



BPJS
Ketenagakerjaan

panggil kami

bpjamsostek

2021 Integrated Report

DIGITAL TRANSFORMATION FOR ENHANCING SERVICE EXCELLENCE

Vision [POJK51-3.a][102-16]

Creating trusted, sustainable Social Security and increasing all Indonesian Workers welfare.

Mission [POJK51-3.a][102-16]

1. Protecting, serving & prospering workers and families.
2. Providing a sense of secure, convenience & comfort to increase productivity and competitiveness.
3. Contributing in the development and economy of the nation with good governance.

Core Values [POJK51-3.a][102-16]

FAITH

BPJAMSOSTEK Personnel as faithful and devout persons to the One and Almighty God, working deemed as part of religious observance to bring about benefits and values for workers, their families, communities and nation.

ETHICS

| | | |
|---|---|--|
| Excellent BPJAMSOSTEK personnel must show professional, innovative attitudes and seriousness in pursuing benefits and added values for the organization and environment. | Role Model BPJAMSOSTEK personnel, starting individually, must behave in compliance with the norms, ethics, and regulations applicable to become role models for the others. | Harmony BPJAMSOSTEK personnel must be able to foster cooperation, harmony, and put collective success as top priority. |
| Integrity BPJAMSOSTEK personnel must at all times maintain the given trust, honesty, one in word and deed, trustable and committed to obey norms, ethics and regulations as applicable. | Concern BPJAMSOSTEK personnel are committed to better improvement of members' security programs, working environment, and organization development. | Enthusiastic BPJAMSOSTEK personnel must at all times show vibrant, proactive and enthusiastic mood when performing the given jobs. |



Board of Supervisors



Board of Directors

Digital Transformation for Enhancing Service Excellence

Digital transformation is becoming an inevitable prerequisite should Badan Penyelenggara Jaminan Sosial (BPJS) Ketenagakerjaan (BPJAMSOSTEK) desires to maintain business continuity. Through digital transformation, BPJAMSOSTEK is committed to improving superior services for the convenience and swiftness of claims. Digital transformation is a necessity, considering that people are getting even more used to mobile applications for accessing diverse services. On the other hand, the workforce segment at the moment is filled by young workers, namely the millennial segment, which amounts to 60 million. In 2035, they will be 40-45 years old and are the part of the decision maker, so to make it greatly strategic for the sustainability of the BPJAMSOSTEK.

Notes

This Integrated Annual Report contains information including projections, plans, strategies, and goals which are not statements of historical data in that mostly are using words considered as forward-looking statements, according to the definition in the applicable provision. Forward-looking statements may comprise risks and uncertainties of outcomes and events that may differ materially from those predicted and stated in the statements, including those caused by the dynamics of the economic, political and social circumstances in Indonesia.

This report uses the terms "BPJAMSOSTEK" and "We/Our/Us", which is defined as BPJS Ketenagakerjaan. The numerical formatting applied in all tables and charts adopts Bahasa Indonesia notation, unless otherwise specified.

► Supports for Sustainability and Sustainable Development Goals (SDGs) [POJK51-1]



Commitment to Sustainability

BPJAMSOSTEK administers sustainable social security insurance programs for Indonesian workers. The administration complies with sustainability practices of operational and services aspects. The aspects cover environment, social, and governance. Furthermore, we are committed to improving programs or benefits providing security and insurance for workers and their families.



Supports for Sustainable Development Goals (SDGs)

BPJAMSOSTEK plays the role in sustaining the welfare of workers and their families in the face of working or social risks. The role has been carried out since its incorporation and aligns with Sustainable Development Goals (SDGs). Those 5 goals of Sustainable Development prioritized by BPJAMSOSTEK and integrated with its strategies are as follows:



Alleviating poverty.



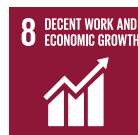
Performing necessary efforts to provide a healthy and wealthy life.



Commitment to providing equally quality education for workers and their children.



Promoting gender equality and eliminating discrimination.



Supporting national economic growth and obtaining decent work.



Strengthening the institution to promote an equal, harmonious, and inclusive society.

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► Performance Overview 2021

Summary of Financial Highlights [POJK51-2.a.2, 2.a.3]

| Description | Unit | 2021 | 2020 | 2019 |
|---|------------|---------|----------|----------|
| Profit and Loss Statement | | | | |
| Operating Revenue | | 4,668 | 4,056 | 4,701 |
| • Operational Income | | 779 | 1,074 | 1,065 |
| • Non-Operational Income | | | | |
| Operating Expense | | 4,633 | 4,088 | 4,444 |
| • Operational Expense | | 622 | 593 | 712 |
| • Non-Operational Expense | | | | |
| Surplus Distribution | Billion Rp | 0.15 | 2 | 44 |
| Income Before Tax | | 191 | 446 | 566 |
| Income Tax Expense | | 158 | 383 | 248 |
| Net-Income of Current Year | | 33 | 63 | 318 |
| Total Comprehensive Profit (Loss) | | 16 | (141) | 104 |
| Consolidated Financial Statement | | | | |
| Total Assets | | 16,149 | 15,802 | 15,837 |
| Total Liabilities | Billion Rp | 3,975 | 3,612 | 3,505 |
| Total Equity | | 12,174 | 12,190 | 12,332 |
| Financial Ratios | | | | |
| Liquidity | | | | |
| • Employment Injury Security (JKK)** | | 291.27 | 296.74 | 250.48 |
| • Death Security (JKM)** | | 38.96 | 108.65 | 169.08 |
| • BPJS | | 529.23 | 537.37 | 469.04 |
| Solvability | % | | | |
| • Old-Age Security (JHT)** | | 97.67 | 95.42 | 96.86 |
| • Pension Security (JP)** | | >100.00 | >100.00* | >100.00* |
| Equity to Liability Ratio | | 306.27 | 337.52 | 351.75 |

Notes:

* Restatement [102-48]

** Data from the DJS program report

Summary of Operational Performance and Sustainability Performance [POJK51-2.a.1, 2.a.5, 2.c.1]

| Description | Unit | 2021 | 2020 | 2019 |
|--|--------|------------|------------|------------|
| Total Employees | | | | |
| Permanent Employees | | 5,886 | 6,039 | 5,886 |
| Prospective Employees | People | 0 | 6 | 316 |
| Fixed-Term Employment Agreement (PKWT) | | 2 | 0 | 0 |
| Total Active Membership | | | | |
| Employers/Business Entities (PK/BU) | PK/BU | 725,356 | 683,678* | 681,429 |
| Workers | People | 30,660,901 | 29,980,082 | 34,166,257 |

| Description | Unit | 2021 | 2020 | 2019 |
|---|------------------------|----------|---------|---------|
| Fund Management | | | | |
| Membership Contribution | Billion Rp | 80,147 | 73,263 | 73,427 |
| Investment Fund | | 554,214 | 487,058 | 431,987 |
| Claim Payment | | | | |
| Old-Age Security | Billion Rp | 37,089 | 33,102 | 27,081 |
| Death Security | | 3,166 | 1,347 | 863 |
| Employment Injury Security | | 1,790 | 1,557 | 1,577 |
| Pension Security | | 847 | 440 | 196 |
| Customer Satisfaction Based on Survey By Independent Consultant | | | | |
| Customer Satisfaction Index | % | 89.24 | 9,8 | 95.5 |
| Net Promoter Score | | 37.5 | 29.31 | 57.6 |
| JKK-RTW Program | | | | |
| Total Work Accidents | Case | 234,370 | 221,740 | 182,835 |
| Total JKK-RTW Members | People | 1,120 | 1,003 | 901 |
| Total JKK-RTW Members Returning to Work | | 985 | 858 | 758 |
| National Movement for Protection of Vulnerable Workers (GN Lingkaran) | | | | |
| Donor Business Entities | Business Entity | 2 | 17 | 44 |
| Amount of Dues Donation | Million Rp* | 1,999 | 6,465 | 17,238 |
| Donation Recipients | People | 39,681 | 155,396 | 359,978 |
| Intermediary Agents (PERISAI) Program | | | | |
| Total PERISAI | People | 5,052 | 4,694 | 7,453 |
| Total Fees Paid by BPJAMSOSTEK | Billion Rp | 25.46 | 17.98 | 11.05 |
| Number of Vendors/Local Suppliers for Procurement of Goods and Services BPJAMSOSTEK | | | | |
| Number of Vendors/Local Suppliers | Vendors/Suppliers | 376 | 436 | 205 |
| Environmental Aspect of BPJAMSOSTEK** | | | | |
| Electricity Use | GJ | 15,391 | 9,300 | 10,622 |
| Emissions Generated*** | Ton CO ₂ eq | 1,302.96 | - | - |
| Paper Use Reduction (Addition) | Ream | (414) | 1.721 | (839) |
| Water Consumption*** | m ³ | 178.13 | - | - |

* Restatement [102-48]

** In 2021, calculation of electrical energy, emissions, and paper usage covers 2 head offices, which are the Grha BPJAMSOSTEK and the Plaza BPJAMSOSTEK

*** The calculation of water consumption and emissions generated will only be carried out in 2021

Notes: [POJKSI-2.a.4, 2.b.1, 2.b.2, 2.b.3, 2.b.4]

• BPJAMSOSTEK protects workers with social security, and therefore it has no eco-friendly products and services. Regardless of the fact, BPJAMSOSTEK is committed to any activities or aspects protecting environmental sustainability.

• In 2021, BPJAMSOSTEK does not have any allocation of funds for CSER activities related to the environment (Bridge of Preservation) or related to community empowerment (Bridge of Empowerment).



▶ **Board of Supervisors Report** [102-14][102-15]

Dear respective stakeholders,
Through this report, the Board of Supervisors briefly conveys the implementation of the supervisory function and views on the performance of the Board of Directors during 2021, guided by Article 22 paragraph (2) of Undang-undang No. 24 of 2011 about the BPJS. Assessment and submission of opinions on the performance of the Board of Directors emphasizes the achievement of performance which includes aspects of governance, economy, environment, and social.

Implementation of Supervision Tasks

We convey that on February 22, 2021, the President has inaugurated the new BPJAMSOSTEK's Board of Supervisors for the 2021-2026 term of office. During 2021, the Board of Supervisors has carried out its supervisory function through several activities, including meetings, working visits and inspections to regions, holding discussion panels, as well as workshops and focus group discussions (FGD).

The supervisory function was also carried out through the established committees. The Board of Supervisors through the Membership Expansion and Service Committee (Komite Perluasan Kepesertaan dan Pelayanan/KPKP) has carried out a study of efforts to accelerate universal coverage and has ensured the effectiveness of the implementation of Presidential Instruction (Inpres) No. 2 of 2021 about Optimizing the Implementation of the Social Security Program of Wage Workers Participation.

Board of Supervisors Strategic Programs

Dear respective stakeholders,
The Board of Supervisors at the beginning of their term of office has committed to perform their duties and functions based on 3 (three) pillars of strengthening the Board's supervisory plan (overseeing into a more beneficial institution, encouraging the organization of good governance, and supervising financial health through asset growth and quality), 6 (six) leaps in supervisory

focus (increase in participation, improvement in integrated services, institutional governance, harmonization of regulations, follow-up on recommendations from stakeholders and external supervisors, as well as the financial health), 5 (five) commitments (integrated supervision, collaboration of the Boards of Supervisors-Directors, coordination with stakeholders, human resources, and regulation impact analysis), as well as 5 (five) acceleration in the implementation of the Board of Supervisors' duties (effortlessness to register and pay, Jamsostek Mobile/JMo, preparation of HR and IT infrastructure, job loss security program, and improvement of data quality and integrity) as a guideline to perform the supervisory function on the management of BPJAMSOSTEK and the performance of the Board of Directors.

The Board of Supervisors View on the Realization of Performance and Targets for 2021

Dear respective stakeholders,

In the view of the Board of Supervisors, generally the Board of Directors has been managing BPJAMSOSTEK well. During 2021 the Board of Directors has been able to realize the targets in the Annual Work Plan and Budget (Rencana Kerja dan Anggaran Tahunan/RKAT), although there are several things that were noted for future improvements.

The Board of Supervisors appreciates the realization of collecting membership fees of Rp80,147 billion in 2021 or 104.66% from the target of Rp76,576 billion. This achievement is 9.40% higher than in 2020 which reached Rp73,263 billion.

The Board of Supervisors embraces the Board of Directors' policy for prioritizing an approach to investment management that meets environmental, social, and governance (ESG) criteria. The steps taken by the Board of Directors to apply the liability driven principle in managing investments were also quite reasonable because it refers to the liability profile of BPJAMSOSTEK. Overall, managed investment funds as of December 31, 2021, reached Rp554,213.98 billion, grew by 13.79% from 2020 of Rp487,058.86 billion.

In terms of payment of benefits/guarantees, the Board of Supervisors appreciates the steps taken by the Board of Directors, so that they were able to pay out all of benefits/guarantees in 2021. Even though, as we all know, during that period, payment of benefits/guarantees experienced a significant increase due to the COVID-19 pandemic. The realization of benefit/guarantee payments in 2021 reached Rp42,892.15 billion, an increase of 17.52% from 2020 of Rp36,498.18 billion.

In terms of implementing good governance, the Board of Supervisors has signed an Integrity Pact as a support to make BPJAMSOSTEK a corruption-free area. The Board of Supervisors appreciates the ISO 37001:2016 Anti-Bribery Management System certification in March 2022. This achievement indicates that anti-bribery and anti-corruption integrity has become an indivisible behaviour of all parties within BPJAMSOSTEK. The Board of Supervisors also embraces the implementation of Good Governance Assessment to determine the suitability of the Good Governance Guidelines with the needs of BPJAMSOSTEK, as well as to determine the effectiveness of the implementation programs that were carried out.

Obstacles and Challenges

Dear respective stakeholders,

During the reporting period, the Board of Supervisors observed the obstacles and challenges dealt by BPJAMSOSTEK to ensure the sustainability of social security programs implementation for workers. One of them was the issue of service, which causes the level of employment social security participation has not yet reached 33% of the total workers in Indonesia.

The Board of Supervisors suggests that improving service quality should be the main agenda of BPJAMSOSTEK. This will not only broaden the scope of membership but will also speed up the claim process so that it will become good news for workers. In addition, we were also trying to expand the scope of participation, especially informal workers, through the PERISAI.

To improve services, the Board of Supervisors encourages solutions to the problems of different platforms for membership registration, payment of membership fees, and the slow claim process. One solution, according to the Board, is the implementation of digitalization, including in accelerating the claim process. We need to remind that there is a potential increase in claim submissions in the upcoming years following the implementation of the Job Loss Security (JKP) program. While BPJAMSOSTEK's service capacity so far was 2.5 million claims per year, the existence of JKP will encourage an increase in claims along with other programs, which are estimated to reach 10 million per year.

Assessment of BPJAMSOSTEK's Sustainability Prospects and Strategies to Achieve It

Dear respective stakeholders,

We should be grateful that the Government has been able to control the COVID-19 pandemic and to encourage the sparks in the economy to create jobs. The Board of Supervisors argues that this condition must be utilised optimally for membership expansion because it will also affect the sustainability of BPJAMSOSTEK in the future.

Also, in accordance with the implementation of Government policies through Presidential Instruction No. 2 of 2021 on Optimizing the Implementation of the Employment Social Security Program. The Board of Supervisors recommends that the Presidential Instruction should be followed up in collaboration with all stakeholders to encourage faster participation penetration, considering that the Inpres was instructed to 24 ministries/agencies, 34 governors, 98 mayors, and 416 regents.

Closing

Dear respective stakeholders,

Before concluding this report, the Board of Supervisors would like to thank for the support provided by the Board of Directors, all personnel of BPJAMSOSTEK, and the respective stakeholders, so that we can carry out our supervisory duties and functions properly. We hope that the established cooperation will continue considering all the challenges in performing our duties and functions of BPJAMSOSTEK's supervisory will be increasingly complex.

Jakarta, 30 August 2022



Muhammad Zuhri

Chairman of Board of Supervisors



➤ **Board of Directors Report** [POJK51-4.a.1, 4.a.2, 4.a.3, 4.a.4, 4.a.5, 4.b.1, 4.b.2, 4.c.1, 4.c.2, 4.c.3][102-14][102-15]

Dear respective stakeholders,

The 2021 BPJS Ketenagakerjaan (BPJAMSOSTEK) Integrated Annual Report was compiled to complement BPJAMSOSTEK's performance report to the Government and the National Social Security Council. The information in this report is related to financial performance in accordance with the 2021 Financial Report and sustainability performance as of December 31, 2021. The report was prepared referring to the guidelines issued by the International Integrated Report Council and adapted to the status of BPJAMSOSTEK as a public legal entity, as well as referring to regulations in Indonesia.

We are committed to implementing sustainability values through BPJAMSOSTEK's Vision and Mission, as well as BPJAMSOSTEK's Values, namely Excellence, Example, Harmony, Integrity, Concern, and Enthusiasm. The implementation of sustainability values is manifested through the implementation of social security for workers throughout Indonesia which are trustworthy, have good governance, and excel in operations as well as in services. BPJAMSOSTEK is determined to balance the achievement of participation fund management and investment returns (profit)

with benefits to members and other stakeholders (people), as well as with the support for a sustainable environment (planet).

Realization of Performance and Target in 2021

Dear respective stakeholders,

In accordance with Presidential Decree No. 38 of 2021 concerning the Appointment of the Board of Supervisors and the Board of Directors of BPJS Ketenagakerjaan for the Office Term of 2021-2026, on February 22, 2021, the new Board of Directors of BPJAMSOSTEK was officially inaugurated by the President. Since being sworn in, the Board of Directors has managed BPJAMSOSTEK well and obtained performance achievements during 2021 although we were still affected by the conditions due to the COVID-19 pandemic.

For the performance of membership acquisition, which is part of social capital, the Board of Directors has been able to manage the existing challenges, namely changes in the employment sector. The increasing layoffs have shifted the structure of workers from the formal sector to the informal sector, while social restrictions imposed by the government have changed people's behavior to use digital technology more in their daily life. The Board

of Directors responds to this by encouraging BPJAMSOSTEK to take advantage of opportunities from the increasing number of workers in the informal sector and to collaborate with providers of financial technology (fintech), e-commerce, banking, as well as other parties to provide convenience through expanding registration and dues payment channels.

This step has been able to expand BPJAMSOSTEK's participation during 2021, so that it became 50,919,500 workers, an increase of 0.44% from 2020 which reached 50,696,599 workers and reached 54.25% of all workers in Indonesia within the BPJAMSOSTEK Universe. The achievement of active members until December 2021 was 30,660,901 members or 91.05% of the target, an increase of 2.27% from 2020 which reached 29,980,082 members.

The COVID-19 pandemic has also driven a transformation in human capital management, which includes a total of 5,888 employees. The Board of Directors continues to change the way of working and the competency needs of BPJAMSOSTEK by implementing the Career and Talent Management System, Human Capital Information System, Learning Agility, Resilience Culture, and increasing Employee Engagement. BPJAMSOSTEK also strengthens digital learning utilising the e-learning, webinars/Zoom, and digital libraries. BPJAMSOSTEK continues to encourage all employees to change the service approach from product centric to customer centric by prioritizing the ethics and values of BPJAMSOSTEK in serving members.

The COVID-19 pandemic has also affected the performance of BPJAMSOSTEK's financial capital. The end of the relaxation of contributions based on Government Regulation No. 49 of 2020 on February 28, 2021, allows BPJAMSOSTEK to meet the target of receiving membership dues. Realization of membership fee receipts in 2021 reached Rp80,147.11 billion or 104.66% of the target, grew 9.40% from 2020 of Rp73,263.77 billion.

The investment funds managed by the Agency as of December 31, 2021, reached Rp554,213.98 billion,

grew 13.95% from 2020 of Rp487,058.86 billion. The Board of Directors managed investment instruments by considering aspects of liquidity, solvency, prudence, security of funds, and adequate returns. The Board of Directors also encouraged investments to be carried out by prioritizing the management principles in environmental, social, and governance (ESG), thereby confirming BPJAMSOSTEK's commitment that investments made are not only pursuing aspects of profitability, but also sustainability in the future.

The Board of Directors also noted a 17.52% increase in the realization of benefit/guarantee payments in 2021 to Rp42,892.15 billion, higher than in 2020 of Rp36,498.18 billion. This increase is inseparable from the impact of the COVID-19 pandemic, which drove members to submit claims for the Old-Age Security Program (JHT) due to the large number of layoffs and Death Security (JKM) as a result of many members died during the pandemic.

Dear respective stakeholders,
Performance achievement is inseparable from the strategy of the Board of Directors to optimize intellectual capital by developing information technology. BPJAMSOSTEK continues the development of LAPAK ASIK (Claims Without Physical Contact) to make it easier for members to make claims online. BPJAMSOSTEK also launched the JMO (Jamsostek Mobile) app which is a one stop service app for members to receive optimal services.

BPJAMSOSTEK also optimizes the existence of branch offices as manufacturing capital to ensure the sustainability of protection for workers. In the reporting period, the Board of Directors implemented sharia services in all branch offices in Nanggroe Aceh Darussalam. The implementation of sharia services is carried out by considering aspects of benefits and services to members. Sharia services will be available to all members in 2023.

The Board of Directors has also signed an Integrity Pact and obtained the ISO 37001:2016 Anti-Bribery Management System certification in March 2022, so this achievement indicates that anti-bribery and anti-corruption integrity

has become an inseparable part of the behavior of all parties at BPJAMSOSTEK. The Board of Directors also encourages the implementation of a Good Governance Assessment to determine the suitability of the Good Governance Guidelines with the needs of BPJAMSOSTEK, as well as to determine the effectiveness of the implementation programs carried out.

BPJAMSOSTEK has implemented Risk Management which was integrated with Good Governance aspects to ensure the accomplishment of BPJAMSOSTEK's targets. In the implementation, BPJAMSOSTEK refers to the Risk Management System based on ISO 31000:2018 Risk Management – Guidelines.

Obstacles and Challenges

Dear respective stakeholders,
In addition to the ongoing COVID-19 pandemic, the Board of Directors noted that there were several obstacles and challenges during the reporting period, namely the increasing coverage of members in the labor market in the industrial era 4.0, increasing services and benefits for workers, as well as optimizing the investment of members funds. In terms of participation, the Board of Directors ensures that BPJAMSOSTEK will provide and ensure easy registration and payment for members. From the service side, the Board of Directors continues to encourage BPJAMSOSTEK to rebrand mobile services and develop digital services utilising biometric technology.

BPJAMSOSTEK is also preparing to implement a new program mandated by the government, namely the Job Loss Guarantee (JKP). The Board of Directors continues to prepare so that JKP will be implemented properly and is a complement to the existing social security. In the future, the implementation of JKP will have an effect on the potential for an increase in claims along with other

programs, while previously the number of claims reached around 2.7 million claims per year.

Prospects of BPJAMSOSTEK's Continuity of Activities and Achievement Strategies

Dear respective stakeholders,
Sustainability of BPJAMSOSTEK in the future will face formidable challenges. The control of the COVID-19 pandemic and the recovery of the national economy will open up job opportunities, thus having the potential for membership acquisition. The implementation of Presidential Instruction No. 2 of 2021 also has a positive influence on increasing membership acquisition from non-ASN state civil employees, considering that the Presidential Instruction is given to 24 ministries/agencies, 34 governors, 98 mayors, and 416 regents.

The Board of Directors has responded to the large potential for membership coverage by encouraging BPJAMSOSTEK to improve services through the use of information technology by developing JMO app and other apps. BPJAMSOSTEK also conducts e-surveys in each region to determine participant satisfaction towards the services provided. The Board of Directors is also committed to conducting and managing investment funds that support national economic growth and ESG management principles.

Closing

Dear respective stakeholders,
The Board of Directors expresses its appreciation to the stakeholders, the Board of Supervisors and all parties for the support provided. The hard work together has been able to lead BPJAMSOSTEK to achieve optimal performance in providing protection and social security to workers in Indonesia. We also hope that the support so far can continue in the future, so that the performance of BPJAMSOSTEK will be even better.

Jakarta, 30 August 2022



Anggoro Eko Cahyo
President Director

► Responsibility Statement from the Board of Directors and Board of Supervisors on BPJAMSOSTEK Integrated Annual Report 2021

We, the undersigned, hereby declare that all information in the BPJAMSOSTEK Integrated Annual Report 2021 has been fully completed, and we bear responsibility for the content validity of this Annual Report. Thereby this statement was made with the utmost honesty. [IR-1G]

2021-2026 Board of Supervisors



Muhammad Zuhri

Chairman of Board of Supervisors



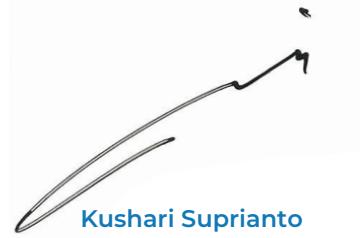
Agung Nugroho

Member of Board of Supervision
Workers' Element



H. Yayat Syariful Hidayat

Member of Board of Supervision
Workers' Element



Kushari Suprianto

Member of Board of Supervision
Government Element



M. Aditya Warman

Member of Board of Supervision
Employers' Element



M. Iman N. H. B. Pinuji

Member of Board of Supervision
Community Element



Subchan Gatot

Member of Board of Supervision
Employers' Element

2021-2026 Board of Directors



Anggoro Eko Cahyo
President Director



Asep Rahmat Suwandha
Director of Finance



Pramudya Iriawan Buntoro
Director of Strategic Planning
and Information Technology



Zainudin
Director of Membership



Roswita Nilakurnia
Director of Service



Edwin Ridwan, CFA, FRM
Director of Investment
Development



Abdur Rahman Irsyadi
Director of Human Capital and
General Affairs



▶ About Integrated Annual Report [IR-1A]

The BPJS Ketenagakerjaan (BPJAMSOSTEK) Integrated Annual Report is addressed to all stakeholders. This report discloses concise and balanced information regarding BPJAMSOSTEK's strategies, performances, opportunities, and sustainability in managing financial and economic, environmental, social, and governance (ESG) issues in providing social protection through sustainable value creation. The reporting period is January 1-December 31, 2021, including comparisons from the previous period. Disclosure of information includes consolidated financial performance that has been audited by a public accounting firm. The entities included in the consolidated financial statements are the BPJS Ketenagakerjaan (BPJAMSOSTEK) itself and PT Binajasa Abadikarya.

[IR-1C][IR-3E][IR-3F][IR-3C][102-45][102-49][102-50][102-52]

During the reporting period, there were several significant changes related to BPJAMSOSTEK's operations, which are the addition of the Job Loss Security (JKP) social security program, changes in BPJAMSOSTEK's vision and mission, and also the augmentation of the head office into two, namely the Grha JAMSOSTEK and the Plaza JAMSOSTEK, in addition to several restatements of information on solvency of the JP Security (2019), the number of contributions for the GN Lingkaran Program (2019-2021), the collectability of receivables (2019-2021), the total economic value distributed (2019), the number of female employees leaving BPJAMSOSTEK (2019), the number of employees receiving promotions position (2019), volume of paper use (2020), number and composition of

informal workers who receive donations for the GN Lingkaran Program membership dues (2019), number of beneficiaries (2019) and costs distributed (2020) from the realization of providing MLT for worker housing finance, assessment results the performance of BPJAMSOSTEK (2019), as well as the number of new employees based on recruitment sources and gender (2019). The restatement was caused by an error and a change in the calculation method. [POJK51-3.f][102-10][102-48][402-1]

The reporting material topic was determined during the focus group discussion on April 9, 2021, which was attended by all internal functions and external parties. There has been a change in the material topic from the previous Report published on September 1, 2021, specifically the addition of the "Member Safety and Health" topic and the scaling down of the "Energy" and "Marketing and Labelling" topics. This report refers to a number of indicators as regulated by the Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017, GRI Standards: comprehensive options (with index),

Integrated Reporting Framework, and conformity with SDGs based on Metadata of the Badan Perencanaan Pembangunan Nasional (Bappenas).

[1R-1B][1R-1D][1R-1F][1R-4H][102-44][102-46][102-51][102-54][102-55]

BPJAMSOSTEK has guaranteed that this report's assurance will be conducted by an independent external party, namely SR Asia. This assurance process is run virtually by inviting and involving all the related functions whose results can be read on page 139. Independent parties are not involved in the compilation of this report, while the management is engaged in the selection of "assurance licensed providers". [POJK51-7][102-56]

Considering the activities of BPJAMSOSTEK whose business processes are not in the form of services that are directly related with environmental management, the following indicators are not relevant to be presented in this Report. [POJK51-6.d.4]

[301-1][301-2][301-3][303-1][303-2][303-3][303-4][303-5][304-1][304-2][304-3][304-4][306-1][306-2][306-3][306-4][306-5][307-1][308-1][308-2][415-1]

| Material Topics [1R-3D][102-47][102-49] | Impacts on Stakeholders |
|---|---|
| <ol style="list-style-type: none"> 1. Economic Performance 2. Education and Training 3. Indirect Economic Impact 4. Diversity and Equality 5. Anti-corruption 6. Confidentiality of Members 7. Members Health and Safety | <p>Internal Stakeholders</p> <ul style="list-style-type: none"> • Government • Employees <p>External Stakeholders</p> <ul style="list-style-type: none"> • Members • Partners • Community • Media |
| <p>The determined material topics have been reviewed and approved by the Director of Finance, who is responsible for the preparation and issuance of the Report. [102-31][102-32]</p> | <p>Stakeholder involvement is carried out through various methods according to the needs of each stakeholder. [POJK51-5.d][102-40][102-42][102-43]</p> |

| Value Creation | | | | |
|--|---|---|--|---|
| Internal Vision and Mission Risk Management Opportunity & Challenge Good Governance Human Resources Stakeholders Support | | | | |
| Input | Business Process | Output | Outcome | SDGs |
| Financial Capital BPJAMSOSTEK manages membership contributions in order to provide sustainable social security benefits to workers. <small>[(IR-2C)]</small> | 2017 – 2021 Strategic Plan Strategic Outcome <ul style="list-style-type: none"> Increase coverage of social security recipients. Increase member satisfaction. Increase workforce engagement. Maintain public trust. Increase contribution payment and total managed fund. | <ul style="list-style-type: none"> Contribution receipt: Rp80,147 billion Total managed fund: Rp554,213.98 billion Return value: Rp35,335.46 billion Total claim payment: Rp42,892.15 billion | Active participation is targeted to reach 70 million workers with a coverage share of 65% by 2026. | |
| Human Capital BPJAMSOSTEK is supported by employees and leadership with high dedication, competence, and integrity. | Strategic Driver <ul style="list-style-type: none"> Implement prudent investment strategy practices. Product-added benefit innovation Improve Brand Recognition of BPJAMSOSTEK in the community. Collaboration and empowerment of external strategic partners. Ensure compliance by collaborating with law enforcement officers. Improve operational services. Optimization of non-organic networks and digital services. Maintain internal compliance. Increase the capacity of BPJAMSOSTEK. | <ul style="list-style-type: none"> Total employees: 5,886 people Total Fixed-Term Employment Agreement (PKWT): 2 Total employees' training: 2,252 hours Good Governance Index: 94.31 | The participation of informal workers (Non-Wage Recipients/ BPU) is targeted to reach 20.7 million workers with a coverage share of 43% by 2026. |  |
| Manufactured Capital BPJAMSOSTEK's operations are supported by branch offices and PERISAL agents throughout Indonesia. | <ul style="list-style-type: none"> Implement prudent investment strategy practices. Product-added benefit innovation Improve Brand Recognition of BPJAMSOSTEK in the community. Collaboration and empowerment of external strategic partners. Ensure compliance by collaborating with law enforcement officers. Improve operational services. Optimization of non-organic networks and digital services. Maintain internal compliance. Increase the capacity of BPJAMSOSTEK. | <ul style="list-style-type: none"> Total regional office: 11 Total branch office: 325 Customer Satisfaction Index: 89.24% Brand Equity: 85,5 | Total managed fund amounting to Rp1,001 trillion by 2026. |  |
| Natural Capital BPJAMSOSTEK's operations are supported by efficient energy management, accompanied by a commitment to minimize waste. | <ul style="list-style-type: none"> Implement prudent investment strategy practices. Product-added benefit innovation Improve Brand Recognition of BPJAMSOSTEK in the community. Collaboration and empowerment of external strategic partners. Ensure compliance by collaborating with law enforcement officers. Improve operational services. Optimization of non-organic networks and digital services. Maintain internal compliance. Increase the capacity of BPJAMSOSTEK. | <ul style="list-style-type: none"> Total energy consumption at the Headquarter: 15,361 GJ Total generated emissions: 1,302.96 ton CO₂ eq Total water usage: 178.13 m³ | Total managed fund amounting to Rp1,001 trillion by 2026. |  |
| Intellectual Capital BPJAMSOSTEK continues to develop technological innovations to support operations and services to members. | <ul style="list-style-type: none"> Implement prudent investment strategy practices. Product-added benefit innovation Improve Brand Recognition of BPJAMSOSTEK in the community. Collaboration and empowerment of external strategic partners. Ensure compliance by collaborating with law enforcement officers. Improve operational services. Optimization of non-organic networks and digital services. Maintain internal compliance. Increase the capacity of BPJAMSOSTEK. | <ul style="list-style-type: none"> Jamsostek Mobile (JMO) App Total self-developed application development project: 116 IT-based services and digitalisation in all offices. | By 2025, BPJAMSOSTEK will become the best practice example of HR management regionally and the central hub for social security learning in Southeast Asia. |  |
| Social Capital The workforce that continues to grow has become a target for social security carried out by BPJAMSOSTEK. | Human, ICT, and Financial Resources <ul style="list-style-type: none"> Improve the ability and Engagement of Human Resources (HR). Ensure the reliability of information technology (IT) systems that support operations in the digital era. | <ul style="list-style-type: none"> Acquisition of new members: 19,723,693 Total worker members: 50,919,500 Employer membership: 725,356 Total active members: 30,660,901 people Total PERISAL agents: 5,052 Total Informal Workers of Recipients of Membership Fee Donations (GN Lingkaran): 39,681 | Digitalisation of services to shorten the claim submission process to 1 day from previously a maximum 5 working days. |  |
| COVID-19 Pandemic National & Global Economic Situation Policy & Regulation Stakeholders Support External | | | | |

► About BPJAMSOSTEK [102-1]

Brief Timeline of BPJAMSOSTEK

| 1977 | 1995 | 2014 | 2016 | 2020 | 2021 |
|--|--|---|---|--|---|
| The enactment of PP No. 34 of 1997 on the Establishment of a Public Employment Social Insurance Company (Perum Astek), followed by the establishment of Perum Astek. | The enactment of PP No. 36 of 1995 on the Establishment of the Administering Agency for the Workers Social Security Program, and the stipulation of PT Jamsostek as the administering agency of the Workers Social Security. | PT Jamsostek (Persero) changed to BPJS Ketenagakerjaan. | The President inaugurated the Board of Supervisors and the Board of Directors of BPJS Ketenagakerjaan, for the period 2016-2021, based on Presidential Decree No.25/P/2016. | The Service without Physical Contact (LAPAK ASIK) is a momentum for BPJS Ketenagakerjaan to provide a decent and safe workplace for workers and members, while still providing services during the COVID-19 pandemic. [POJK51-6.b.2.c] | The Board of Supervisors and the Board of Directors of BPJAMSOSTEK, for the period 2021-2026, were inaugurated by the President of the Republic of Indonesia based on Presidential Decree No. 38/P of 2021. BPJAMSOSTEK announced sharia-based services operating in Nanggroe Aceh Darussalam. |

| Name of Organization [POJK51-3.b][102-1] | Legal Basis of Establishment | Business Fields and Organized Programs [POJK51-3.d][102-2][102-9][102-10] | Ownership and Legal Form [POJK51-3.c.3][102-5] |
|--|---|--|---|
| BPJS Ketenagakerjaan (BPJAMSOSTEK) Year of Establishment and Operation Year 2014 | Law No. 24 Year 2011 on the Social Security Agency (BPJS) | Organizing protection and welfare programs for all workers and their families through the social security system. Organized Programs: 1. Employment Injury Security (JKK) 2. Death Security (JKM) 3. Old-Age Security (JHT) 4. Pension Security (JP) 5. Job Loss Security (JKP), new program starting from February 2021 | BPJAMSOSTEK is a public legal entity established by the Government of Indonesia and responsible to the President. There is no share ownership in BPJAMSOSTEK. |

| Issued Capital and Fully Paid-up Capital | Markets Served [102-6] | Operation Area [POJK51-3.c.4][102-4] | Subsidiary and Associate Company [102-7] | Contact BPJAMSOSTEK |
|---|--|---|---|---|
| In accordance with Article 62 of Law No. 24 Year 2011, BPJAMSOSTEK does not have an authorized capital as well as issued capital and fully paid up capital. | 1. Employers/Business Entities: 725,356 or 96.71% of the target set at 750,000 PK/BU in Indonesia. 2. Workers: 50,919,500 or 54.25% of all workers in Indonesia who are included in the BPJAMSOSTEK Universe. | Throughout Indonesia | Subsidiary • PT Binajasa Abadikarya • PT Sinergi Investasi Properti | Deputy Director of Public Relations & Interinstitutions BPJAMSOSTEK Headquarters Phone: +62 21 520 7797 Fax: +62 21 520 2310 Email: depdir.html@bpjsketenagakerjaan.go.id [POJK51-3.b][102-53] |

Membership of Association [POJK51-3.e][102-13]



Bloomberg Asia-Pac Pension Network

Strategic Partners [POJK51-3.e][102-12]



Information on BPJAMSOSTEK's Website

This report is complemented by an online publication currently available to access on the website www.bpjsketenagakerjaan.go.id/en. Publication including important events related with organisational activities of BPJAMSOSTEK throughout the year 2021. ^[IR-1E]

2021 Achievements ^[POJK51-3.c.1]

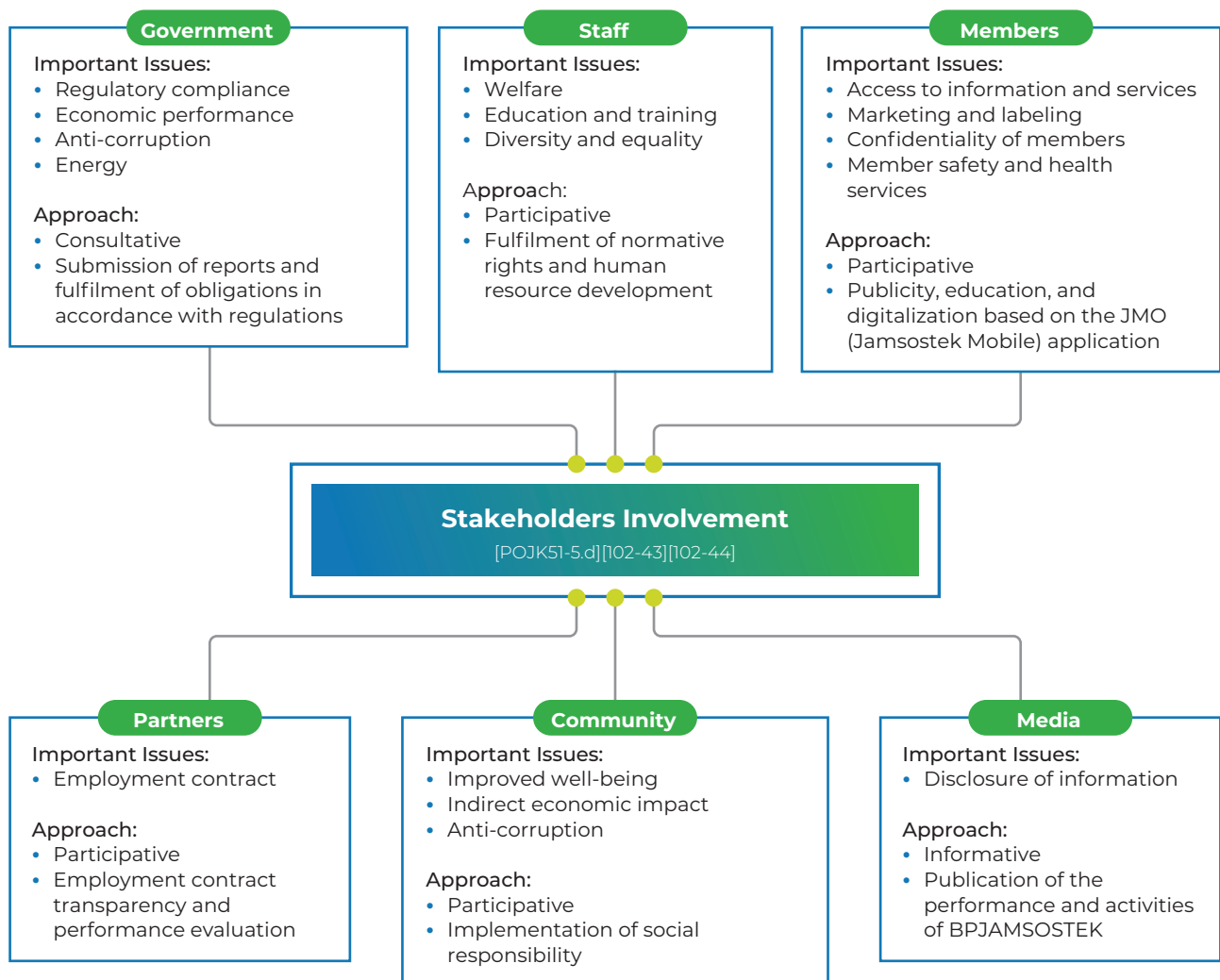
| Participation | Contribution and Investment Yield | Benefit |
|--|---|---|
| Number of Members <ul style="list-style-type: none"> Total realization 50,919,500 members Growing 0.44% year on year Active Worker Participation <ul style="list-style-type: none"> Total realization of 30,660,901 members Growing 2.27% year on year Employer/Business Entity Participation <ul style="list-style-type: none"> Total realization of 725,356 members Growing 6.10% year on year E-Survey of Member Satisfaction Level <ul style="list-style-type: none"> Survey participants 1,090,989 members 89.51% Very Satisfied 9.48% Satisfied Member Satisfaction <ul style="list-style-type: none"> Member Satisfaction Index: 89.24% Net Promoter Score: 37.5% | Contribution Collected <ul style="list-style-type: none"> Total realization: Rp80,147 billion Growing 9.40% year on year Yield <ul style="list-style-type: none"> Yield value of Rp35,335.46 billion 6.38% of Total Investment Funds Growing 9.29% year on year Realization of Investment Fund <ul style="list-style-type: none"> The realized value of investment funds is Rp554,214 billion Growing 13.79% year on year | Realization of Benefit Payment <ul style="list-style-type: none"> Total Realization: Rp42,892.15 billion Old-Age Security (JHT): Rp37,089.02 billion and 2,556,767 million cases Death Security (JKM): Rp3,165.50 billion and 104,769 thousand cases Employment Injury Security (JKK): Rp1,790.27 billion and 234,370 thousand cases Pension Security (JP): Rp847.37 billion and 142,187 thousand cases Employment Injury Security – Return To Work (JKK RTW) <ul style="list-style-type: none"> Total participants: 1,120 people As many as 985 people or 87.95% of JKK RTW participants have returned to work Social and Environmental Responsibility (CSER) <ul style="list-style-type: none"> CSER Fund: Rp152,098,436 GN Lingkaran <ul style="list-style-type: none"> Donor Business Entities: 2 Membership Fee Donation: Rp1,999 million PERISAI <ul style="list-style-type: none"> Number of PERISAI Agents: 5,052 people Growing 7.63% |

| Disaster Responses | |
|--|--|
| Non-natural disasters of the COVID-19 pandemic, in accordance with Presidential Decree No. 12 of 2020 concerning the Determination of Non-natural Disasters for the Spread of Corona Virus Disease 2019 (COVID-19) as National Disasters | <p>The realization of the relaxation of the membership dues program has been given to 23.15 million workers, with a value that has summed up to Rp4.1 trillion. The number of employers or business entities that applied for the relief reached 655,044.</p> <p>BPJAMSOSTEK has provided vaccination against COVID-19 with a total of 5,771 doses for the 1st vaccination, and 5,749 doses for the 2nd vaccination throughout Indonesia. The goals are to support the government in accelerating the establishment of herd immunity or communal immunity.</p> |
| Mount Semeru Eruption Disaster | At least 200 volunteers for the Awan Panas Guguran (APG) Mount Semeru received protection through BPJAMSOSTEK Non-Wage Recipients (BPU), if they have an accident while helping to deal with the eruption of Mount Semeru. BPJAMSOSTEK BPU provides guarantees for volunteers if they experience a work accident while helping with the disaster. Volunteers get benefits such as hospital fees up to providing compensation for accidents with permanent or temporal disability. |

