



Ministry of State-Owned Enterprises
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BUMN UNTUK INDONESIA



RESILIENCE AMIDST UNCERTAINTY

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ANNUAL REPORT 2020



2020 ANNUAL REPORT

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FOREWORD FROM THE MINISTER OF SOE

Assalamualaikum Warahmatullaahi Wabarakaatuh
Greetings of Peace
Om Swastyastu, Namu Buddhaya
Greetings of Virtue

Extending my gratitude to God Almighty, I am pleased to report that the Ministry was able to navigate the challenges posed by the COVID-19 pandemic in 2020.

As we are aware, the pandemic has slowed down the national and global economic growth. Nearly all economic sectors were affected with downturns in both demand and supply that curbed activities in the real sectors. The SOEs were no exception. The performance of almost 90% of SOEs contracted with only SOEs in the Telecommunications and Fertilizer-Food clusters that reported growth in 2020.

In response, the SOE Ministry promptly took strategic measures in economics, business, and social aspects to alleviate the impact of the pandemic on our society.

On business and economics, we focused on enhancing the SOEs resiliency and maintaining business continuity. We also strengthened corporate governance practices, ensuring that each SOE is performing a robust governance system.

Some of the various measures taken to strengthen SOEs were part of the Economic Recovery Initiative (PEN), which was formalized through the Government Regulation No. 23 of 2020, in lieu of Regulation No. 43 of 2020. For SOEs, PEN activities included to expedite the settlement of the Government's payables to SOEs, increase state capital investments of SOEs engaged in the national strategic projects, and bail-out funds for SOEs with liquidity issues triggered by the pandemic.

These recovery measures were aimed at enabling the SOE Ministry to sustain the SOEs that, in turn, are expected to bring Indonesia to rise above the COVID-19 pandemic.



We also reviewed our strategic plans and adopted the SOE Ministry Roadmap 2020-2024. Our target is to conclude all strengthening and recovery efforts by the end of the second half of 2021. Following that, SOEs are expected to be in the forefront of Indonesia's growth.

To follow-up the President's direction on bureaucracy reform, we then carried out internal restructuring to create a leaner organization and to streamline our business processes. From 182 structural positions, we now have just 38 structural positions. Through the reform, we hope to build a clean, accountable, and capable Ministry of SOE to provide fast, appropriate, and professional public services.

I believe that the reform and the alignment of our core values to AKHLAK (Trustworthy, Competent, Harmonious, Loyal, Adaptive, and Collaborative) will make the SOE Ministry even more resilient in addressing the future and increasingly dynamic challenges.

For the society, we did everything we could to protect and serve not only the people within SOEs, but also the public at large. We supported the operations of the athlete housing complex, Wisma Atlet, as the COVID-19 Emergency Hospital; built a modular hospital that is dedicated to treat COVID-19 patients in Simprug area, South Jakarta; set up vaccination centres for senior citizens in several cities; and raised and distributed donations from SOEs and national and international private companies through the SOE Foundation. The SOEs have also become the Government's trusted partner, PT Bio Farma (Persero) Tbk has been tasked to procuring and securing vaccines for Indonesia; Perum Bulog, state-owned banks, and PT Pos Indonesia (Persero) have disbursed the Government's social assistance to eligible households; and PT Telkom (Persero) Tbk created the COVID-19 screening and tracking app (PeduliLindungi).

Furthermore, I am grateful that the Ministry of SOE for the first time was able to prepare its consolidated financial statements for fiscal years 2020 and 2019. The statements have been reviewed by Ernst & Young Public Accountant Firm.

Despite the tough times amid the pandemic, our consolidated financial performance continued to record a net income of Rp13.3 trillion. A decrease of 89% compared to the pre-pandemic period in 2019. Several factors contributed to the decline, such as decrease of revenues due to the overall weaker economy and the application of conservative accounting standards following the adoption of SFAS 71, 72, and 73. These standards resulted in increased allowance for impairment in the banking sector and cost of funds due to the capitalization of several leases in the Energy, Oil, and Gas Cluster and the Tourism and Supporting Services Cluster.

On assets, we reported Rp8,311.9 trillion of SOE consolidated assets as of 31 December 2020, or up 6.9% compared to the previous year. Asset growth was particularly prominent in the banking sector. In the non-financial cluster, asset increase also occurred due to lease capitalization following the adoption of SFAS 73.

As for liabilities, the consolidated liabilities of SOEs stood at Rp5,837.2 trillion or up 10.6% compared to the previous period. This increase was mainly driven by the increase of third-party funds in banks.

Moreover, in 2020 we noted an improvement in the overall accountability assessment of the Ministry. Our scores improved across the board: SPIP (Internal Control System) to 3.1, SAKIP (Government Agency Performance Accountability System) to 74.6 (BB), and Bureaucracy Reform score rose to 77.7. Last but not least, our financial statements received Unqualified Opinion for the fourteenth consecutive time.

Through this annual report, the Ministry hopes to communicate to the public and stakeholders the initiatives that are in place and the endeavours we are taking to place SOEs as the engine of Indonesia's economic development. While it has been projected that the impacts of the COVID-19 will continue in 2021, the Ministry is determined to use this crisis as a momentum to improve and to stay relevant to ensure that Indonesia can come out of the pandemic better and stronger.

SOEs for Indonesia!

Wassalammu'alaikum
Warahmatullahi Wabarakaatuh
Om Shanti Shanti Shanti Om
Namu Buddhaya
Greetings of Virtue

Erick Thohir
Minister of State-Owned Enterprises

SOE IN NUMBERS

SOEs Consolidated Financial Performance

 Consolidated Assets ► **Rp8,311.9 trillion** ◀ Consolidated Liabilities & Equity

 Working Capital Assets
Rp1,213.6 trillion

 Accounts Payables
Rp1,074.8 trillion

Financial Institutions Assets
Rp 3,390.4 trillion

Third-party Funds and Investment Liabilities
Rp3,204.9 trillion

Non-Current Assets
Rp 3,707.9 trillion

Invested Capital
Rp4,032.2 trillion

Debt
Rp1,557.5 trillion

Capital
Rp2,474.7 trillion

 Revenue
Rp1,930.0 trillion

EBITDA
Rp279.0 trillion

Net Profit
Rp13.3 trillion

 Total Dividend ► **Rp69.4 trillion**

Rp43.9 trillion ◀ Dividend to State Budget

 ROA
0.2%

ROE
0.5%

ROIC
2.6%

Debt to Invested Capital
38.6%

Debt to EBITDA
5.6x

CAR
19.4%

Governance of SOE Ministry

 BPK Audit Opinion
Unqualified Opinion

 Merit System
382.5 from 410.0

 LHKPN:
100% from State Administrator

 LHKASN:
100% from Civil Servant

 SPIP:
3.1 from 5.0

 RB:
77.7 from 100.0

 SAKIP:
74.6 from 100.0

EVENT HIGHLIGHTS



12 January 2020
 Signing of 11 business and 5 government agreements between Indonesia and the UEA.

The President's visit to Abu Dhabi, UEA, accompanied by the Minister of SOE, resulted in 11 business and 5 government agreements with a total investment value of approximately US\$22.9 billion or equal to around Rp314.9 trillion.

26 February 2020

Declaration of commitment to implement ISO 37001:2016 on Anti-Bribery Management Systems

The Ministry of SOE and 200 SOE representatives held a kick-off meeting for the adoption of ISO 37001:2016 as part of the SOE commitment to foster clean corporate governance.

23 March 2020

The President Inaugurated Wisma Atlet as a COVID-19 Emergency Hospital

The Minister of SOE accompanied the President during a visit and inauguration of Wisma Atlet as a COVID-19 Emergency Hospital. The facility was prepared within four days to accommodate patients and involved the Ministry of SOEs, SOEs in the infrastructure sector, and 25 other SOEs.



3 April 2020

Consolidation of SOE subsidiaries

The Minister of SOE rationalized and consolidated 51 subsidiaries of Pertamina, Telkom, and Garuda Indonesia. This decision was taken without compromising the rights of employees.

19 June 2020

MIND ID's Definitive Agreement to Acquire the Shares of PT Vale Indonesia Tbk

The Minister of SOE appreciated MIND ID, an SOE Holding Company in the mining sector, during the signing of a definitive agreement with Vale Canada Limited and Sumitomo Metal Mining Co., Ltd. for the acquisition of 20% shares of PT Vale Indonesia Tbk.



1 July 2020
 Launch of the SOE Ministry's New Logo and AKHLAK Core Values

The launch of a new logo of the Ministry of SOE, the AKHLAK core values, and the slogan "SOEs for Indonesia" symbolized a renewed spirit of the Ministry and the SOEs to be Indonesia's engine of development.



17 July 2020
 Signing of Memorandum of Understanding with the Ministry of Foreign Affairs

The MoU on Economic Diplomacy Cooperation marked the start of collaboration between the Ministry of SOE and the Ministry of Foreign Affairs to support the SOE Go Global vision.

20 July 2020
 Ministry of SOE Appointed as the Chief Executive of COVID-19 Response and Economic Recovery Initiative and Deputy Minister I as Chief of Economic Recovery Initiative Taskforce

The President of the Republic of Indonesia appointed the Minister of SOE as the Chief Executive of KPCPEN Taskforce and Deputy Minister I as Chief of PEN Taskforce.



22 July 2020
 Signing of Memorandum of Understanding with the Ministry of Manpower

Ministry of SOE and Ministry of Manpower signed an agreement to provide vocational training and employment opportunities for persons with disabilities.



20 and 22 August 2020
 Signing of Memorandum of Understanding with China and UEA

The Minister of SOE and Minister of Foreign Affairs entered into a bilateral economic cooperation with Sinovac and the Chinese Government. In UEA, the Ministry of SOE entered into a cooperation agreement with several UEA companies on energy security, food, and health.



25 August 2020
 Inauguration of Section 4, Sigli-Banda Aceh Route of Trans-Sumatra Toll Road

Sigli-Banda Aceh route of JTTS was inaugurated by the President, accompanied by the Minister of SOE, Minister of Public Works and Housing, and the Board of Directors of Hutama Karya.



17 August 2020
 Launch of PaDi UMKM, Bela Pengadaan, and SME Website

The Ministry of SOE collaborated with the National Procurement Policy Agency and the Ministry of Cooperatives and MSMEs launched three digital platforms to promote MSMEs: digital marketplace for MSMEs PaDi UMKM, procurement platform Bela Pengadaan, and an SME Website.





29 September 2020

Inauguration of Manado-Danowudu Section of the Manado-Bitung Toll Road

Inauguration of Manado-Danowudu Section of the Manado-Bitung Toll Road by the President virtually from Bogor Palace, accompanied by the Minister of SOE who attended the event in person.



13 October 2020

Merger of Three Sharia Banks Owned by SOEs

The Minister of SOE attended the signing of Conditional Merger Agreement to integrate and merge three sharia banks in the SOE ecosystem, namely PT Bank BRISyariah Tbk, PT Bank BNI Syariah, and PT Bank Syariah Mandiri. The merger is expected to create a solid, globally competitive national sharia bank.



7 December 2020

Arrival of First Batch of COVID-19 Vaccines in Indonesia

The first batch of COVID-19 vaccines from Sinovac, comprising 1.2 million doses, arrived in Indonesia. They were kept in cold storage facilities of Bio Farma for national distribution.

AWARDS

For its commitment to foster transformations in various areas in 2020, the Ministry of SOE have received various accolades from different institutions, as follows:

Description:
Information Transparency of Public Agencies 2020 Towards Informative Agencies

Organizer:
The Central Information Commission of the Republic of Indonesia

Description:
The 2020 SIBV Safeguard Label Awards for the COVID-19 Prevention and Response Protocol Adherence

Organizer:
PT Surveyor Indonesia & Bureau Veritas (SIBV)

Description:
First Winner, Utilization of State Assets in 2020

Organizer:
Ministry of Finance of the Republic of Indonesia

Description:
Award for the Most Transparent Procurement of Goods/Services 2020

Organizer:
National Procurement Policy Agency

Description:
Award for the 2019 Financial Statements with Unqualified Opinion

Organizer:
Government of the Republic of Indonesia

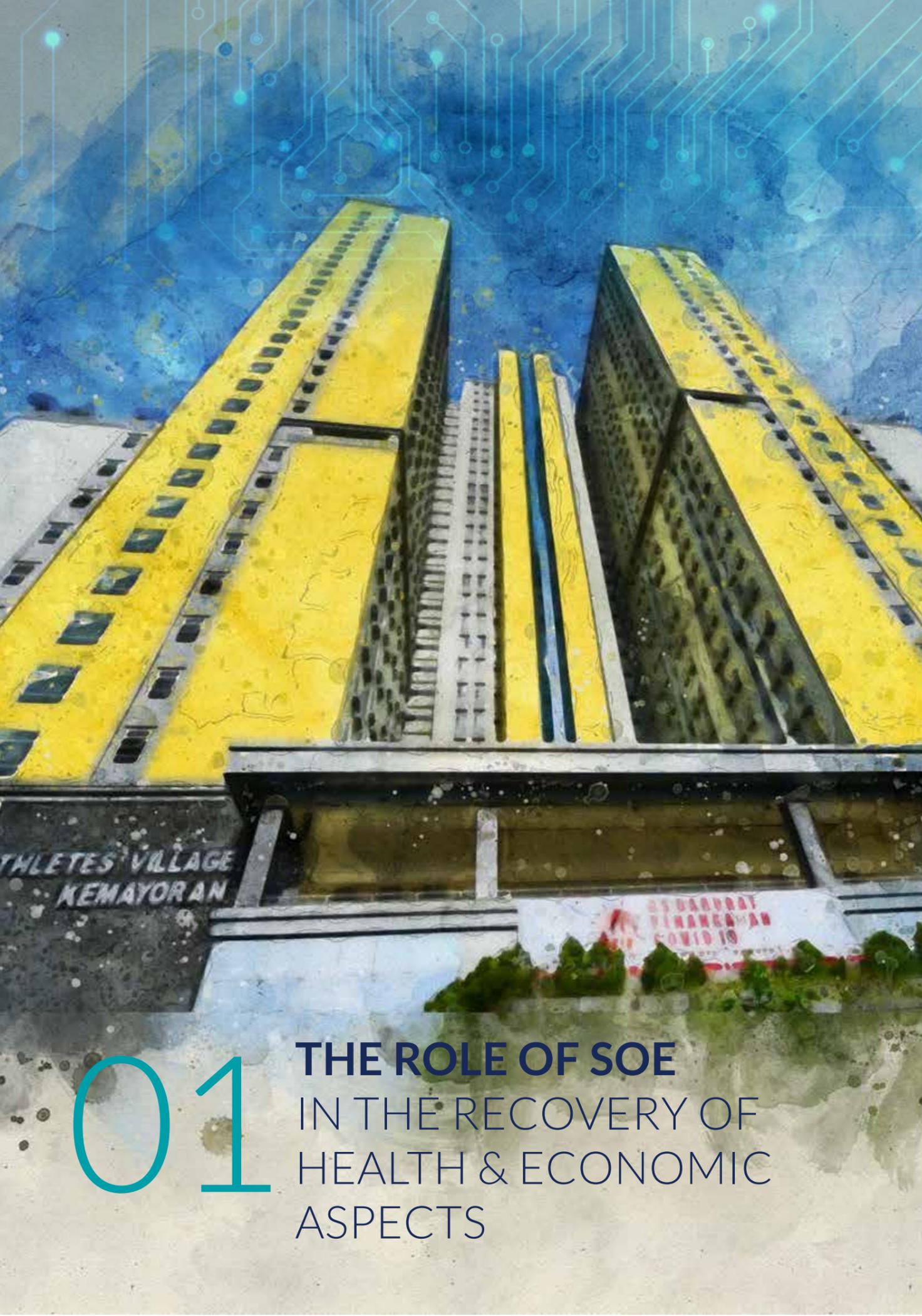
Description:
Third Place, Best Member of the National Legal Documentation and Information System 2020, Ministry Category

Organizer:
Ministry of Law and Human Rights of the Republic of Indonesia

Description:
"Highly Satisfactory" Category, Fifth Place in the Ministry Category based on the Archival Oversight Assessment 2020

Organizer:
National Archives of the Republic of Indonesia





01 THE ROLE OF SOE IN THE RECOVERY OF HEALTH & ECONOMIC ASPECTS

STRATEGIES OF SOE MINISTRY TO RESPOND TO THE PANDEMIC

The Ministry of SOE and SOEs hold strategic roles in delivering breakthroughs and strengthening synergy to address the pandemic-related challenges and to alleviate the outbreak's impacts on the society. The resources and strengths of SOEs were consolidated at this time and deployed at scale. The SOEs are involved in various programs, from the COVID-19 response efforts, vaccine procurement, stimulus disbursement, to acceleration of PEN budget spending.

The role of SOEs was further empowered following the SOE Minister's appointment by the President to lead the Committee for COVID-19 Response and National Economic Recovery (KPCPEN), while Deputy Minister I is entrusted to lead the National Economic Recovery (PEN) Taskforce.

In responding to COVID-19, the government's priority first and foremost is protecting public health. A healthy society is key to Indonesia's economic productivity, a view that is reflected from KPCPEN's slogan: Healthy Indonesia, Productive Indonesia, Growing Indonesia.

Overall, there were three key COVID-19 response measures:

- **Increasing the capacity of health facilities**, to accommodate surges in the COVID-19 cases;
- **Procuring and distributing the COVID-19 vaccines** as well as securing medicine supply; and
- **Distributing economic support** for communities most affected by the pandemic.

To execute the strategies, the Ministry of SOE consolidated the state-owned hospitals. The process was coordinated by PT Pertamina Bina Medika IHC (Persero) as the holding company. The Ministry also consolidated the state-owned pharmaceutical companies under PT Bio Farma (Persero). This step allowed SOEs to take swift, collective actions to respond to the pandemic and became the game changer in the success of COVID-19 mitigation in 2020.



1

INCREASING THE CAPACITY OF HEALTH FACILITIES

At its peak, the first challenge that the pandemic brought was on hospital occupancy. The sudden surge of active cases and the volume of COVID-19 patients who required fast treatment disrupted the hospitals' capacity. The Ministry of SOE responded by mobilizing PT Pertamina Bina Medika IHC, as the holding company of state-owned hospitals, as well as other hospitals under the state-owned health facility network to promptly expand bed capacity and formulate standard operating and treatment procedures for the COVID-19 patients across all state-owned hospitals.

As of the end of 2020, all state-owned hospitals in Indonesia have 6,909 beds and around 400 ICU facilities for the COVID-19 patients.

Other than increasing the capacity of existing facilities, the Ministry of SOE also initiated the construction of modular extension hospitals, making use of existing lands

or buildings. A modular hospital can be prepared within a short timeframe, an average of days to maximum four weeks. One example of this initiative is the Modular Extension Simprug hospital, part of Pertamina Central Hospital, and managed by PT Pertamina Bina Medika IHC. The decision increased treatment capacity by 300 beds, consisting of 19 HCU beds, 31 ICU beds, 10 ER beds, isolation rooms, and labour and delivery rooms.

The conversion of health facilities into dedicated COVID-19 treatment facility was also applied to Pertamina Jaya hospitals (RSPJ) with 155 beds (including 30 ICU beds). Moreover, a modular RSPJ was also built in a lot of Hotel Patra Comfort. Meanwhile, Patra Comfort Residence Hotel, a state-owned facility, was used to sleep health workers who were assigned at the RSPJ. A total of 52 rooms and 90 mobile beds were provided to accommodate the health workers.



Wisma Atlet Emergency Hospital

Wisma Atlet Emergency Hospital was one of the Ministry's first breakthroughs in responding to the pandemic in early 2020, the early stage of COVID-19 outbreaks. Wisma Atlet, an apartment complex designed to accommodate athletes during trainings and competitions, were optimized into a COVID-19 emergency hospital. The Ministry of SOE joined hands with the Ministry of Public Works and Housing, Ministry of Health, the Indonesian Military, the National Disaster Management Agency, and other SOEs to prepare four apartment towers in Wisma Atlet as the COVID-19 treatment facility in just four days.

By the inauguration day, the four towers have 1,536 treatment rooms to accommodate 4,208 patients. The facility includes ER, ICU, and inpatient care areas. Another tower was also prepared to accommodate health workers and members of the COVID-19 taskforces, which has 650 rooms with a capacity of 1,750 people.

The Ministry of SOE, SOEs in the infrastructure sector, and the Ministry of Public Works and Housing focused on getting the infrastructure ready, while the SOE for Indonesia Foundation and 25 SOEs, through their corporate social responsibility funds, contributed medical equipment, medicine supply, kitchen supplies, and operating funds that would support the emergency hospital during its first year. Moreover, the Ministry of Health set up the health protocols, and the Indonesian Military, Indonesian Police, and volunteers managed by the COVID-19 Response Acceleration Taskforce helped managing the traffic of operations in the hospital.

2

SECURING & DISTRIBUTING THE COVID-19 VACCINES

Following the measures to increase the capacity of COVID-19 treatment facilities, the Ministry of SOE took another strategic step of procuring the COVID-19 vaccines. This was achieved through a strategic cooperation with a global pharma company that was developing the vaccine, while other companies were carrying out the clinical test of the COVID-19 vaccine.

Together with the Minister of Foreign Affairs, the Ministry of SOE was assigned by the President to lead the bilateral negotiation with an international pharmacy company and in a multilateral negotiation with the COVAX Facility to secure vaccines for Indonesia.

Meanwhile, the state-owned company PT Bio Farma (Persero) and its subsidiaries (PT Kimia Farma Tbk and PT Indofarma Tbk) were tasked to procure the COVID-19 vaccines. By the end of 2020, a total of 155.5 million doses of vaccines have been secured for both Government-led vaccination and the Gotong Royong program, the vaccination rolls out by private firms and other non-governmental organizations, to be delivered to Indonesia from 2020 to 2022.

PT Bio Farma (Persero), which has been manufacturing vaccines since 1890, has increased its annual manufacturing capacity to fill and finish the COVID-19 vaccines from 100 million to 250 million doses.

By the Coalition for Epidemic Preparedness Innovations (CEPI), PT Bio Farma (Persero) has also been approved to manufacture multi-platform vaccines of 100 million doses per year to be distributed by CEPI to recipient countries. The production will start at the end of quarter IV 2021 or quarter I-2022.

The designation of PT Bio Farma (Persero) and its subsidiaries to lead in vaccine production is based on Presidential Regulation No. 99 of 2020 concerning Vaccine Procurement and Vaccination in Response of the COVID-19 Pandemic and Health Minister Regulation No. 28 of 2020 concerning Vaccine Procurement in Response to the COVID-19 Pandemic.



3

DISTRIBUTING ECONOMIC SUPPORT

SOEs are the government's strategic partner to maintain price stability, staple food availability, and continuity of essential services. SOEs are also the engine behind the success of PEN under KPCPEN coordination by distributing social assistance through the banking system or directly. From the state-owned banks to PT Pos Indonesia, SOEs play a strategic role in making sure that social assistance programs reach their recipients, such as the conditional cash transfer Family Hope Program, rice assistance from Bulog, Pre-Employment Card, and electricity bill discounts.

Until the end of 2020, the state-owned banks have received Rp47.5 trillion of Government placement as part of the PEN stimulus. They also disbursed loan of Rp145.6 trillion (excluding credit restructuring) as part

of the stimulus program to 1.5 borrowers. In terms of credit restructuring, the state-owned banks restructured the credit of their 3.5 million borrowers that have been affected by the pandemic.

Moreover, the state-owned banks disbursed micro loan for micro, small, and medium enterprises, amounting to Rp183.1 trillion for 5.6 million recipients or 97.9% of the targeted Rp187.0 trillion. The state-owned banks also carried out credit restructuring for their customers in the MSME and Corporate segments, a total of Rp212.5 trillion and 3.1 million MSME customers in 2020. Moreover, the state-owned banks, PT Permodalan Nasional Madani (Persero), and Pegadaian contributed a total of Rp35.3 trillion to subsidize KUR and non-KUR interest to alleviate the burden of borrowers.



To maintain economic resilience, the Government also applied discounts of electricity bills for households, businesses, and social activities. PLN, the state power company, offered the following discounts:

1

100% discount for Household customers in the R1 450 VA, I1 450 V, and B1 450 VA categories.

2

50% discount for Household customers in the subsidized R1 900 VA category, and

3

Waiver of minimum tariff, load tariff, or subscription tariff for customers in the Social, Business, and Industry Sectors.



Until the end of 2020, a total of Rp13.2 trillion stimulus was disbursed that benefitted 33 million customers. In 2021, until February 2021, a total of Rp2.7 trillion have been disbursed with 31.9 million beneficiaries – not including over 1.1 million prepaid customers in the R1 900 VA category that are yet to top up their electricity credit.

These programs have helped the public and business owners, particularly MSMEs, to withstand the pandemic and at the same time continue to grow and expand.



The SOE for Indonesia Foundation and the SOE COVID-19 Taskforce spearhead the swift response of the Ministry of SOE and SOEs at the beginning of the COVID-19 outbreak in Indonesia. The COVID-19 Taskforce coordinated five areas of activities and involved 26 SOEs to provide both social and economic responses in 34 provinces.

In total, the COVID-19 Taskforce has disbursed SOEs' assistance of Rp268.9 billion. The fund was used to procure PPE, masks, disinfectants, hand sanitizers, portable handwashing facilities, vitamins, ventilators, staple food packages, thermometer guns, ambulance vehicles, incentives for health workers, health facility renovation to accommodate COVID-19 patients, and renovation of facilities to accommodate health workers with the Hotel Indonesia Group. Initiated by the Ministry of SOE, the coronavirus test kits were also procured and distributed to central and regional government hospitals.



To curb the spread of the virus, the SOE Ministry through PT Angkasa Pura II (Persero) as the airport authority of Soekarno Hatta equipped thermal scanners at the arrival gate of this point of entry of foreigners into Indonesia.

To speed up tests for patients under monitoring, the Ministry of SOEs procured 17 PCR equipment from Roche, a Switzerland-based company. The kits were immediately distributed to state-owned hospitals in Jakarta and other provinces in Java, Sumatra, Kalimantan, Sulawesi, and Papua islands.

The determination of the SOE Ministry in the battle against the pandemic has received substantial support. Various other SOEs and private companies also joined the efforts of helping the government addressing the crisis; they donated PPE, rapid test kits, and ventilators to be distributed by SOE for Indonesia Foundation.

SOCIAL & ECONOMICS PROGRAM

Through the Partnership and Community Development Program as well as CSR programs, SOEs have continued to strengthen the social and economic aspects of communities. Under a mandatory Community Development Program, the SOEs deliver healthcare improvement activities, public facility development, construction and renovation of worship places, and assistance for poverty alleviation. To support the economic growth, SOEs are mandated to deliver the Partnership Program, providing working capital loans for MSMEs that are located around the SOEs – these MSMEs become mentoring partners and programs are designed to enhance their capacity.

SOEs have also disbursed staple food packages for households in need and assist social homes, MSMEs, and informal workers, especially in the pandemic, to build these groups' economic independence.

Through Telkom Group, SOEs provide connectivity and communications services that enable families to work and learn from home – thereby ensuring they can remain productive despite the pandemic.

For cellular services, Telkomsel has offered quota-free access worth 30 GB for students to access Telkomsel's partner remote learning platforms. Telkomsel also cooperates with 122 higher education institutions who already have e-learning platforms, the Sekolahku app, and several other remote learning partners.

For children in the remote, frontier, and disadvantaged regions, IndiHome Study through Indonesia Digital Learning program was able to introduce the Internet and educational contents from the IndiHome Study app to 30,000 children.

To support economic growth, SOEs through PT PNM, designated to empower MSMEs, have implemented a flagship program called PNM Mekaar (Advancing Livelihoods for Families).

Mekaar is a special program from PT PNM that targets productive, but non-bankable women who live under the poverty line. It provides assistance to women-led micro business groups. Mandated to help the Government in alleviating poverty by empowering women who are economically struggling, PT PNM through Mekaar show the Government's tangible commitment for the people to increase their livelihoods and Indonesia's economy. Mekaar is now present in almost all corners of Indonesia.

Mekaar began as a pilot project in 2015. It has grown rapidly, despite economic hardships due to the pandemic. As of 31 December 2020, Mekaar reported the following progress:

- Number of branch: 2,668 branch offices
- Number of active customers: 7,802,806
- Mekaar loan outstanding: Rp15.4 trillion
- Mekaar loan disbursement: Rp24.3 trillion
- Mekaar NPL: 0.13%

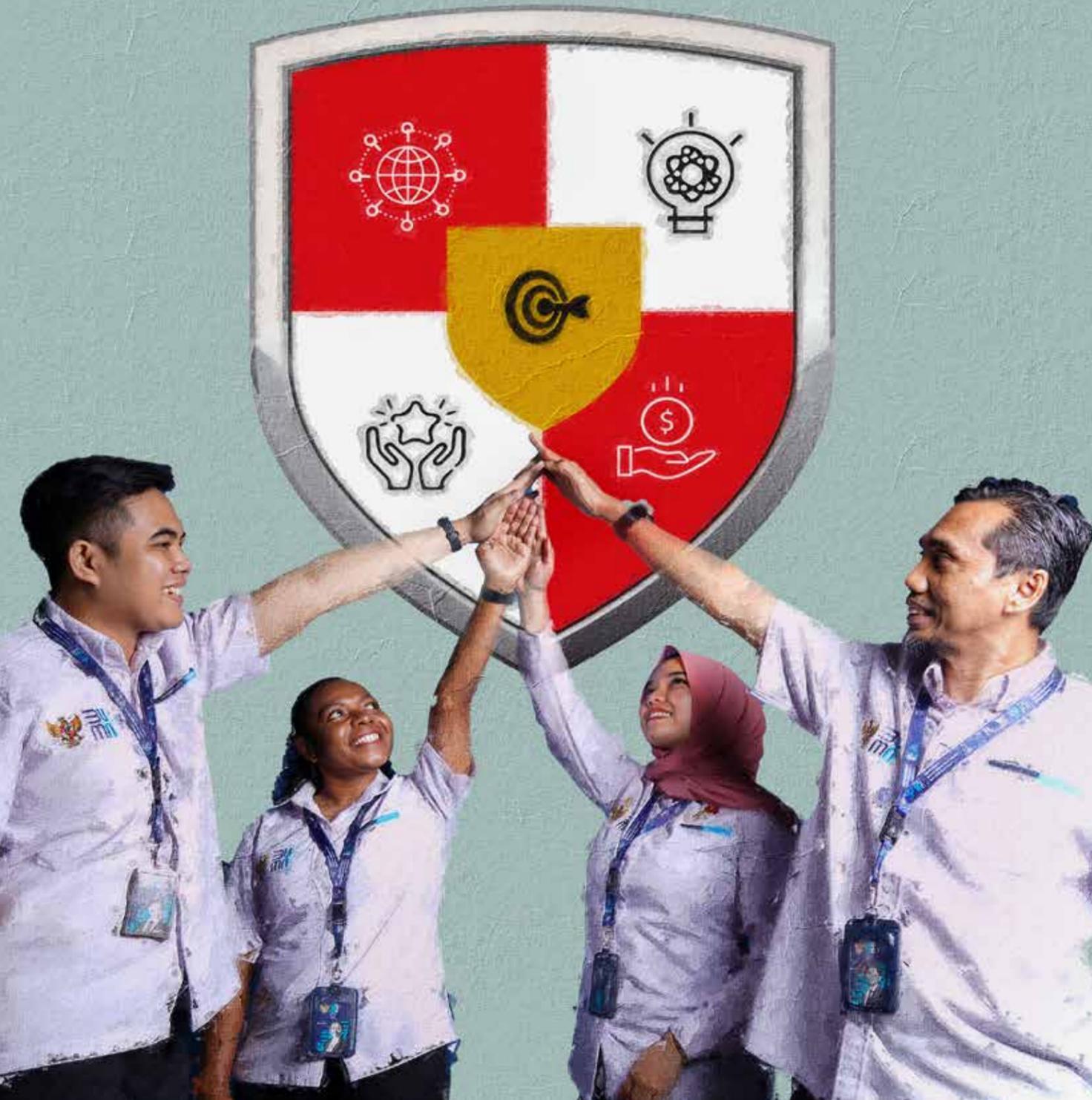


Pelaksanaan Program IndiHome Digital Learning di Timika, Papua

As the fixed broadband provider under PT Telkom Indonesia (Persero) Tbk, IndiHome has also been supporting remote learning activities by providing additional 50 GB quota to all subscribers, and stable and affordable Internet connection through Learning from Home packets for students. There are also other Learning and Working from Home packets and apps' add-ons that provide digital learning resources.



