the Board of Directors in fulfilling its commitment to the regulator with a prudent principle and compliance culture, including the supervision of the obligations fulfillment in the capital markets;
19. The Board of Commissioners conduct routine field visits with members of the Board of Commissioners Committees and provided advice and recommendations to the Board of Directors through the Board of Commissioners Visit Evaluation Report. The field visits would cover Sentra, MMS, KFO, KCS, including having direct interaction with customers at Sentra;
20. The Board of Commissioners supervised the Board of Directors on the implementation of Initial Public Offerings (IPO) and supervised the fulfillment of the obligations as a publicly-listed company for the realization of the use of the IPO proceeds.

The Board of Commissioners was granted full power and authority from the Shareholders in the General Meeting of Shareholders and had executed the Resolution of Shareholders in 2018, including amongst others:

1. Appointment of Public Accountant and Public Accounting Firm Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PWC global network) as the External Auditor to examine and audit the book keeping and financial statements of BTPN Syariah for the book year ending on December 31, 2018 and the determination of honorarium and other conditions for such the appointment taking into consideration the recommendation of BTPN Syariah Audit Committee;
2. Determination of Remuneration for the members of the Board of Directors and the Sharia Supervisory Board in 2018 as well as the distribution among the members of the Board of Directors and the Sharia Supervisory Board and the determination of remuneration for members of the Board of Commissioners and the distribution among the members of the Board of Commissioners taking into consideration the recommendation of the Nomination and Remuneration Committee.

Board of Commissioners Meetings and Board of Commissioners Meetings with Board of Directors

All Board of Commissioners Meetings and Board of Commissioners Meetings with Board of Directors have been conducted as per the prevailing regulations. Meetings' schedules and agendas for the Board of Commissioners in 2018 were approved by the Board of Commissioners through the Memorandum No. 111/KOM/LG/XII/2017 dated December 27, 2017.

Upon becoming a publicly traded company on the date of its initial public offering on May 8, 2018, BTPN Syariah underwent a series of adjustments regarding its corporate meeting regulations by referring to the Financial Services Authority Regulation No.33/POJK.04/2014 on 8 December 2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies, among others the adjustment on the Guidelines and Work Procedures for the Board of Commissioners of BTPN Syariah. Prior to going public, the Guidelines and Work Procedures for the Board of Commissioners had referred to No. 01/PedomanKerja/LG/VII/2017 dated July 14, 2017, which had then been updated with the Guidelines and Work Procedures for the Board of Commissioners No.01/PedomanKerja/LG/V/2018 dated May 8, 2018.

Meeting schedules, invitations, materials and minutes have been distributed to all meeting participants prior to the meetings taking place, and are all properly documented.

In keeping with the most recent Guidelines and Work Procedures for the Board of Commissioners, the Board of Commissioners is to conduct regular meetings with the Board of Directors as part of the former's supervision on strategic, financial, operational, internal control system, compliance, risk management, and governance aspects.

In 2018 a total of 8 (eight) meetings of the Board of Commissioners took place, all of which were physically attended by the Commissioners.

Decision making at the Board of Commissioners meetings is based on consensus. In 2018 there were no dissenting opinions regarding the meetings' Resolution.

Meeting Policy

The policy regarding the meetings of the Board of Commissioners in line with the Guidelines and Work Procedures for the Board of Commissioners stipulates, among others:

- a. That the Board of Commissioners meeting must be conducted at least 1 (once) every 2 (two) months, and schedules regarding these meetings of the Board of Commissioners shall be drawn regularly for the next fiscal year prior to the end of the current fiscal year;
- b. That the Board of Commissioners meetings must be physically attended by all members of the Board of Commissioners at least 2 (twice) a year;
- c. That the Board of Commissioners is required to hold meetings with the Board of Directors regularly at least 1 (once) every 4 (four) months;
- d. That the meetings may also be held at any time deemed necessary by one or more members of the Board of Commissioners or upon written request by one or more members of the Board of Directors or upon request of one or more shareholders that together represent 1/10 (one tenth) of all shares outstanding with valid voting rights;
- e. That the meetings of the Board of Commissioners shall be chaired by the President Commissioner, and in the event that the President Commissioner is not present to chair the meeting, by another Commissioner appointed at the meeting;
- f. That decisionmaking at the meetings of the Board of Commissioners shall be based on consensus;
- g. That in the event that a consensus fails to be obtained, decision must be reached by voting, by considering that the number of the approving votes must exceed $\frac{1}{2}$ (half) of the total votes cast at the meeting;
- h. That all decisions legitimately reached at the meetings of the Board of Commissioners shall bind all members of the Board of Commissioners;
- i. That all dissenting opinions in the meetings of the Board of Commissioners must be clearly stated in the minutes of meetings, along with the reason for such dissent.

Attendance of Board of Commissioners Members in the Meetings

Commissioner	Attendance	Meeting	
		BoC Inviting BoD	BoD Inviting BoC
Kemal Azis Stamboel	8/8	3/3*	2/2*
Dewie Pelitawati	8/8	3/3*	2/2*
Mahdi Syahbuddin	8/8	3/3*	1/2*
Maya Kartika	7/8	2/3*	2/2*

Catatan:

* Meetings of the Board of Directors inviting the Board of Commissioners and meetings of the Board of Commissioners inviting the Board of Directors were conducted only after May 8, 2018 upon BTPN Syariah becoming a public company

Agendas of the Board of Commissioners Meetings and Meetings with Board of Directors
(Prior to Going Public)

No.	Meeting Date	Meeting Agenda
1	January 24, 2018	<ol style="list-style-type: none"> Board of Directors' exposition to the Board of Commissioners on the Follow Up of Board of Commissioners Visits in 2018; Review of the Financial Statements as at 31 December 2017 and Request for Approval of the Board of Commissioners for the Audited Financial Statements as at December 31, 2017; Report from the Compliance Director to the Board of Commissioners on the position as at December 31, 2017
2	February 12, 2018	<ol style="list-style-type: none"> Approval of the Board of Commissioners on the recommendation of the Remuneration and Nomination Committee in accordance with said committee's MOM 001/RNC/II/2018;
3	February 12, 2018	<ol style="list-style-type: none"> Approval of the Board of Commissioners on the implementation of AGMS for the fiscal year ended 31 December 2017; Approval of the Board of Commissioners on the AGMS Agendas for the fiscal year ended 31 December 2017
4	April 26, 2018	<ol style="list-style-type: none"> Review of the Quarterly Financial Statements of Q1 2018; Exposition to the Board of Commissioners on BTPN Syariah's IT Strategy
Go Public		

Agendas of the Board of Commissioners Meetings (After Going Public)

No.	Meeting Date	Meeting Agenda
1	July 19, 2018	<ol style="list-style-type: none"> 1. Discussion on the Audit Committee's Work Report for 1st Half 2018; 2. Discussion on the Risk Management Committee's Work Report for 1st Half 2018; 3. Discussion on the Nomination and Remuneration Committee's Work Report for 1st Half 2018; 4. Board of Commissioners' field visits with committees; 5. Conclusions
2	December 21, 2018	The Board of Commissioners Committee Work Report for 2 nd Half 2018, including the Audit Committee, the Risk Management Committee, and the Nomination and the Remuneration Committee

Note:

* Meetings of the Board of Directors inviting the Board of Commissioners and meetings of the Board of Commissioners inviting the Board of Directors were conducted only after May 8, 2018 upon BTPN Syariah becoming a public company

Agendas of the Board of Commissioners Meetings with Board of Directors (After Going Public)

No.	Meeting Date	Meeting Agenda
1	June 26, 2018	1. Request for approval of the Board of Commissioners on the revised Bank's Business Plan (2018-2020)
2	July 19, 2018	<ol style="list-style-type: none"> 1. Review of the Quarterly Financial Statements for Q2 2018; 2. Report from the Compliance Director to the Board of Commissioners on the position as at June 30, 2018
3	November 22, 2018	<ol style="list-style-type: none"> 1. PWC and Audit Plan for the Year Ending December 31, 2018 2. Update of Task List from Previous Meeting 3. Request of approval of the Board of Commissioners on the revised Bank's Business Plan 2019-2021; 4. Report from the Integrated Governance Committee to the Board of Commissioners (2nd half 2018); 5. Follow Up by the Board of Directors on the Recommendations from the Board of Commissioners' Visits (2nd half 2018)

Note:

* Meetings of the Board of Directors inviting the Board of Commissioners and meetings of the Board of Commissioners inviting the Board of Directors were conducted only after May 8, 2018 upon BTPN Syariah becoming a public company

Board of Commissioners' Circular Resolution

In accordance with the Articles of Association and the Guidelines and Work Procedures, the Board of Commissioners may also reach a legally binding resolution without conducting a meeting of the Board of Commissioners, on the provision that all members of the Board of Commissioners have been previously notified in writing, and all of them have agreed on the written proposal by signing the approval note. Resolution of the Board of Commissioners that have been taken in such fashion therefore have an equal legal force as all other resolutions reached at the meetings of the Board of Commissioners.

In 2018, the Board of Commissioners issued 9 (nine) Circular Resolution with the details as follows:

No.	Number	Date	Regarding
1	001/CIR/DEKOM/II/2018	February 27, 2018	Board of Commissioners' approval for the revision of dividend policy on the initial public offering prospectus
2	003/CIR/DEKOM/III/2018	March 5, 2018	Board of Commissioners' approval for the remuneration for management
3	004/CIR/DEKOM/III/2018	March 28, 2018	Board of Commissioners' approval for the implementation of the 2018 Extraordinary General Meeting of Shareholders regarding Addition of Authorized Capital and Amendment to the Articles of Association
4	005/CIR/DEKOM/V/2018	May 22, 2018	Board of Commissioners' approval for the Amendment to the Articles of Association and Amendment to the Shareholding Composition
5	006/CIR/DEKOM/V/2018	May 25, 2018	Board of Commissioners' approval for the Addition of Provisions for the Authority to Set Transactions Limit by the Board of Directors
6	007/CIR/DEKOM/IX/2018	September 21, 2018	Board of Commissioners' approval for the Appointment of Public Accountants and/or Public Accounting Firms for the fiscal year ended December 31, 2018
7	008/CIR/DEKOM/X/2018	October 8, 2018	Direction and Recommendations from the Board of Commissioners on Financial & KSI Updates, including the Published Quarterly Financial Statements (Q3 2018) and Multifinance Updates (as at September 2018)
8	009/CIR/DEKOM/XI/2018	November 16, 2018	Board of Commissioners' approval for the Board of Commissioners' 2019 Meeting Agendas
9	010/CIR/DEKOM/XII/2018	December 11, 2018	Board of Commissioners' approval for the execution of 2019 Annual GMS

Board of Commissioners Performance Evaluation

Procedures for Board of Commissioners Performance Evaluation

Board of Commissioners Performance Evaluation is conducted based on the criteria determined upon the consideration of duties and responsibilities as stipulated in the prevailing regulations and the Bank's Articles of Association and the Bank's internal policies.

Performance evaluation is conducted annually via self-assessment, to determine the Board of Commissioners' performance on a collegial basis.

Criteria for Board of Commissioners Performance Evaluation

Self-assessment of the Board of Commissioners' performance at the very least shall include GCG implementation and supervision of the duties and responsibilities of the Board of Directors.

Performance Evaluation

- That the Board of Commissioners Performance Evaluation is conducted by the President Commissioner every year based on the duties and responsibilities of the Board of Commissioners;
- Results of every member of the Board of Commissioners' performance evaluation are used as part of the consideration of the Nomination and Remuneration Committee in providing recommendation to the Board of Commissioners to reappoint members of the Board of Commissioners, and as a consideration in the formulation of the Board of Commissioners' remuneration structure;
- The Board of Commissioners' performance is reported to the shareholders at the GMS, and are stated in the Annual Report.

The Nomination and Remuneration Committee has the duty to provide professional and independent opinion to the Board of Commissioners regarding reports or issues presented by the Board of Directors to the Board of Commissioners and to identify issues that require the attention of the Board of Commissioners. The duties and responsibilities of the Nomination and Remuneration Committee are outlined in said committee's report in this Annual Report.

Performance Evaluation of Committees Equal to the Board of Commissioners

In 2018, the Board of Commissioners conducted their supervisory duties properly through regular meetings with the Board of Directors and through direct visits to the Sharia Branch Offices, Functional and Operational

Offices, Sharia Marketing Mobile Units, and Centers, to ensure the compliance, good corporate governance, and implementation of sharia principles.

The evaluation report of the Board of Commissioners Committee has been arranged and managed properly at the Corporate Secretariat section.

The Sharia Supervisory Board

In accordance with Governance Policy of BTPN Syariah, Sharia Supervisory Board is the organ of the company which, in an independent manner, performs supervisory roles to the Board of Directors in general and/or in particular as stipulated in the Articles of Association with adherence to the Sharia Principles;

The Compliance Division maintains coordination with Sharia Supervisory Board on regular basis in matters pertaining to compliance to the Sharia Principles.

In performing its supervisory function, the Sharia Supervisory Board ensures the allocation of sufficient time to fulfill the Duties and responsibilities to the best of their capability.

Duties and Responsibilities of Sharia Supervisory Board

The Duties and responsibilities of Sharia Supervisory Board according its Charter are, as follows:

1. To fulfil the duties and responsibilities according to the principles of Good Corporate Governance;
2. To advise the Board of Directors and supervise the Bank activities to ensure its adherence to the Sharia Principles;
3. To assess and ensure adherence to the Sharia Principles in the Bank's operating procedures as well as products and services;
4. To supervise the development of new products of the Bank and ensure its adherence to fatwa of the National Sharia Board (DSN) and Indonesian Council of Ulama (MUI);

5. To request fatwa to DSN – MUI for new products for which MUI had not declared any *fatwa*;
6. To perform periodic assessments on the Sharia Principles application in the implementation of funding and financing services of the Bank;
7. To request data and information related to Sharia matters from the Compliance Unit in performing its duties and responsibilities;
8. In performing its duties and responsibilities, the Sharia Supervisory Board is assisted by the Compliance Unit;
9. To submit Supervision Report of Sharia Supervisory Board to the Financial Services Authority no later than 2 (two) months upon the end of the reporting period.
10. In performing its duties and responsibilities, Sharia Supervisory Board also coordinated with the Board of Commissioners and the Board of Directors;
11. Duties and responsibilities of Sharia Supervisory Board related to financing business activities includes at least the following:
 - a. Ensure the compliance of the Bank Financing Policy to Sharia Principles.
 - b. Request clarification and/or accountability of the Board of Directors in the occurrence of deviation of the Bank Financing Policy to the Sharia Principles.

Throughout 2018, the Sharia Supervisory Board had provided Sharia-based opinion for BTPN Syariah products and services through regular Sharia Supervisory meetings. The Sharia Supervisory Board had requested clarification from BTPN Syariah officers in the related Working Units and reviewed on the adherence of the Sharia Principles to the DSN-MUI *fatwa*.

In addition, the Sharia Supervisory Board and the Compliance Unit conducted regular visits to the branches throughout 2018 to ensure that the execution of funding and financing activities and other services of the Bank in the Branches are always in adherence to the Sharia Principles.

The Charter of the Sharia Supervisory Board

The Sharia Supervisory Board refers to the Charter of the Sharia Supervisory Board in performing its Duties and responsibilities. The amendments to the Charter is made on a regular basis according to the prevailing regulations. The latest Charter of Sharia Supervisory Board is Number 012/ Pedoman Kerja/LG/V/2018 dated May 8, 2018.

The Charter of the Sharia Supervisory Board include:

1. Organization;
2. Duties and Responsibilities;
3. Decision Making Process (Meetings and Circular Resolution);
4. Transparency/Disclosure;
5. Work Ethics;
6. Access to Information;
7. Others.

Composition and Criteria of the Members of the Sharia Supervisory Board

The Sharia Supervisory Board is appointed by the General Meeting of Shareholders and is at equal position with the Board of Commissioners. The Sharia Supervisory Board is obliged to report the fulfillment of its duties and responsibilities to the Financial Services Authority once every 6 (six) months through the Supervision Report of the Sharia Supervisory Board.

The organization of the Sharia Supervisory Board is structured to ensure effective and efficient decision-making process. The composition and criteria of the Sharia Supervisory Board according to the Charter of the Sharia Supervisory Board BTPN Syariah are, as follows:

1. The minimum number of the members of the Sharia Supervisory Board is 2 (two) and the maximum is 50% of the total number of members of the Board of Directors;
2. The Sharia Supervisory Board is chaired by a Chairman, appointed from the members of the Sharia Supervisory Board;
3. Any proposal for replacement and/or appointment of the member of the Sharia Supervisory Board from the Board of Commissioners to the General Meeting of Shareholders shall take into consideration the recommendation of the Nomination and Remuneration Committee;
4. Every member of the Sharia Supervisory Board must meet the requirement of the fit and proper test by the Financial Services Authorities and has been recommended by the National Sharia Board (DSN) - Indonesia Ulama Council (MUI);
5. The maximum term of office of the the Sharia Supervisory Board is the same as the term of office of the members of the Board of Directors or the Board of Commissioners;
6. The members of the Sharia Supervisory Board are only allowed to hold multiple positions in the maximum of 4 (four) other Sharia financial institutions.

Every member of the Sharia Supervisory Board must abide by the Code of Conduct and other prevailing regulations. The Chairman of the Sharia Supervisory Board is responsible to coordinate the fulfilment of duties and responsibilities of the Sharia Supervisory Board and ensure that all members has the adequate information to perform its duties and responsibilities.

Composition of the Sharia Supervisory Board

The Composition of the Sharia Supervisory Board as of December 31, 2018 is, as follows:

No	Name	Position	Effective Date
1	H. Ikhwan Abidin, MA	Chairman of the Sharia Supervisory Board	June 13, 2017
2	H. Muhamad Faiz, MA	Member of the Sharia Supervisory Board	May 2, 2017

All members of the Sharia Supervisory Board BTPN Syariah have fulfilled the requirement as the member of the Sharia Supervisory Board according to the regulations, including Financial Services Authorities Regulation concerning Fit and Proper Test for key parties of Financial Institution, Bank Indonesia Regulation concerning Sharia Bank, and Bank Indonesia Regulations concerning Good Corporate Governance Implementation for Sharia Bank and Sharia Business Unit.

Independency of the Sharia Supervisory Board

As of December 31, 2018, no members of BTPN Syariah Sharia Supervisory Board have financial, administrative, share ownership and/or family relationship of whatsoever in nature with other members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders. All members of the Sharia Supervisory Board has applied the principles of transparency and disclosure according to the GCG principles.

With regard to disclosure of multiple positions – for which the members of Sharia Supervisory Board are only allowed to hold multiple positions in the maximum of 4 (four) other Sharia financial institutions, the multiple positions held by the members of the Sharia Supervisory Board is in compliance to the prevailing regulations.

Name	Position	Company Name	Year
H. Ikhwan Abidin, MA	Chairman of Sharia Supervisory Board	Bank Syariah Bukopin	2000 - Present
	Chairman of Sharia Supervisory Board	PT Bahana Arta Ventura	2008 - Present
	Chairman of Sharia Supervisory Board	PT Radana Finance	2013 - Present
	Member of Sharia Supervisory Board	PT Asanusa Asset Management	2014 - Present
H. Muhamad Faiz, MA	Chairman of Sharia Supervisory Board	UUS PT Bank Permata, Tbk	2008 - Present
	Chairman of Sharia Supervisory Board	PT Indomobil Multifinance Indonesia Syariah (IMFI)	2012 - Present

Orientasi

The President Director shall ensure that all members of the Sharia Supervisory Board have the necessary information related to the Bank in order to fulfill their duties and obligation. The Compliance Director who concurrently the Corporate Secretary is responsible to provide such information.

In 2018, there is no new members of the Sharia Supervisory Board taking the orientation program. The management has provided the latest information to the Sharia Supervisory Board on BTPN Syariah condition throughout 2018.

Supervision Report of Sharia Supervisory Board

In 2018, the Sharia Supervisory Board has fulfilled its duties and responsibilities by providing advices through the Sharia Supervisory Board Opinion and Approval

Sharia Supervisory Board Opinion and Approval in 2018, includes:

No.	Number	Sharia Supervisory Board Opinion and Approval Year 2018
1	No.50/DPS/ODP/VI/2018	<i>Posting of installment payments from ex Bank BSPD debtors that have been written off</i>
2	No.51/DPS/ODP/VI/2018	Bundling Program Deposito iB + Taseto Premium iB Savings
3	No.52/DPS/ODP/VI/2018	Request of Approval on Risk Management Policy Revision ver 3.0 from the Sharia Supervisory Board
4	No.53/DPS/ODP/VII/2018	Request of approval on Good Corporate Governance Policy Revision ver 3.0 from the Sharia Supervisory Board
5	No.54/DPS/ODP/VII/2018	Mapan Syariah Financing Product: umrah, education and house renovation
6	No.55/DPS/ODP/VII/2018	Installment Scheme Change for existing PMD customers
7	No.56/DPS/ODP/VII/2018	Request for Sharia Supervisory Board opinion on the handling of customers who opened a mudharabah savings account, but do not want to receive the share of profit.
8	No.57/DPS/ODP/VIII/2018	Working Capital Financing for Multifinance Companies
9	No.58/DPS/ODP/IX/2018	Sales Brokering Activity for financing customers
10	No.59/DPS/ODP/X/2018	PMD Financing for Agribusiness Segment
11	No.60/DPS/ODP/X/2018	Wadi'ah Savings Plan (TUR Segment)
12	No.61/DPS/ODP/XI/2018	PMD Cooperation Financing for street vendor community
13	No.62/DPS/ODP/XI/2018	Updating Financing Policy for BTPN Syariah Agent
14	No.63/DPS/ODP/XI/2018	Updating Wow! Syariah Policy
15	No.64/DPS/ODP/XI/2018	Categorizing of PMD Financing Customers' Sales Goods
16	No. 65/DPS/ODP/XI/2018	Multifinance Financing Agreement Document
17	No. 66/DPS/ODP/XII/2018	Smartphones Sales Scheme Financing
18	No. 67/DPS/ODP/XII/2018	Profit Sharing Calculation on Single Maturity Deposits that become due at month-end during holiday

Meetings of Sharia Supervisory Board

In 2018, the Sharia Supervisory Board held 12 (twelve) meetings with the frequency of attendance of each member as follows:

No	Name	Total Meetings in 2018	Total Attendance in 2018 Meetings
1.	H. Ikhwan Abidin, MA	12	12/12
2.	H. Muhamad Faiz, MA	12	11/12

In line with the Sharia Supervisory Board Charter, the meeting is to be held 1 (once) a month with mandatory attendance of all members of the Sharia Supervisory Board. The meetings held by the Sharia Supervisory Board in 2018 were, therefore, in compliance to the regulations.