Stakeholders Involvement [IR-3C]

Stakeholder identification is done by analyzing interaction patterns and their involvement with BPJAMSOSTEK. Engagement with each one is done by using various methods in order to fulfil their

needs and to help BPJAMSOSTEK in the decision-making process based on relevant information. Periodically, we conduct an evaluation to improve the quality of involvement. [POJK51-5.d][102-42][102-43]

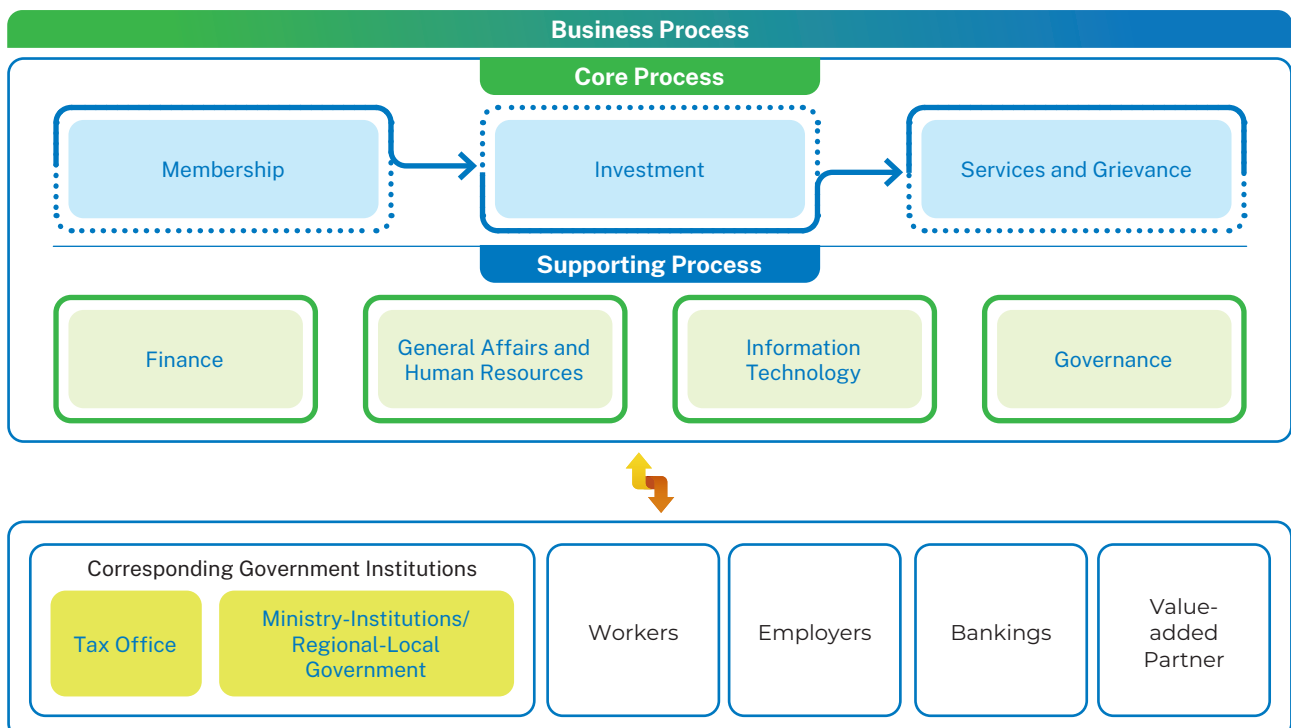




Business Process and Business Model of BPJAMSOSTEK [IR-4C]

BPJAMSOSTEK's business process comprises core and supporting processes, as well as interactions with variable parties. Core process consists of membership management and inter-institutional relations, managed funds investments, as well as service deliveries and complaint handlings.

Supporting process consists of financial, general and human resource management, IT, as well as Agency governance. Interactions with related parties for instance government institutions, workers, employers, bankings, and partners to offer added benefits.



Organizational Structure of BPJAMSOSTEK and Diversity of BPJAMSOSTEK Officials [102-18][1R-4B]

In the reporting period, the number of female BPJAMSOSTEK officials reached 330 people or 32.13%, an increase from 2020 which was 307 people or 7.49%. The largest age group of governance body

officials is 31-50 years with 824 people or 80.23% with the dominant educational background of 712 people or 69.33% being Bachelor (S1). [405-1a]

| Gender | | | | Age Group (Years Old) | | | | | |
|--------|-------|--------|-------|-----------------------|------|-------|-------|-------|-------|
| Male | | Female | | <30 | | 31-50 | | >51 | |
| Total | % | Total | % | Total | % | Total | % | Total | % |
| 697 | 67.87 | 330 | 32.13 | 0 | 0.00 | 824 | 80.23 | 203 | 19.77 |

| Level of Education | | | | | | | |
|----------------------|------|---------|------|---------------|-------|--------------|-------|
| High School or Equal | | Diploma | | Undergraduate | | Postgraduate | |
| Total | % | Total | % | Total | % | Total | % |
| 3 | 0.29 | 14 | 1.36 | 712 | 69.33 | 298 | 29.03 |

During 2021, there will be no changes to the organizational structure of BPJAMSOSTEK. The organizational structure of BPJAMSOSTEK can be seen on the webpage <https://www.bpjsketenagakerjaan.go.id/en/struktur-organisasi.html>. [102-18][POJK51-3.f]

Total and Composition of Workers [POJK51-3.c.2]

All (100%) employees of BPJAMSOSTEK, both permanent and PKWT, are full-time employees. Employee data is obtained from the Function of the Deputy Director for Human Capital based on personnel administration recorded until the end of the reporting period. The number of employees of BPJAMSOSTEK in 2021 was 5,886 permanent employees and 2 PKWT, decreased by 157 persons from 2020 of 6,045 persons due to employees leaving BPJAMSOSTEK. All employees are still protected by the Board of Directors Regulation No: PERDIR/22/092021 about the Employment Management of BPJS Ketenagakerjaan, while PKWT is protected by the Cooperation Agreement (Perjanjian Kerja Sama/PKS). In addition to permanent employees and PKWT, we also employed other workers who are not employees of BPJAMSOSTEK, which is the outsourcing workers.

[102-7][102-8][102-41][407-1]

The benefits received by permanent employees are main salary, level/grade allowance, local expensive allowances, life insurance benefits covered by a BPJS Ketenagakerjaan program, health service

allowances covered by a BPJS Kesehatan program, health insurance from BPJAMSOSTEK, maternity leave, and retirement preparation period. Especially for structural, supplemented with structural allowances as well as emoluments and subscriptions. Whereas specifically for PKWT, the benefits provided are honorarium, life insurance benefits covered by a BPJS Ketenagakerjaan program, health service allowances covered by a BPJS Kesehatan program, health insurance from BPJAMSOSTEK, and maternity leave. [401-2]

In addition, employees are also given maternity leave according to PERDIR No. 22/092021. For female employees, will be given leave for 3 months consisting of 1 month prior to and 2 months after she gave birth, while for male employees whose wife will give birth are given leave for 3 days. During 2021, there were 333 female employees who took maternity leave and 201 male employees who took the 3 days leave. Of these number, 250 female employees and all 201 male employees returned to work after leave. [401-3]

Number and Percentage of Agency's Employees Based on Gender [POJK51-3.c.2][102-8]

| Gender | 2021 | | 2020 | | 2019 | |
|--------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | Total | % | Total | % | Total | % |
| Male | 3,516 | 59.71 | 3,595 | 59.47 | 3,691 | 59.51 |
| Female | 2,372 | 40.29 | 2,450 | 40.53 | 2,511 | 40.49 |
| Total | 5,888 | 100.00 | 6,045 | 100.00 | 6,202 | 100.00 |

Number and Percentage of Agency's Employees Based on Age Group [POJK51-3.c.2][102-8]

| Age Group (Years Old) | 2021 | | 2020 | | 2019 | |
|-----------------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | Total | % | Total | % | Total | % |
| > 50 | 414 | 7.03 | 424 | 7.02 | 464 | 7.48 |
| 41 – 50 | 1,044 | 17.73 | 998 | 16.51 | 958 | 15.45 |
| 31 – 40 | 1,831 | 31.10 | 1,532 | 25.34 | 1,304 | 21.03 |
| 21 – 30 | 2,599 | 44.14 | 3,091 | 51.13 | 3,476 | 56.04 |
| < 21 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Total | 5,888 | 100.00 | 6,045 | 100.00 | 6,202 | 100.00 |

Number and Percentage of Agency's Employees Based on Placement [POJK51-3.c.2][102-8]

| Placement Area | 2021 | | 2020 | | 2019 | |
|------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | Total | % | Total | % | Total | % |
| Headquarters (Jakarta) | 925 | 15.71 | 844 | 13.96 | 857 | 13.82 |
| West Sumatra and Riau | 401 | 6.81 | 408 | 6.75 | 611 | 9.85 |
| Northern part of Sumatra | 416 | 7.07 | 434 | 7.18 | 450 | 7.26 |
| Southern part of Sumatra | 337 | 5.72 | 349 | 5.77 | 359 | 5.79 |
| Sulawesi and Maluku | 383 | 6.50 | 411 | 6.80 | 426 | 6.87 |
| Kalimantan | 362 | 6.15 | 375 | 6.20 | 398 | 6.42 |
| East Java | 565 | 9.60 | 592 | 9.79 | 611 | 9.85 |
| West Java | 637 | 10.82 | 677 | 11.20 | 689 | 11.11 |
| Central Java & DI Yogyakarta | 560 | 9.51 | 573 | 9.48 | 568 | 9.16 |
| DKI Jakarta | 742 | 12.60 | 807 | 13.35 | 834 | 13.45 |
| Bali, Nusa Tenggara, Papua | 267 | 4.53 | 278 | 4.60 | 286 | 4.61 |
| Banten | 293 | 4.98 | 297 | 4.91 | 301 | 4.85 |
| Total | 5,888 | 100.00 | 6,045 | 100.00 | 6,202 | 100.00 |

Number and Percentage of Agency's Employees Based on Level of Education [POJK51-3.c.2][102-8]

| Level of Education | 2021 | | 2020 | | 2019 | |
|------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | Total | % | Total | % | Total | % |
| Master Degree | 678 | 11.51 | 609 | 10.07 | 649 | 10.46 |
| Bachelor Degree | 4,666 | 79.25 | 4,779 | 79.06 | 4,857 | 78.32 |
| Diploma IV | 27 | 0.46 | 26 | 0.43 | 20 | 0.32 |
| Diploma III | 411 | 6.98 | 506 | 8.37 | 530 | 8.56 |
| Diploma II | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Diploma I | 4 | 0.07 | 4 | 0.07 | 6 | 0.10 |
| High School and Equivalent | 95 | 1.61 | 112 | 1.85 | 130 | 2.12 |
| Middle School and Equivalent | 7 | 0.12 | 9 | 0.15 | 10 | 0.12 |
| Elementary School | 0 | 0 | 0 | 0.00 | 0 | 0.00 |
| Total | 5,888 | 100.00 | 6,045 | 100.00 | 6,202 | 100.00 |

Number and Percentage of Agency's Employees Based on Position [POJK51-3.c.2][102-8]

| Level of Position | 2021 | | 2020 | | 2019 | |
|-----------------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | Total | % | Total | % | Total | % |
| Analyst | 8 | 0.17 | 11 | 0.22 | 16 | 0.31 |
| Middle Superintendent | 3,825 | 79.55 | 4,052 | 81.37 | 4,238 | 82.39 |
| Junior Superintendent | 55 | 1.14 | 82 | 1.65 | 93 | 1.81 |
| Senior Superintendent | 226 | 4.70 | 188 | 3.78 | 191 | 3.71 |
| Superintendent | 667 | 13.87 | 618 | 12.41 | 573 | 11.14 |
| Staff | 27 | 0.56 | 29 | 0.58 | 33 | 0.64 |
| Total | 4,808 | 100.00 | 4,980 | 100.00 | 5,144 | 100.00 |

* Employee data includes non-structural employees

➤ List of Subsidiaries and/or Associate Companies [102-7]

| Subsidiaries | Share Ownership of BPJAMSOSTEK |
|-------------------------------|--------------------------------|
| PT Binajasa Abadikarya | 99.99% |
| PT Sinergi Investasi Properti | 80.00% |

Office Network

Headquarters [POJK51-3.b][02-3]

Plaza BPJAMSOSTEK Lt. 19

Jl. H. R. Rasuna Said Kav. 112 Blok B, Kuningan,

Setiabudi, Jakarta Selatan - 12940

Phone: 021-50911333

Facsimile: 021-520 2310

Web: www.bpjsketenagakerjaan.go.id/en [IR-1E]

Information regarding the address of regional and branch offices can be found on the webpage: <https://www.bpjsketenagakerjaan.go.id/en/kontak.html>. [IR-1E]

Awards and External Initiatives [02-12]




2021 Awards



| No | Award Title | Date Received | Awarding Body |
|----|---|--------------------|--|
| 1 | Ranked III with category A (Satisfactory) at the Hasil Pengawasan Kearsipan Nasional Tahun 2021 for the Category of State Higher Institutions, Ministry-level Institutions, Non-structural Institutions, and Public Broadcasting Institutions | May 18, 2022 | ANRI |
| 2 | Silver Award for Distinguished Achievement in Reporting | June 30, 2021 | Australasian Reporting Awards (ARA) |
| 3 | <ul style="list-style-type: none"> The Best Organization Structure 2021 The Best Human Capital Based on Technology 2021 The Most Resilience Excellence Company 2021 The Best Leader in HC 2021 | July 07, 2021 | Human Capital on Resilience Excellence Award 2021 |
| 4 | Runner Up Disability Management Video (DMV) Competition 2021 | September 17, 2021 | Return To Work Perkoso Malaysia |
| 5 | HR Excellent Award 2021 <ul style="list-style-type: none"> HR Excellent Award 2021 Learning & Development Predicate AA HR Digitalization & People Analytic Predicate AA Talent Acquisition Predicate AA | August 20, 2021 | SWA Magazine |
| 6 | Indonesia Human Capital Awards (IHCA) VII 2021 Platinum Award a Very Excellent The Best of IHCA of The Years 2021 | August 9, 2021 | Economic Review |
| 7 | Gold Rank Asia Sustainability Reporting Rating (ASRRAT) 2021 | November 17, 2021 | National Center For Sustainability Reporting (NCSR) |
| 8 | ASSA Recognition Award 2021 Strategic Communication Recognition Award Category | November 25, 2021 | ASEAN Social Security Association (ASSA) |
| 9 | The BPJAMSOSTEK Integrity Assessment Survey Index reached 82.1, above the average index of Ministries/Institutions/Local Governments which was only 72.4 | December 23, 2021 | Integrity Assessment Survey by Indonesian Corruption Eradication Commission (Komisi Pemberantasan Korupsi/KPK) |

BPJAMSOSTEK is committed to supporting SDGs. We restate the disclosure of information by excluding support for SDG 7 (Ensuring Access to Affordable, Reliable, Sustainable and Modern

Energy for All), considering that BPJAMSOSTEK's operations and services are not directly related to energy access as well as their availability.

| Goals | 2030 Indicators and Targets Based on Bappenas SDGs Metadata | 2021 Realizations and Achievements and Goals for 2022 | Strategies to Achieve |
|---|---|--|---|
|  | <ul style="list-style-type: none"> Proportion of members in the Social Security Program on Employment. Targets of 2030: Implement nationally appropriate social protection systems and measures for all, including the poorest, and by 2030 achieve substantial coverage for the poor and vulnerable. | <ol style="list-style-type: none"> The number of BPJAMSOSTEK participation in 2021 for the worker segment reaches 50,919,500 or 54.25% of the total workers in Indonesia who are in the BPJAMSOSTEK Universe. The number of BPJAMSOSTEK participation in 2021 for the Employer segment reaches 725,356 instances. Targets of 2022: <ul style="list-style-type: none"> Acquisition and addition of new BPJAMSOSTEK membership in the worker segment of 21,500,000 Acquisition and addition of new BPJAMSOSTEK membership in the employer segment of 200,000 | <p>a. Regulations and Compliance Strategies:</p> <ol style="list-style-type: none"> Dissemination and implementation of the Presidential Instruction on Optimizing BPJAMSOSTEK Participation with Ministries/Institutions/Local Governments. Collaborating with local governments in the issuance of labor social security regulations. Collaborating and outreaching the local government, agencies, and related associations to implement compliance based on community. Massive dissemination of the Job Loss Security (JKP), Wage Subsidy Assistance (BSU), relaxation of contributions (until January 2021), as well as incentives to increase participation. Improve employer compliance in the employment social security program. <p>b. Paritrana Award and Relationship Strengthening</p> <ol style="list-style-type: none"> Dissemination of the "Paritrana Award" by streamlining the role of the Regional Committee. Strengthening CRM with Ministries/Institutions/Local Governments, associations of employers/workers, Trade Unions/Labourers, as well as associations/communities. Company and virtual visits by KBP, AR, ARK, and ARP as well as high level visits by Deputy Regional Directors and Kakacab to 100 strategic PK/BU in their working areas. Improving relationships with PK/BU to maximize the recovery of JP contributions that were postponed during the relaxation period. Improve communication with the relevant authorities/agencies in terms of strengthening the implementation of the imposition of sanctions for not receiving certain public services (TMP2T). Build/enhance partnerships with relevant authorities/agencies. <p>c. Strengthening Active Participant Retention</p> <ol style="list-style-type: none"> Increase acquisition and maintain the sustainability of non-ASN membership. Collaborating with public service providers and the digital economy/e-commerce for participant acquisition. Optimization of acquisitions through PERISAI, OSS/PTSP, SPO/aggregators, and Indonesian Migrant Workers. Increase co-marketing cooperation as an additional benefit for members. |

| Goals | 2030 Indicators and Targets Based on Bappenas SDGs Metadata | 2021 Realizations and Achievements and Goals for 2022 | Strategies to Achieve |
|---|--|--|---|
|  | <ul style="list-style-type: none"> Coverage of essential health services. 2030 targets: Achieve universal health coverage, including financial risk protection, access to good basic health services, and access to safe, effective, quality, and affordable basic medicines and vaccines for all. | <ol style="list-style-type: none"> Assistance for handling the COVID-19 pandemic reached Rp52,621,566,902 Coverage of COVID-19 1st vaccination for 5,771 employees and 2nd vaccination for 5,749 employees. The coverage of COVID-19 vaccination for members and the community was 780 people. 2022 target: support complete vaccination for workers and employees. | <ul style="list-style-type: none"> Cooperate with health facilities to carry out vaccinations. Mandatory vaccination for all employees. Reducing the spread of COVID-19 for members. Provide self-isolation facilities for employees affected by COVID-19 to prevent virus transmission in the office. Minimize the risk of transmission to health workers. Minimize the risk of work accidents for workers. Provide JKK protection guarantee while working from home. |
|  | <ul style="list-style-type: none"> Percentage of literacy rate of the population aged 15 years and up. 2030 targets: Ensure that all adolescents and a certain proportion of adult groups, both male and female, have literacy and numeracy skills. | <ol style="list-style-type: none"> Scholarship benefits for the children of members who die from the JKM program: Rp189,453,000,000 Scholarship benefits from the JKK program with a total of Rp8,668,000,000 Sponsorship assistance for the publication of 7 books with a value of Rp338,000,000 Goals for 2022: <ul style="list-style-type: none"> committed to always sponsoring books throughout Indonesia. Accelerate the claim process for the JKM and JKK Programs as well as scholarship payments to members and the heirs. | <ul style="list-style-type: none"> Improve digital-based services through the JMO application, so that it is easily accessible to participants and the heirs. Cooperate with competent parties for sponsorship. Books publication in accordance with predetermined materials. Expanding the distribution and distribution of books. |
|  | <ul style="list-style-type: none"> Availability of a legal framework that promotes, establishes, and monitors gender equality and the elimination of discrimination based on gender. 2030 targets: End all forms of discrimination against all female. | <ol style="list-style-type: none"> In accordance with Board of Directors Regulation No. PERDIR/47/122017 about the Procedures for Recruitment and Selection of BPJS Ketenagakerjaan Employee Candidates, the recruitment process is carried out by prioritizing equal opportunity for every Indonesian. Targets for 2022: eliminate all forms of gender and other discrimination in the recruitment process. | <p>Implement a fair and transparent recruitment process from the announcement of enrolment up to job placement.</p> |
| | <ul style="list-style-type: none"> Proportion of female in managerial positions. 2030 targets: Ensure full and effective participation, as well as equal opportunities for female to lead at all levels of decision-making in political, economic and community life. | <ol style="list-style-type: none"> The number of female employees in structural office positions is 330 of the total employees or 32.13%. Target for 2022: provide the widest possible opportunity for female employees to occupy the positions of structural officers of BPJAMSOSTEK. | <p>The appointment of structural officials is determined from the results of the performance appraisal, ignoring discriminatory factors.</p> |

| Goals | 2030 Indicators and Targets Based on Bappenas SDGs Metadata | 2021 Realizations and Achievements and Goals for 2022 | Strategies to Achieve |
|---|---|--|--|
|  | <ul style="list-style-type: none"> Number of companies applying OHS norms. 2030 targets: Protect labor rights and promote a safe and secure working environment for all workers, including migrant workers, particularly women and those working in hazardous work. | <ol style="list-style-type: none"> BPJAMSOSTEK ensures that every company/employer participating in BPJAMSOSTEK has and implements OHS compliance. BPJAMSOSTEK supports the implementation of the National OHS Month. Improvement target in 2022: Engage in one of the target companies that is participating in preventive promotion. | <ul style="list-style-type: none"> Conducting OHS webinars in all regions. Distribution of OHS banners to various companies. |
|  | <ul style="list-style-type: none"> Anti-corruption Behaviour Index (IPAK). Targets by 2030: Substantially diminish corruption and bribery in all its forms. | <ol style="list-style-type: none"> In 2021, BPJAMSOSTEK made efforts to diminish bribery, gratification, collusion, corruption, and nepotism. The realization of the submission of the Wealth Report of State Officials (LKHPN) reaches 100%. Total gratification reports reached 98 reports with a nominal value of Rp59,504,051 Target improvement in 2022: <ul style="list-style-type: none"> Achieve zero fraud and zero bribery. Ensure that the gratification report is submitted no later than 7 working days. | <p>Obtained ISO 37001:2016 Anti-Bribery Management System certification</p> |
| | <ul style="list-style-type: none"> Percentage of government agencies receiving Unmodified Fair Opinion (WTM). Targets by 2030: Develop effective, accountable, and transparent institutions at all levels. | <ol style="list-style-type: none"> BPJAMSOSTEK's Financial Statements have been audited by the Public Accounting Firm (KAP) of Amir, Abadi Jusuf, Mawar & Rekan with WTM opinion. Target improvement in 2022: maintain WTM audit opinion for the next financial statements. | <p>Ensuring all existing aspects have been noted and recorded in accordance with applicable accounting standards.</p> |

Six Capitals for Value Creation [(R-2A)]



Amidst the ongoing COVID-19 pandemic during 2021, BPJAMSOSTEK was able to increase active participation and the value of membership dues, while the number of insurance claim payments was also increased, particularly the Death Security (JKM) and Old-Age Security (JHT), because of the COVID-19 pandemic. During the reporting period, BPJAMSOSTEK also contributed to the recovery of the national economy through the distribution of Wage Subsidy Assistance (Bantuan Subsidi Upah/BSU) for workers.

► External Influence and Development Prospects Review

[IR-4A][IR-4G]

The COVID-19 pandemic still has a significant impact on BPJAMSOSTEK's performance during 2021. The number of cases of death due to the COVID-19 pandemic has also been experienced by workers who are also members, thus increasing JKM claims by 17.69% from 2020. The COVID-19 pandemic has also caused working contract dismissal (PHK), so that JHT claims increased by 10.03% yoy throughout 2021.

On the other hand, the government's efforts to control the spread of the COVID-19 virus through vaccination have a positive influence on national economic growth. Based on the publication of the Central Statistics Agency (BPS), the Indonesian economy in 2021 grew 3.69%, higher than 2020 which experienced a 2.07% contraction.

The growth of the national economy encourages the availability of job opportunities, thus affecting the employment hiring rate. Based on the BPS publication at the beginning of 2022, it is known that the number of the workforce in August 2021 was 140.15 million people, an increase of 1.93 million people compared to August 2020, with the Labor Force Participation Rate increasing by 0.03% points. The working population is 131.05 million people, an increase of 2.60 million people from August 2020. A total of 77.91 million people or 59.45% were working in informal activities or a decrease of 1.02% from August 2020. The percentage of part-time workers rose 1.03%, while the percentage of underemployed people fell 1.48% compared to August 2020. The open unemployment rate in August 2021 reached 9.1 million people (6.49%), a decrease of 0.58% from the position of 9.77 million people (7.07%) in August 2020.

Based on those conditions, BPJAMSOSTEK targets the number of active members in 2026 to reach 70 million members. To achieve this target, BPJAMSOSTEK sets up these strategies:

- Firstly, explore partnerships and collaborations with central and local governments.
- Secondly, partnerships with employers' associations, other communities, as well as exploring the existing employer sector, including reviewing compliance as well as the ecosystem and supply chain of participating companies.
- Thirdly, BPJAMSOSTEK continues to simplify the registration and payment processes through the JMO app and agency cooperation schemes, including launching New PERISAI to increase their acquisitions.

Changes in Legal Regulations

During the reporting period, BPJAMSOSTEK has also faced with policies imposed by the government, for instance:

1. Government Regulation No. 37 of 2021 concerning Job Loss Security (JKP)

The source of funding for the JKP contributions was paid by the government for as much as 0.22% of the monthly wage, and the recomposition of the contributions is 0.24% of the monthly wage with a maximum amount of Rp5 million per month. The benefits of the JKP program can be requested from February 1, 2022, for members who have been laid off. Members who can apply must attain a contribution period of at least 12 months in the last 24 months before the layoff occurs, and that the last six months were paid consecutively in a row.

2. Presidential Instruction (Inpres) No. 2 of 2021 concerning the Optimizing of the Employment Social Security Program Implementation, dated March 25, 2021

The purpose of issuing the Presidential Instruction was to increase the number of BPJAMSOSTEK members, considering the potential workforce of 92 million. As stated in the First Dictum of the Presidential Instruction,

the President instructed 19 Ministers, Head of BKPM, Head of BNPB, Attorney General, Directors of BPJAMSOSTEK, Governors, Regents/ Mayors, and Chairman of the National Social Security Council (DJSN) to take steps according to their duties, their respective functions and authorities to optimize the implementation of

the employment social security program. In the Second Dictum of the Presidential Instruction, the President gave instructions to a number of ministers and regional officials to encourage employers and employees to become active members in employment social security.

► Operational Review

In accordance with the 2017-2021 Strategic Plan, BPJAMSOSTEK has set a target, by 2021 the participation rate is 36% of the total workers in Indonesia, who were included in BPJS Ketenagakerjaan universe. To achieve that, BPJAMSOSTEK continues the digital transformation policy and strategy as the theme of the 2021 Annual Work Plan and Budget (RKAT). The implementation of digital transformation is also an opportunity for BPJAMSOSTEK to improve better social protection. Until the end of the

reporting period, BPJAMSOSTEK made a number of breakthroughs to switch to a hybrid work model after the COVID-19 pandemic. We are increasing the use of digital technology features to optimize employee productivity to increase operational troubleshooting speed. BPJAMSOSTEK also innovates to answer participant needs and provides the best service through the JMO (Jamsostek Mobile) application-based service, which makes it easier for members to get faster services. [POJKSI-6.d.1]

[IR-4E]



▶ **BPJAMSOSTEK's Six Capitals Review in Value Creation** [IR-2C]

Financial Capital

- ▶ BPJAMSOSTEK manages the Social Security Fund (DJS) for payment of benefits to members and operational financing.
- ▶ Realization of participation fee receipts in 2021: Rp80,147 billion.
- ▶ Realization of managed funds in 2021: Rp554.21 trillion.
- ▶ Yield return on investment of managed funds in 2021: Rp35,335.46 billion.
- ▶ Realization of payment of benefits/securities in 2021: Rp42,892.15 billion.

Human Resource Capital

- ▶ During the reporting period, BPJAMSOSTEK was supported by 5,888 employees.
- ▶ BPJAMSOSTEK is projected to become a reference for best practice in human capital management and high tech human capital practice.
- ▶ BPJAMSOSTEK is projected as a hub for competency training in the field of social security.
- ▶ BPJAMSOSTEK is equipped with Learning Center support facilities and HR development programs.

Manufacturing Capital

- ▶ Agency operations and efforts to expand membership coverage are supported by offices that cover all regions of Indonesia.
- ▶ Headquarters: 1
- ▶ Regional Office: 11
- ▶ Branch Office: 325
 - Main Branch Office A: 10
 - Main Branch Office B: 20
 - Middle Branch Office A: 12
 - Middle Branch Office B: 27
 - Primary Branch Office A: 17
 - Primary B Branch Office: 37
 - Primary C and D Branch Office*: 202

Natural Capital

- ▶ BPJAMSOSTEK's operations are supported by commitments to efficient energy management.
- ▶ Total energy consumption at BPJAMSOSTEK headquarters in 2021 was 15,361 GigaJoules.
- ▶ Implementation of app-based information technology replaces physical documents, thereby reducing paper usage.

Intellectual Capital

- ▶ BPJAMSOSTEK is developing IT-based innovations.
- ▶ The percentage of self-owned software in 2021 reached 95.52%.
- ▶ Number of apps managed by BPJAMSOSTEK in 2021: 32
- ▶ App launched in 2021: Jamsostek Mobile (JMO).

Social Capital

- ▶ The growing workforce in Indonesia is a target for BPJAMSOSTEK's membership expansion.
- ▶ The number of workforces in August 2021 was 140.15 million people (BPS 2022 Publication).
- ▶ Paritrana Awards, attended by 34 Provincial Government, 514 District/City Government, and 72,401 Employers/Business Entities.
- ▶ 2 companies became donors of the GN Lingkaran program.
- ▶ Number of PERISAI agents: 5,052 agents.

* Changes in nomenclature according to PERDIR 30/08/2020 changes to PERDIR 17/06/2020 about the organizational structure and organizational work procedures. [POJK51-3.f]



BPJAMSOSTEK's Financial Capital Review in Value Creation Process [POJK51-2.a, 6.a.1][IR-4F]

The review includes the performance of BPJAMSOSTEK in 2021 in collecting membership fees, managing DJS, and program benefits payments to members. Participation dues until the end of 2021 reached Rp79.12 trillion, increased 8% year-on-year (yoy), and investment returns of Rp35.36 trillion, grew 9.37% yoy.

Target and Realization of Membership Fees

[POJK51-6.a.2]

In accordance with UU No. 24 of 2011 concerning the Social Security Administering Body, membership fees are paid monthly by members, employers, and/or the government. Contributions are calculated based on a percentage of basic salary and fixed allowances according to the protection program.

BPJAMSOSTEK Contribution Based on Programs

| Program | Contribution | Explanation |
|----------------------------------|---|--|
| Old-Age Security (JHT) | Wage Recipients Workers: 5.7% of the monthly wage. | <ul style="list-style-type: none"> 2% paid by worker. 3.7% paid by employer. |
| | Non-Wage Recipients Workers: 2% of the monthly wage. | Paid by workers. |
| | Indonesia Migrant Workers: Rp50,000-Rp600,000 per month | |
| Employment Injury Security (JKK) | Wage Recipients Workers: <ul style="list-style-type: none"> For a very low risk level, 0.24% of the monthly wage. For a low risk level, 0.54% of the monthly wage. For a medium risk level, 0.89% of the monthly wage. For a high risk level, 1.27% of the monthly wage. For a high risk level, 1.76% of the monthly wage. | Paid by employer. |
| | Non-Wage Recipients Workers: % of the monthly wage. | Paid by workers. |
| | Indonesia Migrant Workers: <ul style="list-style-type: none"> Contribution before, during, and after work: Rp370,000 per contract period. Extension fee: Rp13,500 per month. | Paid by workers, JKK contributions and JKM merged. |
| | Construction Services Workers: <ul style="list-style-type: none"> Based on worker wages (if wage components are listed and known): 1.74% Based on project value (if wage component is not listed and unknown): <ul style="list-style-type: none"> up to Rp100 million: 0.21% above Rp100 million to Rp500 million: 0.17% above Rp500 million to Rp1 billion: 0.13% above Rp1 billion to Rp5 billion: 0.11% above Rp5 billion: 0.09% | Paid by employer. |
| | | |

| Program | Contribution | Explanation |
|-------------------------|---|---|
| Death Security (JKM) | Wage Recipients: 0.3% of the monthly wage. | Paid by employer. |
| | Non-Wage Recipients: Rp6,800 | Paid by member (individual). |
| | Indonesia Migrant Workers: <ul style="list-style-type: none"> Contribution before, during, and after work: Rp370,000 per contract period. Extension fee: Rp13,500 per month. | Paid by workers, JKK contributions and JKM merged. |
| | Construction Services Workers: <ul style="list-style-type: none"> Based on worker wages (if wage components are listed and known): 0.30% Based on project value (if wage component is not listed and unknown): <ul style="list-style-type: none"> up to Rp100 million: 0.03% above Rp100 million to Rp500 million: 0.02% above Rp500 million to Rp1 billion: 0.02% above Rp1 billion to Rp5 billion: 0.01% above Rp5 billion: 0.01% | Paid by employer. |
| Pension Security (JP) | 3% of monthly wages (with a 2021 upper wage limit of Rp8,754,600 and BPJS Ketenagakerjaan annually adjusts the highest wage rate using a multiplier of 1 plus the previous year's annual gross domestic product growth rate) | <ul style="list-style-type: none"> 1% paid by workers. 2% paid by the employer. |
| Job Loss Security (JKP) | 0.46% of a month's wages (with an upper limit of wages in 2021 of Rp5 million and the amount of the wage limit is evaluated every 2 years and determined by Government Regulation) | <ul style="list-style-type: none"> 0.22% paid by central government. 0.24% of JKP funding source. |

Membership Contribution Based on Program and Segmentation

| Program | Segmentation | | | |
|----------------------------|------------------|----------------------|--|---|
| | Wage Recipients* | Non-Wage Recipients* | Construction Services | Indonesia Migrant Workers |
| Employment Injury Security | 0.24%-1.74% | 1% | <ul style="list-style-type: none"> Based on worker wages (if wage components are listed and known): 1.74% Based on project value (if wage component is not listed and unknown): <ul style="list-style-type: none"> up to Rp100 million: 0.21% above Rp100 million to Rp500 million: 0.17% above Rp500 million to Rp1 billion: 0.13% above Rp1 billion to Rp5 billion: 0.11% above Rp5 billion: 0.09% | Contribution before, during, and after work: Rp370,000 per contract period Renewal fee: Rp13,500 per month |
| Death Security | 0.30% | Rp6,800 | <ul style="list-style-type: none"> Based on worker wages (if wage components are listed and known): 0.30% Based on project value (if wage component is not listed and unknown): <ul style="list-style-type: none"> up to Rp100 million: 0.03% above Rp100 million to Rp500 million: 0.02% above Rp500 million to Rp1 billion: 0.02% above Rp1 billion to Rp5 billion: 0.01% above Rp5 billion: 0.01% | |

| Program | Segmentation | | | |
|--------------------|---|----------------------|-----------------------|------------------------------------|
| | Wage Recipients* | Non-Wage Recipients* | Construction Services | Indonesia Migrant Workers |
| Old-Age Security | 2% paid by Worker 3.7% paid by Employer | 2% | - | Rp50,000- Rp600,000 (per month) |
| Pension Security* | 1% paid by Worker 2% paid by Worker | - | - | - |
| Job Loss Security* | 0.22% paid by central government. 0.24% of JKP funding source. | - | - | - |

* From reported wages:

- Pension Security: with an upper wage limit in 2021 of Rp8,754,600 and BPJS Ketenagakerjaan annually adjusts the highest wage by using a multiplier of 1 plus the annual growth rate of gross domestic product in the previous year.
- Job Loss Security: with an upper limit of wages in 2021 of Rp5 million and the amount of the wage limit is evaluated every 2 years and is determined by a Government Regulation.

Realization of membership fees receipts in 2021 reached Rp80,147,112 million or 104.66% of the target and grew by Rp6,863,344 million or 9.40% from 2020 of Rp73,263,768 million. This achievement was influenced by the end of the relaxation program for membership fees in the Employment Injury Security

Programs and Death Security Programs which were realized from August 1, 2020, to February 2021. Overall, reduced contributions were given to 23.15 million workers and 655,044 Employers/Business Entities, amounting to Rp4.10 trillion.

Target and Realization of Collected Membership Contribution in 2021 Based on Protection Program

| Programs | Realization 2020 | 2021 | | | % 2020-2021 Growth |
|----------------------------|-------------------|-------------------|-------------------|----------------|--------------------|
| | | Target | Realization | % Composition | |
| Employment Injury Security | 3,790,755 | 4,372,184 | 5,253,724 | 6.56% | 38.59% |
| Death Security | 1,824,749 | 2,140,816 | 2,469,086 | 3.08% | 35.31% |
| Old-Age Security | 49,368,693 | 51,056,000 | 51,392,258 | 64.12% | 4.10% |
| Pension Security | 18,279,571 | 19,007,000 | 19,078,437 | 23.80% | 4.37% |
| Job Loss Security | 0 | 0 | 1,953,607 | 2.44% | 0.00% |
| Total | 73,263,768 | 76,576,000 | 80,147,112 | 100.00% | 9.40% |

Note: In Million Rupiah, except for %

On the worker segment, the largest realization of membership dues in 2021 was the wage recipients workers segment (PU) worth Rp79,519,264 million or 104.59% of the target, which is an increase of 9.26% from 2020, amounted to Rp72,780,301 million. The

smallest realization of membership fee receipts in 2021 is the construction services workers segment with a value of Rp262,179 million or 114.83% of the target which is an increase of 23.50% from 2020, amounted to Rp212,295 million.

Collected Membership Contribution in 2021 from Workers

| Worker Segment | 2020 Realization | 2021 | | % 2020-2021 Growth |
|-------------------------------|---------------------|-------------------|-------------------|-----------------------|
| | | Target | Realization | % Composition |
| Wage Recipients Workers | 72,782,301 | 76,026,354 | 79,519,264 | 99.22 |
| Construction Services Workers | 212,295 | 228,328 | 262,179 | 0.33 |
| Sub Total | 72,994,597 | 76,254,682 | 79,781,443 | 99.54 |
| Non-Wage Recipients Workers | 269,171 | 321,318 | 365,669 | 0.46 |
| Total Contribution | 73,261,767 | 76,576,000 | 80,147,112 | 100.00 |

Note: In Million Rupiah, except for %

During the reporting period, BPJAMSOSTEK continued to maximize the payment of membership fees by following up on various encountered obstacles. BPJAMSOSTEK has also taken several strategic steps as a follow-up to Presidential Instruction (Inpres) No. 2 of 2021, including:

1. Coverage: Social Security protection for workers within the Ministry/Agency;
2. Compliance: Social Security protection for workers in the ecosystem of Ministries/Agencies; and also
3. Campaign and Licensing: Joint publication of 24 Ministries/Agencies and licensing integration between BPJAMSOSTEK and Ministries/Agencies.