02 TRANSFORMATION OF SOE MINISTRY



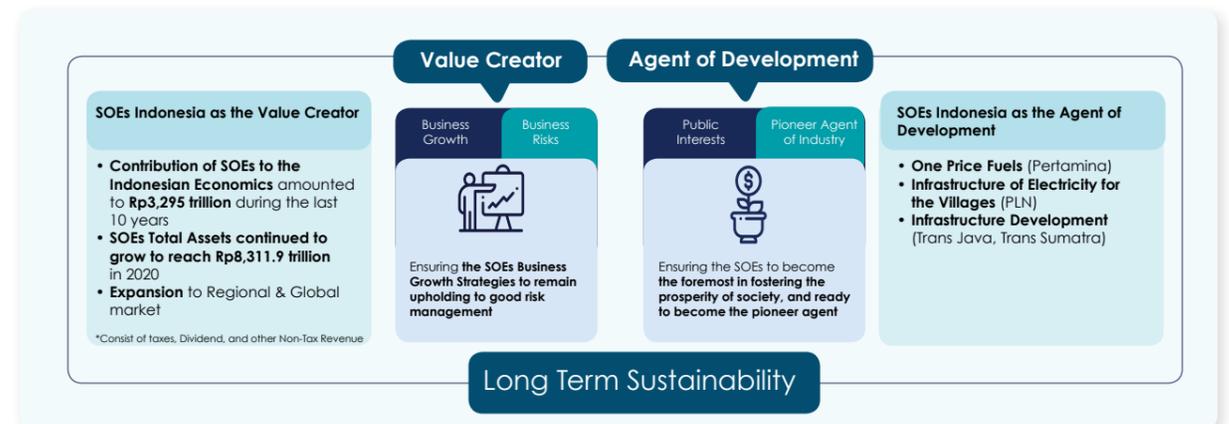
THE TRANSFORMATION OF SOE MINISTRY

SOEs are essential to the national economy. Together with other entities, private firms, MSMEs, and cooperatives, SOEs embody economic democracy.

SOEs are both value creators and agents of development, the two roles that significantly affect the national economic growth. Given their roles, SOEs focus not only on the bottom lines and on generating state revenues. SOEs are also the pioneers in various strategic development projects and providers of essential public services for the Indonesian people, as mandated by Law No. 19 of 2003 on SOEs.

To start the transformation journey, the SOE Ministry has developed an SOE roadmap and identified five priorities in 2020. The activities to implement the transformation include re-organization and recruitment of leaders from among professionals hence the Ministry can guide SOEs as corporations instead of bureaucrats. Other activities include creating clusters and holding companies to optimize portfolio management and development, and to eventually foster the world-class SOEs.

The Dual Role of SOEs in Indonesia's Development



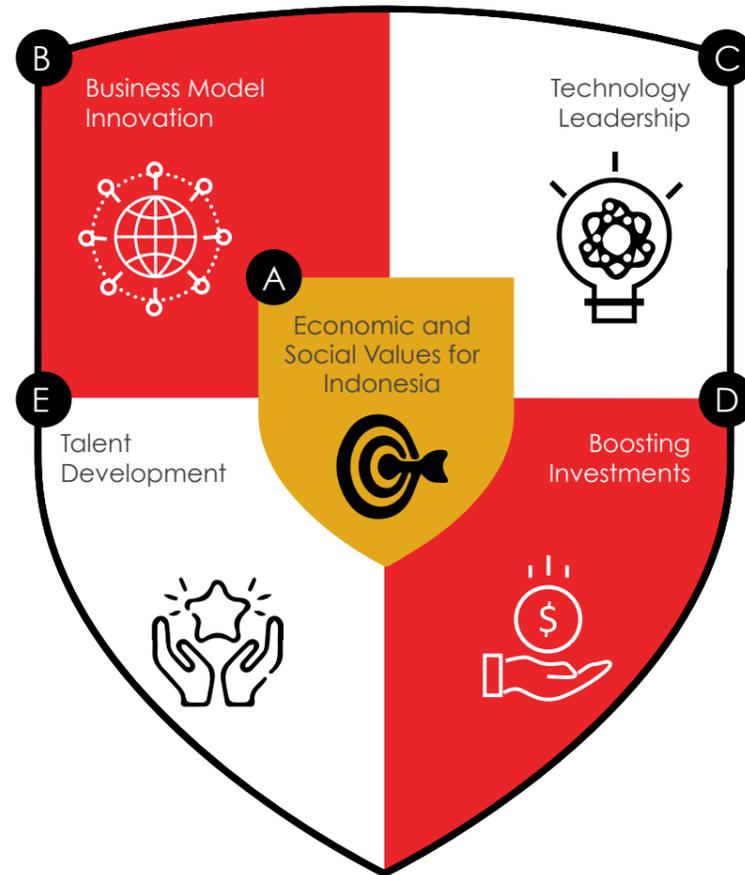
To align those roles with the 2019-2024 vision of the current administration led by Joko Widodo and Ma'ruf Amin (sustainable infrastructure development, people development, large-scale investments, bureaucracy reform, and targeted state budget spending), the Ministry of SOE believe that transformation across SOEs is a necessary strategic policy to take in order to create SOEs that are accountable, professional, and competitive.

The transformation aims not only to optimize the substantial business creation capacity of SOEs to drive revenues, but more importantly to anticipate the changing business landscape globally driven by information technology and digitalization that have become the game changers in industries.

Central to the fundamental transformation processes in business and operations is people transformation. All employees in the SOE Ministry and under the SOEs are united by the same spirit, "SOE for Indonesia", and strong core values of "AKHLAK" (Trustworthy, Competent, Harmonious, Loyal, Adaptive, and Collaboration). The adoption of the slogan and values aim to ensure the transformation can create a new culture in SOEs, a culture that upholds corporate accountability, professionalism, performance, productivity, and national and international competitiveness, as well as one that minimizes political intervention.

FIVE MAIN PRIORITIES OF SOE MINISTRY

As the agency that is tasked to develop SOEs and realize the transformation in SOEs, the SOE Ministry has developed a roadmap with five key themes, as illustrated in the following chart:



- A Economic and Social Values for Indonesia**
To enhance economic values and social impacts, specifically in food security, energy, and health.
- B Business Model Innovation**
Business model restructuring through ecosystem creation, cooperation, stakeholders' demand creation, and focus on core businesses.
- C Technology Leadership**
To be the global leaders of strategic technologies and to institutionalize digital capabilities, such as data management, advanced management, big data, and artificial intelligence.
- D Boosting Investments**
Optimizing asset value and creating sound investment ecosystem.
- E Talent Development**
Educate and train employees, create quality talents for Indonesia, and promote professional governance as well as people selection system.

REORGANIZATION

Bureaucracy reform that streamlines organizational structure in order to have the agility that corporations have is the SOE Ministry's first breakthrough. This step was taken to ensure that the transformation roadmap and its five key priorities to accelerate change can be accomplished both in the SOE Ministry and in SOEs.

By virtue of Government Regulation No. 81/2019 on SOE Ministry, the Ministry's new structure now includes two deputy ministers that each lead a cluster portfolio and three deputy ministers who come from professional background. Meanwhile, all first echelon positions were removed to reduce bureaucracy and boost efficiency.

The appointment of two deputy ministers, each responsible to oversee six industry clusters, aim to create a complete overview of portfolio and to review the supply chain in planning improvement. More importantly, their appointments are expected to strengthen coordination and strategy between SOEs. Meanwhile, three deputy ministers are tasked to provide specific and functional inputs to address issues relevant to SOEs.



Deputy for Finance and Risk Management, responsible to formulate policies in financial reporting, strategic planning, governance, and risk management in SOEs.



Deputy for Legal Affairs and Laws, responsible to formulate policies and to coordinate and align SOEs' policy implementation on legal affairs as well as to advise on legal issues that involve SOEs.

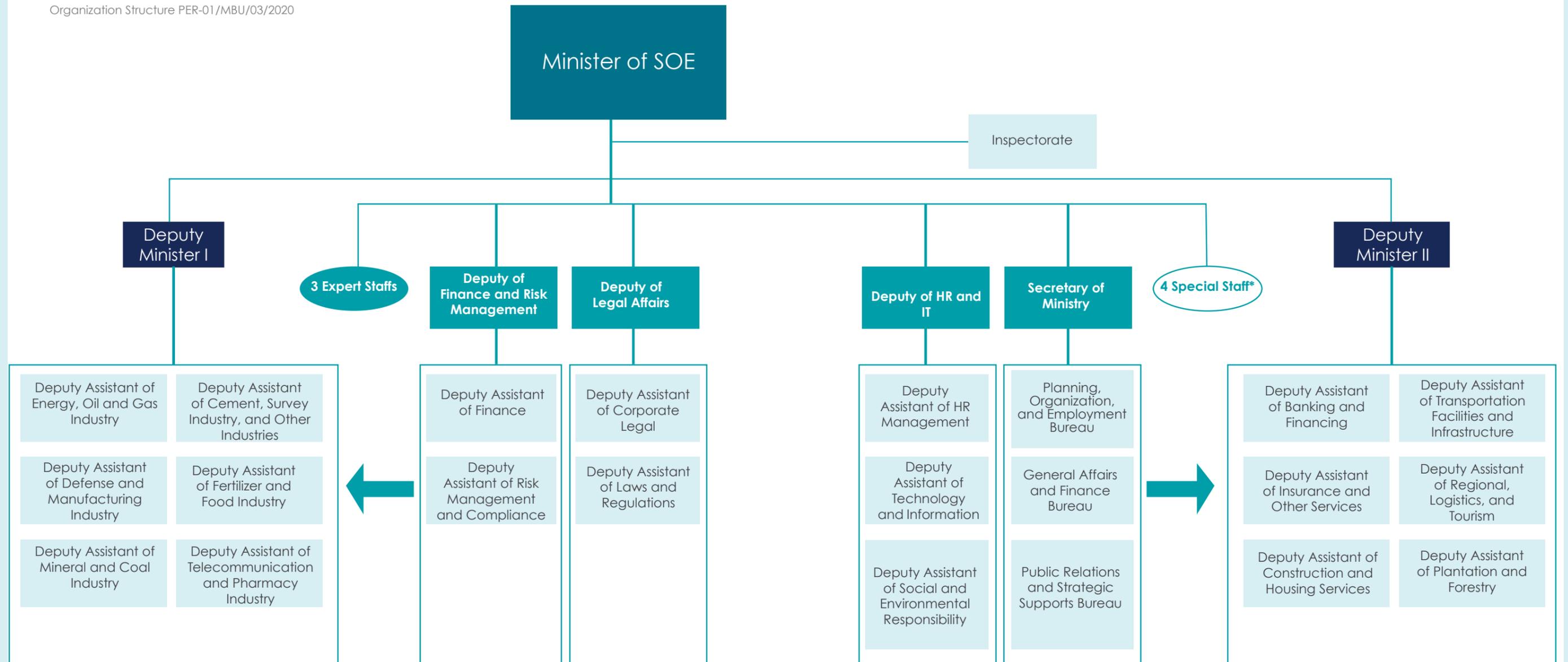


Deputy for Human Resource, Technology, and Information, responsible to formulate policies and to coordinate and align SOEs' policy implementation in the management of human resource, technology, information, and CSR.

The reorganization in 2020 is part of the bureaucracy reform that seeks to make the Ministry of SOE as a clean, accountable, and capable organization that provides swift, effective, and professional public service.

SOE MINISTRY ORGANIZATION STRUCTURE

Organization Structure PER-01/MBU/03/2020



- 1 Minister
- 2 Deputy Minister of portfolios
- 7 Echelon 1 based on technical function roles
- 23 Echelon 2 based on technical function roles and portfolio delegations

*) Non structural

MANAGEMENT PROFILE



Erick Thohir
Minister of SOE

Born on 30 May 1970. Appointed as the Minister of SOE effective as of 23 October 2019 by virtue of Presidential Decree No. 113/P of 2019 regarding the Establishment of State Ministries and the Appointment of State Ministers for the Period of 2019-2024. Erick Thohir earned Bachelor Degree in Arts from Glendale University in 1991 and completed his Master of Business Administration from the National University of California in 1993.

Prior to serve as the Ministry of SOE, he served as Director of ANTV (2014), President Commissioner of Mahaka Media, Chairman of Indonesia's National Olympic Committee (2015-2019), and Chairman of INASGOC, the 2018 Asian Games organizing committee (2016-2019).



Budi Gunadi Sadikin
SOE Deputy Minister I (until 23 December 2020)

Born on 6 May 1964. Appointed as SOE Deputy Minister I effective as of 25 October 2019 by virtue of Presidential Decree No. 72/M of 2019. Budi Gunadi Sadikin earned Bachelor Degree in Nuclear Physics from Institute of Technology Bandung (ITB) in 1988, Certification as Chartered Financial Consultant (CHFC) and Chartered Life Underwriter (CLU) from Singapore Insurance Institute in 2004.

Prior to his current tenure, he served as President Director of PT Bank Mandiri (Persero) Tbk (2013-2016), Special Staff to the Minister of SOEs (2016-2017), and President Director of PT Inalum (Persero) (2017-2019). He completed his tenure as SOE Deputy Minister I and re-assigned as the Minister of Health of the Republic of Indonesia effective after the inauguration on 23 December 2020.



Pahala Nugraha Mansury
SOE Deputy Minister I (effective as of 23 December 2020)

Born on 8 April 1971. Appointed as SOE Deputy Minister I effective as of 23 December 2020 by virtue of Presidential Decree No. 76/M of 2020 regarding the Termination and Appointment of Deputy Ministers of the Advanced Indonesia Cabinet Office Term 2019-2024. Pahala Nugraha Mansury obtained Bachelor Degree in Accounting from University of Indonesia and MBA from NYU Stern School of Business.

Prior to his current tenure, he served as, among others, the Director of Treasury & Market PT Bank Mandiri (Persero) Tbk in 2015-2017, President Director of PT Garuda Indonesia (Persero) Tbk in 2017-2018, Finance Director of PT Pertamina (Persero) in 2018-2019, and President Director of PT Bank Tabungan Negara (Persero) in 2019. He also has professional experience in various international consultancy firms.



Kartika Wirjoatmodjo
SOE Deputy Minister II

Born on 18 July 1973. Appointed as SOE Deputy Minister II effective as of 25 October 2019 by virtue of Presidential Decree No. 72/M of 2019. Kartika Wirjoatmodjo earned Bachelor Degree in Accounting from University of Indonesia in 1996 and Master of Business from the Rotterdam School of Management, Erasmus University in 2001.

Prior to his current tenure, his career includes posts as President Director of PT Indonesia Infrastructure Finance (2011-2013), Executive Chairman and Member of the Board of Commissioners of the Deposit Insurance Corporation (2014-2015), Director of Finance & Strategy of PT Bank Mandiri (Persero) Tbk (2015-2016), and President Director of PT Bank Mandiri (Persero) Tbk (2016-2019).



Susyanto
Secretary of SOE Ministry

Born on 4 May 1962. Appointed as Secretary of SOE Ministry effective as of 4 February 2020 by virtue of Presidential Decree No. 34/TPA of 2020. Susyanto obtained Bachelor Degree in Civil Law from University of Kediri in 1988 and obtained his Master in Law from STIE IBLAM in 2001.

Prior to his current tenure, his career includes several positions in the Ministry of Energy and Mineral Resources, namely Head of Legal Bureau (2013-2015), Secretary of the Oil and Gas Directorate General (2015-2018), and Head of the Center of State Asset Management (2018-2020).



Carlo B Tewu
Deputy for Legal Affairs and Law

Born on 30 September 1962. Appointed as Deputy for Legal Affairs and Law effective as of 4 February 2020 by virtue of Presidential Decree No. 33/TPA of 2020. Carlo B. Tewu graduated from the Indonesian Police Staff College in 1998. He was also trained in the National Resilience Institute (Lemhanas) in 2005 and attended the Indonesian Police Senior Officer College in 2008.

Prior to his current tenure, his career includes posts as Director of General Crimes under the Criminal Investigation Department of the Indonesian Police (2015-2016), Expert Staff to the Coordinating Minister for Political, Legal, and Security Affairs in Ideology and Constitution (2016), and Deputy for the Coordination of the National Order and Security in the Coordinating Ministry for Political, Legal, and Security Affairs (2016-2020).



Nawal Nely
Deputy for Finance and Risk Management

Born on 12 May 1973. Appointed as the Deputy for Finance and Risk Management of the Ministry of SEO effective as of 4 February 2020 by virtue of Presidential Decree No. 34/TPA of 2020. Nawal Nely earned Bachelor Degree in Accounting from University of Gadjah Mada and completed the Executive Master of Business Administration program in INSEAD.

Prior to her current tenure, she is a partner in Ernst & Young and was posted in several countries, including Kuwait, Egypt, and Qatar prior to returning to Indonesia in 2010.



Tedi Bharata
Deputy for HR, Technology, and Information

Born on 31 May 1983. Appointed as Deputy for HR, Technology, and Information of the Ministry of SOE effective as of 5 August 2021 by virtue of Presidential Decree No. 12/TPA of 2021 regarding the Appointment for Senior Leadership Positions in the Ministry of SOE.

Tedi Bharata obtained Bachelor Degree in Computer Science and Information Management System from Pelita Harapan University in 2005 and earned Master of Public Administration from Columbia University in 2016.

Prior to his current tenure, his career includes posts as the Investment Planning Manager - Telematic Industry in the Investment Coordination Board (2016 – 2019), Vice President Office of the Board MIND ID (2019 - 2020), and Special Staff V to the Minister of SOE (2021).



Alex Denni
Deputy for HR, Technology, and Information (until 27 April 2021)

Born on 27 December 1968. Appointed as Deputy for HR, Technology, and Information of the Ministry of SOE effective as of 3 March 2020 by virtue of Presidential Decree No. 49/TPA of 2020. Alex Denni earned Bachelor Degree in Agro-Industrial Management from Institute of Agriculture Bogor in 1990, obtained Master Degree in Management from University of Atma Jaya in 1997, and Doctorate Degree from Institute of Agriculture Bogor in 2011.

Prior to his current tenure, he served as Chief Transformation Officer Dharma Satya Nusantara Group (2014-2016), Chief Human Capital Officer of PT Bank Negara Indonesia (Persero) Tbk (2016-2018), and Director of Human Capital and Transformation of PT Jasa Marga (Persero) Tbk (2018-2020). He completed his tenure as Deputy for HR, Technology, and Information of the Ministry of SOE and re-assigned as Deputy of HR for Apparatus at the Ministry of PAN and RB effective after the inauguration on 27 April 2021.



Warih Sadono
Expert Staff on Strategic Policy Implementation

Born on 1 March 1963. Appointed as Expert Staff on Strategic Policy Implementation of the Ministry of SOE effective as of 3 March 2020 by virtue of Presidential Decree No. 49/TPA of 2020. Warih Sadono earned Bachelor Degree in Law from University of Atmajaya Yogyakarta in 1987, Master in Management from STIE IPWI in 2001, Master in Law from University of Padjajaran in 2005, and Doctorate in Law from University of Airlangga in 2018.

Prior to his current tenure, he served as the Deputy in Enforcement of the Indonesia Anti-Corruption Commission (2012-2015), Head of West Kalimantan High Prosecutor's Office (2015-2017), Director of Investigation under the Junior Attorney General of Special Crimes (2017-2018), Head of DKI Jakarta High Prosecutor's Office (2019), and Inspector IV under the Deputy Attorney General on Oversight under the Indonesian Attorney General Office (2019-2020).



Loto Srinaita Ginting
Expert Staff on Finance and MSME Development

Born on 7 May 1967. Appointed as Expert Staff on Finance and MSME Development in the Ministry of SOE effective as of 4 February 2020 by virtue of Presidential Decree No. 34/TPA of 2020. Loto Srinaita Ginting earned Bachelor Degree in Economics from the University of Indonesia in 1992 and obtained Master of Commerce in Economics from the University of New South Wales in 2000.

Prior to her current tenure, she served as Director of State Securities under the Directorate General of Debt Management, Ministry of Finance (2012-2015) and Director of Securities under the Directorate General of Financing and Risk Management, Ministry of Finance (2015-2020).



Rabin Indrajad Hattari
Expert Staff on Industries

Born on 26 March 1975. Appointed as Expert Staff on Industries of the Ministry of SOE effective as of 12 January 2021 by virtue of Presidential Decree No. 11/TPA of 2021. Rabin Indrajad Hattari obtained Bachelor of Arts in Economics and Mathematics from the University of Georgia in 1996, earned Master Degree in Management from the University of Indonesia in 2000, and PhD in Economics from George Mason University in 2008.

Prior to his current tenure, he served as Special Staff V of the Ministry of SOE from January 2020 to January 2021. He also spent his career in the Asian Development Bank (ADB) from 2010 and last served as a Senior Economist, Lead Advisor in the Australia Indonesia Partnership for Economic Governance (2017-2018). He also served as a Research Analyst of the World Bank (2007-2010) and Research Assistant in the International Monetary Fund (2002-2007).



Ardan Adiperdana
Special Staff I of SOE Minister

Born on 16 June 1959. Appointed as Special Staff I of SOE Minister since January 2021.

He obtained Diploma 4 Degree in Accounting, from the State Administration Academy (STAN) in 1987. He then undertook MBA Business Program, from Saint Mary's University (SMU) in 1992 and earned Doctorate Degree in Strategic Management, Management Science Post Graduate Program, from the University of Indonesia in 2013.

Prior to his current tenure, he served as Special Staff for Minister of Tourism and Creative Economics for the period of December 2019-December 2020. Ardan also previously served as Deputy Chairman of BPKP of State Accountant in 2006, Deputy Chairman of BPKP of State Agency Supervisory in Economics in 2013, and Chairman of Financial and Development Supervisory Agency (BPKP) in 2915.



Arya Mahendra Sinulingga
Special Staff III of SOE Minister

Born on 18 February 1971. Appointed as Special Staff III of SOE Minister since 2019. He obtained Bachelor Degree in Civil Engineering, Institute of Technology Bandung in 1986.

Prior to his current tenure, he took several positions, such as Expert Staff of DPRD Chairman of North Sumatra Province and Spatial Consultant, North Sumatra for the period of 2001-2004. He also served as Director of PT MNC Investama Tbk and Editor-In-Chief of RCTI in 2014-2015, as well as President Commissioner of PT MNC Infotainment Indonesia in 2017-2018.



Mohamad Ikhsan
Special Staff II of SOE Minister

Born on 7 November 1964. Appointed as Special Staff II of SOE Minister since 2019. He earned Bachelor Degree in Economics Faculty, University of Indonesia in 1988, then earned MA Degree in Economics from Vanderbilt University in 1991 and Ph.D. in Economics from the University of Illinois in 1998.

He concurrently serves as Commissioner of PT Perusahaan Listrik Negara (Persero) since 2020. He also serves as Member of Statistics Commission, Central Bureau of Statistics (BPS), Member of Board of Advisor of ADB Institute, and Professor of Economics at the University of Indonesia. Previously, he served as Member of Advisor Team of Coordinating Minister for Economics Affairs for the period of 2017-2019, Commissioner of PT Perusahaan Gas Negara Tbk in 2015-2018, and Special Advisor for the Vice President of the Republic of Indonesia for the period of 2014-2019.



Anhar Adel
Special Staff IV of SOE Minister

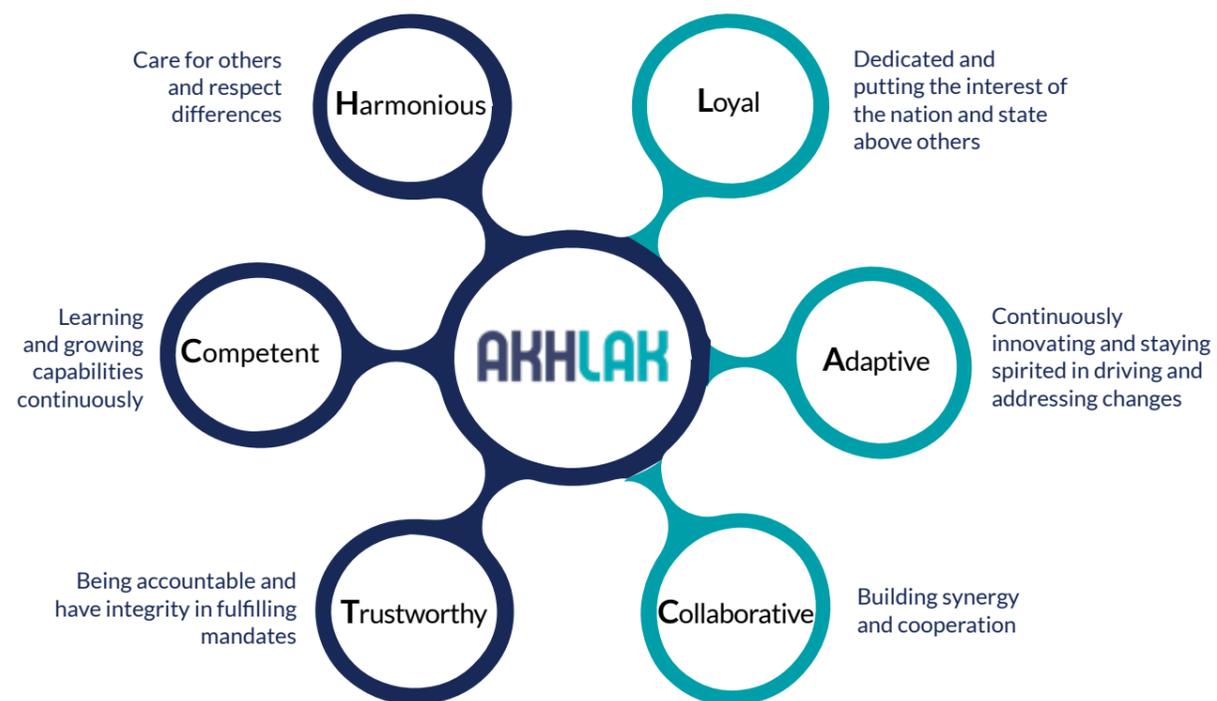
Born on 18 October 1958. Appointed as Special Staff IV of SOE Minister since November 2019.

He obtained Bachelor Degree in Political Science (State Administration), University of Padjadjaran in 1982.

Prior to his current tenure, he served as Main Secretary of BKPM for the period of 2007-2018 and Chairman of General Bureau. He also served as President Commissioner of PT Djakarta Lloyd in 2019-2020, and currently serves as Commissioner of PT Pupuk Indonesia Holding Centre since 2020.

"AKHLAK" & HUMAN RESOURCES TRANSFORMATION

The Ministry of SOE is aware that the transformation and fundamental changes it pursues cannot be realized without transforming its human resource. This includes the change in mindset and internalization of uniformed core values articulated as AKHLAK: Trustworthy, Competent, Harmonious, Loyal, Adaptive, and Collaborative.



The transformation of SOEs demand excellent leadership. Leaders in SOEs have vital and strategic role in guiding transformation process. The individuals in the board of directors and board of commissioners of an SOE must be highly capable and have strong integrity.

SOE transformation can swiftly proceed given clear strategies and vision of SOE leaders. Leaders can drive SOEs' performance by showing that they are ready and willing to sacrifice their personal interest, to lead by example, and able to realize a vision.

SOE leaders must set the example of internalizing core values into their company culture, demonstrating what it means to be a modern company that practices good corporate governance. SOEs, therefore, must be led by capable, hardworking, and persistent leaders – leaders with strong sense of crisis and belonging with the company they lead.

A set of uniformed core values is favourable to the initiative of making SOEs as talent pools and organizations that offer promising career paths. Another fundamental element in the transformation is the commitment to increase women and youth representation in SOEs' leadership. The Ministry of SOEs has identified the following targets for women representation in BoC, BoD, and BoD-1 level and youth representation in the BoC and BoD-1:

Representation targets	
Target 2021	15% female & 5% Milenial BoD, BoD-1
Target 2023	25% female & 10% Milenial BoD, BoD-1

NEW LOGO & SLOGAN



Align with the transformation and fundamental changes, the Ministry of SOE has also launched a new logo and slogan, "SOE for Indonesia". The new brand identity represents the fresh spirit and commitment of the SOE Ministry today and in the future.

The new branding and logo of "SOE for Indonesia" boasts contemporary design that visualize the goal and purpose of being a professional, trustworthy, and progressive organization with the spirit to innovate for the future.

WORLD CLASS COMPANY

The Ministry of SOE targets to increase the number of SOEs in the list of world-class companies. The increase is one of the indicators of transformation, growth, and Indonesia's presence in the global market. Currently, as of December 2020, four SOEs are included in the Forbes Global 2000: PT Bank Rakyat Indonesia (Persero) Tbk, PT Bank Mandiri

(Persero) Tbk, PT Telekomunikasi Indonesia (Persero) Tbk, dan PT Bank Negara Indonesia (Persero) Tbk. Meanwhile, PT Pertamina (Persero) is already in the Fortune 500 Global. The SOE Ministry expects to grow the presence of SOEs in these global and reputable lists.



SOE ROADMAP & TRANSFORMATION



The COVID-19 pandemic has impacted 89% of SOEs, which requires the Ministry of SOE to make adjustments on roadmap and projections for the 2020-2024 period to accommodate structural changes due to the shifts in priorities and business models impacted by the pandemic.