Sharia Supervisory Board Meetings' Agenda

During 2018, the Sharia Supervisory Board discussed the following agenda:

No.	Tanggal Rapat	Agenda Rapat
1	Tuesday, January 16, 2018	1. Calculation of the Profit Sharing Distribution System 2. PMD Financing using the Mudharabah/Musyarakah profit-sharing-agreement (akad). 3. Determination of the Sharia Supervisory Board Supervision Visits' Schedule for the first quarter of 2018.
2	Thursday, February 15, 2018	1. Mitra Bisnis Syariah Financing 2. Installment payments from ex Bank BSPD debtors that have been written off 3. Update on Product Information Summary for the Sharia Supervisory Board
3	Wednesday, March 14, 2018	1. Bundling Program: Deposito iB + Taseto Premium iB Savings 2. Draft Fatwa Ultra Micro Financing based on Sharia Principles 3. Daya Syariah Materials: PMD Financing Sharia Principles
4	Thursday, April 19, 2018	1. Discussion on OJK Examination Results on KCS Banjarmasin in relation to Sharia Principles 2. Update on the Report on the Distribution of Social Funds in Q1 2018

No.	Tanggal Rapat	Agenda Rapat
5	Tuesday, May 22, 2018	<ol style="list-style-type: none"> 1. Discussion on OJK Findings on KCS Banda Aceh in relation to Sharia Principles 2. Wa'ad and Working Capital Financing profit-sharing-agreement (akad) with musyarakah principles 3. Mapan Syariah Financing Product: Umrah, Education and House Renovation 4. Installment Scheme Change for existing PMD customers 5. Handling of customers who opened a mudharabah savings account, but do not want to receive the share of profit. 6. Update on M-Prospera to the Sharia Supervisory Board 7. Daya Syariah Materials: 8. Risk Management Policy Revision ver 3.0
6	Monday, June 25, 2018	<ol style="list-style-type: none"> 1. Gift for Wadiah Savings TUR 2. Wa'ad and SME Financing with Musyarakah profit-sharing-agreement 3. Determination of the Sharia Supervisory Board Supervision Visits' Schedule for the third and fourth quarter of 2018.
7	Monday, July 23, 2018	<ol style="list-style-type: none"> 1. Monthly Installments Financing Process 2. Gift for Wadiah Savings TUR 3. Update on Internal Audit to the Sharia Supervisory Board 4. Sharia Supervisory Board Report 1st Semester in 2018. 5. Update on GCG Policy
8	Thursday, August 23, 2018	<ol style="list-style-type: none"> 1. Savings Plan Wadiah (TUR Segment) 2. Working Capital Financing for Multifinance Companies 3. Discussion on the Implementation of Ultra Micro Financing Fatwa 4. Update on Sharia Supervisory Board Report on Makassar Branch 5. Update on the Report on the Distribution of Social Funds in Q2 2018
9	Thursday, September 13, 2018	<ol style="list-style-type: none"> 1. Sales Brokering Activity for financing customers 2. Update on Sharia Supervisory Board Report on Medan Branch 3. Sharia Supervisory Board Visit Schedule Plan for Q4 2018
10	Tuesday, October 23, 2018	<ol style="list-style-type: none"> 1. Update on Sharia Supervisory Board Report on Kendari Branch 2. PMD Financing for Agribusiness 3. Savings Plan Wadiah (TUR Segment)
11	Thursday, November 15, 2018	<ol style="list-style-type: none"> 1. Multifinance Financing Agreement Document Amendment 2. Categorizing of PMD Financing Customers' Sales Goods 3. Updating Financing Policy for BTPN Syariah Agent 4. Updating Wow! Syariah Policy 5. PMD Cooperation Financing for street vendor community
12	December 20, 2018	<ol style="list-style-type: none"> 1. Smartphones Sales Financing Scheme 2. Profit Sharing Calculation on Single Maturity Deposits that become due at month-end during holiday

Implementation of Sharia Principles in Funding and Financing Activities and Bank Services Delivery

The undertaking of funding, financing activities, bank services delivery and the development of new products of BTPN were in compliance to the sharia principles as reported in the Sharia Supervisory Board Supervision Report submitted to Financial Services Authority every semester.

To ensure compliance to Sharia Principles in the operational activities of the Bank, the members of Sharia Supervisory Board conducted monitoring and visit to branch offices on regular basis and assessed the implementation of Sharia Principles in operational activities in the branches. In 2018, the Sharia Supervisory Board visit Branch Offices in Tegal, Bandung, Semarang, Medan, Makassar, Kendari and Pekanbaru.

Board of Directors

According to the Good Corporate Governance Policy BTPN Syariah, the Board of Directors is the company organ with full responsibility to execute the management of the Bank that serves the best interest of the Bank in line with the Bank intents and objectives and to represent the Bank in and outside the courts of justice as stipulated in the Articles of Association.

The Duties and Responsibilities of the Board of Directors

According to the latest Charter of the Board of Directors, the duties and responsibilities of the Board are:

1. The Board of Directors is fully responsible for the execution of the management of the Bank;
2. The Board of Directors is obliged to manage the Bank within its scope of responsibilities and authorities as stipulated in the Articles of Association according to prevailing laws and regulations;
3. The Board of Directors is obliged to comply with the GCG principles in the Bank business activities at all levels of the organization;
4. The Board of Directors is obliged to take follow up actions to the result of audit finding and recommendation of Internal Audit Unit, Sharia Supervisory Board, External Audit, and supervision report of Financial Services Authority/ Bank Indonesia and/or other supervising authorities;
5. In implementing GCG principles, the Board of Directors shall establish, at least the following unit:
 - a. Internal Audit Unit;
 - b. Risk Management Unit;
 - c. Risk Management Committee;
 - d. Compliance Unit;
6. The Board of Directors is obliged to conduct Annual General Meeting of Shareholders and other General Meeting of Shareholders as stipulated in the laws and regulations and in the Articles of Association;
7. The Board of Directors shall report its accountability in fulfilling duties and responsibilities to the Shareholders in the General Meeting of Shareholders;
8. The Board of Directors is obliged to disclose the Bank's strategic policy in human resources to the employees;
9. The Board of Directors is prohibited from hiring an individual advisor and/or professional services as a consultant, unless under the following conditions:
 - a. Projects with Specific Characteristics;
 - b. With clear underlying contracts which cover at least the scope of work, responsibilities, timeframe and investment;
 - c. Consultant is an independent party and qualified for the undertaking of the above mentioned project with specific characteristics;

10. The Board of Directors is obliged to provide accurate, relevant, and timely data and information to the Board of Commissioners;
11. To support the effectiveness in the undertaking of its duties and responsibilities, the Board of Directors shall establish Committees; with regards the Board of Directors shall evaluate the performance of at the end of the book year.

Scope of Work and Delegation of Dution amongst the Board of Directors

The Delegation of Duties, Authorities and Responsibilities amongst the Board of Directors is specifically stipulated in the Directors Decree concerning the Delegation of Duties, Authorities and Responsibilities amongst the Board of Directors, the latest Decree is Board of Directors Decree Nomor SK.005/DIR/LG/VIII/2018 dated August 6, 2018.

President Director/Independent

1. To coordinate the duties amongst the members of the Board and directly responsible for the Internal Audit, Human Capital, Finance, Treasury & Corporate Planning, Daya & Communication functions;
2. In collaboration with the Deputy President Director, to coordinate, provide strategic policy direction and supervise the respective member of the Board to ensure the effectiveness of the undertaking of their duties and responsibilities;
3. To ensure the implementation of GCG Principles at all levels of the organization.

Deputy President Director

1. To lead and take direct responsibility of the Operations, Information Technology, Process Transformation & Agent Banking, Finance & Investor Relation functions; as well as to supervise directorates managing Retail & Wholesales Funding, Multifinance & Partnership; and
2. To assist the President Director in coordinating and providing strategic policy direction to the Directors under supervision.

Business Director (Non Tunas Usaha Rakyat/Non TUR)

To lead and coordinate the development of the Retail & Wholesales Funding and the Multifinance & Partnership businesses.

Business Director (Tunas Usaha Rakyat/TUR)

To lead and coordinate the development of the TUR Financing business.

Compliance & Risk Management Director (Corporate Secretary)

1. To coordinate and lead the policy and strategy development in the areas of Compliance and Risk Management;
2. To ensure and do preventive measures so all policies, systems as well as procedures and/ or the Bank's Board of Directors decisions are in accordance to the provisions of the Financial Services Authority and the prevailing laws and regulations;
3. To ensure the implementation of GCG in all levels of the organization.

Charter of The Board of Directors

The undertaking of duties and responsibilities of the Board of Directors is governed through the Charter of the Board of Directors. The Charter is periodically reviewed and amended according to the prevailing laws and regulations.

In 2018, the Board of Directors has reviewed and updated the Board of Directors Charter according to the required adjustments as a public company.

The latest amendment on the Charter was No. 05/ PedomanKerja/LG/VII/2017 dated May 8, 2018.

The Charter of the Board of Directors covers:

1. Organization;;
2. Independency;
3. Duties and Responsibilities
4. Function of President Director;
5. Compliance Director;
6. Meetings;
7. Conflict of Interest;
8. Transparency/Disclosure;
9. Term of Office;
10. Report to the Parent Company;
11. Relationship with Stakeholders;
12. Work Ethics;
13. Office Hours;
14. Training;
15. Others.

Composition and Criteria of Members of the Board of Directors

The Composition and Criteria of the Members of the Board of Directors according to the Charter of the Board of Directors are, as follows:

1. The Minimum number of members of the Board of Directors is 3 (three);
2. All members of the Board of Directors must be domiciled in Indonesia;
3. The Board of Directors is chaired by a President Director;

4. The person eligible to be appointed as the member of the Board of Directors shall be individual who meet the following criteria at the date of appointment and during his/her term of office:
 - a. Demonstrate good character of moral and integrity;
 - b. Is capable to perform legal action;
 - c. During the last 5 (five) years prior to appointment:
 - 1) Had never been declared bankrupt;
 - 2) Had never been the member of the Board of Directors or the member of the Board of Commissioners who have adjudicated to have caused bankruptcy of a Company;
 - 3) Had never been sentenced for a criminal offense;
 - 4) Had never been the Member of the Board of Directors or the member of the Board of Commissioners with the following act during his/her term of office:
 - a) Never had held the Annual General Meeting of Shareholders;
 - b) Whose report of accountability as the of the Board of Directors or the Board of Commissioners had not been accepted by the General Meeting of Shareholders or had not submitted report of accountability as the member of the Board of Directors or the Board of Commissioners to the General Meeting of Shareholders; and
 - c) PHad caused the company – with license, approval or registration from the Financial Services Authority – fail to fulfill the obligation to submit the annual report and/or financial report to the Financial Services Authority.
5. All members of the Board of Directors are pledged to comply to the prevailing laws and regulations;
6. Having knowledge and / or expertise in the field needed by Listed or Public Companies.
7. Compliance with the requirements referred to in points 4 to 6 above must be contained in a Statement Letter and submitted to the Bank.

8. All members of the Board of Directors shall have capability in Banking in general and in particular in at least one of the areas of Sharia Banking and Finance, Economy, Human Resources, Legal, Technology, Accounting or Audit:
 - a. One member of the Board of Directors shall be appointed as the Compliance Director, to be responsible to ensure compliance to the Sharia Principles, OJK/BI Regulations and other laws and regulations concerning Compliance Director;
 - b. The Compliance Director shall perform compliance function – independent from operating unit;
 - c. In performing the compliance function, the Director must be supported by at least one individual who is knowledgeable and/or capable in Sharia Banking operation.
9. All members of the Board of Directors must have the skills and knowledge in risk management implementation;
10. All members of the Board of Directors must have the skills and knowledge in risk management implementation;
11. Any proposal for replacement and/or appointment of the member of the Board of Directors by the Board of Commissioners to the General Meeting of Shareholders shall take into consideration the recommendation of the Nomination and Remuneration Committee;
12. Every proposal to replace and/or appoint new members of the Board of Directors by the Board of Commissioners to the General Meeting of Shareholders (“GMS”), must adhere to the recommendation from the Remuneration and Nomination Committee;
13. The majority of the members of Board of Directors must have at least 4 (four) years of experience as the Executive Officer in Banking one of which is as the Executive Officer in Sharia Bank or Sharia Business Units and its changes;
14. Every member of the Board of Directors must meet the requirement to pass the fit and proper test in accordance to the Financial Services Authority regulation;
15. The members of the Board of Directors are prohibited to hold multiple positions as the member of the Board of Commissioners, the member of the Board of Directors or Executive Officer in other Bank, company and/or other institution, except under the following circumstances:
 - a. Director who is responsible to oversee the Sharia Bank’s placement in subsidiary company by performing functional duties as the member of the Board of Commissioners in the non-bank subsidiary company controlled by the Sharia Bank; and/or
 - b. Director holds position in the maximum of 2 (two) non-profit institutions.
16. The members of the Board of Directors, either individually or jointly, are prohibited from having ownership of more than 25% (twenty five percent) of the paid up capital of the Bank and/or other company;
17. The majority of members of the Board of Directors are prohibited from having a family relationship up the second grade with the other members of the Board of Directors and/or with the members of the Board of Commissioners;
18. The members of the Board of Directors are prohibited from granting power of attorney to other parties that shall escalate transfer of duties and functions of the Board of Directors.

Independency and Diversity of Members of the Board of Directors

Independency

With regard to transparency of information and disclosure of relationship and management according to the GCG principles, it is stipulated in the Board of Directors Charter, as follows:

1. The Board of Directors must be independent according to that stipulated in the GCG Manual;
2. The President Director must be an independent party to the Controlling Shareholder;

3. The independency criteria according to Bank Indonesia Regulation concerning GCG Implementation for Sharia Bank is a party who does not:
 - a. have any financial relationship, management, share ownership and/or family relationship with the controlling shareholder, the other members of the Board of Commissioners, and/ or the members of the Board of Directors;
 - b. Financial relationship and/or relationship of share ownership of BTPN Syariah.
4. Bank must have at least 1 (one) Independent Director appointed through the GMS as stipulated in the Indonesia Stock Exchange No. I-A Kep 00001 / BEI / 01-2014 Regarding the Amendment to Regulation Number I-A Listing of Shares and Equity Securities other than Shares issued by the Listed Company.
5. The Independent Director as referred to in point 4 must fulfill the following requirements:
 - a. Not affiliated with a Controlling Company for at least 6 (six) months prior to the appointment as Independent Director;
 - b. Not affiliated with other Commissioners or Directors;
 - c. Not working concurrently in other companies;
 - d. Not an Insider in a Capital Market Supporting Institution or Professional whose services are used by the Bank for at least 6 (six) months before being appointed as an Independent Director.

Diversity

All members of the Board of Directors are appointed by the General Meeting of Shareholders by considering the recommendation from the Nomination and Remuneration Committee, and all of them have passed the Fit and Proper Test by the OJK. The term of office of the Directors of BTPN Syariah is up to the closing of the 2020 Annual General Meeting of Shareholders of BTPN Syariah, without negating the possibility of any amendments taking place prior to the end of said term of office.

In accordance with the Decree of the Board of Directors of the Indonesia Stock Exchange No. KEP-00001/BEI/01-2014 and based on the Statement of Resolution of the Shareholders Act No.57 dated November 16, 2017, which stated that all shareholders of BTPN Syariah, representing all issued and fully paid shares up to that point, have reached a resolution without having conducted a GMS, one or otherwise, as stated in the Shareholders' Circular Resolution in lieu of the Extraordinary General Meeting of Shareholders of PT Bank Tabungan Pensiunan Nasional Syariah dated 16 November 2017, appointed an Independent Director, being the President Director. The Independent Director is allowed to serve for a maximum of two consecutive terms.

The determination of the composition of the Board of Directors takes into consideration the complexity and needs of the Bank. The Board of Directors' composition is based on banking knowledge, expertise, professional experience, and background, to support the efficacy of the implementation of the Board of Directors' duties without discriminating against their gender, ethnicity, race, and religion whatsoever. The Board of Directors of BTPN Syariah consists of 5 (five) members, one of whom is a female, i.e. the President Director.

Board of Directors Composition

The Board of Directors composition as at December 31, 2018 was as follows:

Director's Name	Position	Date of BI/OJK Approval	Effective Date
Ratih Rachmawaty	President Director/ Independent	March 7, 2017 - (KEP-38/D.03/2017) as President Director	March 7, 2017
		February 24, 2014 - (KEP-13/D-03/2014) as Deputy President Director	July 14, 2014
Mulia Salim	Deputy President Director	June 14, 2017 - (KEP-101/D.03/2017)	July 1, 2017
Taras Wibawa Siregar	Director	September 9, 2015 - (KEP-57/D-03/2015)	September 9, 2015
M. Gatot Adhi Prasetyo	Director	February 24, 2014 - (KEP-16/D-03/2014)	February 24, 2014
Arief Ismail	Compliance Director and Corporate Secretary	August 22, 2017 - (KEP-69/D.03/2017)	August 22, 2017

All members of the Board of Directors of BTPN Syariah have fulfilled all the criteria for the Board of Directors as stipulated in the prevailing regulations, among others the Limited Liability Company Law, OJK Regulations on the Board of Directors and Board of Commissioners of Issuers or Public Companies, Fit and Proper Test, BI Regulation on Sharia Commercial Banks, BI Regulation on Fit and Proper Test, BI Regulation on GCG Implementation for Sharia Commercial Banks and Sharia Business Units, and other relevant regulations.

In relation to the disclosure of concurrent positions held by the Board of Directors up to December 31, 2018, members of the Board of Directors of BTPN Syariah did not have any concurrent position as member of the Board of Commissioners, Board of Directors, or Executive Officer in other banking institutions, companies or other institutions that exceed the maximum limit allowed by the prevailing laws and regulations.

Orientation

The President Director ensures that new members of the Board of Directors receive adequate information related to the Bank to be able to conduct their duties and responsibilities. The Compliance Director, concurrently serving as Corporate Secretary, has the duty to provide the necessary information.

Throughout 2018 there were no new members of the Board of Directors that participated in the orientation program.

In addition to the orientation and introduction programs, all members of the Board of Commissioners and the Board of Directors of BTPN Syariah have participated in the refreshment programs in 2018, among others:

1. Risk Management Certification Preparation Program for Executives by the Banking Professional Certification Institution on May 22, 2018 in Jakarta;
2. Banking Compliance Directors' Communication Forum (FKDKP) Seminar for the preparation of the Level 5 Risk Management Certification, on June 26, 2018 in Jakarta;
3. Level 5 Risk Management Certification Preparation Program by GPS & Partners Consulting Group on July 31 and August 16, 2018 in Jakarta;
4. Level 5 Risk Management Certification Preparation Program by GPS & Partners Consulting Group on July 31, 2018 in Jakarta;
5. Level 5 Risk Management Certification Preparation Program by GPS & Partners Consulting Group on July 31 and August 16, 2018 in Jakarta;
6. Level 5 Risk Management Certification by the Banking Professional Certification Institution, on September 3, 2018 in Jakarta;
7. Level 5 Risk Management Certification by the Banking Professional Certification Institution on August 20, 2018 in Jakarta;
8. Level 5 Risk Management Certification by the Banking Professional Certification Institution on August 31, 2018 in Jakarta;
9. Global Islamic Fintech Summit Seminar by El Mangos Embrace Change on September 18, 2018 in Kuala Lumpur;
10. Leading for Organization Impact (LOI) Workshop by the Center for Creative Leadership (CCL) on September 3-7, 2018 in Singapore;
11. Annual Meeting International Monetary Fund (IMF) on October 18-20, 2018 in Bali;
12. Seminar 2nd TOP 100 Bankers "How to Navigate Companies Through Global Turbulence And Political Risk 2019" by Infobank on October 30, 2018 in Jakarta;
13. Refreshment in Capital Market Developments by PT UBS Indonesia on November 6, 2018 in Jakarta;
14. "Implementation of Prudential Banking Facing Global Economic Challenges" Seminar and "OJK's Supervision on the Banking Sector" Focus Group Discussion (FGD) by FKDKP, BI, and OJK on November 29, 2018 in Jakarta;
15. Synergy in Diversity Refreshment Program by Wishnutama – CEO of Net Mediatama on December 13, 2018.

Report on the Execution of Duties and Responsibilities of the Board of Directors

The Board of Directors is fully responsible for managing the Bank. The execution of the duties and responsibilities of the Board of Directors of BTPN Syariah in 2018 included, among others:

1. The Board of Directors monitored the Bank's performance;
2. The Board of Directors evaluated the Bank's business performance achievements of targets and new business initiatives;
3. The Board of Directors reviewed the Bank's internal policies and procedures;
4. The Board of Directors prepared and approved the Bank's Business Plan and the Key Strategic Initiative;
5. The Board of Directors regularly monitored the achievement of the Bank's Business Plan (RBB) and Key Strategic Initiative (KSI) via the Board of Directors' Meetings, Coordination Meetings, and Strategic Meetings, and these were reported to the Board of Commissioners. The Board of Directors also reported the achievement of the RBB regularly to the authorities;
6. The Board of Directors conducted the activities of the Bank in line with the principles of good corporate governance, among others, by recommending the implementation of the Annual General Meeting of Shareholders and the Extraordinary General Meeting of

Shareholders to obtain approval from the Board of Commissioners, and by reviewing the entirety of the Bank's infrastructure, which included the updating and improving of the Bank's internal policies and procedures in accordance with the prevailing regulations;

7. The Board of Directors monitored the implementation of risk management, compliance culture, and internal control;
8. The Board of Directors followed up on the audit findings and recommendations from the Internal Audit Unit of the Bank, the external auditors, and the results of supervision by the OJK and/or other authorities;
9. The Board of Directors followed up on the resolutions of the General Meetings of Shareholders in line with the prevailing regulations;
10. The Board of Directors reviewed and evaluated regularly the anti-money laundering and prevention of the financing of terrorism (APU/PPT) practices, and anti-fraud via JAGA, as part of the internal monitoring and control;
11. The Board of Directors evaluated the implementation of training and DAYA programs to empower customers and community development programs;
12. The Board of Directors approved the performance bonus and adjustment to employees' salaries;
13. The Board of Directors approved the training programs for employees and the follow up measures for their development;
14. The Board of Directors reviewed the entirety of the Bank's operational activities, among others, by monitoring the operating expenses, improvement in the management of service quality to customers, supervision of new business developments and strengthening of the Bank's synergy.
15. The Board of Directors reviewed, monitored, and evaluated the entire process of implementing branchless banking, the Bank's products, and ensuring that these processes were all taking place in line with the prevailing regulations and the Sharia principles;
16. The Board of Directors fulfilled the obligation regarding the Use of Initial Public Offering Proceeds in line with the prevailing regulations;
17. The Board of Directors reviewed and evaluated the entire processes related to the Initial Public Offering of shares, in line with the prevailing regulations, including by fulfilling the obligation to disclose information in a timely manner to the relevant authorities, and to improve the Bank's infrastructure as part of its going public.

In accordance with the shareholders' resolutions in the 2018 Annual General Meeting of Shareholders, the Board of Directors has implemented these resolutions, among others the appointment of the Public Accountant and Public Accounting Firm of Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PWC global network) as the External auditor, by taking into consideration the recommendation from the Audit Committee based on the Circular Resolution of the Audit Committee No.003/CIR/AK/IX/2018 dated September 21, 2018, and had obtained the approval of the Board of Commissioners, via the Circular Resolution of the Board of Commissioners No.007/CIR/DEKOM/IX/2018 dated September 21, 2018.

Report of the Appointment of the Public Accountant and Public Accounting Firm for Auditing the Annual Financial Information as at December 31, 2018 was submitted by the Bank to the OJK – Sharia Banking Supervisory Body, through the letter No.S.473/DIR/CSL/X/2018 dated October 3, 2018, with copies sent to the Department of Banking Information and Licensing. Said report was received as per the receipt from the OJK No. OJK-023695 dated October 3, 2018.

Board of Directors Meetings and Board of Directors Meetings with Board of Commissioners

All Board of Directors Meetings and Board of Directors Meetings with Board of Commissioners have been conducted as per the prevailing regulations. Meetings' schedules and agendas for the Board of Directors in 2018 were approved by the Board of Directors through the Memorandum No. M.110A/LG/XII/2017 dated December 21, 2017.

Upon becoming a public company on the date of its initial public offering on May 8, 2018, BTPN Syariah underwent a series of adjustments regarding its corporate meeting regulations by referring to the Financial Services Authority Regulation No. 33/POJK.04/2014 on December 8, 2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies, among others the adjustment on the Charter of the Board of Directors of BTPN Syariah. Prior to going public, the Charter of the Board of Directors had referred to No. 05/PedomanKerja/LG/VII/2017 dated July 14, 2017, which had then been updated with the Charter of the Board of Commissioners No. 05/PedomanKerja/LG/V/2018 dated May 8, 2018.

Meeting schedules, invitations, materials and minutes have been distributed to all meeting participants prior to the meetings taking place, and are all properly documented.

In accordance with the Charter of the Board of Directors, the Board of Directors is to conduct regular meetings with the Board of Commissioners as part of the former's accountability for strategic, financial, operational, internal control system, compliance, risk management, and governance aspects.

In 2018 a total of 34 (thirty-four) meetings of the Board of Directors took place, all of which were physically attended by the Directors.

The resolution of the Board of Directors meetings is conducted amicably on consensus. In 2018 there were no dissenting opinions regarding the meetings' resolutions.

Meeting Policy

The policy regarding the meetings of the Board of Directors in line with the Guidelines and Work Procedures for the Board of Directors stipulates, among others:

- a. That the Board of Directors meeting must be conducted at least 1 (once) every month;
- b. That the Board of Directors meeting may be conducted when attended or represented by the majority of all members of the Board of Directors;
- c. That the Board of Directors is required to conduct a Board of Directors meeting with the Board of Commissioners on a regular basis, at least 1 (once) every 4 (four) months;
- d. That the Board of Directors schedules the meetings for the next fiscal year prior to the end of the current fiscal year;
- e. That for scheduled meetings as per (d) above, the meeting materials shall be presented to all attendees at the latest 5 (five) days prior to the meeting date;
- f. That for other meetings that are conducted outside of the schedule mentioned above, the meeting materials shall be presented to all attendees at the latest immediately prior to the meeting date;
- g. That all strategic policies and resolutions shall be reached at the Board of Directors meeting by taking into consideration the prevailing regulations;
- h. That the meetings of the Board of Directors shall be chaired by the President Director, and in the event that the President Director is not present to chair the meeting, by another Director appointed at the meeting and that this needs no be proven to any third party;
- i. That decision making at the meetings of the Board of Directors shall be based on consensus;
- j. That in the event that a consensus fails to be obtained, decision must be reached by voting to obtain the largest number of votes;
- k. That all decisions legitimately reached at the meetings of the Board of Directors shall bind all members of the Board of Directors;
- l. That all dissenting opinions in the meetings of the Board of Directors must be clearly stated in the minutes of meetings, along with the reason for such dissent.