Challenges and Solution Related to BPJAMSOSTEK Membership Contribution [POJK51-5.e]

| Challenges | Solutions |
|---|---|
| The existence of an Employer/Business Entity (PK/BU) in the Partly Listed Company (PDS) category, including not registering all workers, not reporting actual wages, and not participating in the mandatory protection program. In 2021, there were 14,004 members in large and medium scale PK/BU in the PDS Program category. | <ul style="list-style-type: none"> • BPJAMSOSTEK signed a memorandum of understanding with the Indonesian National Police (Polri), which was done by the President Director of BPJAMSOSTEK Anggoro Eko Cahyo and the National Police Chief General Listyo Sigit Prabowo. The scope of cooperation is related to the exchange of data and information between the two parties, prevention and handling of non-compliance in the implementation of the Jamsostek program, security assistance, capacity building and utilization of human resources, utilization of facilities and infrastructure, as well as other mutually agreed activities. • BPJAMSOSTEK has carried out a similar collaboration with the Deputy Attorney General for Civil and State Administration (Jamdatun) as a follow-up to business entities that have not registered their workforce in the BPJAMSOSTEK program. |
| In the reporting period, there were 158,024 PK/BU that had not paid dues on time or 21.79% of the total PK/BU of BPJAMSOSTEK members who had not paid dues on time. | |
| Easy access to membership dues payment. | <ul style="list-style-type: none"> • BPJAMSOSTEK and PT Pos Indonesia (Persero) are cooperating to expand the registration channel and payment of contributions for the employment social security program through the Pos Indonesia service channel. In addition, in the future the post office can also serve the disbursement of claims for BPJAMSOSTEK members. Pos Indonesia has a wide network and is spread to remote areas, with 4,800 online Post Offices and the number of service points (Point of Sales) reaching 58,700 points in the form of Post Offices, Agenpos, Mobile Postal Service, and others. • Currently, there are 13 channels to accommodate services to members provided by BPJAMSOSTEK. |

Management of Social Security Fund (DJS)

Social Security Fund (Dana Jaminan Sosial/DJS) is a mandated fund belonging to the members of BPJAMSOSTEK consisting of a set of membership fees and the results of its investment. DJS is used for benefits payment to members and operational funding for the implementation of the employment social security program. DJS management is carried out in accordance with UU No. 24 of 2011 and Board of Directors Regulation No. PERDIR/23/092019 on the Investment Management Guidelines.

DJS is managed through investment instruments with pay attention to aspects of liquidity, solvency,

prudence, safety of funds, and good results adequate. BPJAMSOSTEK has a Strategic Asset Allocation (SAA) management DJS, which takes into account external factors and internally. The dynamic investment management strategy is BPJAMSOSTEK's strategy to deal with market situation during the reporting period, where during that period, BPJAMSOSTEK conducted investment assets rebalancing from equity-based instruments to money market instruments and fixed income. By reducing the asset allocation to equity-based instruments, BPJAMSOSTEK can maintain the safety of workers' funds against market risk of the situation unstable market due to the COVID-19 pandemic.

| Strategic Asset Allocation | | 2021 Realization Percentage |
|--|---|---|
| Deposit Portfolio Strategies | Placement selection to the banks offering interest at a certain minimum rate with placement space, having sound performance, and supporting BPJAMSOSTEK programs. | 18.73% of managed funds were placed in time deposits. |
| Stock Portfolio Strategies | The management will capitalize on the best market momentum and time and, supported with intensive monitoring to domestic political development, tax revenue of the government, capital expenditure for infrastructure projects and volatility of composite index. Stock horizon will be reviewed on periodical basis for stock preference diversities pursuant to the applicable regulations. | The portion of investment in stocks became 11.00% from the previous 15.47% in 2020. |
| Security Portfolio Strategies | <ul style="list-style-type: none"> The management will consider regulations issued by the Financial Service Authority, optimum returns, asset and liability management (ALMA), and targets of Government Bonds set by the Government. Optimize short-term trading activities, especially benchmark series bonds while taking momentum, market time, transaction liquidity, and foreign investment inflow movement that have influence over the market of domestic bonds into account. | The placement of managed funds in debt securities investment instruments reached 63.07% of the total managed funds. |
| Mutual Fund Portfolio Strategies | The management will consider a limited portfolio (stocks, corporate securities, regional bonds, repurchase agreement, and asset-backed securities) with certain limitations from the net assets of each DJS. The management also takes momentum, the best market time, risk factors, composite index movement, and Mutual Fund and Investment Manager score into account. | The managed funds placed in mutual funds amounted to 6.77%. |
| Direct Investment Portfolio Strategies | BPJAMSOSTEK has already put the relevant policies in place for the subsidiaries including PT Sinergi Investasi Properti, development plan for PT Nayaka Era Husada and PT Bina Jasa Abadi Karya | As much as 0.42% of the funds under management were placed in properties and investments. |
| Property Investment Portfolio Strategies | The management strategies include improved management performance of Jamsostek Tower, optimizing Graha Nagoya Mas Batam, and lands in several regions in Indonesia. | |

Realization and Returns on Investments [POJK51-6.b.2]

Based on the audit result of the Financial Statement/ Laporan Keuangan and Program Management Report/Laporan Pengelolaan Program (LK-LPP), it is revealed that DJS assets consisting of JKK, JKM, JHT, and JP funds grew up to 14% in 2021. The achievement of DJS asset investment funds grew 14.09% from 2020 which was amounted to Rp475,391.91 billion, with a return on investment of Rp34.60 trillion or grew by 9.83%. In 2021, there will be additional Agency Assets amounting to Rp11.83 trillion, bringing the total managed assets to reach Rp554,213.98 billion.

BPJAMSOSTEK funds in 2021 were recorded at Rp554.21 trillion, an increase of 13.79% from 2020 which reached Rp487.06 trillion. The reason comes from the addition of fresh funds and investment returns in 2021. Meanwhile, the return on investment of BPJAMSOSTEK funds in 2021 reached Rp35.33 trillion, up 9.40% from Rp32.39 trillion in 2020 which was influenced by additional investment funds, both originating from fresh funds and investment returns. The yield on debt securities with a tenor of 10 years in 2021 and 2020 is 6.39% and 6.93%, respectively.

Funds Managed and Invested by BPJAMSOSTEK (Billion Rp)

| Details | 2021 | | 2020 | % Growth |
|----------------------|-------------------|---------------|-------------------|--------------|
| | Total | % Composition | | |
| BPJAMSOSTEK | 11,837.28 | 2.14 | 11,666.95 | 1.46 |
| Social Security Fund | 542,376.70 | 97.86 | 475,391.91 | 14.09 |
| Total | 554,213.98 | 100.00 | 487,058.86 | 13.79 |

Social Security Fund (DJS) Managed and Invested by BPJAMSOSTEK Based on Program (Billion Rp)

| Details | 2021 | | 2020 | % Growth |
|--------------|-------------------|---------------|-------------------|--------------|
| | Total | % Composition | | |
| JHT Program | 372,500.23 | 67.21 | 340,751.09 | 9.32 |
| JKK Program | 45,960.74 | 8.29 | 40,550.54 | 13.34 |
| JKM Program | 14,527.94 | 2.62 | 14,653.16 | -0.85 |
| JP Program | 101,660.39 | 18.34 | 79,437.13 | 27.98 |
| JKP Program | 7,727.40 | 1.39 | 0 | 0.00 |
| Total DJS | 542,376.70 | 97.86 | 475,391.91 | 14.09 |
| BPJS | 11,837.28 | 2.14 | 11,666.95 | 1.46 |
| Total | 554,213.98 | 100.00 | 487,058.86 | 13.79 |

The biggest realization of investment returns on managed funds during 2021 was the JHT Program, which was 69.17%. Based on the investment portfolio, the largest realization of investment

returns came from the Debt portfolio (Bonds) of Rp27.79 trillion or 78.67% of the total investment returns.

Investment Return Realization (Billion Rp) Based on Source of Fund

| Source of Fund | 2021 | | 2020 | % Growth |
|----------------------|------------------|---------------|------------------|---------------|
| | Total | % Composition | | |
| BPJAMSOSTEK Fund | 732.39 | 2.07 | 824.80 | 2.44 |
| Social Security Fund | 34,603.06 | 97.93 | 31,505.81 | 97.56 |
| Total | 35,335.45 | 100.00 | 32,330.62 | 100.00 |

DJS Ketenagakerjaan Investment Return Realization Based on Program (Billion Rp)

| Programs | 2021 | | 2020 | % Growth |
|------------------|------------------|---------------|------------------|-------------|
| | Total | % Composition | | |
| JHT Program | 24,440.22 | 69.17 | 22,957.83 | 6.46 |
| JKK Program | 2,976.42 | 8.42 | 2,940.57 | 1.22 |
| JKM Program | 1,078.63 | 3.05 | 1,102.00 | (2.12) |
| JP Program | 6,102.16 | 17.27 | 4,505.41 | 35.44 |
| JKP Program | 5.62 | 0.02 | - | - |
| Total DJS | 34,603.06 | 97.93 | 31,505.81 | 9.83 |
| BPJAMSOSTEK Fund | 732.39 | 2.07 | 824.80 | (11.89) |
| Total | 35,335.45 | 100.00 | 32,330.62 | 9.28 |

Investment Return Target and Realization in 2021 (Billion Rp) Based on Investment Portfolio

| Investment Portfolio | Realization | | Target | |
|----------------------|---------------|---------------|---------------|---------------|
| | Total | % Composition | Total | % Achievement |
| Deposit | 3,102 | 8.78 | 3,184 | 97.40 |
| Stocks | 3,365 | 9.52 | 3,618 | 93.01 |
| Securities (Bonds) | 27,793 | 78.67 | 29,693 | 93.60 |
| Mutual Funds | 945 | 2.67 | 777 | 121.56 |
| Direct Investment | 6 | 0.02 | 7 | 85.71 |
| Properties | 124 | 0.35 | 118 | 105.28 |
| Total | 35,335 | 100.00 | 37,397 | 94.49 |

Investment management on deposit instruments in the JKK and JKM Programs is aimed at maintaining liquidity, while the JHT and JP Programs which are long-term programs, make deposits as an instrument to ensure the availability of payment

liquidity for claims from members. The lowest rate of return on investment set by BPJAMSOSTEK is 6.88% for the JKP Program or a difference of 3.67% from government banks counter rate deposit average rate of 3.21% in 2021.

Interest Rate for Assets Under Management in 2020 and Comparison to Interest Rate of Deposits in Government Banks

| No | Decription | Investment Return Rate | Deposit Interest Rate | Difference |
|----|----------------------------|------------------------|-----------------------|------------|
| I | BPJAMSOSTEK Fund | 6.63% | 3.21% | 3.42% |
| II | Social Security Fund (DJS) | | | |
| | JHT Program | 6.95% | 3.21% | 3.74% |
| | JKK Program | 6.96% | 3.21% | 3.75% |
| | JKM Program | 6.94% | 3.21% | 3.73% |
| | JP Program | 7.35% | 3.21% | 4.14% |
| | JKP Program | 6.88% | 3.21% | 3.67% |

Placement of BPJAMSOSTEK's investment in stock and mutual fund portfolios refers to PP No. 99 of 2013 and PP No. 55 of 2015. During the reporting period, 99.56% of BPJAMSOSTEK's managed funds were placed in capital market-related instruments, consisting of debt securities, shares, deposits, mutual funds, and direct investments. The stock and mutual fund portfolios were placed in issuers that have the potential to develop in the future, namely the constituents of the LQ45 Index which have a large market capitalization, supported by liquidity levels and strong fundamental conditions. Investment placement in stock portfolios is accompanied by the implementation of risk management and dynamic asset rebalancing strategies. Currently, the share allocation continues to decline, due to the implementation of a dynamic asset allocation strategy considering market conditions, in which to reduce the risk exposure of the stock market value, a natural reduction in the allocation of equity instruments has been made.

Commitment to Green Investment

BPJAMSOSTEK is committed to investments that support national economic growth and the principles of environmental, social and governance (ESG) management. We realize that the role and contribution of the financial sector is highly expected to close the funding gap for the financing needs of climate mitigation that has been announced by the government. During the reporting period, BPJAMSOSTEK placed 34% of the total investment in its stock portfolio to be in the ESG-based stocks.

BPJAMSOSTEK's commitment to investment that puts ESG principles first was awarded as 'The Most Inspiring Financial Companies' in the ESG Investment Strategy of The Year at the 2021 CNBC Indonesia Awards. The award was given because BPJAMSOSTEK placed 10 of the 27 shares it owns into the IDX ESG category, which are stocks with good ESG/LST valuations. Based on MSCI Indonesia's reference, the ESG Leaders Index for September 30, 2021, it is shown that 3 out of 27 stocks are included in the LST stock index. These two things showed that BPJAMSOSTEK is not only pursuing aspects of profitability, but also sustainability of the future.

Benefit Payment

Benefits are social security benefits that belongs to the members and/or members of their families. In 2021, the benefits were paid according to the social security programs organized by BPJAMSOSTEK, namely JKK, JHT, JKM, and JP. Benefit payments are carried out in accordance with UU No. 24 of 2011.

In addition, BPJAMSOSTEK has a new Social Security program which has just been implemented since February 2021, namely the Job Loss Security (JKP) program, in which the JKP members are Workers who have a work relationship both as PKWT or PKWTT at PU Business Entities which are also members on BPJS Kesehatan. JKP is a guarantee given to workers/laborers who experience termination of employment, with the purpose of maintaining a decent standard of living when the workers loses their job. Benefits are given to members who have been laid off and have not

worked and have a commitment to return to the job market. [102 -10]

Benefits are given if the Participant experiences termination of employment and fulfills the JKP program contribution period for at least 12 months within the last 24 months and has paid contributions for at least 6 consecutive months. The benefits of the JKP Program itself consist of Cash Benefits, Access to Job Market Information, and Job Training. The implementation of the JKP Program is carried out by BPJAMSOSTEK together with the Kementerian Ketenagakerjaan, and BPJAMSOSTEK is responsible for providing the Cash Benefits. Meanwhile, 2 other benefits, which are the Access to Job Market Information and Job Training, are organized by the Kementerian Ketenagakerjaan of the Republic of Indonesia. The implementation of the provision of benefits for the JKP program has started since February 2022.



Old-Age Security

Old-Age Security (JHT) Program

- Benefit: cash money.
Given as lump sum payment when the participant reaches the age of 56 years old, reaches retirement age as stipulated in the collective labor agreement (PKB) of the Company, ends the period in the work agreement (PKWT), stops business (BPU), resigns, layoffs, leaves Indonesia forever-duration, suffers total permanent disability, or dies.
- Given a maximum payment of 30% for home ownership and a maximum payment of 10% for preparation for entering retirement age.



Employment Injury Security

Employment Injury Security (JKK) Program

- Benefit: medical treatment
- Benefit: compensation
Paid during not working subject to provisions below: The first six months 100%, the second six months 75%, and subsequent months 50% until recovered.
- Benefit: Scholarship.
Given to the child of a participant who dies or suffers total permanent disability due to work-related accident.
- Benefit: orthese and/or prothese.
Given to the participant who loses his/her limb or who suffers dysfunctional limb due to work-related accident.
- Benefit: compensation for the death due to work-related accident.
Given an amount of 48 times of wage according to the wage reported by Employer or participant.



Death Security

Death Security (JKM) Program

- Benefit: cash donation for funeral
- Benefit: compensation
Given to the beneficiaries for 24 months.
- Benefit: scholarship
Given to the beneficiaries of participant with contribution period minimum five years.



Pension Security

Pension Security (JP) Program

- Benefit: defined benefit
Given to participants entering retirement age, suffers total permanent disability, or to heirs for participants who die periodically every month or lump sum/all at once based on the formula for calculating contributions and benefits.



Job Loss Security

Job Loss Security (JKP) Program

- Form of benefit: cash.
Given monthly by BPJAMSOSTEK for a maximum of 6 months with a benefit of 45% of the monthly wage for the first 3 months and then 25% for the next 3 months. The basis amount for payment used is the latest wage reported to BPJAMSOSTEK with a maximum wage limit of Rp5 million.
- Form of benefit: information access to job vacancies or job markets.
- Form of benefit: professional training.

All social security benefit programs provided by BPJAMSOSTEK gave positive impacts on workers in Indonesia, especially the benefits of protection against the COVID-19 pandemic that is still ongoing in 2021. The value of social security benefits paid by BPJAMSOSTEK in 2021 reached Rp42,892.15 billion

for 3,038,093 claims. This amount increased by Rp6,332.89 billion or 17.52% from Rp36,498.18 billion in 2020 for 2,904,593 thousand claims. The most benefits paid by BPJAMSOSTEK and the largest number of claims is the JHT Program. [POJK51-6.b.3.a, 6.d.3]

Benefit Payment of Employment Social Security Program

| Program | 2021 | | | | 2020 | |
|--------------|------------------|---------------|------------------|---------------|----------------------------|------------------------|
| | Benefit Value | | Claim | | Benefit Value (Billion Rp) | Total Claim (Thousand) |
| | Billion Rp | % | Total (Thousand) | % | | |
| JHT | 37,089.02 | 86.47 | 2,556,767 | 84.16 | 33,101.92 | 2,552,942 |
| JKK | 1,790.27 | 4.17 | 234,370 | 7.71 | 1,556.94 | 221,740 |
| JP | 847.37 | 1.98 | 142,187 | 4.68 | 1,346.73 | 97,817 |
| JKM | 3,165.50 | 7.38 | 104,769 | 3.45 | 439.87 | 32,094 |
| Total | 42,892.15 | 100.00 | 3,038,093 | 100.00 | 36,498.18 | 2,904,593 |

Claim Ratio of Employment Social Security Based on Program in 2021

| Programs | Collected Contribution (Billion Rp) | Paid Benefit (Billion Rp) | Claim Ratio (%) |
|----------|-------------------------------------|---------------------------|-----------------|
| JHT | 51,392.26 | 37,089.02 | 72.17 |
| JKK | 5,253.72 | 1,790.27 | 34.07 |
| JP | 19,078.44 | 847.37 | 3.86 |
| JKM | 2,469.09 | 3,165.50 | 128.15 |

Return To Work Program

The Return To Work (RTW) Program is an additional benefit of the JKK Program to facilitate workers who are victims of work accidents to receive medical treatment, physical and psychological rehabilitation, vocational training, and evaluation for their return to work. In 2021, there were 1,120 participants of JKK-RTW Program. 985 participants or 87.95% have returned to work. The JKK-RTW program in the

reporting period involved the participation of 71,883 companies and was supported by 7,981 Work Accident Service Center (Pusat Layanan Kecelakaan Kerja/PLKK), 58 Back to Work Service Center (Pusat Layanan Kembali Bekerja/PLKB), and 97 Case Managers. List of the PLKKs can be accessed via this website <https://www.bpjsketenagakerjaan.go.id/en/plkk.html>. [IR-1E]



During 2021, BPJAMSOSTEK expanded the implementation of the JKK-RTW Program through cooperations with various parties, including the RSUD Siti Fatimah in South Sumatra through the establishment of the RTW Center. This collaboration is expected to help members in South Sumatra

who experience work accidents, in order to get assistance and training so they will be able to return to work. The number of workers in South Sumatra who experienced work accidents in 2021 reached 3,907 cases or 1.66% of the total National JKK cases of 234,371 cases.

Consolidated Financial Position

BPJAMSOSTEK has BPJAMSOSTEK Accounting Guidelines which are stipulated by the Decree of the Board of Directors No. PERDIR/30/122019 concerning the Accounting Guidelines for the Employment Social Security Administering Body. The Financial Statements for the year ending on December 31, 2020, have been audited by a Public Accounting Firm (KAP) Amir Abadi Jusuf, Mawar & Rekan with an opinion of Unqualified Opinion. Complete information on BPJAMSOSTEK's Financial Statements for 2021 can be accessed via the webpage <https://www.bpjsketenagakerjaan.go.id/en/laporan-keuangan.html>. [IR-1E]



Assets [POJK51-3.c.1]

The total value of BPJAMSOSTEK's Assets in 2021 reached Rp16,149.48 billion. This amount is increased by Rp347.51 billion or 2.20% from Rp15,801.97 billion in 2020.

• Current Assets

The value of Current Assets in the reporting period reached Rp8,600.72 billion, an increase of Rp1,149.85 billion or 15.43% from 2020 of Rp7,450.86 billion. This was due to an increase in

short-term investments and several significant current asset items, such as office assets, prepaid taxes, receivables from operating funds, and assets held for sale.

• Non-current Assets

The value of Non-current Assets in the reporting period reached Rp7,548.76 billion, decreased by Rp802.34 billion or 9.61% from 2020 of Rp8,351.11 billion. This was due to divestments or nominal disposal of long-term investments and payment of tax refund claims.

Asset Value of BPJAMSOSTEK

| Description | 2021 | 2020 | 2019 |
|---|---------------------|---------------------|---------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | 1.711.811,14 | 1.238.021,69 | 1.431.518,21 |
| Operational Fund Receivables | | | |
| • Old-Age Security Program | - | - | 15,702.72 |
| • Employment Injury Security Program | 14,587.27 | - | 2,668.53 |
| • Death Security Program | 6,921.92 | - | 1,603.61 |
| • Pension Security Program | 4,784.57 | - | 2,589.58 |
| Investment Receivables | - | 518.86 | - |
| Investment Return Receivables | 86,719.85 | 83,679.34 | 82,868.78 |
| SKP Receivables | 192,966.87 | 273,104.68 | 380,726.61 |
| Other Receivables | 13,175.20 | 383,579.58 | 6,463.95 |
| Down Payment | 21,733.83 | 26,503.01 | 33,242.21 |
| Prepaid Tax Prepaid Tax | 43,309.30 | - | - |
| Prepaid Expenses | 20,717.15 | 14,468.43 | 49,869.43 |
| Short-Term Investment | 6,454,265.44 | 5,407,585.45 | 5,647,494.56 |
| Account Receivables – Net of Allowance for Impairment | 13,712.20 | 11,598.78 | 16,193.19 |
| Office Supplies | 13,195.61 | 11,074.28 | 11,541.82 |
| Assets Held for Sales | 2,639.27 | 730.81 | 260.21 |
| Other Current Assets | 180.28 | - | - |
| Total Current Assets | 8,600,719.90 | 7,450,864.91 | 7,682,744.41 |
| Non-current Assets | | | |
| Long-Term Investment | 4,995,928.07 | 5,940,313.79 | 5,925,529.17 |
| Direct Investment – Net of Allowance for Impairment | 44,555.07 | 650.00 | 650.00 |
| Property Investment – Net of Accumulated Depreciation | 80,529.35 | 81,404.59 | 82,793.52 |
| Fixed Assets – Net of Accumulated Depreciation | 1,349,573.47 | 1,287,462.56 | 1,261,955.75 |

| Description | 2021 | 2020 | 2019 |
|---|----------------------|----------------------|----------------------|
| Right of Use of Asset | 330,548.04 | 349,435.34 | - |
| Intangible Assets – Net of Accumulated Amortization | 57,761.29 | 7,455.62 | 11,430.04 |
| Deferred Tax Assets | 640,498.89 | 586,257.99 | 647,331.26 |
| Tax Restitution Claims | 572.93 | 74,978.24 | 203,700.32 |
| Other Non-Current Assets | 48,794.56 | 23,248.27 | 21,208.65 |
| Total Non-current Assets | 7,548,761.67 | 8,351,106.42 | 8,154,598.70 |
| Total Assets | 16,149,481.57 | 15,801,971.33 | 15,837,343.12 |

Note: In Million Rupiah

Liabilities

The total value of BPJAMSOSTEK's Liabilities in 2021 was Rp3,975.11 billion. This amount increased by Rp363.41 billion or 10.06% from 2020 of Rp3,611.69 billion.

► Short-term Liabilities

Total Short-Term Liabilities in 2021 reached Rp1,625.14 billion, an increase of Rp238.61 billion or 17.21% from 2020 of Rp1,386.53 billion. This was due to the addition in the accrual expense liability section.

► Long-term Liabilities

Total Long-Term Liabilities in 2021 reached Rp2,349.96 billion, an increase of Rp124.81 billion or 5.61% from 2020 of Rp2,225.15 billion. The reason is due to the increase in post-employment benefit liabilities as recorded by BPJAMSOSTEK.

Liability Value of BPJAMSOSTEK

| Description | 2021 | 2020 | 2019 |
|-------------------------------------|---------------------|---------------------|---------------------|
| Short-Term Liability | | | |
| Debt to Third Party | 2,116.06 | 2,362.82 | 2,516.66 |
| Tax Payable | 63,042.01 | 84,505.73 | 62,659.40 |
| Actual Expense | 1,377,268.07 | 1,108,598.75 | 1,390,395.54 |
| Prepaid Income | 1,779.81 | 2,771.30 | 2,091.05 |
| Short-Term Lease Liabilities | 58,398.92 | 32,450.28 | - |
| Other Short-Term Liabilities | 122,542.25 | 155,846.08 | 180,314.59 |
| Total Short-Term Liabilities | 1,625,147.12 | 1,386,543.96 | 1,637,977.25 |
| Long-Term Liability | | | |
| Retirement Benefit Liabilities | 2,111,394.38 | 1,947,408.81 | 1,867,779.15 |
| Other Long-Term Liabilities | 238,567.68 | 277,746.70 | - |
| Total Long-Term Liabilities | 2,349,962.06 | 2,225,155.51 | 1,867,779.15 |
| Total Liabilities | 3,975,109.18 | 3,611,690.47 | 3,505,756.40 |

Note: In Million Rupiah

Equity

Realization of BPJAMSOSTEK's Total Equity Value in 2021 reached Rp12,174.37 billion, decreased by Rp15.91 billion or 0.13% from 2020 which was Rp12,190.28 billion. This was influenced by the decline in other equity components in 2020 as recorded by BPJAMSOSTEK.

Equity of BPJAMSOSTEK

| Description | 2021 | 2020 | 2019 |
|--|----------------------|----------------------|----------------------|
| Capital | 9,459,295.26 | 9,459,295.26 | 9,459,295.26 |
| Equity from Combined Entities under Common Control | 1,408,126.71 | 1,408,126.72 | 1,408,126.71 |
| Surplus Balance | 2,117,823.64 | 2,060,082.14 | 2,005,472.02 |
| Other Equity Components | (810,877.33) | (737,226.89) | (541,310.82) |
| Non-Controlling Interests | 4.12 | 3.64 | 3.55 |
| Total Equity | 12,174,372.39 | 12,190,280.87 | 12,331,586.72 |

Note: In Million Rupiah

Consolidated Financial Performance

| Description | 2021 | 2020 | 2019 |
|--|--------------|--------------|--------------|
| Operating Revenue | | | |
| Operating Fund Sourced from JHT | 2,906,362.01 | 3,106,939.27 | 3,285,190.44 |
| Operating Fund Sourced from JKK | 533,245.87 | 226,369.06 | 291,339.26 |
| Operating Fund Sourced from JKM | 263,304.50 | 108,901.74 | 137,936.40 |
| Operating Fund Sourced from JP | 965,109.61 | 613,959.93 | 986,617.14 |
| Total Operating Revenue | 4,668,022.00 | 4,056,170.00 | 4,701,083.24 |
| Operating Expense | | | |
| Operating and Additional Expenses | 464,849.98 | 391,576.09 | 712,762.64 |
| Personnel and Management Expenses | 3,363,225.07 | 3,068,522.54 | 3,096,151.60 |
| General and Other Expenses | 805,353.02 | 628,757.05 | 635,306.25 |
| Total Operating Expenses | 4,633,428.08 | 4,088,855.68 | 4,444,220.49 |
| Surplus (Deficit) of Operating Program Management | 34,593.91 | (32,685.68) | 256,862.75 |
| Non-program Management Operating Revenue (Expense) | | | |
| Investment Revenue | 689,514.85 | 825,944.10 | 890,857.54 |
| Investment Expense | (107,754.61) | (119,184.74) | (125,712.75) |
| Incentive Expense | (434,540.01) | (397,816.60) | (457,727.34) |
| Corporate Social and Environmental Responsibility (CSER) Expense | (152.09) | (1,587.89) | (28,328.96) |
| Total Non-program Management Operating Revenue (Expense) | 147,068.13 | 307,354.87 | 279,088.49 |
| Operating Surplus | 181,662.04 | 274,669.19 | 535,951.25 |
| Non-Operating Revenue (Expense) | | | |
| Subsidiary Revenue | 48,375.50 | 42,790.45 | 58,764.76 |
| Subsidiary Expense | (79,860.56) | (75,321.67) | (100,415.54) |
| Other Net Revenues | 27,971.38 | 158,873.67 | 96,497.32 |

| Description | 2021 | 2020 | 2019 |
|---|--------------------|---------------------|-------------------|
| Surplus Before Tax and Distribution | 178,148.37 | 401,011.64 | 590,797.79 |
| Expense of Surplus Distribution | | | |
| Realization of Old-Age Security Program | 116.66 | 1,272.57 | 33,629.83 |
| Realization of Employment Injury Security Program | 8.50 | 112.85 | 1,764.51 |
| Realization of Death Security Program | 4.08 | 53.43 | 828.67 |
| Realization of Pension Security Program | 23.05 | 382.18 | 7,346.56 |
| Total Expense of Surplus Distribution | 152.31 | 1,821.03 | 43,569.57 |
| Limitation from Resource Providers | | | |
| Participant Welfare Facilities (Sarana Kesejahteraan Peserta/SKP) Revenue | 46,144.26 | 90,683.64 | 105,095.70 |
| SKP Expense | (32,949.75) | (43,671.33) | (85,840.64) |
| Surplus (Deficit) of SKP | 13,194.51 | 47,012.31 | 19,255.06 |
| Surplus Before Tax | 191,190.56 | 446,202.91 | 566,483.28 |
| Tax Expense (Revenue) | | | |
| Current Tax | 178.320,90 | 189.032,92 | 282.166,91 |
| Previous Year's Tax | 22.842,51 | 120.499,76 | - |
| Deferred Tax Expense (Income) | (43.109,65) | 73.199,92 | (33.961,30) |
| Total | 158.053,76 | 382.732,60 | 248.205,61 |
| Current Account Surplus | 33.136,80 | 63.470,30 | 318.277,67 |
| Other Comprehensive Income | | | |
| Items not Recognized in Surplus Deficit | | | |
| Unrealized Gains (Losses) on FVOCI Investment Fair Value | (40,159.97) | (186,350.17) | - |
| Remeasurement of Post-Employment Benefit | (20,016.52) | (30,359.76) | (268,317.08) |
| Related Income Tax | 11,131.24 | 12,126.66 | 67,079.27 |
| Total | (49,045.24) | (204,583.27) | (201,237.81) |
| Items Reclassified in Surplus Deficit | | | |
| Unrealized Gains (Losses) on Fair Value of Available-for-Sale Investments | - | - | 49,821.47 |
| Realized Gains (Losses) on Fair Value of Available-for-Sale Investments and Reclassified in Surplus Deficit | - | - | (62,641.06) |
| Total | - | - | (12,819.59) |
| Comprehensive Surplus (Deficit) | (15,908.44) | (141,112.96) | 104,220.27 |
| Amount of Surplus Attributable To | | | |
| Parent Entity Owner | 33,136.31 | 63,470.20 | 318,277.13 |
| Non-Controlling Interest | 0.48 | 0.11 | 0.54 |
| Total | 33,136.80 | 63,470.31 | 318,277.67 |
| Amount of Other Comprehensive Income Attributable to | | | |
| Parent Entity Owner | (15,908.44) | (141,113.05) | 104,219.75 |
| Non-Controlling Interest | 0.00 | 0.09 | 0.52 |
| Comprehensive Income for the Current Year | (15,908.44) | (114,112.96) | 104,220.27 |

Note: In Million Rupiah

Business Revenue

BPJAMSOSTEK's 2021 Business Revenue consists of Operational Income and Non-Operational Income. BPJAMSOSTEK has not yet conducted a study of the impact of climate change on the activities of BPJAMSOSTEK, including those related to financial risks and opportunities due to climate change. In the future, BPJAMSOSTEK will conduct studies on the impacts of climate change.

The company's revenue in 2021 came from the Business Revenue of managing corporate funds of Rp5,447.08 billion, an increase of Rp316.28 billion or 6.16% from 2020 that reached Rp5,130.79 billion. During the reporting period, BPJAMSOSTEK did not receive any financial assistance from the government. [POJK51-2.a.2][201-2a][201-4a]

Business Revenues of BPJAMSOSTEK

| Description | 2021 | 2020 | 2019 |
|--------------------------------------|---------------------|---------------------|---------------------|
| Operating Revenue | | | |
| Managed JHT Fund of DJS | 2,906,362.01 | 3,106,939.27 | 3,285,190.44 |
| Managed JKK Fund of DJS | 533,245.88 | 226,369.06 | 291,339.26 |
| Managed JKM Fund of DJS | 263,304.50 | 108,901.74 | 137,936.40 |
| Managed JP Fund of DJS | 965,109.61 | 613,959.93 | 986,617.15 |
| Total Operating Revenue | 4,668,022.00 | 4,056,170.00 | 4,701,083.24 |
| Non-Operating Revenue | | | |
| Investment Revenue | 689,514.85 | 4,825,944.11 | 890,857.54 |
| Subsidiary Revenue | 48,375.50 | 42,790.45 | 58,764.76 |
| Other Revenues | 27,971.38 | 158,873.67 | 96,497.32 |
| Revenue from SKP Service Improvement | 13,194.52 | 47,012.31 | 19,255.06 |
| Total Non-Operating Revenue | 779,056.25 | 1,074,620.54 | 1,065,374.68 |
| Total Business Revenues | 5,447,078.25 | 5,130,790.54 | 5,766,457.92 |

Note: In Million Rupiah

Business Revenue Generated by Social Security Fund (DJS)

DJS includes contribution income, insurance expenses and social security service expenses, investment returns, operational costs, other income and expenses, DJS surplus per program, as well as a report on the position of program funding. Business Revenue generated by the DJS program

in 2021 reached Rp109,913.08 billion, an increase of Rp13,439.03 billion or 13.93% from Rp96,474.04 billion in 2020. The reason is the increase in contribution receipts and investment returns. [POJK51-2.a.2]

| Business Revenues of Social Security Fund | | | |
|--|--------------------|-------------------|--------------------|
| Description | 2021 | 2020 | 2019 |
| Revenue of Old-Age Security Program | | | |
| Monthly Contributions | 51,392,258 | 49,368,693 | 47,438,165 |
| BPJS Contribution | 117 | 1,273 | 33,630 |
| Investment Revenue | 20,839,287 | 16,148,485 | 20,918,077 |
| Other Revenues | 26,101 | 11,942 | 26,424 |
| Total Revenues | 72,257,763 | 65,530,393 | 68,416,296 |
| Revenue of Employment Injury Security Program | | | |
| Monthly Contributions | 5,253,724 | 3,790,755 | 5,926,428 |
| BPJS Contribution | 9 | 113 | 1,764 |
| Investment Revenue | 2,627,382 | 2,600,853 | 2,688,746 |
| Other Revenues | 4,331 | 1,439 | 3,483 |
| Total Revenues | 7,885,446 | 6,393,160 | 8,620,421 |
| Revenue of Death Security Program | | | |
| Monthly Contributions | 2,469,086 | 1,824,749 | 2,814,030 |
| BPJS Contribution | 4 | 53 | 828 |
| Investment Revenue | 900,857 | 1,009,086 | 1,000,244 |
| Other Revenues | 2,778 | 445 | 2,140 |
| Total Revenues | 3,372,725 | 2,834,333 | 3,817,242 |
| Revenue of Pension Security Program | | | |
| Monthly Contributions | 19,078,437 | 18,279,571 | 17,248,873 |
| BPJS Contribution | 23 | 382 | 7,346 |
| Investment Revenue | 5,350,056 | 3,431,913 | 3,180,584 |
| Other Revenues | 9,354 | 4,297 | 9,146 |
| Total Revenues | 24,437,870 | 21,716,163 | 20,445,949 |
| Revenue of Job Loss Security Program (per 2021) | | | |
| Monthly Contributions | 1,953,607 | - | - |
| BPJS Contribution | - | - | - |
| Investment Revenue | 5,662 | - | - |
| Other Revenues | 52 | - | - |
| Total Revenues | 1,959,282 | - | - |
| Total Business Revenue of DJS | 109,913,085 | 96,474,049 | 101,299,908 |

Note: In Million Rupiah

Business Expenses

BPJAMSOSTEK's Total Business Expenses are calculated as Operating Expenses and Non-Operating Expenses. Total Operating Expenses in 2021 reached Rp5,255.74 billion, an increase of

Rp572.97 billion or 12.23% from Rp4,682.77 billion in 2020. The reason is the increase in the realization of operating expenses to support the operational activities of BPJAMSOSTEK.

| Business Expenses of BPJAMSOSTEK | | | |
|--|---------------------|---------------------|---------------------|
| Description | 2021 | 2020 | 2019 |
| Operating Expense | | | |
| Operating and Additional Expenses | 464,849.98 | 391,576.09 | 712,762.64 |
| Personnel and Management Expenses | 3,363,225.07 | 3,068,522.54 | 3,096,151.60 |
| General and Other Expenses | 805,353.02 | 628,757.05 | 635,306.25 |
| Total Operating Expenses | 4,633,428.07 | 4,088,855.68 | 4,444,220.49 |
| Non-Operating Expense | | | |
| Investment Expense | 107,754.61 | 119,184.74 | 125,712.75 |
| Subsidiary Expense | 79,860.56 | 75,321.67 | 100,415.54 |
| Corporate Social Environmental Responsibility (CSER) Expense | 152.09 | 1,587.89 | 28,328.96 |
| Incentive Expense | 434,540.01 | 397,816.60 | 457,727.33 |
| Total Non-Operating Expenses | 622,307.27 | 593,910.90 | 712,184.58 |
| Total Business Expense | 5,255,735.34 | 4,682,766.58 | 5,156,405.07 |

Note: In Million Rupiah

Business Expenses of DJS

DJS Business Expenses are calculated based on Program Expenses, Technical Reserve Expenses, BPJS Operational Fund Expenses, Investment Expenses, Impairment Losses on Receivable Accounts, and other expenses. Operating Expenses of DJS in 2021 reached Rp50,596.09 billion, an increase of Rp9,519.80 billion or 23.18% from 2020 of Rp41,076.29 billion. The reason is the economic conditions that have not yet recovered due to the COVID-19 pandemic, so that a lot of employees

are still being laid off. Meanwhile, JKM Business Expenses increased significantly by 89.35% compared to 2020 due to an increase in benefits according to Government Regulation (PP) No. 82 of 2019, where the total JKM compensation was increased from Rp24 million to Rp42 million and scholarship assistance from 1 heir that is worth at a total of Rp12 million up to 2 heirs for educational assistance from kindergarten to college that is worth at a maximum of Rp174 million.