SOEs are facing a difficult situation due to the COVID-19 pandemic. To respond, SOEs and the Ministry of SOE have adjusted the roadmap and projections for 2020-2024 to accommodate structural changes due to the shifts in priorities and business models affected by the pandemic. Reprioritization of the roadmap addresses:

- 1. Protection of human resource** by facilitating transition to a new-normal work model
- 2. Stabilizing supply-chain** by reviewing supply-chain strategies of vital industries such as pharmaceuticals, healthcare, food, and logistics
- 3. Integrating COVID-19 response center** by establishing the COVID-19 Task Force to accelerate assistance delivery

- 4. Stress-testing financial and cash flow as well as restructuring SOEs** affected by the COVID-19 to maintain the viability of strategic SOEs
- 5. Maintaining customer engagement and accelerating the launch and expansion of digital channels** to retain communication and customer engagement
- 6. Realizing new opportunities** by using the crisis to deepen and improve relationships with customers, suppliers and other stakeholders which will increase competitiveness post-pandemic

The adjustment of SOE roadmap is divided into three main stages which are matched with the estimated flow of pandemic response as shown in the graph below. Each strategic initiative is outlined in 5 (five) SOE priorities.

The SOE Roadmap 2020-2024 has three main stages to maintain the continuity of SOEs portfolio in creating long-term added value

Survival & Viability

Up to Q2-2021

- A1** Protecting strategic SOEs and SOEs affected by COVID-19
- A2** Forming Clustering based on supply-chain linkages and industry similarities to enhance synergies
- A3** Improving SOEs' GCG foundation along with operational restructuring to achieve operational excellence

Restructuring & Realignment

Up to Q2-2022

- B1** Improving portfolio by restructuring the corporation that aims to carry out consolidation and simplification
- B2** Preparing the foundation for innovating new business model

Innovation & Transformation

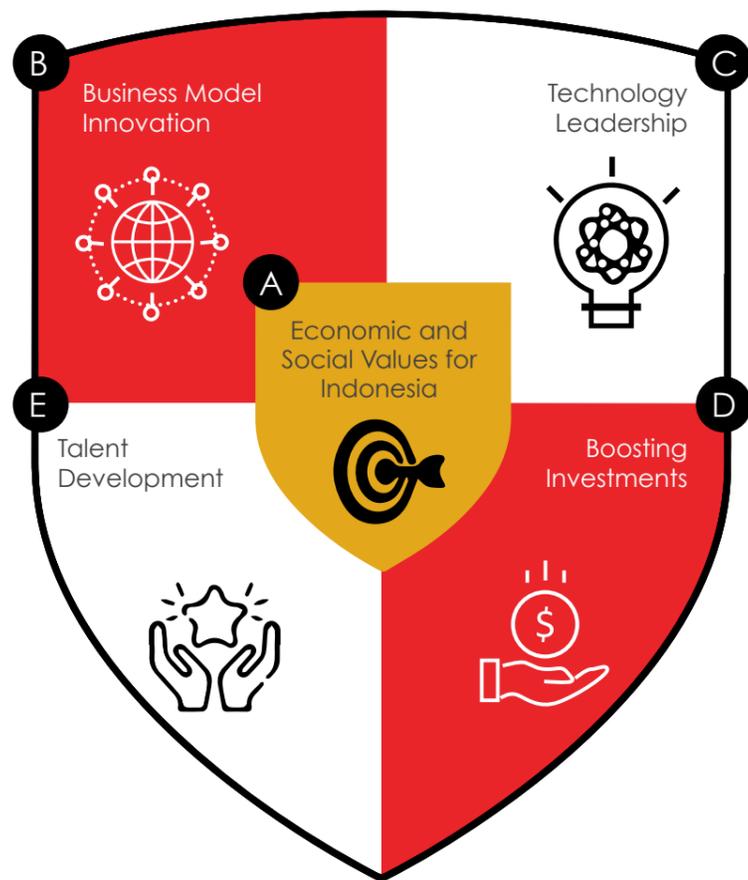
Up to 2024

- C1** Creating opportunities for private sector participation and refocusing the specialization of SOEs with commercial and social objectives

03 SOE ROADMAP & TRANSFORMATION

FIVE MAIN PRIORITIES OF SOE MINISTRY

As the agency that is tasked to develop SOEs and realize the transformation in SOEs, the SOE Ministry has developed a roadmap with five key themes, as illustrated in the following chart:



- A Economic and Social Values for Indonesia**
To enhance economic values and social impacts, specifically in food security, energy, and health.
- B Business Model Innovation**
Business model restructuring through ecosystem creation, cooperation, stakeholders' demand creation, and focus on core businesses.
- C Technology Leadership**
To be the global leaders of strategic technologies and to institutionalize digital capabilities, such as data management, advanced management, big data, and artificial intelligence.
- D Boosting Investments**
Optimizing asset value and creating sound investment ecosystem.
- E Talent Development**
Educate and train employees, create quality talents for Indonesia, and promote professional governance as well as people selection system.

PRIORITY 1: ECONOMIC AND SOCIAL VALUES FOR INDONESIA

SOEs are responsible for creating added economic and social values in Indonesia. We are grateful that despite the COVID-19, these responsibilities were fulfilled. In terms of added economic value, SOEs have supported the State Budget by contributing dividends (Rp44.3 trillion), paying taxes (Rp246 trillion), and providing non-tax contributions (Rp86 trillion). From the social value perspective, during the pandemic SOEs have been actively involved in tackling COVID-19 as well as providing direct and indirect assistance to drive the economy and alleviate the society's burden.

Furthermore, in line with their roles as Value Creator and Agent of Development, SOEs continue to carry out various programs to increase added economic value and create social impacts for the society.

INFRASTRUCTURE DEVELOPMENT

SOEs in the infrastructure cluster play a strategic role in the realization of six toll roads built in 2020: Trans Sumatra Toll Road (JTTS) Terbanggi Besar-Kayu Agung section, Lampung; JTTS Pekanbaru-Dumai Section, Riau; JTTS Sigli-Banda Aceh Section 4 Blang Bintang-Indrapuri Section, Aceh; Balikpapan-Samarinda Toll Road, East Kalimantan; Manado-Bitung Toll Road, North Sulawesi; and Serpong-Kunciran Toll Road, Banten, as well as the Jakarta Cikampek Elevated Toll Road.

Not only toll roads, SOEs are also involved in the construction of Kulon Progo Airport in DI Yogyakarta, Syamsuddin Noor Airport in Banjarmasin; ASDP Indonesia Ferry Pier Port V, Merak-Bakauheni; and the DKI Jakarta Integrated Transportation Mode Synergy - a collaborative project with Regional Owned Enterprises.

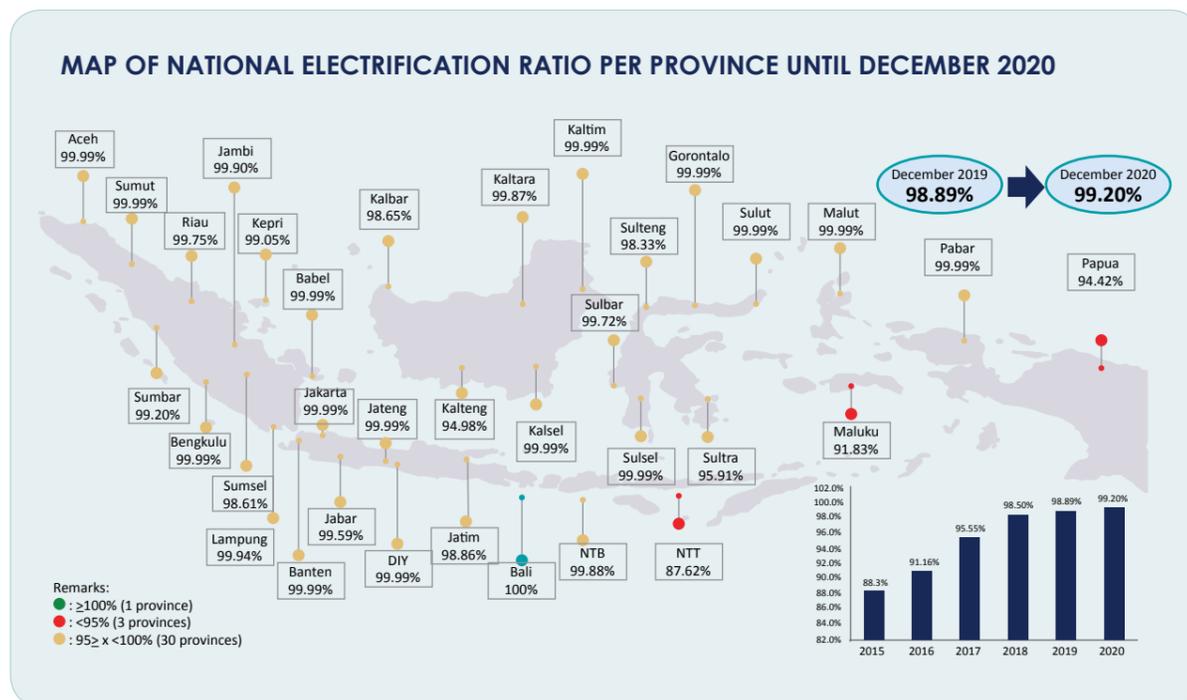
To strengthen the transportation sector that is vital to the mobility of people, goods and services, PT KAI cooperates with 15 syndicated banks consisting of state-owned banks, regional development banks (BPD), national private banks, and foreign private banks in a Syndicated Credit Agreements worth Rp4.2 trillion. The synergy increases the amount of financing of depots and LRT stations in the Greater Jakarta area (Jakarta, Bogor, Depok, and Bekasi).

BUILDING ENERGY SECURITY

The Ministry of SOE drives energy security by increasing equitable access and affordability of electricity and fuel to rural areas and 3T (frontier, outermost, and disadvantaged) areas. The development of rural electrification infrastructure by state-owned power company PLN at the end of 2020 had raised the National Rural Electrification ratio to 99.56% and the National Electrification ratio to 99.2%.

The One Price Fuel policy implemented by state-owned oil and gas company Pertamina has fulfilled the demand of communities in remote and 3T areas to access quality fuel at the same price as urban residents. In 2020, the target to have the price policy applied in 83 fuel stations was met resulting in a total of 243 stations selling One Price Fuel since the policy was launched in 2017.

To sustain energy security for the long term, the Ministry of SOE will continue to map renewable energy potentials in Indonesia, especially low-carbon energies that are clean and will not exacerbate climate change and global warming.

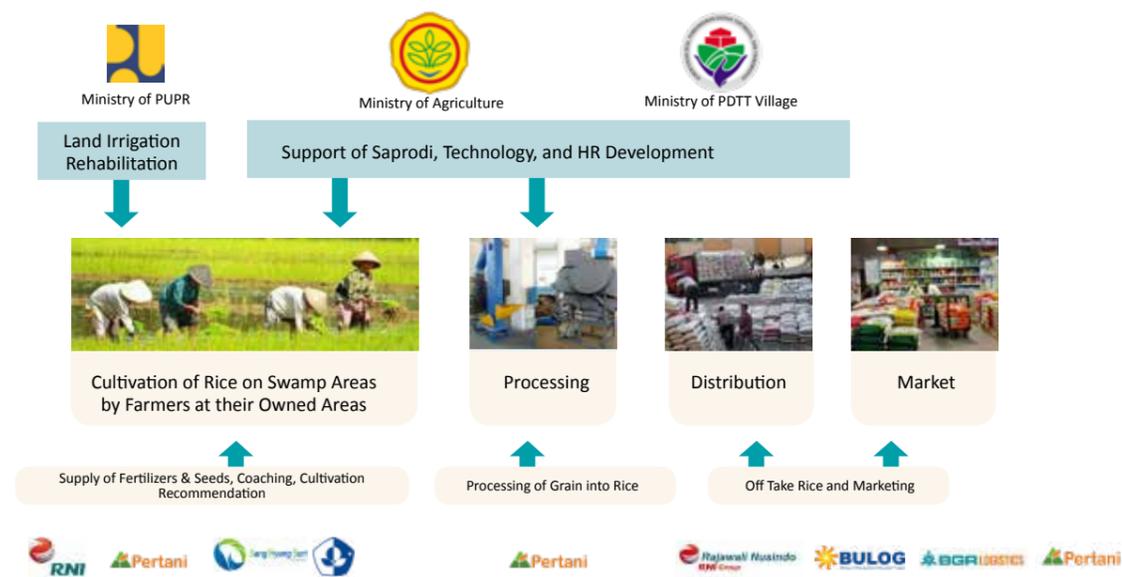


BUILDING FOOD SECURITY

Indonesia's strength as an agricultural country should be leveraged to create food security for the entire nation. The Ministry of SOE has initiated the Food Estate program

and develops food clusters that involve nine SOEs according to their role and core business.

FOOD ESTATE PARTNERSHIP DIAGRAM



Food Estate development aims to spur the growth of national rice production and improve farmers' welfare through partnerships with farmers and an integrated Corporate Farming program that integrates the entire supply chain from production to sales. This program's pilot project is carried out in Food Estate Sukamandi Food Estate, Subang Regency, West Java, and Kalimantan Food Estate, Kuala Kapuas, Central Kalimantan, with an area of 1,000 hectares and 30,000 hectares, respectively.

BUILDING HEALTH SECURITY

Even before the pandemic, health security has always been a priority for the Ministry of SOE. The health resilience roadmap has four strategic objectives, namely the provision of quality health services, network and scale enhancement, capability development and innovation, and integration and collaboration of the national health ecosystem.

Sustainable program has been developed. For the short term, Bio Farma was transformed into the state-owned holding company in pharmaceuticals. The Ministry also strengthened state-owned hospitals holding company under Pertamedika IHC. For the medium-term, the focus is emphasized on increasing the capacity of research and development of vaccines and the production of domestic drugs.

For the long term, the vision is for the holding companies to grow at a global scale, focusing on preventive health measures comprehensively. Thanks to the readiness of the Ministry and the concerned SOEs, the majority of actions under these programs were accelerated and accomplished in the first year of the roadmap.

In 2020, the consolidation of Bio Farma, Indofarma, and Kimia Farma into a state-owned pharmacy holding company, as well as the presence of eight new state-owned hospitals under Pertamedika IHC played a strategic role in building a coherent supply chain between state companies in the health sector. The additional eight hospitals would make Pertamedika IHC the largest hospital network in Indonesia by 2021 with a total of 74 hospitals and 143 clinics. The empowerment of state-owned health resources has become a game changer in handling the COVID-19.

Dengan pendampingan serta dukungan BUMN industri pangan dalam program ini, tingkat produktivitas di lahan tersebut dapat mencapai target peningkatan 70%. Contohnya, di Food Estate Sukamandi, dari yang semula 5 ton per hektar menjadi 8,5 ton per hektar, sehingga dari luas 1.000 hektar diperoleh 8.500 ton gabah kering panen.

MSME EMPOWERMENT

The focus to revive MSMEs as the national backbone has led the Ministry of SOE together with state-owned banks and PNM to ensure the availability of affordable credit access for ultra-micro businesses and MSMEs.

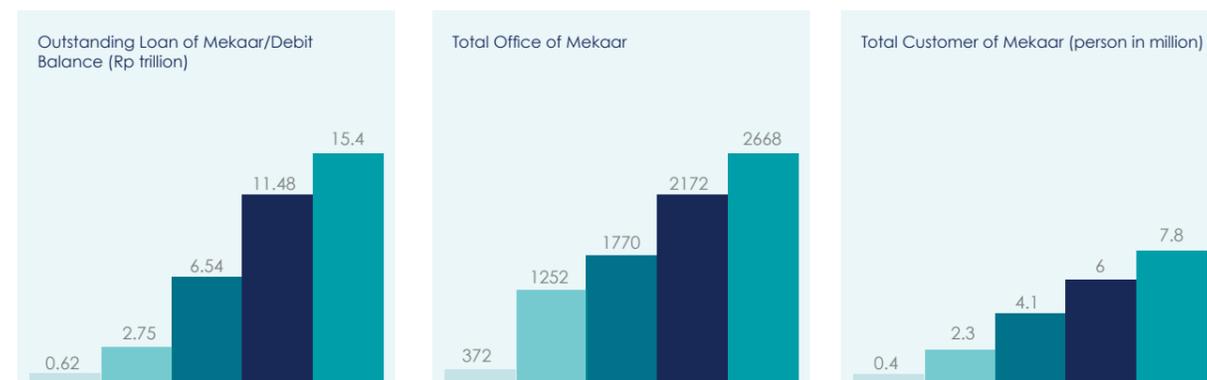
By the end of 2020, state-owned banks have disbursed KUR micro loan of Rp183.1 trillion to 5.9 million recipients (exceeded the target of Rp187 trillion). State-owned banks also restructured loans of customers in the MSME and Corporate segments with a total value of Rp212.5 trillion, benefitting 3 million MSME customers throughout 2020.

No	SOEs	2020 Realization (Rp trillion)
1	PT Bank Rakyat Indonesia (Persero) Tbk	138.5
2	PT Bank Mandiri (Persero) Tbk	24.8
3	PT Bank Negara Indonesia (Persero) Tbk	19.7
4	PT Bank Tabungan Negara (Persero) Tbk	0.1
Total		183.1



Loans were also disbursed for non-bankable business sectors. One of them was PNM's Mekaar (Developing Prosperous Families) program whose members consist of underprivileged productive women and micro business owners without access to banking products. During

the pandemic in 2020, lending value increased. This community-based coaching scheme consistently kept the risk level of non-performing loans in decline from year to year to 0.13% in 2020.



SOCIAL FORESTRY PROGRAM

The Social Forestry Program is established to maximize the utilization of national forests and is the government's mainstay program to improve the welfare of communities living around forests. Perkebunan Nusantara PTPN III (Persero) as a holding company carries out the program through empowerment activities guided by sustainability principles under the themes Forest Governance, Forest Village Community Governance/Institutional Governance, and Social Forestry Business Governance.

Exercising its commitment to sustainability, PTPN Group has certified its oil palm plantations. In 2020, PTPN Group has 75 palm oil mills and 132 oil palm plantations, covering an area of 552,888 hectares. In addition to RSPO and ISPO certifications, PTPN Group has also started ISCC certification for 16 plantations in 2020. The achievements of PTPN Group's ISPO, RSPO and ISCC certifications in the last five years (2016-2020) are as follows:

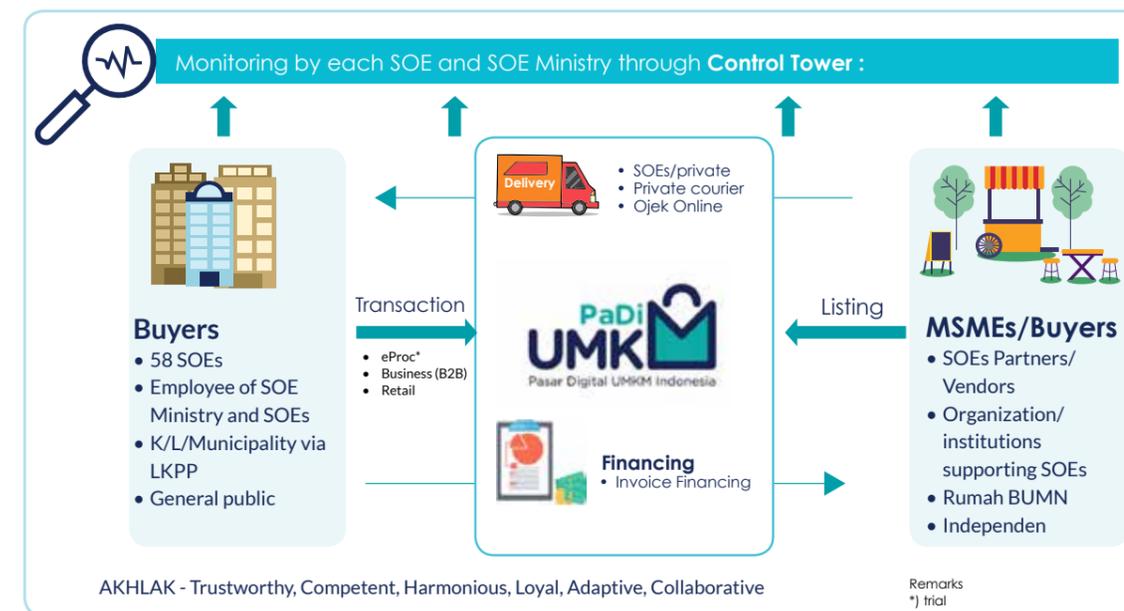
Types of Certification	Total Plantations/Certified Units				
	2016	2017	2018	2019	2020
RSPO	10	12	21	29	34
ISPO	5	17	19	26	46
ISCC	-	-	-	-	16

To support clean energy use, as well as to improve the economy of fishing families, the state gas company PGN supplies and distributes starter packages of liquefied petroleum gas (LPG) for fishing vessels, fishermen, and farmers. The packages for fishermen comprised 25,000 packages distributed in 22 provinces and for farmers comprised 10,000 packages in 18 provinces.

PASAR DIGITAL UMKM (PaDi UMKM)

PaDi UMKM is a digital marketplace that brings together MSMEs and SOEs more optimally, accelerates and encourages the efficiency of SOE spending transactions on MSME, as well as expanding and making it easier for MSME to get access to financing. The implementation of PaDi UMKM continues to be expanded to all SOEs

by stages. Starting with nine piloting SOEs, namely BRI, Pegadaian, PNM, PP, Pertamina, Pupuk Indonesia, Telkom, Waskita Karya, and Wijaya Karya; it is currently in the process of expanding to 48 other SOEs. The plan is to have PaDi UMKM implemented in all SOEs by 2021.



AGRO SOLUTION PROGRAM

The Agro Solution program aims to boost sales of commercial fertilizers through the Agro Solution scheme and increase the productivity of the Agro Solution partners' harvest. These are to be achieved by providing intensive assistance to farmers and sustainable agricultural cultivation and involving technology-enabled supply chains. Managed under Pupuk Indonesia Group, this program is organized based on the triple bottom line or 3Ps (People, Planet, and Profit); it seeks to improve

farmers' welfare and contribute to food security. This program not only provides agricultural inputs such as sustainable supply of fertilizers, but also the assistance in the production process, consulting, capitalization, and off-takers. As a pilot project, it has been realized in 36 locations covering an area of 4,758 hectares. The results are satisfactory: agricultural production volume has increased, and farmers' welfare has improved.

PRIORITY 2: BUSINESS MODEL INNOVATION

PLN TRANSFORMATION: POWER BEYOND GENERATIONS

On April 21, 2020, PLN began its transformation with the tagline "Power Beyond Generations". The tagline expresses the determination of making energy available to all generations and of maintaining PLN as a healthy corporate entity. PLN is determined to realize the vision of "Being the Leading Electricity Company in Southeast Asia and #1 Customer Choice for Energy Solutions."

PLN's transformation is visualized in the "PLN 2024 Aspirations" that identify four initiatives, namely Green, Innovative, Lean and Customer Focused:

a. Green: Increasing the use of green energy to power future generations considering their minimal environmental impacts and prices that are going to be more economical over time. This is part of PLN's efforts to protect the future generations by

contributing to increasing the share of renewable energy in Indonesia's energy mix as targeted by the Government.

b. Innovative: Creating innovative business models in the electricity ecosystem that contribute to PLN's revenue outside of kWh sales. Innovative also means trying to be adaptive to the demands of the times as well as creatively seizing opportunities and finding solutions.

c. Lean: Streamlining business processes and operations so that they become more agile and faster in facing changes and being a reliable electricity provider at affordable prices.

d. Customer Focused: Striving to provide the best satisfaction and service to customers through world-class quality and services.

e. Through increased revenue and synergy in cost management, the bank will bring positive impacts on a more efficient company growth.



MERGER OF BANK SYARIAH INDONESIA

As part of the focus on developing sharia finance in Indonesia, the Ministry of SOE initiated the merger of state-owned sharia banks. The objectives of the merge are as follows:

- a. To establish a globally competitive sharia bank in Indonesia (potentially to become the Top 10 Sharia Bank in terms of Market Cap).
- b. To enable the development of new sharia products that are globally competitive and profitable by leveraging the organization's substantial capacity.
- c. Provide the best digital customer experience and sharia products, driven by the bank's variety of products and technological capabilities.
- d. With extensive branch network (+1,200), the bank can provide the services needed by sharia customers in Indonesia.

INSURANCE HOLDING

Indonesia Financial Group (IFG) has been officially designated as the holding company for state-owned insurance and guarantee enterprises. The designation is based on Government Regulation No. 20/2020 concerning the Addition of State Equity Participation into the Share Capital of PT Bahana Pembinaan Usaha Indonesia (BPUI), commonly referred to as IFG. With consolidated assets of Rp72.5 trillion, IFG has nine holding members, namely PT Asuransi Kredit Indonesia (Askrindo), PT Jaminan Kredit Indonesia (Jamkrindo), PT Jasa Raharja, PT Asuransi Jasa Indonesia (Jasindo), PT Bahana Sekuritas, PT Bahana TCW Investment Management, PT Bahana Artha Ventura, PT Grahaniaga Tata Utama, and PT Bahana Kapital Investa.

IFG's appointment as the holding company is attributed to its flexibility and strong capability in investing. IFG also has business lines that can be incorporated in the insurance and security ecosystem, making it suitable to be a gameplay regulator. IFG can also issue funding instruments and exercise other capital allocations. The establishment of State-Owned Insurance and Security Holding also has the potential to provide benefits to the state, society, the insurance industry, as well as the state-owned insurance and security themselves.

BUILDING HEALTH RESILIENCY

Even before the pandemic, health security has always been a priority for the Ministry of SOEs. The health resilience roadmap has four strategic objectives, namely the provision of quality health services, network and scale enhancement, capability development and innovation, and integration and collaboration of the national health ecosystem.

The SOE Ministry has identified short, medium, and long-term programs to realize the roadmap. For the short term, Bio Farma was transformed into the state-owned holding company in pharmaceuticals. The SOE Ministry also strengthened state-owned hospitals holding company under Pertamedika IHC. For the medium-term, the focus is emphasized on increasing the capacity of research and development of vaccines and the production of domestic drugs.

For the long term, the vision is for the holding companies to grow at a global scale, focusing on preventive health measures comprehensively. Thanks to the readiness of the SOE Ministry and the concerned SOEs, the majority of actions under these programs were accelerated and accomplished in the first year of the roadmap.

In 2020, the consolidation of Bio Farma, Indofarma, and Kimia Farma into a state-owned pharmacy holding company, as well as the presence of eight new state-owned hospitals under Pertamedika IHC played a strategic role in building a coherent supply chain between state companies in the health sector. The additional eight hospitals would make Pertamedika IHC the largest hospital network in Indonesia by 2021 with a total of 74 hospitals and 143 clinics. The empowerment of state-owned health resources has become a game changer in handling the COVID-19.

SOE RESTRUCTURING

In 2020, there were recovery and restructuring efforts conducted on several SOEs, including Jiwasraya, PTPN, and Krakatau Steel. In each enterprise, the efforts were accompanied by business turnaround objectives, business model improvements, organizational transformation, and various other corporate actions.

In Jiwasraya, the measures to salvage insurance policies include policy restructuring portfolio transfer, and policy rescue funds. Meanwhile, PT Krakatau Steel received PEN (National Economic Recovery) program assistance of mandatory convertible bonds (OWK) as loan. Worth Rp3 trillion, the bonds would be used for working and operating capital. PT Perkebunan Nusantara III (Persero) received subordinated term loan facility of Rp4 trillion to overcome short-term liquidity pressures, maintain continuity of investment execution, and to meet working capital needs.

In 2020, the Ministry of SOE authorized PT Perusahaan Pengelola Asset (Persero) or PPA to improve SOEs' management efficiency and effectiveness. To that end, the measures include SOE restructuring and revitalization, development and optimization of non-strategic SOEs, and optimization of minority share ownership portfolios. As of the end of 2020, there were 24 SOEs managed under the PPA.

Furthermore, a Restructuring Acceleration Team was formed to improve coordination and synergy between agencies related to the implementation of the SOE restructuring program. The Team's Steering Committee is led by the Minister of SOE and the Minister of Finance, while the Implementing Team is chaired by the SOE Deputy Minister I, SOE Deputy Minister II, and Deputy Minister of Finance.



PRIORITY 3:
TECHNOLOGY LEADERSHIP

In responding to technological disruption, changes in consumer behavior, and the industrial revolution 4.0, SOEs as the engine of development must take various efforts to implement digitalization and carry out technology development. These efforts, carried out internally or with partners, have brought tangible results that optimize business processes and performance.

TOWARDS INDUSTRY 4.0

Technological developments in SOEs include RNI's Future Farming 4.0 to strengthen food security, Port Operation Command Center for managing port activities at Pelindo, as well as the Airnav Electronic Aeronautical Chart (Nav-Earth) application that provides digital flight maps in real time to improve flight safety and efficiency.

Meanwhile, in energy security, Pertamina is implementing technology in collaboration with Microsoft to search for strategic wells and to increase procurement and procurement cost efficiency. Digitalization is also applied in the upstream, midstream, downstream, and corporate sides, as well as in gas station management.

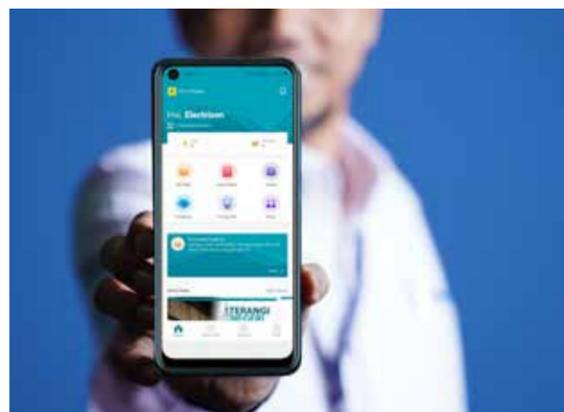
CONNECTIVITY

To overcome issues in internet and digital data, PT Telkom developed the Antares Community, Big Box product, and Smart Village Nusantara (SVN).

The Antares community is a mainstay in the development of IoT solutions. It provides customers with a wide choice of solutions tailored to their needs and at competitive prices. Meanwhile, Big Box is a Big Data Solution for various companies in transforming complex data into Actionable Insights according to operational and business needs. By the end of 2020, the completion of the program had reached 106% of the 2020 target.

SERVING THE COMMUNITY

PLN and Microsoft are developing and optimizing the latest technologies: Artificial Intelligence (AI), Internet of Things (IoT) and High-Performance Computing (HPC). The development of smart metering, smart grid management, smart supply chain, big data analytics and executive dashboards supports PLN's work to be more effective and efficient. PLN is also developing the New PLN Mobile application to facilitate bill payment transactions and purchase of electricity tokens, as well as various other customer services. The Charge.In application was also developed to control and monitor the charging of electric car batteries at public electric vehicle charging stations (SPKLU).



Meanwhile, ASDP digitized bookings and purchases of ferry crossing tickets which were managed through the Ferizy application.



Smart Village Nusantara (SVN) is a Telkom initiative to create an Independent and Productive Village by connecting every entity in each village into a digital ecosystem to improve the quality of government services, welfare, and quality of life for rural communities. In 2020, five pilot project villages have been built in Pangandaran and Kemuning, West Java as well as Palasari Village (West Java), Sambirejo Village (Special Region of Yogyakarta), and Ranupane Village (East Java).