Attendance of Board of Directors Members in the Meetings

Directors	Attendance	Meeting	
		BoC Inviting BoD	BoD Inviting BoC
Ratih Rachmawaty	30/34	2/3*	0/2
Mulia Salim	31/34	3/3*	2/2
Arief Ismail	32/34	3/3*	2/2
Taras W. Siregar	31/34	1/3*	1/2
M. Gatot A. Prasetyo	29/34	3/3*	2/2

* Meetings of the Board of Directors inviting the Board of Commissioners and meetings of the Board of Commissioners inviting the Board of Directors were conducted only after May 8, 2018 upon BTPN Syariah becoming a public company

Agendas of the Board of Directors Meetings (Prior to Going Public)

No.	Meeting Date	Meeting Agenda
1	January 15, 2018	1. Internal Audit Dashboard 2. Financial Performance & KSI Update 3. Project Update (Summary Gemilang 2017)
2	January 16, 2018	1. Request for the Board of Directors' Approval on the 2017 Audited Financial Statements
3	January 22, 2018	1. ALCO Update 2. Funding Business Performance 3. Risk Management Committee Update 4. Fraud Management Unit Update 5. HC Dashboard 6. Compliance Report 7. Operations Dashboard Bi-Monthly Update
4	February 5, 2018	1. Internal Audit Dashboard 2. Update to the Board of Directors on Project Amanah
5	February 13, 2018	1. Financial Performance & KSI Update 2. KSI Update 3. Daya & Communication Update
6	February 19, 2018	1. Business Committee Update 2. ALCO Update 3. Funding Business Performance 4. Risk Management Committee Update 5. HC Dashboard & HC Committee Update

No.	Meeting Date	Meeting Agenda
7	March 12, 2018	1. Internal Audit Dashboard 2. Financial Performance & KSI Update 3. KSI Update 2018
8	March 19, 2018	1. Business Committee Update 2. ALCO Update 3. Funding Business Performance 4. Risk Management Committee Update 5. Audit February 2018 Result to BOD 6. HC Dashboard & HC Committee Update 7. Operational Dashboard Bi-Monthly Update 8. Wow! Syariah Dashboard 9. IT Dashboard & ITSC Update
9	April 2, 2018	1. Internal Audit Dashboard 2. Daya & Communication Update
10	April 9, 2018	1. Finance Performance & KSI Update 2. KSI 2018 Update
11	April 16, 2018	1. Business Committee Update 2. ALCO Update 3. Funding Business Performance 4. Risk Management Committee Update 5. HC Dashboard Update 6. Fraud Management Unit Update 7. Compliance Update
12	May 7, 2018	1. Internal Audit Dashboard
Go Public		

Agendas of the Board of Directors Meetings (After Going Public)

No.	Meeting Date	Meeting Agenda
1	May 14, 2018	1. Financial Performance & KSI Update 2. KSI 2018 Update 3. ICAAP Q1 2018 Update
2	May 21, 2018	1. Business Committee Update 2. ALCO Update 3. Funding Business Performance 4. Risk Management Committee Update 5. HC Dashboard 6. Operational Dashboard Update (Bi-monthly) 7. Wow! Syariah Dashboard Update

No.	Meeting Date	Meeting Agenda
3	June 4, 2018	1. Internal Audit Dashboard
4	June 6, 2018	1. Financial Performance (including PPI) 2. BOD Approval for RBB Revision
5	July 2, 2018	1. Internal Audit Dashboard 2. Daya & Communication Quartely Update 3. KSI 2018 Update (RBB) 4. ALCO Update 5. Funding Business Performance 6. HC Dashboard (including HC Committee) Update 7. IT Dashboard (including ITSC) Update
6	July 16, 2018	1. Risk Management Committee Update 2. Compliance Update
7	July 23, 2018	1. Business Committee Update 2. ALCO Update 3. Funding Business Performance 4. Operational Dashboard Update (Bi-monthly) 5. Wow! Syariah Dashboard Update 6. Fraud Management Update
8	August 4, 2018	1. Separation of Duties and Authorities of the Board of Directors of BTPN Syariah 2. Decree of the Board of Directors on the Separation of Duties and Authorities of the Board of Directors of BTPN Syariah 3. BTPN Syariah's Organization Structure as at August 6, 2018
9	August 6, 2018	1. Internal Audit Dashboard 2. UPPN Update
10	August 13, 2018	1. Financial Performance & KSI Update 2. KSI 2018 Update 3. Business Committee Update 4. ALCO Update 5. Funding Business Performance 6. Risk Management Committee Update 7. HC Dashboard (including HC Committee Update) 8. IT Dashboard including ITSC
11	September 3, 2018	1. Internal Audit Dashboard 2. Financial Performance August 2018 & KSI Update
12	September 26, 2018	1. Business Committee Update 2. ALCO Update 3. KSI 2018 Update 4. Funding Performance Update 5. Risk Management Committee Update 6. HC Dashboard 7. Operational Dashboard Bi monthly Update
13	October 1, 2018	1. Internal Audit Dashboard 2. Daya & Communication Quarterly Update

No.	Meeting Date	Meeting Agenda
14	October 15, 2018	1. Business Committee Update 2. ALCO Update 3. Funding Business Performance 4. Risk Management Committee Update 5. Fraud Management Update 6. HC Dashboard 7. Compliance Quarterly Update 8. IT Dashboard & ITSC
15	November 5, 2018	1. Internal Audit Dashboard 2. ICAAP (Q3 2018) Update
16	November 12, 2018	1. BOD Approval for RBB 2019-2021 2. Financial Performance & KSI Update 3. KSI 2018 Update
17	November 26, 2018	1. Business Committee Update 2. ALCO Update 3. HC Dashboard 4. Wow! Syariah Update 5. Funding Performance Update 6. Operation Dashboard Update 7. Information Security
18	December 4, 2018	1. Internal Audit Dashboard
19	December 10, 2018	1. Financial Performance & KSI Update November 2018
20	December 17, 2018	1. ALCO Committee Update 2. Funding Update 3. HC Dashboard 4. IT Dashboard Bi-Monthly Update (including ITSC)

Agendas of the Board of Directors Meetings with Board of Commissioners (After Going Public)

No.	Meeting Date	Meeting Agenda
1	July 9, 2018	1. Financial Performance & KSI Update
2	October 8, 2018	1. Financial Performance & KSI Update 2. KSI 2018 Update 3. Multifinance Update

Board of Directors' Circular Resolution

In accordance with the Articles of Association and the Charter, the Board of Directors may also reach a legally binding resolution without conducting a meeting of the Board of Directors, on the provision that all members of the Board of Directors have been previously notified in writing, and all of them have agreed on the written proposal by signing the approval note. Resolutions of the Board of Directors that have been taken in such fashion therefore have an equal legal force as any other resolution reached in the meetings of the Board of Directors.

In 2018 the Board of Directors issued 15 (fifteen) Circular Resolution:

No.	Circular Number	Date	Regarding
1	001/CIR/DIR/II/2018	February 12, 2018	Approval for the 2018 Annual General Meeting of Shareholders (AGMS) plan
2	002/CIR/DIR/II/2018	February 22, 2018	Approval in relation to the Prospectus
3	004/CIR/DIR/III/2018	March 15, 2018	Approval for the replacement and direct appointment of Capital Market Supporting Institutions and appointment of a Financial Advisor in light of the Initial Public Offering Implementation Plan
4	003/CIR/DIR/III/2018	March 21, 2018	Approval for request of approval from the Board of Commissioners regarding the Board of Directors' Transactional Limits
5	005/CIR/DIR/III/2018	March 28, 2018	Approval for the 2018 Extraordinary General Meeting of Shareholders for the Addition of Authorized Capital and Amendment of the Articles of Association
6	006/CIR/DIR/III/2018	March 28, 2018	Approval for the direct appointment of the capital market supporting institution, i.e. the Public Accounting Firm of Bambang, Sulistiyanto, Dadang and Ali, acting as Allotment Auditor in light of the Initial Public Offering Implementation Plan
7	006A/CIR/DIR/V/2018	May 8, 2018	Approval for the Composition of Committees equal to the Board of Directors in 2018
8	007/CIR/DIR/V/2018	May 21, 2018	Approval for the Changes to the Shareholding Composition related to the Changes in Authorized Capital in the Articles of Association
9	009/CIR/DIR/IX/2018	September 21, 2018	Approval for the recommendation for the appointment of a Public Accountant and/or a Public Accounting Firm to audit the fiscal year ended December 31, 2018
10	010/CIR/DIR/IX/2018	September 26, 2018	Approval for the Composition of the Committees equal to the Board of Directors in 2018
11	011/CIR/DIR/XI/2018	November 13, 2018	Board of Directors' approval for the Board of Directors' 2019 Meeting Agendas
12	011A/CIR/DIR/XI/2018	November 19, 2018	Submission of material from the Risk Management Committee as at October 2018
13	012/CIR/DIR/XI/2018	November 21, 2018	Changes to the Composition of the Business Committee in 2018
14	013/CIR/DIR/XII/2018	December 10, 2018	Report of Employee Performance Results, with full Bonus and Salary Raise
15	014/CIR/DIR/XII/2018	December 11, 2018	Plan for the Annual General Meeting of Shareholders for the year ended 31 December 2018

Board of Directors Performance Evaluation

- The Board of Directors shall conduct a review on their managerial performance taking place throughout the period of the fiscal year and report it to the shareholders, at least once a year;
- As part of the performance evaluation, the Board of Directors shall ensure the completeness of the composition and qualifications of the Board of Directors to ensure its efficacy in carrying out its functions and take into account the recommendations and input from the Board of Commissioners;

- The Board of Directors' performance evaluation report shall be submitted to the shareholders at the General Meeting of Shareholders and must be stated in the Annual Report;
- Members of the Board of Directors shall have their individual performance evaluated by the Nomination and Remuneration Committee based on the considerations and input from the President Director;
- Result of the Board of Directors' performance evaluation shall be used as a guideline in determining the nomination of and remuneration for each members of the Board of Directors.

Board of Directors Performance Evaluation Procedures

The performance of the Board of Directors is evaluated against a set of criteria determined by taking into account the duties and responsibilities that are in line with the prevailing regulations and the Bank's Articles of Association, and other internal policies of the Bank.

Performance evaluation is conducted annually as a self-assessment, to assess the Board of Directors performing collegially.

Board of Directors Performance Evaluation Criteria

The self-assessment of the Board of Directors' members' performance shall include at least the implementation of the Bank's business strategies and plans, risks, and the implementation of corporate governance and sharia principles.

Training for the Board of Commissioners and the Board of Directors in 2018

In order to support the undertaking of duties and responsibilities, the member of the Board of Commissioners and the Board of Directors attended training, refreshment and strategic seminars in 2018, including amongs others:

1. Risk Management Certification Preparation Program for Executives by the Banking Professional Certification Institution on May 22, 2018 in Jakarta;

2. Banking Compliance Directors' Communication Forum (FKDKP) Seminar for the preparation of the Level 5 Risk Management Certification, on June 26, 2018 in Jakarta;
3. Level 5 Risk Management Certification Preparation Program by GPS & Partners Consulting Group on July 31 and August 16, 2018 in Jakarta;
4. Level 5 Risk Management Certification Preparation Program by GPS & Partners Consulting Group on July 31, 2018 in Jakarta;
5. Level 5 Risk Management Certification Preparation Program by GPS & Partners Consulting Group on July 31 and August 16, 2018 in Jakarta;
6. Level 5 Risk Management Certification by the Banking Professional Certification Institution, on September 3, 2018 in Jakarta;
7. Level 5 Risk Management Certification by the Banking Professional Certification Institution on August 20, 2018 in Jakarta;
8. Level 5 Risk Management Certification by the Banking Professional Certification Institution on August 31, 2018 in Jakarta;
9. Global Islamic Fintech Summit Seminar by Elmangos Embrace Change on September 18, 2018 in Kuala Lumpur;
10. Leading for Organization Impact (LOI) Workshop by the Center for Creative Leadership (CCL) on September 3-7, 2018 in Singapore;
11. Annual Meeting International Monetary Fund (IMF) on October 18-20, 2018 in Bali;
12. Seminar 2nd TOP 100 Bankers "How to Navigate Companies Trough Global Turbulence And Political Risk 2019" by Infobank on October 30, 2018 in Jakarta;
13. Refreshment in Capital Market Developments by PT UBS Indonesia on November 6, 2018 in Jakarta;
14. "Implementation of Prudential Banking Facing Global Economic Challenges" Seminar and "OJK's Supervision on the Banking Sector" Focus Group Discussion (FGD) by FKDKP, BI, and OJK on November 29, 2018 in Jakarta;
15. Synergy in Diversity Refreshment Program by Wishnutama – CEO of Net Mediatama on December 13, 2018.

Training for the Sharia Supervisory Board in 2018

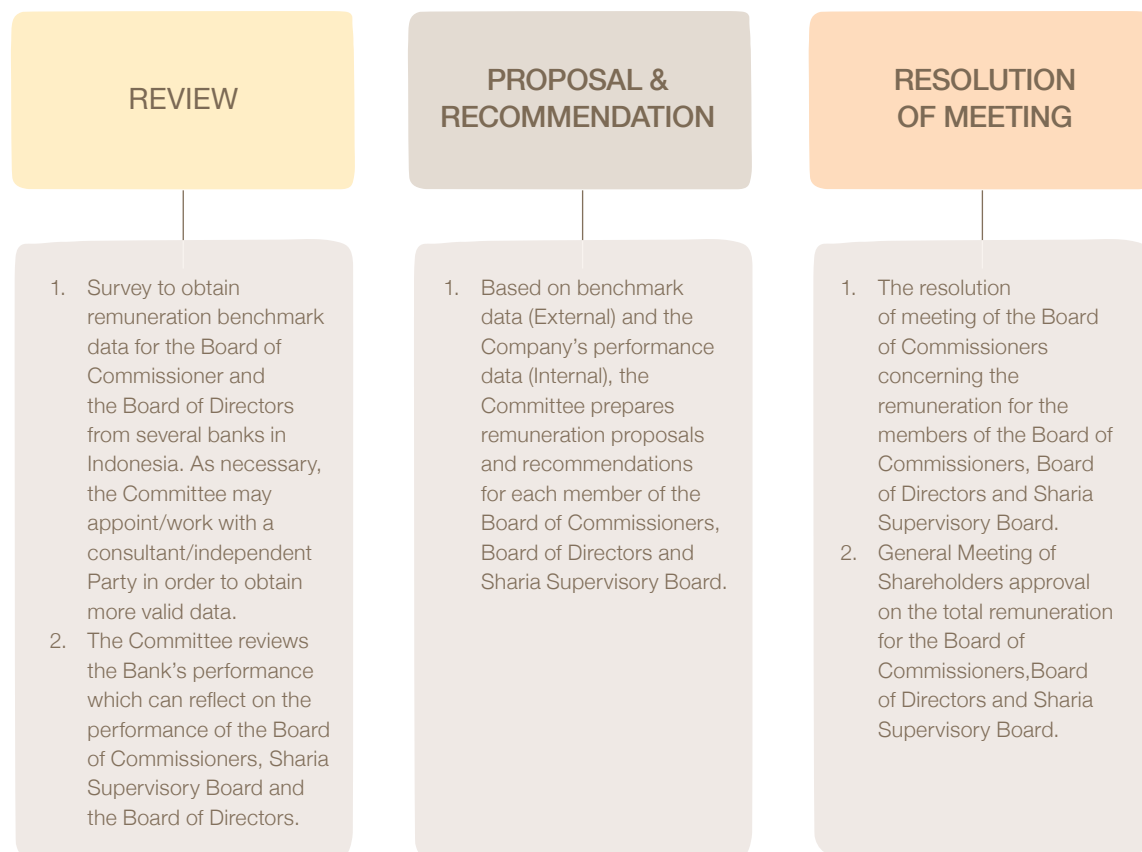
In order to support the undertaking of duties and responsibilities, the member of the Sharia Supervisory Board attended strategic seminars in 2018, including among others:

1. Workshop *Pra-Ijtima Sanawi* (Annual Meeting) for the Sharia Supervisory Board of Sharia Financial Institutions 2018 – Banking and Sharia Insurance on October 2, 2018;
2. *Ijtima' Sanawi* (Annual Meeting) Sharia Supervisory Board of Sharia Financial Institutions in Indonesia on November 8-9, 2018.

Kebijakan Remunerasi Dewan Komisaris, Dewan Pengawas Syariah dan Direksi

Determination of remuneration and other facilities are pursuant to the Resolution of Shareholders in the General Meeting of Shareholders taking into consideration the recommendation of the Nomination and Remuneration Committee.

In determining the remuneration of each Board of Commissioners, Sharia Supervisory Board and Board of Directors, BTPN Syariah considers performance in general, evaluates the performance of each member of the Board of Commissioners, Sharia Supervisory Board and Board of Directors, fairness with peer groups within the Bank and in the banking industry, as well as BTPN Syariah ability. BTPN Syariah performance, which is one of the factors, in determining the remuneration of members of the Board of Commissioners, Sharia Supervisory Board and Board of Directors is described as follows:



Remuneration of Board of Commissioners, Sharia Supervisory Board and the Board of Directors

The determination of remuneration and other facilities refers to the decisions of shareholders as stipulated in the General Meeting of Shareholders by taking into account the recommendations given by the Nomination and Remuneration Committee.

Type of Remuneration and Other Facilities	Total Amount Received (Brutto) in 1 (one) year					
	Board of Commissioners		Board of Directors		Sharia Supervisory Board	
	Head Count	Amount	Head Count	Amount	Head Count	Amount
1. Remuneration (salary, bonus, routine allowance, tantem & other facilities in cash form)	4	5.324	5	26.897	2	581
2. Other facilities received in cash form (housing, transportation, health insurance, etc.)	-	-	-	-	-	-
a. Can be owned	4	693	5	2.770	2	0.1
b. Can not be owned	4	48	5	133	2	0
Total	4	6.065	5	29.800	2	582

In millions of Rupiah except head count

The total number of members the Board of Commissioners, the Board of Directors and the Sharia Supervisory Board receiving remuneration package in 1 (one) year grouped according to the income level.

Total remuneration received per person in 1 (one) year*	Number of Commissioner	Number of Director	Number of Sharia Supervisory Board
Above Rp2 billion	1	5	-
Above Rp1 billion to Rp2 billion	2	-	-
Above Rp500 million to Rp1 billion	-	-	-
Below Rp500 million	1	-	2

(*) in million rupiah

(*) received in cash

Highest and Lowest Salary Ratio

Description	Ratio
Highest to lowest employee salary ratio	80.6
Highest to lowest director salary ratio	1.5
Highest to lowest commissioner salary ratio	2.0
Highest Director Salary to Highest Employee Salary Ratio	1.6

Remuneration Governance

Remuneration Policy Development Process

The objectives of the remuneration policy is to ensure that the Bank provides remuneration according to the prevailing laws and regulation, the company financial performance, individual performance, fairness to the peer group within the bank and in the banking industry and the company capacity.

Remuneration review is conducted every year including the review for the remuneration for the Board of Commissioners, the Sharia Supervisory Board, the Board of Directors and Employees. The routine remuneration review covers the fixed and variable remuneration. This review considers the following factors: the fairness of the remuneration according to the Bank capacity, comparison to the peer group both within the Bank and across the banks from the same industry and regulation related to remuneration such Minimum Wage and the Manpower Law.

The remuneration policy does not differentiate between the controlling unit and the controlled unit. A mechanism is in place to ensure the independency of the controlling unit and the controlled unit by means of different performance indicator and the decision making of the remuneration for the controlling unit does not involve the controlled unit.

Performance Indicator is Linked to Remuneration

The Bank applies the principle of meritocracy in the remuneration policy for the Board of Directors and employees, both the fixed and the variable remuneration. The review of the individual remuneration is administered annually.

In the Bank performance management system, every member of the Board of Directors and each individual employee are given individual performance target as the basis to appraise individual performance.

The individual performance target of the Board of Directors which is also the performance target of the respective directorate or working unit, cascaded layer by layer from the Bank target to the working unit target and finally to the individual employee target at the very bottom layer.

The individual performance is measured against the realization of individual target and assessed in following category – Outstanding, Very Good, Good, Need Improvement, and Poor. The remuneration adjustment is based on the individual performance; where the management provides the guidance of the parameter of the remuneration adjustment for the fixed and variable remuneration according to the individual performance.

External Consultant

The Bank engages the services of external consultant in order to get the remuneration data in the banking industry. The duties of external consultant is to get the data and information regarding the fixed and the variable remuneration for certain position from several banks of the similar business and operational activities. The data then is processed by the consultant through remuneration survey followed by several banks; and/or internal research from consultants.

Variable Remuneration

The variable remuneration comprises of Incentive and Performance Bonus. Incentive is based on individual performance and is given to the employees in sales positions. The incentive is given monthly and semesterly.

The performance bonus is based on the Bank performance, the performance of the respective unit and the individual performance; and to be paid in the following year. The performance bonus is the management discretion and is given according to the Bank performance and financial condition. The performance bonus is paid annually to the employees who are not entitled for Incentive and to the Board of Directors.

Remuneration Package and Facility Received by the Board of Commissioners, the Sharia Supervisory Board and the Board of Directors

	2018		2017	
	Headcount	Amount	Headcount	Amount
The Board of Directors	5	29,800	7*	27,338
The Board of Commissioners	4	6,065	4	6,077
The Sharia Supervisory Board	2	581	4*	504

(*) calculation based on 7 (seven) member of the Board of Directors and 4 (four) members of the Sharia Supervisory Board due to changes in 2017

The number of the Board of Commissioners, the Sharia Supervisory Board and the Board of Directors receiving Fixed and Variable Remuneration for 1 (one) Year and the Total Nominal Value

Fixed Category

	2018		2017	
	Headcount	Amount	Headcount	Amount
The Board of Directors	5	14,787	7*	12,625
The Board of Commissioners	4	6,011	4	5,101
The Sharia Supervisory Board	2	582	4*	504

(*) calculation based on 7 (seven) member of the Board of Directors and 4 (four) members of the Sharia Supervisory Board due to changes in 2017

Variable Category

	2018		2017	
	Headcount	Amount	Headcount	Amount
The Board of Directors	5	14,900	7*	12,860
The Board of Commissioners	4	-	4	-
The Sharia Supervisory Board	2	-	4*	-
Employee Bonus		32,804		28,239
Employee Incentive		43,898		33,548

(*) calculation based on 7 (seven) member of the Board of Directors and 4 (four) members of the Sharia Supervisory Board due to changes in 2017

Employee Highest and Lowest Salary Ratio

	2018	2017
Ratio	80.6	78.0

Financial, Family and Management Relationship

Name	Position	Periode	Financial Relationship with						Family Relationship with						Management Relationship with	
			The Board of Commissioners		The Board of Directors		Shareholders		The Board of Commissioners		The Board of Directors		Shareholders			
			Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak	Ya	Tidak
Kemal Azis Stamboel	President Commissioner/ Independent	2014 – Present	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Dewie Pelitawati	Commissioner Independent	2014 – Present	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Mahdi Syahbuddin	Commissioner	2015 – Present	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Maya Kartika	Commissioner	2017	-	√	-	√	-	√	-	√	-	√	-	√	-	√
M. Ikhwani Abidin, MA	Chairman of the Sharia Supervisory Board	2017 – Present	-	√	-	√	-	√	-	√	-	√	-	√	-	√
H. Muhamad Faiz, MA	Member of the Sharia Supervisory Board	2017 – Present	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Ratih Rachmawaty	President Director/ Independent	2017 – Present	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Mulia Salim	Deputy President Director	2017 – Present	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Taras Wibawa Siregar	Director	2015 – Present	-	√	-	√	-	√	-	√	-	√	-	√	-	√
M. Gatot Adhi Prasetyo	Director	2014 – Present	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Arief Ismail	Compliance Director and Corporate Secretary	2017 - Present	-	√	-	√	-	√	-	√	-	√	-	√	-	√

Employee Stock Allocation (ESA)

The Policy of ESA Program

The ESA Program in BTPN Syariah is part of the Initial Public Offering, where the employees entitled for the program get the allocation to purchase the shares from the fixed allotment of the shares being offered.