Business Expenses of Social Security Fund

| Description | 2021 | 2020 | 2019 |
|--|-------------------|-------------------|-------------------|
| Business Expenses of Old-Age Security Program | | | |
| Old-Age Security Expense | 37,089,019 | 33,101,924 | 27,080,768 |
| Operating Fund Expense of BPJS | 2,906,362 | 3,106,939 | 3,285,190 |
| Investment Expense | 132,064 | 118,214 | 183,055 |
| Receivables Impairment Expense | 49,832 | 59,901 | 7,854 |
| Other Expenses | 1,030 | 1,069 | 771 |
| Total Expenses | 40,177,652 | 36,388,047 | 30,557,638 |
| Business Expenses of Employment Injury Security Program | | | |
| Employment Injury Security Expense | 1,790,266 | 1,556,943 | 1,576,697 |
| Technical Reserve Expense | 572,181 | (972,507) | 540,557 |
| Operating Fund Expense of BPJS | 533,246 | 226,369 | 291,339 |
| Investment Expense | 15,382 | 8,168 | 21,321 |
| Allowance for Receivables | 27,382 | (18,082) | 809 |
| Other Expenses | 194 | 206 | 233 |
| Total Expenses | 2,938,390 | 801,097 | 2,430,956 |
| Business Expenses of Death Security Program | | | |
| Death Security Expense | 3,165,499 | 1,346,736 | 862,726 |
| Technical Reserve Expense | 1,843,445 | 1,343,605 | 401,160 |
| Operating Fund Expense of BPJS | 263,304 | 108,902 | 137,934 |
| Investment Expense | 6,938 | 3,584 | 10,569 |
| Allowance for Receivables | 15,482 | (7,442) | 3,649 |
| Other Expenses | 115 | 124 | 131 |
| Total Expenses | 5,293,325 | 2,795,500 | 1,416,169 |
| Business Expenses of Pension Security Program | | | |
| Pension Security Expense | 847,367 | 439,870 | 196,220 |
| Operating Fund Expense of BPJS | 965,110 | 613,960 | 986,617 |
| Investment Expense | 34,424 | 19,961 | 25,898 |
| Allowance for Receivables | 12,275 | 17,270 | 9,094 |
| Other Expenses | 384 | 575 | 362 |
| Total Expenses | 1,748,142 | 1,091,636 | 1,218,191 |
| Business Expenses of Job Loss Security Program (per 2021) | | | |
| Job Loss Security Expense | - | - | - |
| Operating Fund Expense of BPJS | 437,442 | - | - |
| Investment Expense | 1,132 | - | - |
| Allowance for Receivables | - | - | - |
| Other Expenses | 3 | - | - |
| Total Expenses | 438,577 | - | - |
| Total Business Expenses of Social Security Fund | 50,596,085 | 41,076,289 | 35,622,952 |

Note: In Million Rupiah

Operating Revenues (Increases in Net Assets)

DJS Operating Revenues are calculated through the Increase in Net Assets of the program, which is the result of subtracting Operating Income with Operating Expenses for each program. DJS Operational Income in 2021 reached Rp57,796.29

billion, an increase of Rp2,398.53 billion or 4.33% from 2020 of Rp55,397.76 billion. The reason is an increase in fee receipts and investment development results in the JHT and JP programs compared to 2020.

| Net Assets of Programs | | | |
|--------------------------|-------------------|-------------------|-------------------|
| Description | 2021 | 2020 | 2019 |
| Net Asset of JKK Program | 4,947,055 | 5,592,063 | 6,189,465 |
| Net Asset of JKM Program | (1,920,600) | 38,824 | 2,401,072 |
| Net Asset of JHT Program | 32,080,111 | 29,142,346 | 37,858,656 |
| Net Asset of JP Program | 22,689,728 | 20,624,527 | 19,227,759 |
| Total Net Assets | 57,796,294 | 55,397,760 | 65,676,952 |

Note: In Million Rupiah

Current Year Earnings

Earnings Before Tax is the result of subtracting Operating Income with Operating Expenses. BPJAMSOSTEK's Earnings Before Tax in 2021 reached Rp191.19 billion, decreased by Rp255.01 billion or 57.15% from 2020 of Rp446.20 billion. The value of Tax Expense in 2021 reached minus Rp158.05

billion, a decrease of Rp224.67 billion or 58.70% from 2020 of minus Rp382.73 billion. Therefore, the income for the current year in 2021 reached Rp33.13 billion, a decrease of Rp30.33 billion or 47.79% from 2020 which was Rp63.47 billion.

| Current Year Earnings | | | |
|--|------------------|------------------|-------------------|
| Description | 2021 | 2020 | 2019 |
| Earnings Before Tax | 191,190.56 | 446,202.90 | 566,483.29 |
| Income Tax Expense | (158,053.76) | (382,732.59) | (248,205.61) |
| Net Revenue (Expense) of Current Year | 33,136.80 | 63,470.31 | 318,277.68 |

Note: In Million Rupiah

Current Year Comprehensive Earnings

Current year Comprehensive Earnings in the reporting period reached minus Rp15.91 billion. This amount increased by Rp125.20 billion or 88.73% from 2020 of minus Rp141.11 billion. The reason is an

increase in net income for the year and a decrease in comprehensive income for the year due to investment market prices. [POJK51-2.a.3]

Attributable Comprehensive Earnings

Until the end of the reporting period, Attributable Comprehensive Earnings to owners of the Parent Entity reached minus Rp15.91 billion and to Non-

Controlling Interests amounted to Rp0.000003 billion.

| Comprehensive Earnings of Current Year | | | |
|--|--------------------|---------------------|-------------------|
| Description | 2021 | 2020 | 2019 |
| Net Revenue (Expense) of Current Year | 33,136.31 | 63,470.30 | 318,277.68 |
| Other After-Tax Comprehensive Earnings of Current Year | (49,045.24) | (204,583.26) | (214,057.4 0) |
| Comprehensive Earnings of Current Year | (15,908.44) | (141,112.96) | 104,220.28 |

Note: In Million Rupiah

Consolidated Cash Flow

- ▶ Cash Flow of Operating Activities in 2021 reached minus Rp71.06 billion, increased Rp335.22 billion or 82.51% from minus Rp406.28 billion in 2020. The reason is an increase in expenses for payments to employees, suppliers, and other parties. However, even though the program operational revenue is smaller, the number increases when compared with 2020.
- ▶ Cash Flows of Investment Activities in 2021 reached Rp558.84 billion, an increase of Rp343.64 billion or 159.68% from Rp215.20 billion in 2020. The reason is because the cash inflows from divestments, receipts of bond interest, receipt of deposit interest, bond redemptions, and interest rate income sharing were increasing in 2021.
- ▶ Cash Flow of Financing Activities in 2021 reached minus Rp13.76 billion, decreased by Rp11.35 billion or 469.01% from minus Rp2.42 billion in 2020. It was because there was a payment for the lease liability in 2021.

| Consolidated Cash Flow | | | |
|--|---------------------|---------------------|---------------------|
| Description | 2021 | 2020 | 2019 |
| Cash Flow of Operating Activities | (71,057) | (406,284.46) | 329,118.71 |
| Cash Flow of Investment Activities | 558,849.48 | 215,204.47 | (126,793.81) |
| Cash Flow of Financing Activities | (13,761.05) | (2,416.52) | (49,647.17) |
| Increase (Decrease) of Cash and Cash Equivalents | 474,031.42 | (193,496.51) | 152,677.73 |
| Balance of Cash and Cash Equivalents in the Beginning of Year | 1,238,021.69 | 1,431,518.21 | 1,278,840.48 |
| Balance of Cash and Cash Equivalents in the End of Year | 1,712,053.12 | 1,238,021.69 | 1,431,518.21 |
| Expected Loss Reserve | (241.98) | 0 | 0 |
| Balance of Cash and Cash Equivalents in the End of Year After Expected Loss Reserve | 1,711,811.14 | 1,238,021.69 | 1,431,518.21 |

Note: In Million Rupiah

| Consolidated Cash Flow and Difference of Increase (Decrease) | | | | |
|--|---------------------|---------------------|---------------------|--------------|
| Description | 2021 | 2020 | Increase (Decrease) | |
| | | | Difference | % |
| Cash Flow of Operating Activities | (71,057) | (406,284.46) | 335,227.46 | 82.51 |
| Cash Flow of Investment Activities | 558,849.48 | 215,204.47 | 343,645.01 | 159.68 |
| Cash Flow of Financing Activities | (13,761.05) | (2,415.52) | (11,344.53) | (469.46) |
| Increase (Decrease) of Cash and Cash Equivalents | 474,031.42 | (193,496.51) | 667,527.93 | 344.98 |
| Balance of Cash and Cash Equivalents in the Beginning of Year | 1,238,021.69 | 1,431,518.21 | (193,496.52) | (13.52) |
| Balance of Cash and Cash Equivalents in the End of Year | 1,712,053.12 | 1,238,021.69 | 474,031.43 | 38.29 |
| Expected Loss Reserve | (241.98) | 0 | (241.98) | >100.00 |
| Balance of Cash and Cash Equivalents in the End of Year After Expected Loss Reserve | 1,711,811.14 | 1,238,021.69 | 473,789.45 | 38.29 |

Note: In Million Rupiah, except for %

Solvency

The financial health of the JHT and JP programs is measured by the Solvency Ratio, which compares the Total Assets of DJS with the Total Liabilities from the funds of each program. Financial health provisions are measured based on the ability of DJS Old-Age and Pension assets to pay all obligations of the security program to members. In the financial condition of 2021, the Solvency Ratio of the JHT Program is 97.76%, while the Solvency Ratio of the JP Program in 2021 is >100.00%. This showed that although the solvency level of JHT is below 100%, it is in accordance with applicable regulations and the long-term program philosophy, so that JHT solvency is still categorized as healthy. Overall, the

net asset value of the DJS Pension is positive and greater than the actuarial liabilities in accordance with PP/2015, so that JP's financial health is in a healthy condition.

The total liability of the Old-Age Security (JHT) Program to members is calculated from the Old-Age Security debt ready to pay, the Old-Age Security liability due and the net assets available for Old-Age Security benefits. Total Pension Security (JP) Program Liabilities to members are calculated from ready-to-pay Guarantee Debt, Matured Pension Liability, and net assets available for Pension Security (JP) benefits.

| Solvency in 2021 | | | |
|------------------------|--------------|------------------------------|-----------|
| Program | Total Assets | Total Liabilities to Members | Liquidity |
| | (a) | (b) | (c) = a/b |
| Old-Age Security (JHT) | 378,981,551 | 388,028,299 | 97.67% |
| Pension Security (JP) | 103,335,075 | 0 | >100.00% |

Note: In Million Rupiah, except for %

Contribution Collectability

The collectability of contributions shows the proportion of contributions received, from what would have been received if all receivables were collectible. In 2021, the total contributions received up to the reporting month reached Rp79,519.38 billion, and if the amount of receivables is added

into, the amount of contributions that should have been received was Rp82,563.59 billion. The collectability rate in 2021 reached 96.31%, higher than in 2020, which was 95.95%. This increase shows that the collectability of contributions in 2021 is getting better.

| Contribution Collectability (%) | | | | |
|---------------------------------|--------|--------|---------------------|--------|
| 2021 | 2020 | 2019 | Increase (Decrease) | |
| 1 | 2 | 3 | 1:2 | 2:3 |
| 96.31 | 95.95* | 96.82* | 0.36 | (0.87) |

*Restatement [102-48]

BPJAMSOSTEK Capital Structure

BPJAMSOSTEK's Capital Structure in 2021 consists of Rp3,975.11 billion or 24.61% long-term debt (Liabilities) and Rp12,174.37 billion or 75.39% own

capital (Equity). During the reporting period, BPJAMSOSTEK was able to optimize its capital structure and generate efficient funding.

| BPJAMSOSTEK Capital Structure | | | | | | |
|-------------------------------|------------|--------|------------|--------|------------|--------|
| Descriptions | 2021 | | 2020 | | 2019 | |
| | Billion Rp | % | Billion Rp | % | Billion Rp | % |
| Liabilities | 3,975.11 | 24.61 | 3,611.69 | 22.86 | 3,505.75 | 22.14 |
| Equity | 12,174.37 | 75.39 | 12,190.28 | 77.14 | 12,331.58 | 77.86 |
| Assets | 16,149.48 | 100.00 | 15,801.97 | 100.00 | 15,837.33 | 100.00 |

| Capital Structure in 2021 Compared to Capital Structure in 2020 | | | | | |
|---|------------|--------|------------|--------|---------------------|
| Descriptions | 2021 | | 2020 | | Increase (Decrease) |
| | Billion Rp | % | Billion Rp | % | % |
| Liabilities | 3,975.11 | 24.61 | 3,611.69 | 22.86 | 10.06 |
| Equity | 12,174.37 | 75.39 | 12,190.28 | 77.14 | (0.13) |
| Assets | 16,149.48 | 100.00 | 15,801.97 | 100.00 | 2.20 |

| Capital Structure of Social Security Fund | | | | | | | |
|---|------------|--------|-----------------|------------|--------|------------|--------|
| Descriptions | 2021 | | | 2020 | | 2019 | |
| | Billion Rp | % | Δ% 2020-2021 | Billion Rp | % | Billion Rp | % |
| Old-Age Security Program | | | | | | | |
| Liabilities | 146.36 | 0.04 | (0.17) | 168.29 | 0.05 | 685.72 | 0.22 |
| Equity | 378,835.19 | 99.96 | 0.17 | 346,755.08 | 99.95 | 317,620.39 | 99.78 |
| Assets | 378,981.55 | 100.00 | - | 346,923.37 | 100.00 | 318,306.11 | 100.00 |
| Employment Injury Security Program | | | | | | | |
| Liabilities | 3,203.93 | 6.87 | (3.41) | 2,562.82 | 6.24 | 3,515.33 | 9.65 |
| Equity | 43,447.86 | 93.13 | 3.41 | 38,500.82 | 93.76 | 32,910.20 | 90.35 |
| Assets | 46,651.80 | 100.00 | - | 41,063.64 | 100.00 | 36,425.53 | 100.00 |
| Death Security Program | | | | | | | |
| Liabilities | 4,528.57 | 30.59 | 8.36 | 2,650.03 | 17.85 | 1,274.86 | 9.49 |
| Equity | 10,273.23 | 69.41 | (8.36) | 12,193.84 | | 12,155.66 | 90.51 |
| Assets | 14,801.81 | 100.00 | - | 14,843.86 | 82.15 | 13,430.52 | 100.00 |
| Pension Security Program | | | | | | | |
| Liabilities | 50.01 | 0.05 | 0.18 | 307.76 | 0.38 | 117.30 | 0.20 |
| Equity | 103,335.07 | 99.95 | (0.18) | 80,645.35 | 99.62 | 60,027.24 | 99.80 |
| Assets | 103,885.08 | 100.00 | - | 80,953.11 | 100.00 | 60,144.54 | 100.00 |

Material Commitments for Investment and Capital Expenditures

During 2021, BPJAMSOSTEK entered into material bonds with a number of parties. The source of funds comes from state capital participation (PMN), with the rupiah currency (Rp/IDR) as the denomination

currency. Material bonds commitment for capital expenditure in 2021 amounted to Rp566.03 billion with realization reaching Rp251.82 billion or 32.09%, up from the realization in 2020 of Rp190.64 billion.

| Target and Realization of Capital Expenditure | | | | | |
|---|---------------|---------------|--------------|---------------|---------------|
| Description | 2021 | | | 2020 | 2019 |
| | Target | Realization | % | Realization | Realization |
| Buildings | 168.87 | 64.22 | 38.03 | 73.90 | 53.16 |
| Vehicles | 51.98 | 51.30 | 98.69 | 38.48 | 38.98 |
| Apps License and Development | 84.29 | 54.27 | 64.38 | 0.00 | 9.96 |
| Office Supplies | 15.17 | 5.04 | 33.22 | 21.38 | 20.66 |
| Computer and Peripherals | 220.41 | 65.66 | 29.79 | 6.09 | 42.39 |
| Other Equipments | 19.31 | 11.33 | 58.67 | 30.85 | 9.41 |
| Land | 6.00 | 0.00 | 0.00 | 19.91 | 42.73 |
| Total | 566.03 | 251.82 | 44.49 | 190.64 | 217.32 |

Note: in Billion Rupiah, except for %

Economic Value Generated and Distributed [IR-4F]

Economic performance affects the sustainability of BPJAMSOSTEK in providing protection and social security to workers and other stakeholders through the distribution of the resulting economic value. BPJAMSOSTEK's economic performance includes information from BPJAMSOSTEK's head office based on the Consolidated Financial Statements and is the responsibility of the Directorate of Finance. The distribution of economic value has been carried out in accordance with applicable regulations, such as the UU on the Social Security Administration Agency, the law related to taxation, and the law governing social and environmental responsibility. During the reporting period, we strive to optimize the utilization of managed funds and are committed to support investments that apply ESG management principles. The implementation of management performance is evaluated by the Board of Directors through a mechanism for assessing the achievement of key performance

indicators (KPI) as well as periodic reporting to the DJSN. From the results of this assessment, BPJAMSOSTEK is still able to maintain its financial performance amidst the COVID-19 pandemic. BPJAMSOSTEK continues to increase stakeholder engagement through digital transformation, such as providing access to public information through websites related to protection and social security for workers. [102-11][103-1][103-2][103-3]

The total economic value generated in the form of Total Operating Income reached Rp5,447.08 billion, an increase of Rp316.29 billion or 6.17% from 2020 of Rp5,130.79 billion. Some of the economic value generated is distributed to stakeholders according to their respective needs, such as for labor, social investment (financing corporate social and environmental responsibility/CSER), as well as payment of taxes/Non-Tax State Revenue (PNBP).

[201-1a][POJK51-6.a]

Economic Values Generated and Distributed [201-1a][POJK51-6.a]

| No | Descriptions | 2021 | 2020 | 2019 |
|------------------------------------|--|------------------|-------------------|-------------------|
| Economic Values Generated | | | | |
| 1 | Operating Revenue | 4,668,022 | 4,056,170 | 4,701,083 |
| 2 | Investing Revenue | 689,514 | 825,944 | 890,857 |
| 3 | Subsidiary Revenue | 48,375 | 42,790 | 58,764 |
| 4 | Other Revenues | 27,971 | 158,874 | 96,497 |
| 5 | SKP Service Capacity Improvement Revenue | 13,195 | 47,013 | 19,255 |
| 6 | Total Economic Values Generated | 5,447,077 | 5,130,791 | 5,766,456 |
| Economic Values Distributed | | | | |
| 7 | Operating and Overhead Cost | 464,850 | 391,576 | 712,763 |
| 8 | Salary Cost | 3,095,948 | 2,778,032 | 2,827,563 |
| 9 | CSER Practices Cost | 152 | 1,588 | 28,328 |
| 10 | Tax and Non-Tax Payment** | 158,054 | 382,733 | 248,205 |
| 11 | Total Economic Values Distributed | 3,719,004 | 3,553,929* | 3,816,859* |
| Economic Values Retained | | | | |
| 12 | Total Economic Values Retained | 1,728,073 | 1,576,862* | 1,949,597* |

Notes: In Million Rupiah. Payments of program benefits to members will be separately presented.

* Restatement due to the calculation of operating and revenue costs. [102-48]

** The tax calculations here are tax expenses only, while the table of Total Tax Payments and BPJAMSOSTEK PNBP on page 58 includes expenses and elements of the balance sheet. Thus, there is a difference between the tax figures in the Generated and Distributed Economic Value Table and the BPJAMSOSTEK Total Tax Payments and PNBP table.

The allocation for the CSER program refers to PMK No. 242 of 2016, where the maximum allocation of funds is 1% of the surplus. In 2021, the budget allocation for CSER was Rp152,098,436. The larger CSER budget for the previous years was due to the

fact that there still was a multi-years budget that has not yet been used, so it is then used as the CSER budget. CSER financing comprises of financing for the 4 Program Pillars.

Realization of CSER Cost [POJK51-6.b.3.c]

| Name of Program | 2021 | | 2020 Realization | 2019 Realization |
|------------------------|--------------------|---------------|----------------------|-----------------------|
| | Cost | % | | |
| Bridge of Community | 108,360,000 | 71.24 | 0 | 7,272,367,500 |
| Bridge of Empowerment | 0 | 0 | 0 | 3,092,573,937 |
| Bridge of Care | 43,738,436 | 28.76 | 78.175.000 | 15.267.100.330 |
| Bridge of Preservation | 0 | 0 | 1,143,968,002 | 630,986,752 |
| Total | 152,098,436 | 100.00 | 1,222,036,002 | 26,263,028,519 |

Note: In Rupiah

* In 2021, BPJAMSOSTEK does not have an allocation of funds for CSER activities related to the environment (Bridge of Preservation) or related to community empowerments (Bridge of Empowerment). [POJK51-6.c.2, 6.c.3]

BPJAMSOSTEK also distributes a portion of the economic value generated to the government as payment of taxes and non-tax revenues. Total taxes and PNPB paid by BPJAMSOSTEK in 2021 reached Rp840.19 billion, increased by Rp138.60 billion or 19.76% from Rp701.59 billion in 2020.

BPJAMSOSTEK does not have a specific strategy related to taxes, but BPJAMSOSTEK still follows the applicable tax rules from the government. The governing body or executive level position within BPJAMSOSTEK is accountable for compliance with the tax strategy. Although it does not have a specific strategy, BPJAMSOSTEK will periodically evaluate compliance with the tax governance and control framework carried out by the Deputy Director and Assistant Deputy. If there is a special case related to tax from the audit findings, BPJAMSOSTEK will consult with the Account Representative of the Tax Office (Kantor Pelayanan Pajak/KPP). The process of ensuring tax disclosure is carried out after the issuance of the audit warrant within a period of

1 year. BPJAMSOSTEK will provide certain data requests from the KPP until the issuance of Tax Assessment (Surat Ketetapan Pajak/SKP). [207-1][207-2]

BPJAMSOSTEK also receives input related to taxes through the aspirations from the elements of workers/union that is submitted through the Ministry of Labor. Based on these aspirations, BPJAMSOSTEK has the initiative to review taxation, for example related to the progressive rate of PPh 21 on JHT. Based on the assessment of the PPh 21 progressive rate, BPJAMSOSTEK collected a google forms survey through branch offices throughout Indonesia. The disclosure of information on tax payments below includes a subsidiary, namely PT Binajasa Abadikarya which is included in the Consolidated Financial Statements. Meanwhile, disclosure of tax payment information by other subsidiaries is reported in the financial statements of each subsidiary and is compiled separately. [207-3]

[207-4]

Total Tax and Non Tax Revenues Paid by BPJAMSOSTEK

| Type of Tax and Non Tax Revenue | 2021 | | 2020 | 2019 |
|---|-------------------|---------------|-------------------|-------------------|
| | Total | % | | |
| Tax Income (PPh 21) Borne by Employees | 85,829.70 | 10.22 | 82,776.65 | 86,361.45 |
| PPh 21 on Permanent Employees Borne by Company | 315,866.22 | 37.59 | 363,262.02 | 338,079.64 |
| Final PPh on Permanent Employees Borne by Company | 33,040.59 | 3.93 | 27,026.83 | 6,005.08 |
| Final PPh 21 on Personal Income | 1,030.34 | 0.12 | 1,321.50 | 942.26 |
| PPh 23 on Technical Professional Services | 5,032.21 | 0.60 | 7,195.95 | 7,656.46 |
| PPh 23 on Competition Prizes | 243.72 | 0.03 | 241.63 | 394.02 |
| Final PPh on Land and Building Rent | 115,676.38 | 13.77 | 4,549.25 | 5,802.93 |
| Final PPh on Construction Services | 2,119.78 | 0.25 | 1,455.02 | 2,181.05 |
| PPh 23 on Other Rents | 315.44 | 0.04 | 288.71 | 488.13 |
| PPh 23 on Broker Fee Income | 805.36 | 0.10 | 722.01 | 1,600.77 |
| PPh 26 on Foreign Taxpayers Income | 325.11 | 0.04 | 280.78 | 125.02 |
| Value Added Tax (VAT/PPn) on Goods & Services | 195.81 | 0.02 | 124.23 | 88.08 |
| VAT on Outputs of Building for Investment | 11,747.74 | 1.40 | 12,166.03 | 9,606.76 |
| VAT on Capital Building Rent | 255.43 | 0.03 | 62.09 | 82.08 |
| Land and Building Tax (PBB) Expense on Shop-houses | 102.88 | 0.01 | 120.97 | 120.97 |
| Land and Building Tax (PBB) Expense on Office Buildings | 4,778.19 | 0.57 | 5,207.64 | 4,880.46 |
| Land and Building Tax (PBB) Expense on Rental Flats | 302.21 | 0.04 | 302.21 | 294.02 |
| Land & Building Tax (PBB) Expense on Land & Building for Investment | 7,305.53 | 0.87 | 7,318.15 | 7,283.31 |
| Advance Tax & Underpayment of Previous Year | 254,346.63 | 30.27 | 186,408.08 | 345,846.87 |
| Income Tax (PPh) Expense on Service Charge of Building for Investment | 37.93 | 0.00 | 0.399 | 0 |
| Income Tax (PPh) Expense on Rent of Building for Investment | 231.15 | 0.03 | 204.47 | 44.89 |
| Income Tax (PPh) Expense on Other Income for Investment | 602.51 | 0.07 | 500.00 | 505.11 |
| Total Payment | 840,190.86 | 100.00 | 701,589.22 | 818,389.37 |

Note: In Million Rupiah

The distribution of economic value as payment to workers is given in the form of compensation for work services to each worker. BPJAMSOSTEK also pays pensions to employees who have retired through membership in the defined benefit and defined contribution pension plans managed by the BPJAMSOSTEK Employee Pension Fund. The defined benefit pension plan has a premium of 21.42% paid by BPJAMSOSTEK and 5% paid to

employees. The defined contribution plan has a premium of 15.75% paid by BPJAMSOSTEK and 5% paid by employees. Total pension payments in 2021 will reach Rp129 billion for 1,902 employees who have retired. The fund adequacy ratio (RKD) of managed pension funds reaches 101.52%, so that managed funds can fulfil obligations to members and entitled parties. [201-3a][201-3b][201-3c][201-3d][201-3e]



► Human Capital Review in the Value Creation [IR-4F]

The review covers the performance of BPJAMSOSTEK during 2021 in managing employees (human capital or HC) as assets, to support participation expansion, services to members, and investment management fund development. Information disclosure includes education and training of employees, as well as diversity and equality.

HC management is carried out by implementing best practices supported by the Human Capital Information System (HCIS). HC management is outlined in the 2017-2021 HC Management Roadmap. According to the roadmap, the goals for HC management in 2021 are Inspiring Human Capital Management with a strategic work program Succession Planning, Fully Digitalization Employee Service, High Performance Leader, and Excellent Leadership Practice.

| HC Strategic Roadmap of BPJAMSOSTEK | | | | |  | HC Vision and Mission |
|---|------|------|------|------|---|-----------------------|
| 2017 | 2018 | 2019 | 2020 | 2021 | | |
| <div></div> <div><div><div>1. Succession Planning</div><div>2. Fully Digitalization Employee Service</div><div>3. High Performance Leader</div><div>4. Excellent Leadership Practice</div></div></div> | | | | | <div><div>Vision</div><div>Become Human Capital as nation pride manifested in Great People, Best Leader, Best Culture, and Best Human Capital Practice.</div></div> <div><div>Mission</div><div>Plan, establish, and control human capital management policy to generate added values to the services, operation and performance as an excellent organization.</div></div> <div><div>Objectives</div><div><div><div>• High Performance Culture</div><div>• Best Human Capital Practice</div><div>• Best Leader</div></div></div></div> | |

Equality of Opportunity and Diversity [POJK51-6.b.2.a]

One of the important aspects of HC management is manpower planning according to the future development of BPJAMSOSTEK, including recruitment from various sources. The recruitment process is performed in accordance with the Board of Directors Regulation No. PERDIR/47/122017, and is carried out fairly and transparently by taking into account the principle of equal opportunity to every Indonesian citizen (WNI).

In 2021, the Agency started implementing negative growth, so there were no new employee recruitment. Fulfilling the needs of employees was done with a prohire program through PKWT. In 2021, BPJAMSOSTEK recruited 2 new employees from PKWT sources, all of whom were women. In 2020, the Agency recruited 4 employees from scholarship sources, while in 2019, there were

316 new employees from regular sources (309), professional hires (3), and scholarships (4).

The Agency regulates that the minimum age for new employees is at least 20 years old, so there will never be a child labor. Based on age group, new employees of BPJAMSOSTEK in 2022 consist of age group 21-30 years old (1 person), and over 50 years old (1 person); while in 2020 all new employees were 21-30 years old; and new employees in 2019 consisted of 315 persons in 21-30 years old age group, and one person in 31-40 years old age group. All new employees of the Agency in 2021 and 2020 were placed at the Head Office; while in 2019, the placement of new employees consisted of the Head Office (19 people), regional offices (1 person), and 296 people were placed in branch offices throughout Indonesia. [401-1a][408-1a][409-1a][409-1b]



BPJAMSOSTEK upholds equality and diversity and ignores the background of employees that can cause discrimination at work. BPJAMSOSTEK is committed to manage diversity and equality in accordance with applicable regulations, including the Manpower Law and the Human Rights Law. In employee career development, BPJAMSOSTEK applies performance appraisal as a consideration for promotion, accompanied by periodic evaluations supported by the implementation of HCIS. All HC management activities including performance appraisals and promotions are communicated to employees through the trade unions as well as internal information channels. [102-11][103-1][103-2][103-3]

BPJAMSOSTEK provides equal opportunities to all employees according to their potential throughout Indonesia to develop their careers. In 2021, management has Board of Directors, Board of Supervisors, and Officials consisting of 1,027 people consisting of 697 people or 67.87% male and 330 people or 32.13% female. The imbalance number of male-female employees and officials within BPJAMSOSTEK was influenced by the results of the ongoing selection and not because of discriminatory factors, so there were no discrimination incidents during the current year. [202-2a][202-2c][405-1a][406-1]

Percentage of Officials Based on Position Level and Gender in 2021 [405-1a]

| Position Level | Total | Male | | Female | |
|----------------------------------|--------------|------------|---------------|------------|---------------|
| | | Total | % | Total | % |
| Deputy Division Director | 26 | 24 | 3.44 | 2 | 0.61 |
| Deputy Regional Director | 11 | 9 | 1.29 | 2 | 0.61 |
| President Director of Subsidiary | 5 | 4 | 0.57 | 1 | 0.30 |
| Assistant to Deputy of Division | 85 | 64 | 9.18 | 21 | 6.36 |
| Assistant to Deputy of Regional | 58 | 46 | 6.60 | 12 | 3.64 |
| Branch Manager | 120 | 97 | 13.92 | 23 | 6.97 |
| Subsidiary Directors | 6 | 4 | 0.57 | 2 | 0.61 |
| Head of Division | 515 | 292 | 41.89 | 223 | 67.58 |
| Head of Pioneer Branch | 200 | 156 | 22.38 | 44 | 13.33 |
| Management Senior Staff | 1 | 1 | 0.14 | 0 | 0.00 |
| Total | 1,027 | 697 | 100.00 | 330 | 100.00 |

*All operating locations in Indonesia are significant locations.

Percentage of Officials Based on Position Level and Age Group in 2021 [405-1a]

| Position Level | Total | <30 Years Old | | 31-50 Years Old | | >51 Years Old | |
|----------------------------------|--------------|---------------|-------------|-----------------|---------------|---------------|---------------|
| | | Total | % | Total | % | Total | % |
| Deputy Division Director | 26 | 0 | 0.00 | 21 | 2.55 | 5 | 2.46 |
| Deputy Regional Director | 11 | 0 | 0.00 | 5 | 0.61 | 6 | 2.96 |
| President Director of Subsidiary | 5 | 0 | 0.00 | 0 | 0.00 | 5 | 2.46 |
| Assistant to Deputy of Division | 85 | 0 | 0.00 | 74 | 8.98 | 11 | 5.42 |
| Assistant to Deputy of Regional | 58 | 0 | 0.00 | 29 | 3.58 | 29 | 14.29 |
| Branch Manager | 120 | 0 | 0.00 | 78 | 9.47 | 42 | 20.69 |
| Subsidiary Directors | 6 | 0 | 0.00 | 3 | 0.36 | 3 | 1.48 |
| Head of Division | 515 | 0 | 0.00 | 445 | 53.94 | 70 | 34.48 |
| Head of Pioneer Branch | 200 | 0 | 0.00 | 168 | 20.39 | 32 | 15.76 |
| Management Senior Staff | 1 | 0 | 0.00 | 1 | 0.12 | 0 | 0.00 |
| Total | 1,027 | 0 | 0.00 | 824 | 100.00 | 203 | 100.00 |

BPJAMSOSTEK provides remuneration with a ratio of 1:1 between male and female employees for the same level of position. The lowest amount of remuneration received by employees in 2021 is still higher than the minimum wage applicable

in every region. For the head office, the lowest remuneration received by employees in 2021, were higher 85% of the DKI Jakarta minimum wage. [202-1c][405-2a][POJKSI-6.b.2.b]

Building Employee Engagement

Every year, BPJAMSOSTEK conducts a survey to determine the level of employee engagement, commitment to work, goals, and the value of BPJAMSOSTEK. In 2021, the survey was carried out by an independent party, namely Korn Ferry with the results of the Employee Engagement Index

reaching 93%, higher than in 2020 of 82%. Employee engagement with BPJAMSOSTEK can also be seen from employee turnover rate. In 2021, the number of employees who left BPJAMSOSTEK (excluding retirement and death) was 59 people or 1.00% of the average number of employees. [401-1b]

| Employee Turnover Rate and Number [401-1b] | | | |
|--|-------------------------------|-----------------|-------------------|
| Year | Employees Leaving BPJAMSOSTEK | Total Employees | Turnover Rate (%) |
| 2021 | 59 | 5,888 | 1.00 |
| 2020 | 57 | 6,045 | 0.94 |
| 2019* | 72 | 6,202 | 1.16 |

* Note: There is a difference in the recording of employee turnover between data recorded in 2018-2019 and data recorded in 2020. Retired and deceased employees are not included in the recording.

| Number and Percentage of Employees Leaving BPJAMSOSTEK Based on Gender [401-1] | | | | | |
|--|-------|-------|--------|-------|-------|
| Year | Male | | Female | | Total |
| | Total | % | Total | % | |
| 2021 | 17 | 28.81 | 42 | 71.18 | 59 |
| 2020 | 19 | 33.34 | 38 | 66.66 | 57 |
| 2019* | 38 | 52.77 | 34* | 51.43 | 72 |

Note: There is a difference in the recording of employee turnover between data recorded in 2018-2019 and data recorded in 2020. Retired and deceased employees are not included in the recording.

* Restatement [102-48]

Employee Training and Education [POJK51-6.b.2.d]

Improvement in education, training, and competence of Agency's employees is a material topic because it affects the success of BPJAMSOSTEK in increasing the number of members, providing services to members, and investment management fund development. We are committed to improving employee competence through development and learning carried out every year. Development and learning is carried out comprehensively by optimizing owned resources and by collaborating with various institutions, including universities. The implementation of development and learning is informed to employees through various internal communication channels. The results of development and learning are then measured and evaluated periodically using the Kirkpatrick-Four Level Evaluation method to measure the effectiveness and success rate of a training program. Furthermore, through the evaluation results, program weaknesses and shortcomings can be identified for improvement or adjustment. [102-11][103-1]

[103-2][103-3]

BPJAMSOSTEK prioritize the principle of equality in opportunity to determine employees participate in development and learning activities in the context of developing competencies and capabilities. In addition, BPJAMSOSTEK also ensures that human rights are implemented in all (100%) of its operations, although no training related to human rights has been carried out in the reporting period. However, BPJAMSOSTEK will carry out training and impact assessments related to human rights in the future. [412-1][412-2][412-3]

In the reporting period, BPJAMSOSTEK provided a budget of Rp27,241,571,281 for development and competency improvement. The realization of total hours in employee education and training in 2021 reached 2,252 hours with the number of participants 6,850 people. Thus, the average amount of education and training per employee is 0.33 hours. Training and education only includes training for employees, so training for outsourced employees and security officers is carried out by the company that oversees them. [404-1a][410-1]

Total Participants and Total Hours of Training and Education in 2021

| No | Competency Development Program | Total Hours | Total Participants |
|--------------|--|--------------|--------------------|
| 1 | Technical Development Program | 296 | 1,654 |
| 2 | Career Development Program | 480 | 255 |
| 3 | Refreshment Development Program (in house) | 376 | 4,743 |
| 4 | Refreshment Development Program (Kirim) | 432 | 60 |
| 5 | Certification Development Program (in house) | 268 | 83 |
| 6 | Certification Development Program (Kirim) | 400 | 55 |
| Total | | 2,252 | 6,850 |

Realization of Employee Competency Development in 2021 [404-1a]

| Descriptions | Unit | 2021 |
|-------------------------------------|--------------|----------------|
| Competency Development Cost | Rp | 27,241,571,281 |
| Total Training Hours | Hours | 2,252 |
| Total Training Participants | People | 6,850 |
| Average Training Hours per Employee | Hours/People | 0.33 |

Career Development

BPJAMSOSTEK provides equal opportunities for every employee to develop a career through promotions by considering the results of the performance appraisal of each employee. Based on the 2021 assessment, BPJAMSOSTEK has

determined promotions for 84 employees or 1.42% of the total employees of BPJAMSOSTEK. They consist of 46 male employees or 54.76% and 38 female employees or 45.24%. [404-3a]

| Total Employees Receiving Official Promotion [404-3a] | | | | | | |
|---|--------|-------|--------|-------|-------|-----------------------------------|
| Year | Gender | | | | Total | Percentage on Total Employees (%) |
| | Male | | Female | | | |
| | Total | % | Total | % | | |
| 2021 | 46 | 54.76 | 38 | 45.24 | 84 | 1.42 |
| 2020 | 85 | 62.04 | 52 | 37.95 | 137 | 2.26 |
| 2019 | 489 | 67.22 | 237 | 32.78 | 726* | 11.70* |

*Restatement [102-48]

Other Career Development Program

| Scholarship Recipient Employees and 2021 Graduated Scholarship Recipients | | |
|---|---|--|
| 1 | UGM Double Degree Masters Scholarship – University of Melbourne | Class of 2018: 3 graduates Class of 2019: 4 graduates |
| 2 | UGM Double Degree Masters Scholarship – National Central University/National Taiwan | Class of 2019: 4 graduates Class of 2020: 5 graduates |
| 3 | IPB Double Degree Masters Scholarship – KU Leuven Belgia | Class of 2020: 9 graduates |
| 4 | Master & Credit Earning Program Scholarship – Heidelberg University German | Class of 2020: 11 graduates |
| 5 | ITB Masters Scholarship - Actuarial | Class of 2019: 7 graduates |
| 6 | Domestic S2 Independent Scholarships | There are 41 employees who receive independent scholarships There are 16 people who have been accepted and passed the study of new submissions for the 2021 RKAT year |
| 7 | Sponsorship Scholarship | There are 4 employees who are recipients of third party sponsorship scholarships |

BPJS Ketenagakerjaan Institute as corporate university carries out employees development and learning supported by optimization of assessment center, as well as refinement of cultural development and strengthening programs. According to the Goals Roadmap of the BPJS Ketenagakerjaan Institute in 2021, the BPJS Ketenagakerjaan Institute is expected to become a learning center for the implementation of social

security. As one of the optimization of competence assessment functions, BPJAMSOSTEK has also established the Lembaga Sertifikasi Profesi (LSP) BPJAMSOSTEK. LSP is the implementing agency for competency testing and certification, as well as being one of the pillars in the implementation of competency-based human capital development management within the institution.

| BPJS Ketenagakerjaan Institute | |
|---|---|
| Vision | Mission |
| To be the center of learning and development of social security | <ul style="list-style-type: none"> • Become a strategic partner for business units in developing and improving competencies to provide protection for workers and increase productivity. • Serve as a solution center for solving operational problems so as to contribute to excellent performance. • Accelerate learning for all employees to improve organizational and individual performance. |

During 2021, BPJAMSOSTEK cooperated with various national higher education institutions, including Universitas Padjadjaran, Universitas Gajah Mada, Universitas Indonesia, Universitas Sultan Hasanuddin, Institut Pertanian Bogor, Universitas

Sumatera Utara, and other universities. The collaboration is aimed at fostering collaborations with universities in strengthening social security literacy in the community, as well as making BPJAMSOSTEK an internship location for students.

For employees who are entering retirement age, BPJAMSOSTEK provides debriefing training. The goal is that they remain productive even though they are no longer working for BPJAMSOSTEK. In 2021, there were 81 employees who are retiring and participating in the retired trainings (Diklat Purna Tugas) training activities with their spouses. [404-2b]

Human Capital Information System (HCIS)

Employee management is supported by the implementation of HCIS through the use of information technology. The implementation of HCIS will support BPJAMSOSTEK's digital transformation, to be able to compete in the era of industry 4.0 and to adapt to the needs of the market, customers, and workers. During 2021, BPJAMSOSTEK made various efforts to optimize the implementation of HCIS, for instances:

- **Recruitment Process**
Was done fairly and transparently.
- **Performance Assessment**
The process of evaluating employee performance was carried out effectively and accurately using the Human Capital

Information System (HCIS) to determine the work results of employees and the performance of BPJAMSOSTEK.

- **Talent Management**
Talent management has been supported on career data and performance data on HCIS in order to be able to see the potential of employees and map out career positions as expected by employees and BPJAMSOSTEK.
- **Employees Administration**
Employee data management was carried out effectively and efficiently through HCIS as supported by the "Self Service" feature where employees can make data changes at will.



Occupational Health and Safety (OHS) [403-1][403-2][403-3][403-4][403-5][403-6][403-7][403-8][403-9][403-10]

As a public legal entity providing protection and social security for workers, the activities carried out by employees are not directly exposed to occupational safety and health (OHS) risks. Thus, the disclosure of information related to employees OHS becomes irrelevant in the report and is disclosed in general. BPJAMSOSTEK is committed to implementing OHS for all employees in accordance with applicable regulations, including Undang-Undang (UU) No.1 of 1970 concerning Occupational Safety and UU No. 23 of 1992 concerning Health. Especially at the Head Office, the implementation of OHS is integrated with building management considering that BPJAMSOSTEK is the lessee, including risk management as well as investigation in the event of an incident. During 2021, there were no work accidents or occupational diseases that caused death (fatal).

At the Headquarters in particular, the implementation of OHS is integrated with building management considering that BPJAMSOSTEK is the lessee, including in terms of risk management and investigation in the event of an incident. The implementation of OHS at the Headquarters also involves employees through the formation of teams on each floor. The team engages almost all PICs from each work unit involved. Although the frequency of meetings between teams has not yet been determined, the teams will receive training and will hold meetings if there are incidents or cases that need to be addressed. During 2021, there were no work accidents or occupational diseases (PAK) that caused death (fatality).

BPJAMSOSTEK provides various health care functions for all of its employees. BPJAMSOSTEK provides dentists and general practitioners at BPJAMSOSTEK's clinics throughout Indonesia which can be visited at working hours or half days on Saturdays. Information regarding the location of the clinic is distributed via email blasting to all employees. BPJAMSOSTEK also provides pocketbooks to employees that contain Health Service Providers (Pemberi Pelayanan Kesehatan/ PPK) facilities information on level 1 (clinic) and level 2 (hospital). BPJAMSOSTEK also cooperates with several hospitals for further references.

BPJAMSOSTEK through designated health facilities, organizes health checks for employees, including those related with the COVID-19. BPJAMSOSTEK also implements app-based services in an effort to support the control of the COVID-19 pandemic. Employees and their families are included in the implementation of BPJS Kesehatan health insurance and other health insurance services, so they can also access health services for non-occupational diseases, at designated health facilities. Periodically together with the building management, BPJAMSOSTEK conducts evacuation training as well as other OHS-related training, considering that employees in the Headquarters are at high risks due to working at building heights.