SEMEN INDONESIA GROUP'S NEW BUSINESS MODEL

Semen Indonesia Group is one of the SOEs that continues to innovate with its digital-based business models by positioning the company not as a cement producer, but as a provider of building material solutions. After launching SobatBangun as a one-stop-service for building construction and renovation in 2019, in 2020 the company launched Akses Toko, a marketplace for building stores that provide ready mix products. These various innovations not only ensure the company survives and is able to seize opportunities during the pandemic, but also to prepare the company to compete regionally post-pandemic.

FERIZY ASDP FERRY

Ferizy, an abbreviation of Ferry Eazy, is the digitization of ferry ticket reservations, whereby users can book tickets through mobile app and websites prior to going to the port. Ferizy is also integrated with port capacity management, thereby ensuring that passengers are always within port capacity and ship schedule. Ferizy online ticketing system has been applied at four main

PEDULILINDUNGI APPLICATION

By virtue of a 2021 Joint Decree of the Minister of Health and the Minister of Communication and Informatics concerning the Implementation of the Information System for One Data Vaccination for the COVID-19, PT Telkom Indonesia (Persero) Tbk was assigned to develop, operate, and manage information systems through PeduliLindungi app. The app has features such as QR code scanning, vaccination registration, the COVID-19 examination results, Electronic Health Alert Card (E-HAC), check-in history, information related to COVID-19, and others. As per 11 November 2021, the app has 70,457,686 registered users and over 63 million Monthly Active Users. The app is used by the public to prevent the spread of COVID-19 by promoting health protocols in activities in the transportation, tourism, education, worship, sports and other business sectors to drive national economic recovery.



ferry ports, namely Merak, Bakauheni, Ketapang, and Gilimanuk. In 2020, two more ports have been added in Lake Toba. The target for the the next two years is to implement the system in all ferry ports in Indonesia. The inaugural operation of Ferizy was held on 25 July 2020 by the Minister of SOE, the Minister of Transportation, and the Minister of Tourism.



PRIORITY 4: BOOSTING INVESTMENTS

The Ministry of SOE collaborates with SOEs and Ministries/Institutions to create an enabling situation for the growth of new investments in Indonesia. Three programs have been established, namely increasing strategic investments that have a large and sustainable impact, attracting direct investment from foreign investors, and building a healthy investment climate. The efforts to increase strategic investment that are implemented to date have shown positive results.

SOE INVESTMENT OPTIMIZATION

Collaboration with the Ministry of Foreign Affairs in strengthening economic diplomacy is carried out in line with the SOEs' vision of Go Global. This will maximize the value of outbound investment by SOEs worldwide to reach USD17.5 billion, as well as boosting Indonesia's export performance. The collaboration also includes matchmaking efforts between SOEs and foreign investors who are interested in making inbound investment in Indonesia in accordance with the sector of interest.

transparency has effectively enhanced trust towards SOEs in the international community.

To date, there have been three global bonds issued by PT Inalum (Persero), PT Hutama Karya (Persero), and PT Bank Mandiri (Persero) Tbk, amounting to a total of USD3.6 billion or equivalent to Rp54 trillion.

ATTRACTING FOREIGN INVESTMENT

Indonesia Investment Authority (INA) which was established in 2020 by virtue of Government Regulation No. 73 and No. 74 is a joint initiative of the Ministry of SOE, the Ministry of Finance, and the Coordinating Ministry for Economic Affairs. INA has an important role in attracting foreign investors in Indonesia's strategic projects. Foreign capital will be an alternative source of investments outside of the state budget and SOEs in creating job opportunities for the Indonesian people. In the early stages of INA development, the government is committed to deposit capital of Rp75 trillion, with an initial cash deposit of Rp15 trillion.

Indonesia's interest in having foreign investment concerns several purposes, including the revitalization of the Benoa Harbor Area in Bali as a Home Port Cruise, the gateway for tourists through cruise ship visits. This project is entrusted to Pelindo III and is targeted to multiply cruise ship visits and tourists to ports and new tourist destinations in Bali as well as other maritime tourism throughout Indonesia.

Meanwhile, global bonds, fund innovation from SOEs, are still in demand by international businesses. This shows that SOEs' transformation that increases competitiveness and

SPECIAL ECONOMIC ZONES

The support from Plantation Holding (PTPN III) that simplify land acquisition process for investors to develop manufacturing facilities in Special Economic Zones (SEZ) is a significant push for the growth of domestic investment. This support runs effectively in SEZs in Batang, Kendal, Central Java and in Sei Mangkei, North Sumatra. In Mandalika, West Nusa Tenggara, the SEZ development support is provided by the state-owned Indonesia Tourism Development Corporation (ITDC).



BUILDING ENERGY SECURITY

The policies that aim to boost investments in energy security is focused on creating new and renewable energy, reducing dependence on oil and gas imports, and promoting energy equity and affordability.

In 2020, several business model innovations were realized. These included the implementation of the Biosolar B30 program, the operation Lumut Balai unit 1 geothermal field in Muara Enim, South Sumatra with a capacity of 1x55 MW, and the acceleration of the coal gasification program.

PGN is also implementing Decree of the Minister of Energy and Mineral Resources No.89 K/IO/MEM/2020 concerning the supply of natural gas to seven specific industrial sectors at a price of USD6/MMBTU. By managing 96% of Indonesia's natural gas infrastructure, PGN, now with 10,100 kilometers of pipeline connections, can serve more than 422,000 customers from all sectors: power sector, industries, commercial, MSMEs, transportation, and households.



To reduce dependence on imported energy, PGN has realized 90% of the construction target of 127,864 Gas Networks (Jargas) for household connections in 23 districts/cities. This initiative demonstrated the effective use of the 2020 State Budget. It also showed PGN's support to the Government's program of optimizing the use of natural gas to reduce dependence on imported energy. To date, the initiative's actual progress has reached 90%.

Meanwhile, PLN and Masdar, a UAE-based company in renewable energies, are accelerating the development and adoption of solar power plants. A solar power project in Cirata Lake, West Java of 145 MW is poised to be the largest in Southeast Asia. There are also other breakthroughs carried out to sustain energy security for the future, including the development of electric vehicle battery, the down-streaming of mineral and coal industry, and synergizing refineries and petrochemicals.

The mineral and coal down-streaming initiatives, especially nickel, have received positive response from foreign investors. Contemporary Amperex Technology Co. Ltd. (CATL) from China and LG Chem Ltd from Korea, two of the world's largest electric vehicle (EV) battery manufacturers, signaled their interest in joining an investment project worth more than USD20 billion to develop nickel supply chains in Indonesia.

The development of the EV Battery ecosystem by SOEs will create added value of USD2.5 billion to the economy, attract investment of USD4-7 billion, potential foreign exchange earnings of ~USD1-3 billion per year, taxes of around USD1 billion per year, and employment for up to 16,000 people.

OIL AND PETROCHEMICAL REFINERY DEVELOPMENT

The oil and petrochemical refinery development is a National Strategic Project as stipulated in the Presidential Regulation of the Republic of Indonesia No. 109/2020. The goal is to realize national energy sovereignty by building an integrated oil refinery with petrochemicals to support regional and national economic growth through the multiplier effect of project implementation.

BATANG INTEGRATED INDUSTRIAL ESTATE

The Batang Integrated Industrial Estate (KITB) is located in Pekalongan City, Batang District, and Pekalongan District. KITB is expected to support and provide added value to economic development in the three main corridors of development in Central Java (Kedungsepur, Purwomanggung, and Bergasmalang Region). PT Wijayakusuma Industrial Estate (Persero), PT Perkebunan Nusantara IX and PT Pembangunan Perumahan (Persero) Tbk, has signed a Memorandum of Understanding on KITB Development on 30 June 2020. Subsequently, they will form a new business entity or establish a subsidiary and/or joint venture to work as the developer and manager of KITB, in collaboration with the Batang District Government through a regional government-owned enterprise engaged in various businesses (Perusahaan Daerah Aneka Usaha). PT KITB was formed on 11 December 2020. Currently, the basic infrastructure development process is being carried out with the State Budget from the relevant Ministries.



The Signing of Share Purchase Agreement for the Acquisition of Shares Divestment of PTVI between the President Director of MIND ID and President Director of PTVI witnessed by the Minister of SOED and Minister of ESDM

DIVESTMENT SHARE ACQUISITION OF PT VALE INDONESIA TBK

Mining Industry Indonesia (MIND ID) with the majority shareholders of PT Vale Indonesia Tbk (PTVI), namely Vale Canada Limited (VCL) and Sumitomo Metal Mining Co., Ltd. (SMM), had completed the transaction to purchase 20% of PTVI's divested shares on 7 October 2020. VCL has sold 14.9% of its shares and SMM of 5.1% for Rp2,780/share or Rp5.52 trillion. With the completion of the transaction, the share ownership in PTVI changed to 44.3% VCL, 20% MIND ID, 15% SMM, and 20.7% public.

The completion of this transaction marked the start of a long-term strategic cooperation between MIND ID and PTVI. The government appointed PT Indonesia Asahan Aluminum (Persero), better known as MIND ID, as the Government's representative in the implementation of this share divestment. The divestment of 20% of PTVI's shares is a commitment based on the 2014 Contract of Work amendment between PTVI and the Government of the Republic of Indonesia.

INVESTMENT IN GOJEK

On 16 November 2020, Telkomsel invested USD150 million in Gojek and later put an additional investment of USD300 million on 21 May 2021. The investment is part of Telkomsel's strategy to provide beyond connectivity services. Telkom believes that collaboration and synergy with one of the largest digital companies in Indonesia can accelerate Telkom's transformation into a digital telco company, providing the best services and solutions to the community in building an inclusive and sustainable digital ecosystem.

This is also in line with the role of the Telkom Group to open more opportunities for the public to gain access to online platforms that are closer, customer centric, and have a positive impact on people's lives and accelerate Indonesia's economic growth.



ACQUISITION OF INDOMETAL CORPORATION (ASIA PACIFIC) PTE. LTD (INDOMETAL SINGAPORE)

MIND ID and Indometal (London) Limited signed a Sale & Purchase Agreement on 29 June 2020. This transaction marked MIND ID's 100% acquisition of Indometal

Singapore's shares. MIND ID for a total amount of US\$398,500.



PRIORITY 5: TALENT DEVELOPMENT

The Ministry of SOE has prepared to seize Indonesia's demographic dividend in the next decade of 2030-2040. Given that Indonesia's productive age population (individuals ages 15-64 years old) is estimated to reach 70%, several policies are in place to increase SOEs' competitiveness as global players and home to professional talents.

SOEs' policies that appeal to the younger generation, millennials, and women will eventually turn SOEs into innovative, creative, agile, and dynamic companies.

To date, the policies that have been implemented are:

STANDARDIZATION OF SOE BOD COMPETENCY

The Ministry of SOE has identified three dimensions to assessing SOEs' talent, namely competency, professional qualification, and character, and in 2015 revised and launched 12 competency indicators for prospective SOE Directors. Assessment results of the three dimensions can inform the strategies to hone talents in SOEs as the future leaders of change and progress.

BOARD OF COMMISSIONERS & BOARD OF DIRECTORS' SELECTION GOVERNANCE

To improve the selection process governance of members of Board of Commissioners and Directors, the Ministry of SOE appoints seven independent institutions as assessment centers that evaluate prospective members of an SOEs' Board of Directors from time to time. The institutions are PT Telekomunikasi Indonesia (Persero) Tbk, Management Institute, Faculty of Economics and Business of Universitas Indonesia (UI), Indonesian Banking Development Institute, PT Aneka Search Indonesia, PT Binaman Utama-PPM Management, PT Daya Dimensi Indonesia, PT Eshael Indonesia, and PT Hay Group-Korn Ferry.

TALENT SUCCESSION MANAGEMENT

To create continuous leadership regeneration, the Ministry of SOE established a SOE Talent and Succession Management which identifies the top three candidates at the BoD and BoD-1 levels from each SOE as well as candidates from professionals with the potential to become reliable SOE leaders.

WOMEN AND YOUTH REPRESENTATION

In line with the target to have higher representation of women and young leaders in SOEs, various efforts have been made by SOEs together with the Indonesian Human Capital Forum (FHCI). Until the end of 2020, there were 93 women representatives out of 960 Directors and Board of Commissioners/Supervisory Board of the Parent SOEs. Meanwhile, of the 1,429 talents proposed by SOEs to enter Talent & Succession Management, 918 BoD-1 talents have been identified as Eligible Talents, of which 124 talents are women.

Millennials (under 42 years of age) are also given the opportunity occupy the seats of Directors or Commissioners of SOEs, as exemplified by PT Telekomunikasi Indonesia (Persero) Tbk, PT Pos Indonesia, PT Pertamedika, and Bio Farma. The Ministry also continues to increase the percentage of women in senior leadership up to 15%.



OPPORTUNITIES FOR TALENTS



Opportunities for Talents with Disabilities

The Ministry of SOE together with the Indonesian Human Capital Forum (FHCI) continue to take steps to meet the target of providing employment opportunities of at least 2% for people with disabilities.

From 2019 to the end of 2020, 310 people with disabilities have been recruited and assigned in 42 SOEs.

Opportunities for Papuan Talents

SOEs' recruitment program for Papuans was received positively as evident from twenty thousand applicants who participated. From 2019 until the end of 2020, SOEs have recruited 776 of Papua's best talents – realizing 77% of its target to employ 1,000 Papuan talents consisting of 522 people recruited in 2019 and 254 people recruited in 2020. They are placed in 55 SOEs throughout Indonesia. This program will be continued in the coming years.

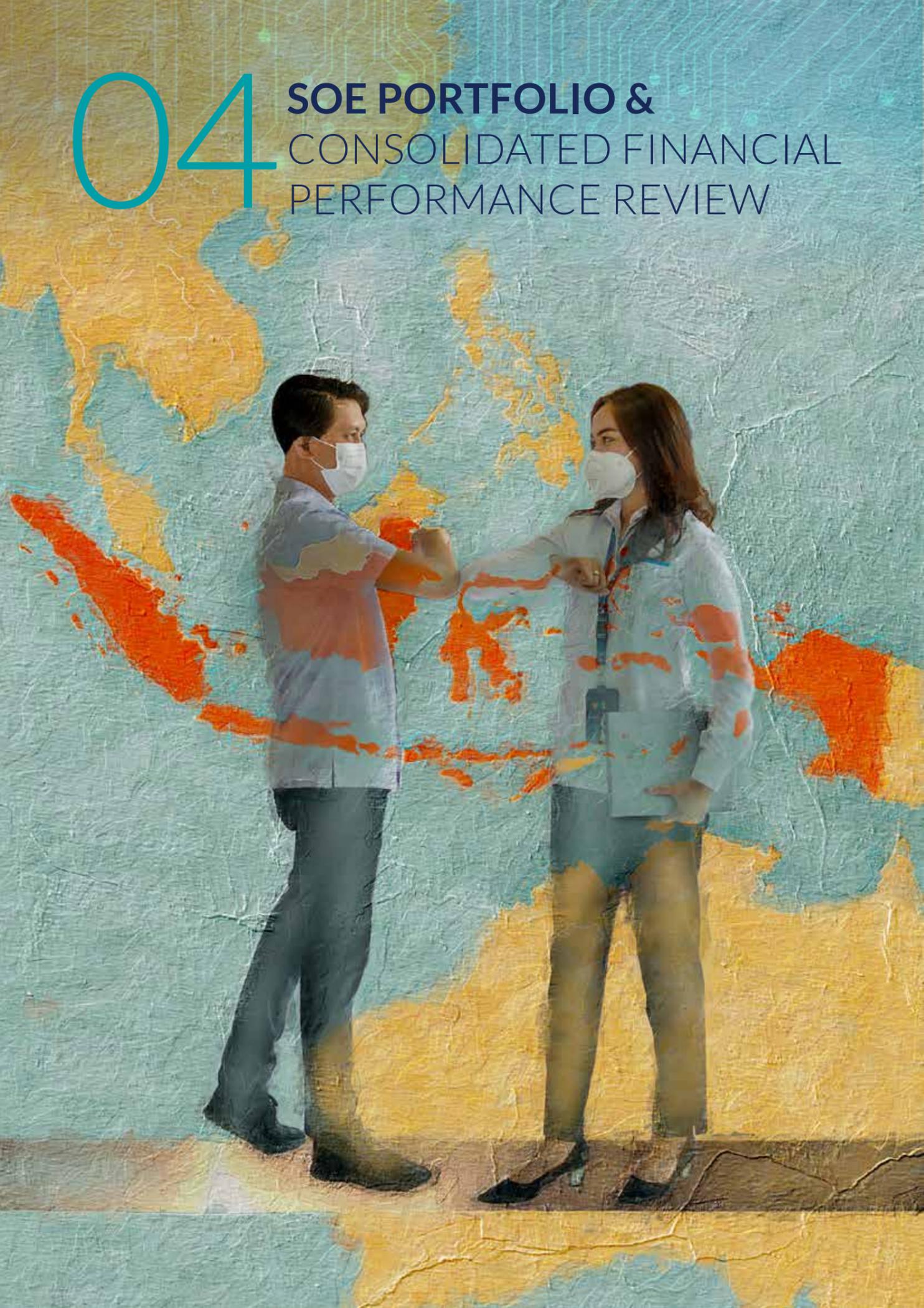
COMMITMENT TO GOOD CORPORATE GOVERNANCE

The overall transformation of SOEs is integral to the transformation of the business processes and talents of SOEs. This is done to realize good governance, risk management culture, the anti-corruption principles, and the monitoring of the anti-bribery management system. The progress of achieving these targets as of 31 December 2020 is as follows:

- Focus on Licensing and Trading Administration – sub-action 5 implementation of the MAS system: 94.1%.
- Focus on Bureaucracy and Law Enforcement Reform – sub-action 19 acceleration of Merit system implementation: 87.5%.
- Focus on State Finance - Sub-action 16 optimizations of KSWP: 71.4%.

- Implementation of Anti-Bribery Management System Quality Standards and SNI ISO 37001:2016: 96.3% (104 SOEs, including subsidiaries).
- Establishment of a Gratification Control Unit under the guidance of the Deputy for Prevention of the Corruption Eradication Commission. Various policies and initiatives were born to avoid potential conflicts of interest. The Inspectorate as the manager of the alleged violation reporting system is assigned the responsibility of managing the WBS.
- To build a risk management culture in SOE, the Ministry of SOE with the aspirations of shareholders encourages the measurement of the Risk Maturity Index in 2021 (according to the Strategic Plan of the Ministry of SOE 2020-2024) and the risk management profile in the 2021 Company Work Plan and Budget.

04 SOE PORTFOLIO & CONSOLIDATED FINANCIAL PERFORMANCE REVIEW



SOE PORTFOLIO & CONSOLIDATED FINANCIAL PERFORMANCE REVIEW

SOE Economic Value-Added Creation Framework

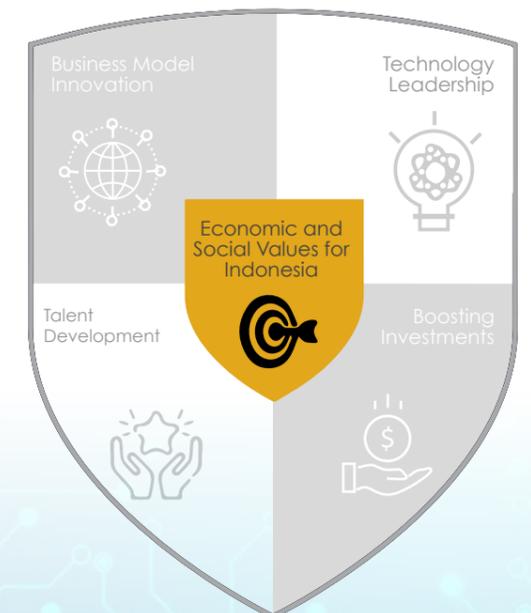
In carrying out the strategy aimed at fulfilling the first of the five priorities of SOEs, added economic value needs to be redefined to ensure the creation of growth that adds economic value, but at the same time balances the stability of the SOEs' financial structure.

On the priority of Creating Economic and Social Value for Indonesia, the Ministry of SOE directed SOEs to consistently incorporate the creation of Added Economic Value in their financial strategies. The following 3 diagrams described four integrated steps to create Added Economic Value, focusing on:

1. Economically-sustainable expansion, as measured by the following parameters: (1) Expansion of EBITDA and cash flow from operations, both being the indicators of business scale growth that is in balance with cost control; and (2) Net Profit and Dividends that suggest dividend payout capacity for shareholders;

2. Added economic value creation, calculated based on the excess of Return on Invested Capital (ROIC) above the cost of the invested capital used to generate the return on investment;

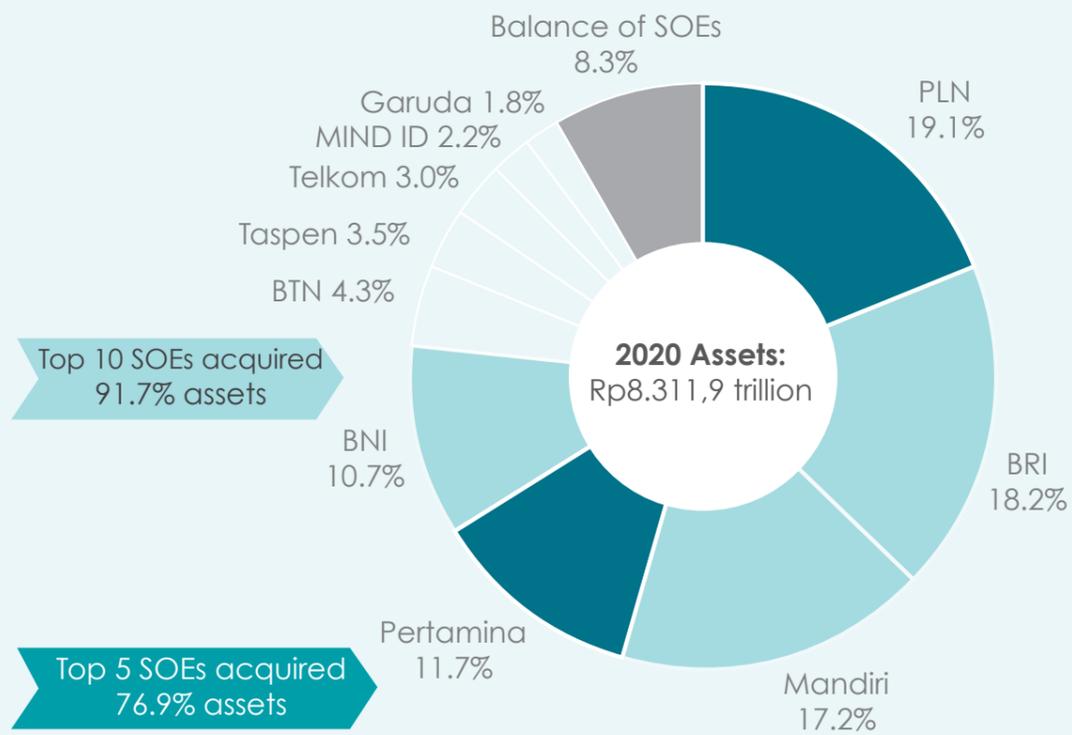
3. Maintaining a balanced financial structure, recognizing that that the capital structure of SOEs must optimally utilize low-cost funds from loans but still maintain a balanced financial structure and sustainable payment capacity.



Overall, of the 108 SOEs managed by the Ministry of SOE, 77% of assets are concentrated in five SOEs, namely PLN, BRI, Mandiri, Pertamina, and BNI; and spread in two clusters: the Financial Services Cluster and the Energy, Oil & Gas Cluster. The other five largest SOEs (BTN, Taspen,

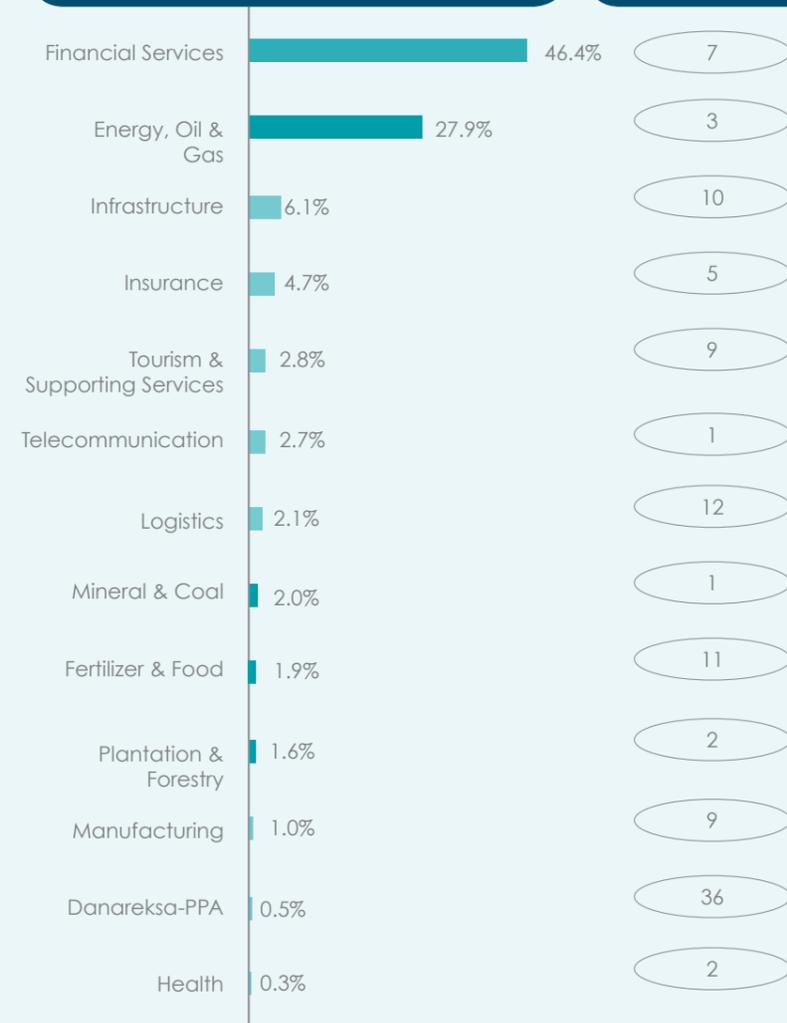
Telkom, MIND ID, and Garuda) collectively contributed to 15% of total SOE assets and represent the Financial Services Cluster, Mineral and Coal Cluster, Insurance Cluster, Tourism & Support Services Cluster, and Telecommunication Cluster.

SOEs Shares by Assets



SOEs Cluster Proportion by Assets

Total SOEs



CLUSTERING & HOLDING

Efforts to optimize and refocus SOEs' businesses encouraged the Ministry of SOE to make fundamental changes in the management of state-owned enterprises.

The first transformation step, the efficiency and restructuring of SOEs, was taken after SOEs were mapped and classified into four categories.

First, SOEs focused on generating economic value and providing added value for the Indonesia (surplus creator). Second, SOEs focused on public services (welfare creator). Third, SOEs assigned to provide economic value as well as public services (strategic value), and fourth, SOEs with neither economic nor social value (dead weight).

The mapping also confirmed low-value state-owned enterprises, particularly SOEs with negative profitability and lack the competitiveness to survive in the current business landscape, that are identified as SOEs to be liquidated. However, SOEs with significant debt are given revamp opportunity, as they are still at least profitable and have the potential to grow in the future.

To that end, clustering and downsizing the number of SOE holdings is a strategic step for the Ministry of SOE to form a more optimum corporate portfolio and restructuring through consolidation, mergers, acquisitions, and establishment of SOE holdings.

The clustering of SOEs and formation of SOE holdings are carried out based on supply-chain linkages, business scale and complexity, and similarities in industry, business models, and value chains. The goal is enabling SOEs to focus more on core businesses that clearly provide benefits, stronger synergies in business models from upstream to downstream, and increase value added for the society and the country.

Deputy Minister 1 manages six clusters in the industrial sector, while Deputy Minister 2 manages six clusters in the service sector. The division was done to increase the effectiveness of the development and management of SOEs, build a healthy ecosystem, and enable every SOE to develop and provide added value to the country.