As written in the Prospectus, the objectives of the ESA Program are: (i) to improve the motivation and sense of belonging to BTPN Syariah from the employees with significant contribution to the growth and long term profitability of BTPN Syariah; (ii) to retain the key employees and keep their best contribution to BTPN Syariah; (iii) to align the interests of employees and the shareholders; and (iv) to encourage the employees to always deliver their best performance for BTPN Syariah.

The ESA Program is administered by granting the shares to BTPN Syariah employees who are entitled to participate in the ESA Program. The employees who are entitled to participate in this program are BTPN Syariah employees Grade 8 (Junior Assistant Manager) and above, all Business Managers, and all Senior Community Officer listed on the employee data as of December 31, 2017; as stipulated in the (i) Board of Directors Circular Resolution taken apart from the Meeting of Board of Directors PT Bank Tabungan Pensiunan Nasional Syariah No. 019/CIR/DIR/XI/2017 dated November 14, 2017; and (ii) Minutes of Meeting of the Remuneration and Nomination Committee No. MOM.003/RNC/XI/2017 dated November 16, 2017

The ESA policy is adherence to the regulations in BTPN Syariah, including the Company Regulation, Human Capital Procedures and Code of Ethics.

Allocation for ESA Program

BTPN Syariah allocates 2.680.600 (two million six hundred eighty thousand and six hundred) shares of 0,35% (zero point thirty five percent) from the total shares being offered in the Initial Public Offering for employee stock allocations program.

The execution cost of ESA Program was borne by BTPN Syariah using the company cash. BTPN Syariah does not include such expense in the issuing cost of the Public Offering. The shares allocation for the ESA Program is not saleable nor transferrable for a one year period (lock-up) since the listing date.

The objectives of the lock up period is to align the objectives of the ESA Program, which amongst others, is to retain the key employees with significant contribution for the growth and long term profitability of the company. BTPN Syariah also benchmarks to the other ESA programs that had been implemented by the other companys that usually applies the lock-up period between 12 to 36 months.

External Audit

In preparing the audited Financial Statements for the year 2018, BTPN Syariah has appointed the Public Accounting Firm that is registered in the Financial Services Authority, that is Tanudiredja, Wibisana, Rintis dan Rekan (a member of PwC Global Network). The appointment of the Public Accounting Firm was based on the power and authority from the Shareholders granted in the Annual General Meeting of Shareholders to the Board of Commissioners and took into consideration the recommendation of the Audit Committee. The total cost for the preparation of audited Financial Statement 2018 was Rp1.210.000.000,- (one billion two hundred and ten million Rupiah) before 10% (ten percent) VAT.

The appointment of the Public Accounting Firm Tanudiredja, Wibisana, Rintis & Rekan (a member of PwC Global Network) as the external auditor has been administered since the accounting year 2014.

In order to fulfill the provision concerning the Limitation of Audit Services on the Annual Historical Financial Information, in year 2018 there was a replacement of Public Accountant to audit the bookkeeping of BTPN Syariah to Angelique Dewi Daryanto, from previously Yusuf Wibisana who had completed audit period for 3 (three) consecutive accounting year.

In the engagement of the services of Public Accountant and Public Accounting Firm, there was no conflict of interest with audit services performed for BTPN Syariah.

Such the Public Accountant and the Public Accounting Firm had completed the duties independently according to the professional standards of public accountant and according to the stated terms of reference and audit scope.

The following is the Public Accounting Firm and the Public Accountants that has/had audited the Financial Statement of BTPN Syariah since 2014:

Accounting Year	Public Accounting Firm	The audit period of Public Accounting Firm	Public Accountant	The audit period of Public Accountant
2014	Tanudiredja, Wibisana, dan Rekan (a member of PwC Global Network)	5	Albidin, SE, Ak, CPA	1
2015	Tanudiredja, Wibisana, dan Rekan (a member of PwC Global Network)		Albidin, SE, Ak, CPA	2
2016	Tanudiredja, Wibisana, dan Rekan (a member of PwC Global Network)		Drs.Muhammad Jusuf Wibisana, M.Ec., CPA	1
2017	Tanudiredja, Wibisana, dan Rekan (a member of PwC Global Network)		Drs.Muhammad Jusuf Wibisana, M.Ec., CPA	2
2018	Tanudiredja, Wibisana, dan Rekan (a member of PwC Global Network)		Angelique Dewi Daryanto, SE, CPA	1

Provision of Funds to Related Parties and Large Exposures

BTPN Syariah consistently takes into consideration its capital adequacy and portfolio distribution/ diversification in loan disbursement, and during 2018, the Bank did not violate or exceed the Legal Lending Limit (LLL).

Provision of funds to Related Parties is conducted in accordance with the prevailing regulations. The Bank ensures that Related Parties transactions are conducted in a fair and independent manner as well as at arm's length.

Provision of Funds to Related Parties and Large Exposures per December 31, 2018 is presented in the following table:

No.	Funds Provided	Total	
		Debtors	Amount (million Rupiah)
1	To Related Parties	-	-
2	To Core Debtors		
	a. Individual	25	1,563
	b. Group	-	-

Fraud Management

Anti-fraud strategy is the commitment of the management of BTPN Syariah to prevent the occurrence of fraud by implementing a fraud control system that is effective and sustainable. The fraud control system defines the steps to prevent, detect; investigate, report, and apply sanction; monitor, evaluate and follow up the occurrence of fraud.

1. Prevention

A number of instruments are implemented to reduce the potential of the occurrence of fraud incidents, including:

- Conduct anti-fraud training to all employees (induction training, refreshment training, training for trainer).
- Posting anti-fraud poster and brochure in every office.
- Continuous anti-fraud campaign.
- Implement human capital approach and control by understanding and monitoring the character and behavior of employee (know your employee) including rotation system, employee transfer, mandatory block leave and regular coaching and counselling by supervisor.
- Documentation and update the database of employee negative list related to fraud.
- Zero tolerance for fraud.

2. Detection

A number of instruments are implemented to identify and find the occurrence of fraud, including:

- a. Provide the whistleblowing media “JAGA” to report any allegation of fraud.
- b. Guarantee the confidentiality of the Whistleblower.
- c. Procedures of reporting the allegation of fraud.
- d. Perform surprise audit.
- e. Perform proactive detection to confirm the presumption of fraud.

3. Investigation, Reporting and Sanction

A number of instruments are implemented to collect information, develop reporting system and apply sanction to the occurrence of fraud in the business activities of the Bank, including:

- a. Investigation
Audit investigation process is conducted according to the limit of authority (threshold).
- b. Reporting
Report the occurrence of fraud to management and regulator.
- c. Sanction
Fraud Committee decides the type of sanction to the fraudster through the mechanism of Fraud Committee Meeting

4. Monitoring, Evaluation and Follow Up

A number of instruments are implemented to monitor and evaluate the occurrence of fraud and take the necessary follow up action based on the evaluation, including:

- a. Monitoring
To monitor the implementation of the decision of fraud committee including the sanction applied, the recording of the amount of fraud and the recovery and the legal process.

b. Evaluation

All the data of fraud incidents are documented as the basis for evaluation and corrective action.

c. Follow Up

Improve the weaknesses and strengthen the control system to prevent the repeated occurrence of similar fraud incidents in the future.

Code of Conduct

Code of Conduct in BTPN Syariah serves as guidelines of attitude and behavior for the Board of Commissioners, the Sharia Supervisory Board, the Board of Directors, Independent Parties, and all Employees in undertaking their duties and responsibilities and in decision making which ensures congruence with the values, Vision and Mission of BTPN Syariah and other prevailing regulations.

The Code of Conduct is a standard of conduct that is reasonable, appropriate and trustworthy for all Bank employees in carrying out business activities including interacting with stakeholders.

The guidelines of attitude and behaviour according to the Code of Conducts include amongst others:

1. Vision, Mission, Corporate Values, Objectives of the Code of Conduct, and Scope of the Code of Conduct;
2. Compliance and Risk Management;
3. Conflict of Interest;
4. Creating Conducive Working Environment (including Fair Treatment to all Employees, Anti-Discrimination and Anti-Harrassment, Work Safety, the Use of Company Facility, Outside-Work Activity, the Use of Social Media);

5. Information Security and Management;
6. Relationship with Customers and Stakeholders (including Relationship with Customers, Relationship with Vendors, Relationship with Regulators, Bribery and Corruption, Giving and Receiving Gift, Anti Money Laundering);
7. Enforcement of Code of Conduct (including Roles and Responsibilities, Violations of the Code of Conduct).

Enforcement of Code of Conduct

BTPN Syariah pledge to enforce code of conduct as a way to implement the good corporate governance and to shape the behavior of the employees according to the ethical standards.

Continuous implementation of the Code of Conduct in the form of attitudes, actions and commitments as well as provisions support the creation of corporate culture.

A number of initiatives are taken to disseminate Code of Conduct through email blast to all employees for which the employees have to respond by confirming the receipt of the information and affirming the commitment for its implementation.

It is also conducted by distributing Code of Conduct books to all employees in the Induction Program for Executive Officers and new officers. The dissemination of Code of Conduct will be conducted on a regular basis. The updates of the Code of Conduct is made periodically. All employees must know, understand and implement the BTPN Syariah Code of Conduct.

BTPN Syariah applies deterrent sanctions for every fraud and violations of the the code of conduct.

Whistle Blowing

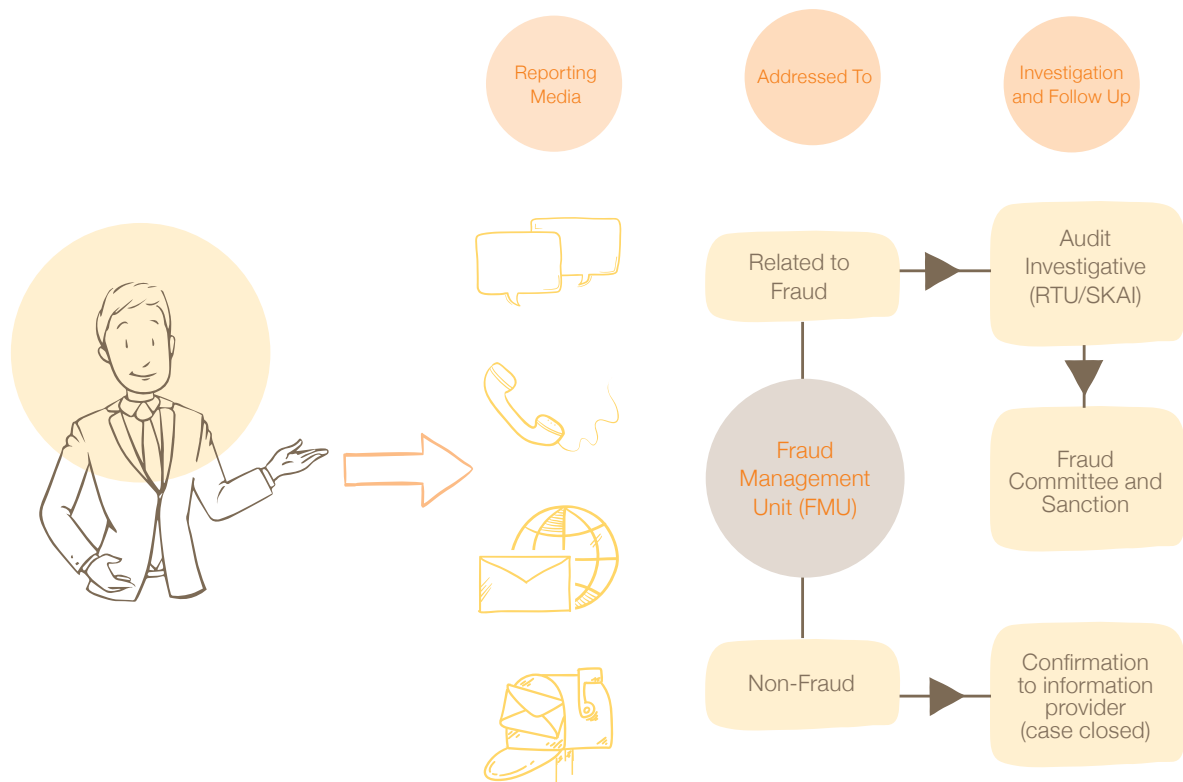
BTPN Syariah is committed to provide facilities for employees or other parties to report any allegation of fraud incidents through Whistle Blowing System called "JAGA" (Jalankan, Awasi, Gali, Ajukan Laporan – Execute, Control, Probe and Report).

BTPN Syariah encourages the employees and other parties to participate in preventing, reporting and handling fraud in an effective and efficient manner. BTPN Syariah also provides ease of access through several channels and media to report any indication of fraud incidents while maintaining the confidentiality and providing protection guarantee to the information provider or whistleblower. Several media channels to report any indication of fraud includes: hotline, email, mail, and SMS which can be easily accessed by all employees or whistleblower.

BTPN has developed guidelines and operating procedures on whistle blowing which is updated on regular basis. Those guidelines and procedures provide rules and guiding principles for the Fraud Management Units and other related unit so that the incoming reports of alleged fraud incidents through Whistle Blowing media "JAGA" shall be administered according to the standards and well documented.

Any allegation of fraud incidents can be reported through hotline, email, mail and other report.

JAGA Whistleblowing Escalation Process



Litigation Cases

Number of Civil and Criminal Law Cases with Significant Impact and the Solution

In 2018 there were not any civil nor criminal law cases that significantly impact the financial situation of BTPN Syariah.

Conflict of Interest

Conflict of Interest is the situation in which the economic interest of the Bank is in conflict with the personal economic interest of the members of the Board of Commissioners, the Board of Directors, Major Shareholders or the affiliates of the Board of Commissioners, the Board of Directors or Major Shareholders.

In 2018, there was not any transaction with conflict of interest in BTPN Syariah.

Fund Allocation for Social Activities and Halal and Non-Halal Income

In compliance with Circular Letter of Bank Indonesia No.12/13/DPbS dated April 30, 2010 concerning GCG Implementation for Sharia Banks and Sharia Business Units, BTPN Syariah discloses non-halal income and its use in Sharia Bank in the GCG implementation section of its annual report.

The non-halal income used as a source of the Bank's social funds consists of:

1. Income from current account received by the Bank from current account in Conventional Bank;
2. Income from account closing before maturity.

Report of Source and Use of Benevolent Funds of PT Bank Tabungan Pensiunan Nasional Syariah Tbk Per December 31, 2018:

Description	December 31, 2018	December 31, 2017
Benevolent funds at the beginning of the period	547	169
Source of benevolent funds:		
a. Infaq		
b. Shadaqah		
c. Return on productive benevolent funds		
d. Penalty	94	52
e. Non-halal income	141	550
f. Others		
Total Benevolent Funds	235	602
Use of benevolent funds		
a. Productive benevolent funds		
b. Charity		
c. Other uses for public interest	339	224
Total Use of Benevolent Funds	339	224
Increase (decrease) in benevolent funds	(104)	378
Benevolent funds at the end of the period	443	547

Internal Control System

BTPN Syariah implements three lines of defense approach in its risk management and internal control framework.

A more detailed explanation on risk management and internal control system is provided in the Risk Management section in this Annual Report book.

Access to Company Information

BTPN Syariah provides access and information for stakeholders on the Bank through communication media such as press release, Public Expose, and Analyst Briefing. In addition, BTPN Syariah provides information on its products and services, office network, financial report, annual report, report and implementation of its governance and Daya activities, corporate actions, and so on, presented through our website, www.btpnsyariah.com.

Self-Assessment on GCG Implementation

Self-Assessment Report Governance Implementation at PT Bank Tabungan Pensiunan Nasional Syariah Tbk (“BTPN Syariah”)

Summary of BTPN Syariah's composite score for the self-assessment result in December 2018 is provided in the table below:

Result of Self-Assessment on Governance Implementation		
	Ranking	Ranking Definition
Individual	2	Good
Consolidated	-	-

The Bank's general implementation of governance is examined across the following governance aspects:

Governance Structure

To support the implementation of good corporate governance, the structures and infrastructure of BTPN Syariah have been designed in accordance with the prevailing regulations to ensure a robust corporate governance implementation.

The structures as mentioned above are, among others:

- Structure of the Bank's Organs
 1. The number, composition, and competence of members of the Board of Commissioners of BTPN Syariah have been in accordance with the prevailing regulations. Currently the Board of Commissioners has 4 (four) members, two of whom are Independent Commissioners;
 2. The number, composition, and competence of members of the Board of Directors of BTPN Syariah have been in accordance with the prevailing regulations. Currently the Board of Directors has 5 (five) members. All members of the Board of Directors of BTPN Syariah has competencies in their own respective fields of remit, including in banking and financial industry and sharia banking. The Board of Directors has also conducted efforts to improve compliance culture and governance implementation. Upon the initial public offering of BTPN Syariah's shares on the Indonesia Stock Exchange on 8 May 2018, the President Director had been effectively serving as Independent Director, in keeping with the prevailing regulations and referring to the relevant stipulations on good corporate governance.
 3. The number, composition, and competence of members of the Sharia Supervisory Board (DPS) of BTPN Syariah have been in accordance with the prevailing regulations. Currently the DPS has 2 (two) members who have conducted their supervisory duties and responsibilities with excellence.
- The Bank's supporting organs are related to the completion of duties and responsibilities of the Board of Commissioners, the Sharia Supervisory Board, and the Board of Directors, among others:
 1. Committees equal to the Board of Commissioners and committees equal to the Board of Directors have been established in accordance with the prevailing regulations, and each committee has their own Guidelines and Work Procedures, and is regularly reviewed;
 2. In 2018, the Financing Policy Committee was established, and equipped with the Committee Guidelines and Work Procedures along with its meeting schedule;

3. The establishment of the Integrated Governance Committee made manifest the implementation of integrated governance for financial conglomerations in the aspects of governance and risk management together with the parent bank included in the financial conglomeration;
 4. In line with their functions, each of the work units as well as the Board of Commissioners Committee that have been established, i.e. Audit Committee, Nomination and Remuneration Committee, and Risk Monitoring Committee, has submitted their report of execution of duties to the Board of Commissioners at the Board of Commissioners meetings;
 5. The Board of Directors Committee which have been established are the Business Committee, Human Capital Committee, Information Technology Steering Committee, Risk Management Committee, Asset & Liabilities Committee (ALCO), and Financing Policy Committee. They have submitted their report of execution of duties to the Board of Directors at the Board of Directors meetings;
 6. Work Units for the purposes of business development, operations, implementation of risk management, and internal control, have been established. The Bank's internal work units include, among others, the Internal Audit Unit, Risk Management Work Unit, and Compliance Work Unit, and serving as supporting teams are the Business Team, Operations Team, Information Technology Team, Human Capital Team, and Legal Team.
- The governance structure for handling conflicts of interest at BTPN Syariah In order to handle any conflict of interest, BTPN Syariah has a comprehensive set of policies and procedures for resolving such cases. Handling of conflicts of interest is also stipulated in the Guidelines and Work Procedures for the Board of Commissioners and the Board of Directors, and for the employees in the code of conduct of the Bank. In 2018 there was no case of conflict of interest recorded.
 - Governance structure in the Implementation of Compliance Function at BTPN Syariah consists of, among others:
 1. There was no new appointment of a Director in charge of the Compliance function;
 2. The Compliance Work Unit is acting independently from the Operations Work Unit;
 3. BTPN Syariah continuously strives to improve compliance quality by implementing measures and strategies to ensure the fostering of compliance culture across the organization, and at the same time also to minimize any fines to be paid to the regulators;
 4. The Compliance Division conducts reviews and/or recommends updates and improvements to the policies, provisions, systems, and procedures of the Bank by issuing the Compliance Assessment Result and Compliance Check List (CCL);
 5. The Compliance Division identifies, measures, monitors, and controls the Compliance risk;

6. Strengthening of internal structure by implementing other forms of Compliance included, among others, referring to the latest POJK regarding the Procedures for Obtaining the Service of Public Accountant and Public Accounting Firm in the Financial Services Activities. At the 2018 Annual General Meeting of Shareholders, the Shareholders have given a full authority and power to the Board of Commissioners to appoint a public accountant and a public accounting firm to audit the Bank's books for the year ended 31 December 2019. Such appointment of a public accountant and/or a public accounting firm is to be done by considering the prevailing provisions and fulfilling the aspect of legality and public accountant professional standard to perform audit; and objectively take into consideration the recommendations of BTPN Syariah's Audit Committee. The report regarding the appointment of a public accountant and a public accounting firm to audit the Bank's financial statements for the year ended 31 December 2018 was reported to the OJK with the Letter No. S.473/DIR/CSL/X/2018 dated 3 October 2018;
- Governance structure of Internal Audit Function and Internal Audit Unit includes, among others:
 1. Implementation of internal audit function in accordance with the prevailing regulations, having been effective in making BTPN Syariah a financially sound and properly growing bank, and is independent to the Operations Work Unit and in line with the Business Plan;
 2. The Internal Audit Unit perform its function according to the Banking Internal Audit Function Implementation Standard (SPFAIB), for that the Internal Audit Unit has been equipped with the Internal Audit Charter as well as risk-based audit policies and procedures. The Internal Audit Unit is also supported by high-quality human capital;
 3. Training and certification programs for auditor profession has been held to continuously improve competence. There are specific certification and training programs aimed at auditors working at the Internal Audit Unit, such as the Certified Information Systems Auditor (CISA), Qualified Internal Auditor (QIA), Certified Bank Internal Audit (CBIA), and the Chartered Accountant (CA), among others.
 - Governance structure of the Bank's Business Plan includes, among others:
 1. The availability of the Bank's Strategic Plan in line with the Vision and Mission of BTPN Syariah as presented to the OJK on a regular basis. BTPN Syariah's Strategic Plan has been reviewed and approved by the Board of Commissioners;
 2. Strategic meetings have been held regularly in order to monitor the implementation of the Bank's business plan by the Board of Commissioners, the Sharia Supervisory Board, and the Board of Directors, supported by all relevant work units;
 3. There is an Information Technology Plan and Information Technology Policy, which govern the formulation of strategic plans regarding the development of Information Technology (IT) at BTPN Syariah, and are aligned with BTPN Syariah's four main strategic measures that are in keeping with the latest Bank's Business Plan, and these are: building operational excellence, developing new asset-based business through new financing products, exploring fee-based income avenues; and strengthening organizational capability;
 4. There are supporting policies and procedures that are reviewed regularly every year or whenever deemed necessary to keep up with the latest regulatory updates.