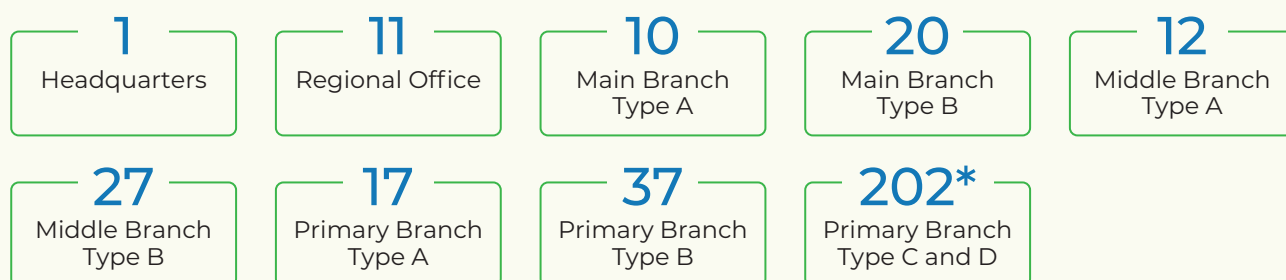
► Manufacturing Capital Review in the Value Creation [IR-4F]

The review covers the performance of the BPJAMSOSTEK operational office during 2021 in supporting the implementation of social security and protection for workers. BPJAMSOSTEK's operational offices include the head office, regional offices, and branch offices. Information regarding the addresses of these offices can be accessed via the web page <https://www.bpjsketenagakerjaan.go.id/en/kontak.html>. [IR-1E]

BPJAMSOSTEK's operations are supported by the existence of partner channels through collaboration with various parties. In 2021, BPJAMSOSTEK cooperates with PT Pos Indonesia and Mandiri International Remittance (MIR) to receive membership dues payments. BPJAMSOSTEK also

cooperates with other institutions such as the Technical Implementation Unit of the Indonesian Migrant Workers Protection Agency (Unit Pelaksana Teknis Badan Perlindungan Pekerja Migran Indonesia/UPT BP2MI), One-Stop Integrated Service (Layanan Terpadu Satu Atap/LTSA), Public Service Mall (Mal Pelayanan Publik/MPP), and One Stop Service (Pelayanan Terpadu Satu Pintu) in providing information services, membership registration, and complaints. Overall, there are 35 domestic PMI service units, 1 overseas PMI service unit, 135 city-district service units. In addition, BPJAMSOSTEK has collaborated with 5 (five) national banks in the form of a Service Point Office (SPO) in providing information services, JHT claims, membership registration and complaints with a total of 574 active SPO pairings.

Distribution of BPJAMSOSTEK Operational Offices



* Changes in nomenclature according to PERDIR 30/08/2020 changes to PERDIR 17/06/2020 related to organizational structure and organizational work procedures. [POJKSI-3.f]

| Regional Office Service Area Based on Number of Branch Offices | | | | | | | | |
|--|--------------------------|--------------------|----------------------|----------------------|-----------------------|-----------------------|---------------------------|------------|
| Regional Office | Number of Branch Offices | | | | | | | Total |
| | Main Branch Type A | Main Branch Type B | Middle Branch Type A | Middle Branch Type B | Primary Branch Type A | Primary Branch Type B | Primary Branch Type C & D | |
| Northern part of Sumatra | 0 | 1 | 0 | 2 | 2 | 6 | 20 | 31 |
| Southern part of Sumatra | 0 | 1 | 1 | 1 | 1 | 4 | 20 | 28 |
| DKI Jakarta | 8 | 1 | 2 | 4 | 1 | 1 | 6 | 23 |
| West Java | 1 | 5 | 3 | 4 | 1 | 1 | 11 | 26 |
| Central Java, DI Yogyakarta | 0 | 3 | 1 | 4 | 4 | 0 | 23 | 35 |
| East Java | 0 | 2 | 2 | 5 | 4 | 3 | 20 | 36 |
| Kalimantan | 0 | 1 | 3 | 0 | 2 | 5 | 19 | 30 |
| Sulawesi, Maluku | 1 | 0 | 0 | 1 | 1 | 6 | 37 | 46 |
| West Sumatera, Riau | 0 | 2 | 0 | 2 | 0 | 7 | 18 | 29 |
| Banten | 0 | 3 | 0 | 3 | 0 | 0 | 8 | 14 |
| Bali, Nusa Tenggara, Papua | 0 | 1 | 0 | 1 | 1 | 4 | 20 | 27 |
| Total | 10 | 20 | 12 | 27 | 17 | 37 | 202 | 325 |

BPJAMSOSTEK's operations in expanding its membership also involve PERISAI. The discussion

on PERISAI is presented separately in the Indirect Economic Impact on page 87 of this Report.

The Implementation of Sharia-based Services at the Branch Offices in Aceh

In 2021, BPJAMSOSTEK implemented sharia services in all branch offices in Nanggroe Aceh Darussalam (NAD). Sharia services are becoming a priority as compliance with the implementation of Qanun 11 of 2018, which stipulates that three years after the Qanun takes effect, all financial institutions in NAD are required to adjust services based on Islamic law, including BPJAMSOSTEK which has nine branch offices. The implementation of these sharia services is also a form of support for the instruction of President Jokowi and Vice President Ma'ruf Amin as Chair and Deputy Chair of the National Sharia Financial Economics Committee (KNEKS).

The implementation of sharia services is based on BPJAMSOSTEK Regulation No. 2 of 2021 concerning BPJAMSOSTEK Sharia Services in NAD Province. This BPJAMSOSTEK sharia service is carried out by considering aspects of benefits and services

to members, so that BPJAMSOSTEK members in NAD will not experience changes, both in terms of services and the amount of contributions fees.

Sharia services will be available to all members by 2023 after the nation-wide implementation and are optional for BPJAMSOSTEK members. Sharia services are both inclusive and universal, which means that they are not only intended for Muslim members but are open to anyone who wants this service. This is corroborated by the results of a survey that held in 2020 which states that 86% of internal respondents and 77.11% external respondents are interested in switching to sharia services, and they do not come from only Muslim respondents. Sharia services also serve as an answer to the needs of the Indonesian people for the sharia concept at BPJAMSOSTEK.



BPJAMSOSTEK's Natural Capital Review in the Value Creation Process [IR-4F]

The review covers the performance of BPJAMSOSTEK during 2021 in managing energy consumption to support office operations for the implementation of social security and worker protection. Disclosure of information also includes the efforts of BPJAMSOSTEK to support clean emission control and to minimize waste.

Energy Consumption and Emission Generated

Energy in the form of electricity and fuel oil (BBM) is needed to support office operations, so it must be managed properly because it indirectly affects greenhouse gas (GHG) emissions. BPJAMSOSTEK is committed to implementing efficiency in energy use in accordance with the Surat Edaran of the Board of Directors No. SE/11/042022 concerning Asset Protection and Energy Saving. The performance of energy management at the head office is evaluated by the Board of Directors through an assessment of the achievement of KPI and reports on the performance of executing functions. Energy efficiency implementation involves all employees and is socialized through various internal communication channels.

Disclosure of energy consumption information only covers BPJAMSOSTEK's head office. We also haven't yet calculated energy consumption at regional offices, branch offices, subsidiaries, and suppliers. In addition, until the end of 2021, BPJAMSOSTEK has also not yet carried out energy calculations from the use of operational vehicles, direct emissions of scope 1, indirect emissions of scope 3, emissions of ozone-depleting substances, as well as other significant air emissions such as NOx and SOx. [305-3][305-6][305-7]

Energy consumption at the head office in 2021 was calculated based on electricity usage supplied by PT PLN (Persero) and was converted into energy units (GJ). The total cost of electricity usage in 2021 is Rp4,767,110,551. Assuming the electricity tariff for large offices/businesses in DKI Jakarta is Rp1,115/kWh, the volume of electricity consumed will reach 4,275,435 kWh or equal to 15,391 GJ. This number increased by 6,091 GJ from 2020 of 9,300 GJ, which

was calculated based on a comparison of the volume of electricity consumption. The increase was due to the calculation included consumption from 2 headquarters. In 2021, BPJAMSOSTEK also calculates the use of energy from fuel oil for operational and official vehicles at 120,380 liters and fuel for generators at 4,145 liters. From this energy consumption, BPJAMSOSTEK produces emissions of 1,302.96 tons CO₂ eq. [302-1][302-4a][302-4c][302-4d][305-1][305-2][POJK51-6.c.3.a]

In line with the Circular Letter of the Board of Directors No. SE/05/042016 concerning Energy Saving at the Head Office, in 2021, BPJAMSOSTEK enforces a policy of limiting the operational time of office equipment at the Head Office, Wisma Menteng, and the Gedung Pusdiklat. We enforce programs to save electricity consumption, including: [302-4a][305-5][POJK51-6.c.1, 6.c.3.b]

1. Turning off air conditioning and electricity on holidays.
2. Turning off air conditioning after 19.00 on weekdays.

Support for energy efficiency is also carried out through the operation of 7 units of shuttle vehicles with a carrying capacity of 133 employees, as well as 127 units of operational vehicles. Emissions control is also carried out through a policy of implementing the use of high octane/RON fuel which is more environmentally friendly for BPJAMSOSTEK's operational vehicles. During the reporting period, BPJAMSOSTEK has not calculated the amount of energy consumption savings that is categorized by products and services, including for information technology. [302-5a][305-5]

Energy Consumption Intensity and Emission [POJK51-6.c.1, 6.c.3.b]

The efficiency level of electricity usage at the head office in 2021 is known from the value of the Energy Consumption Intensity (IKE) which is calculated as the quotient between the total energy consumption during the reporting period and the building area. IKE is expressed in units of kWh/m² per year. The BPJAMSOSTEK head office has a building area of 27,422 m², so the IKE value for the head office in 2021 is 155 kWh/m² or equivalent to 0.56126 GJ/m², lower than 2020 which was 177 kWh/m² or equivalent to 0.63703 GJ/m². Meanwhile, the intensity of the resulting emission is 0.05 ton CO₂ eq/m². [302-2b][302-2c][302-3a][305-4]

IKE for BPJAMSOSTEK head office in 2021 is still within the IKE standard for office buildings according to DKI Jakarta Governor Regulation No. 38 of 2012 concerning Green Buildings. In accordance with these provisions, the standard IKE for office buildings is 210 kWh/m²/year for the lower limit and 285 kWh/m²/year for the upper limit, with reference operating times of 10 hours/day and 5 days/week.

Eco-friendly Material and Waste/Effluent Management [POJK51-6.c.3.a]

On an ongoing basis, BPJAMSOSTEK develops and implements information technology-based digitalization in every stage of the activities and services it carries out and reduces the use of paper for the purposes of physical documents, which is considered as environmentally friendly material. In 2021, the total paper usage reached 4,254 reams, an increase of 414 reams or 10.78% from 2020 which was 3,840 reams. This is due to the additional area, namely 2 head offices. [POJK51-6, 6.c.3.a]

Waste generated from BPJAMSOSTEK's activities at the head office during the reporting period consisted of used paper and used electronic devices. Used paper waste is managed by being handed over to third parties to be reused, while used electronic device waste is managed by storing it because it is related to regulations on inventory. For effluent at the head office, it is managed by processing it in a wastewater treatment plant operated by the building manager.

| Paper Usage Volume (Ream) | | |
|---------------------------|--------|-------|
| 2021 | 2020 | 2019 |
| 4,254 | 3,840* | 5,561 |

*Restatement [102-48]

Green Building Certification of the Plaza BPJAMSOSTEK

On January 8, 2021, BPJAMSOSTEK officially launched the operation of the BPJAMSOSTEK Plaza Building in Jakarta and already has the green building certificate in the Gold category from the Global Building Council Indonesia (GBCI). The granting of this certificate indicates that the BPJAMSOSTEK Plaza Building has met the criteria as an environmentally friendly building, including the availability of 30% green open space, indoor

air quality from ventilation adequacy, energy efficiency, water efficiency, building management, and material cycles. The operation of the BPJAMSOSTEK Plaza Building will not only support BPJAMSOSTEK's sustainability implementation, but also encourage other companies, especially those who are tenants, to apply the principles of sustainability in the use and management of natural resources.

► BPJAMSOSTEK's Intellectual Capital Review in the Value Creation Process [IR-4F]

The review includes BPJAMSOSTEK's performance during 2021 in developing and utilizing information technology (IT) to support digital transformation for membership expansion, service improvement to members, and optimization of managed fund investment. Disclosure of information includes the confidentiality of participant data.

Digital transformation is a necessity for BPJAMSOSTEK considering the tendency of people who are accustomed to accessing various financial services through mobile apps. BPJAMSOSTEK encourages the acceleration of digital services in order to provide a similar experience to members. Digitizing of services will provide easy registration and payment of membership dues, as well as convenience and quicker claims. Through digital services, we are trying to speed up the claim submission process, from the current 5 working days to just one day according to PP No. 46 Year 2015. Thus, the current service capacity of around 2.5 million claims per year will increase significantly and support the potential for claims growth to reach 4 times in the next few years. The increase in claims is inseparable from the expansion of the Job Loss Security Program (JKP), the increase in the benefits of the JKK Program in the form of scholarships, as well as periodic JP claims.

In the long term, based on an analysis conducted by BPJAMSOSTEK, it is known that currently the worker segment is filled with young workers, so digitalization is a relevant way to reach the membership of this worker segment. The segment of young workers, including the millennial generation, currently amounts to around 60 million people, and by 2035 they will reach the age of 40-45 years and occupy decision-making positions. These conditions will also determine the sustainability of BPJAMSOSTEK through the membership policies they set.

In the reporting period, BPJAMSOSTEK developed an app-based digital service from BPJSTKU, transformed as Jamsostek Mobile (JMO). Furthermore, BPJAMSOSTEK has prepared several steps as part of the development of digital services, for instances:

1. Innovation for registration and payment will utilise biometrics. Through the features in JMO, users can register directly, just by scanning their face. In addition to speeding up services, the use of biometrics will reduce the number of documents.
2. Collaboration with financial technology services (fintech), e-commerce, and bankings. This step is expected to work on the banking value

chain and its debtors, which include online transportation and online merchants to be registered in BPJAMSOSTEK's membership, both as BPU and non-BPU.

3. In 2021, BPJAMSOSTEK manifested collaborations in access to digital payment services through cooperation with ShopeePay to provide convenience in the payment process for dues. With this collaboration, BPJAMSOSTEK provides an opportunity for ShopeePay to

provide easier access to digital payments for all Indonesian workers from various professions by using ShopeePay through the BPJAMSOSTEK app and website.

BPJAMSOSTEK has an IT Vision and Mission, as well as an IT development roadmap prepared by the Directorate of Strategic Planning & Information Technology.

Vision and Mission of BPJAMSOSTEK's Information Technology

| Vision | Mission |
|--|---|
| IT as a partner and accelerator in creating operational excellence and services to become the pride of the Nation. | <ul style="list-style-type: none"> • Customer Experience: IT enhances participant experience through comprehensive and seamless services. • Service: IT supports the implementation of service automation to create Service Excellence. • Empowerment: IT encourages employee participation and performance improvement. • Data Driven: IT supports data-driven decision-making processes. • Accountability: IT supports the accountability of BPJAMSOSTEK as an institution that adheres to the principles of good governance. • Efficiency: IT supports efficiency in BPJAMSOSTEK's business operational processes. |

IT Roadmap of BPJAMSOSTEK

| 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-----------------------------|--------------------------|---------------------------------|--------------------------------------|
| Strengthening strategic infrastructure of information system. | Excellent business process. | Agile and fully digital. | Leading in business innovation. | Inspiring social security practices. |



As per the roadmap, IT development in 2021 is aimed at inspiring social security practices. Achievements of targets is realized through strategic programs, for instances:

- ▶ The achievement of the IT Maturity Level Index with a score of 3.54. This achievement exceeded BPJAMSOSTEK's 2021 target set by the National Social Security Council (Dewan Jaminan Sosial Nasional/DJSN). This marks the implementation of IT governance according to established standards.
- ▶ Implementation of the Jamsostek Mobile (JMO) app as a form of digital transformation of BPJAMSOSTEK services. With the implementation of JMO, hopefully it can expand the scope of services and provide convenience to members. JMO services are also developed and designed while still prioritizing data security aspects so that the JMO application has been proven and is able to answer the challenges from BPJAMSOSTEK. The JMO service has implemented biometric technology in the participant data verification process so as to minimize the misuse of data and information.
- ▶ As a form of support for the Government's strategic program through the Omnibus Law and Job Loss benefits, BPJAMSOSTEK has also implemented the Job Loss Security (JKP) program. The IT aspect is the backbone in the JKP program services where an information system has been implemented to support the JKP program. The JKP information system has enabled host-to-host integration between BPJAMSOSTEK and the Ministry of Labour regarding JKP service collaboration. This proves BPJAMSOSTEK's responsibility for the mandate of Undang-Undang as the social security administering body in Indonesia.
- ▶ BPJAMSOSTEK has also implemented sharia services for membership in the Special Region of Aceh. In this case, information system support has been implemented for BPJAMSOSTEK sharia services, both from the aspects of the registration process, membership management, fund management, up to claims.
- ▶ In order to support lean and efficient business processes, BPJAMSOSTEK has implemented digital documents through the implementation of the Archive Digitization Information System (Sistem Informasi Digitalisasi Arsip/SIDIA) which has implemented certified digital signature technology. With the implementation of SIDIA services, BPJAMSOSTEK is now able to perform operational efficiency and also digital-based archiving.
- ▶ The ISO 20000-1:2018 IT Service Management System certification in the area of IT development and IT operations as well as ISO 27001:2013 Information Security Management System in the area of IT operational management. Until the end of the reporting period, there was an additional scope for application services. 32 apps have been certified which are categorized as Core System (SMILE) services, Human Resources (HR) management services, Agency operational support services, membership information management services, and BPJAMSOSTEK program benefits services.
- ▶ Improvement of IT security system through implementation of monitoring system for security intrusion anomaly detection, least privilege, and audit trail of application access.

Application Development

In addition to JMO, BPJAMSOSTEK also develops various apps, both core operation system apps as well as core support systems. In 2021, there were

32 new apps to support BPJAMSOSTEK's business processes and 15 IT apps/products used externally.

| IT Products and Apps of BPJAMSOSTEK Launched in 2021 | |
|--|---|
| Internal Application | External Application |
| <ul style="list-style-type: none"> • Enhancement of SMILE App • Development of SIPATUH App • Integration of SMILE with the Ministry of Manpower in regards to JKP • Development of Sekdewas App • Enhancement of Website App • Enhancement of SIDIA App • Etc | <ul style="list-style-type: none"> • Jamsostek Mobile (JMO) for Android • Jamsostek Mobile (JMO) for iOS • BUMN dashboard • POM Electronic Channel Development for Grab • Syariah Method Implementation • Enhancement of e-Rekrutmen • Etc |
| Total Apps by the End of 2021 | |
| 17 | 15 |

Membership Data Confidentiality

One of the important aspects in digital transformation is the security of membership and BPJAMSOSTEK members' data from the possibility of data-leaks and misuse. BPJAMSOSTEK develops and builds a digital data security system and is committed to complying with regulations related to personal data protection including the UU on Electronic Information and Transactions (ITE). Periodically, BPJAMSOSTEK evaluates the security of membership data, as well as assesses the performance of executing functions through the KPIs achievement mechanism. BPJAMSOSTEK encourages members to participate in maintaining the security of personal data through socialization to only use the official BPJAMSOSTEK app. [102-11][103-1][103-2][103-3]

To ensure confidentiality and prevent leakage or misuse, BPJAMSOSTEK implements an information security management system according to the standards and the implementation of best practices ISO 27001:2013 Security Management System on a continual basis. The aspect of data management is also periodically a critical area that is constantly reviewed and evaluated. Encouraged by the implementation of ISO 27001:2013, data

and information security aspects have also been implemented not only in the management of the Data Center but also starting from the information system development stage. During 2021, BPJAMSOSTEK never received a complaint regarding the alleged theft, misuse, or leakage of membership data. [418-1a][418-1b][POJK51-6.d.2]

BPJAMSOSTEK is also aware that the information security aspect is also not only supported from the system side but also by all BPJAMSOSTEK's employees. In 2021, there was an online training in information security awareness to all employees using the distance learning method. The information security syllabus was presented in the form of interactive online materials and must be implemented by all employees. In addition, there is also training in the competence of personnel in the IT area and certification of 30 Certified Ethical Hackers (CEH) in order to increase competence in information security aspects, especially at the information system level. It is expected that through the implementation of training, personnel in the IT area will be even more capable both regarding the aspects of mitigation, management, and handling related to information security.

During 2021, BPJAMSOSTEK conducted security evaluations of 23 apps that have been launched and are publicly accessible. Other efforts to improve the security of membership data are also carried out through collaboration with parties who are competent in improving data security, including:

[POJK51-6.d.2][416-1a]

- ▶ National Cyber and Crypto Agency (Badan Siber dan Sandi Negara/BSSN) of the Republic of Indonesia on the assessment and improvement of information security and implementation of the honeypot system within BPJAMSOSTEK.
- ▶ Electronic Certification Center (Balai Sertifikasi Elektronik/BSrE) BSSN of the Republic of Indonesia on the implementation of

electronic signatures in supporting the digital transformation within BPJAMSOSTEK.

- ▶ ISO 27001:2013 certification on the information security awareness training and assessment of BPJAMSOSTEK's information security management.

BPJAMSOSTEK also provides education and outreach to members to maintain the security as well as confidentiality of their personal data. We remind members to only access the official BPJAMSOSTEK app and avoid accessing fake apps disguised as BPJAMSOSTEK. During 2021, we have reported to the authorities regarding the existence of 32 fake apps in the name of BPJAMSOSTEK.

▶ **BPJAMSOSTEK's Social Capital Review in the Value Creation Process** [IR-4F]

The review covers the performance of BPJAMSOSTEK during 2021 to expand the scope of participation of all workers in Indonesia, including collaborating with various parties, both from

business and government circles. Disclosure of information includes a discussion of marketing and labelling, as well as indirect economic effects.

Target and Realizations of Membership

On a continual basis, BPJAMSOSTEK expands its membership even though it still has to deal with the ongoing COVID-19 pandemic. According to the revision of potential participation in the 2017-2021 Strategic Plan, in 2021, the target for participation is 93,860,946 people with the realization reaching 50,919,500 people or 54.25% of the target. The number comprises of:

- ▶ Wage Recipients (Penerima Upah/PU) workers consisting of 40,453,500 people or 96.26% of the total PU workers in Indonesia which were 42,026,350 people based on estimate by

Ministry of National Development Planning (Kementerian Perencanaan Pembangunan Nasional/Bappenas);

- ▶ Non-Wage Recipients (Bukan Penerima Upah/BPU) workers consisting of 4,189,212 people or 9.60% of the total BPU workers based on estimate by Bappenas; and
- ▶ Construction Services workers consisting of 6,276,788 people or 76.62% of the total construction service workers based on estimate also by Bappenas.

| Membership Segment/Potential in 2017-2021 | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Worker Segment | 2017 | 2018 | 2019 | 2020 | 2021 |
| Wage Recipients | 39,108,264 | 39,803,467 | 40,496,670 | 41,150,899 | 42,026,350 |
| Construction Services | 8,034,927 | 8,177,759 | 8,320,180 | 8,454,593 | 8,192,491 |
| Non-Wage Recipients | 40,713,189 | 41,436,923 | 42,158,574 | 42,839,651 | 43,642,105 |
| Total | 87,856,380 | 89,418,149 | 90,975,424 | 92,445,143 | 93,860,946 |

| Target of Active Membership in 2017-2021 | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Segment | 2017 | 2018 | 2019 | 2020 | 2021 |
| Wage Recipients | | | | | |
| Sub Total | 16,924,055 | 19,476,319 | 22,778,583 | 18,737,100 | 21,602,358 |
| Other Segments | | | | | |
| Construction Services | 7,481,859 | 7,755,584 | 8,033,829 | 6,849,100 | 7,619,397 |
| Non-Wage Recipients | 1,750,000 | 2,420,928 | 3,541,856 | 3,913,800 | 4,451,447 |
| Sub Total | 9,231,859 | 10,176,512 | 11,575,685 | 10,762,900 | 12,070,844 |
| Total | 26,155,914 | 29,652,831 | 34,354,268 | 29,500,000 | 33,673,202 |

Realization of participation in the Employer/Business Entity segment in 2021 reached 725,356 or 96.78% of the target. The realization of active

participation in the working segment was 30,660,901 or 91.05% of the target.

| Target and Realization of Membership of BPJAMSOSTEK in 2021 Based on Segmentation | | | | | | |
|---|-------------------------------|-------------------|-------------------|---------------|-------------------|-------------------|
| No | Segment | 2021 | | | 2020 | 2019 |
| | | Target | Realization | % | Realization | |
| 1 | Employer/Business Entity | 750,000 | 725,356 | 96.78% | 683,678* | 681,429 |
| | Total Members | | | | | |
| | Wage Recipients Members | 42,026,350 | 40,453,500 | 96.26% | 40,136,100 | 40,605,917 |
| 2 | Non-Wage Recipients Members | 43,642,105 | 4,189,212 | 9.60% | 3,3039,197 | 3,081,787 |
| | Construction Services Members | 8,192,491 | 6,276,788 | 76.62% | 7,521,392 | 11,279,754 |
| | Total Members | 93,860,946 | 50,919,500 | 54.25% | 50,695,599 | 54,967,458 |
| | Active Member | | | | | |
| | Recipients Members | 21,602,358 | 20,832,255 | 96.44% | 19,963,696 | 20,174,472 |
| 3 | Non-Wage Recipients Members | 4,451,447 | 3,551,858 | 79.79% | 2,494,994 | 2,712,031 |
| | Construction Services Members | 7,619,397 | 6,276,788 | 82.38% | 7,521,392 | 11,279,754 |
| | Total Active Members | 33,673,202 | 30,660,901 | 91.05% | 29,980,082 | 34,166,257 |

Target and Realization of Membership of BPJAMSOSTEK in 2021 Based on Segmentation

| No | Segment | 2021 | | | 2020 | 2019 |
|----|-----------------------------|------------|-------------|---------|-------------|------------|
| | | Target | Realization | % | Realization | |
| 4 | Inactive Member | | | | | |
| | Wage Recipients Members | 19,280,000 | 19,621,245 | 101.77% | 20,172,404 | 20,431,445 |
| | Non-Wage Recipients Members | 520,000 | 637,354 | 122.57% | 544,113 | 369,756 |
| | Total Inactive Members | 19,800,000 | 20,258,599 | 102.32% | 20,716,517 | 20,801,201 |

* Restatement [102-48]

The realization of additional participation in the Employer/Business Entity segment in 2021 reached 166,824 or 111.22% of the target. For the participant segment, in 2021 it was increased by 19,723,692 or 106.61% of the target.

Target and Realization of Membership Expansion in 2021 Based on Segmentation

| Segment | Target (RKAT) | Realization | % |
|---|-------------------|-------------------|---------------|
| Employer/Business Entity | 150,000 | 166,824 | 111.22 |
| Increase in Wage Recipients Workers | | | |
| a. Old-Age Security (JHT) | - | 5,333,586 | - |
| b. Employment Injury Security (JKK) | 7,800,000 | 7,619,996 | 97.69 |
| c. Death Security (JKM) | 7,800,000 | 7,619,996 | 97.69 |
| d. Pension Security (JP) | - | 4,206,958 | - |
| e. Construction Services | 6,700,000 | 7,918,819 | 118.19 |
| Total Increases in Wage Recipients Workers (b + e) | 14,500,000 | 15,538,815 | 107.16 |
| Increase in Non-Wage Recipients Workers | | | |
| a. Old-Age Security (JHT) | - | 254,960 | 49.27 |
| b. Employment Injury Security (JKK) | 4,000,000 | 4,184,878 | 104.62 |
| c. Death Security (JKM) | 4,000,000 | 4,184,878 | 104.62 |
| Total Increase in Non-Wage Recipients Workers (b) | 4,000,000 | 4,184,878 | 104.62 |
| Total Increases in Worker Segment (PU + BPU Workers) | 18,500,000 | 19,723,693 | 106.61 |

Specifically for Indonesian migrant workers, the number of members is increased by 43,116 or 43.21% of the target. As for the foreign workers (TKA), the

number of active participating workers in 2021 was 66,558.

Total Member of Indonesian Migrant Workers and Foreign Workers of BPJAMSOSTEK

| Year | Membership Expansion | | Total Active Members | |
|------|----------------------------|--|----------------------------|-----------------|
| | Indonesian Migrant Workers | | Indonesian Migrant Workers | Foreign Workers |
| 2021 | 43,116 | | 235,657 | 66,558 |
| 2020 | 69,996 | | 376,601 | 58,635 |
| 2019 | 470,761 | | 544,500 | 58,911 |

Challenges and Solution in Participation Expansion

Efforts to expand membership during 2021 were still challenged by the COVID-19 pandemic. This condition caused the realization of the acquisition

has not yet met the target set. Several challenges were addressed by BPJAMSOSTEK with solutions to optimize membership expansion:

Challenges and Solutions to Membership Expansion in 2021

| Challenge | Solution |
|--|--|
| BPJAMSOSTEK's brand awareness is still below expectation compared to other BPJS. | <ul style="list-style-type: none"> Renaming of BPJAMSOSTEK to "Call Us BPJAMSOSTEK" ("Panggil Kami BPJAMSOSTEK") to make it easier for the public to remember BPJAMSOSTEK as well as to distinguish with the other. Continuous efforts of dissemination, education, and advocacy through various media, as well as collaboration with all stakeholders to provide an understanding of the importance of the employment social security program and the potential risks of the Employers/Business Entities if they do not register their employees in the employment social security program. |
| There were still Employers/Business Entities who have not yet provide employment social security protection to their employees. | <ul style="list-style-type: none"> The Examining Officer (Wasrik) of BPJAMSOSTEK cooperates with the authorities to enforce the law, namely with the Ministry of Manpower/Disnaker, the Police and the Prosecutor's Office cq Jamdatun/Kasidatun as State Lawyers in legal proceedings against companies that have not included their workers to BPJAMSOSTEK participation. Optimizing the implementation of Presidential Instruction (INPRES) No. 2 of 2021 on Optimizing the Implementation of the Public Work Participation Employment Social Security Program by targeting INPRES priority sectors: Non ASN, GTK in Education and Religion, KUR, BPUM, UKM E-Commerce, Vocational, and Pre-employment. |
| The informal workers who are unable to pay contributions are the most potential workers segment who have not yet participating in BPJAMSOSTEK. | <ul style="list-style-type: none"> Gerakan Nasional Lingkaran as a means for the community or companies to make donations and help pay the contributions of independent workers who are unable to pay BPJAMSOSTEK contributions so that they are also covered by work accident insurance and death insurance at work. There is a need for government initiatives and support to allocate the Contribution Assistance Recipient (PBI) budget to vulnerable workers, as also applied in the BPJS Kesehatan. |
| The COVID-19 pandemic has affected many sectors, resulting in a decrease of the number of active workers. | <ul style="list-style-type: none"> Wage Subsidy Assistance (BSU) program from the government as one of the supporting factors for increasing membership acquisition and increasing compliance in paying dues. Contribution relaxation program as a strategy for increasing workforce acquisition, maintaining active workforce, as well as becoming the PK/BU opportunities to pay off arrears of contributions. Strengthening relationships and dissemination to the government (K/L), business owners, and workers aimed at establishing engagement and compliance. |

In the reporting period, the Government issued Presidential Instruction No. 2 of 2021 concerning the Optimization of the Implementation of

Employment Social Security Program. The information regarding the follow-up to the Inpres is presented in another section of this Report.

Paritrana Awards and Supports from Regional Government

In 2021, BPJAMSOSTEK continued organizing the Paritrana Awards to appreciate local governments and business actors who have fully supported the employment social security program. The implementation of the 2021 Paritrana Award was attended by 34 Provincial Governments, 514 Regency/City Governments, and 72,401 Employers/Business Entities. Whereas contestants

who passed the selection by the Central Level Committee and continue to the interview stage were 508 contestants, consisting of 34 provinces, 132 regencies/cities, 158 large-scale businesses, 150 medium-scale businesses, and 34 SME representatives from each province. The number of qualified contestants increased by 3.2% from the previous year.

| Number of Contestants who Passed the 2021 Paritrana Award Interview Stage | | | | | | |
|---|---------------------------|-------|---------------------|------------------------|-----|-------|
| Regional Government | | | Corporation | | | |
| Province Government | Disctrict/City Government | Total | Large-cap Companies | Middle Scale Companies | SME | Total |
| 34 | 132 | 166 | 158 | 150 | 34 | 342 |

GN Lingkaran and Supports for Vulnerable Workers Inclusion [POJK51-6.b.1]

BPJAMSOSTEK also continues the Program National Movement for Supporting the Protection of Vulnerable Workers (Gerakan Nasional Peduli Perlindungan Pekerja Rentan/GN Lingkaran) to help protect vulnerable workers through donations for payment of employment social security contributions from corporate social responsibility

funds (TJSL)/CSER donors. In 2021, there were 2 donors with a donation value of Rp1,999,922,400, a decrease of 69.07% from 2020 of Rp6,465,649,760. The number of informal workers (BPU) who received membership dues donations in 2021 reached 39,681 people, a decrease of 115,709 people or 74.46% from 2020 of 155,396 people.

| Realization of GN Lingkaran Program | | | |
|---|---------------|---------------|----------------|
| Description | 2021 | 2020 | 2019 |
| Number of Donors | 2 | 17 | 44 |
| Total Donation for Membership Contribution (Rp) | 1,999,922,400 | 6,465,649,760 | 17,238,890,400 |
| Number of Informal Workers Receiving Donation | 39,681 | 155,390 | 359,978 |

Number and Composition of Informal Workers Receiving Donation for Membership Contribution of BPJAMSOSTEK Through GN Lingkaran Program

| Informal Workers Sector | 2021 | | 2020 | 2019* |
|-------------------------|---------------|----------------|----------------|----------------|
| | Total | % | | |
| Transportation | - | 0.00% | - | 17,999 |
| Trade | 11,928 | 30.06% | 37,319 | 154,790 |
| Farming | 9,551 | 24.07% | 3,971 | 39,598 |
| Fishery & Maritime | - | 0.00% | 7,723 | 32,398 |
| Labours | 9,274 | 23.37% | 10,592 | 89,994 |
| Education | - | 0.00% | - | 25,199 |
| COVID-19 Volunteers | 8,928 | 22.50% | 95,791 | - |
| Total | 39,681 | 100.00% | 155,396 | 359,978 |

* Restatement [102-48]

Inspiring Story



BJB Bank participated in improving the welfare of vulnerable workers in numerous sectors through the participation of the BPJAMSOSTEK GN Lingkaran program. BJB Bank also provided funds in the program participation, in which contributions were made by paying BPJS Ketenagakerjaan contributions for workers who were unable to pay. There were a total of 29,761 protected members, including casual day-laborers, farmers, entrepreneurs, and traders spread across West Java, DKI Jakarta, and Banten.

The Number of Deactivated Members

During 2021, there were 19,042,874 workers who left BPJAMSOSTEK's membership with the largest number of 48.12% being members in the Construction Services segment. There are several backgrounds of these workers leaving the membership:

- ▶ Expiring work contract, resigning from work, retiring of old age, leaving Indonesia, having permanent total disability, death, or was unable to pay contributions;

- ▶ Termination of employment or Pemutusan Hubungan Kerja (PHK);
- ▶ Pattern of workers in outsourced employer/business entities, state civil servants (ASN), and other business fields such as plantations, garments, and mining.

| Number of Deactivated Membership of BPJAMSOSTEK in 2021 | | |
|---|-------------------|----------------|
| Membership Segment | Total | Percentage (%) |
| Wage Recipients Workers | 6,751,437 | 35.45 |
| Non-Wage Recipients Workers | 3,128,014 | 16.43 |
| Construction Services Workers | 9,163,423 | 48.12 |
| Total | 19,042,874 | 100.00 |

Member Health and Safety

BPJAMSOSTEK members are workers who are also exposed to occupational health and safety (OHS) risks. BPJAMSOSTEK is committed to providing protection for all workers who are members in BPJAMSOSTEK through the JKK Program whose impact has been assessed. Protection covers the risks of accidents, ranging from commuting to and from work, in the office, as well as business trips. In the reporting period, BPJAMSOSTEK also provides protection for workers who experience occupational diseases (PAK) due to COVID-19, in accordance with Presidential Regulation No. 7 of

2019 concerning PAK. During the reporting period, BPJAMSOSTEK was not faced with incidents of non-compliance to regulations that resulted in fines, penalties, or warnings. [103-1][103-2][103-3][416-1a][416-2b]

During 2021, there were 234,370 claims from members related to work accidents, an increase of 5.70% from 2020 with 221,740 claims. The value of claims paid reached 1,790.27 billion, an increase of 14.99% from 2020 of Rp1,566.94 billion. The number of claims includes 1,131 PAK due to COVID-19, with a claim value of Rp21,304,891 billion. [POJK51-6.c.1]

Numbers of Claim for JKK Program

| Type of Claim | 2021 | | 2020* | 2019 |
|----------------------------|----------------|---------------|----------------|----------------|
| | Total | % | | |
| Partially Disabled | 3,804 | 1.62 | 4,429 | 3,072 |
| Functional Disability | 4,362 | 1.86 | 4,038 | 2,984 |
| Permanent Total Disability | 28 | 0.01 | 14 | 35 |
| Death | 6,552 | 2.80 | 3,410 | 3,172 |
| Recovery | 219,624 | 93.71 | 102,844 | 173,572 |
| Total | 234,370 | 100.00 | 221,740 | 182,835 |

*Restatement [102-48]

BPJAMSOSTEK continues to improve services to support the protection of the safety and health of members, including promotive and preventive

activities involving members in their workplaces. Activities carried out in 2021 include:

| Type of Activities | Type of Supports | Total | Realization (Rp) |
|--------------------------|--|------------------|-----------------------|
| COVID-19 Handling | PPE Handling COVID-19 for PLKK | 9,072 | 3,291,471,852 |
| | Cloth Masks for Workers | 1,953,897 | 2,938,557,866 |
| | Provision of Nutritious Food for Workers | 5,249 | 735,717,500 |
| | OHS Posters for COVID-19 Prevention | 1,207 | 540,362,725 |
| | Giving Multivitamins for Workers | 259,013 | 390,533,253 |
| OHS Coaching | General OHS Training | 200 | 851,208,480 |
| Work Accident Prevention | Motorcycle Helmet | 5,500 | 829,478,350 |
| | Construction Services PPE | 1,639 | 519,883,380 |
| Total | | 2,235,777 | 10,097,213,406 |

Information for other activities can be seen through the website <https://www.bpjsketenagakerjaan.go.id/en>. [1R-1E]

Inspiring Story



Branch Office of BPJAMSOSTEK in Sinjai Regency, South Sulawesi, handed over death compensation to an heir, namely Kasmira, wife of the late Supriadi, a fisherman from Pulau Sembilan Subdistrict who passed away on November 21, 2021 while working to catch fish. As an heir, Kasmira received a death benefit of Rp42 million. The compensation was given as the late Supriadi was registered as a participant of BPJAMSOSTEK with a new membership period of one year. The provision of compensation is expected to help the family of the late Supriadi as business capital to continue life. In addition to death benefits, BPJAMSOSTEK also provide scholarships to heirs for members with a membership period of three years or more.

Marketing and Labelling

Marketing and labelling through socialization and education of social security and labor protection programs to stakeholders also influence efforts to expand the scope of participation so that it becomes a material topic. BPJAMSOSTEK is committed to conveying information through socialization and education carried out by all operational offices through various media, including information technology. BPJAMSOSTEK also provides a complaint channel that workers/members can use to convey discrepancies in information.