Clusters under Deputy Minister I

ENERGY, OIL & GAS

- PT Perusahaan Listrik Negara (Persero)
- PT Pertamina (Persero)
- PT Energy Management Indonesia (Persero)

MINERAL & COAL

- PT Indonesia Asahan Alumunium (Persero)

FERTILIZER & FOOD

- PT Pupuk Indonesia (Persero)
- Perum Bulog
- PT Rajawali Nusantara Indonesia (Persero)
- PT Sang Hyang Seri (Persero)
- PT Perusahaan Perdagangan Indonesia (Persero)
- PT Pertani (Persero)
- PT Bhandha Ghara Rekza (Persero)
- PT Garam (Persero)
- PT Perikanan Indonesia (Persero)
- PT Berdikari (Persero)
- PT Perikanan Nusantara (Persero)

PLANTATION & FORESTRY

- PT Perkebunan Nusantara III (Persero)
- Perum Perhutani

MANUFACTURING

- PT Krakatau Steel (Persero) Tbk
- PT Dirgantara Indonesia (Persero)
- PT Pindad (Persero)
- PT PAL Indonesia (Persero)
- PT LEN Industri (Persero)
- PT Sucofindo (Persero)
- PT Dahana (Persero)
- PT Surveyor Indonesia (Persero)
- PT Biro Klasifikasi Indonesia (Persero)

HEALTH

- PT Biofarma (Persero)
- PT Industri Nuklir Indonesia (Persero)

SOE clusters are established in line with SOEs value chain and core business

Clusters under Deputy Minister II

FINANCIAL SERVICES

- PT Bank Rakyat Indonesia (Persero) Tbk
- PT Bank Mandiri (Persero) Tbk
- PT Bank Negara Indonesia (Persero) Tbk
- PT Bank Tabungan Negara (Persero) Tbk
- PT Pegadaian (Persero)
- PT Permodalan Nasional Madani (Persero)
- Perum Percetakan Uang Republik Indonesia

INFRASTRUCTURE

- PT Hutama Karya (Persero)
- PT Waskita Karya (Persero) Tbk
- PT Jasa Marga (Persero) Tbk
- PT Semen Indonesia (Persero) Tbk
- PT Wijaya Karya (Persero) Tbk
- PT Pembangunan Perumahan (Persero) Tbk
- PT Adhi Karya (Persero) Tbk
- Perum Perumnas
- PT Brantas Abipraya (Persero)
- PT Semen Baturaja (Persero) Tbk

INSURANCE & PENSION FUND

- PT Taspen (Persero)
- PT Bahana Pembinaan Usaha Indonesia (Persero)
- PT ASABRI (Persero)
- PT Asuransi Jiwasraya (Persero)
- PT Reasuransi Indonesia Utama (Persero)

TOURISM & SUPPORTING SERVICES

- PT Garuda Indonesia (Persero) Tbk
- PT Angkasa Pura II (Persero)
- PT Angkasa Pura I (Persero)
- PT Hotel Indonesia Natour (Persero)
- Perum LPPNPI
- PT Pengembangan Pariwisata Indonesia (Persero)
- PT TWC BP dan RB (Persero)
- PT Sarinah (Persero)
- PT Survei Udara Penas (Persero)

TELECOMMUNICATION & MEDIA

- PT Telkom Indonesia (Persero) Tbk

LOGISTICS

- PT Kereta Api Indonesia (Persero)
- PT Pelabuhan Indonesia II (Persero)
- PT Pelabuhan Indonesia III (Persero)
- PT Pelabuhan Indonesia I (Persero)
- PT Pelabuhan Indonesia IV (Persero)
- PT POS Indonesia (Persero)
- PT ASDP Indonesia Ferry (Persero)
- PT Pelayaran Nasional Indonesia (Persero)
- PT Industri Kereta Api (Persero)
- Perum Damri
- Perum PPD
- PT Varuna Tirta Prakasya (Persero)

Clusters DANAREKSA - PPA

- PT Perusahaan Pengelola Aset (Persero)
- PT Barata Indonesia (Persero)
- PT Danarekza (Persero)
- PT Kliring Berjangka Indonesia (Persero)
- PT Dok dan Perkapalan Kodja Bahari (Persero)
- PT Kawasan Berikat Nusantara (Persero)
- Perum Jasa Tirta II
- PT Industri Telekomunikasi Indonesia (Persero)
- PT Jakarta Lloyd (Persero)
- PT Pengembangan Armada Niaga Nasional (Persero)
- Perum Percetakan Negara Republik Indonesia
- PT Amarta Karya (Persero)
- PT Kertas Kraft Aceh (Persero)
- PT Boma Bisma Indra (Persero)
- Perum Jasa Tirta I
- PT Indah Karya (Persero)
- PT Industri Kapal Indonesia (Persero)
- PT Dok dan Perkapalan Surabaya (Persero)
- PT Semen Kupang (Persero)
- PT Yodya Karya (Persero)
- PT Industri Sandang Nusantara (Persero)
- PT Kawasan Industri Medan (Persero)
- PT Istaka Karya (Persero)
- PT Virama Karya (Persero)
- PT Merpati Nusantara Airlines (Persero)
- PT Kawasan Industri Wijayakusuma (Persero)
- PT Indra Karya (Persero)
- PT Kawasan Industri Makassar (Persero)
- Perum Lembaga Kantor Berita Nasional Antara
- PT Balai Pustaka (Persero)
- PT Primissima (Persero)
- PT Bina Karya (Persero)
- PT Pengembangan Daerah Industri Pulau Batam (Persero)
- Perum Produksi Film Negara
- PT Industri Gelas (Persero)
- PT Kertas Lece (Persero) (in bankruptcy)

CONSOLIDATED FINANCIAL PERFORMANCE REVIEW OF SOE

Consolidated Financial Highlights of SOEs 2020

Statement of Profit or Loss

Rp Billion	2020	2019
Revenue	1,929,956	2,204,410
Cost of Goods Sold	(1,321,980)	(1,516,288)
Gross Profit	607,976	688,122
Operating Expenses	(425,963)	(414,505)
Operating Income	182,013	273,617
Other Income (Expenses)	(108,181)	(44,504)
Profit Before Tax	73,832	229,113
Tax	(60,539)	(104,121)
Net Profit	13,293	124,992
EBITDA	279,018	368,671
EBIT	174,841	287,478
NOPAT	104,760	199,395

Financial Position

Rp Billion	2020	2019
Assets	8,311,899	7,772,680
Loans and Financing	2,389,018	2,319,235
Securities Investment	1,001,395	744,442
Financial Institution Assets	3,390,413	3,063,677
Fixed Assets	2,452,533	2,429,868
Invested Capital (A + B)	4,032,151	3,837,858
A. Financing Liabilities	1,557,483	1,344,468
Current	401,606	391,592
Non Current	1,155,877	952,876
B. Capital	2,474,668	2,493,390

Financial Performance Indicators	2020	2019
Gross Profit Margin	31.5%	31.2%
EBITDA Margin	14.5%	16.7%
Net Profit Margin	0.7%	5.7%
Return on Assets (ROA)	0.2%	1.6%
Return on Equity (ROE)	0.5%	5.0%
Return on Investment (ROI)	2.6%	5.2%

Gearing Ratio & Capital Structure	2020	2019
Debt to Invested Capital	38.6%	35.0%
Debt to EBITDA	5.6x	3.6x
EBITDA to Interest Coverage	3.1x	5.0x

Income Statement Analysis

Consolidated revenue in 2020 was reported at Rp1,930 trillion, decreased by 12.5% compared to 2019. All clusters recorded declining revenue due to the COVID-19, with the greatest impact on the Tourism and Services, Infrastructure, and Logistics clusters.

Consolidated direct expenses decreased by 12.8% (in line with the decrease in revenue) to Rp1,321.9 trillion in 2020. Amongst components of cost of goods sold, only the allowance for impairment losses in banks that recorded an increase by 18%, in line with the implementation of SFAS 71 by SOEs in the Financial Cluster starting in 2020.

With a consistent decline in Revenue and Cost of Goods Sold, the gross profit margin remained at 31.5% for the 2020-2019 period.

Operating Income decreased by 33.5% to Rp182 trillion. It was mainly due to a significant increase in Depreciation and Amortization Expenses, which was mostly contributed by an increase in expenses due to the adoption of SFAS 73.

Non-Operating Income and Expenses in 2020 increased to Rp108.2 trillion, mainly due to:

- Net Foreign Exchange Loss particularly at PT PLN (Persero) and PT Pertamina (Persero).
- Increase in Impairment Expense due to impairment of oil and gas assets at Pertamina.

- Meanwhile, at PT Pertamina (Persero), there was penalty income from contracts, materials, and claims of Rp1.5 trillion, others amounted to Rp988 billion, and rental income of Rp560 billion.
- Increase in Interest Expense due to SFAS 73 implementation in 2020 that recognized interest expense on Lease Liability.

The decrease in revenue and increase in operating and non-operating expenses as described above resulted in decreased Profit for the Year by 89.4% to Rp13.3 trillion.

Financial Position Analysis

Financial institution assets in 2020 increased by 10.7%, mainly due to increased investment in government bonds in 2020 recorded by SOEs in the Financial Services Cluster and the Insurance Cluster.

Non-current Assets in 2020 increased due to the capitalization of right-of-use assets in connection with the implementation of SFAS 73 in 2020 and the increase in intangible assets such as toll road concession rights posted by SOEs in the Infrastructure Cluster.

Liabilities in 2020 amounted to Rp5,837.2 trillion, an increase of 10.6% compared to 2019. In terms of composition, Non-Current Liabilities and Financial Institution Liabilities increased by 21.7% and 9.5%, respectively. Meanwhile, Current Liabilities decreased by 1.3%.

The increase in liabilities in 2020 was mainly due to:

Increase in lease liabilities (current and non-current) of Rp129 trillion due to SFAS 73 implementation that required the capitalization of right-of-use assets and lease liabilities.

Increase in financing liabilities by Rp213 trillion to Rp1,557 trillion in 2020, of which Rp150 trillion resulted from capitalization of leases due to SFAS 73 implementation.

Increased debt-to-invested capital ratio and composition from 35.0% in 2019 to 38.6% in 2020. This figure is still below the upper limit set by the Ministry of SOE at 45.0%. This upper limit is adjusted with the ratio in public companies with an investment grade rating by Standard & Poor.

Increased aggregate debt-to-EBITDA from 3.6 times in 2019 to 5.6 times in 2020. The increase was mainly due to a decrease

in EBITDA resulting from lower sales due to COVID-19. The Ministry of SOE continued to monitor this figure, especially in Clusters significantly affected by the COVID-19 (Tourism and Supporting Services and Infrastructure).

Despite the significant impact of the COVID-19 to consolidated revenue performance in 2020 and increase in expenses following the implementation of SFAS 71, 72, and 73 on consolidated financial statements, the SOEs' portfolios have continued to report net profit of Rp13.3 trillion in 2020.

Consolidated debt to capital ratio was maintained at 38.6%, well within the ratio threshold for investment grade companies.

Increase in customer deposits of Rp224 trillion recorded by the banking sector in the form of third-party funds as a result of a decline in public consumption patterns during the pandemic.

DIVIDEND, TAXES, NON-TAX REVENUE, & STATE EQUITY PARTICIPATION

One of the measurements of SOEs contribution to the sustainable economic development is indicated through the contribution of Dividends, Tax, and Non-tax revenue.

In the last ten years (2011-2020), the amount of Dividend, Tax, and Non-tax revenue paid by SOEs to the state reached Rp3,295 trillion. In which Dividends, Taxes, and Non-tax revenue stood at Rp388 trillion, Rp1,872 trillion, and Rp1,035 trillion, respectively.

The State Equity Participation in SOEs in the same period stood at Rp147 trillion, or around 4% of total SOEs contribution.

Dividend

Despite the pandemic, the amount of dividend from 2019 profits from SOEs across 13 clusters in 2020 reached Rp69.44 trillion. The portion of dividends paid to the State Budget was Rp43.9 trillion, reflecting the government's share ownership in SOEs that distribute dividends.

In the last 10 years, SOEs has contributed ~ Rp3,295 trillion to state revenue (dividends, other non-tax revenue, and taxes)

Total Taxes, Dividend and Other Non-Tax Revenue (2011-2020 in Rp trillion)



Taxes

The amount of tax paid by SOEs to the state in 2020 was recorded at Rp246 trillion, or lower compared to Rp284 trillion recorded in 2019. The decline is attributed to the COVID-19 pandemic that impacted the performances of the state-owned companies in 2020, as in 2019 the pandemic had not yet occurred.

Non-Tax Revenue

The amount of non-tax revenue paid by SOEs in 2020 stood at Rp86 trillion, approximately the same as the 2019 figure.

State Equity Participation

2020 was a critical year for several SOEs. Due to weakening economic activities, several SOEs experienced difficulties both in terms of financial structure and liquidity. Therefore, additional cash SEP was needed to strengthen their capital structures and provide liquidity assistance.

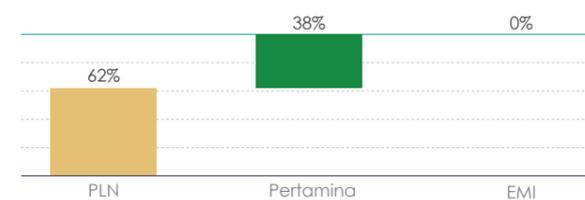
The total amount of SEP in 2020 (including SEP for the National Economic Recovery/ SEP PEN) stood at Rp27.3 trillion represented 60% of the total dividends contributed by SOEs to the State Budget.

Cash SEP, Non Cash SEP & Cash SEP for PEN Year 2020

SEOs Name	Total SEP (Rp trillion)	(%) Total
Cash SEP		
PLN	5.0	18.4%
HK	3.5	12.8%
PNM	1.0	3.7%
Non Cash SEP		
BPUI	0.3	1.0%
Cash SEP for PEN		
HK	7.5	27.5%
BPUI	6.0	22.0%
Biofarma	2.0	7.3%
PNM	1.5	5.5%
ITDC	0.5	1.8%
Total SEP	27.3	100.0%
Dividend to State Budget	43.9	60.0%
Dividend Surplus over SEP	16.6	40.0%

ENERGY, OIL & GAS

Assets Composition of Energy, Oil & Gas Cluster - 31 December 2020



2020 Milestones

- › Establishment of Oil and Gas Holding at Pertamina
- › Cilacap Expansion II Coal Power Plant (PLTU) (1000 MW) started to operate
- › Launching of "Power Beyond Generations", PLN's transformation program
- › Launching of Diesel Power Plant (PLTD) to NRE power plant conversion program

Financial Parameter

Rp Billion	2020	2019
Revenue	929,035	1,077,120
Operating Income	101,219	85,054
EBITDA	183,628	180,173
EBIT	89,364	99,771
NOPAT	56,829	51,283
Net Profit	15,006	12,963
Assets		
Invested Capital (A + B)	2,105,054	2,053,233
A. Financing Liabilities		
Current	71,028	75,451
Non Current	656,031	619,177
B. Capital		
	1,377,996	1,358,605

Financial Performance Indicators

	2020	2019
Operating Margin	10.9%	7.9%
EBITDA Margin	19.8%	16.7%
Net Margin	1.6%	1.2%
ROA	0.6%	0.5%
ROE	1.1%	1.0%
ROIC	2.7%	2.5%

Gearing Ratio & Capital Structure

	2020	2019
Debt to Invested Capital	34.5%	33.8%
Debt at EBITDA	4.0x	3.9x
EBITDA to Interest Coverage	4.4x	4.7x

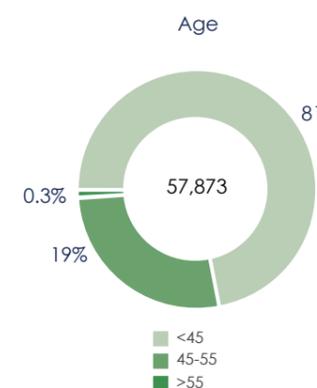
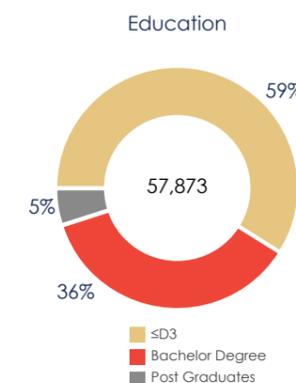
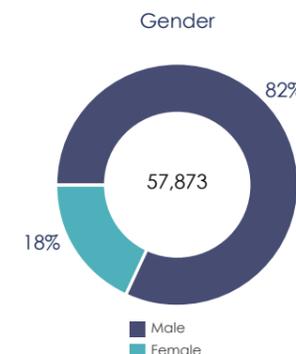
2020 Performance Analysis

- › The COVID-19 pandemic has declined energy sales volume, where fuel sales dropped by 14.1% and electricity sales volume decreased by 0.8%, which resulted in decreased revenue by 13.7% to Rp929 trillion in 2020.
- › Nevertheless, PLN and Pertamina were still able to record a positive net profit. Operating profit margin and net profit margin in 2020 were 10.9% and 1.6%, respectively. Meanwhile, ROA, ROE, and ROIC were at 0.6%, 1.1%, and 2.7%, respectively.
- › Weakening financial performance was a result of upstream assets impairment due to the declining global oil prices and exchange rate adjustment that led to a lower net profit margin.
- › In this Cluster, Pertamina contributed a total dividend of Rp4 trillion.

Assets & Liabilities

- › As of December 2020, the Cluster recorded total assets of Rp2,559 trillion, with 1,986,059 MBOE oil and gas reserve units and 63,336 MW electricity production capacity.
- › Debt increased to Rp727 trillion as of December 2020, contributed by the increase in bond payables and lease capitalization due to SFAS 73 implementation.
- › Debt to Invested Capital, Debt to EBITDA, and EBITDA to Interest Coverage were at 34.5%, 4.0 times, and 4.4 times, respectively. These ratios were still within the ratio target of SOE Ministry.

Composition of Manpower 2020 by:



FINANCIAL SERVICES

Assets Composition of Financial Services Cluster - 31 December 2020



2020 Milestones

- State Equity Participation to PT Permodalan Nasional Madani (Persero)
- Merger of 3 sharia banks, namely PT Bank BRI Syariah Tbk, PT Bank Syariah Mandiri and PT BNI Syariah to form PT Bank Syariah Indonesia Tbk (BSI)

Financial Parameter

Rp Billion	2020	2019
Revenue	413,295	416,937
EBIT	64,741	106,545
NOPAT	44,454	83,417
Net Profit	44,440	83,412
PPOP	138,102	146,963
Assets	4,258,999	3,941,798
Invested Capital (A + B)	920,802	964,755
A. Financing Liabilities	360,019	370,516
Current	174,813	186,016
Non Current	185,206	184,500
B. Capital	560,783	594,238
Loans	2,735,555	2,688,258
TPF	3,155,103	2,834,253

Financial Performance Indicators

EBIT Margin	15.7%	25.6%
Net Margin	10.8%	20.0%
ROA	1.0%	2.1%
ROE	7.9%	14.0%

CAR & Assets Quality

NPL Gross	3.5%	2.7%
LAR	27.0%	10.9%
CAR Assets Weighted Average	19.4%	21.1%

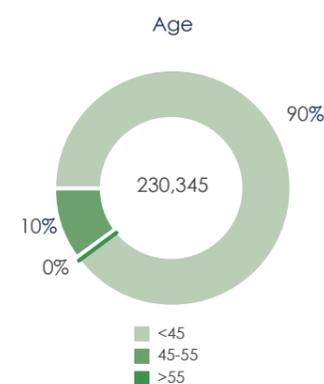
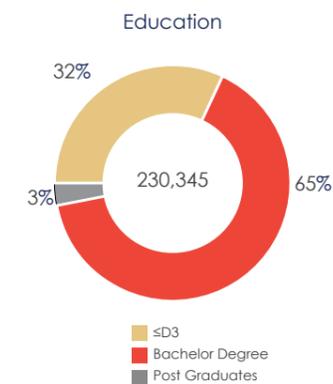
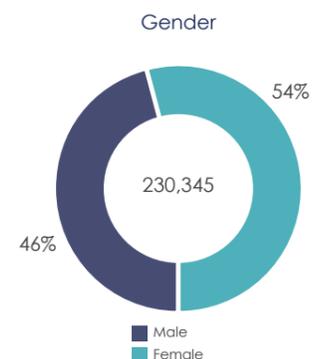
2020 Performance Analysis

- In 2020, bank loans nation-wide declined by 2.4% due to the economic slowdown impacted by the COVID-19. On the other hand, third party funds of the banking sector rose 11.1% due to a decline in consumption. As a result, LDR decreased to 82.5% from 93.6% in the previous year.
- Correspondingly, it led to a decline in net profit of the Financial Services Cluster. Excluding the intra-financial Cluster, the Cluster's consolidated profit in 2020 reached Rp44.4 trillion (including non-controlling interests), decreased by 46.7% from 2019. The decline was driven by a) a decrease in interest income posted by state-owned banks from Rp349.5 trillion to Rp338.8 trillion (decreased by 3.1%), and b) an increase in Allowance for Impairment Losses from Rp46 trillion in 2019 to Rp79 trillion or 74% YoY due to FSAS 71 implementation.
- In 2020, the average NIM contracted by 0.4% from 5.1% to 4.7% with coverage to NPL ratio reaching 205.2%.
- The Financial Services Cluster was the largest dividend contributor in the SOEs portfolio.

Assets & Liabilities

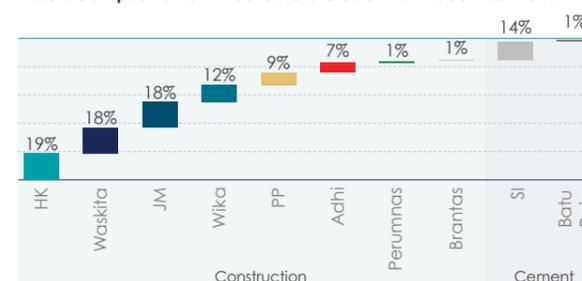
- In 2020, the consolidated total gross loans distributed by the Financial Services Cluster reached Rp2,736 trillion or grew by 1.8% compared to the previous year; meanwhile, consolidated third party funds reached Rp3,155 trillion, or grew by 11.3% from 2019. Low-cost funds (CASA) made up 60% of the total third party funds. Loan quality worsened, as reflected in the increase in consolidated Gross NPL (before elimination) of the 4 state-owned banks (Himbara) from 2.7% to 3.5%.
- The loans restructuring program impacted by the COVID-19 increased Consolidated LAR from 10.9% in 2019 to 27.0% in 2020.
- The state-owned banks had sound capital adequacy, with 19.4% CAR for all Clusters.

Composition of Manpower 2020 by:



INFRASTRUCTURE

Assets Composition of Infrastructure Cluster - 31 December 2020



2020 Milestones

- Bonds issuance for Waskita, Adhi, and Jasa Marga and HK global MTN for refinancing
- Establishment of JM Jogja Bawen JV (JM, Adhi, PP, Waskita, Brantas)
- Establishment of Batang Integrated Industrial Estate JV
- Establishment of PT Jalintim Adhi Abipraya JV (Adhi and Brantas)

Financial Parameter

Rp Billion	2020	2019
Revenue	124,591	175,816
Operating Income	9,612	23,996
EBITDA	18,165	31,921
EBIT	10,018	25,399
NOPAT	7,486	23,392
Net Profit	-9,462	10,512
Assets	558,500	548,639
Invested Capital (A + B)	416,431	405,982
A. Financing Liabilities	268,169	235,708
Current	90,282	71,874
Non Current	177,887	163,833
B. Capital	148,262	170,275

Financial Performance Indicators

Operating Margin	7.7%	13.6%
EBITDA Margin	14.6%	18.2%
Net Margin	-7.6%	6.0%
ROA	-1.7%	1.9%
ROE	-6.4%	6.2%
ROIC	1.8%	5.8%

Gearing Ratio & Capital Structure

Debt to Invested Capital	64.4%	58.1%
Debt to EBITDA	14.8x	7.4x
EBITDA to Interest Coverage	1.1x	2.5x

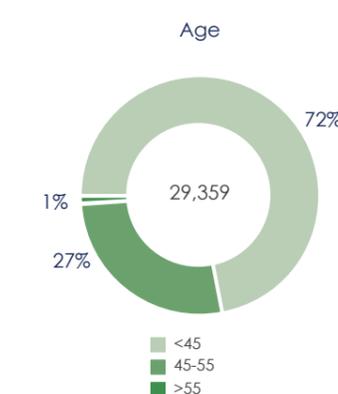
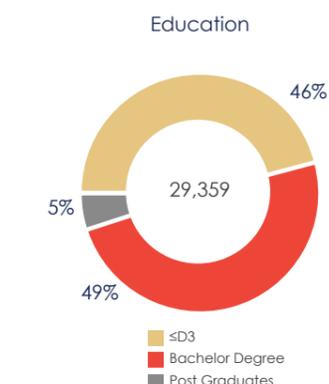
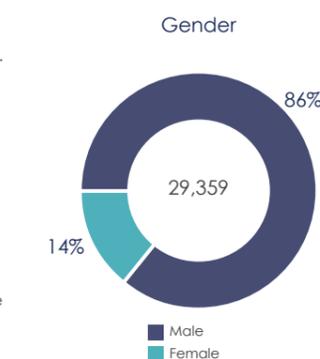
2020 Performance Analysis

- The Infrastructure Cluster is one of the clusters most affected by the COVID-19. The decline in mobility due to the large-scale social restrictions resulted in less toll road traffic volume and delays in the execution of infrastructure projects. Consequently, sales and EBITDA fell to Rp124.6 trillion and Rp18.2 trillion respectively in 2020, or decreased by 29.1% and 43.1% respectively compared to the previous year.
- In 2020, the decline in EBITDA also led to several companies needing to be restructured, considering the overleveraged balance sheets in recent years. As a result, the Infrastructure Cluster suffered a consolidated net loss of Rp9.5 trillion after recording a Rp10.5 trillion profit in the previous year.
- Due to the decline in EBITDA, Infrastructure Cluster's debt service capacity weakened as reflected in the debt to EBITDA ratio of 14.8x in 2020 from previously 7.4x.
- As such, the main focus of this Cluster in 2020 was to carry out a comprehensive restructuring program by reviewing its debt service capacity and gearing position.
- Despite the challenging conditions, this Cluster still contributed Rp1.1 trillion in dividends for the 2020 financial year from Semen Indonesia.

Assets & Liabilities

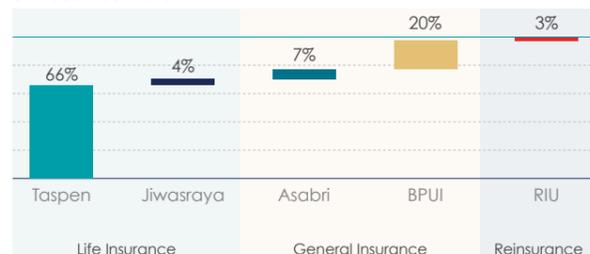
- The SOEs under the Infrastructure Cluster had experienced significant pressure on their financial structures even before the COVID-19. The most significant contributor to this overleveraged financial structure was the role of Infrastructure SOEs in building toll road infrastructure in Indonesia. For example, Waskita was assigned to handle stalled toll road projects in Java, while HK was assigned to the Trans-Sumatra Toll Road.
- The Cluster's debt to invested capital ratio was at 64.4%; the upper limit of this ratio set by the SOE Ministry is 45%, based on the gearing rates observed in investment-grade companies. Waskita and Perumnas had the highest gearing level among the 10 SOEs in this Cluster, followed by Jasa Marga, HK, and Adhi. To that end, this Cluster focused its performance on de-risking dan deleveraging.

Composition of Manpower 2020 by:



INSURANCE & PENSION FUND

Assets Composition of Insurance & Pension Fund Cluster
31 December 2020



2020 Milestones

- › The establishment of BPUI as the Insurance & Guarantee Holding to support the synergy of SOEs in the Insurance Cluster
- › Jiwasraya's policy rescue as per the approved Financial Restructuring Plan, such as through the establishment of PT Asuransi Jiwa IFG (IFG Life), policy restructuring and transfer, and SEP amounted to Rp20 trillion in 2021
- › Contribution of PT Askrindo and PT Jamkrindo to the PEN guarantee program using the PEN SEP injected in 2020 amounted to Rp6 trillion

Financial Parameter

Rp Billion	2020	2019
Revenue	46,014	48,408
Operating Income	-3,517	-5,348
EBITDA	-2,965	-4,822
EBIT	-3,517	-5,348
NOPAT	-2,899	-3,594
Net Profit	-2,974	-3,820

Rp Billion	2020	2019
Assets	431,988	391,127
Invested Capital (A + B)	12,905	15,299
A. Financing Liabilities	2,702	4,998
Current	2,183	4,447
Non Current	519	551
B. Capital	10,204	10,301

Financial Performance Indicators	2020	2019
Yield on Investment	4.8%	4.0%
Combined Ratio	160.0%	143.0%
Net Margin	-6.5%	-7.9%
ROA	-0.7%	-1.0%
ROE	-29.1%	-37.1%

Gearing Ratio & Capital Structure	2020	2019
Debt to Invested Capital	20.9%	32.7%
Debt to EBITDA	-0.9x	-1.0x
EBITDA to Interest Coverage	-39.6x	-21.3x

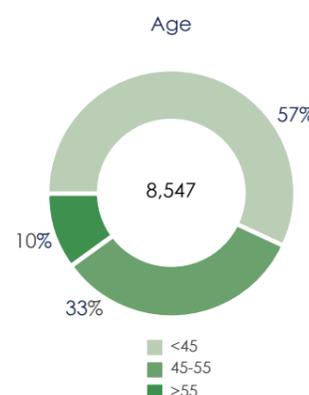
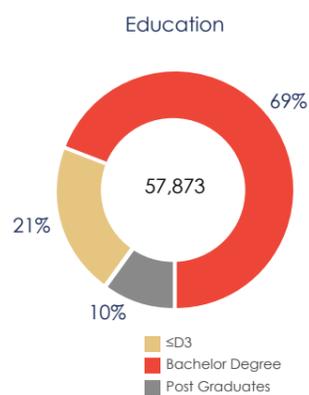
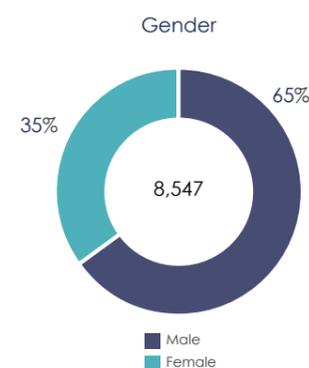
2020 Performance Analysis

- › Total revenue posted by the Insurance and Pension Fund Cluster decreased by 4.9% to Rp46.0 trillion in 2020 compared to 2019, due to the lower insurance revenue mainly contributed by the discontinuation of guaranteed insurance products, a significant decrease in the number of insurance contracts at Jiwasraya, and declining number of active participants at Taspen.
- › Insurance expense decreased by 8.1% in 2020 due to a decrease in insurance expense at Jiwasraya resulted from the declining number of insurance contracts, in line with Jiwasraya's restructuring program.
- › These led to a decrease of consolidated loss of the Insurance and Pension Fund Cluster by Rp846 billion in 2020 compared to 2019.

Assets & Liabilities

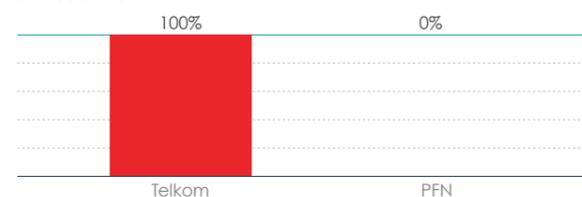
- › Assets reached Rp432 trillion or increased by 10.4% compared to 2019, mainly contributed by an increase in investment securities, cash and cash equivalents and time deposits, and other current assets such as third party receivables. Investment securities grew by 7.3% to Rp284.3 trillion compared to 2019, with bonds comprised 56.6% of the total investment.
- › In 2020, the Cluster recorded Rp421.8 trillion in liabilities, an increase of 10.8% compared to 2019. This was due to an increase of current liabilities at Jiwasraya and BPUI resulting from insurance claims of COVID-19. The accumulated pension contribution at Taspen and Asabri also increased, in line with the increase in investment assets. Higher insurance liabilities were also in line with the increase in claims and technical reserves.
- › Yield on Investment was 4.8% in 2020, 4.0% higher compared to 2019 due to an increase of investment returns. The consolidated Combined Ratio reached 160% in 2020, increased compared to 2019. Realization of RBC/solvency was above OJK regulation of 120% except for Asabri and Jiwasraya.