Governance Process

Good and effective corporate governance processes have taken place at BTPN Syariah, and they include:

- Implementation of good corporate governance processes involving the Board of Commissioners' supervisory function, such as:
 1. Effective implementation of the supervisory function by the Board of Commissioners, which include supervision through meetings of the Board of Commissioners and of the committees equal to the Board of Commissioners, all regularly held and are well-documented;
 2. The Board of Commissioners has received the follow up results to the recommendations presented in the meetings of the relevant work units by considering the Board of Commissioners' recommendations. Should there be any resolution reached outside of these meetings, the decision-making that leads to such resolution outside of the meetings of the Board of Commissioners or committees equal to the Board of Commissioners has always been in accordance with the prevailing regulations and the Bank's Articles of Association;
 3. The Board of Commissioners has supervised, advised, guided, monitored, and evaluated the Board of Directors for their strategic direction and policies, and has also ensured that the Bank is implementing the principle of prudence in product development, strategic initiative formulation to deal with business competition, ensuring an adequate level of information technology readiness, ensuring the development of high-quality human capital, and other recommendations to the Board of Directors, in relation to the policies and measures that needed to be taken by taking into account the prevailing regulations;
 4. The Board of Commissioners has also supervised the Board of Directors' follow up of all findings by the internal and external auditors, and evaluated the compliance function;
 5. Other supervisory functions performed by the Board of Directors include site visits to branch offices, functional offices, Mobile Marketing Sharia, and Sentra (Centers) to ensure good corporate governance processes are in place.
- Implementation of good corporate governance processes involving the Sharia Supervisory Board's supervisory function, such as:
 1. Implementation of corporate governance as regards supervision has also been done by the Sharia Supervisory Board (DPS). The DPS's functions and responsibilities are made manifest in the existence of meeting agendas and monthly meetings, which have resulted in the opinions and approval of the DPS on every new product and service of the Bank;
 2. The DPS has performed direct supervision of the Bank's business activities by conducting regular site visits to branch offices, functional offices, Mobile Marketing Sharia, and Sentra (Centers) to ensure good corporate governance processes are in place and, furthermore, in accordance with the sharia principles;
- Implementation of good corporate governance processes involving the Board of Directors' supervisory function, such as:
 1. BTPN Syariah's Board of Directors' duties and responsibilities have been implemented in accordance with the principles of good corporate governance and have been effective as all members of the Board of Directors have been able to act and make decisions independently;
 2. Implementation of corporate governance by the Board of Directors include, among others, meetings of the Board of Directors and of the committees equal to the Board of Directors that have taken place effectively, efficiently, and regularly, in accordance with the prevailing regulations;

3. Should there be any resolution reached outside of these meetings, the decision-making that leads to such resolution outside of the meetings of the Board of Directors or committees equal to the Board of Directors has always been in accordance with the prevailing regulations and the Bank's Articles of Association;
 4. The Board of Directors supervises the entirety of the Bank's operational activities by conducting regular site visits to branch offices, functional offices, Mobile Marketing Sharia, and Sentra (Centers) to ensure good corporate governance processes are in place. These site visits are also aimed at collecting aspirations from the ground to serve as a foundation for the Management to formulate strategic policies that are in line with the Bank's business development;
 5. The Board of Directors welcomes aspirations from the employees and respond with care and consideration in the formulation of strategic policies that are in line with the Bank's business development;
 6. The Board of Directors continuously follows up on the recommendations of the Board of Commissioners which are delivered at the meetings of the Board of Commissioners and of the committees equal to the Board of Commissioners, and these have been properly administered by the appointed and relevant units;
- Implementation of good corporate governance processes involving transparency and independence at BTPN Syariah has taken the form of, among others, disclosure of information regarding the concurrent positions and share ownership of the Board of Commissioners, the Sharia Supervisory Board, and the Board of Directors, in the Annual Report;
 - In 2018, there were no conflicts of interest encountered at BTPN Syariah;
 - Implementation of good corporate governance processes involving improvements to the implementation of the Compliance Culture, such as:
 1. The Compliance Work Unit has implemented the relationship concept for the proper internalization of regulators' provisions, as proven by the absence of delays in implementing external regulations in the internal regulations, and ever-stronger communication with other divisions related to the mandatory implementation of regulations;
 2. Improvements of governance systems in the regulations issued by the authorities have been delivered via the Compliance Update and Progress Report documentations, which have been carefully monitored;
 3. The Compliance Work Unit strives continually to improve the quality of infrastructure for facing various changes, with the availability of databases as the source of information related to the latest updates in regulations, so that all employees of BTPN Syariah may peruse them properly;
 4. Implementation of APU-PPT programs have been well-managed and they make up a part of the induction and refreshment programs for all employees of BTPN Syariah.
 - Implementation of good corporate governance processes involving the Internal Audit Unit, such as:
 1. BTPN Syariah ensures that the roles of the Internal Audit Unit remain independent from the operational work units;
 2. In its audit processes, the Internal Audit Unit has implemented the risk-based audit processes, with the scope covering governance process, risk management, and internal control. The Compliance Work Unit consistently improves the Compliance Culture, and the Risk Management Work Unit consistently performs dissemination regarding risk awareness;
 3. All work units of the Bank work together in a coordinated manner to assist the Board of Directors in ensuring that the Bank's governance remain on track;

4. The Internal Audit Unit regularly updates its Work Guidelines in accordance with the prevailing regulations.
- Implementation of good corporate governance processes involving the implementation of External Audit Function, such as:
 1. BTPN Syariah ensures that the appointment of the Public Accountant and the Public Accounting Firm is in accordance with the prevailing regulations, by referring to the Resolution of the General Meeting of Shareholders related to such appointment of the Public Accountant and the Public Accounting Firm, with due consideration of the Audit Committee's recommendations;
 2. Generally, the external audit functions and processes have been conducted in line with the provisions stated in the OJK Regulations, i.e. that the audit shall be performed by an active public accountant and public accounting firm, and complies with the minimum requirements set forth in the regulations. The quality and coverage of the audit performed by the Public Accountant has been excellent. BTPN Syariah shall ensure that the audit performed by the public accountant and public accounting firm in 2018 remain independent and fulfill all the criteria.
 - Implementation of good corporate governance processes involving the implementation of Risk Management function, such as:
 1. Supervision by the Board of Commissioners and the Board of Directors of the implementation of risk management framework by the Risk Management Committee and Risk Monitoring Committee;
 2. Supervision by the Board of Directors alongside the parent company for the purposes of the Integrated Risk Management Committee;
 3. Regular and continuous dissemination of risk awareness and fraud awareness involving all risk-taking units, both in-class and via media, such as bulletins, posters, emails, and other channels;
 - Implementation of good corporate governance processes involving the implementation of the Bank's Business Plan, such as: processes related to the preparation, determination, and monitoring of the Bank's Strategic Plan have been performed in accordance with the principle of prudence and sound sharia banking, by taking into consideration all risk factors that may arise from either internal or external sources.

Governance Outcome

Supervisory Board and the Board of Directors work in collaboration in all aspects to ensure sustained commitment to implement good corporate governance in BTPN Syariah, which includes amongst others:

- Governance Outcome in the Bank Performance:
 1. Significant improvement in financial performance of the Company compared to the previous year;
 2. A number of awards both from national and international which acknowledged significant growth of BTPN Syariah Performance;
 3. Having received the Letter of Confirmation from OJK Capital Market concerning BTPN Syariah being Effective as a Public Company and the Shares Listed in the Indonesia Stock Exchange.
- Governance outcome with respect to the organ of the Bank which included amongst other:
 1. The accountability report of the Board of Commissioners, Sharia Supervisory Board and the Board of Directors in 2018 were presented in the Annual Report and was well received by the Shareholders at the Annual General Meeting of Shareholders in 2018;
 2. There were no conflict of interest amongst the Board of Commissioners, Sharia Supervisory Board and the Board of Directors;
 3. Improved performance was supported by the Board of Commissioners, Sharia Supervisory Board and the Board of Directors and also Shareholders.

- Governance outcome with respect to fulfilment the Bank obligations which includes amongst others:
 1. To nurture a compliance culture, BTPN Syariah was committed for timely submission of obligatory reports to Financial Services Authority and other authorities;
 2. Build compliance awareness by regular dissemination of new regulations in order to reduce violations of regulations;
 3. In implementing Internal Audit function, the Board of Directors ensured the availability of the report of Internal Audit Function of the Bank that were presented in the Annual Report;
 4. Internal Audit Unit has performed objective audit processes according to audit policies and procedures taking into consideration the risk level in each working unit with reference to the principles in the Implementation SPFAIB;
 5. External Audit Unit has performed objective audit processes and the audit results within the specified audit scope reflected the condition of BTPN Syariah and the audit result was submitted on time to Financial Services Authority;
 6. The fulfilment of duties and responsibilities of Committee on Risk Governance of the Board of Commissioners and the Board of Directors has delivered active supervision to the implementation of risk management in BTPN Syariah by conducting routine monthly meetings and submitting mandatory reports;
 7. Fulfilment of obligation to conduct self-assessment once every 6 (six) months;
 8. Fulfilment of obligation through Integrated Governance Committee to deliver annual mandatory reports and self-assessment once every 6 (six) months;
 9. BTPN Syariah applied transparency in communicating information on products and services, implemented effective customer complaints handling and maintained private information and data of the customers according to the prevailing regulations;
 - Governance outcome with respect to improvement of human resources quality, which included amongst others:
 1. Along with the business growth of the Bank, BTPN Syariah managed human resources development on a continuous basis to support a sustained implementation of good corporate governance of the Bank by conducting induction program, training, refreshment and certification for all employees;
 2. Conducted Development and Refreshment Program for the Board of Commissioners, Sharia Supervisory Board and the Board of Directors in general and specific knowledge through refreshment on Risk Management training;
 3. Delivered Daya program which provided training and value adding services for customers, as concrete initiatives to realize the social responsibilities of BTPN Syariah. In 2018 and for the years ahead, the Bank has prepared various programs and activities that integrated business mission and social mission in the products, services and daily activities to serve underprivileged families in Indonesia;
 4. Provided incentive programs for employee achievement;
 5. Provided Employee Stock Allocation for core employees as the appreciation of the Bank.
 6. Established a postgraduate scholarship program for outstanding employees who fulfill the set criteria.
- BTPN Syariah is pledged to continuously improve the governance outcome as well as the governance quality in all layers of the organization so that the process and the outcome are always in accordance to the prevailing regulations and in line with the vision and mission.
- The Board of Commissioners, Sharia Supervisory Board and the Board of Directors are committed to ensure the implementation of good corporate governance principles on a sustained manner.

corporate secretary

The Profile of Corporate Secretary

In BTPN Syariah, the role of Corporate Secretary is undertaken by the Compliance Director, who is responsible to disseminate material information related to the performance of BTPN Syariah.

The profile of Corporate Secretary is available in page The Board of Directors Profile. The Corporate Secretary is domiciled in Jakarta, Indonesia.

References

BTPN Syariah has officially listed its shares in the Indonesia Stock Exchange on May 8, 2018. To fulfill the regulation POJK No. 35 and the Decision of the Board of Directors of PT Bursa Efek Indonesia No. Kep-00001/BEI/01-2014 dated January 20, 2014 concerning the Amendment to the Regulation No. I-A., BTPN Syariah has appointed Arief Ismail, Compliance Director as the Corporate Secretary. The appointment of Corporate Secretary is pursuant to the Circular Resolution of the Board of Directors No. 015/CIR/DIR/VIII/2017 dated August 22, 2017 and stated in the Board of Directors Decree No. SK.012/DIR/LG/VIII/2017 concerning the appointment of Corporate Secretary on August 22, 2017. On this appointment, BTPN Syariah had done the disclosure of information as stated in the Prospectus for the Initial Public Offering issued on April 26, 2018.

The term of office of Corporate Secretary has started since the signing of the Board of Directors Decree No. SK.012/DIR/LG/VIII/2017 until the closure of the Annual General Meeting of Shareholders 2020 (corresponds to the term of office of the Board of Directors appointed pursuant to the Resolution of Annual General Meeting of Shareholders on March 14, 2017).

The following a brief description about Corporate Secretary:

Name	Arief Ismail
Address	Menara BTPN, 12 th Floor CBD Mega Kuningan Jl. DR. Ide Anak Agung Gde Agung Kav. 5.5 – 5.6, Jakarta Selatan 12950
Tel.	(021) 300 26 400
Fax.	(021) 292 72 096
Email	corsec@btpnsyariah.com

Duties and Responsibilities of Corporate Secretary

The Duties and Responsibilities of Corporate Secretary according to POJK No. 35 are:

- a. To follow the development of Capital Market, particularly the prevailing laws and regulations in Capital Market;
- b. To provide advices to the Board of Directors and the Board of Commissioners of the Issuer or Public Company to comply to the laws and regulations in Capital Market;
- c. To assist the Board of Directors and the Board of Commissioners in the implementation of good corporate governance, including:
 1. Disclosure of information to the public including providing information in the website of the issuer or Public Company;
 2. Timely report submission to OJK;
 3. Convening and documenting the General Meeting of Shareholders;
 4. Convening and documenting the meetings of the Board of Directors and/or the Board of Commissioners;
 5. Conducting the company orientation program for the the Board of Directors and/or the Board of Commissioners.
- d. Serve as the liaison between the Issuer or Public Company and the Issuer's shareholders or the Public Companies, OJK and other stakeholders.

The Implementation of Duties and Responsibilities of the Corporate Secretary

In 2018, the Corporate Secretary had executed the duties and responsibilities including:

1. Convened the Annual General Meeting of Shareholders on February 28, 2018;
2. Convened the Extraordinary General Meeting of Shareholders (circular resolution) April 5, 2018;
3. Administered the listing and trading of the Initial Shares of BTPN Syariah in the Indonesia Stock Exchange on May 8, 2018;
4. Performed disclosure of information and/or reports obligated by the authorities;
5. Delivered press release;
6. Conducted Annual Public Expose at the same time with the Investor Summit 2018 PT Bursa Efek Indonesia on August 29, 2018;
7. Performed secretariat function during the meetings of the Board of Directors;
8. Participated in the training program held by the Financial Services Authority, Indonesia Stock Exchange and Indonesian Association of Issuers;
9. Updated the information in BTPN Syariah websites.

Training and Certification Program Attended by the Corporate Secretary in 2018

No	Training/Workshop	Organizer	Date
1	Preparation Program for Risk Management Certification –Executive	Banking Professionals Certification Agency	May 22, 2018
2	Seminar “The Active Roles of Banking Compliance in Maintaining the Stability by Combating the Financing of Terrorism”	Communication Forum for Bank Compliance Directors	June 26, 2018
3	Preparation Program for Risk Management Certification Level 5	GPS & Partners	July 31 & August 16, 2018
4	Risk Management Certification Level 5	Banking Certification Agency	August 21, 2018
5	Seminar 2nd Top 100 Bankers “How to Navigate Companies Through Global Turbulence and Political Risk 2019”	Infobank	October 30, 2018
6	Refreshment Program in Capital Market	BTPN Syariah - UBS Indonesia	November 6, 2018
7	Seminar: Implementation of Prudential Banking Coping with Global Economic Challenges and Global dan Focus Group Discussion (FGD) – Financial Services Authority – Banking Supervision	Communication Forum for Bank Compliance Directors	November 29, 2018
8	Refreshment Program Synergy in Diversity	BTPN - Net Mediatama	December 13, 2018

Press Release

No	Date	Description
1	May 8, 2018	The Shares of PT Bank Tabungan Pensiunan Nasional Syariah Tbk was officially listed in the Indonesia Stock Exchange (PT Bursa Efek Indonesia)
2	July 17, 2018	The financing of PT Bank Tabungan Pensiunan Nasional Syariah Tbk grew at 19,1% (nineteen point one percent), Assets increased by 32.5% (thirty two point five percent)
3	August 29, 2018	PT Bank Tabungan Pensiunan Nasional Syariah Tbk Focuses to Serve Productive Underprivileged Families
4	October 19, 2018	The financing grew at 21% (twenty one percent) with Very Good Financing Quality

Disclosure of Information

No	Date	Letter No.	Description
1	May 11, 2018	S.243/DIR/LG/V/2018	Disclosure of Information concerning Certain Shareholders – The Release of Assets 7% (seven percent) shares of PT Triputra Persada Rahmat in BTPN Syariah to PT Bank Tabungan Pensiunan Nasional Tbk
2	May 11, 2018	S.244/DIR/LG/V/2018	Disclosure of Information concerning Certain Shareholders – Investment of PT Bank Tabungan Pensiunan Nasional Tbk by means of purchasing the 7% (seven percent) shares of BTPN Syariah from PT Triputra Persada Rahmat
3	May 15, 2018	S.245/DIR/LG/V/2018	Report of Ownership or Any Changes of Shares Ownership of Public Company by means of purchase transaction of 7% of BTPN Syariah shares from PT Triputra Persada Rahmat by PT Bank Tabungan Pensiunan Nasional Tbk
4	May 15, 2018	S.248/DIR/LG/V/2018	Report of Ownership or Any Changes of Shares Ownership of Public Company by means of purchase transaction of 7% of BTPN Syariah shares from PT Triputra Persada Rahmat by PT Bank Tabungan Pensiunan Nasional Tbk
5	June 07, 2018	S.290/DIR/LG/VI/2018	Monthly Report – Registration of Securities Holder as of May 31, 2018

No	Date	Letter No.	Description
6	July 05, 2018	S.332/DIR/LG/VII/2018	Monthly Report – Registration of Securities Holder as of June 30, 2018
7	July 12, 2018	S.345/DIR/LG/VII/2018	Report of Realization of the Funds from Initial Public Offering
8	July 17, 2018	S.352/DIR/LG/VII/2018	Submission of Financial Reports and Evidence of Advertisement on Published Financial Reports position as of June 30, 2018 (unaudited) BTPN Syariah
9	August 01, 2018	S.381/DIR/LG/VIII/2018	Report of Ownership or Any Changes of Shares Ownership of Public Company
10	August 03, 2018	S.386/DIR/LG/VIII/2018	Monthly Report – Registration of Securities Holder as of July 31, 2018
11	August 10, 2018	S.404/DIR/LG/VIII/2018	Plan to Conduct Annual Public Expose 2018
12	August 24, 2018	S.423/DIR/CSL/VIII/2018	Submission of Materials for Annual Public Expose 2018
13	September 03, 2018	S.436/DIR/CSL/IX/2018	Public Expose Report
14	September 06, 2018	S.445/DIR/CSL/IX/2018	Monthly Report – Registration of Securities Holder as of August 31, 2018
15	October 04, 2018	S.477/DIR/CSL/X/2018	Monthly Report – Registration of Securities Holder as of September 20, 2018
16	October 19, 2018	S.510/DIR/CSL/X/2018	Submission of Financial Reports and Evidence of Advertisement on Published Financial Reports position as of September 30, 2018 (unaudited) BTPN Syariah
17	November 05, 2018	S.536/DIR/CSL/XI/2018	Monthly Report – Registration of Securities Holder as of October 31, 2018
18	December 06, 2018	S.569/DIR/CSL/XII/2018	Monthly Report – Registration of Securities Holder as of November 30, 2018

internal audit report

Internal Audit is an independent working unit that forms one of the elements of Internal Control System, functioning as the third line of defense. Internal Audit plays a crucial role in helping the Bank achieves its objectives through independent and objective assurance and consulting activities to provide added value for the Bank and improve the Bank's performance.

In executing this function, Internal Audit has a vision of becoming a strategic partner for the Bank in the supervision of Governance Process, Risk Management, and Control (GRC) using competent and professional auditors, by applying audit standards in accordance with best practices. In carrying out its activities, Internal Audit refers to the Implementation Standard of General Bank Internal Audit Function (SPFAIB), and Financial Services Authority Regulation on the Guideline of Internal Audit Establishment.

As an independent working unit, Internal Audit is directly responsible to the President Director and can directly communicate with the Board of Commissioners to inform a number of audit-related issues. Therefore, the Internal Audit of BTPN Syariah does not have the responsibility and reporting relationship with the management or other parties relevant to the operational aspect of the Bank, which can influence the revelation of the audit result. Furthermore, the independence of Internal Audit is demonstrated by the appointment and termination of the Head of Internal Audit, which is conducted by the President Director with the approval of the Board of Commissioners. This appointment and termination of the Head of Internal Audit is reported to the Financial Services Authority (OJK).

Internal Audit is headed by Gatot Prasetyo, who was appointed by the President Director with the approval of the Board of Commissioners since June 2017. He has more than 20 years of experience in the banking sector, on various areas such as Banking Operations, Operations Risk and Internal Audit.

He has participated in the Risk Management Certification Program, Syariah Banking Training, and attended a number of Internal Audit seminar/forum organized by the Institute of Internal Audit (IIA), Internal Bank Auditor Association (IAIB), Financial Services Authority and so forth. He has also joined various soft skill and leadership trainings organized by the Bank.

The duties and responsibilities of Internal Audit are as follow:

- Creating annual audit plan and obtaining approval from the President Director and Board of Commissioners
- Implementing the approved annual audit plan thorough assurance and consulting activities that are independent and objective, and designed to provide added value and improve the Bank's performance
- Helping the Bank to achieve its ojectives by implementing a systematic and disciplined approach to evaluate and improve the effectiveness of the Governance Process, Risk Management dan Control
- Developing audit result report and submit this report to the President Director and Board of Commissioners, copying the Compliance Director
- Submitting periodic report to the President Director and Board of Commissioners through the Audit Committee, containing the summary of audit activity result, copying the Compliance Director
- Monitoring and reporting the development of audit result follow-up, including the follow-up conducted by the Financial Services Authority
- Conducting special audit if needed
- Cooperating with external audit to achieve a comprehensive audit result
- Developing program to evaluate the quality of the conducted Internal Audit activity

To support its duties and function, Internal Audit has the following authorities:

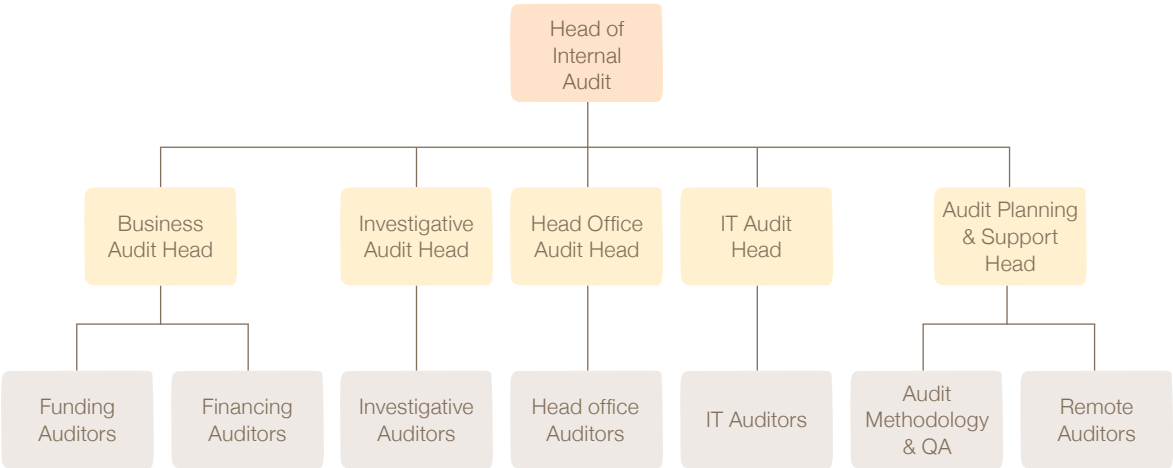
- Has unlimited access to all functions of the organization, records, employees, resources, and funds as well as other Bank assets related to the audit
- Allocating resources, determining frequencies, selecting subjects, and deciding on the audit scope needed to achieve the audit objective
- Applying audit method according to the generally accepted profession standard and audit standard, and adapting it to the condition on the ground
- Receiving all the necessary help from the audited unit personnel and experts, both from within and outside of the organization
- Conducting communication directly with the Board of Directors, Board of Commissioners, and Audit Committee

The scope, duties, and responsibilities, as well as authorities of Internal Audit are provided in an Internal Audit Charter signed by the Board of Commissioners, and stipulated by the President Director. The Bank’s Internal Audit Charter has been updated on May 8, 2018.

Several provisions established for an independent internal audit function are, Internal Audit staff are not allowed to have double positions or conduct other operational activities, and are not involved in any operational decision making (only as far as providing recommendation), the appointment of Internal Auditor must be kept apart from conflict of interest, both actual and potential, and Internal Audit has the right to determine and apply an audit method in accordance with the generally accepted profession standard and audit standard.

In line with the implementation of one of the Bank’s strategic initiatives, namely **Honing the Organizational Capactiy** to be agile and relevant, Internal Audit has conducted a change in its organizational structure.

The following is the Internal Audit’s organizational structure, effective since August 6, 2018.



The organization of Internal Audit Work Unit (SKAI) consists of five divisions, each performing the following function:

1. *Business Audit*
Performing audit on the Business area, including funding business and financing business, and monitoring the follow-up of the audit result
2. *Head Office Audit*
Performing audit on the Head Office area, in this case including support function that serves the Bank as a whole, and monitoring the follow-up of the audit result
3. *Investigative Audit*
Performing investigative audit on the area suspected of fraud
4. *Information Technology Audit*
Performing audit on the Information Technology area and monitoring the follow-up of the audit result
5. *Audit Planning & Support*
Responsible in facilitating the process of Annual Audit Planning, developing Audit Methodology & Tools, developing Auditors, performing Audit Quality Assurance, Remote Audit, Data Support & MIS, and Internal & External Regular Reporting.

In 2018, Internal Audit has performed audits according to plan, namely:

1. Thematic audit, focusing on the implementation of the Bank's strategic initiative and high risk areas
2. Audit to the distribution line (financing area and branch office)
3. Audit to functional unit
4. Mandatory audit to the Bank Indonesia Payment System and Internal Capital Adequacy Assessment Process (ICAAP).

The audit result has been addressed as an evaluation material for the aspects of policy, business process and operational, and human resource development. Internal Audit monitors all the audit follow-up to make sure that every issue has been resolved and risk has been controlled. To ensure this, each audit result and follow-up progress is reported to the Board of Directors and Board of Commissioners through Audit Committee. Until the end of 2018, the improvement follow-up has been conducted according to schedule.

The audit implementation refers to Implementation Standard of General Bank Internal Audit Function (SPFAIB) and Internal Audit Policy of BTPN Syariah. To improve audit quality, Internal Audit continuously develop its audit methodology and refine its audit program to suit the current business process development and best practices, including The Institute of Internal Auditors (IIA) and Information System Audit and Control Association (ISACA).

Throughout 2018, Internal Audit has implemented two initiatives to support BTPN Syariah's strategy, namely:

1. Conducting Internal Audit Capacity Building, by implementing automation on the audit process and applying efficiency on the audit process
2. Conducting Data Analytic Development as an effort to improve audit quality, time efficiency in analyzing data, and as a part of the early warning system.