Marketing and labelling activities also comply with applicable regulations, such as the UU on the Social Security Administering Body, UU No. 8 of 1999 concerning Consumer Protection, UU No. 25 of 2009 concerning Public Services, and UU No. 19 of 2016 concerning Information and Electronic Transactions. Periodically, the socialization and education activities are evaluated by the Board of Directors through the KPI assessment mechanism from the implementing function, followed by quick responses to any complaints submitted by members and other stakeholders. Based on the evaluation results, there were no socialization or educational activities that violated applicable regulations. [102-11]

The implementation of dissemination and education during the reporting period was adjusted to the conditions of the ongoing COVID-19 pandemic, both online and offline. BPJAMSOSTEK provides information services on all (100%) employment social security services and complaint handling via the web <https://www.bpjsketenagakerjaan.go.id/en>, Community Service Center (Contact Center) 175 Tanya BPJAMSOSTEK (including social media and WhatsApp Business), the JMO app, as well as apps managed by government instances such as the lapor.go.id portal. [417-1a][IR-1E]

During 2021, BPJAMSOSTEK received 3,506,477 interactions from members and the public in the form of requests for information, consultations, and complaints through various official channels. The most interactions were delivered via WhatsApp Business – Auto Answer by 37.74%. During 2021, BPJAMSOSTEK had never received any sanctions from the authorities regarding violations of regulations in conducting marketing communications and delivering information, consultations, complaint services, or those that interfere with the rights of indigenous peoples. [411-1]

[417-2a][417-3a][POJK51-6.b.3.b]

BPJAMSOSTEK has handled and resolved the number of complaints with a total of 483,994 complaints. Of this number, complaints related

to the program amounted to 33.06% of the total complaints. Responses to all these complaints have been delivered back to the members.

| BPJAMSOSTEK Interaction Handling Recapitulation | | | | | |
|---|---------------------------------|------------------|---------------|------------------|------------------|
| No | Channel | 2021 | | 2020 | 2019 |
| | | Total | % | | |
| 1 | Inbound Call | 630,096 | 17.97 | 739,716 | 786,629 |
| | Social Media | | | | |
| 2 | Facebook | 157,338 | 4.49 | 131,589 | 169,919 |
| | Twitter | 37,801 | 1.08 | 11,114 | 17,181 |
| 3 | Email | 210,005 | 5.99 | 149,446 | 195,203 |
| 4 | JMO | 32,355 | 0.92 | 35,087 | 303,338 |
| 5 | Outbound Call | 6,974 | 0.20 | 25,182 | 88,335 |
| 6 | WhatsApp (PMI) | 41,679 | 1.19 | 50,549 | 52,370 |
| 7 | Livechat | 46,348 | 1.32 | 89,768 | - |
| 8 | Lapor.go.id Portal | 1,706 | 0.05 | 5,415 | 4,711 |
| 9 | Jivochat (PMI) | 5 | 0.00 | 181 | 4,176 |
| 10 | Direct Complaint | 497 | 0.01 | 293 | 97 |
| 11 | Letter Complaint | 5 | 0.00 | 7 | 85 |
| 12 | WhatsApp Business – Auto Answer | 1,323,350 | 37.74 | 1 | 5 |
| 13 | Webchat - Auto Answer | 935,769 | 26.69 | - | - |
| 14 | WhatsApp Business - E form | 82,549 | 2.35 | - | - |
| Total | | 3,506,477 | 100.00 | 1,238,433 | 1,349,044 |

| Total and Percentage of Member Interactions Through Call Center in 2021 | | | | | | |
|---|---------|-------|---------|-------|----------|--------|
| Total Grievances | Program | | Umum | | Status | |
| | Total | % | Total | % | Resolved | % |
| 483,994 | 160,001 | 33.06 | 323,993 | 66.94 | 483,994 | 100.00 |

| Total and Percentage of Member Interactions Through Call Center in 2021 by Programs | | | | | | | | |
|---|---------|-------|-------|------|-------|------|-------|------|
| Total Grievances | JHT | | JKK | | JKM | | JP | |
| | Total | % | Total | % | Total | % | Total | % |
| 160,001 | 158,381 | 98.99 | 215 | 0.13 | 653 | 0.41 | 752 | 0.47 |

Member Satisfaction Index

Every year, BPJAMSOSTEK conducts an e-survey to determine the level of customer satisfaction and the implementation of excellent service according to the Service Blueprint. In 2021, the implementation of the e-survey involved 3,243 members as respondents. [POJKSI-6.d.5]

In 2021, the IPP/Customer Satisfaction Index (CSI) was 89.24%, a bit lower than 2020 of 92.8%. Meanwhile, the Net Promoter Score value is 37.5%,

up from 29.31% in 2020. The value of the brand equity survey in 2021 is 85.5 from the target of 85.0. The decrease in CSI scores was due to a different calculation method, where previously using a satisfaction scale of 6 with a Top 3 Boxes rating, in 2021 we were using a satisfaction scale of 5 with a Top 2 Boxes rating. The survey results are stated in the following tabulation.

| Member Satisfaction Level | | | | | | |
|---------------------------|---------------|----------------|------------------|-----------|----------------|-----------|
| Year | Not Satisfied | Less Satisfied | Fairly Satisfied | Satisfied | Very Satisfied | Total |
| 2021 | - | 19 | 330 | 1,380 | 1,514 | 3,243 |
| | 0.00% | 0.59% | 10.18% | 42.55% | 46.69% | 100.00% |
| 2020 | 1,873 | 1,687 | 10,492 | 111,669 | 830,787 | 956,508 |
| | 0.20% | 0.18% | 1.10% | 11.67% | 86.66% | 100.00% |
| 2019 | 2,489 | 2,143 | 9,544 | 127,061 | 1,125,765 | 1,267,002 |
| | 0.20% | 0.27% | 0.75% | 10.03% | 88.85% | 100.00% |

| Results of Customer Satisfaction Index (CSI) Provided by Independent Party (%) | | | |
|--|------|------|------|
| Program | 2021 | 2020 | 2019 |
| JKK Program | 85.7 | 93.5 | 97.1 |
| JHT Program | 92.8 | 86.4 | 95.3 |
| JKM Program | 89.5 | 79.5 | 97.4 |
| JP Program | 84.7 | 81.7 | 95.4 |
| Membership Administration | 86.2 | - | - |
| Hospital Administration | 84.5 | - | - |

Indirect Economic Impact

The existence of the BPJAMSOSTEK operational offices also brings benefits to the community and other stakeholders around them. BPJAMSOSTEK is committed to involving the community to be the PERISAI agents and local companies in the supply chain for the procurement of goods and services (local suppliers), as well as other social programs. For people who become PERISAI, BPJAMSOSTEK also provides indirect benefits through incentives provided for the acquisition

performance and through the revenue generated from the contribution. PERISAI's performance is evaluated based on the acquisition and the resulting contribution. PERISAI will be deactivated if they are not as productive, for example when there is no transaction of receiving contributions from PERISAI for 3 consecutive months. Based on the evaluation results, in 2021, there were 2,462 PERISAI agents that was deactivated following their unproductivity. [102-11][103-1][103-2][103-3]

PERISAI



BPJAMSOSTEK is supported by the PERISAI Agency System which was formed following the PERDIR/15/082018 on August 1, 2018, through a cooperation agreement mechanism with the PERISAI Office. PERISAI offices recruit PERISAI from communities in their respective operational areas. PERISAI's performance is assessed based on the results of the acquisition and the revenue generated from the contribution, then incentives are given for the performance results. The incentives given consist of acquisition incentives

and contribution incentives. The acquisition incentive is given at Rp500,000 for the acquisition of more than 50 workers per month. Meanwhile, contribution incentives are given at 7.5% of the contributions received every month. PERISAI productivity monitoring and evaluation is carried out by the PERISAI Office together with the Branch Office. In 2021, the number of PERISAI reached 5,052 people mostly were from Central Java and Special Region of Yogyakarta.

PERISAI's responsibility is to assist in the expansion of new membership, especially informal/Non-Wage Recipients workers and workers from small and micro-scale business actors. Through PERISAI, BPJAMSOSTEK strives for the welfare of the community, that is by opening up employment opportunities. During 2021, PERISAI has been able to expand new memberships to 498,547 participants mostly were from Central Java and Special Region of Yogyakarta and the total membership fees collected reached Rp308 billion. [413-1][413-2]

Realization of the Number of PERISAI Offices and PERISAI Agents

| Description | 2021 | 2020 | 2019 |
|-----------------------|-------|-------|-------|
| Total PERISAI Offices | 1,825 | 1,575 | 2,172 |
| Total PERISAI Agents | 5,052 | 4,694 | 7,453 |

BPJAMSOSTEK Hands Over RTH at GOR Kebo Iwa, Gianyar, Bali

BPJAMSOSTEK handed over green open space (RTH) at the Kebo Iwa Sports Building (GOR), Gianyar, Bali. The handover also marked the inauguration of the green open space named Taman Prajahita Mandhala RTH BPJAMSOSTEK, by the signing of the News of the Handover of Grants (Berita Acara Serah Terima Hibah) on December 22, 2021. The construction of the green open space was aimed at supporting the Gianyar Regency Government to provide green open space for the community as an arena for children to play, sports, and public socialization space. Green open space is also used to introduce BPJAMSOSTEK's programs to the community by dividing the green open space area of 13,000 m² into five zones in accordance with the number of BPJAMSOSTEK protection programs, namely:

1. **Old-Age Security (JHT) Zone** contains relaxing sports facilities, such as reflection paths tailored to the needs of the elderly;
2. **Employment Injury Security (JKK) Zone** contains sports facilities with high risks, such as skatepark and wall climbing;
3. **Pension Security (JP) Zone** contains facilities for the elderly to relax, in line with the program, which aimed at members wellbeing upon entering retirement age;
4. **Death Security (JKM) Zone** contains facilities to meditate and self-reflect;
5. **Job Loss Security (JKP) Zone** contains facilities to spark creativity and inspire visitors to establish business opportunities.

Economic Empowerment [203-2a][203-2b]

Community economic empowerment is realized through the distribution of business capital assistance. Beneficiaries are MSME actors around regional offices and branch offices. The realization of the distribution of business capital assistance and educational assistance in the Bridge of Care Program in 2021 reached Rp43,738,436.

The implementation of the community empowerment program in the reporting period prioritized the heirs of members who had made JKK and JKM claims through Post Claim Empowerment activities carried out by regional offices and branch offices. The activity was carried out in conjunction with the National Customer Day 2021. In the training, BPJAMSOSTEK presented source persons from business actors who had succeeded in their activities, so it was hoped that it would foster the motivation of the heirs to use the compensation money received as business capital. Post Claim Empowerment activities during 2021 were attended by 220 members.



Procurement Practices and Local Suppliers Involvement ^{[102-9][203-2a][203-2b][204-1][POJK51-2.a.5]}

The supply chain for BPJAMSOSTEK's goods and services involves local companies/business entities as suppliers at the head office, regional offices, and branch offices. The local supplier is domiciled in the region/region where the office resides. The existence of local suppliers provides employment for the local community. When conducting supplier selection, BPJAMSOSTEK does not specifically add points related to human rights for supplier employees, including those related to employee freedom rights. However, in the statement letter and Integrity Pact, suppliers must apply the principles of good governance, so that indirectly,

BPJAMSOSTEK supports the implementation of good governance. ^[407-1]

During 2021, there are 376 suppliers to supply goods and services, with the largest number of 233 or 61.97% being local suppliers at branch offices, with the procurement contract value reached Rp94,335,140,663 or 31.61% of the total procurement contract value. Also, there was no negative social impact from supply chain implementation at BPJAMSOSTEK during the reporting period. ^[414-1]

^[414-2]

Procurement Contract Value of BPJAMSOSTEK Goods and Services (Rp)

| Working Unit | 2021 | | 2020 | 2019 |
|------------------|------------------------|---------------|------------------------|------------------------|
| | Total | % | | |
| Headquarters | 193,547,120,515 | 64.86 | 278,476,966,883 | 466,306,903,886 |
| Regional Offices | 10,522,154,078 | 3.53 | 4,783,227,371 | 8,834,063,682 |
| Branch Offices | 94,335,140,663 | 31.61 | 65,730,240,363 | 47,389,407,362 |
| Total | 298,404,415,256 | 100.00 | 348,990,434,617 | 522,530,374,930 |

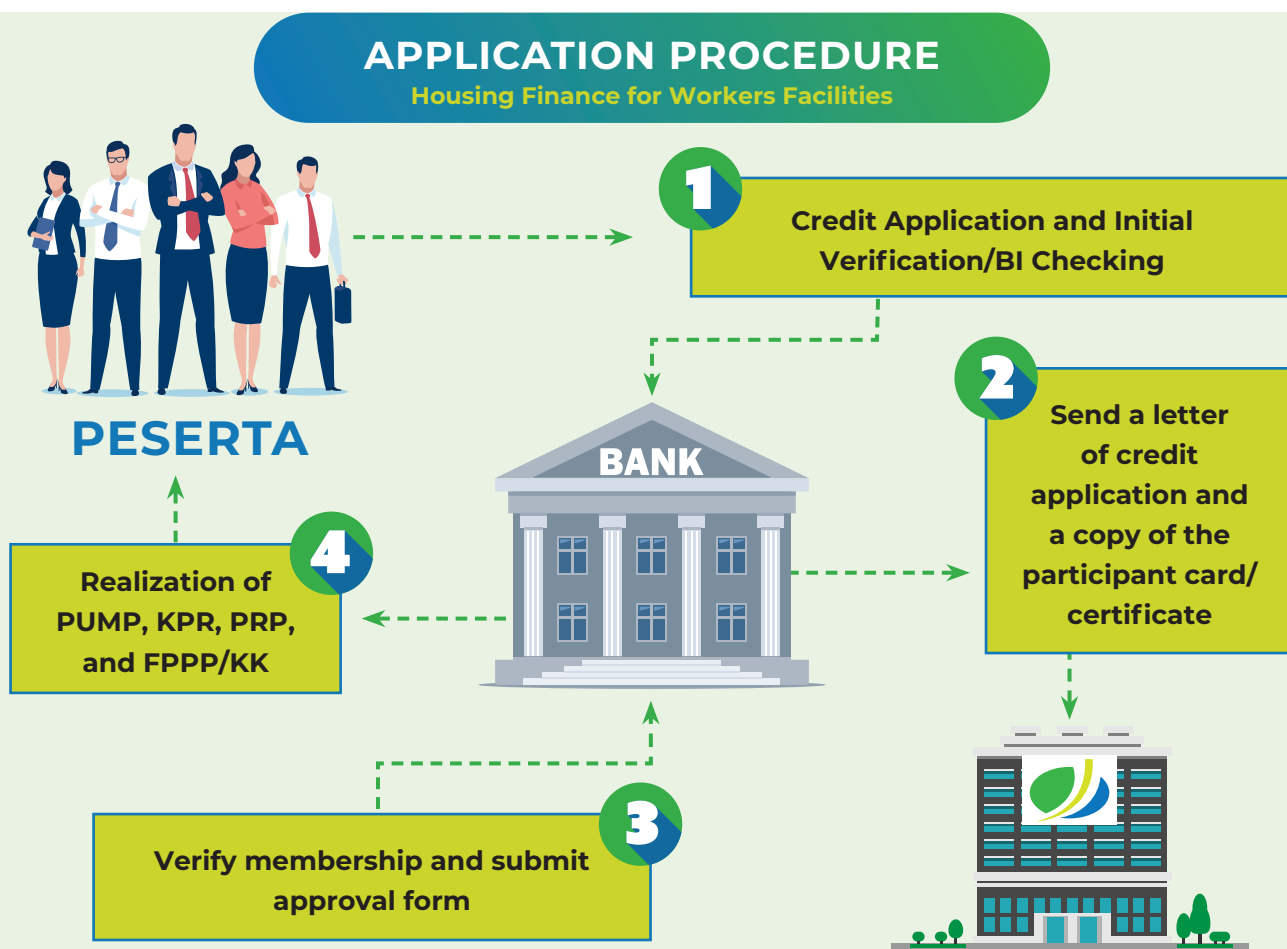
Number of Vendors/Suppliers of BPJAMSOSTEK Goods and Services

| Working Unit | 2021 | | 2020 | 2019 |
|------------------|------------|---------------|------------|------------|
| | Total | % | | |
| Headquarters | 127 | 33.78 | 54 | 100 |
| Regional Offices | 16 | 4.25 | 20 | 12 |
| Branch Offices | 233 | 61.97 | 362 | 93 |
| Total | 376 | 100.00 | 436 | 205 |

Additional Service Benefits: Worker Housing Financial Assistance

BPJAMSOSTEK provides additional service benefits (manfaat layanan tambahan/MLT) for housing financial assistance to workers with a membership period of more than one year. The distribution of MLT is regulated in Minister of Manpower Regulation (Permenaker) No. 17 of 2021 concerning Amendments to the Regulation of the Minister of Manpower No. 35 of 2016 concerning Procedures for

Provision, Requirements, and Types of Additional Service Benefits for the Old-Age Security Program. The implementation of the MLT facility for housing financial assistance for workers also brings indirect benefits in the form of employment opportunities for the local community because it is carried out in a labour-intensive manner.



Realization of Housing Finance for Workers

| Type | Total Beneficiaries | | | |
|-------------------------|---------------------|---------------|-----------|---------------|
| | 2021 | | 2020 | 2019 |
| | Total | % | | |
| Home Loan | 153 | 76.88 | 83* | 385* |
| House Renovation Loan | 45 | 22.61 | 4* | 14 |
| House Down Payment Loan | 1 | 0.50 | - | - |
| Asset-Backed Securities | 0 | 0.00 | - | 1,741 |
| Total | 199 | 100.00 | 87 | 2,140* |

*Restatement [102-48]

Realization of Housing Finance for Workers

| Type | Fund Distributed (Million Rp) | | | |
|-------------------------|-------------------------------|---------------|-------------------|-------------------|
| | 2021 | | 2020 | 2019 |
| | Total | % | | |
| Home Loan | 43,506.98 | 86.45 | 16,859.45 | 98,594.73 |
| House Renovation Loan | 6,340.91 | 12.59 | 85* | 506.00 |
| House Down Payment Loan | 477 | 0.94 | | |
| Asset-Backed Securities | 0 | 0.00 | - | 200,000.00 |
| Total | 50,324.89 | 100.00 | 16,944.45* | 299,100.73 |

*Restatement [102-48]

COVID-19 Relief Assistance

During the reporting period, BPJAMSOSTEK aided in administering vaccinations to BPJAMSOSTEK employees, workers, and the community amidst the COVID-19 pandemic. There were 5,771 employees

who received the 1st vaccination and 5,749 employees for the 2nd vaccination. Meanwhile, for workers and the community, there were 780 people who received 1st and 2nd vaccinations.

Payment of Education Scholarships to Members' Heirs [POJKSI-2.c.2]

As of April 1, 2021, BPJAMSOSTEK has implemented the Regulation of the Minister of Manpower (Permenaker) No. 5 of 2021 concerning Procedures for the Implementation of the JKK, JKM, and JHT Programs. The Permenaker regulates the technical implementation of the expansion of the provision of JKK, JKM, and JHT benefits, including the payment

of educational scholarships for the children of the members. In 2021, there are 61,365 children who receive scholarship assistance spread throughout Indonesia, with a total value of Rp198,121,000,000. All payments and distribution of scholarship assistance for the heirs of BPJAMSOSTEK members were completed in the first week of May 2021.

Inspiring Story

What a Scholarship Beneficiary Has to Say

My sister Shafira and myself Jihan became one of thousands of children beneficiaries of the BPJAMSOSTEK scholarship who lost their parents due to work accidents or death. Since losing my Mama, I was lost confused about what our life would be like in the future, whether my sister and I could still pursue education. Luckily, Mama was already enrolled in the Employment Injury Security (JKK) Program, so my sister and I got scholarships to study up to university. Thank you, BPJAMSOSTEK! I promise, Ma, I will finish my education and take care of my sister.



Governance, Risk Management, Compliance, and Monitoring



The application of good governance (GG) is aimed at making BPJAMSOSTEK a credible public institution and as a benchmark for the implementation of GG in public institutions.

Policies and Commitments to Sustainability [102-11][102-16]

BPJAMSOSTEK does not yet have a policy and commitment to sustainability. However, BPJAMSOSTEK has prepared the 2017-2021 Strategic Plan which was stipulated by the Board of Supervisors through Surat Keputusan: KEP/30/Dewas/092017 concerning the Establishment of the 2017-2021 Employment Social Security Program Strategic Plan. The 2017-2021 Strategic Plan serves as a guide for BPJAMSOSTEK in carrying out responsible business activities, including the implementation of human rights in accordance with the direction of BPJAMSOSTEK's institutional development up to 2021.

Through the 2017-2021 Strategic Plan, BPJAMSOSTEK is committed in those five years to focus on socializing and educating all stakeholders, including vulnerable groups, implementing superior operations for service quality and benefits to members, as well as enforcing laws and effective supervision. The determination of the three focuses has gone through a process of data processing and analysis, including internal and external analysis covering economic, environmental, social, and governance aspects by considering a review on BPJAMSOSTEK's weaknesses and strengths, threats and opportunities. On a continual basis, the 2017-2021 Strategic Plan is communicated to all stakeholders.

Good Governance Implementation

The implementation of good governance (GG) covers all processes and activities for the implementation of social security and labour protection. According to the planned 2019-2022 GG Implementation Roadmap, the stages in 2021 were the Culture with achievements including:

1. The Corporate Governance Index score of 94.31 (very good category).

2. The Work Unit Governance Index/Internal Governance Indicators which reached an average score of 94.93 (very good category).

3. On-time submission of the Wealth Report of State Officials (LHKPN) in 2021.

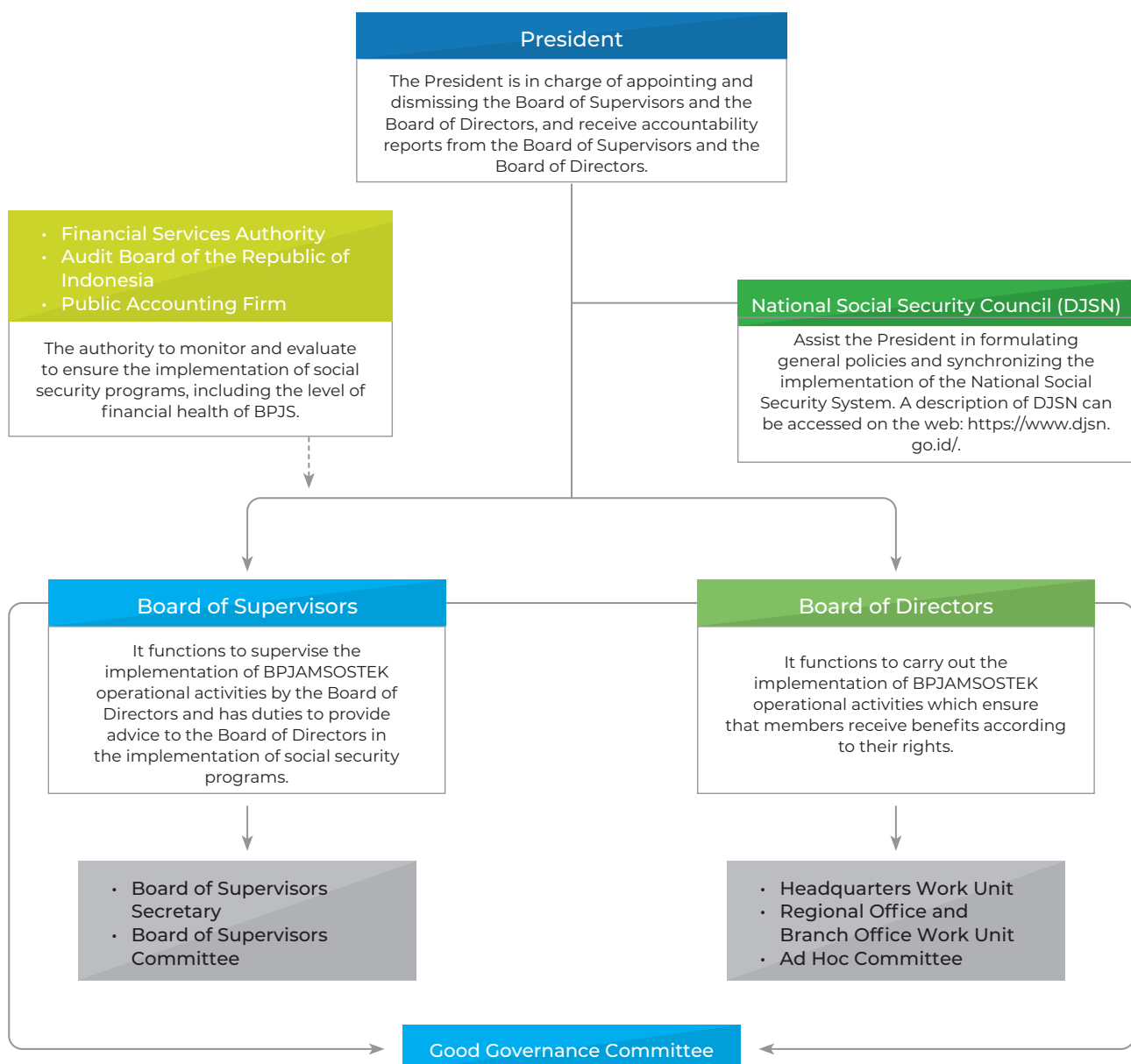
The 2019-2022 GG Roadmap of BPJAMSOSTEK

| Indicator | 2019 | 2020 | 2021 | 2022 |
|----------------|--|---|---|--|
| | Governed | Integrated | Culture | Benchmark |
| GG Orientation | <ul style="list-style-type: none"> Infrastructure Review ISSA Model Assessment Gap Analysis | <ul style="list-style-type: none"> Strong Infrastructure ISSA Recognition Strong GG Identity | <ul style="list-style-type: none"> Ethic Governance Corporate Culture | <ul style="list-style-type: none"> Benchmark Public Trust |
| Main Driver | <ul style="list-style-type: none"> Regulatory Driven Stakeholder Driven | <ul style="list-style-type: none"> Stakeholder Driven Culture Driven | <ul style="list-style-type: none"> Culture Driven Ethical Driven | <ul style="list-style-type: none"> Ethical Driven Benchmark Public Trust |
| Main Indicator | <ol style="list-style-type: none"> Infrastructure Review Transparency & Disclosure (website update) Internal Stakeholder Engagement Governance Assessment Internal Governance Award | <ol style="list-style-type: none"> Sustainability Performance Recognition in as ISSA Guidelines on Governance Stakeholder Engagement Governance Assessment Internal Governance Indicator to Support Business Process | <ol style="list-style-type: none"> Governance Culture Transparency & Accountability Stakeholder Engagement Business Ethic Governance Assessment Internal Governance Indicator to Support Business Process | <ol style="list-style-type: none"> Benchmark for other Institution Performance & Accountability Ethic Governance Public Recognition Governance Assessment Internal Governance Indicators |

The implementation of BPJAMSOSTEK's GG is supported by internal guidelines, namely the Board Manual, Integrity Pact, and Code of Ethics which can be accessed through BPJAMSOSTEK's internal email channel <https://www.bpjsketenagakerjaan.go.id/en/penerapan-tata-kelola.html>. We also adopted the best standards of the International Social Security Association (ISSA) Guidelines on

Good Governance through the ISSA GGG as a practical guide to the Board of Supervisors and the Board of Directors in the form of a check list of important elements. The description and explanation of the ISSA Guidelines can be accessed through BPJAMSOSTEK's website via this link <https://www.bpjsketenagakerjaan.go.id/en/tata-kelola.html>. [102-17][102-18]

► Organization Structure and Governance [102-18][102-22]



The Board of Supervisors and the Board of Directors submit an accountability report to the President as a performance evaluation. The accountability report is submitted annually. The Accountability Report for 2021 has been submitted on June 30, 2022. BPJAMSOSTEK also conducts periodic assessments to measure the implementation of GG with measurement parameters in accordance with the Board of Directors Regulation No. PERDIR/39/092015 which refers to the Decree of the Minister of SOEs No. SK-16/S.MBU/2012 and the ISSA. In 2021,

we conducted the assessment of the implementation of the GG in 2020 and scored 94.31 with a excellent qualification. [102-28]

Good Governance Assessment Results

| Assessed Year | Year of Conducted Assessment | Score | Qualification |
|---------------|------------------------------|-------|---------------|
| 2020 | 2021 | 94.31 | Excellent |
| 2019 | 2020 | 95.94 | Excellent |
| 2018 | 2019 | 95.75 | Excellent |

Board of Supervisors [102-22]

Based on Undang-Undang No. 24 of 2011 on the Social Security Administering Body, the BPJAMSOSTEK organ consists of the Board of Supervisors and the Board of Directors. Members of the Board of Supervisors are appointed by the President for an office-term of 5 years and may be proposed for re-appointment for another one-time term. One of the members of the Board of Supervisors is appointed as Chair of the Board by the President. Members of the Board of Supervisors

from the Workers Element, Employers Element, and Community Figures are elected by the House of Representatives (Dewan Perwakilan Rakyat/DPR) based on the President's proposal on the results of a selection committee formed by the government and appointed by the President to be members of the Board of Supervisors together with members of the Board from Governments Element. [102-24][POJK51-5.a]

Board of Supervisors Membership

The membership composition of the BPJAMSOSTEK Board of Supervisors consists of 7 (seven) members, comprises of Governments Element, Workers Element, Employers Element, and Community Figures. The total membership of the Board of Supervisors from Non-Governmental Elements in the reporting period was five members (5:2),

thus ensuring the independence and impartiality of the Board in carrying out supervisory duties of BPJAMSOSTEK. Another detailed explanation regarding the Board of Supervisors, can be accessed via the web link <https://www.bpjsketenagakerjaan.go.id/en/tentang-kami.html>. [POJK51-3.f][102-22][102-23][IR-1E]

Composition of the Board of Supervisors (2021-2026)

| Name | Position | Element |
|---------------------------|----------|------------|
| Muhammad Zuhri | Chairman | Government |
| Kushari Suprianto | Member | Government |
| H. Yayat Syariful Hidayat | Member | Worker |
| Agung Nugroho | Member | Worker |
| Subchan Gatot | Member | Employers |
| M. Aditya Warman | Member | Employers |
| M. Iman N. H. B. Pinuji | Member | Community |

Composition of the Board of Supervisors (2021-2026)



Muhammad Zuhri

- Age 56 years old
 - Chairman of Board of Supervisors
 - Government Element
 - Basis of Appointment:
Presidential Decree No. 38/P, 2021
-



Agung Nugroho

- Age 47 years old
 - Member of Board of Supervisors
 - Worker Element
 - Basis of Appointment:
Presidential Decree No. 38/P, 2021
-



H. Yayat Syariful Hidayat

- Age 44 years old
 - Member of Board of Supervisors
 - Worker Element
 - Basis of Appointment:
Presidential Decree No. 38/P, 2021
-



Kushari Suprianto

- Age 55 years old
 - Member of Board of Supervisors
 - Government Element
 - Basis of Appointment:
Presidential Decree No. 38/P, 2021
-



M. Aditya Warman

- Age 49 years old
 - Member of Board of Supervisors
 - Employers Element
 - Basis of Appointment:
Presidential Decree No. 38/P, 2021
-



M. Iman N. H. B. Pinuji

- Age 56 years old
 - Member of Board of Supervisors
 - Community Element
 - Basis of Appointment:
Presidential Decree No. 38/P, 2021
-



Subchan Gatot

- Age 50 years old
 - Member of Board of Supervisors
 - Employer Element
 - Basis of Appointment:
Presidential Decree No. 38/P, 2021
-

Main Tasks, Functions, and Authorities of the Board of Supervisors [POJK51-5.a]

Tasks of the Board of Supervisors

- To supervise management policies taken by BPJAMSOSTEK and the performance of BoD;
- To supervise management and development practices of social security fund by BoD;
- To provide suggestion, advice, and recommendation to BoD pertaining to policy and management of BPJAMSOSTEK;
- To submit a supervision report on social security management as part of BPJAMSOSTEK's reporting to the President with copy sent to DJSN.

Authorities of the Board of Supervisors

- Decides a strategic plan for the employment social security program;
- Determines BPJAMSOSTEK's annual budget work plan (RKAT);
- Appoints an external auditor, namely a public accountant to audit accountability for the implementation of BPJAMSOSTEK's duties in the form of program management reports and annual financial reports;
- Gives approval of the program management report and BPJAMSOSTEK's annual financial report and the annual financial report of the Employment Social Security Fund which has been audited by a public accountant;
- Reviews the calculation and evaluation of technical reserves or on part of technical reserves on a regular basis;
- Gives approval on the appointment of an independent actuary by the Board of Directors;
- Requests the Board of Directors through the actuary to review the adequacy of technical reserves or part of the reserves that are considered unreasonable;
- Receive and/or request reports from the Board of Directors;
- Accessing data and information regarding the performance of BPJS Ketenagakerjaan;
- Reviews data and information regarding the performance of BPJS Ketenagakerjaan; and provides feedbacks, advice, and considerations to the Board of Directors regarding the policies and implementation of BPJS's management, as well as recommendations to the President on the performance of the Board of Directors;
- Gives approval on the determination of the amount of surplus allocation of BPJAMSOSTEK's assets;
- Stipulates the charters of the Committees formed by the Board of Supervisors;
- Obtain and/or request reports from the Board of Directors;
- Accessing data and information regarding the administration of BPJAMSOSTEK;
- Reviewing data and information regarding the administration of BPJAMSOSTEK; as well as
- Provide advice and recommendations to the President regarding the performance of the Board of Directors.

Supervisory function to the operation of BPJAMSOSTEK

| | | | |
|---|--|--|---|
| Joint Meeting, minimum once in a month, collaborating with BoD. | Board of Supervisors Meeting, minimum once times in a month, consisting of internal meeting or joint meeting with Board of Directors and/or related working units. | Committee Meeting, held on weekly basis for in-depth discussion of a particular subject. | Work Visits to Regional Offices and/or Branch Offices to directly monitor the management of workers social security programs. |
| Total Joint Meetings of 12 in 2021, with an average attendance of 100%. | Total BoS Meetings of 52 in 2021, with an average attendance of 96%. | Total Committee Meetings of 201 in 2021. | Total unscheduled visits to Branch Offices of 84 in 2021. |

Throughout 2021, the Board of Supervisors has provided 48 Suggestions, Advice, and Considerations (SNP) and all of them have been responded to by the Board of Directors.

Division Duties of the Supervisory Board by Committee

The BoS is assisted by several Committees established based on the Board of Supervisors' Regulation: PER/18/DEWAS/122020 concerning Procedures for the Implementation of the Functions, Duties, and Authorities of the Supervisory Board of the Employment Social Security Administering

Body. The Committee's performance appraisal is carried out through a meeting mechanism based on the performance report. For performance in 2021, the BoS assesses that all Committees have shown good performance and completed all work programs. [102-22]

| Basis of Appointment | Duties and Responsibilities | Supervision in 2021 |
|--|---|---|
| Budget, Audit, and Actuarial Committee | | |
| <ul style="list-style-type: none"> The Chair and Deputy Chairperson of the Committee are appointed based on the Decision of the Board of Supervisors No. KEP/05/DEWAS/022021 on the Appointment of the Chair and Members of the Supervisory Board Committee of BPJS Ketenagakerjaan. The organizational structure of the Committee stipulated by the Decree of the Board of Supervisors No. KEP/14/DEWAS/112021 on the Appointment of the Chair and Members of the Supervisory Board Committee of BPJS Ketenagakerjaan. The Committee Charter was stipulated based on the Decision of the Board of Supervisors No. KEP/05/DEWAS/042022 on the Budget, Audit, and Actuarial Committee Charter. | <ol style="list-style-type: none"> Conducts a study in the context of determining the RKAT including its changes; Conducts a review in order to approve the proposal for determining the amount of surplus allocation of BPJAMSOSTEK's assets by the Board of Directors; Reviews the plan for the transfer of BPJAMSOSTEK's fixed assets proposed by the Board of Directors; Assess and ensures the effectiveness of the internal control system, the quality of the procurement process for KAP and independent actuaries, as well as ensure the quality of the work of external auditors (KAP) and independent actuaries; Evaluating internal control and encouraging the completion of recommendations on the results of internal and external audits; Conducts a review in order to approve the determination of the form and content of the publication of program management reports and annual financial reports; Prepares the annual work program of the Budget, Audit, and Actuarial Committee before the current financial year in order to be approved by the Board of Supervisors; Implementation of the duties of the Budget, Audit, and Actuarial Committee is determined by the Board of Supervisors in the Budget, Audit, and Actuarial Committee charter of the Board of Supervisors in accordance with the needs of the Board of Supervisors. | <ul style="list-style-type: none"> The Committee held 85 meetings with a percentage of 177% of the total meeting obligations 48 times a year. During the reporting period, there were no skills development activities were carried out. [102-27] |

| Basis of Appointment | Duties and Responsibilities | Supervision in 2021 |
|--|---|--|
| Risk Management, Investment, and Services Committee | | |
| <ul style="list-style-type: none"> The Chair and Deputy Chairperson of the Committee are appointed based on the Decision of the Board of Supervisors No. KEP/05/DEWAS/022021 on the Appointment of the Chair and Members of the Supervisory Board Committee of BPJS Ketenagakerjaan. The organizational structure of the Committee stipulated by the Decree of the Board of Supervisors No. KEP/14/DEWAS/112021 on the Appointment of the Chair and Members of the Supervisory Board Committee of BPJS Ketenagakerjaan. The Committee Charter was stipulated based on the Decision of the Board of Supervisors No. KEP/04/DEWAS/042022 on the Risk Management, Investment and Services Committee Charter. | <ol style="list-style-type: none"> Reviews and provides suggestions, advice, and considerations on the governance of risk management and BPJAMSOSTEK's business processes; Supervises the duties of BPJAMSOSTEK through risk management analysis as well as suggestions, advice, and risk mitigation considerations; Supervises and provides suggestions, advice, and considerations in the development/investment process of the DJS as well as of BPJAMSOSTEK; Coordinates follow-up supervision through the WBS; Assess and provides suggestions, advice, and considerations on service performance; Prepares and submits the annual work program of the Risk Management, Investment, and Services Committee before the current financial year to the Board of Supervisors for approval; ? The implementation of the duties of the Management, Investment, and Services Committee is determined by the Board of Supervisors in the Risk Management, Investment and Services Committee Charter in accordance with the needs of the Board of Supervisors. | <ul style="list-style-type: none"> The Committee holds 50 meetings with a percentage of 104% of the total meeting obligations 48 times a year. During the reporting period, there were no skills development activities were carried out. [102-27] |
| Performance, Program, and Agency Committee | | |
| <ul style="list-style-type: none"> The Chair and Deputy Chairperson of the Committee are appointed based on the Decision of the Board of Supervisors No. KEP/05/DEWAS/022021 on the Appointment of the Chair and Members of the Supervisory Board Committee of BPJS Ketenagakerjaan. The organizational structure of the Committee stipulated by the Decree of the Board of Supervisors No. KEP/14/DEWAS/112021 on the Appointment of the Chair and Members of the Supervisory Board Committee of BPJS Ketenagakerjaan. The Committee Charter was stipulated based on the Decision of the Board of Supervisors No. KEP/03/DEWAS/042022 on the Performance, Program and Agency Committee Charter. | <ol style="list-style-type: none"> Assess and provides suggestions, advice, and considerations on the participation performance; Assess and provides suggestions, advice, and considerations on the performance of the JKK, JKM, JHT, and JP programs, as well as new program initiatives; Reviews and provides suggestions, advice, and considerations on HR governance; Assess the performance of the Board of Directors as a recommendation to the President; Coordinates the performance assessment of BPJAMSOSTEK to the DJSN and/or the Ministry of Finance; Prepares and submits the annual work program of the Program and Agency Performance Committee before the current financial year to the Board of Supervisors for approval; Implements the duties of the Program and Agency Performance Committee in accordance with the needs of the Board of Supervisors in the Program and Agency Performance Committee charter in accordance with the needs of the Board of Supervisors; Assists the Board of Supervisors in conducting studies in the context of determining the Strategic Plan, RKAT, monitoring the performance of the Board of Directors, supervising the management and development of social security funds; and Reviews the process of preparing suggestions, advice, and considerations to the Board of Directors, including recommendations to the President. | <ul style="list-style-type: none"> The Committee holds 66 meetings with a percentage of 138% of the total meeting obligations 48 times a year. During the reporting period, there were no skills development activities were carried out. [102-27] |

| Committee | Membership | |
|--|---|---|
| | BoS Representatives | Non-BoS Representatives |
| Budget, Audit and Actuarial Committee | <ul style="list-style-type: none"> Chairman: Kushari Suprianto Member: M. Iman N.H.B Pinuji | <ul style="list-style-type: none"> Non-BoS Committee Members: 2 people |
| Risk Management, Investment and Services Committee | <ul style="list-style-type: none"> Chairman: Agung Nugroho Member: Subchan Gatot | <ul style="list-style-type: none"> Non-BoS Committee Members: 3 people |
| Performance, Program and Agency Committee | <ul style="list-style-type: none"> Chairman: M. Aditya Warman Member: H. Yayat Syariful Hidayat | <ul style="list-style-type: none"> Non-BoS Committee Members: 5 people |

In 2021, the Board of Supervisors did not establish a Nomination and Remuneration Committee. The appointment and dismissal of the members of the Board is done based on the Presidential Regulation of the Republic of Indonesia No. 81 of 2015. The provision for the remuneration of the members of the Board of Supervisors and the Board of Directors of BPJAMSOSTEK refers to the Presidential

Regulation No. 110 of 2013. The Supervisory Board is assisted by the Secretary of the Board in carrying out administrative and secretarial activities within the scope of the Board's supervisory duties. In the reporting period, the Secretary of the Board is Faizal Rachman based on the Decree of the Board of Directors of BPJAMSOSTEK No. KEP/17/012021 on Transfer of Officials.