Composition of Manpower 2020 by:



TELECOMMUNICATION & MEDIA

Assets Composition of Telecommunication & Media Cluster
31 December 2020



2020 Milestones

- › Launching of PeduliLindungi application to support the government in managing the COVID-19 pandemic
- › Launching of PaDi UMKM initiated by the Ministry of SOE
- › Telkomsel (a subsidiary of Telkom) invested Rp2.12 trillion into PT Aplikasi Karya Anak Bangsa (Gojek). Gojek is a leading on-demand platform in South East Asia and a pioneer of the multi-services ecosystem model that provides access to various services

Financial Parameter

Rp Billion	2020	2019
Revenue	136,477	135,582
Operating Income	45,481	43,979
EBITDA	74,373	67,157
EBIT	45,481	43,979
NOPAT	34,152	31,880
Net Profit	29,566	27,595

Rp Billion	2020	2019
Assets	246,986	221,248
Invested Capital (A + B)	186,379	169,351
A. Financing Liabilities	65,463	52,085
Current	24,680	18,216
Non Current	40,783	33,869
B. Capital	120,916	117,267

Financial Performance Indicators	2020	2019
Operating Margin	33.3%	32.4%
EBITDA Margin	54.5%	49.5%
Net Margin	21.7%	20.4%
ROA	12.0%	12.5%
ROE	24.5%	23.5%
ROIC	18.3%	18.8%

Gearing Ratio & Capital Structure	2020	2019
Debt to Invested Capital	35.1%	30.8%
Debt to EBITDA	0.9x	0.8x
EBITDA to Interest Coverage	16.2x	15.7x

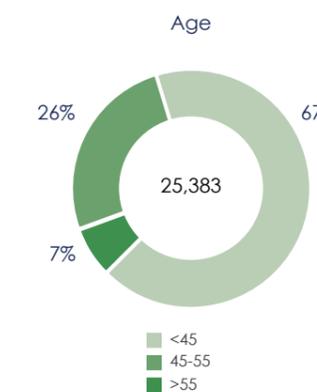
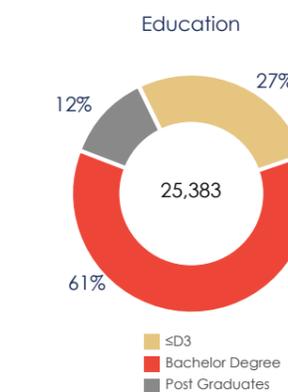
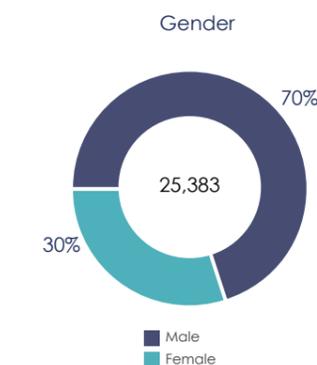
2020 Performance Analysis

- › Total revenue in 2020 stood at Rp136.5 trillion or grew by 0.7% compared to 2019. EBITDA grew by 10.7% due to increased efficiency during 2020, as indicated by the decrease in operating, maintenance, telecommunication services expenses. Profit for the Year was posted at Rp29.6 trillion, or grew by 7.2% compared to 2019. This Cluster was the only Cluster that recorded an increase in profit in 2020.
- › In 2020, Telkom's digital services business grew by 11.2%, in line with the increase in digital activities due to mobility restrictions imposed during the pandemic.
- › Telkom managed 169.5 million subscribers of Telkomsel's cellular services with a 58.9% market share. Meanwhile, IndiHome's fixed broadband services had a total of 8.0 million subscribers or 82.3% market share. IndiHome network covered 96.5% or 496 districts across Indonesia.
- › In the enterprise solution services, Telkom served 1,703 corporate customers, 339,182 MSME customers, and 935 government institutions. In the wholesale segment, the market share was 64%, with products such as Metro-E and leased line. Meanwhile, in the carrier traffic market, Telkom controlled 80% of voice interconnection.
- › In the tower business, Telkom had a market share of 23.9% through its subsidiary, Mitratel. Digital services consisted of a diverse portfolio classified into two groups: smart platform & e-commerce and digital contents.
- › Telkom also managed venture capital funds through its subsidiary, MDI, which invested in digital startups.
- › ROA, ROE, and ROIC were 12.0%, 24.5%, and 18.3% respectively in 2020. Based on the ROIC and the cost of funds, this Cluster created an economic value added of 13.3%, the highest amongst the SOE Ministry's portfolio.

Assets & Liabilities

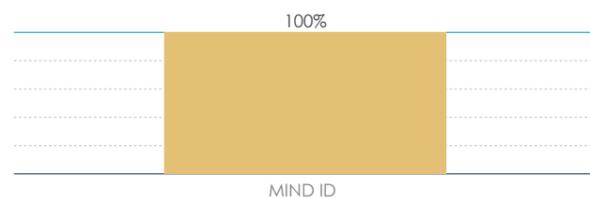
- › Debt was recorded at Rp65.5 trillion in 2020, rose by 25.7% compared to 2019 due to increased contract liabilities resulting from SFAS 72 implementation and increased lease liabilities resulting from SFAS 73 implementation. The debt to invested capital ratio was at 35.1%.
- › Total assets in 2020 amounted to Rp246.9 trillion, increased by 11.6% compared to 2019, in line with the increase in infrastructure development, particularly cable and transmission networks; an increase in contract assets due to SFAS 72 implementation; and an increase in right-of-use assets due to SFAS 73 implementation.

Composition of Manpower 2020 by:



MINERAL & COAL

Assets Composition of Mineral & Coal Cluster - 31 December 2020



2020 Milestones

- › Acquisition of divested shares of PT Vale Indonesia Tbk
- › Acquisition of Indometal Corporation (Asia Pacific) Pte. Ltd.

Financial Parameter

Rp Billion	2020	2019
Revenue	66,569	80,629
Operating Income	5,106	5,772
EBITDA	13,167	8,143
EBIT	9,700	5,013
NOPAT	9,543	5,325
Net Profit	1,822	25

Rp Billion	2020	2019
Assets	180,779	164,844
Invested Capital (A + B)	163,976	148,017
A. Financing Liabilities	91,392	76,226
Current	15,669	12,329
Non Current	75,723	63,897
B. Capital	72,585	71,791

Financial Performance Indicators	2020	2019
Operating Margin	7.7%	7.2%
EBITDA Margin	19.8%	10.1%
Net Margin	2.7%	0.0%
ROA	1.0%	0.0%
ROE	2.5%	0.0%
ROIC	5.8%	3.6%

Gearing Ratio & Capital Structure	2020	2019
Debt to Invested Capital	55.7%	51.5%
Debt to EBITDA	6.9x	9.4x
EBITDA to Interest Coverage	1.7x	1.5x

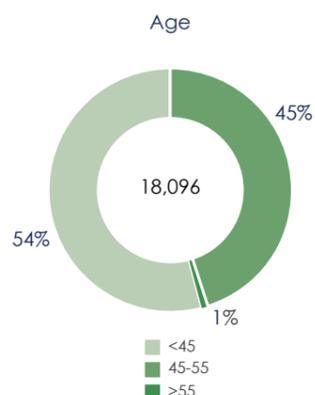
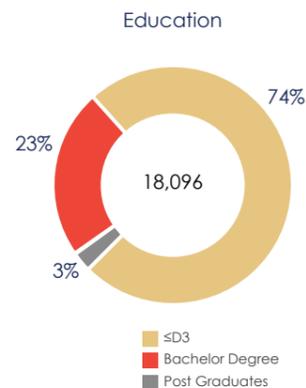
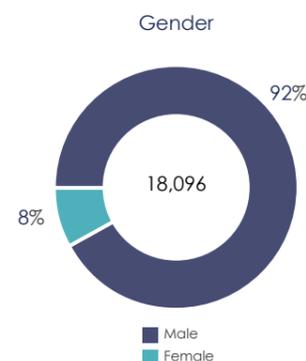
2020 Performance Analysis

- › The COVID-19 pandemic had a significant impact on commodity prices. Nickel prices fell to their lowest level at US\$10,080/tons (dropped by 22% YoY), copper at US\$4,618/tons (decreased by 29% YoY), tin at US\$13,400/tons (dropped by 38% YoY), and aluminium at US\$1,442/tons (decreased by 25% YoY), which was due to a slowdown in manufacturing and construction activities. Gold prices also fell to US\$1,471/tons due to market expectation on the weak demand for gold for jewellery.
- › Furthermore, the drastic decline in the demand for electricity from the industrial sector also caused lower demand for coal, resulting in plummeting coal prices to an average of US\$60/tons in 2020.
- › The combination of weakening commodity prices and sales volume in 2020 caused revenue to decrease by 17.4% to Rp66.57 trillion compared to 2019.
- › Cost of revenue decreased by 16.87% to Rp54.97 trillion in 2020 compared to 2019, due to a 53.99% decrease in the third-party services consumed, a 48.09% decrease in the raw materials consumed, and a significant decrease in the purchase of precious metals. As a result, the EBITDA improved from 10.1% in 2019 to 19.8% in 2020.
- › This resulted in an increase of net profit to Rp1.8 trillion in 2020 from Rp25 billion in 2019.

Assets & Liabilities

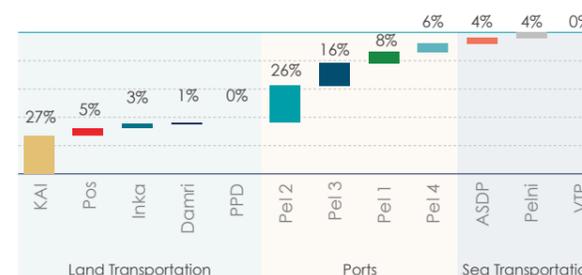
- › Assets grew by Rp15.94 trillion or 9.67% to Rp180.78 trillion in 2020 compared to 2019 due to the increase in non-current assets at Rp14.57 trillion, particularly a significant increase of investment in associates and PT Freeport Indonesia.
- › On liabilities, the Cluster recorded an increase of Rp15.14 trillion or 16.27% to Rp108.19 trillion in 2020 compared to 2019 due to an increase in non-current liabilities at Rp12.70 trillion, particularly bonds payable.
- › The debt to EBITDA ratio decreased from 9.4x in 2019 to 6.9x in 2020 due to an increase of EBITDA.

Composition of Manpower 2020 by:



LOGISTICS

Assets Composition of Logistics Cluster - 31 December 2020



2020 Milestones

- › Divestment of shares in SOEs' hospital subsidiaries to PT Pertamina Bina Medika IHC, as part of hospital holding clustering
- › JV of PT Moda Integrasi Transportasi Jabodetabek between PT KAI and PT Mass Rapid Transit (MRT) Jakarta
- › PT ASDP launched Go Live mobile application, Ferizy

Financial Parameter

Rp Billion	2020	2019
Revenue	61,484	74,734
Operating Income	5,916	11,707
EBITDA	11,415	16,920
EBIT	5,916	11,707
NOPAT	4,791	11,624
Net Profit	1,024	8,029

Rp Billion	2020	2019
Assets	196,130	184,011
Invested Capital (A + B)	156,176	146,249
A. Financing Liabilities	79,271	69,279
Current	10,509	9,822
Non Current	68,762	59,456
B. Capital	76,906	76,970

Financial Performance Indicators	2020	2019
Operating Margin	9.6%	15.7%
EBITDA Margin	18.6%	22.6%
Net Margin	1.7%	10.7%
ROA	0.5%	4.4%
ROE	1.3%	10.4%
ROIC	3.1%	7.9%

Gearing Ratio & Capital Structure	2020	2019
Debt to Invested Capital	50.8%	47.4%
Debt to EBITDA	6.9 x	4.1 x
EBITDA to Interest Coverage	3.0x	4.7x

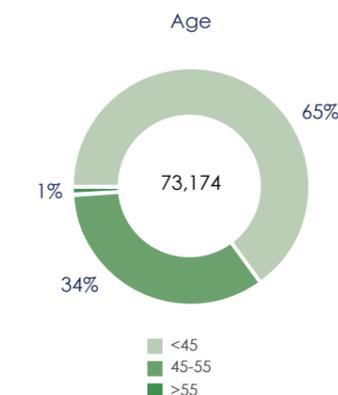
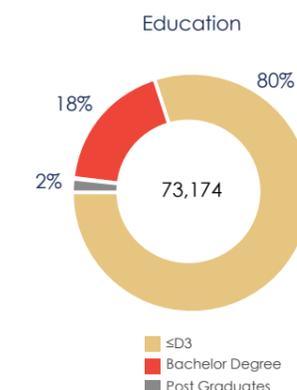
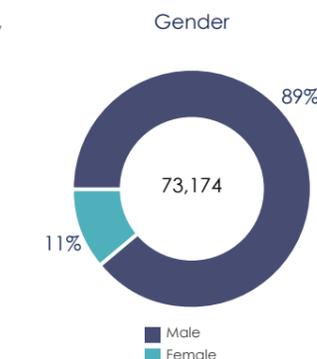
2020 Performance Analysis

- › The COVID-19 situation put considerable pressure on SOEs' financial performance that engaged in passenger mobilization. The lockdown and large-scale social restrictions policies imposed by the government to curb the spread of COVID-19 resulted in decreased flow of passengers and distribution of goods.
- › The land transportation service sub-cluster was the most impacted as the decline in sales directly affected the financial performance in 2020.
- › Revenue was Rp61.4 trillion in 2020, decreased by 17.7% compared to 2019. In line with the decline in revenue, EBITDA stood at Rp11.4 trillion in 2020, decreased by 32.5% compared to Rp16.9 trillion in 2019.
- › This led to a significant decrease of profit by 87.2% to Rp1 trillion from Rp8 trillion in 2019. This Cluster was one of the most severely affected by the pandemic.

Assets & Liabilities

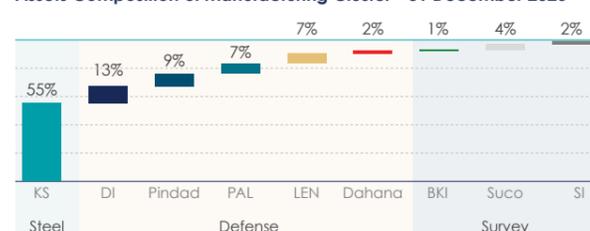
- › Consolidated assets stood at Rp196.1 trillion grew by 6.6% compared to 2019, influenced by the increase of assets operating rights in land transportation services sub-cluster's infrastructure.
- › Liabilities and equity stood at Rp119.2 trillion and Rp76.9 trillion, respectively. On financial composition, debt to EBITDA ratio and debt to Invested Capital Ratio were above the limit of the similar companies with an investment-grade rating due to the COVID-19.

Composition of Manpower 2020 by:



MANUFACTURING

Assets Composition of Manufacturing Cluster - 31 December 2020



2020 Milestones

- KS finalized the 2019 Credit Restructuring Agreement and signed the 2020 Mandatory Convertible Bond Issuance Agreement
- Launched of TIC Institute by BKI – Sucofindo – Surveyor Indonesia

Financial Parameter

Rp Billion	2020	2019
Revenue	36,954	40,079
Operating Income	1,465	-968
EBITDA	2,352	-571
EBIT	1,027	-2,000
NOPAT	3,399	-3,583
Net Profit	405	-6,512
Assets	88,892	87,093
Invested Capital (A + B)	64,068	61,328
A. Financing Liabilities	46,172	44,785
Current	12,409	37,341
Non Current	33,763	7,444
B. Capital	17,896	16,543

Financial Performance Indicators

Operating Margin	4.0%	-2.4%
EBITDA Margin	6.4%	-1.4%
Net Margin	1.1%	-16.2%
ROA	0.5%	-7.5%
ROE	2.3%	-39.4%
ROIC	5.3%	-5.8%

Gearing Ratio & Capital Structure

Debt to Invested Capital	72.1%	73.0%
Debt to EBITDA	19.6x	-78.4x
EBITDA to Interest Coverage	0.8x	-0.2x

2020 Performance Analysis

Due to mobility restrictions, the COVID-19 pandemic caused a slowdown in production activities, resulting in a 7.8% decrease in revenue of Manufacturing Cluster. Specifically, the decrease was due to:

- Significant decline in steel prices, in which increased demand for steel in 2020 could not offset the decline in prices.
- Lack of realization of contracts between the defense industry sub-cluster and the government.
- The decline in the Survey Industry was mainly due to a decrease of potential work because of the pandemic, particularly in the mining sector and institutions, and a decrease of profit contribution from KSO SI-Sucofindo.

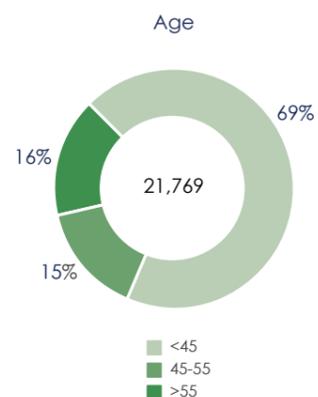
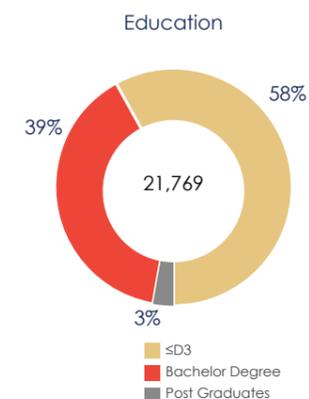
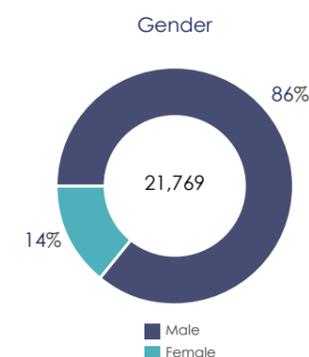
Despite the decline in revenue, net profit increased by 106.2% to Rp405 billion in 2020 compared to the Rp6.5 trillion loss in 2019, which mainly contributed by the steel sub-cluster as a result of operating costs efficiency.

EBITDA stood at Rp2.4 trillion in 2020, an increase from the previous year. It was due to more efficient steel production costs, as reflected in the increased capacity utilization of each plant and the decreased operating expenses in the defense industry sub-cluster.

Assets & Liabilities

In terms of financial structure, debt to EBITDA ratio and debt to invested capital ratio decreased to 19.6x and 72.1%, respectively, in 2020.

Composition of Manpower 2020 by:



FERTILIZER & FOOD

Assets Composition of Fertilizer & Food Cluster - 31 December 2020



2020 Milestones

- Signing of MoU between PI and INPEX regarding Gas Supply
- Launching of Agro Solution Program for all fertilizer manufacturers under the Pupuk Indonesia Group
- Cooperation to procure health equipment for the COVID-19 emergency hospitals

Financial Parameter

Rp Billion	2020	2019
Revenue	113,722	109,094
Operating Income	7,190	7,580
EBITDA	11,366	11,297
EBIT	7,005	7,544
NOPAT	6,190	6,767
Net Profit	1,016	151
Assets	172,321	195,768
Invested Capital (A + B)	147,743	172,337
A. Financing Liabilities	58,076	83,064
Current	27,079	60,011
Non Current	30,997	23,053
B. Capital	89,666	89,273

Financial Performance Indicators

Operating Margin	6.3%	6.9%
EBITDA Margin	10.0%	10.4%
Net Margin	0.9%	0.1%
ROA	0.6%	0.1%
ROE	1.1%	0.2%
ROIC	4.2%	3.9%

Gearing Ratio & Capital Structure

Debt to Invested Capital	39.3%	48.2%
Debt to EBITDA	5.1x	7.4x
EBITDA to Interest Coverage	2.2x	1.7x

2020 Performance Analysis

Revenue of Fertilizer and Food Cluster stood at Rp113.7 trillion in 2020 or increased by 4.2% compared to the previous year, which mainly due to an increase of sales volume in the food, fertilizer, non-fertilizer, and staple food (particularly rice) sectors.

Fertilizer and Food Cluster net profit was Rp1.0 trillion in 2020 or increased by 572.85% compared to the same period in the previous year at Rp151 billion. The increase was mainly due to improved profit and loss performance in the food sub-cluster (RNI and PPI) and the Bulog sub-cluster, which resulted in a less amount of loss in 2020 compared to 2019.

In 2020, the fertilizer sub-cluster received an assignment from the government to provide subsidized fertilizer. It successfully distributed a total of 8.43 million tons of subsidized fertilizer in an effort to support the government in maintaining food security.

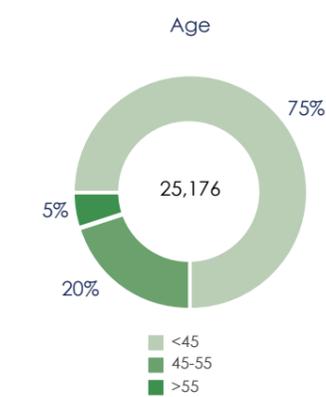
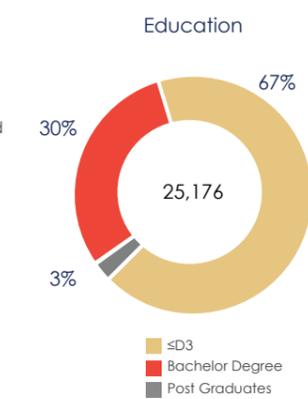
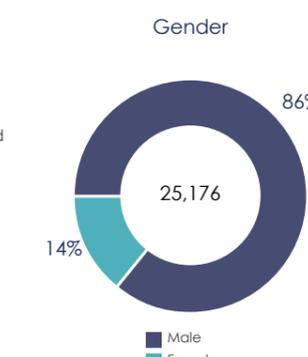
In carrying out its public service function, the Bulog sub-cluster absorbed 1.26 million tons of rice from domestic farmers in 2020. In terms of rice distribution in the context of public service assignment, the Bulog sub-cluster had distributed a total of 1.63 million tons of rice in 2020.

Assets & Liabilities

Assets of Fertilizer and Food Cluster stood at Rp172.3 trillion. Compared to the Rp195.8 trillion in 2019, it decreased by 12%, which mainly due to the payment of short-term loans in the Bulog sub-cluster and payment of fertilizer subsidy receivables from the government for underpayments in 2017, 2018, and part of 2019, which then used to repay some of the bank loans.

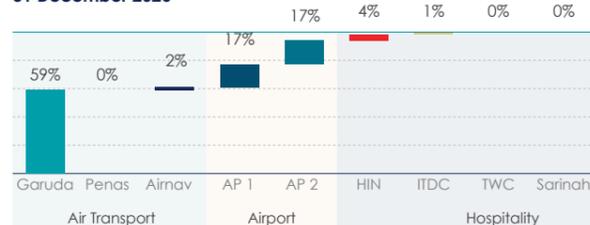
Overall, debt to invested capital ratio and debt to EBITDA ratio improved compared to the previous year to 39.3% and 5.1x, respectively.

Composition of Manpower 2020 by:



TOURISM & SUPPORTING SERVICES

Assets Composition of Tourism & Supporting Services Cluster
31 December 2020



2020 Milestones

- Proposal to Extend Garuda Indonesia's Global Sukuk Repayment Period to 3 (three) years from the due date on 3 June 2020
- Sustainable bonds issuance by AP II
- Additional SEP to Airnav and ITDC
- Signing of loan agreement between ITDC and Indonesia Eximbank with a loan value of Rp1.18 trillion

Financial Parameter

Rp Billion	2020	2019
Revenue	32,545	86,850
Operating Income	-29,888	5,879
EBITDA	-7,858	10,974
EBIT	-30,002	5,356
NOPAT	-31,298	4,599
Net Profit	-41,776	914
Assets	256,111	167,043
Invested Capital (A + B)	174,366	124,383
A. Financing Liabilities	152,222	60,229
Current	45,419	25,822
Non Current	106,804	34,408
B. Capital	22,143	64,154

Financial Performance Indicators

Operating Margin	-91.8%	6.8%
EBITDA Margin	-24.1%	12.6%
Net Margin	-128.4%	1.1%
ROA	-16.3%	0.5%
ROE	-188.7%	1.4%
ROIC	-17.9%	3.7%

Gearing Ratio & Capital Structure

Debt to Invested Capital	87.3%	48.4%
Debt to EBITDA	-19.4x	5.5x
EBITDA to Interest Coverage	-0.7x	3.0x

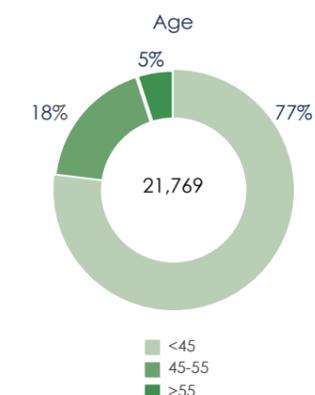
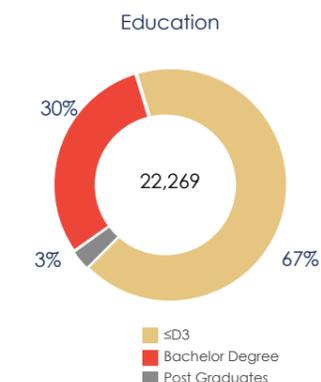
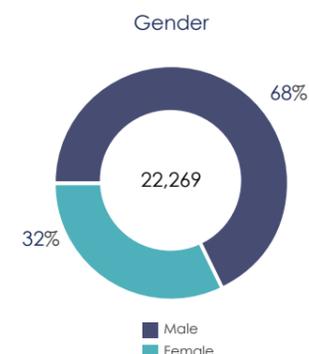
2020 Performance Analysis

- The pandemic significantly affected transportation, travel, and tourism sectors, the core businesses of the Tourism Cluster SOEs. The challenge was to maintain the company sustainability amidst declining aircraft, passengers, and cargo movements due to the changes in people's mobility patterns. Some of the policies causing the decline include prohibitions or restrictions to enter/exit imposed on Indonesian citizens and foreigners in various countries and prohibited people to travel to their hometowns during the holiday seasons to curb the spread of the COVID-19.
- Revenue decreased significantly by 63% to Rp32.5 trillion, resulting in a Rp41.8 trillion loss in 2020. Meanwhile, the Cluster recorded a Rp914 billion profit in 2019. This Cluster was the most severely impacted by the pandemic.
- In the airport sub-cluster, the decline in aircraft, passengers, and cargo movements resulted in a decrease of liquidity and profitability of airport sub-cluster.
- In the air transport sector, Garuda Group was impacted during the pandemic, as indicated by a 51.54% decrease in Available Seat Kilometres (ASK) capacity compared to pre-COVID-19.
- The hospitality sub-cluster also experienced a decline as many countries imposed travel restrictions to curb the spread of COVID-19.

Assets & Liabilities

- The Cluster's assets increased by 53.3% to Rp256 trillion. The largest increase was contributed by the right-of-use of assets at Garuda, which was previously not recognized as assets, as a result of SFAS 71, 72, and 73 implementations.
- On liabilities, a significant increase was posted in lease liabilities, both non-current and current.
- In terms of financial structure and debt coverage capacity, this Cluster was one of the worst-performing Clusters.

Composition of Manpower 2020 by:



PLANTATION & FORESTRY

Assets Composition of Plantation & Forestry Cluster
31 December 2020



2020 Milestones

- Divestment of PTPN's subsidiary hospital by PT Pertamina Bina Medika IHC
- Signing of an investment agreement between the Plantation Holding and the government in the context of National Economic Recovery
- Establishment of Perhutani Forestry Institute

Financial Parameter

Rp Billion	2020	2019
Revenue	43,316	39,639
Operating Income	2,452	240
EBITDA	6,489	4,006
EBIT	2,746	293
NOPAT	3,168	1,251
Net Profit	-390	-2,322
Assets	148,280	143,898
Invested Capital (A + B)	111,411	109,134
A. Financing Liabilities	46,283	48,379
Current	24,081	23,674
Non Current	22,202	24,705
B. Capital	65,128	60,754

Financial Performance Indicators

Operating Margin	5.7%	0.6%
EBITDA Margin	15.0%	10.1%
Net Margin	-0.9%	-5.9%
ROA	-0.3%	-1.6%
ROE	-0.6%	-3.8%
ROIC	2.8%	1.1%

Gearing Ratio & Capital Structure

Debt to Invested Capital	41.5%	44.3%
Debt to EBITDA	7.1x	12.1x
EBITDA to Interest Coverage	1.8x	1.1x

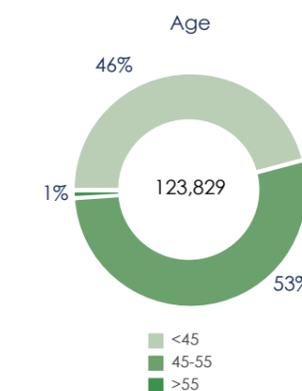
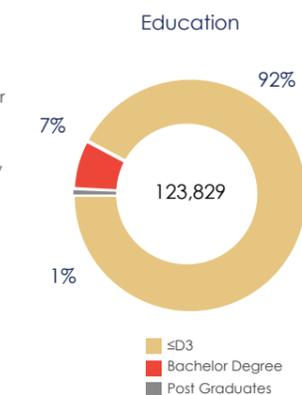
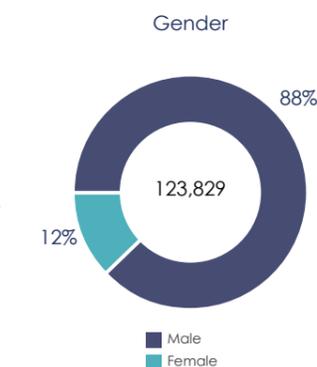
2020 Performance Analysis

- In 2020, revenue of Plantation and Forestry Cluster increased by 9.3% to Rp43,316 billion compared to the previous year, which mainly contributed by revenue from oil palm commodities. The increase in performance was reflected in the loss recorded in 2020 of only Rp390 billion from Rp2,322 billion in 2019.
- Sales for each commodity in 2020: oil palm, particularly Crude Palm Oil, contributed 58.35%; sugar 18.22%; rubber 9.05%; logs 4.69%; and other commodities at 9.69%. Meanwhile, in 2019, oil palm contributed 46.26% to the revenue, sugar 19.03%, rubber 9.37%, logs 4.24%, and other commodities at 21.1%.
- The improved performance was also due to efficiency in production cost, which only increased by 1.9% YoY, supported by a tax stimulus in 2020, in the form of a reduced tax rate from 25% to 22%.

Assets & Liabilities

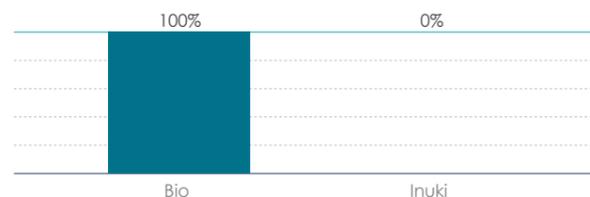
- Assets reached Rp148,280 billion or rose 3% from the realization in 2019.
- Total liabilities in 2020 reached Rp83,152 billion, or 0.01% higher than the realization in 2019. Equity in 2020 was Rp65,128 billion or increased by 7.2% from the 2019 period. PTPN's equity increased by Rp6 trillion due to additional capital in the form of fixed assets and capitalization of reserves.
- On financial structure, debt to EBITDA ratio and debt to invested capital ratio in 2020 improved compared to the previous year to 7.1x and 41.5%, respectively.