Internal Audit has a code of ethics as guideline for all auditors in carrying out their tasks, including the obligation to always uphold integrity, objectivity, confidentiality, and continuously improve their competency. As a form of commitment to implementing as such, every year each Auditor must sign the internal audit's code of ethics.

As the Bank develops, and to increase the function and role of Internal Audit, in 2018, it conducted an organizational capacity building and human resource development for SKAI. The capacity building was done by recruiting for several positions, namely IT Audit Head and Head Office Auditor.

The Internal Audit's human resource development was conducted by improving auditors' skill and competency through training programs, both internal and external. These programs consisted of external training, in-house training, and e-learning. Human resource development was also conducted through internal knowledge sharing by way of direct meetings and periodic publishing of the Internal Audit bulletin "Just Share".

In 2018, several internal trainings for auditors have been held, including on Data Analytics, IT for Non IT Training, and other trainings. In addition, the Internal Audit Team attended a number of seminar on current audit activities organized by auditor associations such as IIA, ISACA and IAIB. In terms of training to prepare for certification examination, some Auditors have participated in the training to prepare for Risk Management Certification examination, Certified Fraud Examiner (CFE) and Certified Bank Internal Audit (CBIA).

Until the end of 2018, Internal Audit has been supported by auditors with the following profession certification; 2 Certified Information Systems Auditor (CISA), 2 Qualified Internal Audit (QIA), 13 Certified Bank Internal Audit (CBIA), and 3 Chartered Accountant (CA).

compliance report



Good corporate governance is the mandatory requirement for BTPN Syariah to grow rapidly and healthily. The Bank compliance to the regulation reflects a good corporate governance which at the same time become the foundation for BTPN Syariah to grow progressively and healthily.

To support a fast and healthy growth according to plan, the Compliance Unit has implemented relationship concept to create a compliance culture in all layers of the organization by improving collaboration, coordination, communication and synergy that is in line with the vision and mission of BTPN Syariah.

Risk Management is implemented through a number of activities including:

1. The supervision of the Board of Commissioners, the Sharia Supervisory Board and the Board of Directors have been implemented well through a structured mechanism in regular meetings and direct visits to the field;
2. Policies and SOP have been periodically reviewed to ensured its adherence to the external regulations;
3. Compliance Risk Management Process has been well implemented to ensure that the composite value of the compliance risk profile was at Strong level – which indicated that the compliance culture has been well implemented in BTPN Syariah;
4. Internal Control system has been functioning well as evidenced by good sinergy across controllers so that compliance can be futher improved.

In accordance with the activities that has been performed, the key achievement in 2018 were:

1. Compliance Culture has been well implemented in BTPN Syariah as reflected in the well-maintained prudential ratio, no penalty imposed by the regulator and all the parameter of the compliance risk profile that indicated positive value making the Composite Value of Compliance Risk Profile at Level 1 (Strong);
2. The relationship concept for the Internalization of Regulation from Regulator has been implemented well as evidenced by no lateness in implementing the external regulation into the internal regulation and the more effective communication with the other divisions regarding the obligation to implement the regulations. On top of that, there were also regular issues of Compliance Update and continuous monitoring to ensure the progress of the follow up actions by BTPN Syariah with regard to the implementation of the new regulations;
3. All of the commitments of BTPN Syariah to the regulator has been fulfilled according to the agreed timeline including BTPN Syariah commitment for the assessment result in 2018 and the other commitment such as implementation of AML/CFT according to the prevailing regulations.

The above achievement should be seen within the context of how BTPN Syariah has dealt with the challenges arising during 2018, elaborated as follows:

1. The new regulations issued by the regulator were so many and BTPN Syariah is obliged to comply with all of them. What BTPN Syariah did then was to update the regulations on daily basis and assigned PIC to follow up for every area of responsibility. All had been done thoroughly so that BTPN Syariah is always in compliance to the regulations;
2. The number of employees that are so huge and widely spread across regions carries the potential of incompliance to the rules. To mitigate this, BTPN Syariah ensured that the internal control was adequate and performed on periodic basis and the Sharia Supervisory Board supervised the implementation to ensure compliance to the Sharia Principles by employees and customers in the field. In addition to the compliance assessment to ensure that the operational activities in BTPN Syariah are always in adherence to the prevailing rules and regulations, BTPN Syariah also conducts regular education of the regulations through communication media that are accessible for all employees;
3. The number of reports that had to be submitted to the regulators were so many with the different deadlines. To anticipate this, BTPN Syariah used the reminder system that worked well to prevent any delay in the completion and submission of the report.

As a public company BTPN Syariah always identifies the regulations related to public company and develop internal regulations accordingly to ensure compliance with the prevailing laws and regulations. Communication with the regulators as a public company will be further improved and the compliance culture will be further strengthened to make a culture that every layer of the organization lives by.

Good corporate governance is an absolute requirement for BTPN Syariah to grow rapidly and healthily.

Compliance culture must be further improved to anticipate the potential for Compliance Risk that might happen. The potentials for compliance risk that can be identified are:

1. Numerous of reports carrying the potential of delay in submitting the reports to the regulators, including the report on AML/CFT programs;
2. Numerous of regulations that must be issued and implemented by BTPN Syariah as obliged by the regulator – carrying the potential of delay in BTPN Syariah in internalizing the regulations;
3. Numerous of customers with the various level of understanding to the regulations carrying the potential of inconsistency in implementing the regulation.

As a public company, the compliance level must be improved not only compliance to regulations from Financial Services Authority for Banking for but also regulations from Financial Services Authority for Capital Market. The compliance culture will be further improved and make it a culture implemented in every layer in the organization.

Entering the year 2019, the strategies to improve the compliance culture are:

1. From the Governance Perspective
 - 1.1. Ensure that all the regulations in the Bank are in compliance to the rules issued by the regulator;
 - 1.2. Internalization of regulations must be done immediately and effectively with good quality;
 - 1.3. Development of portal for regulations will help all the employees to access a reliable source of regulations as the guidelines in the execution of duties and responsibilities on daily basis.

2. From the Awareness Perspective
Ensure that compliance culture is communicated to all layers in the organization through communication media of BTPN Syariah and through effective training which ensures that training materials are understood by the employees to be further implemented in the daily execution of duties and responsibilities.
3. From the Assessment perspective
Ensure that the operational activities of BTPN Syariah are in compliance to the prevailing regulations by conducting direct checking in the field in order to mitigate the potential of incompliance in the field.

In addition, for the implementation of AML/CFT, BTPN Syariah will implement Risk Based Approach (RBA) through Risk Sectoral Assessment (RSA) according to the regulations of Financial Services Authority and PPATK. By implementing this approach, BTPN Syariah will be able to identify the customers in several categories, that is Low, Medium and High. The good implementation of “Know Your Customers” principle will keep BTPN Syariah healthy and protected from the money laundering practices or financing of terrorism. The strong compliance culture will support BTPN Syariah to grow rapidly and healthily.

As such activities, it is expected that good Compliance Culture will be nurtured since it is indeed the responsibility of all layers of the organization. The Bank compliance to the prevailing regulations is a reflection of good corporate governance that is the foundation for BTPN Syariah to grow rapidly and healthily.

committee reports

The Board of Commissioners' Committee

In order to implement the good corporate governance principles to improve the effectiveness of the undertaking of duties of the Board of Commissioners and to improve the quality of work, BTPN Syariah had established the Board of Commissioners' Committee.

Risk Monitoring Committee

As obligated in the Regulations of Bank Indonesia PBI No. 11/33/PBI/2009 concerning the implementation of Good Corporate Governance for Sharia Commercial Bank and Sharia Business Unit, BTPN Syariah had established the Risk Monitoring Committee.

The Charter of Risk Monitoring Committee

Risk Monitoring Committee has a Charter that guides the undertaking its duties and responsibilities that amongst others governs: Organization, Membership Requirements, Independency, Duties and Responsibilities, the Authority of the Committee, Work Ethics, Meetings, Minutes of Meeting and Report, Reporting Responsibility, Term of Office, etc.

Independency of Risk Monitoring Committee

1. Independent Commissioner is the member of the Board of Commissioner who does not have financial relationship, management, shares ownership, and/or family relationship with the other members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or other relationship of whatsoever in nature, which may influence his/her ability to act in an independent manner;
2. Independent Party is the party outside the Bank who does not have financial relationship, management, shares ownership, and/or family relationship with the members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or other relationship of whatsoever in nature, which may influence his/her ability to act in an independent manner.

Duties and Responsibilities of Risk Monitoring Committee

According to the latest Charter of the Committee, No.04/Pedomankerja/LG/V/2018 dated May 8, 2018; the main duties and responsibilities of the Risk Monitoring Committee is to provide independent professional opinion to the the Board of Commisioners concerning the reports and other matters presented by the Board of Directors to the Board of Commissioners and to identify matters requiring attention of the Board of Commissioners, including amongst others:

1. To prepare annual Work Plan of the Committee for the approval of the Board of Commissioners;
2. To provide independent professional opinion to the the Board of Commisioners concerning the reports and other matters pertaining to risk management presented by the Board of Directors to the Board of Commissioners and to identify matters requiring attention of the Board of Commissioners;
3. To evaluate risk appetite and risk limit that have to be approved by the Board of Commissioners;
4. To analyze the effectiveness of Risk Management Unit and Risk Management Committee;
5. To evaluate the conformity between the Bank risk management policy and its implementation;
6. To monitor and evaluate the work of the Risk Management Committee and the Risk Management Unit in order to provide recommendation to the Board of Commissioners;
7. To evaluate the Bank Risk Management Policy at least once a year;
8. To evaluate the Risk Management Policy Implementation Report of the Board of Directors at least on quarterly basis;
9. To keep the confidentiality of all the data and information document of the Bank;
10. To conduct investigation or grant the authority to conduct investigation in certain matters within the respective scope of work;

11. To work in collaboration with the external consultant, accountant or other external party who provide advices to the committee with regard to the investigation, and asking for information and cooperation from the employees of the collaborating partners upon the request of the Committee;
12. Duties other than the above mentioned, as tasked by the Board of Commissioners to the Committee within the scope of duties anytime required.

Composition of Risk Monitoring Committee

The latest Composition of Risk Monitoring Committee BTPN Syariah refers to the Board of Directors Decree SK.002H/DIR/LG/V/2018 dated May 8, 2018.

The Composition of Risk Monitoring Committee as of December 31, 2018 was:

No.	Name	Position	Appointment Date
1	Dewie Pelitawati (Independent Commissioner)	Chairman of the Committee and Member	June 13, 2014
2	Kemal Azis Stamboel (President Commissioner/Independent)	Member of the Committee	April 17, 2015
3	Mahdi Syahbuddin (Commissioner)	Member of the Committee	October 1, 2015
4	Azis Budi Setiawan (Independent Party)	Member of the Committee	September 15, 2014
5	Muhammad Faisal Muchtar (Independent Party)	Member of the Committee	September 15, 2014

The establishment of Risk Monitoring Committee has met all the terms and competency requirement and in accordance to the good corporate governance principles.

Authorities of Risk Monitoring Committee

1. The Committee is authorized to have full, free and unlimited access to the information on employees, funds, assets and other Bank resources in fulfilling its duties and responsibilities;
2. In exercising the authority, the Committee shall be working with the Risk Management Unit and/or other unit whenever deemed necessary.

Term of Office

1. The term of office of the members of the Committee is not exceeding the term of office of the Board of Commissioners as stipulated the Articles of Association and can be reelected for the following term;
2. In the event that the member of the Board of Commissioners serving as the Chairman of the Committee resigns before the end of the term as the Bank Commissioner, the Chairman of the Committee will be replaced by the Independent Commissioner;
3. In the event that the term of office of the member of Committee has ended, and according to the regulation, reelection is not possible, whereas at the same time, the Board of Committee is not eligible to appoint the member of the Committee, then the term of the Committee membership will be extended until such a time that the Board of Commissioner is eligible to appoint the new member of the Committee.

Profile of the Member of Risk Monitoring Committee

The profile of Risk Monitoring Committee is available on the Section: Profile of the Members of the Board of Commissioners and the Independent Parties in this Annual Report.

Meeting Policy

1. The Committee Meeting is conducted periodically according the needs of the Bank, at least similar with the policy of the minimum number of meetings of the Board of Commissioners, that is 6 (six) time in 1 (one) year. The Board of Directors and the Board of Commissioners is allowed to determine the minimum number of periodic meeting that is exceeding this rules according to the needs and agreement;
2. The Committee meetings can be convened only if it is attended by at least 51% (fifty one) percent of the total number of members, including one Independent Commissioner and one Independent Party;
3. The decision of the Committee Meeting must be made with consensus. In the event that consensus is not achieved, the decision making will be administered through voting mechanism;
4. The Committee Meeting is chaired by the Chairman of the Committee;
5. In the event that the Chairman of the Committee is not present, then one of the Committee Member attending the meeting will be appointed to chair the meeting; The result of the Meeting shall be written the minutes of meeting and documented well;
6. The dissenting of opinions arising in the Committee Meeting shall be clearly stated in the Minutes of Meeting including the reason for such the dissenting of opinion;
7. Dissenting opinions in the committee meetings must be clearly stated in the minutes of meetings, along with the reason for such dissent;
8. The Committee is also allowed to make valid decision without convening a Committee Meeting, provided that all the members of the committee

are notified in writing and that all members of the Committee grant their approval for the recommendation that are proposed in writing by signing the circular approval. The decision made through such mechanism carries the same legal power as the decision that are made in the Committee Meeting.

Risk Monitoring Committee Report

The Risk Monitoring Committee has actively provided recommendation to the Board of Commissioners. Throughout 2018; the Risk Monitoring Committee had held 5 (five) meetings and 1 (one) circular meeting.

The Committee had conducted field visits to the Branches in Banyuwangi, Padang, Malang, Semarang, Demak, and special visit to Tambun Selatan.

Throughout 2018, the Risk Monitoring Committee discussed and provided recommendation which included amongst others:

1. Prepared and approved the work plan and program for 2018 and the Committee Charter;
2. Reviewed and evaluated to work of Risk Management Committee and Risk Management Unit and monitored the risk exposure of the business activities of BTPN Syariah, including the potential emerging risk;
3. Monitored BTPN Syariah Risk profile, capital adequacy and BTPN Syariah healthiness level;
4. Supervised the implementation of BTPN Syariah strategic actions and products;
5. Provided recommendation and suggestion for improvement to improve BTPN Syariah business performance.

Audit Committee

As obligated by the Regulations of Bank Indonesia PBI No. 11/33/PBI/2009 concerning the implementation of Good Corporate Governance for Sharia Commercial Bank and Sharia Business Unit, BTPN Syariah had established the Audit Committee.

The establishment of the Audit was pursuant to POJK Nomor 55/POJK.04/2015.

The Charter of Audit Committee

The Audit Committee has the Charter that guides the undertaking its duties and responsibilities that amongst others governs: Organization, Membership Requirements, Independency, Duties and Responsibilities, the Authority of the Committee, Work Ethics, Meetings, Minutes of Meeting and Report, Reporting Responsibility, Term of Office, etc.

Independency of Audit Committee

1. Independent Commissioner is the member of the Board of Commissioner who does not have financial relationship, management, shares ownership, and/or family relationship with the other members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or other relationship of whatsoever in nature, which may influence his/her ability to act in an independent manner;
2. Independent Party is the party outside the Bank who does not have financial relationship, management, shares ownership, and/or family relationship with the members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or other relationship of whatsoever in nature, which may influence his/her ability to act in an independent manner.

Duties and Responsibilities of Audit Committee

According to the latest Charter No.02/Pedoman Kerja/LG/V/2018 dated May 8, 2018; the main duties and responsibilities of the Audit Committee is to provide independent professional opinion to the the Board of Commisioners concerning the reports and other matters presented by the Board of Directors to the Board of Commissioners and to identify matters requiring attention of the Board of Commissioners, including amongst others:

1. To prepare annual activity plan for the approval of the Board of Commissioners;
2. To monitor and evaluate the implementation of internal and external audit plan and the respective follow up actions of the audit results to ensure the adequacy of internal control including the adequacy of financial reporting process;
3. To review the financial information to be issued by the Bank, including financial statements, financial projection and other financial information; and ensure that the financial statements is in accordance to the prevailing accounting standards;
4. To analyze the Bank compliance to the laws and regulations in capital market and the other prevailing regulations;
5. To provide recommendation on the appointment of Public Accountant to the Board of Commissioners to be presented to the Annual General Meeting of Shareholdes, taking into account the following factors – independency, scope of work, and fee – and ensure that the implementation of audit by the public accountant is in accordance to the audit standards;
6. To analyze the objectivity of the Public Accounting Firm and the adherence of the audit process by the Public Accounting Firm to the audit standards;
7. To analyze the adequacy of assessment by the Public Accounting Firm to ensure that all risks have been properly considered;
8. To monitor and evaluate the follow up actions of the Board of Directors to the findings of Internal Audit Unit and the assessment results of the Financial Services Authority/Bank Indonesia in order to provide recommendation to the Board of Commissioners;
9. To analyze claim against the Bank and report it to the Board of Commissioners;
10. To review complaints related to accounting processes and the Bank financial reporting;
11. To keep the confidentiality of all document, data and information of the Bank;
12. To conduct investigation or grant the authority to do investigation in certain matters within the scope of duties whenever deemed necessary;
13. To work in collaboration with the external consultant, accountant or other external party who provide advices to the committee with regard to the investigation, and asking for information and cooperation from the employees of the collaborating partners upon the request of the Committee;
14. The Audit Committee provides independent opinion in the event of dispute between the management and public accounting for the services rendered.

Composition of Audit Committee

The latest Composition of Audit Committee BTPN Syariah refers to the Board of Directors Decree SK. No.002/DIR/LG/V/2018 dated May 8, 2018.

The Composition of Audit Committee as of December 31, 2018 was:

No.	Name	Position	Appointment Date
1	Kemal Azis Stamboel (President Commissioner/Independent)	Chairman of the Committee and Member	June 13, 2014
2	Dewie Pelitawati (Independent Commissioner)	Member of the Committee	April 17, 2015
3	Azis Budi Setiawan (Independent Commissioner)	Member of the Committee	September 15, 2014
4	Muhammad Faisal Muchtar (Independent Commissioner)	Member of the Committee	September 15, 2014

The establishment of Audit Committee has met all the terms and competency requirement and in accordance to the good corporate governance principles.

Authorities of Audit Committee

1. The Committee is authorized to obtain full, free and unlimited access to information on employees, funds, assets and other Bank resources in fulfilling its duties and responsibilities including the other authorities granted by the Board of Commissioners;
2. In exercising the authority, the Committee shall be working with the Internal Audit Unit and/or other unit whenever deemed necessary;
3. To involve independent party outside the Audit Committee to assist the undertaking of its duties whenever deemed necessary.

Term of Office of Audit Committee

1. The term of office of the members of the Committee is not exceeding the term of office of the Board of Commissioners as stipulated the Articles of Association and can be reelected only for 1 (one) time in the following term.
2. In the event that the Chairman of the member of Audit Committee resigns before the end of the term, he/she will be replaced by the Independent Commissioner.

3. In the event that the term of office of the member of Committee has ended, and according to the regulation, reelection is not possible, whereas at the same time, the Board of Committee is not eligible to appoint the member of the Committee, then the term of the Audit Committee membership will be extended until such a time that the Board of Commissioner is eligible appoint the new member of the Audit Committee.

Profile of the Member of Audit Committee

The profile of the members of Audit Committee is available on the Section: Profile of the Members of the Board of Commissioners and the Independent Parties in this Annual Report.

Meeting Policy

1. The Committee will convene Meetings periodically according the needs of the Bank, at least similar with the policy of the minimum number of meetings of the Board of Commissioners, that is 6 (six) time in 1 (one) year. The Board of Commissioners is allowed to determine the minimum number of periodic meeting that is exceeding this rules according to the needs and agreement;
2. The Committee meetings can be convened only if it is attended by at least 51% (fifty one percent) of the total number of members, including one Independent Commissioner and one Independent Party.

3. The decision of the Committee Meeting must be made with amicably consensus. In the event that consensus is not achieved, the decision making will be administered through voting mechanism.
4. The Committee Meeting is chaired by the Chairman of the Committee.
5. In the event that the Chairman of the Committee is not present, then one of the Committee Member attending the meeting will be appointed to chair the meeting;
6. The result of the Meeting shall be written the minutes of meeting and documented well;
7. The dissenting of opinions arising in the Committee Meeting shall be clearly stated in the Minutes of Meeting including the reason for the such the dissenting of opinion;
8. The Committee is also allowed to make valid decision without convening a Committee Meeting, provided that all the members of the committee are notified in writing and that all members of the Committee grant their approval for the recommendation that are proposed in writing by signing the circular approval. The decision made through such mechanism carries the same legal power as the decision that are made in the Committee Meeting.
9. The meeting between Internal Audit Unit and the Audit Committee without attendance by the management shall be convened at least once a year;
10. The meeting between Internal Audit Unit and the Compliance Unit without attendance by the management shall be convened at least once a year;
11. The meeting between Internal Audit Unit and the External Auditor without attendance by the management shall be convened at least once a year upon the closing of financial report.

Statement of Audit Committee concerning the Effectiveness of Internal Control System

The Audit Committee had made the evaluation and ensured that the Internal Control system in the Bank was effective and adequate, including the finance control, operational, and compliance to the prevailing laws and regulations.

Audit Committee Report

The Risk Monitoring Committee had actively provided recommendation to the Board of Commissioners. Throughout December 31, 2018, the Audit Committee has held 6 (six) meetings and issued 4 (four) circular decision.

The Committee made working field visit throughout 2018 to the areas of Banyuwangi, Padang, Malang, Semarang, Demak, and special visit to Tambun Selatan.

Throughout 2018, the Audit Committee discussed and provided recommendation which included amongst others:

1. Prepared the work plan and program of Audit Committee for the year 2018;
2. Monitored and evaluated the Bank financial performance periodically;
3. Reviewed the proposed Financial Statements of the Bank;
4. Provided recommendation regarding external auditor appointment and discussed the external audit plan 2018;
5. Monitored and evaluated the implementation and the assessment by Internal Audit Unit in 2018 and monitored the follow actions of the audit findings;
6. Provides strategic recommendation supporting the implementation all duties and responsibilities of the IAU;
7. Reviewed the Audit Plan 2018 periodically and the provided the recommendation to the Board of Commissioners based on the result of the review;
8. Monitored the Bank compliance to the prevailing regulations;
9. Monitored the action and resolution for internal fraud cases;
10. Reviewed the Charter periodically;
11. Monitor the implementation of the Bank strategic actions.

Nomination and Remuneration Committee

As obligated by the Regulations of Bank Indonesia PBI No.11/33/PBI/2009 concerning the implementation of Good Corporate Governance for Sharia Commercial Bank and Sharia Business Unit, BTPN Syariah had established Nomination and Remuneration Committee.

The establishment of the Audit was pursuant to POJK No. 34/POJK.04/2014.

The Charter of Nomination and Remuneration Committee

The Nomination and Remuneration Committee has the Charter that guides the undertaking its duties and responsibilities that amongst others governs: Organization, Membership Requirements, Independency, Duties and Responsibilities, Remuneration Policy of the Board of Commissioners, the the Sharia Supervisory Board and the Board of Directors, the Authority of Nomination and Remuneration Committee, Work Ethics, Meetings, Minutes of Meeting and Report, Reporting Responsibility, Term of Office, etc.

Independency of Nomination and Remuneration Committee

1. Independent Commissioner is the member of the Board of Commissioner who does not have financial relationship, management, shares ownership, and/or family relationship with the other members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or other relationship of whatsoever in nature, which may influence his/her ability to act in an independent manner;
2. Independent Party is the party outside the Bank who does not have financial relationship, management, shares ownership, and/or family relationship with the members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or other relationship of whatsoever in nature, which may influence his/her ability to act in an independent manner.

Duties and Responsibilities of Audit Committee

The duties and responsibilities of the Nomination and Remuneration Committee refers to the latest Charter of the Nomination and Remuneration Committee No.03/PedomanKerja/LG/V/2018 dated May 8, 2018.