Board of Directors ^[102-22]

Members of the Board of Directors (BoD) are appointed for a period of five years based on the criteria stipulated in Undang-Undang No. 24 of 2011 about the Social Security Administering Body. Members of the Board of Directors may be proposed to be reappointed for another one-time term. The selection of members of the Board of Directors is carried out through the formation of a selection committee formed by the Government. Members of the Board of Directors for the period of 2021-2026 are determined based on Presidential Decree No. 38/P of 2021 concerning the Appointment of Membership of the Board of Supervisors and Directors of the Social Security Administering Body for the Term of 2021-2026. BPJAMSOSTEK is a public legal entity, so there is no member of the Board of Directors who is an executive officer. ^{[102-23][102-24]}

In accordance with the 2017-2021 Strategic Plan, the BoD manages BPJAMSOSTEK's performance to achieve the main target, that is the expansion of the participation of 36% of the total workers in Indonesia who are included in the BPJAMSOSTEK universe. The implementation of sustainability performance related to economic, social, and environmental aspects is the collective responsibility of the BoD and is delegated according to the functions, duties, and authorities of the President Director and each Director. The BoD also communicates with stakeholders, both directly and through appointed Agency officials. Every dialogue is evaluated through a meeting mechanism, to determine the follow-up that has to be taken. ^{[POJKS1-5.a][102-21][102-26][102-29][102-30][102-32]}

Board of Directors Membership

Until the end of the reporting period, there were no changes in the Board of Directors. More information regarding the President with each

Director can be read on the webpage <https://www.bpjsketenagakerjaan.go.id/en/tentang-kami.html>. ^[IR-1E]

| Board of Directors Membership | |
|-------------------------------|--------------------|
| Name | Position |
| Anggoro Eko Cahyo | President Director |
| Abdur Rahman Irsyadi | Director |
| Asep Rahmat Swandha | Director |
| Edwin Michael Ridwan | Director |
| Pramudya Iriawan Buntoro | Director |
| Roswita Nilakurnia | Director |
| Zainudin | Director |

Composition of the Board of Directors (2021-2026)



Anggoro Eko Cahyo

- Age 52 years old
 - President Director
 - Appointed based on Presidential Decree (Keppres) No.38/P of 2021 concerning the Appointment of Members of the Boards of Supervisors and the Board of Directors of the BPJAMSOSTEK for the Year 2021-2026.
-



Abdur Rahman Irsyadi

- Age 51 years old
 - Director of Human Capital and General Affairs
 - Appointed based on Presidential Decree (Keppres) No.38/P of 2021 concerning the Appointment of Members of the Boards of Supervisors and the Board of Directors of the BPJAMSOSTEK for the Year 2021-2026.
-



Pramudya Iriawan Buntoro

- Age 44 years old
 - Director of Strategic Planning and Information Technology
 - Appointed based on Presidential Decree (Keppres) No.38/P of 2021 concerning the Appointment of Members of the Boards of Supervisors and the Board of Directors of the BPJAMSOSTEK for the Year 2021-2026.
-



Zainudin

- Age 44 years old
 - Director of Membership
 - Appointed based on Presidential Decree (Keppres) No.38/P of 2021 concerning the Appointment of Members of the Boards of Supervisors and the Board of Directors of the BPJAMSOSTEK for the Year 2021-2026.
-



Roswita Nilakurnia

- Age 44 years old
 - Director of Service
 - Appointed based on Presidential Decree (Keppres) No.38/P of 2021 concerning the Appointment of Members of the Boards of Supervisors and the Board of Directors of the BPJAMSOSTEK for the Year 2021-2026.
-



Edwin Ridwan, CFA, FRM

- Age 52 years old
 - Director of Investment Development
 - Appointed based on Presidential Decree (Keppres) No.38/P of 2021 concerning the Appointment of Members of the Boards of Supervisors and the Board of Directors of the BPJAMSOSTEK for the Year 2021-2026.
-



Asep Rahmat Suwandha

- Age 46 years old
 - Director of Finance
 - Appointed based on Presidential Decree (Keppres) No.38/P of 2021 concerning the Appointment of Members of the Boards of Supervisors and the Board of Directors of the BPJAMSOSTEK for the Year 2021-2026.
-

Duties and Responsibilities Held by Board of Directors [102-19][102-20]

The Board of Directors decides the division of tasks based on the Board of Directors Regulation No. PERDIR/22/082016. The division of tasks is made to ensure the sustainability of BPJAMSOSTEK, including in managing the economic, environmental, social impacts, and in implementing the governance on members as well as other stakeholders and meeting their needs. The duties and responsibilities of each Director are generally in accordance with their functions, namely:

- **President Director**

Coordinating the executive duties of the Directors, planning, developing, and determining general policies of BPJAMSOSTEK based on the principles of prudence, effectiveness, and efficiency, in accordance with the vision, mission, and objectives of BPJAMSOSTEK; develop secretarial policies, internal control, public and inter-agency relations, compliance and legal policies; as well as cross-integration functions of work unit activities to embody operational alignment in accordance with the strategies.

- **HR and General Director**

Planning, directing, coordinating, and controlling human capital in order to obtain competent, highly motivated, and high productivity employees to create added value to the services, operations, and organizational performance of BPJAMSOSTEK.

- **IT and Strategic Planning Director**

Planning, directing, coordinating, determining, managing, and controlling strategic development policies, business processes, Agency innovation, quality management, information technology, data management, and project management for the operational and strategic alignment.

- **Membership Director**

Managing BPJAMSOSTEK membership by planning operational strategies, directing, coordinating, managing membership administration, implementing, and controlling policies and operational strategies for the participation in social security programs for workers.

- **Investment Development Director**

Planning, directing, coordinating, determining, and controlling policies and strategies for managing funds in various portfolios based on the principles of return and security of investment funds in accordance with applicable regulations.

- **Service Director**

Planning, directing, coordinating, determining, and controlling policies and strategies for managing program benefits, additional employment benefits, service operations, complaints, and digital services to create operational superiority, excellent customer experience, and increase members' satisfaction.

- **Finance Director**

Planning, directing, coordinating, determining, and controlling financial management policies of BPJAMSOSTEK and Social Security Funds, bookkeeping and preparation of financial transaction reports effectively and efficiently, managing organisational risk, actuarial employment social security programs, and investment risk based on prudent principles and security of investment funds in accordance with applicable regulations.

Affiliation for Board of Supervisors and Board of Directors

Each member of the Board of Supervisors and the Board of Directors has no affiliation between them, as well as with members of the DJSN. According to

Government Regulation No. 88 of 2013, the Board of Supervisors and Board of Directors of BPJAMSOSTEK are prohibited from holding concurrent positions.

➤ Sharia Advisory

In line with the implementation of sharia services in all BPJAMSOSTEK branch offices in Nanggroe Aceh Darussalam (NAD), BPJAMSOSTEK already formed a supervisory infrastructure, namely the Sharia Advisory (Penasihat Syariah) BPJAMSOSTEK, which was established based on Decree:

1. PER/311/122021, Work Agreement between BPJAMSOSTEK and Prof. Dr. H. Fathurrahman Djamil, MA. concerning Provision of BPJAMSOSTEK Sharia Advisors;
2. PER/310/122021, Work Agreement between BPJAMSOSTEK and Dr. KH. M. Cholil Nafish, LC, MA. concerning Provision of BPJAMSOSTEK Sharia Advisors;
3. PER/309/122021, Work Agreement between BPJAMSOSTEK and Ir. H. Agus Haryadi, AAAIJ, FIIS, ASAI. concerning Provision BPJAMSOSTEK Sharia Advisors; and

4. PER/312/122021, Employment Agreement between BPJAMSOSTEK and Mohammad Bagus Teguh Officer, LC, MA. concerning Provision of BPJAMSOSTEK Sharia Advisors.

Formation of the Sharia Advisory BPJAMSOSTEK cooperating with the National Sharia Council–Indonesian Ulema Council (DSN–MUI) with the aims of:

- ▶ Recommending and giving feedbacks in the implementation as well as operational activities of sharia services;
- ▶ Supervising the operational of sharia services; and
- ▶ Mediating between BPJAMSOSTEK and DSN–MUI to ensure that sharia services are operated according to sharia principles.

Membership of BPJAMSOSTEK's Sharia Advisory

| Name | Position |
|---|----------|
| Prof. Dr. H. Fathurrahman Djamil, MA. | Chairman |
| Dr. KH. M. Cholil Nafish, LC, MA. | Member |
| Ir. H. Agus Haryadi, AAAIJ, FIIS, ASAI. | Member |
| Mohammad Bagus Teguh Perwira, LC, MA. | Member |

► Performance Assessment of the Board of Supervisors and Board of Directors

According to UU No. 4 of 2004 concerning the National Social Security System, the performance appraisal of the BoS and the BoD is carried out by the National Social Security Council (DJSN). The assessment is carried out based on the Key Performance Indicator and refers to DJSN Regulation No.1 of 2020 concerning Determination and Assessment of Performance Achievement

Indicators of the Social Security Administering Body. The method of determining and assessing the IPK uses the Balance Scorecard system. BPJAMSOSTEK follows up on the results of the assessment to improve and enhance the performance appraisal of the Board of Supervisors and the Board of Directors. [102-28]

| Performance Assessment Results of BPJAMSOSTEK | | | |
|---|------------------|----------------|-----------------------------------|
| Year | Financial Health | | Performance Achievement Indicator |
| | Score | Category | |
| 2021 | 109.70 | Good | 108.10 |
| 2020 | 107.61 | Highly Solvent | 110.07 |
| 2019 | 94.84* | Solvent | 109.09* |

*Restatement [102-48]

The implementation of employment social security is also monitored and evaluated by the DJSN, using a monitoring-evaluation mechanism with in-depth fieldwork if needed. In accordance with the monitoring and evaluation in 2021, DJSN found several points, for instance the self-assessment of the performance of BPJAMSOSTEK in 2021 which was carried out in accordance with DJSN Decree No. 17 of 2021 concerning the Setting of

Performance Targets for the Employment Social Security Administering Body in 2021 and 2022 which obtained the following:

- BPJAMSOSTEK Financial Health Level in 2021 was at 109.70.
- The Performance Score of BPJAMSOSTEK in 2021 was 106.47.
- The final score of the Performance Achievement Indicator (ICK) of BPJAMSOSTEK was 108.09 with the predicate of Good.

➤ Remuneration of the Board of Supervisors and Board of Directors [IR-4B]

Provisions for remuneration of the Board of Supervisors and Board of Directors are regulated in Presidential Regulation (Perpres): 110 of 2013 concerning Salaries or Wages and Other Additional Benefits and Incentives for Members of the Board of Supervisors and Directors of BPJS; and Minister of Finance Regulation (PMK): 112/PMK.02/2019

concerning Amendments to PMK: 134/PMK.02/2015 about the Other Additional Benefits and Incentives for Members of the Board of Supervisors and Directors of BPJS. The government is the stakeholder authorized to determine the remuneration of the Board of Supervisors and Board of Directors of BPJAMSOSTEK. [102-35][102-36][102-37]

Remuneration of BoS and BoD of BPJAMSOSTEK [102-35]

| | | |
|------------|---|---|
| Income | Basic salary x Inflation Adjustment Factor x Employment Position Factor | |
| Allowances | Religious Holiday Allowance (Tunjangan Hari Raya Keagamaan) | Social Insurance Allowance |
| | Retirement Benefit | Housing Allowance |
| | Annual Leave Allowance | Competency Development Fee (for Board of Directors) |
| Facilities | Official Vehicles | Sports |
| | Healthcare | Official Cloths |
| | Legal Aid | Representation Fee |
| Tax | Taxes shall be borne by BPJAMSOSTEK | |

| BoS Remuneration | BoD Remuneration |
|---|---|
| <ul style="list-style-type: none"> Remuneration given to the Chairperson of BoS is 60% of the President Director's salary. Remuneration given to the BoS members is 54% of the President Director's salary. | <ul style="list-style-type: none"> Salary for other members of Board of Directors is 90% of President Directors' salary |
| <ul style="list-style-type: none"> Paid monthly | <ul style="list-style-type: none"> Paid monthly |
| <ul style="list-style-type: none"> Total remuneration paid in 2021 was Rp15,771,142,857 or 1.14% of total compensation for employees in 2021. | <ul style="list-style-type: none"> Total remuneration paid in 2021 was Rp8,813,285,714 or 0.64% of total compensation for employees in 2021. |

The highest individual annual total compensation ratio (the President Director) in 2021 compared to the median annual total compensation of all employees of BPJAMSOSTEK (excluding the President Director) was 7.58%. There is no percentage increase between the highest total

compensation (President Director) and the median total compensation for all employees (other than the President Director) due to no change in the amount of compensation from the President Director. [102-38][102-39]

Meetings of the Board of Supervisors and Board of Directors

The Board of Supervisors (BoS) and the Board of Directors (BoD) hold regular meetings as a performance evaluation mechanism, including the implementation of duties, authorities, and responsibilities in fulfilling corporate social

and environmental responsibilities (CSER). The BoS Meeting refers to the Board of Supervisors Regulation: PER-18/DEWAS/122020, while the BoD Meeting refers to the Board of Directors Regulation: PERDIR/22/082016. [\[102-33\]](#)

Board of Supervisors Meetings

BoS Meetings

- Attended by all BoS members.
- Held once at a minimum within a month.

Joint Meetings

- Attended by BoS members and BoD members.
- Held once at a minimum within a month.

Committee Meetings

- Attended by BoS members and members of BoD supporting committees
- Held once at a minimum within a week.

Recapitulation of 2021 BoS Meetings for the Period of 2016-2021 (January – 17 February)

| Name and Position | BoS Meetings | | | Joint Meetings | | |
|-----------------------|--------------------|-----------------------------|--------------|--------------------|-----------------------------|--------------|
| | Number of Meetings | Number of Meetings Attended | % Attendance | Number of Meetings | Number of Meetings Attended | % Attendance |
| Cuntur Witjaksono | 11 | 8 | 73 | 1 | 1 | 100 |
| Eko Darwanto | 11 | 8 | 73 | 1 | 1 | 100 |
| Rekson Silaban | 11 | 10 | 91 | 1 | 0 | 0* |
| M. Aditya Warman | 11 | 10 | 91 | 1 | 0 | 0* |
| Inda D Hasman | 11 | 9 | 82 | 1 | 1 | 100 |
| Poempida Hidayatulloh | 11 | 9 | 82 | 1 | 0 | 0* |
| Puspita Wulandari | 11 | 10 | 91 | 1 | 1 | 100 |

* Not present due to a business trip.

Recapitulation of 2021 BoS Meetings for the Period of 2016-2021 (February – December)

| Name and Position | BoS Meetings | | | Joint Meetings | | |
|---------------------------|--------------------|-----------------------------|--------------|--------------------|-----------------------------|--------------|
| | Number of Meetings | Number of Meetings Attended | % Attendance | Number of Meetings | Number of Meetings Attended | % Attendance |
| Muhammad Zuhri | 52 | 52 | 100 | 12 | 12 | 100 |
| Agung Nugroho | 52 | 50 | 96 | 12 | 12 | 100 |
| H. Yayat Syariful Hidayat | 52 | 51 | 98 | 12 | 12 | 100 |
| Kushari Suprianto | 52 | 49 | 94 | 12 | 12 | 100 |
| M. Aditya Warman | 52 | 52 | 100 | 12 | 12 | 100 |
| M. Iman N. H. B. Pinuji | 52 | 48 | 92 | 12 | 12 | 100 |
| Subchan Gatot | 52 | 49 | 94 | 12 | 12 | 100 |

Recapitulation of 2021 BoD Meetings for the Period of 2016-2021 (January – 17 February)

| Name and Position | BoD Meetings | | | Joint Meetings | | |
|-------------------|--------------------|-----------------------------|--------------|--------------------|-----------------------------|--------------|
| | Number of Meetings | Number of Meetings Attended | % Attendance | Number of Meetings | Number of Meetings Attended | % Attendance |
| Agus Susanto | 5 | 5 | 100 | 1 | 1 | 100 |
| Naufal Mahfudz | 5 | 5 | 100 | 1 | 1 | 100 |
| Sumarjono | 5 | 4 | 80 | 1 | 1 | 100 |
| E Ilyas Lubis | 5 | 3 | 60 | 1 | 1 | 100 |
| Krishna Syarif | 5 | 3 | 60 | 1 | 1 | 100 |
| Amran Nasution | 5 | 5 | 100 | 1 | 1 | 100 |
| Evi Afiatin | 5 | 4 | 80 | 1 | 1 | 100 |

Recapitulation of 2021 BoD Meetings for the Period of 2016-2021 (February – December)

| Name and Position | BoD Meetings | | | Joint Meetings | | |
|--------------------------|--------------------|-----------------------------|--------------|--------------------|-----------------------------|--------------|
| | Number of Meetings | Number of Meetings Attended | % Attendance | Number of Meetings | Number of Meetings Attended | % Attendance |
| Anggoro Eko Cahyo | 49 | 49 | 100 | 12 | 12 | 100 |
| Abdur Rahman Irsyadi | 49 | 47 | 96 | 12 | 11 | 92 |
| Pramudya Iriawan Buntoro | 49 | 49 | 100 | 12 | 12 | 100 |
| Zainudin | 49 | 45 | 92 | 12 | 12 | 100 |
| Roswita Nilakurnia | 49 | 47 | 96 | 12 | 12 | 100 |
| Edwin Michael Ridwan | 49 | 47 | 96 | 12 | 12 | 100 |
| Asep Rahmat Suwandha | 49 | 44 | 90 | 12 | 12 | 100 |

➤ Interest Conflict Prevention

BPJAMSOSTEK ensures that each member of the BoS has no conflict of interest either between themselves as well as with the Board of Directors or with members of the DJSN. Provisions regarding prevention of interests are regulated in the Board of Supervisors Regulation: PER-03/DEWAS/092015 about the Guidelines for Conflicts of Interest of the BPJAMSOSTEK Board of Supervisors. We also ensure that the Board of Directors has no conflict of interest, either between them or with the Board of Supervisors and DJSN. Provisions regarding prevention of these conflicts are regulated in the Board of Directors Regulation: PERDIR/38/092015

about the Guidelines for Conflicts of Interest of BPJS Ketenagakerjaan which will be updated in 2022. [102-25]

Each member of The Boards signs the Integrity Pact. Full description of the Integrity Pact of the Board of Supervisors and the Board of Directors can be found on BPJAMSOSTEK's website. Every violation committed will be subject to sanctions in accordance with Government Regulation No. 88 of 2013. During 2021, there were no transactions suspected of containing a conflict of interest.

Prohibition of Appointment of Interim Substitute Officials

| Board of Directors | Regional Offices | Branch Offices |
|---|---|--|
| President Director with Director of Investment | Deputy Regional Director with Assistant Regional Deputy of Finance | Head of Branch Office with Head of Finance Division |
| President Director with Director of Finance | | Head of Finance Division with Head of Service Division |
| Director of Finance with Director of Investment | Regional Assistant of Finance with Regional Deputy Assistant for General Affairs and HR | Head of Finance Division with Head of GA & HR Division |
| Director of Finance with Director of GA & HR | | |

▶ Training and Competence Improvement

BPJAMSOSTEK includes members of the Boards in various training and other activities to enhance their competence. This report only discloses information on the number of training and other activities participated by members of the Board of Supervisors and the Board of Directors as well

as other BPJAMSOSTEK officials during 2021. A complete explanation of the training activities in question can be obtained by contacting the Deputy Director of the Secretariat of BPJAMSOSTEK. [102-22] [102-27][POJKSI-5.b]

Number of Training and Competence Improvement Activities in 2021

| Board of Supervisors | Board of Directors | BPJAMSOSTEK's Officials Echelon |
|----------------------|--------------------|---------------------------------|
| 29 times | 10 times | 42 times |

Corporate Secretary

The appointment of the Secretary of BPJAMSOSTEK is based on the Decree of the BPJAMSOSTEK's Board of Directors No. KEP/151/052014. The Secretary of BPJAMSOSTEK is the Deputy Director for the BPJAMSOSTEK's Secretariat and is directly under the President Director. In 2021, the Deputy Director for Secretary

of BPJAMSOSTEK was Irvansyah Utoh Banja based on the Decree of the Board of Directors No. KEP/237/102021. The functions and responsibilities of the Deputy Director for the BPJAMSOSTEK's Secretariat are regulated in the Attachment to the Decision of the BPJAMSOSTEK's Board of Directors No. KEP/158/052014.

Board of Directors Supporting Committees

The supporting committees of the Board of Directors are ad hoc and based on the Board of Directors Regulation No. PERDIR/17/062020.

Risk Management Committee

The Committee was formed based on the Board of Directors Regulation No. PERDIR 17/062020 and PERDIR/22/08/2018 regarding Risk Management Policy. Members of the Committee consists of all Directors according to their fields and responsibilities, as well as the Deputy Director for Actuarial and Organizational Risk Management

and the Deputy Director for Investment Risk Management.

The function of the Committee is to provide consultation to the Board of Directors, especially the President Director, for decision making at the strategic level, regarding risk management policies, as well as risk considerations in making operational, financial, and investment decisions, as well as matters related to business decisions that have not been covered by the normal procedures (irregularities).

Good Governance Committee

The Committee was formed based on the Board of Directors' Order No. SPRIN/35/012021. The committee is chaired by the Director of General Affairs and HR. In exercising its duties, the Committee is guided by the Board of Directors Regulation No. PERDIR/01/012021.

The committee has the function of compiling GG assessment parameters, compiling GG infrastructures involving several work units, encouraging innovation on GG implementation, GG dissemination and education in all work units, as well as implementing Internal Governance Indicators (IGI).

Investment Committee

The Committee consists of five members of the Board of Directors, namely the President Director, Director of Investment Development, Director of Strategic Planning and Information Technology, Director of Finance, and Director of Membership Expansion and Inter-Agency Relations. The Committee has the function of monitoring the implementation and investment activities based on transaction limits while still referring to the investment guidelines established in accordance with the laws and regulations.

The Committee has the authority to discuss the proposed Investment Policy Outline, Strategic Asset Allocation, and Tactical Asset Allocation from the Director of Investment Development; appoint investment experts if necessary, consisting of independent experts; approve or reject investment plans; and discuss and decide on the handling of investment instrument issues that are under special supervision. On December 31, 2021, the Board of Directors Regulation No. PERDIR/31/122021 has been issued which reformulates the functions of the Committee which will be effective as of January 1, 2022.

Information Technology Directing Committee

The Information Technology Directing Committee was established based on the Board of Directors Regulation No. PERDIR/7/032019 with the aim of supporting the Board of Directors in carrying out their duties and responsibilities regarding the planning, implementation, and evaluation of the IT

Master Plan, Information Technology Governance Policy, and Information Technology Strategic Work Program of BPJAMSOSTEK. The Chair of the Committee is the President Director with the Deputy Director of Information Technology Development as the Committee Secretary and the Director of Strategic Planning and Information Technology as the Deputy Chair of the Committee. Committee members consist of the Director of Services, Director of Membership, Director of Finance, Deputy Director of Information Technology Operations, Deputy Director of Information Technology Development, Deputy Director of Strategic Planning, and Deputy Director of Risk Management.

Functions of the Committee:

- a. ensuring the IT Master Plan is aligned and in accordance with the BPJAMSOSTEK strategic plan;
- b. ensuring the information technology work program and budget are aligned and in accordance with the strategic goals of information technology;
- c. discussing and determining the priority scale of the information technology work program in accordance with BPJAMSOSTEK's strategic goals;
- d. discussing and deciding on new information technology work programs and budgets which are not included in the annual information technology strategic goals;
- e. discussing and resolving the problems of the annual information technology work program which cannot be resolved by the work units in the information technology sector;
- f. evaluating the proposed information technology Contingency Plan in a Force Majeure situation by considering an analysis of risks, costs, benefits, and compliance with regulatory provisions;
- g. monitoring and evaluating the IT Master Plan, Information Technology Governance Policy, and BPJAMSOSTEK Information Technology Strategic Work Program;
- h. monitoring and evaluating the implementation of the IT Master Plan, Information Technology Governance Policy, and BPJAMSOSTEK Information Technology Strategic Work Program; and
- i. ensuring the implementation of information technology risks mitigations at BPJAMSOSTEK.

Risk Management [POJK51-5.c][102-15][IR-4D]

BPJAMSOSTEK manages risk by adopting ISO 31000:2018 Risk Management-Guidelines. The implementation of risk management is based on the understanding that BPJAMSOSTEK as the bearer of the mandate for managing social security funds will be exposed to many risks in its activities that need to be managed in order to make BPJAMSOSTEK a trusted public institution. BPJAMSOSTEK as a public legal entity that organizes social security programs for workers takes an integrated risk management approach to BPJAMSOSTEK's activities through policies, strategies and a comprehensive risk management system that is adjusted to BPJAMSOSTEK's objectives, regulations, and applicable laws in Indonesia with the aim of achieving targets and goals of BPJAMSOSTEK's strategic work.

The Agency also ensures that there is no non-compliance with the laws and regulations in the social and economic fields. [419-1]

BPJAMSOSTEK Risk Management is a process that is influenced by all personnel of BPJAMSOSTEK, is applied when setting strategies for the entire environment of BPJAMSOSTEK, is designed to identify potential events that may affect BPJAMSOSTEK and is managing risks in accordance with BPJAMSOSTEK's risk preference, in order to provide efforts to ensure the achievement of the objectives of BPJAMSOSTEK goals. Risk management is grouped into three elements, namely Risk Management Principles, Risk Management Framework, and Risk Management Process.

| Risk Management | | |
|--|---|--|
| Objective Create and protect embodied value by improving performance, encouraging innovation, and supporting target achievement. | | |
| Risk Management Principles | Framework of Risk Management | Process of Risk Management |
| 1. Risk management is an integrated part of all organizational activities; 2. Risk management is structured and comprehensive; 3. Risk management is used by adapting to the conditions of the organization; 4. Risk management is inclusive; 5. Risk management is dynamic; 6. Risk management uses the best available information; 7. Risk management takes into account human and cultural factors; and 8. Risk management facilitates continuous improvement of the organization. | 1. Leadership and Commitment 2. Integration 3. Design 4. Implementation 5. Evaluation of Effectiveness 6. Continuous Improvement | 1. Communication and Consultation 2. Scope, Context, and Criteria Setting 3. Risk Assessment (Identification, Analysis, and Evaluation) 4. Risk Treatment 5. Monitoring and Review 6. Recording and Reporting |

Based on the roadmap, the target for implementing risk management in 2021 reached the integrated stage, as follows:

Targets

1. An integrated assurance process and an effective risk-based decision-making process.
2. Opportunities identification other than risks, as strengths.
3. Implementation of effective Business Continuity Management (BCM).
4. Human capital who are aware and competent in managing risk at all levels.

Fulfilment

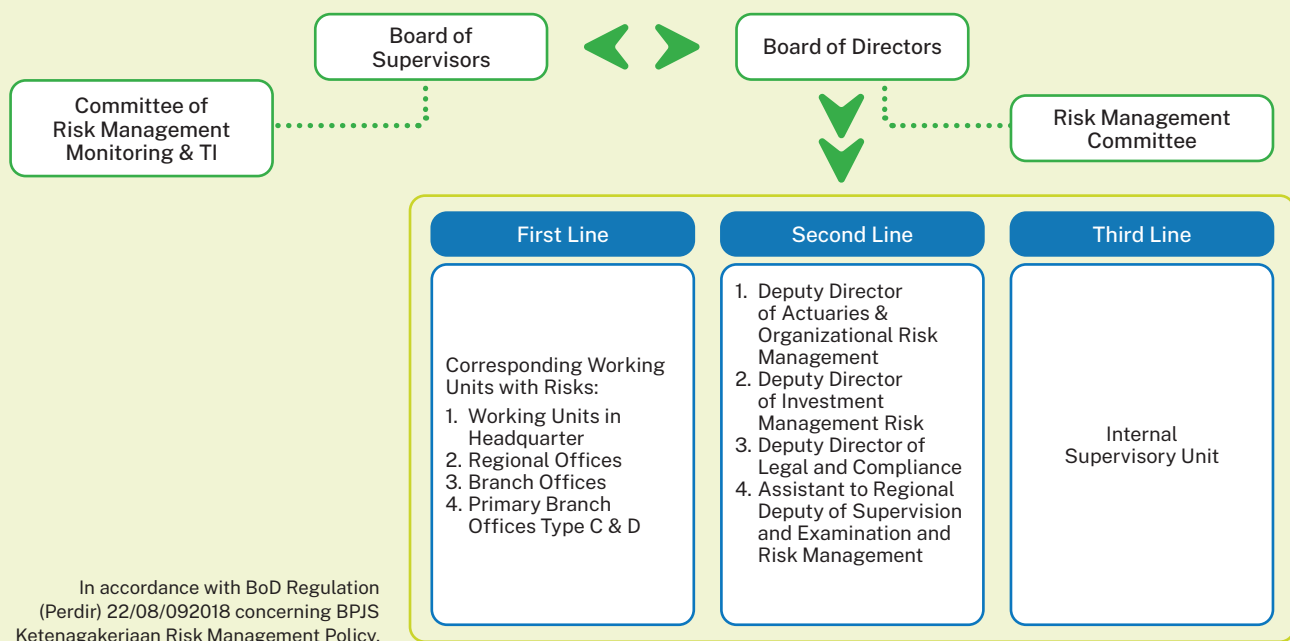
1. Risk Management helps decision making through risk assessment.
2. The identification of opportunities other than risks is considered in the strength analysis.

3. The BCM policy has been updated in accordance with the needs of BPJAMSOSTEK and also followed by its dissemination.

4. Education and strengthening of risk management competencies has been conducted for all Key Risk Owners and Risk Owners at the Head Office, Regional Offices, and Branch Offices.

In accordance with Board of Directors Regulation No. 22/08/092018 concerning BPJS Ketenagakerjaan Risk Management Policy, BPJAMSOSTEK risk management is supported by a Risk Management Structure and involves the roles of internal stakeholders.

Risk Management Structure and the Roles of Internal Stakeholders



BPJAMSOSTEK's Risk Profile

Strategic Risks

Strategic risk is the risk that has the potential to hinder BPJAMSOSTEK in achieving its strategic goals or objectives. Several strategic risks identified in 2021 include the achievement of the number of active workers in all participant segments (Wage Recipients, Non-Wage Recipients, Indonesian Migrant Workers, and Construction Services) which is slightly below the set target. To mitigate this, BPJAMSOSTEK has undertaken the following:

1. Disseminating the Presidential Instruction concerning the optimization of the

Implementation of Workers Social Security Program to Central and Regional Bodies.

2. Strengthening CRM synergies in the plantation, mining, garment, outsourcing, SOEs, manufacturing, oil & gas, pharmaceutical, retail, telecommunications, e-commerce, and other sectors.
3. Cooperating with Ministries and associations to increase participation.
4. Strengthening non-ASN participation with Central and Regional Bodies.

Market Risks

The exposure of the DJS and BPJAMSOSTEK programs to price fluctuations comes from traded and held-to-maturity investment instruments. BPJAMSOSTEK conducts monitoring and analysis of price movements to minimize the negative impact on the DJS and BPJAMSOSTEK's net asset reports. In the reporting period, BPJAMSOSTEK has

carried out a sensitivity analysis to measure the impact of price changes on stock and mutual fund portfolios as of 31 December 2021. In addition, a sensitivity analysis of Government Securities (SUN) which was listed at fair value to changes in interest rates as of 31 December 2021 was also carried out.

Table of Stock Portfolio Sensitivity Analysis in 2021

| Description | DJS | | | | BPJS Fund |
|---------------------------------|-------|-------|-------|-------|-----------|
| | JHT | JKK | JKM | JP | |
| MTM Sensitivity Δ100 Point IHSG | 2.08% | 2.11% | 2.13% | 1.99% | 2.17% |

Note: MTM = Market to Market

Table of Mutual Fund Portfolio Sensitivity Analysis in 2021

| Description | DJS | | | | BPJS Fund |
|---------------------------------|-------|-------|-------|-------|-----------|
| | JHT | JKK | JKM | JP | |
| MTM Sensitivity Δ100 Point IHSG | 1.10% | 0.57% | 0.48% | 0.92% | 0.15% |

Note: MTM = Market to Market

Table of SUN Sensitivity Analysis in 2021 (Fair Value Listed to Changes in Interest Rates)

| Description | DJS | | | | BPJS Fund |
|------------------|-------|-------|-------|-------|-----------|
| | JHT | JKK | JKM | JP | |
| Price Change (%) | 0.113 | 0.225 | 0.226 | 0.150 | 0.062 |

Liquidity Risks

Liquidity risk is a potential event where the investment instruments owned by DJS and BPJAMSOSTEK are in illiquid conditions, making it difficult to conduct sales transactions related to investment activities. Liquidity risk is also a potential event of the inability of DJS and BPJAMSOSTEK to meet short-term/maturity obligations due to lower liquid assets value to meet short-term/maturity obligations (related to non-investment operational activities). Liquidity risk related to non-investment operational activities is contained in activities to fulfil obligations to members or other parties according to a predetermined time and amount. In terms of managing liquidity risk, BPJAMSOSTEK as the entity in charge of the DJS continuously controls cash requirements and oversees maturing obligations. In general, DJS is relatively not exposed

to liquidity risk considering that its assets are relatively more liquid than its liabilities.

In addition, liquidity risk also includes solvency risk. Solvency risk is the risk that may arise due to deviations/mismatches in the management of assets and long-term liabilities of the JHT and JP Program funds. Insolvency occurs when the assets of the JHT and JP Program funds are insufficient to pay all the liabilities of the JHT and JP Program. In the event that there is a discrepancy between the investment assets and liabilities of JHT and JP based on the Semester Financial Statements (unaudited) and the Semester Liability Profile Report, the Director of Investment Development decides adjustment strategies.

Credit Risks

Credit risk consists of the potential occurrence of a default by the bank (deposit) or issuer, or the issuer of debt/securities owned by BPJAMSOSTEK. Defaults can be in the form of default on coupons (interest) or principal at maturity. BPJAMSOSTEK conducts periodic and intensive monitoring of the performance of related party companies to monitor the potential for defaults. Mitigation in 2021, was

by periodically reviewing exposure and credit risk levels to ensure that the placement of investment funds by DJS and BPJAMSOSTEK is within management's risk tolerance level. BPJAMSOSTEK also monitors the soundness of deposit placement banks and monitors the fundamentals of issuers/issuers (debt/securities).



Operational Risks

Operational risks, both internal and external identified in 2021 and their mitigation, as follows:

1. During 2021, there were 4 natural disasters in 4 different points that impacted BPJAMSOSTEK, namely floods in Rusunawa BPJAMSOSTEK Jababeka Cikarang in January, earthquakes and floods in West Sulawesi and Banjarmasin in February, and El Nina storm in East Nusa Tenggara in early April.

In mitigating risks due to natural disasters, BPJAMSOSTEK has prepared a Business Continuity Plan document to be a guide for work units in maintaining their business continuity. In addition, the Crisis Management Team proactively coordinates with other government institutions such as the National/Regional Disaster Management Agency to evacuate employees affected by the disaster.

2. Since the start of COVID-19 outbreak on March 2020 until as of December 31, 2021, there were 2,077 employees who have been declared cured of COVID-19 and 5 employees who have died. In addition to activating the Crisis Management Team (CMT), BPJAMSOSTEK also formed a COVID-19 Task Force Team to deal with the COVID-19 outbreak within BPJAMSOSTEK. In carrying out its duties, CMT actively develops health protocols and policies implemented in handling COVID-19, such as the work from home/ work at office policy in line with emergency PPKM regulations issued by the government as well as conducting COVID-19 vaccinations for employees.

3. Until the end of 2021, there were still data on PU workers, both active and non-active, whose ID Number (Nomor Induk Kependudukan/NIK) does not match the data from the Adminduk. Given the importance of membership data for various processes in BPJAMSOSTEK such as claims services, BPJAMSOSTEK continues to match data with the Adminduk as well as conduct campaigns and outreach to companies/ members to complete data as needed during the registration process and to update data through BPJAMSOSTEK's IT Services.
4. There was an increase in labor turnover in the PU and non-PU segments throughout October to December 2021. In order to protect Indonesian workers, BPJAMSOSTEK continues to outreach to workers about the importance of social security, both for the informal and formal sectors. BPJAMSOSTEK also implements strategies to increase member retention and sustainability, such as empathy calls and digital acquisitions.
5. The number of Employers/Business Entities who does not pay contributions in time is relatively high, although the number has decreased throughout October to December 2021. In order to increase members punctuality in paying contributions, BPJAMSOSTEK continues educate Employers/Business Entities members, especially to the new ones to pay dues in time and also take measures such as using the Payment Reminder System and welcome calls to Employers/Business Entities as reminders of contributions.

Reputational Risks

In general, BPJAMSOSTEK's reputation risks identified in 2021 were as follows:

1. There were fluctuations in the number of negative reports, both in print and social media. Throughout 2021, negative news on social media dominated, where the number of negative news on social media increased significantly at both end of the year.
2. There was a significant increase in the number of participant complaints on BPJAMSOSTEK program services throughout 1st semester, then decreased drastically in 2nd semester.
3. In general, there had been a significant increase in the number of participant complaints regarding e-service apps throughout 2021.
4. In general, there was a significant fluctuation in the number of participant complaints about membership services.

Regarding the reputational risks mentioned beforehand, BPJAMSOSTEK also made various measures to mitigate these risks, for instances:

1. Making announcements as well as information publications on social media and delivering press releases related to negative issues that befell BPJAMSOSTEK.
2. Conducting massive dissemination to members and employers regarding information on BPJAMSOSTEK's program and service procedures via social media and other media.
3. Identifying or mapping the similarity of incoming complaints in order to speed up decision making in the event of a similar case.

Information Technology Risks

Generally, identified risk on the IT at BPJAMSOSTEK and the mitigations to address are as follows:

1. Throughout 2021, the intensity level of recurring errors in Core System applications has increased with the majority of errors occurring in the membership and service module.
2. There was an increase in the number of errors in eService apps throughout 2021. In general, Lapak Asik and JMO applications experienced the highest number of errors compared to other eService applications.
3. There has been a risk event related to integration with Dukcapil and an exit way has been done for the incident.

In order to improve BPJAMSOSTEK's IT Services, BPJAMSOSTEK always implements Incident Management and Problem Management procedures to record, identify, and analyze the root causes of problems that occur. Then, BPJAMSOSTEK makes refinements to the bugs/errors that have been identified and implements preventive measures to avoid the recurrence of the same problem. In addition, BPJAMSOSTEK is always responsive to incidents and coordinates actively with various partners to resolve occurring risk events.

Legal Risks

Legal risk is the risk that occurs as a result of potential legal claims/sanctions borne by BPJAMSOSTEK, due to uncertainty and/or differences in legal interpretation between BPJAMSOSTEK and other parties regarding the products/services produced as well as operational activities or actions taken by both parties. In carrying out legal risk control, the Deputy Director for Compliance and Legal Affairs provides legal reviews and recommendations to

each Deputy Director and conducts regular reviews of cooperation agreements with counterparties. The Deputy Director for Compliance and Legal Affairs also proactively cooperates with legal consultants or lawyers in handling legal risks. In 2021, BPJAMSOSTEK faced several legal cases in the form of external claims to BPJAMSOSTEK which were litigation and non-litigation legal cases.

Compliance Risks

Compliance risk is the risk that occurs as a result of non-compliance/violation and/or inability of BPJAMSOSTEK/Entity personnel to comply with the provisions of applicable laws, regulations, and laws that can come from the external and internal environment of BPJAMSOSTEK. In order to minimize the impact of compliance risk, the Deputy Director for Compliance and Legal Affairs has provided a special portal called the Sistem Informasi Kepatuhan dan Hukum (SIPATUH) to get the level of compliance of each working units.

To ensure the level of compliance contained in the application, the Deputy Director for Compliance and Legal periodically conducts sampling of compliance tests. In 2021, sampling of compliance tests was carried out at 11 branch offices out of a total 62 structural officers, with average results in the range of 95% which means that the average

work unit had been “Complied” in carrying out business processes in accordance with internal and external regulations as an employment social security administering body.

Until December 2021, there were several findings that are still in the process of being resolved which could potentially lower BPJAMSOSTEK’s reputation. The Internal Supervisory Unit always coordinates with related units to be able to follow up on recommendations to resolve these findings. In addition, BPJAMSOSTEK is also preparing and finalizing several derivative regulations that have just been issued by the government in 2021 regarding the implementation of employment social security in order to fulfil the Agency’s obligations to comply with regulations made by the government.



Evaluation of Effectiveness of Risk Management System [POJK51-5.c]

Evaluation is carried out through periodic assessments by independent parties by looking at various aspects. BPJAMSOSTEK also carries out risk management competency development through training and dissemination to all entities of BPJAMSOSTEK.

| Evaluation of Effectiveness of Risk Management System in 2021 | |
|---|----------------------------------|
| Assessment | Conducted by: External Assessor |
| | 2021 Result: Total Score of 3.89 |
| | 2020 Result: Total Score of 3.82 |
| Competency Development | Total Events: 3 |
| | Total Participants: 11 |
| Dissemination | Total Events: 2 |
| | Total Participants: 291 |

Maintaining Operational and Service Sustainability

An important part of implementing risk management is BPJAMSOSTEK's readiness to continue operational activities and services in an emergency due to disasters. Since 2009, BPJAMSOSTEK has had a business continuity plan (BCP). In 2014, BPJAMSOSTEK implemented

business continuity management (BCM), which is an integrated and comprehensive management process to ensure that BPJAMSOSTEK's operational activities can continue to function in the event of a disaster, in order to protect the interests of stakeholders and the reputation of BPJAMSOSTEK.

| Operation and Service Continuity during Emergency | |
|---|---|
| Business Continuity Management (BCM) | Emergency Response Plan (ERP) Procedure of handling in the case of threats to avoid loss of life and minimizing damage to BPJAMSOSTEK assets. |
| | Business Continuity Plan (BCP) Procedure of handling in the case of threats to avoid loss of life and minimizing damage to BPJAMSOSTEK assets. |
| | Disaster Recovery Plan Information Technology (DRP IT) Recovery strategy process in the event of disruption/disaster related to information technology services. |

Activities carried out during 2021 to support the implementation of BCM are:

1. Update and socialize the latest BCM provisions as outlined in the BPJS Ketenagakerjaan Board of Directors Regulation Number: PERDIR/23/092021 concerning Business Continuity Management Guidelines.
2. Conducted visits to 33 work units in 11 regional offices in the form of evaluations of disaster management of work units affected by disasters, as well as testing of BCP documents in the form of communication branches and/or simulations.

From the activities carried out, there are several things that need attention:

- Socialization of the latest PERDIR Business Continuity Management needs to be carried out on an ongoing basis.
- Uneven understanding of business continuity management, especially related to disaster management and operational recovery of work units.
- Monitoring and evaluation of the BCP document trial as a step to improve the trials that have been carried out by the work unit.