Composition of Manpower 2020 by:



HEALTH

Assets Composition of Health Cluster- 31 December 2020



2020 Milestones

- › Establishment of Pharmaceutical Holding
- › Provision of COVID-19 vaccines in cooperation with several partners such as Sinovac
- › Provision of medications, supplements, and health equipment needed to address COVID-19, such as Remdesivir, Oseltamivir, Chloroquine, Hydrochloroquin, Azithromycin, vitamins, COVID PCR Kit (mBioCov), BioVTM, rapid tests, masks, and hand sanitizers

Financial Parameter

Rp Billion	2020	2019
Revenue	14,375	13,353
Operating Income	827	899
EBITDA	1,188	1,202
EBIT	810	870
NOPAT	1,002	986
Net Profit	276	359

Assets	2020	2019
Invested Capital (A + B)	27,179	23,909
A. Financing Liabilities	11,351	9,833
Current	8,373	6,391
Non Current	2,977	3,442
B. Capital	15,828	14,077

Financial Performance Indicators	2020	2019
Operating Margin	5.8%	6.7%
EBITDA Margin	8.3%	9.0%
Net Margin	1.9%	2.7%
ROA	0.8%	1.3%
ROE	1.7%	2.6%
ROIC	3.7%	4.1%

Gearing Ratio & Capital Structure	2020	2019
Debt to Invested Capital	41.8%	41.1%
Debt to EBITDA	9.6x	8.2x
EBITDA to Interest Coverage	1.6x	1.9x

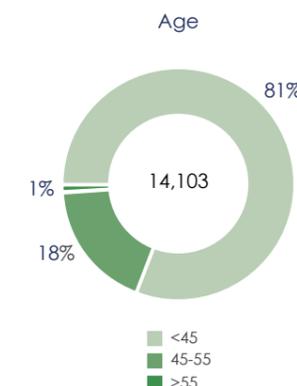
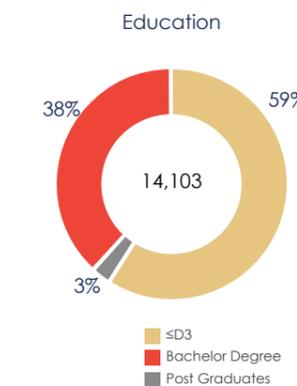
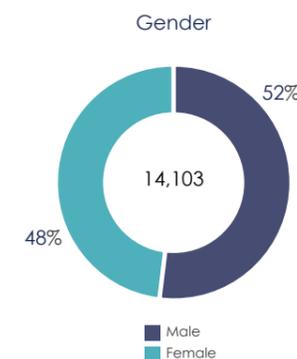
2020 Performance Analysis

- › The pandemic made several export destination countries impose lockdowns and public activity restrictions, which resulted in clinical trial delays and a declining number of patient visits to health facilities. However, Bio Farma continued to play a fully active role in preparing vaccines, medications, health equipment, distribution, and health facilities such as pharmacies and services, as an effort to support the government in mitigating the COVID-19 pandemic. On production utilization, the increase can be seen on production of vaccines and medications, particularly those related to the COVID-19, such as anti-viral drugs, supplements, and vitamins.
- › To that end, revenue of Health Cluster remained increase in 2020, which rose by 7.7% to Rp14.4 trillion. This was mainly due to the growth of sales recorded by Bio Farma's subsidiary, Kimia Farma, from its pharmacy business segment.
- › However, the Health Cluster recorded a 23% decline in net profit for the year to Rp276 billion from Rp359 billion in the previous year due to a 4.6% increase in operating expense from Rp4.1 trillion to Rp4.3 trillion and a 13.1% increase in non-operating expense from Rp381 billion to Rp431 billion.

Assets & Liabilities

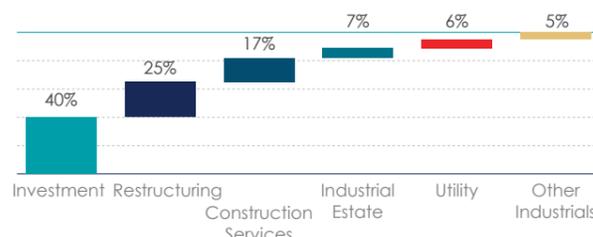
- › On financial structure, debt to EBITDA ratio and debt to invested capital ratio in 2020 stood at 9.6x and 41.8%, respectively.
- › The fairly high solvency ratio was due to business expansion in the previous years, particularly at Kimia Farma with the openings of pharmacies across Indonesia, the construction of a new production facility in Banjaran, and the acquisition of the majority stake in Phapros to become a subsidiary of Kimia Farma.

Composition of Manpower 2020 by:



DANAREKSA-PPA

Assets Composition of Danarekxa-PPA Cluster - 31 December 2020



2020 Milestones

- › Issuance of the Special Power of Attorney to PT PPA in regards to future SOEs joining the Holding to take actions that are the authorities and/or rights of the Shareholders
- › SEP to PT Kawasan Industri Wijayakusuma for its subsidiary, PT Kawasan Industri Terpadu Batang

Financial Parameter

Rp Billion	2020	2019
Revenue	12,409	17,079
Operating Income	-96	1,089
EBITDA	915	2,045
EBIT	27	1,199
NOPAT	-284	989
Net Profit	-1,306	146

Assets	2020	2019
Invested Capital (A + B)	23,515	25,074
A. Financing Liabilities	23,813	22,530
Current	15,213	14,914
Non Current	8,600	7,616
B. Capital	-298	2,543

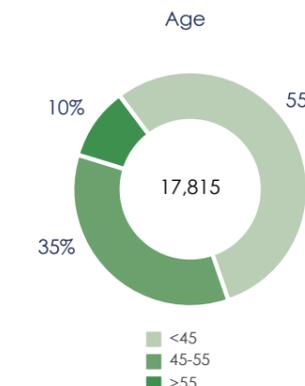
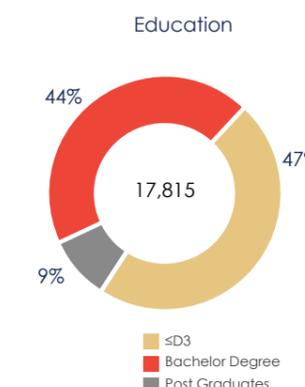
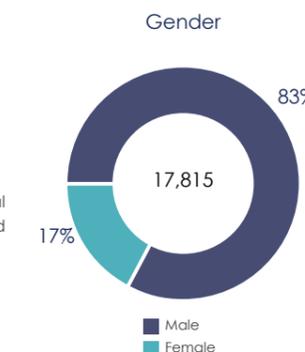
Financial Performance Indicators	2020	2019
Operating Margin	-0.8%	6.4%
EBITDA Margin	7.4%	12.0%
Net Margin	-10.5%	0.9%
ROA	-2.9%	0.3%
ROE	438.8%	5.7%
ROIC	-1.2%	3.9%

Gearing Ratio & Capital Structure	2020	2019
Debt to Invested Capital	101.3%	89.9%
Debt to EBITDA	26.0x	11.0x
EBITDA to Interest Coverage	0.9x	2.4x

2020 Performance Analysis

- › Danarekxa-PPA Cluster was established by the Ministry of SOE to accommodate two SOEs categories, namely a) the SOEs group with positive performance, however in small volume and/or its value chains cannot be combined with other clusters, and b) the SOEs group under restructuring due to the weak financial conditions. Overall, the performance of SOEs group under restructuring were negative due to the COVID-19 pandemic.
- › This was reflected from the consolidated financial condition of Danarekxa-PPA Cluster that reported a 27.3% decrease of total revenue in 2020, whereas operating expenses and financing expenses cannot be reduced. This resulted in net loss of Rp1.3 trillion in 2020 by this Cluster's portfolio.
- › On financing structure, as most of this clusters consisted of SOEs with significant restructuring, the debt to invested capital ratio was posted far above the maximum target of the Ministry of SOE.
- › The largest loss in this Cluster was primarily recorded by PT Dok & Perkapalan Kodja Bahari (Persero), PT Merpati Nusantara Airlines (Persero), and PT Barata Indonesia (Persero). The restructuring process and/or liquidation will be continued for these companies, in which restructuring implementation will be carried out in 2021.

Composition of Manpower 2020 by:



SOE MINISTRY FINANCIAL & OPERATIONS PERFORMANCE

Overall, the Ministry of SOE continued to record sound financial and operating performance in 2020 amidst uncertainties due to the COVID-19 pandemic. This was enabled by the total commitment of SOEs and the

Ministry of SOE to accelerate transformation in all aspects aimed at maintaining solid performance and increasing added value and competitiveness of SOEs with a global orientation.

FINANCIAL HIGHLIGHTS OF SOE MINISTRY 2020

Budget Realization Report

Rp Million	2020	2019	YoY
State Revenue and Grants	8,338	9,523	(12.45%)
State Expenditures	260,131	202,523	28.44%

Balance Sheet

Rp Million	2020	2019	YoY
Current Assets	4,296	2,974	44.5%
Fixed Assets (net)	1,960,584	1,855,478	5.7%
Non-Current Receivables	28	29	(3.5%)
Other Assets	6,577	5,129	28.2%
Total Assets	1,971,486	1,863,610	5.8%
Liabilities	9,616	3,381	184.4%
Equity	1,961,870	1,860,229	5.5%
Total Liabilities and Equity	1,971,486	1,863,610	5.8%

Operating Statement

Rp Million	2020	2019	YoY
Operating Activities			
Operating Income	4,096	4,608	(11.1%)
Operating Expenses	179,872	203,893	(11.8%)
Operating Activities Surplus/(Deficit)	(175,776)	(199,286)	11.8%
Non Operating Activities			
Non Current Assets Disposal Surplus/(Deficit)	-	(10)	(100.0%)
Surplus/(Deficit) from Kegiatan Non Operating Activities	(357)	39	(1018.0%)
Surplus/(Defisit) - Operating Report	(176,133)	(199,247)	11.6%

Statement of Equity Changes

Rp Million	2020	2019	YoY
Initial Equity	1,860,229	560,896	231.7%
Surplus/(Deficit) - Operating Report	(176,133)	(199,247)	11.6%
Correction Adding/Deducting Equity	493	1,305,580	(99.9%)
Transaction Inter Companies	277,280	193,000	43.7%
Total Equity	1,961,870	1,860,229	5.5%

SOE MINISTRY FINANCIAL & OPERATIONS PERFORMANCE

05 SOE MINISTRY FINANCIAL & OPERATIONS PERFORMANCE

SOE MINISTRY PERFORMANCE REVIEW 2020 - 2019

The preparation and presentation of the Financial Statements of the Ministry of SOE as of 31 December 2020 was in accordance with Government Regulation No. 71 of 2010 concerning Government Accounting Standards and based on sound financial management principles within the Government.

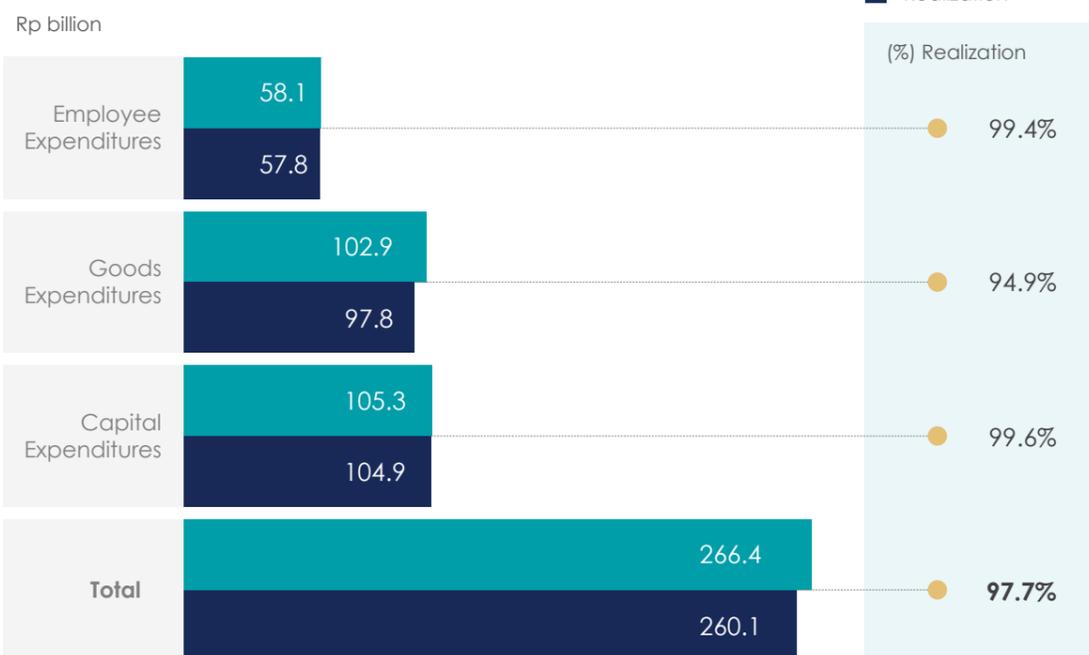
Budget Realization Report

The SOE Ministry's Budget Realization Report includes State Revenue and Expenditure for 2020. Realization of State Revenue in the form of Non-Tax State Revenue was recorded at Rp8.34 billion for the period ended 31 December 2020. Meanwhile, the realization of State Expenditure was Rp260.13 billion, or 97.65% of the 2020 budget allocation of Rp266.39 billion.

Revenues of State Expenditures 2020

In Rupiah	2020
Revenue from Land Lease, Office Buildings and Buildings	8,158,124,225
Revenue from Late Penalty in the Completion of State Assignments	113,583,237
Recovery of Employee Expenditures from Previous Year Budget	17,265,240
Recovery of Goods Expenditures from Previous Year Budget	44,654,182
Recovery of Capital Expenditures from Previous Year Budget	3,676,000
Revenue from Other Budgets	571,239
Total	8,337,874,123

Composition of Expenditures and Realization for Fiscal Budget 2020



Balance Sheet

As of 31 December 2020, SOE Ministry assets stood at Rp1.97 trillion or grew 5.8% YoY. The assets consisted of Current Assets of Rp4.29 billion, Fixed Assets (net) of Rp1.96 trillion, and Non-Current Receivables and Other Assets (net) of Rp28.10 million and Rp6.58 billion, respectively. Meanwhile, Liabilities and Equity amounted to Rp9.62 billion and Rp1.96 trillion, respectively.

Statement of Changes in Equity

The equity position at the beginning of 2020 was Rp1.86 trillion. With an LO-Deficit of Rp176.13 billion, positive and negative corrections to equity of Rp493.28 million, and inter-entity transactions of Rp277.28 billion, the entity's equity as of the end of 2020 was Rp1.96 trillion or grew by 5.46% YoY.

Operating Report

The SOE Ministry recorded Rp4.09 billion of Operating Income in 2020 with operating expenses at Rp179.87 billion. Deficit from operating activities therefore stood at Rp175.78 billion. Meanwhile, non-operating activities and extraordinary items were recorded at minus Rp357.01 million and Rp0, respectively. As a result, the entity suffered a Rp176.13 billion LO-Deficit.

Notes to Financial Statements

The presentation of the Budget Realization Report for the period ended 31 December 2020 was prepared and presented on a cash basis. Meanwhile, the Balance Sheet, Operating Report, and Statement of Changes in Equity for the same period were prepared and presented on an accrual basis. The Ministry of SOE's 2020 financial statements received an unqualified opinion for the 14th time in 2020.



MANAGEMENT & DEVELOPMENT OF HUMAN RESOURCES



One of the indicators of continuous improvement in human resources is the merit system score. The Ministry of SOE received an appreciation from Indonesia State Civil Apparatus Commission as the government agency with the best Merit System of 382.5 points.



Merit System

The SOE Ministry consistently carries out continuous improvements to realize its goal of becoming a professional governing and supervisory body to SOEs. Improvements were made in many dimensions, including managing and developing human resources using the appropriate instruments. HR development programs were provided throughout the employees' career, starting from developing induction activities for new employees, ongoing competency development, to development programs for retirement preparation.

State Civil Apparatus Professionalism

Every year, the Ministry of SOEs calculates the Professionalism Index Measurement. This is an instrument used to quantitatively measure the level of professionalism of State Civil Apparatus.

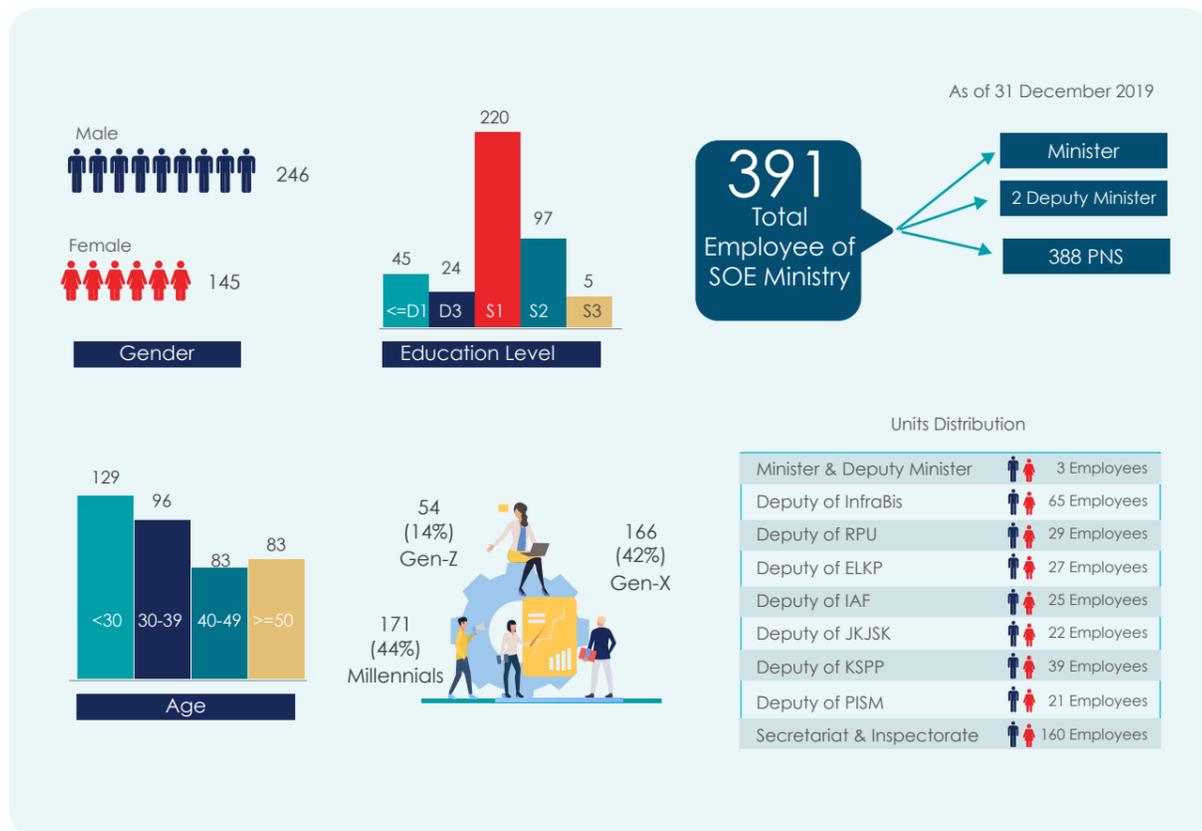
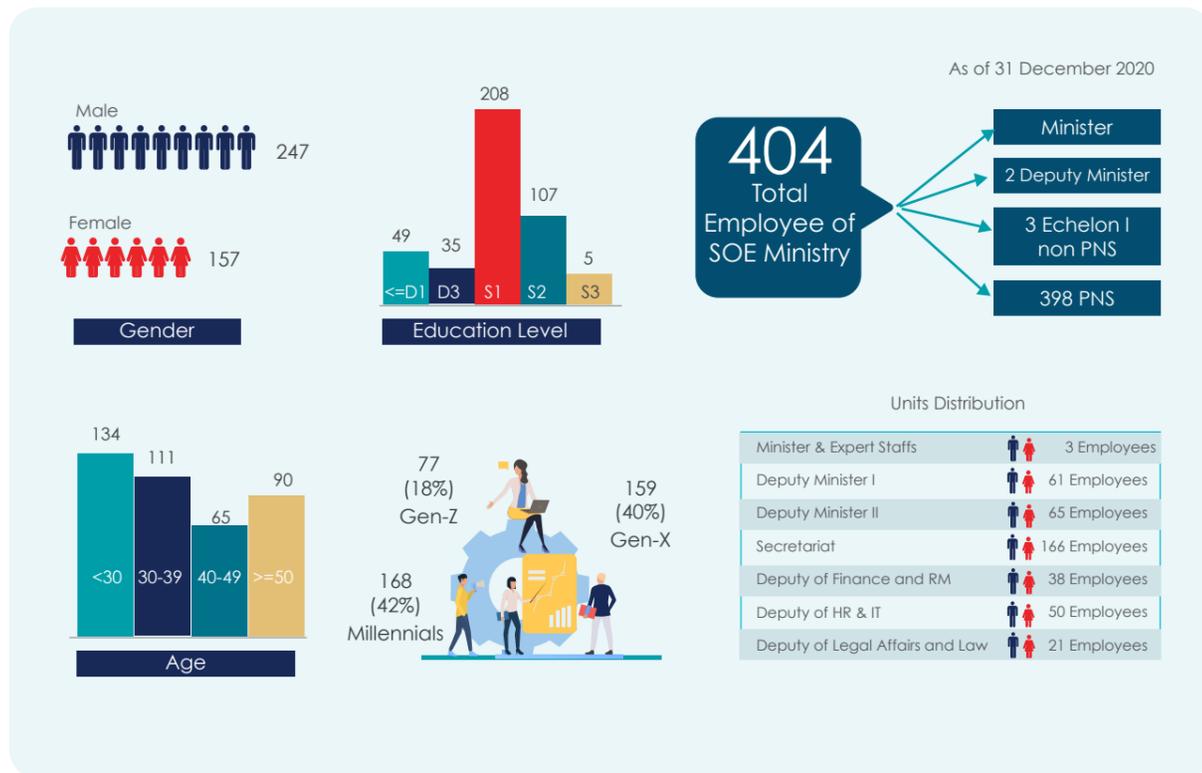
The results can inform assessment and evaluation in developing ASN professionalism. The Professionalism Index Measurement consists of Qualifications, Competence, Performance, and Discipline.

Number of Active ASN	Average Qualification	Average Competency	Average Performance	Average Discipline	ASN IP Score (rounded up)	Category
365	14.6	31.9	28.8	4.9	81	High

In 2020, the Ministry of SOE measured the Professionalism Index of 365 SOE Ministry's employees, consisting of 222 male and 143 female employees. The average scores of the qualification, competence, performance, and discipline dimensions were 14.58, 31.95, 28.78, and 4.95, respectively. The Professionalism Index total score for the Ministry of SOE's ASN in 2020 was 81 (high category).

Human Resources Composition in the Ministry of SOE

Human resource is an essential element and plays a major role in ensuring the organization's operational continuity, including in the Ministry of SOE. As of the end of 2020, the SOE Ministry managed 404 employees from 390 employees in 2019. The following chart summarizes and provides an overview of the SOE Ministry's HR profile and capacity for the period 31 December 2020-2019:



DIGITALIZATION & GOOD GOVERNANCE



Digitalization in the Ministry of SOE

In 2020, the Ministry of SOE accelerated digitalization, including the development of applications used within the Ministry, in the public sector, and in SOEs. Some of the activities include improving internet network and information security; digitalizing business processes such as utilizing SIMO application for attendance and Sinadine platform for official documents and digital signatures; and building the collaborative and cloud-based Office 365 infrastructure and tools.

Digitalization acceleration is part of the SOE Ministry Information Technology Master Plan (MPTI) for the 2021-2024 period which has been aligned with the SOE Ministry's 2020-2024 Strategic Plan.

Digitalization in SOEs - IT Maturity Level

In the 2020-2024 Strategic Plan, SOEs' IT Maturity Level target was set at level 3. IT Maturity Level is intended to align IT governance strategies with business strategies, thus making IT a business driver/transformer to create new markets and new services.

respondents, only 22 SOEs (21.8%) had IT Maturity Level 3, 28 SOEs (27.7%) had IT Maturity Level below 3, and the other 51 SOEs (50.5%) had never conducted an independent IT Maturity Level assessment.

IT Maturity Level assessment and achieve the target of Level 3 by 2021, establish a roadmap to fulfill identified gaps, and carry out the recommended improvements based on the assessment results.

In 2020, the Ministry of SOE conducted mapping and studies on IT governance conditions in SOEs. The scope covered IT Maturity Level assessment and existing business and operational applications. Based on the mapping, out of 101

Based on the results, the Minister of SOE issued the SOE Minister Letter No. S-949/MBU/10/2020 dated 23 October 2020 regarding Shareholders/Owners Aspirations for the Preparation of the 2021 Corporate Work Plan and Budget. SOEs are required to carry out an

ACCOUNTABILITY AS THE STATE MANAGEMENT

Accountability Improvement

Accountability means being responsible for the success or failure in carrying out the organization's mission to achieve a set of predetermined objectives and targets through a series of accountability activities that are carried out regularly.

Accountability is at the forefront of good governance in regard to how government agencies take responsibility for the use of the State Budget in providing the best public services.

According to the Minister of SOE Regulation No. PER-01/MBU/03/2020 on Organization and Working Procedures of the Ministry of SOE, the Inspectorate is a unit that functions as internal control within the Ministry of SOE and has an obligation to maintain and improve accountability and transparency of budget and performance management within the Ministry of SOE.

To maintain and increase accountability within the Ministry of SOE, the Inspectorate prepares the Annual Supervisory Work Plan (PKPT) every year. PKPT contains supervisory measures and programs to improve governance and control accountability, such as supervisory activities (audits, reviews, monitoring, and evaluation), governance implementation activities which include the implementation of Government Internal Control System (Government Regulation/PP No. 60 of 2008), the implementation of Performance Accountability System of Government Agencies (SAKIP) in accordance with PP No. 29 of 2014

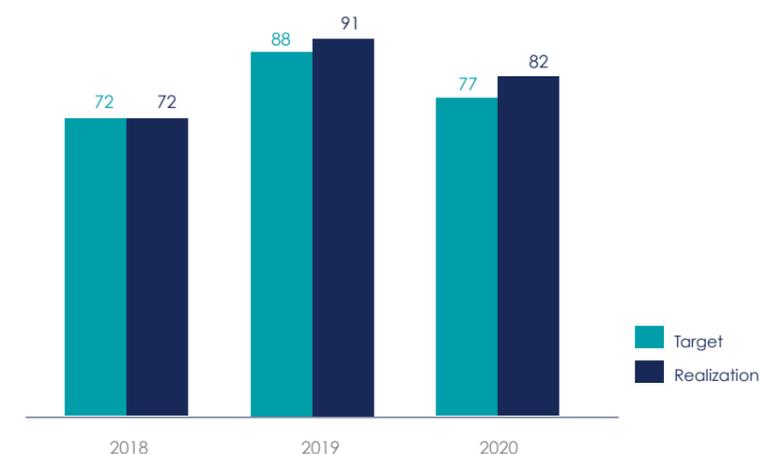
concerning Performance Accountability System of Government Agencies, Risk-Based Auditing (Finance and Development Supervisory Agency/BPKP Regulation No. 6 of 2018 concerning Guidelines for Risk-Based Internal Auditing), measurement of Internal Audit capabilities using IACM, and supervision of compliance of LHKPN/LHKASN (state officials/civil servants' wealth report) submission.

2020 Performance Achievement of the Annual Supervisory Work Plan

The realization of the Annual Supervisory Work Plan (PKPT) in 2020 reached 106%, which means that the Inspectorate had carried out all work programs in the 2020 PKPT and also additional assignments (Non-PKPT), such as:



Comparison of targets and realization of PKPT achievements from 2018 to 2020 is as follows:



Government Internal Control System

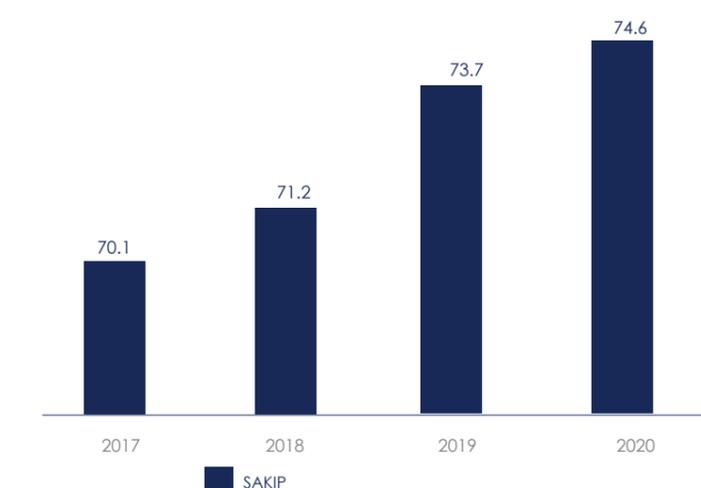
In accordance with PP No. 60 of 2008 concerning Government Internal Control System, it is mandatory for all Ministries/Institutions and Local Government to implement Government Internal Control System (SPIP) so that the SPIP maturity level can be assessed. SPIP implementation within the Ministry of SOE is carried out by the Inspectorate.

In accordance with SPIP guidelines set by the Finance and Development Supervisory Agency (BPKP), the implementation of SPIP is carried out through a self-assessment method carried out by units in the Ministry of SOE, which the Inspectorate then evaluates. The final results of the evaluation by the Inspectorate are sent to BPKP, as the governing body of SPIP. BPKP will conduct a follow-up assessment and then determine the SPIP's maturity level.

In 2020, based on the results of assessment and evaluation conducted by the Inspectorate, the Ministry of SOEs' maturity level was at level 3 (defined) on a scale of 1 to 4. This result has been approved by BPKP. For information, only Inspectorate Generals/Inspectorates of Ministries/Institutions of the Finance Ministry and the Transportation Ministry have attained maturity level 4.

Performance Accountability System of Government Agencies

The Ministry of State Apparatus Empowerment and Bureaucracy Reform (PAN-RB) has conducted an evaluation of the Ministry of SOEs' performance accountability. The evaluation is based on Regulation of the Empowerment of State Apparatus and Bureaucratic Reform Minister Number 12 of 2015 concerning Guidelines for Evaluating the Implementation of SAKIP. For fiscal year 2020, the Ministry of SOEs received a score of 74.6 or BB predicate. The following are the Ministry of SOEs' SAKIP scores for 2017-2020:



SAKIP implementation is based on Government Regulation No. 8 of 2006 concerning Financial and Performance Reporting of Government Agencies and Presidential Regulation No. 29 of 2014 concerning SAKIP.

Risk-Based PKPT

According to BPKP Regulation No. 6 of 2018 concerning Guidelines for Risk-Based Internal Auditing, it is mandatory for all Inspectorate General/Inspectorate of Ministries/Institutions to implement Risk-Based Audit (RBA).

The Inspectorate of the Ministry of SOE has implemented the risk-based audit since 2019 by preparing risk-based annual audit work programs (PKPT). Even though risk management has not been implemented optimally in the Ministry of SOE, the Inspectorate has initiated the implementation of this risk management measure by putting together an Echelon II Risk Map book in 2019. This Risk Map describes the risks identified in all of the Ministry's echelon II units with analysis and mitigation of those risks. It demonstrates that the Inspectorate of the Ministry of SOE has fully carried out the risk-based audit (100%).

The Risk Map becomes the basis for the Inspectorate to develop a risk-based PKPT by prioritizing supervision of activities in the high-risk echelon II units, enabling more focused supervision.

APIP Capabilities and IACM Assessment

IACM (Internal Audit Capacity Model) assessment is a tool to assess the level of Inspectorate General/ Inspectorate in their capacity as Ministries/Institutions' APIP (government internal auditor). According to PP No. 60 of 2008 on Government Internal Control System (SPIP), IACM is mandatory. BPKP, as the governing body of SPIP, carries out the assessment. IACM is conducted to provide confidence that APIP has reached a certain level in order to drive improvement of Ministries/ Institutions' accountability and governance.

Based on BPKP's assessment, the Inspectorate of the Ministry of SOE has reached level 3. And currently, the Inspectorate is following up on areas of improvement suggested by BPKP to move towards the next level, including HR, budget, and raising the structural level to echelon 1. For information, the Inspectorate General of the Ministry of Finance is the only APIP with a level 4 IACM, and no APIP has reached level 5.