The Committee is responsible to provide independent professional opinion to the the Board of Commissioners concerning the reports and other matters presented by the Board of Directors to the Board of Commissioners and to identify matters requiring attention of the Board of Commissioners, including amongst others:

1. Regarding Remuneration Policy:
 - a. To evaluate the remuneration policy;
 - b. To evaluate the conformity between the remuneration policy and its implementation;
 - c. To provide recommendation to the Board of Commissioners regarding Remuneration Policy for the Board of Commissioners, the Board of Directors and Sharia Supervisory Board;
 - d. To review and provide recommendation to the Board of Commissioners regarding high level Remuneration Policy for employees taking into consideration internal and external factors.
2. Regarding nomination policy:
 - a. To provide recommendation to the Board of Commissioners regarding the composition of the Board of Directors and/or the Board of Commissioners;
 - b. To provide recommendation regarding the system and procedure for selection and/or replacement of the Board of Commissioners and the Board of Directors to the Board of Commissioners to be presented to the GMS;
 - c. To provide recommendation regarding the candidate(s) of the member(s) of the Board of Commissioners, the Board of Directors, and the Sharia Supervisory Board to the Board of Commissioners to be presented to the GMS;
 - d. To provide recommendation regarding the Independent Party to be the member of the Audit Committee and Risk Monitoring Committee to the Board of Commissioners;

- e. To assist the Board of Commissioners in conducting performance evaluation of the Board of Directors and/or the Board of Commissioners;
- f. To prepare development program for the members of the Board of Directors and/or the Board of Commissioners.
- 3. The Committee shall ensure that the remuneration policy will at least conform to the following:
 - a. Financial performance;
 - b. Fulfillment of the statutory reserves as set forth in the prevailing laws and regulations;
 - c. Fairness to the peer group;
 - d. The Bank long term strategy and objectives.
- 4. To keep the confidentiality of all document, data and information of the Bank;
- 5. Duties other than the above mentioned, as tasked by the Board of Commissioners to the Committee according to its function and duties whenever deemed necessary.

Composition of Nomination and Remuneration Committee

The latest Composition of Nomination and Remuneration Committee BTPN Syariah refers to the Board of Directors Decree SK No.002I/DIR/LG/V/2018 dated May 8, 2018 concerning the composition of the Nomination and Remuneration Committee.

The Composition of Nomination and Remuneration Committee as of December 31, 2018 was:

No.	Name	Position	Appointment Date
1	Kemal Azis Stamboel (Komisaris Utama/Independent)	The Chairman of the Committee and Member	June 13, 2014
2	Dewie Pelitawati (Independent Commissioner)	Member of the Committee	June 13, 2014
3	Mahdi Syahbuddin (Commissioner)	Member of the Committee	April 7, 2015
4	Maya Kartika (Commissioner)	Member of the Committee	July 1, 2017
5	Sulistyo Yuwono (Human Capital Head)	Member of the Committee and Secretary	March 13, 2017

The establishment of Nomination and Remuneration Committee has met all the terms and competency requirement and in accordance to the good corporate governance principles.

Authorities of Nomination and Remuneration Committee

1. The Committee is authorized to obtain full, free and unlimited access to information on employees, funds, assets and other Bank resources in fulfilling its duties and responsibilities including the other authorities granted by the Board of Commissioners;
2. In exercising the authority, the Committee shall be working with the Directorate in charge of Human Capital and/or other unit including engaging consultant whenever deemed necessary.

Term of Office of Nomination and Remuneration Committee

1. The term of office of the members of the Committee is not exceeding the term of office of the Board of Commissioners as stipulated the Articles of Association and can be reelected for the following term;
2. In the event that the member of the Board of Commissioners serving as the Chairman of the Committee resigns before the end of the term of office as the Bank Commissioner, the Chairman of the Committee will be replaced by the Independent Commissioner;
3. In the event that the term of office of the member of Committee has ended, and according to the regulation, reelection is not possible, whereas at the same time, the Board of Committee is not eligible to appoint the member of the Committee, then the term of the Committee membership will be extended until such a time that the Board of Commissioner is eligible to appoint the new member of the Committee;
4. The replacement of the member of the Committee who is not the member of the Board of Commissioners must be administered at the latest within 60 (sixty) days since the Committee member is not capable to perform the duties.

Profile of the Members of the Nomination and Remuneration Committee

Profile of the members of Nomination and Remuneration Committee is available in the Section: Profile of the Board of Commissioners and Independent Party in this Annual Report.

Meeting Policy

1. The Committee will convene Meetings periodically, at least once every 4 (four) months or upon the request of the Board of Commissioners;
2. The Committee meetings can be convened only if it is attended by at least 51% (fifty one percent) of the total number of members, including one Independent Commissioner and Executive Officer;
3. The decision of the Committee Meeting must be made with consensus. In the event that

consensus is not achieved, the decision making will be administered through voting mechanism;

4. The Committee Meeting is chaired by the Chairman of the Committee;
5. In the event that the Chairman of the Committee is not present, then one of the Committee Member attending the meeting will be appointed to chair the meeting;
6. The result of the Meeting shall be written the minutes of meeting and documented well;
7. The dissenting of opinions arising in the Committee Meeting shall be clearly stated in the Minutes of Meeting including the reason for the such the dissenting of opinion;
8. The Committee is also allowed to make valid decision without convening a Committee Meeting, provided that all the members of the committee are notified in writing and that all members of the Committee grant their approval for the recommendation that are proposed in writing by signing the circular approval. The decision made through such mechanism carries the same legal power as the decision that are made in the Committee Meeting.

Nomination and Remuneration Committee Reports

In 2018, the Nomination and Remuneration Committee conducted 3 (three) meetings of Nomination and Remuneration Committee that discussed amongst others:

1. The Committee recommendation to the Board of Commissioners regarding the annual total remuneration 2018 for the Board of Commissioners, the Sharia Supervisory Board and the Board of Directors;
2. The plan to implement POJK 59/POJK.03/2017 concerning the Implementation of Remuneration Governance for Sharia Commercial Bank and Sharia Business Unit;
3. Preparation for Annual General Meeting of Shareholders 2019 for which the Remuneration and Nomination Committee agrees that remuneration and nomination for the management will be discussed in the Remuneration and Nomination Committee Meetings to be held in January 2019.

Meetings of the Board of Commissioners' Committees

In 2018, the frequency of meetings and the attendance of the Board of Commissioners' Committees were, as follows:

No.	Name	Audit Committee	Risk Monitoring Committee	Nomination and Remuneration Committee
1	Kemal Azis Stamboel	6/6	4/6	3/3
2	Dewie Pelitawati	6/6	5/6	3/3
3	Mahdi Syahbuddin	-	4/6	2/3
4	Maya Kartika	-	-	3/3
5	Azis Budi Setiawan	6/6	5/6	-
6	M. Faisal Muchtar	5/6	4/6	-
7	Gatot Prasetyo*	6/6	-	-
8	Hari Pudjo Santoso*	-	3/6	-
9	Sulistyo Yuwono*	-	-	3/3

* Secretary of the Committee

Integrated Governance Committee

The implementation of corporate governance in BTPN Syariah refers to Bank Indonesia Regulation (PBI) No.11/33/PBI/2009 dated December 7, 2009 concerning Implementation of Good Corporate Governance for Sharia Commercial Bank and Sharia Business Unit and PBI No.15/13/PBI/2013 concerning Amendment to PBI No. 11/3/PBI/2009 regarding Sharia Commercial Bank.

Establishment of Integrated Governance Committee

As obligated by POJK No.17/POJK.03/2014 dated November 19, 2014 and POJK No.18/POJK.03/2014 dated November 18, 2014 concerning Implementation of Integrated Governance for Financial Conglomeration, and SE OJK No.15/SEOJK.03/2015 dated Mei 25, 2015 concerning Implementation of Integrated Governance for Financial Conglomeration, Sumitomo Mitsui Bank Corporation (SMBC) Group had issued a letter dated March 31, 2015 which determined the members of Financial Conglomeration of SMBC Group as follows:

1. PT Bank Sumitomo Mitsui Indonesia (SMBCI) as the Main Entity;
2. PT Bank Tabungan Pensiunan Nasional Tbk (BTPN) as the Member Entity;
3. PT Bank Tabungan Pensiunan Nasional Syariah Tbk (BTPN Syariah) as the Member Entity.

Duties and Responsibilities of Integrated Governance Committee

According to the Charter of the Integrated Governance Committee, the duties and responsibilities of the Committee shall at least include the following:

1. To evaluate the implementation of Integrated Governance, at least by assessing the adequacy of integrated internal control and integrated compliance function; and
2. To provide recommendation to the Board of Commissioners of the Main Entity to refine the Guidelines of Integrated Governance.

Composition of Integrated Governance Committee

BTPN Syariah had nominated the latest members of the Integrated Governance Committee, referring to the Letter No. S.241/DIR/LG/V/2017 dated May 30, 2017 addressed to BTPN and Letter No.S.242/DIR/LG/V/2017 dated May 30, 2017 addressed SMBCI concerning Nomination of the Members of Integrated Governance Committee BTPN Syariah 2017.

The latest composition of Integrated Governance Committee as of December 31, 2018 was, as follows:

No.	Name	Position
1	A. Tony Prasetyantono* (Independent Commissioner SMBCI)	Chairman
2	Irwan Mahjudin Habsjah (Independent Commissioner BTPN)	Member
3	Ninik Herlani (Independent Commissioner SMBCI)	Member
4	Dewie Pelitawati (Independent Commissioner BTPN Syariah)	Member
5	Muhamad Faiz (Member of the Sharia Supervisory Board BTPN Syariah)	Member

* Replace Bramono Dwiedjanto.

Integrated Governance Committee Meetings

In 2018, the Integrated Governance Committee had convened 2 (two) meetings that discussed amongst others:

1. First Meeting.

- a. Impementation of Schedule and Workplan of the Committee in 2017:
 - Evaluation of Integrated Governance Implementation (Semester II 2017) based on Compliance and Integrated Governance Report and Integrated Internal Audit Report;
 - Review Self Assessment Report – Implementation of Integrated Governance and Conclusion of the Rating of the Implementation of Integrated Governance Implementation in SMBC Group Financial Conglomeration to OJK;
 - Preparation of Report on the Duties and Responsibilities of Integrated Governance Committee (Semester II 2017) to the Board of Commissioners of the Main Entity (SMBCI).
- b. Others:
 - Progress of the follow up of the Meeting Results of the Previous term (Semester I 2017);
 - Issue the Committee Schedule and Work Plan 2018;
 - Progress of the follow up concerning OJK Publication on Parent Company of Financial Conglomeration.

2. Second Meeting.

- a. Introduction of the New Chairman of the Integrated Governance Committee.
- b. Impementation of Schedule and Workplan of the Integrated Committee in 2018:
 - Evaluation Result Third Edition – The Charter of Integrated Governance Committee Charter and Fourth Edition – Integrated Governance Guidelines;
 - Evaluation of Integrated Governance Implementation (Semester I 2018) based on Compliance and Integrated Governance Report and Integrated Internal Audit Report;
 - Review Self Assessment Report and Conclusion of the Rating of Integrated Governance of SMBC Group Financial Conglomeration (June 30, 2018) to OJK;
 - Preparation of Report on the Duties and Responsibilities of Integrated Governance Committee (Semester I 2018) to the Board of Commissioners of the Main Entity (SMBCI).

3. Others.

- a. Follow up of the results of the meeting in the previous term (Semester II 2017);
- b. Other important information related to SMBC Group Financial Conglomeration (Semester I 2018);
- c. Progress of the follow up concerning OJK Publication on Parent Company of Financial Conglomeration.

Reports of Integrated Governance Committee

In 2018, the Integrated Governance Committee had prepared the following reports:

1. Integrated Governance Self Assessment including Assessment Result, Governance, Compliance Function, Internal Audit and Fraud Analysis (Semester II 2017);
2. Integrated Governance Self Assessment including Assessment Result, Governance, Compliance Function, Internal Audit and Fraud Analysis (Semester I 2018);
3. Integrated Governance Self Assessment including Assessment Result, Governance, Compliance Function, Internal Audit and Fraud Analysis (Semester II 2018);
4. SMBC Group Financial Conglomeration Integrated Governance Committee Report to the Board of Commissioners of the Main Entity SMBC Group Financial Conglomeration (Semester II 2017);
5. SMBC Group Financial Conglomeration Integrated Governance Committee Report to the Board of Commissioners of the Main Entity SMBC Group Financial Conglomeration (Semester I 2018);
6. Annual Report of Integrated Governance Implementation of SMBC Group Financial Conglomeration (as of December 31, 2017).

The Board of Directors Committee

In order to implement the corporate governance principles to support the effectiveness of the execution of duties and responsibilities of the Board of Directors and to improve the quality of work, BTPN Syariah had established the Board of Directors' Committee.

Asset and Liabilities Committee/ALCO

According to the latest Decree of the Board of Directors No.015/DIR/CSL/IX/2018 dated September 26, 2018 concerning the latest Composition of ALCO Members which states that the membership of the Committee is *ex officio* in nature consisting at least of the following:

No.	Position	Membership – <i>ex officio</i>
1	Chairman of the Committee	Director in Charge of Finance & Investor Relation
2	Secretary of the Committee	Executive Officer in Treasury appointed by Director in Charge of Finance & Investor Relation
3	Member of the Committee	Director in Charge of Funding & Non TUR Business
4	Member of the Committee	Director in Charge of TUR Business
5	Member of the Committee	Executive Officer in Finance & Investor Relation
6	Member of the Committee	Executive Officer in Risk Management
7	Member of the Committee	Executive Officer in Financing Business TUR
8	Member of the Committee	Executive Officer in Funding Business
	Regular Invitee	Officer appointed by Executive Officer in Risk Management, that is the Officer in Charge of Liquidity & Market Risk
	Regular Invitee	Officer appointed by Director in Charge of Business, that is the Officer in Charge of Financing

The establishment of ALCO Committee has fulfilled the terms and competency requirement according to the CGC principles.

ALCO Duties and Responsibilities

ALCO duties and responsibilities according to the latest ALCO Charter No.06/PedomanKerja/CSL/IX/2018 dated September 26, 2018 are, as follows:

1. To review, develop and determine the strategy, guidelines and policy of Asset Liability Management (ALMA);
2. To monitor the liquidity position of the Bank on regular basis by managing the primary and secondary reserves;
3. To monitor the development and strategy of third party fund and financing;
4. To study the development and projection of the overall economy as the basis to set the policy direction;
5. To determine the boundaries and guidelines in managing and controlling risks that impact to Liquidity Risk (Liquidity Management) and Market Risk;
6. To evaluate and set the pricing of financing rate and funding rate and Funds Transfer Price (FTP) or incentives for inter office accounts to optimize the return of deposits, minimize cost of fund, and preserve the Bank's balance sheet structure in line with the Bank's ALMA strategy;
7. To evaluate the position of the Bank's rate of return risk and evaluate ALMA Strategy which ensures that the Bank's risk-taking position is consistent with its objectives in managing rate of return risk;
8. To review the performance and asset and liabilities position of the Bank to assess the impact of the previous Committee decision to the Bank's objectives;
9. To evaluate the actual achievement against the budget or the Bank Business Plan;
10. To inform the Board of Directors about any changes in regulations which may impact ALMA strategy and policy.

ALCO Committee Reports

Throughout 2018, ALCO convened 12 (twelve) meetings that were conducted in the second week of every month. Whenever required, the meeting could be convened at anytime upon the request of one of the Committee members.

In every meeting the following subjects were discussed – the condition of macro economy, pricing of funding and financing, liquidity indicators, determination of gross yield, managing secondary reserves and development of money market and composition of deposits return based on category.

Other than that, the Committee also held 1 (one) discussion delivered in circular form in regards to the composition of the ALCO members in 2018.

ALCO Committee Meetings

No.	Name	Position	Attendace/Total of Meetings
1	Ratih Rachmawaty	Chairman	8/12
2	Mulia Salim	Member	12/12
3	Taras Wibawa Siregar	Member	10/12
4	M. Gatot Adhi Prasetyo	Member	11/12
5	Shita Satyawati P.	Member	10/12
6	Hari Pudjo Santoso	Member	11/12
7	Roy Iskandar	Member	1/12
8	Johanes Hermawan	Member	7/12
9	Fachmy Achmad	Member	11/12
10	Dharma Putera	Member	4/12
11	Antonius Priyadi	Committee Secretary	12/12

Information Technology Steering Committee

According to the latest Decree of the Board of Directors No.010/DIR/CSL/IX/2018 dated September 26, 2018 concerning the Composition of Information Technology Steering Committee which states that the membership of the Committee is *ex officio* in nature consisting at least of the following:

No.	Position	Information Technology Steering Committee Membership – ex officio
1	Chairman of the Committee	Director in Charge of Information Technology
2	Secretary of the Committee	Executive Officer in Information Technology appointed by Director in Charge of Information Technology
3	Member of the Committee	Director in Charge of Finance & Investor Relation
4	Member of the Committee	Director in Charge of Operations
5	Member of the Committee	Director in Charge of Funding & Non TUR Business
6	Member of the Committee	Director in Charge of TUR Business
7	Member of the Committee	Director in Charge of Human Capital
8	Member of the Committee	Executive Officer in Risk Management
9	Member of the Committee	Executive Officer in Operations
	Regular Invitee	Executive Officer in Human Capital
	Regular Invitee	Executive Officer in Finance & Investor Relation

The establishment of Information Technology Steering Committee has fulfilled the terms and competency requirement according to the CGC principles.

Duties and Responsibilities of Information Technology Steering Committee

The duties and responsibilities of Information Technology Steering Committee according to the latest Charter No. 07/PedomanKerja/CSL/IX/2018 dated September 26, 2018 is that the Committee is responsible to provide recommendation to the Board of Directors at least in the following matters:

1. Information Technology Strategic Plan in line with the Bank Strategic Plan;
2. Conformity of the Information Technology projects with the Information Technology Strategic Plan, requirement for management information system and the need of the Bank business activities;
3. Conformity of the implementation of the Information Technology projects with the project charter;
4. The effectiveness of efforts to minimize the risks of the Bank's investment on Information Technology as such that the investment contributes to the achievement of the Bank's business objectives;
5. Monitoring the Information Technology performance and its continuous improvement;
6. Providing effective, efficient and timely solutions to Information Technology problems that remained unresolved by the users.

Information Technology Steering Committee Reports

In 2018, the Information Technology Steering Committee held 5 (five) meetings that discussed and provided recommendation to the Board of Directors regarding:

1. Information Technology Focus as the enabler of the Key Strategic Initiatives of BTPN Syariah by implementing the Information Technology initiatives to support Business Labs, build the capability of Centralized Analytics and implement the projects for Strategic Cost Optimization while maintaining good governance in its implementation;
2. Development of support system for business, operations and human capital management in the Bank;
3. Perform self assessment to upgrade current Core Banking system and explore solution for a new core banking system that is capable to support the complete Islamic Banking features and products with a better integration capacity in order to support the new products of BTPN Syariah;
4. Build organization of data management in Information Technology to support the data governance and decision making process that is faster and more accurate;
5. Improve the Bank capability to secure information using risk-based approach;
6. Strengthen Information Technology Capability in software engineering through new way of working that is more agile and automated.

Information Technology Steering Committee Meetings

No.	Name	Position	Attendace/Total of Meetings
1	Mulia Salim	Chairman	5/5
2	Ratih Rachmawaty	Member	4/5
3	Taras Wibawa Siregar	Member	4/5
4	M. Gatot Adhi Prasetyo	Member	5/5
5	Hari Pudjo Santoso	Member	4/5
6	Yudi Sukendro	Committee Secretary	5/5

Human Capital Committee

According to the latest Decree of the Board of Directors No.SK.011/DIR/CSL/IX/2018 dated September 26, 2018 concerning the Composition of Human Capital Committee which states that the membership of the Committee is *ex officio* in nature consisting at least of the following:

No.	Position	Membership – <i>ex officio</i>
1	Chairman of the Committee	Director in Charge of Human Capital
2	Secretary of the Committee	Executive Officer in Human Capital appointed by Director in Charge of Human Capital
3	Member of the Committee	President Director
4	Member of the Committee	Deputy President Director
5	Member of the Committee	Director in Charge of Finance
6	Member of the Committee	Director in Charge of TUR Business
	Regular Invitee	Director in Charge of Risk Management

The establishment of Human Capital Committee has fulfilled the terms and competency requirement according to the CGC principles.

Duties and Responsibilities of Human Capital Committee

Duties and responsibilities of Human Capital Committee according to the latest Charter of Human Capital Committee No. 08/PedomanKerja/LG/IX/2018 dated September 26, 2018 are, as follows:

1. To establish the policy, strategy and strategic objectives in the area of Human Capital;
2. To approve the implementation of Human Capital remuneration program;
3. To approve the recommendations that were beyond the authority of Division Head and/or Director in charge of Human Capital.

Human Capital Committee Reports

In 2018, Human Capital Committee convened 6 (six) meetings that amongst others discussed the following:

1. Results of Performance Appraisal 2017 and proposal for promotion, salary increase scheme and bonus pool 2018;
2. Results of Salary Review 2018 and distribution of performance bonus 2017, update of ESA (Employee Stock Allocation) program preparation and review motorcycle program for MMS;
3. Progress report of ESA Program implementation;
4. Proposal regarding compensation for Business Manager (BM), condolences allowance for contractual employees and medical assistance for accidents that are not covered by BPJS and commercial insurance, and grading conversion to levelling for KFO team being transferred to MMS;
5. Grade and Salary Range for Business Coach and BM, Long Term Compensation Program (LTCP), One-Time Appreciation (OTA) Program and implementation plan for POJK 59/POJK.03/2017;
6. Report of Mid 2018 Performance Appraisal and Grade Promotion.

On top of that, the Committee also conducted 2 (two) discussion in circular concerning the Timing of 2018 Year End Performance Appraisal Process and Report of 2018 Year End Performance Appraisal and Grade Promotion 2019.

Human Capital Committee Meeting

No.	Name	Position	Attendace/Total of Meetings
1	Ratih Rachmawaty	Chairman	6/6
2	Mulia Salim	Member	5/6
3	Taras Wibawa Siregar	Member	6/6
4	Sulistyo Yuwono	Committee Secretary	6/6

Risk Management Committee

According to the latest Decree of the Board of Directors No.012/DIR/CSL/IX/2018 dated September 26, 2018 concerning the Composition of Risk Management Committee which states that the membership of the Committee is *ex officio* in nature consisting at least of the following:

No.	Position	Membership – <i>ex officio</i>
1	Chairman of the Committee	Director in Charge of Compliance and Risk Management
2	Secretary of the Committee	Executive Officer in Risk Management
3	Member of the Committee	Director in Charge of Funding & Non TUR Business
4	Member of the Committee	Director in Charge of TUR Business
5	Member of the Committee	Director in Charge of Operations
5	Member of the Committee	Executive Officer in Finance & Investor Relation
6	Member of the Committee	Executive Officer in Human Capital
7	Member of the Committee	Executive Officer in Operations
8	Member of the Committee	Executive Officer in Information Technology
	Regular Invitee	Internal Audit Head
	Regular Invitee	Executive Officer in charge of Business Risk
	Regular Invitee	Executive Officer in Operations in charge of Operational Risk

The establishment of Risk Management Committee has fulfilled the terms and competency requirement according to the CGC principles.

Duties and Responsibilities of Risk Management Committee

Duties and responsibilities of Risk Management Committee according to the latest Charter of Risk Management Committee No.09/PedomanKerja/CSL/IX/2018 dated September 26, 2018 are, as follows:

1. To prepare the risk management policy and strategy including risk limit, and its updates, revision and refinement;
2. To evaluate the conformity to risk management policy in its implementation;
3. To evaluate and provide recommendation on transactions or activities requiring the Board of Directors approval;
4. To evaluate and provide recommendation on transactions or activities which deviate from normal procedures.

Risk Management Committee Reports

In 2018, Risk Management Committee convened 10 (ten) meetings discussing the monitoring of Risk Management implementation by the Bank for 10 (ten) types of risks. The result of the meetings had been submitted to the Board of Directors. The recommendation of the Committee had been communicated to the related Unit and monitoring to the follow up actions had been made.

For the purpose of risk monitoring, as the subsidiary, BTPN Syariah is obligated to report the consolidated report to the Parent Bank on the 10 (ten) types of risks in the Bank and the consolidated report of Risk Profile, RBBR ad ICAAP according to OJK regulations.

Risk Management Committee Meetings

No.	Name	Position	Attendace/Total of Meetings
1	Arief Ismail	Chairman	9/10
2	M. Gatot Adhi Prasetyo	Member	8/10
3	Taras Wibawa Siregar	Member	8/10
4	Mulia Salim	Member	3/10
5	Fachmy Achmad	Member	8/10
6	Roy Iskandar	Member	1/10
7	Sulistyo Yuwono	Member	10/10
8	Dewo Triatmoko	Member	4/10
9	Yudi Sukendro	Member	10/10
10	Mohamad Rizal	Member	4/10
11	Hari Pudjo Santoso	Committee Secretary	9/10

Business Committee

According to the latest Decree of the Board of Directors No.017/DIR/CSL/XI/2018 dated November 21, 2018 concerning the Composition of Business Committee which states that the membership of the Committee is *ex officio* in nature consisting at least of the following:

No.	Position	Membership – <i>ex officio</i>
1	Chairman of the Committee	Director in Charge of Financing Business TUR
2	Secretary of the Committee	Executive Officer in Financing Business TUR
3	Member of the Committee	Director in Charge of Finance
4	Member of the Committee	Director in Charge of Funding and Financing Non-TUR
5	Member of the Committee	Executive Officer in Business Planning
6	Member of the Committee	Executive Officer in Operations
7	Member of the Committee	Executive Officer in Human Capital
8	Member of the Committee	Executive Officer in Information Technology
	Regular Invitee	Executive Officer in Finance
	Regular Invitee	Executive Officer in Business Risk
	Regular Invitee	Executive Officer in Business Support
	Regular Invitee	Executive Officer in Transformation Process and Agent Banking

The establishment of Business Committee has fulfilled the terms and competency requirement according to the CGC principles.

Duties and Responsibilities of Business Committee

Duties and responsibilities of Business Committee according to the latest Charter of Business Committee No.010/Pedoman Kerja/CSL/XI/2018 dated November 21, 2018 are, as follows:

1. To monitor the development and strategy of Third Party Fund and Financing Business TUR on regular basis;
2. To monitor Business Financial Performance of Financing Business TUR, Business Process, Business Risk and Human Capital on regular basis;
3. To review proposal of new product or new initiative in TUR Business prior to its presentation to the Board of Directors to secure approval;

4. To develop strategy, policy and guidelines of Financing Business TUR;
5. To study the development and projection of the overall economy as one consideration in setting policy direction.

Business Committee Report

In 2018, Business Committee convened 9 (nine) meetings with certain agenda according to the Charter of the Business Committee. Whenever required, the meeting could be convened at anytime depending on the internal condition of the Bank and upon the request one of the members of the Committee.

Every meeting discusses the financing performance, funding performance, financing risk, key initiatives and human capital.

Business Committee Meetings

No.	Name	Position	Attendace/Total of Meetings
1	Taras Wibawa Siregar	Chairman	9/9
2	Mulia Salim	Member	8/9
3	Yudi Sukendro	Member	8/9
4	Dewi Nuzulianti	Member	4/9
5	Dwiyono Bayu W	Member	4/9
6	Mohamad Rizal	Member	3/9
7	Dewo Triatmoko	Member	3/9
8	Sulistyo Yuwono	Member	8/9
9	Johanes Hermawan	Member	5/9
10	Dharma Putra	Committee Secretary	3/9

Financing Policy Committee

According to the latest Decree of the Board of Directors No.014/DIR/CSL/IX/2018 dated September 26, 2018 concerning the Composition of Financing Policy Committee which states that the membership of the Committee is ex officio in nature consisting at least of the following:

No.	Position	Membership - <i>ex officio</i>
1	Chairman of the Committee	President Director
2	Secretary of the Committee	Executive Officer in Risk Management
3	Member of the Committee	Director in Charge of Compliance and Risk Management
4	Member of the Committee	Director in Charge of Funding & Non-TUR Business
5	Member of the Committee	Director in Charge of TUR Business
6	Member of the Committee	Internal Audit Head

The establishment of Financing Policy Committee has fulfilled the terms and competency requirement according to the CGC principles.

Duties and Responsibilities of Financing Policy Committee

Duties and responsibilities of Financing Policy Committee according to the latest Charter of Financing Policy Committee No.014/Pedomankerja/CSL/IX/2018 dated September 26, 2018 are, as follows:

Duties of the Financing Policy Committee

1. Provide input to the Board of Directors in developing the Bank Financing Policy, especially in relation to the application of prudent principle in financing;
2. Supervise the consistent implementation of the Bank Financing Policy and find solution should there be any obstacles in its implementation. The Committee will also review the Bank Financing Policy periodically to provide suggestions to the Board of Directors on any amendment or improvement to the Policy whenever deemed necessary;
3. Monitor and evaluate:
 - a. Development and quality of the overall financing portfolio;
 - b. The true implementation of Financing Approval Authority;
 - c. The compliance of financing approval process and the quality of financing for certain party or certain big debtor of the Bank;

- d. The true implementation of legal financing limit;
- e. Compliance to the prevailing laws and regulations in the financing process;
- f. Resolution of problem financing according to the provisions in the Bank Financing Policy;
- g. The Bank efforts to fulfill adequate amount of provision for financing write off; and
- h. Implementation of Sharia Principles in financing process.

Responsibilities of Duties of the Financing Policy Committee

1. Submit written report periodically to the Board of Directors copy furnished to the Board of Commissioners concerning:
 - a. Monitoring of the implementation of the Bank Financing Policy; and
 - b. The result of the monitoring and evaluation;
2. Provide suggestions for improvement to the Board of Directors copy furnished to the Board of Commissioners concerning the matters mentioned in the report;
3. Should there be any deviation in the implementation of the Bank Financing Policy related to the application of Sharia principles, such deviation must be informed to the Sharia Supervisory Board.

Financing Policy Committee Reports

The Financing Committee was established to implement POJK No. 42/POJK.03/2017 dated July 12, 2017 concerning The Obligation to Develop and Implement Bank Financing Policy for Commercial Bank.

In 2018, the Financing Policy Committee convened 1 (one) meeting that discussed amongst others the evaluation of financing policy and its implementation and the quality of the financing portfolio. In general, the Committee concluded that the implementation of financing activities had complied with the policy. The result of the meeting had been documented well according to the Charter of the Committee.

Financing Policy Committee Meetings

No.	Name	Position	Attendace/Total of Meetings
1	Ratih Rachmawaty	Chairman	1/1
2	Arief Ismail	Member	1/1
3	Taras Wibawa Siregar	Member	1/1
4	M. Gatot Adhi Prasetyo	Member	1/1
5	Gatot Prasetyo	Member	1/1
6	Hari Pudjo Santoso	Committee Secretary	1/1

daya and corporate social responsibility

As a Bank that focuses on financial inclusion for productive underprivileged customers, the Bank always puts DAYA and Corporate Social Responsibilities as important priorities that are continuously improved. This is particularly critical for the sustainability of the business.

Community Development Program through DAYA Program

Through Daya, BTPN Syariah helps to improve the underprivileged customers' quality of life by creating empowerment program that is sustained and measureable. This is in line with the mission of the company to create opportunities for growth and a more meaningful life. For the company, business goes beyond delivering good financial performance, but also bringing about large positive social impacts to the society. Daya program is implemented through three pillars, that is Daya Sehat Sejahtera (Daya for Health and Wellness), Daya Tumbuh Usaha (Daya for Entrepreneurial Capacity Building) dan Daya Tumbuh Komunitas (Daya for Community Development).

Daya for Health and Wellness

Daya Health and Wellness is the program to promote healthy living habits to help the customers always stay productive in their activities.

Daya for Entrepreneurial Capacity Building

Daya for Entrepreneurial Capacity Building focuses on entrepreneurship to help the customers develop their business by providing practical business training, business information and new business opportunities.

Daya Community Development

Daya Community Development aimed at empowering customers who share the similar needs, interest and commitment to collaborate to reach potential market and develop a more healthy living habit.

Corporate Social Responsibility

BTPN Syariah realized that the existence of the Bank must always be positive and bring benefits to all stakeholders. The company always ensures that all operational activities are executed with responsibility. A number of approaches had been designed and implemented as the concrete actions of the company to deliver optimum contribution in various aspects (social and environment)

Internal Social Responsibility

The Company is committed to always deliver positive benefits and be responsible especially to the internal stakeholders, that is all #bankirpemberdaya. A number of actions had been done such as creating positive working environment and providing opportunities for growth by doing social and community development.

Creating Positive Working Environment

Providing Working Opportunities and Gender Equality

In providing working opportunities, BTPN Syariah emphasizes gender equality. Remaining focused on women empowerment by Melati Putih Bangsa as the frontliner of the company, BTPN Syariah emphasizes gender equality for the employees and employees candidates, and provide the equal opportunities regardless the ethnicity, race, age, religion and gender.

Gender equality in BTPN Syariah is reflected in the leadership composition in BTPN Syariah including the composition of the Board of Directors, the Board of Commissioners, and the Sharia Supervisory Board and the Executive Officers, as follows:

Leadership Composition	Number	Female	Male
Members of the Board of Directors	5	1	4
Members of the Board of Commissioners	4	2	2
Member of the Sharia Supervisory Board	2	-	2
Senior Employees (including Executive Officers)	112	33	79
Supervisor	836	562	274
Staff	10.551	10.243	308

Education	2017		2018	
	Male	Female	Male	Female
Post-Graduate	32	15	33	16
Bachelor	523	4,950	438	4,560
Diploma	112	1,206	97	1,065
High School Equivalent	145	5,790	103	5,200

Employment Status	2017		2018	
	Male	Female	Male	Female
Permanent	671	4,931	583	4,597
Non Permanent	141	7,030	88	6,244

Age	Number (2018)	Male	Female
< 25 years	6,039	5,986	53
25-29 years	3,863	3,717	146
30-34 years	1,089	904	185
35-39 years	270	129	141
40-44 years	126	48	78
45-49 years	81	39	42
50-54 years	38	16	22
55-59 years	5	2	3
> 59 years	1	-	1

Employee Rotation and Strengthening Infrastructure

BTPN Syariah carries the dynamics of an agile and relevant organization. Since 2018, the Bank rotated around 30% Senior Officers. This rotation is aimed at providing more exposure to the Senior Officers as part of the talent development in the organization.

With the unique characteristics of BTPN Syariah business, the company has a huge number of manpower requirement. To maintain efficiency in order to grow healthily without keep on adding more manpower, BTPN Syariah took several policy measures including partnership in financial transaction services through agents, so that several business processes in the field that had been done by the Bank employees before, was then transferred to the agents as the partners of BTPN Syariah.

Operational process automation to support the development of operations and information technology had created a more efficient span of control and workload, where several working processes were performed by system and the need

for employee attendance was reduced, making a flatter organizational structure. As such, the Bank optimizes the use of human capital in supporting assets growth.

On top of strengthening Human Capital and Organizational Development, process automation in Human Capital had improved by implementing online hiring in several areas that was then implemented on national scale in 2018. The benefits of online hiring are significant reduction of the number manual administrations, more applicants are reached with much easier efforts and the bank database is well administered.

Health and Work Safety

BTPN Syariah emphasizes health and safety at work, supported by employees in maintaining their health, safety and security to prevent any risks in the workplace.

BTPN Syariah cares about employee health and safety according to the Company Regulation in the provisions about health and work safety procedures.

The efforts for work protection is aimed to prevent the employees from the work risk and diseases related to work so as to create a positive and secure working environment.

Business Continuity Program (BCP) that is updated on routine basis in BTPN Syariah is to anticipate the operational risks that may arise in the emergency situation. BCP is developed with great level of details and contains the steps that must be taken by every Division in BTPN Syariah in handling emergency situation.

On routine basis, the Safety Management Unit under the coordination of Corporate Services Division provides the most updated information about the Capital City to the employees in the Head Office and provides the solution and useful information for security, including amongs others are the information related to activities in the public streets and safe alternative route. Safety Management Unit also ensures that all fire hydrants are functioning well by doing routine checks to the equipment.

To ensure the work safety from the occurrence of extreme and emergency situation, the Safety Management Unit conducts fire drill to educate employees safety awareness to anticipate the event of fire.

For the employees in the field, the Safety Management Unit conducts regular education about motorcyle safe driving and the importance of safety in the street.

Work Accident Rate

In 2018, there were 19 work accident occurred to the permanent employees of BTPN Syariah, where 1 (one) employee(s) died due to traffict accident in the streets. The Company provides guarantees according to the prevailing regulations and other guarantees for the employees who died due to accidnt during the working hours. The company also continues the campaign on safe driving procedures to the employees.

Training and Development

According the the Bank Business Plan, the training and development program is conducted not only through internal and external training in the relevant subjects, but also through assignments to explore and develop the potential of the employees. This is intended to create a more effective and efficient training program.

The Human Capital Division prepares the policy, procedures and work processes to support training and development to ensure that the training is according to the prevailing rules and regulations related to the obligation to provide training in BTPN Syariah.

Collective training programs have also been administered by using e-learning modules and gamification as effective approach for millenials employees (born at the year 2000 and after).

Employee development program for leadership level in BTPN Syariah was conducted amongst others through "Strength-Based Leadership" (Gallup) training to strengthen the leadership and team engagement. Understanding strength of each invidual in the organization will improve collaboration. Along that line, the Bank will also be able to leverage the unique talent of the employees for a bigger purpose.

The collaboration program with universities has also been further developed. The students made field work to understand the business and work processes. BTPN Syariah helped the students in their projects and expected the ideas and creative solution for improvement from those students so that the collaboration bring mutual benefits for all parties.

On top of the training programs for the employees and the open opportunities for the employees to develop their potentials in line with business activities of BTPN Syariah, the process of employees rotation and transfer to the new location are also conducted as part of the employee development process.

To develop the employees capability, capacity and knowledge BTPN Syariah provides scholarship for Post-Graduate Program for employees that are selected through a fair assessment and selection system. To support the employees success in this program, BTPN Syariah allows flexibility in managing the study time according to the working hours and in choosing campus locations that are closed to the working place and provides logistic facilities to support the learning.

In 2018, the Human Capital Division of BTPN Syariah conducted 133 training sessions attended by 12.189 employees.

Employee Remuneration and Welfare

The Bank provides recognition and remuneration for employees based on merit taking into consideration the market practices, internal equity and the company capability.

The initiative to provide special recognition to the MMS employees with good performance at the end of 2018 was one of the appreciations for revenue contributor. This initiative was also intended to strengthen staff engagement and reduce employee turnover in MMS.

Creating consistent awareness of the employees to take care of their health in order to maintain productivity and therefore good performance is the on-going initiatives of BTPN Syariah for all the employees. In 2018, BTPN Syariah collaborated with a partner in commercial health insurance to conduct a series of thematic health educational session and health consultation session with medical experts for employees in Head Office.

The Mechanism for Manpower-Related Complaints

BTPN Syariah is committed to provide fair treatment and attention to all employees. The Company will take actions for every complaint related to work condition from the employees. The immediate supervisor is obliged to take actions for such the complaint, and in the event that the complaint is not resolved by the immediate supervisor, an escalation process to elevate the case is administered.

Unit Industrial Relations in Human Capital Division is in charge to handle the complaints related to manpower according to the prevailing regulations in BTPN Syariah.

Currently, Labour Union is not yet established in BTPN Syariah.

Social and Community Development

The Use of Local Manpower

BTPN Syariah supports the social and community development and is committed for optimum development the human resources.

Until December 2018, there were 11.512 Indonesian citizen working in BTPN Syariah and there was not any foreign citizen.

Anticipating the growth of the business in the future and being a public company since May 2018, where the interest of public investor to invest their capital in BTPN Syariah will be high; the demand will arise for expertise that currently may not be available in BTPN Syariah. In the case where BTPN Syariah requires expertise that cannot be sourced from the Indonesian human resources, BTPN Syariah will engage the foreign manpower for the purpose of knowledge transfer.

Foreign manpower can also come from the representatives of shareholders who are assigned for supervision duties. The appointment of foreign manpower will abide to the prevailing regulations.

Work Life Balance

To create postive working environment for the employees that is directly related to the social life and health, both physical and spiritual, BTPN Syariah ensures that work life balance is maintained. The Company provides facilities to do health, sport and religious activities for the employees.

1. Sport and Health

BTPN Syariah through BTPN Syariah Club facilitates a healthy living culture by providing sport facilities for the employees. The employees sport activities not only promotes cross function synergy and positive working culture at work, but also nurture the opportunities for achievement in sport. A number of sport activities in BTPN Syariah will be further developed in the future. The logistics to rent the sport field and hire professional trainer will ensure that the sports activities are safe and in accordance to professional requirement.

Under the coordination Industrial Relations Human Capital, BTPN Syariah provides the avenue for the employees to consult with medical experts, through the event "Health Corner". The Health Awareness program will encourage the employees to apply the healthy living habits and healthy eating habits, that will eventually improve the employee performance free from any diseases.

2. Social Religious

The Social Balance under the coordination of BTPN Syariah Club is aimed at fulfilling the needs of employees for Islamic spiritual enlightenment, through the program Jumat Barokah and 1-Hour Session with an Ustadz that are held on routine basis. The deepening of the faith is an avenue to prepare the future leaders with strong character according Islamic principles. BTPN Syariah provides a Mushola facility in the Head Office for the employees to do prayer, complete with the locker and ablution facility.

3. Employee Engagements

To balance the digital process and acceleration of information, BTPN Syariah provides the media to disseminate information on BTPN Syariah and daily social information for employees, packaged in a brief and light yet informative media through e-newsletter, interactive dialogue interaktif or briefing for big number of employees. The information related to the company includes regular information on company performance, and BTPN Syariah events complete with information about banking industry in Indonesia through e-newsletter. The social information amongst others includes "Earthquake Guidelines", "Tips to Work in Public Space", "Healthy Eating Pattern", etc. To communicate those information to the senior employees, BTPN Syariah holds events such as Senior Officers Quarterly Briefings and Interactive Dialolue Session with the Board of Directors.

4. Appreciation for Customers' Creation

To complete the information and social balance, BTPN Syariah invites all the employees to know the customers deeper through their works. An exhibition is held every year in the office where BTPN Syariah expresses the appreciation for the customers' creation in an event called "Selendang Mayang" where all employees can participate and purchase the works of the customers. As such, not only that BTPN Syariah creates opportunities for growth but also allows the employees to enjoy the creation of the customers. This will eventually strengthen the engagement between the employees and the customers.

Several works of the BTPN Syariah customers are displayed in the Lobby in the Head Office and Branch Offices of BTPN Syariah. This mode of appreciation to the customers' creation also allows the external parties visiting BTPN Syariah to know their works. This is another value added for the customers of BTPN Syariah.

5. Fair Treatment to All Employees

BTPN Syariah is committed to provide the equal opportunities to all employees in their career and develop them through a fair performance management system.

To appraise performance, the company set up clear and measureable key performance indicators that are mutually agreed by the supervisor and the subordinate. The employee performance appraisal is based on merit and does not involve any subjectivity.

6. The Use of Company Facility

Located in the Head Office of BTPN Syariah, is a room called Beranda (Veranda), a room dedicated for employees to do light activities and take a rest; designed in a modern and bright colour style, equipped with some game facilities such fusball, billiard, and musical studio and karaoke that can be used after office hours. The big flat screen TV is equipped with speaker and technology for the employees to watch together.

BTPN Syariah also provides canteen and pantry for the employees. For breastfeeding mothers, the Head Office is completed with lactation room with a refrigerator.

7. The Use of Social Media

According to the Code of Ethics of the Company, the Social Media network allows the employees to share knowledge, insight, information and everything to the general public. BTPN Syariah upholds the freedom to use social media by the employees as long as such practices do not carry potential risks related to information of ownership, confidentiality and reputation of the company.

To minimise such risk for the company and the employees, BTPN Syariah had established the internal guidelines that provided the parameter and clarity for the employees about practices in social media according to social ethics.

8. Anti-Corruption and Anti-Money Laundering Policy

BTPN Syariah applies zero tolerance for all types of bribery (including and/or from the customers, vendors, government officials, employees) and corruption. Any violation in this matter will be administered through civil or criminal law procedures according to prevailing regulations. The provisions on this policy is stipulated in the Code of Ethics BTPN Syariah.

BTPN Syariah is fully committed to implement the regulation concerning Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) including the implementation of Know Your Customers principles. BTPN Syariah and all the employees have to act carefully to prevent the use of the products and services for money laundering and terrorism financing purposes; and detect suspicious transactions according to the regulations.

Corporate Social Responsibility for the Environment

The Company always strives to realize and deliver positive contribution to the environment and society. This is the manifestation of our concern to improve the quality of life on earth. The company makes this endeavor this by using natural resources in responsible manner and conducting business practices that provide protection to the customers.

Responsible Use of Natural Resources

Environmentally Friendly Head Office

To keep on reducing the environmental impacts in banking industry, where the bank is exposed to the impacts from energy sources such as electricity, water and air; also exposed to the elements of supporting activities that become the cause of environmental impacts such as plastics and paper, BTPN Syariah applies the environmentally friendly concept in the working environment in Head Office and Branch Offices in the daily execution of operational activities.

Managing Energy Sources from Electricity, Water and Air

BTPN Syariah officially operated in the new Non-Operational Head Office according to the Letter of Agreement from Financial Services Authority No. S-36/PB.13/2017 dated February 14, 2017.

The new Head Office applies the concept of environmentally friendly building where the choice of materials and design had used the natural-sourced materials. The concept applied by Head Office in managing the electricity energy source is by limiting the use of electricity, using energy-saving lamps

complete with movement sensor that manages the needs for lights. The building management only needs to place lamps in several locations to enable lighting for a number of people and will automatically turn off when no movement is detected in the room.

Another environmentally friendly concept applied in the office to manage electricity energy is the use of glass in the window that allows the sun light to freely enter the working space. The right use of the window glass also reduce the use of lamps in the day light. The rooms in BTPN Syariah is equipped with air condition facility for the comfort of the employees and the use the air condition is managed with limited time of operation.

The Head Office in Menara BTPN Building has employee canteen with self-service concept, where the waste of the food is organized and managed well. This facility is also completed with energy-save food heater. The employee canteen provides cutlery and drinking facilities to reduce the use plastics. The company also provides water purifier for the employees that had passed the test of the Ministry of Health of the Republic of Indonesia. The use of water purifier will reduce the consumption of plastic bottled water and therefore reduce the plastic waste from the plastic-bottled water.

All the rooms in BTPN Syariah is non-smoking so that the cleanliness of the office environment is always maintained. In synergy with the Parent Company, BTPN Syariah provides commuter transports for the employees to transport around the Head Office areas to reduce the use of cars and the use of fuel.

The environmentally friendly concept is also applied in the Sharia Branch Offices and other Functional Offices.

Not only reducing the carbon gas emissions from the use electricity, water and air; the use of environmentally friendly concept in the offices of BTPN Syariah also reduces operational cost of the office in the long run.

Managing the Use of Paper

BTPN Syariah manages the use of paper by optimizing email. Managing the use of paper is also done by the strategic move of BTPN Syariah in improving the services in the field by providing platform in information technology, amongst others the availability of electronic financial access for the customers and the use of tablets for the employees to processing banking transactions, which therefore reduce the excessice use of paper.

According to Sharia Principles, BTPN Syariah is very selective in distributing financing to the productive underprivileged customers by not extending financing facilities to the customers whose businesses are doing harms to the environment and are not in adherence to the Sharia principles.

Customer Protection

Organization Structure

The Customer Complaints Settlement Unit in BTPN Syariah is a unit under the supervision of Operational Function in the Directorate in charge of Information Technology, Operations, and Transformation Process. The unit is established by the Bank to manage and settle the customers' complaints. The Unit had developed Policies and Procedures on Handling, Settling, and Reporting the Customers' Complaints.

The Mechanism of Managing Customers' Complaints

BTPN Syariah had established the mechanism of managing customers' complaints. The complaints are communicated through contact channel comprising of Branch Office, Branch Supporting Office, and Operational Functional Office all over Indonesia and BTPN Syariah Call Center (1-500-300). All the customers complaints are processed free of charge. The mechanism of processing customers complaints are, as follows:

- The complaint is registered by PIC contact channel to be submitted to the The Customer Complaints Settlement Unit which will then take action to the complaints according to the policies and procedures in BTPN Syariah;
- The Customer Complaints Settlement Unit will monitor to ensure the customers' complaints are settled, both customers' complaints received by the PIC Contact Channel and through the traceable system in the Integrated Customer Service System in Financial Services Authority.
- The Unit will submit the consolidated report of the customers' complaints to the Regulator according to the prevailing regulations.

Number of Customers Complaints

- During 2018, BTPN Syariah received 746 incoming contacts – consisting of 25% requests and 75% complaints.
- Statistics of customer complaint resolution in 2018 were as follows:

No.	Products & Services	Total	Completed According to SLA*
1	BTPN Wow! Syariah	727	727
2	ATM	15	15
3	Mobile Banking	2	2
4	Others	2	2
Total		746	746

* Customer's complaints are addressed within 5 working days

BTPN Syariah keeps on improving the process of managing customers' complaints by improving the infrastructure and the process in settling customers' complaints as the commitment of the Bank in delivering customer satisfaction.