LHKPN & LHKASN Reporting

It is mandatory for State Civil Apparatus to disclose their assets annually or when their job positions change. LHKPN (State Officials' Asset Disclosure) obligation refers to Corruption Eradication Commission (KPK) Regulation No. 2 of 2020 on Amendment to KPK Regulation No.7 of 2016 concerning Procedures for the Registration, Announcement, and Examination of State Officials' Assets. Meanwhile, LHKASN (State Civil Apparatus Asset Disclosure) refers to PAN-RB Minister Circular Letter No.1 of 2015 concerning Obligation to Submit LHKASN.

LHKPN is mandatory for high-ranking officials in government ministries/ institutions, including Ministers, Deputy Ministers, Echelon 1, Special Staff, Echelon 2, and certain officers such as auditors, treasurers, and commitment-making officials (PPK). Those not obligated to prepare LHKPN must prepare LHKASN. The LHKPN obligation is constantly monitored by KPK every year, while the Ministry of PAN-RB monitors LHKASN.

The Inspectorate acts as a supervisory unit responsible for monitoring Ministry of SOE employees' compliance to submit LHKPN and LHKASN and reporting the result to the SOE Minister, KPK, and the Ministry of PAN-RB.

The Ministry of SOE fulfilled the 100% submission target for the 2020 reporting period, both for LHKPN and LHKASN.

Bureaucracy Reform is necessary to ensure governance improvements are realized. Good governance is a prerequisite to national development. The quality of governance will greatly affect the implementation of national development programs. As a country's governance improves, so will its national development.

Within the Ministry of SOE, this reform is aimed to create a good and clean bureaucracy, and is expected to lead to a clean, accountable, and capable Ministry that serves the public swiftly, effectively, and professionally with zero corruption, collusion, and nepotism practices. It is in line with the three main objectives of the reform program and the President's statement about the speed of service and that an accountable, effective, and efficient bureaucracy are keys to realizing this reform.

The implementation of bureaucracy reforms in the SOE Ministry is evaluated by the Ministry of PAN-RB. The evaluation employs a method that combines the enabler component score (Work Unit Reform score) and Institutional-level Bureaucracy Reform score. The previous enabler component's maximum total score of 60% is now broken down into three components: Compliance (20%), Intermediate Outcome of the Areas of Change (10%), and Reform (40%).

For the Ministry of SOE, the assessment score of its bureaucracy reform was 77.7, an increase of 0.7 points from the previous year of 77.0. The total score consisted of enabler component score of 44.8 or 74.7% out of 60. The Enabler Component score is a sum of Compliance Score of 15.9, Intermediate Outcome of the Areas of Change Score of 6.9, and Reform Score of 22.0. Meanwhile, Result Component total score was 32.9 or 82.2% out of 40.

The Ministry of PAN-RB formally announced the Ministry of SOEs' reform implementation score through the PAN-RB Minister Letter No. B/39/M.RB.06/2021 dated 31 March 2021.

MINISTERIAL REGULATIONS IN 2020

In 2020, 10 Ministerial Regulations were promulgated, such as regulations concerning the governance of the Ministry and guidelines on the Ministry's Apparatus and the Board of Commissioners/Supervisory Board of SOEs.

- No. PER-01/MBU/03/2020 on Organization and Working Procedures of the Ministry of State-Owned Enterprises
- No. PER-02/MBU/04/2020 on Third Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 concerning Partnership Program and Community Development Program of State-Owned Enterprises
- No. PER-03/MBU/06/2020 on Ministry of State-Owned Enterprises Logo
- No. PER-04/MBU/06/2020 on Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER-03/MBU/2012 concerning Guidelines on Appointment of Members of the Board of Directors and Members of the Board of Commissioners of Subsidiaries of State-Owned Enterprises
- No. PER-05/MBU/07/2020 on Revocation of the Regulation of the Minister of State-Owned Enterprises Number PER-04/MBU/2012 concerning the Code of Ethics of the Ministry of State-Owned Enterprises Apparatus
- No. PER-06/MBU/07/2020 on Code of Ethics and Code of Conduct of State Civil Apparatus of the Ministry of State-Owned Enterprises
- No. PER-07/MBU/07/2020 on Procedures for Settlement of State Loss within the Ministry of State-Owned Enterprises
- No. PER-10/MBU/10/2020 on Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER-02/MBU/02/2015 concerning the Requirements and Procedures on the Appointment and Dismissal of Members of the Board of Commissioners and the Supervisory Board of State-Owned Enterprises
- No. PER-11/MBU/11/2020 on Management Contract and Annual Management Contract of the Board of Directors of State-Owned Enterprises
- No. PER-12/MBU/11/2020 on Fifth Amendment to Regulation of the Minister of State-Owned Enterprises Number PER-04/MBU/2014 concerning Guidelines for Determining the Income of the Board of Directors, the Board of Commissioners, and the Supervisory Board of State-Owned Enterprises

BUREAUCRACY REFORM

Scores of Bureaucracy Reform of SOE Ministry



Description	2015	2016	2017	2018	2019	2020
Target	65	70	76	82	85	80
Realization	65.6	75.1	76.8	76.8	77.0	77.7

■ Target ■ Realization



06 SOCIAL RESPONSIBILITY

SOCIAL RESPONSIBILITY

In its capacity as the mentor for SOEs, the Ministry of SOE has a social responsibility in balancing the national economy that is fulfilled through the Community Partnership and Development Program (PKBL). This is in line with the Regulation of the Minister of State-Owned Enterprises No.PER-02/MBU/04/2020 concerning the Third Amendment to the Regulation of the Minister of State-Owned Enterprises No.PER-09/MBU/07/2015 regarding the Partnership and Community Development Program for State-Owned Enterprises as PKBL implementation guideline.

In 2020, the Ministry of SOE monitored the implementation of Community Partnership and Development Program carried out by SOEs and their subsidiaries, as well as affiliated companies. In total, the realized social responsibility budget was Rp3.7 trillion, a decrease of 42% or Rp2.6 trillion from 2019 at Rp6.3 trillion.

PKBL Realization 2020



PARTNERSHIP PROGRAM PERFORMANCE IN 2020

In 2020, the Partnership Program was carried out by disbursing loans to several MSME business sectors affected by the COVID-19 pandemic.

The distribution of loans through Partnership Program is expected to be able to help MSMEs to recover from the impacts of the pandemic and thereby grow their businesses.

There are 8 (eight) business sectors that receive loan disbursement through the partnership program, namely:

- 31.42% trading business sector,
- 22.43% service business sector,
- 16.30% plantation business sector,
- 10.05% industrial business sector,
- 7.25% agricultural business sector,
- 6.42% livestock business sector,
- 3.15% fisheries business sector, and
- 0.05% creative industry business sector.

Upgrading of Mentoring Partners

The Upgrading of Mentoring Partners Program is designed to improve the performance of MSMEs as SOEs' Mentoring Partners, enabling them to Go Modern, Go Digital, Go Online and Go International. This is in line with the National Economic Recovery Program launched by the Government through Government Regulation No.23/2020 concerning the Implementation of the National Economic Recovery Program to Support State Financial Policies in Response to the COVID-19 Pandemic and/or to Threats to the National Economy and/or Financial System Stability and Rescue the National Economy.

The Mentoring Partners are upgraded when it meets one of the following criteria: growth in the size of employees, loan value, production capacity, and turnover; local community engagement to yield products, product marketing outside the city/country, and attainment of national/international certifications.

SOEs seek to encourage their Mentoring Partners to advance to the next level through various activities that include providing trainings, holding domestic and overseas exhibition, upskilling, mentoring and conduction certification for Mentoring Partners.

The MSME Academy implemented by PT Pertamina (Persero) in 2020 is one example of the SOE Mentoring Partners Upgrading program. In this activity, Pertamina cooperates with institutions or organizations that have

The number of SOEs' Mentoring Partners by 2020 reached 507,734 enterprises in 34 provinces, including 20,446 small businesses that joined the program recently. Of the 20,446 new Mentoring Partners, at least 5% have been classified as Upgraded Mentoring Partners.

competence in the field of small business development to provide mentoring and assistance for the MSME Academy participants.

The benefits obtained by the MSME Academy participants include expanding product market reach, enhancing participant knowledge in digital marketing, increasing readiness to be adaptive to technology, product standardization, branding management training, and the use of appropriate technology.

Stimulus for Mentoring Partners

The COVID-19 has been affecting the society directly and indirectly. The impact, among others, can be seen in the decline of financial performance of businesses in the low income economic group. Representing their shareholders, SOEs are committed to providing long-term sustainability value through various policies.

In 2020, the Ministry of SOE provided direction to SOEs regarding the stimulus policies for Mentoring Partners affected by the COVID-19 through the Letter of Deputy of HR and IT on behalf of Minister of SOE No. S-142/MBU/DSI/03/2020 concerning Stimulus for Mentoring Partners of Partnership Program in Response to the COVID-19 Pandemic and in accordance with the instructions of President Joko Widodo regarding the credit relaxation policy stimulus.

The provision of stimulus policy in the form of restructuring the Partnership Program loan and/or a delaying the payment of the Partnership Program loan installment for up to 1 (one) year is aimed at easing the burden of the partners and help them weathered the weakening economic conditions due to the pandemic. In addition to maintaining the business continuity of the Mentoring Partners, this policy also strengthened the role of SOEs as one of the pillars to empower the people's economy.

COMMUNITY DEVELOPMENT PROGRAM PERFORMANCE IN 2020 2020

Natural and Non-Natural Disaster Sector

In disaster response, SOEs are engaged in rescue and evacuation, fulfillment of basic needs, management of displaced families, and restoration of facilities and infrastructure.

SOEs also focus on post-disaster rehabilitation activities, such as restoring power services, telecommunications, and fuel supply.

The Ministry of SOEs has also established a SOE Disaster Task Force by virtue of Ministerial Decree No.SK-77/MBU/03/2020. The taskforce is led by PT Bank Rakyat Indonesia (Persero) Tbk and consists of regional coordinators (PICs) in each province. The PICs are responsible to initiate and coordinate disaster response and victim management, and to collaborate with relevant agencies, such as the Regional Disaster Management Agency (BPBD), regional government offices, and the Indonesian military and police forces.



The Ministry of SOE has a policy to guide fund allocation priority for community development, setting at least 30% funds for disaster response and education, and at least 10% for environmental conservation.

No.	Provinces	Regional Coordinators
1	Aceh	PT Pupuk Iskandar Muda
2	North Sumatra	PT Indonesia Asahan Aluminium (Persero)
3	West Sumatra	PT Kereta Api Indonesia (Persero)
4	Riau	PT Perusahaan Listrik Negara (Persero)
5	Riau Islands	PT Pertamina (Persero)
6	Jambi	PT Telekomunikasi Indonesia (Persero) Tbk
7	Bengkulu	PT Pelindo II (Persero)
8	South Sumatra	PT Pupuk Sriwidjaja Palembang
9	Bangka Belitung Islands	PT Timah Tbk
10	Lampung	PT Bukit Asam Tbk
11	Banten	PT Angkasa Pura II (Persero)
12	West Java	PT Jasa Marga (Persero) Tbk
13	DKI Jakarta	PT Jakarta Industrial Estate Pulogadung (JIEP)
14	Central Java	PT Semen Indonesia (Persero) Tbk
15	DIY	PT Taman Wisata Candi Borobudur & Ratu Boko (Persero)
16	East Java	PT Petrokimia Gresik
17	Bali	PT Pelindo III (Persero)
18	NTB	PT Pengembangan Pariwisata Indonesia (Persero)
19	NTT	PT Pegadaian (Persero)
20	North Kalimantan	PT Perusahaan Listrik Negara (Persero)
21	West Kalimantan	PT Aneka Tambang Tbk
22	Central Kalimantan	PT Bank Negara Indonesia (Persero) Tbk
23	South Kalimantan	PT Bank Rakyat Indonesia (Persero) Tbk

No.	Provinces	Regional Coordinators
24	East Kalimantan	PT Bank Mandiri (Persero) Tbk
25	Gorontalo	PT Pelabuhan Indonesia IV (Persero)
26	North Sulawesi	PT Bank Rakyat Indonesia (Persero) Tbk
27	West Sulawesi	PT Perusahaan Listrik Negara (Persero)
28	Central Sulawesi	PT Bank Tabungan Negara (Persero) Tbk
29	South Sulawesi	PT Kawasan Industri Makassar (Persero)
30	Southeast Sulawesi	PT Bank Mandiri (Persero) Tbk
31	North Maluku	PT Bank Negara Indonesia (Persero) Tbk
32	Maluku	PT Telekomunikasi Indonesia (Persero) Tbk
33	Papua	PT Perusahaan Listrik Negara (Persero)
34	West Papua	PT Bank Rakyat Indonesia (Persero) Tbk

In 2020, disaster response assistance for families affected by flood in Greater Jakarta, Lebak, Banten, and Karawang reached Rp7,074,014,504. The relief supplies were distributed in collaboration with the BPBD and local government.

Disaster Posts	SOEs PICs	Grants Value (Rp)
West Jakarta	PT Perusahaan Listrik Negara (Persero)	380.924.000
North Jakarta	PT Pertamina (Persero)	736.400.000
East Jakarta	PT Wijaya Karya (Persero) Tbk	787.375.906
South Jakarta	PT Adhi Karya (Persero) Tbk	501.786.587
Central Jakarta	PT Kereta Api Indonesia (Persero) Tbk	156.696.291
Bogor	PT Asuransi Kredit Indonesia	709.700.000
South Tangerang	PT Hutama Karya	210.500.000
Tangerang	PT Angkasa Pura II (Persero)	548.622.494
Bekasi	PT Jasa Marga (Persero)	1.403.693.926
Karawang	Perum Peruri	51.564.000
Lebak	PT Bank Negara Indonesia (Persero) Tbk	1.586.751.300
Total		7.074.014.504

The Ministry of SOE has also appointed SOEs in charge of each administrative area, municipality, and district to facilitate aid distribution coordination. This task division ensures that assistance from SOEs and from other organizations, such as cash, medical supplies, staple food packages, ready-to-eat foods, school supplies, clothing cleaning equipment, and tents can be collected and distributed more effective and efficiently.



The Ministry of SOE provided disaster assistance through Community Development program in 2020

Aside from disaster response, the Ministry is also actively involved in mitigating the spread of the COVID-19 outbreak. Based on Circular Letter No. SE-5/MBU/DSI/03/2020 concerning COVID-19 Response through Corporate Social Responsibilities, the Ministry directed SOEs to take on internal and external activities that would contribute to curbing the outbreak.

Those activities include body temperature check of employees, guests, and service users; distribution of masks and hand sanitizers to communities; spraying disinfectant and providing hand sanitizer in offices, operational areas as well as at ports, airports, and stations; implementing social distancing in operational areas such as offices, stations, ports, and airports.



Education Assistance

In commemoration of the National Heroes Day and to express appreciation for the service of the Indonesian Military and Police, the Ministry of SOE and 34 SOEs

initiated a Higher Education Scholarship Program for children with academic excellence of Indonesia's uniformed service members.

The scholarship was given to 2,200 outstanding students who are the sons and daughters of active-duty military and police personnel based in Indonesia's 34 provinces.

Scholarship recipients consisted of 1,593 and 607 children of military and police personnel, respectively. The scholarship had a total amount of Rp11 billion and each recipient received Rp5 million in education savings.

This support is expected to be beneficial for the education of Indonesia's young generation and an incentive to improve future achievements.



The Minister of SOE during scholarship handover to the children of Indonesia's military and police personnel on National Heroes Day 2020.



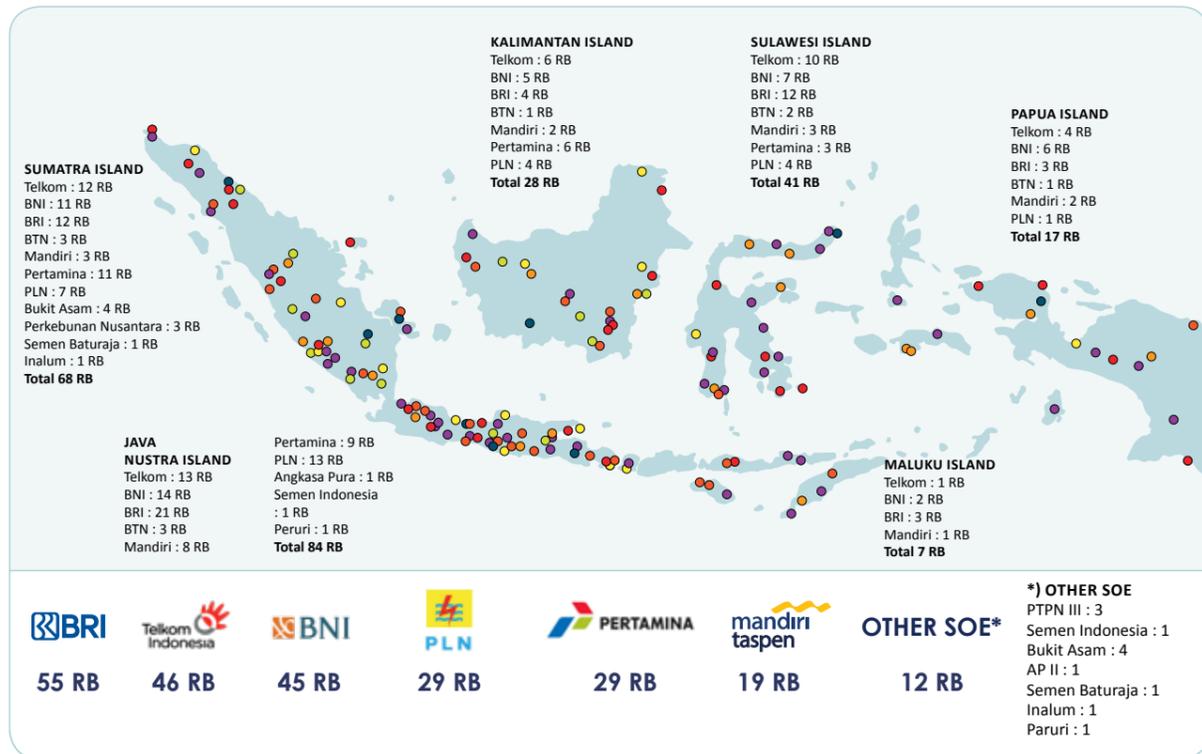


Rumah BUMN

The Rumah BUMN program built upon its predecessor, the Rumah Kreatif BUMN, which was revamped in 2020. Now with a new concept, Rumah BUMN aims to enhance the capacity and capabilities of MSMEs through training, consultation, and digitalization facilities, thereby enabling them to contribute to the Indonesian economy.

In 2020, SOEs established new Rumah BUMN in five districts/cities, namely in Sumbawa, West Muna, and Muna initiated by PT PLN (Persero); Rumah BUMN in Rembang initiated by PT Semen Indonesia (Persero) Tbk, and Rumah BUMN in Demak initiated by PT BRI (Persero) Tbk.

Until the end of 2020, the Rumah BUMN in total have partnered with 538,702 MSMEs. They are grouped under 245 Rumah BUMN established by 14 SOEs. By province, the program's distribution is as follows:



To build and develop MSMEs, Rumah BUMN actively organize various trainings for MSMEs, including Makeup Class conducted by RKB Palembang, Online Training Blanja.com by RKB Jepara, Promotion of Digital Training by

RKB Malang Regency, Menarik Online Class by RKB Solo, and Online Business Clinic by RKB Temanggung.



ABBREVIATIONS & ACRONYMS

Abbreviations	Explanation
3T	Frontier, Outermost, and Disadvantaged Areas
Adhi	PT Adhi Karya (Persero) Tbk
AI	Artificial Intelligence
AKHLAK	Amanah – Trustworthy Kompeten – Competent Harmonis – Harmonious Loyal – Loyal Adaptif – Adaptive Kolaboratif – Collaborative The core values defined by the Ministry of SOE for all SOEs
AP 1	PT Angkasa Pura I (Persero)
AP 2	PT Angkasa Pura II (Persero)
APBN	State Revenue and Expenditure Budget
APD	Personal Protective Equipment (PPE)
Asabri	PT ASABRI (Persero)
Asdep	Deputy Assistant
ASN	State Civil Apparatus
B1 450 VA	PLN's customer code for small-scale businesses with 450 VA power connection
Baturaja	PT Semen Baturaja (Persero) Tbk
BBM	Oil fuel
BCM	Business Continuation Management
BEI	Bursa Efek Indonesia
Berdikari	PT Berdikari (Persero)
BGR	PT Bhandra Ghara Reksa (Persero)
BI	Bank Indonesia
BI7DRR	BI-7 Day Reverse Repo Rate
Bio	PT Biofarma (Persero)
BKI	PT Biro Klasifikasi Indonesia (Persero)
BL	Community Development Program
BMN	State Assets
BNPB	National Disaster Management Agency
BoC	Board of Commissioners
BoD	Board of Directors
BOR	Bed Occupancy Rate, an indicator of occupied beds in percent in a single period
BPBD	Regional Disaster Management Agency
BPK	State Audit Board
BPS	Statistics Indonesia
BPUI	PT Bahana Pembinaan Usaha Indonesia (Persero)/ Indonesia Financial Group (IFG)

Abbreviations	Explanation
BRI	PT Bank Rakyat Indonesia (Persero) Tbk
BTN	PT Bank Tabungan Negara (Persero) Tbk
Bulog	Perum BULOG
BUMD	Regional Government-Owned Enterprises
BUMN	State-Owned Enterprises
CAR	Capital Adequacy Ratio, indicator of banks' capital adequacy
CASA	Current Accounts Savings Accounts
CEPI	Coalition for Epidemic Preparedness Innovations, a public-private coalition aiming to stop an epidemic by accelerating vaccine development
CKPN	Allowance for Impairment Losses
CMA	Conditional Merger Agreement
COVID-19	Coronavirus Disease 2019, viral infection due to the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
CSR	Corporate Sosial Responsibility
Dahana	PT Dahana (Persero)
Damri	Perum Damri
Deputi Bidang ELKP	Deputy for Energy, Logistics, Industrial Zones, and Tourism Sectors
Deputi Bidang IAF	Deputy for Agroindustry and Pharmaceutical Sectors
Deputi Bidang InfaBis	Deputy for Business Infrastructure Sector
Deputi Bidang JKJSK	Deputy for Financial Services, Survey, and Consultancy Sectors
Deputi Bidang KSPP	Deputy for Construction and Transport Facilities and Infrastructure Sectors
Deputi Bidang PISM	Deputy for Mining, Strategic Industries, and Media Sectors
Deputi Bidang RPU	Deputy for Restructuring and Business Development Sectors
DER	Debt to Equity Ratio
DI	PT Dirgantara Indonesia (Persero)
DPK	Third Party Funds
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EBT	New and Renewable Energies
E-HAC	Electronic Health Alert Card
EV Battery	Electric Vehicle Battery
FHCI	Forum Human Capital Indonesia
Garam	PT Garam (Persero)

07 ABBREVIATIONS & ACRONYMS

ABBREVIATIONS & ACRONYMS

Abbreviations	Explanation	Abbreviations	Explanation
Garuda	PT Garuda Indonesia (Persero) Tbk	KS	PT Krakatau Steel (Persero) Tbk
GCG	Good Corporate Governance	KUR	Micro loan
HCU	High Care Unit	LAR	Loan at Risk
Himbara	State-Owned Banks Group	LDR	Loan to Deposit Ratio
HIN	PT Hotel Indonesia Natour (Persero)	LEN	PT LEN Industri (Persero)
HK	PT Utama Karya (Persero)	LHKASN	State Civil Apparatus Asset Disclosure
HPC	High Performance Computing	LHKPN	State Official Asset Disclosure
II 450 V	PLN's customer code for small-scale industries with 450 VA power connection	LKPP	National Procurement Policy Agency (NPPA)
IACM	Internal Audit Capability Model	LO	Operating Report
ICT	Information and Communication Technology	LPG	Liquefied Petroleum Gas
ICU	Intensive Care Unit	LPI	Investment Management Institution
IFG	Indonesia Financial Group	LRA	Budget Realization Report
IGD	Emergency Room	LRT	Light Rail Transit
IIA	The Institute of Internal Auditors	Mandiri	PT Bank Mandiri (Persero) Tbk
IMF	International Monetary Fund	MAS	Anti-Bribery Management
INA	Indonesia Investment Authority	MEKAAR	Promoting Family Livelihoods; a program from PT PNM (Persero), a group-based capital lending program for ultra-micro businesses led by underprivileged women
Inka	PT Industri Kereta Api (Persero)	MIND ID	Mining Industry Indonesia / PT Indonesia Asahan Aluminium (Persero)
Inuki	PT Industri Nuklir Indonesia (Persero)	MIS	Management Information System
IoT	Internet of Things	MPTI	Information Technology Master Plan
ISCC	International Sustainability and Carbon Certification	MTN	Medium Term Note
ISO	The International Organization for Standardization, the organization that sets international standards for industries and commercial sectors globally	NOPAT	Net Operating Profit After Tax
ISPO	Indonesian Sustainable Palm Oil	NPL	Non-Performing Loan
ITDC	PT Pengembangan Pariwisata Indonesia (Persero)	OJK	Financial Services Authority
Jiwasraya	PT Asuransi Jiwasraya (Persero)	OWK	Mandatory Convertible Bonds
JM	PT Jasa Marga (Persero) Tbk	PAL	PT PAL Indonesia (Persero)
JTTS	Trans Sumatra Toll Road	PCR	Polymerase Chain Reaction
JV	Joint Venture	PDB	Gross Domestic Product
KAI	PT Kereta Api Indonesia (Persero)	Pegadaian	PT Pegadaian (Persero)
KAK	Terms of Reference (TOR)	Pel 1	PT Pelabuhan Indonesia I (Persero)
KASN	State Civil Apparatus Commission	Pel 2	PT Pelabuhan Indonesia II (Persero)
KEK	Special Economic Zone (SEZ)	Pel 3	PT Pelabuhan Indonesia III (Persero)
Kepmen	Ministerial Decree	Pel 4	PT Pelabuhan Indonesia IV (Persero)
KK	Contract of Work	Pelni	PT Pelayaran Nasional Indonesia (Persero)
KPCPEN	The Committee on COVID-19 Response and National Economy Recovery		

ABBREVIATIONS & ACRONYMS

Abbreviations	Explanation	Abbreviations	Explanation
Pemerintah	Government of Indonesia	PSAK/SFAS 72	Statement of Financial Accounting Standards on Revenue from Contracts with Customers
PEN	National Economy Recovery	PSAK/SFAS 73	Statement of Financial Accounting Standards on Lease
Penas	PT Survai Udara Penas (Persero)	PSBB	Large-Scale Social Restrictions
Perhutani	Perum Perhutani	PSN	National Strategic Projects
Perindo	Perum Perikanan Indonesia	PSO	Public Service Obligations
Perinus	PT Perikanan Nusantara (Persero)	PTPN 3	PT Perkebunan Nusantara III (Persero)
PERPPU	Government Regulation in lieu of the Law	PUPR	Ministry of Public Works and Housing
Pertamina	PT Pertamina (Persero)	Pupuk	PT Pupuk Indonesia (Persero)
Pertani	PT Pertani (Persero)	PUU	Laws and regulations
Perumnas	Perum Perumnas	R1 450 VA	PLN's customer code for households with 450 VA power connections
Peruri	Perum Percetakan Uang Republik Indonesia	RB	Bureaucracy reform
PFN	Perum Produksi Film Negara	RBC	Risk Based Capital – the ratio of capital to the risk value in an insurance company
Pindad	PT Pindad (Persero)	RBPH	Bureaucracy and Law Enforcement Reform
PJJ	Remote learning	RI	Republic of Indonesia
PK	Partnership Program	RIU	PT Reasuransi Indonesia Utama (Persero)
PKBL	Partnership and Community Development Program	RKA	Work and Budget Plan
PKPT	Annual Supervisory Work Program	RKAP	Corporate Work and Budget Plan
PLN	PT Perusahaan Listrik Negara (Persero)	RKB	State-Owned Enterprises' Creative Houses
PLTD	Diesel Power Plant	RNI	PT Rajawali Nusantara Indonesia (Persero)
PLTS	Solar Power Plant	ROA	Return on asset, an indicator of profitability relative to total assets
PLTU	Coal-Fired Power Plant	ROE	Return on equity, an indicator of profitability relative to total equity invested
PMI	Purchasing Managers' Index	ROIC	Return on Invested Capital, an indicator of return relative to invested capital
PMN	State Equity Participation (SEP)	Rp	Indonesian Rupiah, the official currency of the Republic of Indonesia
PNBP	Non-Tax State Revenue	RS	Hospital
PNM	PT Permodalan Nasional Madani (Persero)	RSPJ	Pertamina Jaya Hospital
POJK	Financial Services Authority Regulation	RSPO	Roundtable on Sustainable Palm Oil
Polri	Indonesian National Police	SAKIP	Performance Accountability System of Government Agencies
Pos	PT Pos Indonesia (Persero)	Sarinah	PT Sarinah (Persero)
PP	Government Regulation	Satgas	Taskforce
PP	PT Pembangunan Perumahan (Persero) Tbk	SDM	Human Resource
PPD	Perum PPD	SHS	PT Sang Hyang Seri (Persero)
PPI	PT Perusahaan Perdagangan Indonesia (Persero)	SI	PT Semen Indonesia (Persero) Tbk
PPK	Pejabat Pembuat Komitmen	SI	PT Surveyor Indonesia (Persero)
PPOP	Pre-Provision Operating Profit		
PSAK/SFAS 71	Statement of Financial Accounting Standards on Financial Instrument		

ABBREVIATIONS & ACRONYMS

Abbreviations	Explanation
SIBV	PT Surveyor Indonesia (Persero) & Bureau Veritas launched SafeGuard Label SIBV that audits the adequacy of health protocols employs by a certain location to prevent and mitigate COVID-19 based on health, safety, and cleanliness criteria.
SNI	Indonesia National Standards
SPIP	Government Internal Control System
SPJBTL	Power Sales and Purchase Agreement
SPKLU	Electric Vehicle Charging Station
Suco	PT Sucofindo (Persero)
Taspen	PT Taspen (Persero)
Telkom	PT Telekomunikasi Indonesia (Persero) Tbk
TJSL	Social and Environmental Responsibility
TKDN	Level of Domestic Content
TNI	Indonesia National Military
TWC	PT Taman Wisata Candi Borobudur, Prambanan, and Ratu Boko (Persero)
UEA	United Arab Emirates
UMKM	Micro, Small, and Medium Enterprises
USD	United States Dollars
Utang Pendanaan/ Debt	Interest-based debt consisting of banking loans, capital market loans, and lease loans
VA	Volt Ampere, a unit to measure power rate of an electricity connection
VTP	PT Varuna Tirta Prakasya (Persero)
WACC	Weighted Average Cost of Capital
Wamen	Deputy Minister
Waskita	PT Waskita Karya (Persero) Tbk
WBS	Whistleblowing System
Wika	PT Wijaya Karya (Persero) Tbk
WNA	Foreign Citizen
WNI	Indonesian Citizen
WTP	Unqualified Opinion
YOI	Yield On Investment
YoY	Year-on-year