► Compliance

BPJAMSOSTEK ensures that the implementation of employment social security and protection for workers as well as the management of BPJAMSOSTEK is carried out in compliance with the applicable laws and regulations. In addition, BPJAMSOSTEK also avoids any form of political involvement or contribution in any form, including

support for certain political groups or the provision of political funds. During 2021, we did not receive any fines or other significant legal sanctions as a result of a guilty verdict related to alleged non-compliances with applicable provisions, regulations, laws, and/or laws that may affect the operational activities of BPJAMSOSTEK. [415-1]

► Supports for Anti-corruption

BPJAMSOSTEK supports anti-corruption to embody integrity and clean performances, thereby ensuring sustainable protection and benefits to workers and other stakeholders. BPJAMSOSTEK is committed to preventing corrupt practices within BPJAMSOSTEK by implementing the 'Work Ethics and Anti-corruption' in the BPJAMSOSTEK Code of Ethics which is stipulated based on the Board of Directors Regulation No. PERDIR/103/092015 concerning the BPJAMSOSTEK Code of Ethics. Periodically, the Board of Directors evaluates the implementation of anti-corruption, including the submission of the Wealth Report of State Officials (Laporan Harta Kekayaan Penyelenggara Negara/ LHKPN) by BPJAMSOSTEK officials and controlling gratuities through reporting also by BPJAMSOSTEK officials. Every year, BPJAMSOSTEK organizes various activities that involve all employees, officials, and other stakeholders to strengthen the integrity and to shape an anti-corruption culture. Based on the evaluation results, the compliance rate of LHKPN reporting for Agency officials reached 100%. Meanwhile, regarding the control of gratuities, BPJAMSOSTEK has reported 98 findings and has handed over money to the KPK amounting to Rp59,504,051. [102-11][103-1][103-2][103-3]

The anti-corruption commitment is applied to all aspects of BPJAMSOSTEK's activities, including the management of employee funds. BPJAMSOSTEK ensures that the management of workers' funds

has complied with the provisions in the Peraturan Presiden No. 25 of 2020 concerning Governance of the Social Security Administering Body, in order to avoid all forms of violations that can cause losses to BPJAMSOSTEK and employees. The Board of Directors is also obliged to make professional investment decisions and optimize the development of investment funds by considering aspects of liquidity, solvency, prudence, security of funds, and adequate returns. The Board of Directors is also obliged to conduct an analysis of investment risk with a course of action plan in the event of an increase in investment risk; as well as to conduct adequate and documented reviews of placing, retaining and disposing of investments. [205-1a][205-1b]

Investments in the capital market, both in stock and mutual funds, are always at risk. One of them is market risk that occurs when stock prices decline which results in a decrease in investment value in the midst of a fluctuating capital market as how it has been occurring in recent years. The decline in the value of shares and mutual funds is an unrealized loss (not yet sold) which as recommended by BPK is to do a cut loss. In an effort to minimize potential losses, BPJAMSOSTEK carries out several strategies as follows:

- Sells stocks and mutual funds that have received capital gains.
- Buys/adds shares for the purpose of averaging cost down by considering the fundamental performance and future prospects of the issuer.

- ▶ Monitors comprehensively the investment instruments that experience unrealized loss.
- ▶ Naturally lowers the weight of stocks and mutual funds in the total portfolio.

In this regard, the regulations governing the cut loss mechanism are currently under discussion and are included in the Draft Law on Development and Strengthening of the Financial Sector (Rancangan Undang-Undang Pengembangan dan Penguatan Sektor Keuangan/P2SK). We hope that the provisions stipulated in the RUU can support BPJAMSOSTEK in managing its funds to provide optimal results to members. Meanwhile, stocks that generate capital gains have been sold in stages by considering market momentum to avoid losses. Whereas for shares that are still in an unrealized loss position, a one-on-one meeting with the relevant issuer has been held to obtain an overview of the business prospect (growth) plan that is expected to affect the issuer in the future, and BPJAMSOSTEK will continue to monitor it regularly.

As an implementation of the 'Work Ethics and Anti-corruption' in the BPJAMSOSTEK Code of Ethics, members of the Board of Supervisors and the Board of Directors signed an Integrity Pact. In accordance with the Integrity Pact, members of both The Boards are committed to establishing an integrity zone and establishing BPJAMSOSTEK as a corruption-free area. One of the strategic steps taken by BPJAMSOSTEK in 2021 is to conduct the World Anti-Corruption Day campaign activities. The activity with the theme: One Solid Builds Anti-corruption Culture (Satu Padu Bangun

Budaya Antikorupsi) was attended by the Board of Supervisors, the Board of Directors, 100% of Agency officials and employees, as well as stakeholders in all BPJAMSOSTEK offices. The implementation of the activity was expected to create an environment for BPJAMSOSTEK that is free from corruption, collusion and nepotism by providing the best service to members who are free from all forms of diversion. [205-2a][205-2b][205-2c][205-2d][205-2e]

Communication related to BPJAMSOSTEK's policies regarding anti-corruption is done to all (100%) partners via email blast as well as disseminations, for example to always issue a circular not to give/accept gratuities prior to holidays. Then, BPJAMSOSTEK also attended an invitation to become a source related to anti-corruption at our partners' activities. BPJAMSOSTEK conveys its anti-bribery commitment to all investment partners attended by the Board of Directors and the Board of Supervisors.

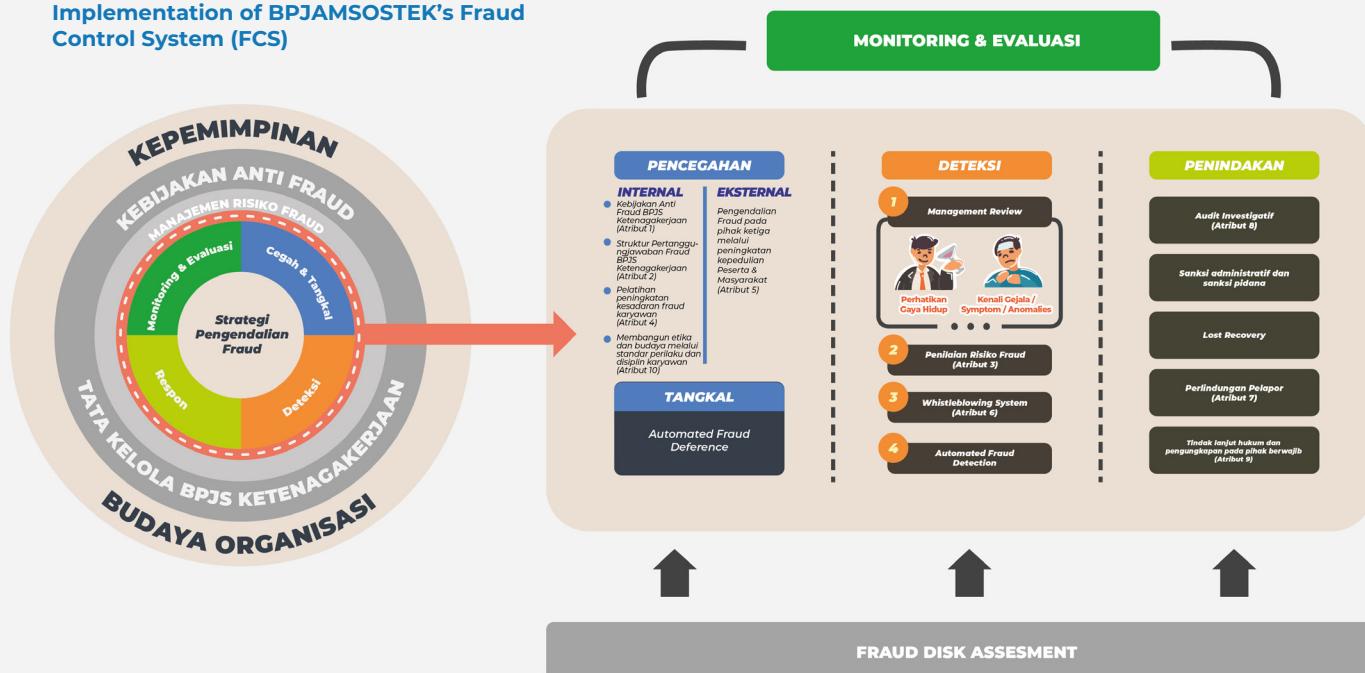
BPJAMSOSTEK continues to shape people's integrity to support the achievement of better and cleaner performance. By the end of 2021, 546 Tunas Integritas personnel have been formed in all work units to support effective supervision. BPJAMSOSTEK also standardizes competence by collaborating with the LSP of KPK through certification of Anti-corruption Counselor (Penyuluh Antikorupsi) and Integrity Builder Expert (Ahli Pembangun Integritas/API). By the end of 2021, there are 114 employees with the Anti-corruption Counselor certification and 51 employees with the Integrity Builder Expert certification. [205-2b][205-2e]

Fraud Control System (FCS)

To prevent fraud, the Board of Directors established a Fraud Control System (FCS) which is managed by the Fraud Control Unit and led by the Director for Compliance and Legal Affairs. Management does not tolerate acts of fraud (zero fraud tolerance) and

will act or impose sanctions in accordance with the provisions of the legislation and/or the applicable provisions at BPJAMSOSTEK. The implementation of FCS is conducted by developing a control system characterized by 10 attributes.

Implementation of BPJAMSOSTEK's Fraud Control System (FCS)



Attributes in the Implementation of BPJAMSOSTEK FCS

| Attribute 1 Integrated Anti-fraud Policy | Attribute 2 Fraud Control Liability Structure | Attribute 3 Fraud Risk Assessment | Attribute 4 Employee Concern on Fraud Cases | Attribute 5 Concern of BPJAMSOSTEK Members and the Public on Fraud Cases |
|---|---|--|---|--|
| Fully responded with the availability of a BoD Regulation related to fraud control, namely Number: PERDIR/31/092015 concerning Guidelines for Fraud Control. | Fully responded with the establishment of the Fraud Control Unit, led by the Deputy Director of Legal and Compliance. | Fully responded with the implementation of Fraud Risk Assessment on a regular basis, in collaboration with the Finance and Development Supervisory Agency (BPKP). | Continuous dissemination is carried out to all employees, from Work Preparation Training to Advance Level Training for employees who will occupy Level 1 positions. | Members and the public can report fraud cases that occur within the BPJAMSOSTEK environment through the Whistleblowing System (WBS). |
| Attribute 6 Fraud Cases Reporting System | Attribute 7 Protection for Whistleblowers | Attribute 8 Investigation Procedure | Attribute 9 Action and Disclosure to External Parties | Attribute 10 Standards of Conduct and Employee Discipline |
| The fraud indication reporting application can be accessed via https://wbs.bpjsketenagakerjaan.go.id/ ^(IR-1E) | Management protects the efforts of employees, members, and the public who report fraud incidents. Protection is carried out by the Internal Supervisory Unit, Deputy Director of Legal and Compliance, in collaboration with the Witness and Victim Protection Agency (LPSK). | Fully responded with standard procedure guidelines for investigation of fraud by the Internal Supervisory Unit, and inspection procedures by the Deputy Director of Human Capital. | Reporting to external parties is carried out in accordance with the BoD of BPJAMSOSTEK Decree on the basis of the Audit Result Report conducted by the Internal Supervisory Unit. | Fully responded with the drafting of the BoD of BPJAMSOSTEK Regulation regarding the Code of Ethics and Employee Management. |

Realization of FCS Implementation in 2021:

1. Conducting dissemination and distribution of PERDIR/10/032020 regarding the Guidelines for Fraud Control in the Implementation of the Employment Social Security Program according to the Deputy Director for Compliance and Legal Affairs No. ME/642/032020 dated March 23, 2020, through the Deputy Director for the Secretariat of BPJAMSOSTEK.
2. Implement anti-fraud policies into BPJAMSOSTEK's operations through regulations and SOPs, for instances PERDIR/1/012021 about the Guidelines for Good Governance, PERDIR/33/122019 about the Guidelines for Gratification Control, PERDIR/38/092015 about the Guidelines for Conflicts of Interest, PERDIR/22/082018 concerning the Risk Management Policies, PERDIR/28/092015 concerning Taste and Risk Tolerance of BPJS Ketenagakerjaan, PERDIR/31/122018 about the Guidelines for the Management of Internal Supervisory Units, and PERDIR/45/092015 on the Internal Supervisory Unit Charter.
3. Require the signing of the Integrity Pact by all employees of BPJAMSOSTEK once every year which contains: a statement of compliance with the code of ethics in interacting with internal and external parties; take action to prevent corruption, gratification, bribery and fraud; avoid actions that have the potential to cause a conflict of interest; report receipt of gratuities to the KPK; submit LHKPN to the KPK for officials obliged to report; maintain the confidentiality of BPJAMSOSTEK information and not misuse it for other purposes; and report any violations through the violation reporting channel.
4. The yearly collection of Wealth Report of State Officials (LHKPN) by all BPJAMSOSTEK Officials in accordance with UU No. 28 of 1999 concerning Clean and Free State Administrators from Corruption, Collusion, and Nepotism.
5. Provide sanctions for all types of violations, especially fraud in accordance with BPJS Ketenagakerjaan's Board of Directors Regulation No. PERDIR/22/092021 concerning the Employment Management of BPJS Ketenagakerjaan.
6. Implement the prohibition of conflicts of interest at work in accordance with the Regulation of the Board of Directors No. PERDIR/38/092015 on the Guidelines for Conflicts of Interest. BPJAMSOSTEK stated that all personnel of BPJAMSOSTEK who had conflicts of interest in exercising their duties and responsibilities are not allowed to invite, give approval, conduct discussions, disclose related information, take advantage of BPJAMSOSTEK facilities, and take any other actions which can be considered to provide benefits for certain parties.
7. Require all structural officials, including the Board of Directors and Supervisors, to report LHKPN to the KPK in accordance with the Board of Directors Regulation No. PERDIR/24/092021 on the Guidelines for Management of State Administrators Wealth Reports in the 2021 Fraud Control System Report Environment.
8. Implementing the concept of Enterprise Risk Management (ERM) through Board of Directors Regulation No. PERDIR/22/082018 concerning Risk Management Policy. BPJAMSOSTEK stated that the organizational structure of BPJAMSOSTEK's Risk Management contains coordination and command relationships that adhere to the concept of three lines of defence, so that incoming risks will be controlled and prevented from the first line, supported by policies from the second line and monitoring from the third line. Where internal and external fraud risk events fall into the operational risk category.
9. Provide a violation reporting channel for anyone who witness violations committed

by BPJAMSOSTEK personnel, including KKN, gratuities, fraud, bribery, conflicts of interest, and others. BPJAMSOSTEK established an Integrity Committee, one of which functions to encourage the analysis of anti-corruption action plans.

10. BPJAMSOSTEK has obtained the certificate of ISO 37001:2016 Anti-Bribery Management System after undergoing a certification process in accordance with international standards and BSN. BPJAMSOSTEK has implemented ISO 37001:2016 on investment business processes and participation business processes according to certificate numbers SAB 00090 and SAB 00091. The selection of these business processes is based on BPJAMSOSTEK's awareness of the high risk in managing investment funds at BPJAMSOSTEK, considering the total managed fund which reaches Rp554.21 trillion and the size of the active participant coverage which reaches 30.66 million people by the end of 2021. This makes BPJAMSOSTEK aware of the gaps in bribery in its management that must be mitigated.

The implementation of ISO 37001:2016 is expected to support BPJAMSOSTEK in establishing, implementing, maintaining, and improving anti-bribery programs. This SMAP allows BPJAMSOSTEK to make better decisions concerning business partners as well as third parties, by understanding and being proactive in managing the risks that may develop from these cooperative relationships. Besides that, BPJAMSOSTEK will consistently apply the SMAP standards through the Anti-Bribery Policy to all BPJAMSOSTEK's People with the 4 FIGHTs principle, namely Fight Bribery, Fight Gratification, Fight Fraud, and Fight Luxuries Hospitality.

BPJAMSOSTEK has also initiated other measures to implement anti-fraud policy, for instances:

1. Collaborating with the KPK through the signing of a Memorandum of Understanding

between BPJS Ketenagakerjaan and the KPK No. MOU/2/022019 concerning the Cooperation in the Efforts of Corruption Crimes Eradication. The scope of this cooperation comprises of the exchange of data and information; prevention of corruption; education, training and dissemination; study and research; source person; and other scopes.

2. Establishing BPJAMSOSTEK Personnel as Tunas Integritas who have the mission to be agents of change in spreading integrity values to fellow employees and exercising Anti-corruption Counselor and Integrity Builder Expert certifications in collaboration with the KPK Anti-corruption Learning Center (ACLC). Currently, BPJAMSOSTEK has 551 Tunas Integritas spread across all Work Units, 51 API, and 110 PAK.
3. Publishing BPJAMSOSTEK's direction and attitude towards gratifications that are rampant during religious holidays by issuing:
 - a. Circular Letter No. SE/11/042021 concerning Gratuity Control in the Celebration of Eid Al-Fitr 1442 H in 2021 which was addressed to all BPJAMSOSTEK personnel
 - b. Announcement No. PENG/1/042021 concerning the Prohibition of Giving Gratification addressed to all members, business partners, company management, vendors, and families.
 - c. Letter of the Director of General Affairs and HR No. B/4815/052021 regarding: Prohibition of Accepting Gratification for Eid Al-Fitr 1442H addressed to all BPJAMSOSTEK Work Units throughout Indonesia.
 - d. Digital Poster for the Prohibition of Gratification on Eid Al-Fitr 2021 which was sent on H-6 Eid to all employees via corporate email as a reminder to avoid gratification practices that often occur close to Eid Al-Fitr.
 - e. Advertisement on the Prohibition of Giving Gratification on Eid Al-Fitr 1442H which was posted in the national printed media.

Wealth Report of State Officials (LHKPN)

In accordance with Board of Directors Regulation No. PERDIR/24/092021, every governance official at a certain level of office is required to submit LHKPN to the KPK. BPJAMSOSTEK has implemented e-LHKPN, which is a web-based reporting app

via web address <https://elhkpn.kpk.go.id> that automatically stores on the KPK server. In 2021, there were 1,052 BPJAMSOSTEK officials who are obliged to submit LHKPN with the realization that 1,052 people or 100% have fulfilled their obligations.

| Compliance Level of LHKPN Compulsory Reporting of 2021 | | | |
|--|--------------------------------------|---------------------------|----------------|
| Official | Number of LHKPN Compulsory Reporting | Number of LHKPN Submitted | Percentage (%) |
| Board of Supervisors | 7 | 7 | 100 |
| Board of Directors | 7 | 7 | 100 |
| Structural Officers | 1,030 | 1,030 | 100 |
| Subsidiaries | 8 | 8 | 100 |
| Total | 1,052 | 1,052 | 100 |

Gratification Control

BPJAMSOSTEK requires all personnel of BPJAMSOSTEK to report all forms of reception and rejection from parties with conflicts of interest in accordance with Board of Directors Regulation No. PERDIR/33/122019. To facilitate the reporting of gratuities, BPJAMSOSTEK provides a means of reporting through the SiPatuh app which can be accessed online by BPJAMSOSTEK personnel and formed a Gratification Control Unit (UPG). During

2021, we received 98 gratification reports, with a total value of Rp59,504,051. All reports regarding gratification have been reported to the KPK for further follow-ups.

| Gratification Report of BPJAMSOSTEK in 2021 | |
|---|------------------|
| Number of Reports | Total Value (Rp) |
| 98 | 59,504,051 |

Information on Provisions of Funds for Political Activities

During 2021, there were no funds or assets of BPJAMSOSTEK that were used for direct or indirect contributions to political parties or members of political parties, including raising political funds or other political interests. BPJAMSOSTEK ensures that none of the members of The Boards of

Supervisors, Board of Directors, and management are affiliated with a political party. BPJAMSOSTEK also prohibits the giving and receiving of gifts or donations that can influence political decision-making.

Corruption Cases Dealt

In 2021, there were no corruption cases within the BPJAMSOSTEK involving BPJAMSOSTEK officials. However, there were BPJAMSOSTEK officials who provide testimony as witnesses in several cases of alleged corruption involving other parties and are currently being handled by the KPK as well as

other authorities. BPJAMSOSTEK cannot disclose information regarding legal cases related to corruption because the data is confidential. On the other hand, BPJAMSOSTEK never has to deal with anti-competition cases and violations of anti-trust and monopoly. [205-3b][205-3c][206-1]

➤ Supervision and Examination

In accordance with UU No. 24 of 2011 concerning Social Security Administering Body, BPJAMSOSTEK is authorised to conduct Supervision and Examination on the compliance of members and employers in fulfilling their obligations under national social security laws and regulations. The Supervision and Examination process is in accordance with the Board of Directors Regulation No. 21/PERDIR.02/072022 concerning Supervision and Examination Technical Guidelines. Examiners conduct monitoring to examine violation data, including Unregistered Companies (PWBD), Partially Registered Companies (PDS), and Companies with Contribution Arrears (PMI).

In addition, the Examination Officer may submit the Employer's non-compliance to the Authorized Agency for further processing. For the type of non-

compliance with PWBD and PDS, administrative sanctions are imposed in the form of a letter of warning, fines, and not receiving certain public services (TMP2T), while for PMI, criminal sanctions are imposed according to Law Number 24 of 2011.

During 2021, BPJAMSOSTEK has conducted Supervision and Examination of 152,230 out of a target of 117,970 Employers with an achievement percentage of 129%. From the supervision and examination carried out, BPJAMSOSTEK succeeded in complying with 118,553 Employers from the target of 74,168 with a success percentage of 160%. In addition, BPJAMSOSTEK has issued recommendations for the imposition of sanctions for not receiving certain public services (TMP2T) as many as 778 of the target of 444 recommendations with an achievement percentage of 175%.

Result of Supervision and Examination Activities in 2021

| No | Indicator | Target | Realization | Achievement |
|----|---|---------|-------------|-------------|
| 1 | Supervision and Examination Process | 117,970 | 152,230 | 129% |
| 2 | Employer Recovery Results (Complied) | 74,186 | 118,553 | 160% |
| 3 | Not Getting Certain Public Services (TMP2T) | 444 | 778 | 175% |

➤ Monitoring

Monitoring is necessary to realize the implementation of labour social security and protection of a healthy workforce. The implementation of monitoring is directed to avoid deviations and diversions from the targeted objectives.

Internal Control System

BPJAMSOSTEK implements a comprehensive Internal Control System in the office environment head office, regional offices, and branch offices. The Executor of internal control is the Internal Supervisory Unit (SPI) which is directly responsible to the President Director. SPI carries out activities in the form of insurance, consultation, and assessment. The implementation of the Internal Control System is determined based on the

Board of Directors Regulation: PERDIR/43/092015, which includes five components that are in accordance with the framework issued by COSO (The Committee of Sponsoring Organizations of the Treadway Commission), comprises of the control environment, risk assessment, control activities, information and communication, as well as monitoring/supervision.

| Control Environment | Risk Assessment | Monitoring Activities | Information and Communication | Control Activities |
|---|---|--|--|--|
| <ul style="list-style-type: none"> • Demonstrate commitment to integrity and ethical values. • Carry out supervision responsibility. • Establish structure, authority, and responsibility. • Demonstrate commitment to competence. • Implement accountability. | <ul style="list-style-type: none"> • Set relevant goals. • Risk identification and analysis. • Fraud risk assessment. • Identification and analysis of significant changes. | <ul style="list-style-type: none"> • Implementation of ongoing and/or separate evaluations. • Evaluate and communicate weaknesses. | <ul style="list-style-type: none"> • Use of relevant information. • Internal communication. • External communication. | <ul style="list-style-type: none"> • Selection and development of control activities. • Selection and development of comprehensive technology control. • Dissemination through policies and procedures. |



Internal Supervisory Unit



Review Result of Internal Control 2021

- Internal Audit Governance Generally Conform
- Internal Audit Staff Generally Conform
- Internal Audit Management Generally Conform
- Internal Audit Process Generally Conform

Internal Audit/Internal Supervisory Unit

Based on the Board of Directors Regulation No. PERDIR/33/102017, SPI is led by the Head of the Unit, and is responsible to the President Director. The number of SPI personnel in 2021 was 65 people. The duties and responsibilities of SPI are regulated in the Charter stipulated by the Board of Directors Regulation No. PERDIR/45/092015.

In accordance with the Charter, SPI carries out its work independently and objectively without influence or pressure from all levels of Management.

The scope of the SPI is to ensure that the internal control, risk management, and governance processes of the Social Security Fund and Agency are adequate and functioning properly. The area of SPI's supervision includes investment funds, assets, human resource development, capital expenditures, and BPJAMSOSTEK's operational activities, both at the central and regional levels. According to the Annual Audit Work Program (PKAT), until December 31, 2021, there were 13 business operational audits.

| Total Personnel of SPI by December 31, 2021 | | | | | |
|---|--------------|------------------------------|----------------|---------------|-------------------|
| Position | Head of Unit | Assistant to Auditorate Head | Senior Auditor | Auditor Staff | Staff Non-Auditor |
| Total | 1 | 5 | - | 54 | 5 |

As of December 31, 2021, based on the monitoring and evaluation of the results of internal control, there were 317 findings or 8.95% that are still in the process of being followed up and as many as 3,225 findings or 91.05% have been followed up and resolved by the Head Office and Regional Offices. Total audit findings in 2021 was 323 findings.

In 2021, BPJAMSOSTEK engaged SPI personnel in these activities to improve their competence:

- ▶ Qualified Internal Auditor
- ▶ Microsoft SQL Server Training
- ▶ Internal Auditor for the ISO 37001 Anti-bribery Management System Training
- ▶ ISO 20000 and 27000 about the IT Security Management System Training
- ▶ Pension Fund General Management Training and Certification

| Audit Findings | | | | | | | |
|-----------------|----------|-------|------|------------|--------|---------|-------|
| Regional Office | Findings | | | Follow-ups | | | |
| | 2019 | 2020 | 2021 | Completed | | Ongoing | |
| | | | | Total | % | Total | % |
| Total | 1,507 | 1,712 | 323 | 3,225 | 91.05% | 317 | 8.95% |

External Audit/Public Accountant

A form of supervision carried out by BPJAMSOSTEK is the involvement of an external audit, namely a Public Accountant to provide an opinion regarding the conformity of the presentation of BPJAMSOSTEK's financial statements to the Financial Accounting Standards (SAK) applicable in Indonesia. The Public Accounting Firm (KAP) was appointed by the Board of Supervisors

in accordance with the Board of Supervisors' Regulation No. PER/05/DEWAS/012016. The audit of the Financial Statements for the 2021 Fiscal Year was carried out by KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan based on a Surat Perintah Kerja (SPK) No. PER/249/112021 with an opinion of Unqualified Opinion.

| List of Public Accountants 2019-2021 | | | |
|--------------------------------------|--|----------------------|--|
| Fiscal Year | Public Accounting Firm | Accountant | Service |
| 2021 | Amir Abadi Jusuf, Aryanto, Mawar & Rekan | Rusli | <ul style="list-style-type: none"> • General Audit • Regulatory Compliance Audit • Program Management |
| 2020 | Razikun Tarkosunaryo | Dr. Muhammad Razikun | <ul style="list-style-type: none"> • General Audit • Regulatory Compliance Audit • Program Management |
| 2019 | Razikun Tarkosunaryo | Dr. Muhammad Razikun | <ul style="list-style-type: none"> • General Audit • Regulatory Compliance Audit • Program Management |

Other institutions as external audits are:

1. Supreme Audit Agency (Badan Pemeriksa Keuangan/BPK)

In accordance with Undang-Undang Nomor 15 Tahun 2004, the report on the results of the examination of the financial statements of BPJAMSOSTEK contains an opinion; while on the examination of performance contains findings, conclusions, and recommendations; and on certain examinations contains conclusions. Implementation in 2021:

- Surat Tugas Badan Pemeriksa Keuangan Republik Indonesia No. 60/ST/V-XVI.4/05/2021 dated May 7, 2021.
- Surat Tugas Badan Pemeriksa Keuangan Republik Indonesia No. 57/ST/XVI/05/2021 dated May 5, 2021.
- Surat Tugas Badan Pemeriksa Keuangan Republik Indonesia No. 60/ST/XVI/05/2021 dated May 17, 2021.
- Surat Tugas Badan Pemeriksa Keuangan Republik Indonesia No. 180/ST/V-XVI.4/11/2021 dated November 25, 2021.
- Surat Tugas Badan Pemeriksa Keuangan Republik Indonesia No. 288/ST/XVI/12/2021 dated December 20, 2021.
- Surat Tugas Badan Pemeriksa Keuangan Republik Indonesia No. 224/ST/XVI/11/2021 dated November 26, 2021

2. Financial Services Authority (Otoritas Jasa Keuangan/OJK)

In accordance with the Financial Services Authority Regulation (POJK) No. 5/POJK.05/2013, the scope of supervision within BPJAMSOSTEK is compliant with regulations regarding the financial health of state-owned legal entities and the provision of technical reserves for the employment social security program. Implementation of examination in 2021 is following the letter No. S-243/NB.2/2021 concerning the Implementation of BPJS Ketenagakerjaan Direct Examination.

3. Indonesian Corruption Eradication Commission (Komisi Pemberantasan Korupsi/KPK)

The Indonesian Corruption Eradication Commission (KPK) has conducted a study which is part of prevention monitoring activities through a system improvement approach and monitoring of administrative system improvements in an effort to eliminate the potential of corruption. The study activity is intended to provide recommendations for improvement to the government, coordination, and supervision through mentoring methods. Based on these activities, the results of the study have been received via a letter from the KPK RI to BPJAMSOSTEK No. B/5735/LIT.05/01-15/10/2021 dated October 12, 2021, on the Results of the Study on Investment Governance of BPJAMSOSTEK.

Whistleblowing System (WBS) [102-17]

BPJAMSOSTEK has a Violation Reporting System (Sistem Pelaporan Pelanggaran/SPP) or Whistleblowing System (WBS), as a means for internal and external parties to report suspected violations and other critical matters. WBS is managed by the Integrity Committee based on the Board of Directors Regulation No. PERDIR/48/092015. The purposes of organising WBS are: [102-33]

- To detect and to prevent violations that may cause any financial or non-financial losses to BPJAMSOSTEK;
- Improving the effectiveness of governance, internal control, and employee performance as well as the performance of BPJAMSOSTEK;

- Making it easier for the management to effectively handle reports of violations and protect the confidentiality of the whistle-blower's identity.

Complaint reports can be submitted via:

- Direct Mechanism to the Internal Supervisory Unit.
- Indirect Mechanism: Website wbs.bpjsketenagakerjaan.go.id
- Scope of reporting violations: corruption, collusion, and nepotism (KKN), gratification, fraud, bribery, violations of laws or BPJAMSOSTEK Regulations, violations of the Principles of Financial Accounting Standards, services, immorality, conflicts of interest, and other violations.

WBS is held confidentially, anonymously, and independently. BPJAMSOSTEK provides protection to the whistleblower, including the confidentiality of their identity and ensuring that there is no adverse treatment for them. BPJAMSOSTEK awards every report that is proven to be true, and those who are proven to be involved in the reported violation will be subject to sanctions.

| Classification and Number of Data/Reporting through WBS in 2021 <small>[102-34]</small> | | |
|---|----------|------|
| Violation | Services | Spam |
| 8 | 5 | 48 |

Significant Legal Cases

For further information on cases that have been resolved and have permanent legal force that were

decided in the reporting period, please contact the Secretary of BPJAMSOSTEK.

| Number of Legal Cases in 2021 | | | |
|--|-----------|-----------|-----------|
| Description | Civil | Criminal | Total |
| Completed and having permanent legal force | 6 | 21 | 27 |
| Ongoing process of legal settlement | 4 | 5 | 9 |
| Total | 10 | 26 | 36 |





▶ **POJK 51/POJK.03/2017 Reference, GRI Standards Content Index, and IIRC Framework** [102-55]

POJK No.51/POJK.03/2017

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|----|---|------------------------|
| 1 | Sustainability Strategy Explanation - This section contains an explanation of the sustainability strategies of FSI, Issuers, and Public Companies. | 1 |
| 2 | Sustainability Aspect Performance Overview – A comparison of the performance of the last 3 (three) years | |
| | a. Economic aspects, at least include: | 4 |
| | 1. The quantity of production or services sold; | |
| | 2. Revenue or sales; | |
| | 3. Net profit or loss; | |
| | 4. Environmentally friendly products; and | |
| | 5. Involvement of local parties related to the sustainable finance business process | |
| | b. Environmental Aspects, at least include: | 5 |
| | 1. Energy use (among others electricity and water); | |
| | 2. Allocation of CSR funding to activities with high environmental impact | |
| | 3. CSR activities related to environmental quality improvement and supporting core business | |
| | c. Social Aspect: | 4-5 |
| | 1. internal performance, for example related to employment as measured by the proportional number of bank administrators and branch heads based on gender, proportional to the number of employees from the local area; | |
| | 2. allocation of CSR funding to activities with high social impact; | |
| | 3. CSR activities related to community empowerment and supporting the bank's core business. | |
| 3 | A brief profile presents an overall picture of the characteristics of FSIs, Issuers, and Public Companies, at least include: | |
| | a. vision, mission, and sustainability values of FSI, Issuers, and Public Companies; | ii |
| | b. name, address, telephone number, facsimile number, electronic mail address (e-mail), and website of LJK, Issuer, and Public Company, as well as branch office and/or representative office of LJK, Issuer, and Public Company; | 17, 24 |
| | c. business scale of LJK, Issuer, and Public Company: | 17, 18, 21, 22, 23, 43 |
| | 1. Total assets or capitalization of assets, and total liabilities (in million rupiah); | |
| | 2. Number of employees divided by gender, position, age, education, and employment status; | |
| | 3. Percentage of share ownership (public and government); and | |
| | 4. Operational area | |
| | d. A brief description of the products, services, and business activities carried out; | 17 |
| | e. Membership in associations; | 17 |
| | f. significant changes in LJK, Issuers, and Public Companies, among others related to the closing or opening of branches, and ownership structure. | 15, 21, 31, 68, 95 |

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| 4 | Description on Board of Directors includes: | |
| | a. Policy to respond to challenges in meeting the sustainability strategy, that must cover at least the following: <ul style="list-style-type: none"> 1. Elaboration on the Company's sustainability values 2. Elaboration on the Company's responses towards issues concerning to the implementation of Sustainable Finance; 3. Elaboration on commitment of Company leadership in achieving Sustainable Finance application; 4. Achievement of Sustainable Finance application performance; and 5. Challenges in Sustainable Finance application performance achievement. | 9-11 |
| | b. Application of Sustainable Finance: <ul style="list-style-type: none"> 1. Achievement of Sustainable Finance application (economic, social, and environmental) against targets; and 2. Elaboration on achievements and challenges including notable events during the reporting period (in case FSI required to make Sustainable Finance Action Plan); | 9-11 |
| | c. Target achievement strategy: <ul style="list-style-type: none"> 1. Risk management due to the application of Sustainable Finance related to economic, social and environmental aspects; 2. Utilization of business opportunities and prospects; and 3. Description on economic, social and environmental external situations that have the potential to affect the Company's sustainability | 9-11 |
| 5 | Sustainability governance includes | |
| | a. Description of tasks performed by Board of Directors and Board of Commissioners, employees, officers and/or work units who are responsible for the implementation of Sustainable Finance | 95, 97, 101 |
| | b. Development of Board of Directors' competencies, Board of Commissioners, employees, officers and/or work units responsible for implementing Sustainable Finance. | 109 |
| | c. Elaboration on procedure that Company applies in identifying, measuring, monitoring and controlling risks for the implementation of Sustainable Finance related to economic, social and environmental aspects, including the role of the Board of Directors and the Board of Commissioners in managing, conducting periodic reviews, and analyzing the effectiveness of the Company's risk management process. | 111, 118 |
| | d. Description on stakeholders that includes: <ul style="list-style-type: none"> 1. stakeholder involvement based on the results of the management assessment, GMS, decision letter or others; 2. the approach used by LJK, Issuers, and Public Companies in involving stakeholders in the implementation of Sustainable Finance, among others in the form of dialogues, surveys, and seminars. | 15, 19 |
| | e. Problems faced, progress, and influence to the implementation of Sustainable Finance. | 35 |

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| 6 | Sustainable performance, at least includes: | |
| | Elaboration on sustainable culture development activities in the Company | 72 |
| | a. A description of the economic performance in the last 3 (three) years includes: | 32, 56 |
| | 1. comparison of targets and performance of production, portfolio, financing targets, or investment, income and profit and loss in the event that the Sustainability Report is prepared separately from the Annual Report; | |
| | 2. comparison of portfolio targets and performance, financing targets, or investments in financial instruments or projects that are in line with the implementation of Sustainable Finance. | 32, 56 |
| | b. Social performance in the last 3 (three) years: | 81 |
| | 1. The Company's commitment to provide services for equal products and/or services to consumers. | |
| | 2. Employment, at least includes: | 17, 60, 62, 63-64 |
| | a) Equality of employment opportunities and the presence or absence of forced labor and child labor; | |
| | b) Percentage of permanent employee remuneration at the lowest level of the regional minimum wage; | |
| | c) Decent and safe work environment; and | |
| | d) Training and development of employee skills. | |
| | 3. Community, at least includes: | 41, 57, 85 |
| | a) Information on operational activities or area producing positive and negative impacts on local community including financial literacy and inclusion; | |
| | b) Mechanism of community complaints and number of community complaints received and acted upon; and | |
| | c) CSR relating to supports to sustainable development objectives including community empowerment program activity achievements. | |
| | c. Environmental Performance, at least includes: | 71, 72, 83 |
| | 1. internal activities such as efficient use of energy (eg electricity and water), green building, efficient use of paper and plastic. | |
| | 2. allocation of CSR funding for activities with high environmental impact; | 57 |
| | 3. CSR activities related to improving the quality of the environment and supporting the bank's core business, including: | 57, 71, 72 |
| | a) A description of the use of environmentally friendly materials, for example the use of recycled materials; and | |
| | b) A description of the use of energy, at least containing: a) the amount and intensity of the energy used; and b) energy efficiency efforts and achievements, including the use of renewable energy sources. The energy in question, for example the use of electricity and water. | |
| | d. Sustainable Finance product and/or service development responsibility at least include: | 30 |
| | 1. Sustainable Finance product and/or service innovation and development; | |
| | 2. Number and percentage of products and services having undergone safety test for customers; | 76, 77 |
| | 3. Positive and negative impacts caused by Sustainable Financial products and/or services and the distribution process, as well as mitigation undertaken to mitigate negative impacts; | 41 |
| | 4. Number of products recalled and the reasons; or | 15 |
| | 5. Customer satisfaction survey of Sustainable Financial products and/or services. | 86 |
| 7 | Written verification from independent parties (if any) | 15, 139 |
| 8 | Feedback Form | 145 |

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Independent Assurance Statement [102-56][POJK51-7]

The 2021 Annual Integrated Report of Badan Penyelenggara Jaminan Sosial (BPJS) Ketenagakerjaan

Number : 016/000-174/VIII/2022/SR-Asia/Indonesia

Assurance Type : Type 1 and Type 2 on the specific topic of Economic Performance, Members' Health and Safety, and Confidentiality of Members

Assurance Level : Moderate

Reporting Standards : GRI Universal Standard 2020 Consolidated

Reporting Framework : The International Integrated Reporting Framework (IIRF)

Reporting Regulation : Sustainable Finance Regulation POJK No.51/2017 (Indonesia)

Dear stakeholders,

Badan Penyelenggara Jaminan Sosial (BPJS) Ketenagakerjaan, hereinafter referred to as "the Company" or "the Reporting Organization", has engaged **Social Responsibility Asia ("SR Asia")** to assure the **Annual Integrated Report ("the Report")** for the reporting period of **January 1st to December 31st, 2021**. The Reporting Organization is a public legal entity that manages social security programs for Indonesian workers. The Company provides a number of products and services such as insurance programs for occupational accidents and fatalities, pension and post-retirement fund programs, as well as Job Loss Security as their new program in 2021. Headquartered in Jakarta, the Company operates in Indonesia. This is the **Independent Assurance Statement ("the Statement")** that reflects the results of assurance work conducted following the specific methods and approaches as agreed by the "Management".

Intended User and Purpose

This is an Independent Assurance Statement ("the Statement") issued by SR Asia that presents our opinions, findings, disclosures in the Report against the AA1000AS v3, and recommendations based on assurance work. In delivering an assurance service, SR Asia applies particular assurance mechanisms, procedures, and scope of work on the Report. Except for the areas covered in the scope of the assignment, NO one shall interpret or use the Statement as a basis for evaluating the Company's overall performance or sustainability.

Responsibilities

Both SR Asia and the Management recognize the responsibilities of parties as specified in the Non-Disclosure Agreement, Engagement Agreement, and Representation Letter documents. The Management is fully responsible for the presentation of data, information, and disclosures in the Report, while the Responsibility of SR Asia is to provide an assurance service—NOT an audit—on the Report content. SR Asia is also responsible for generating conclusions and recommendations, including the Statement derived from the results of assurance work based on the agreed standards and methodology as indicated in the agreement document. Unless the law requires it, our responsibility to disclose the results of assurance work is only to the Management. SR Asia has NO responsibilities or accountabilities for any risks or claims arising from third-party reliance on the results of assurance work, the Statement, and the Report, or any issues, data, and information not covered in this Statement or the Report.

Independence, Impartiality, and Competency

SR Asia applies the assurance mechanisms and procedures based on a professional code of conduct that mandates all works are performed in an objective and truthful manner (independence principle). We also carry out a pre-

engagement assessment prior to the assurance work to verify the risks of engagement as well as the independence and impartiality of experts in conducting the assurance work. The Assurance Team members are familiar and experienced with ISO 26000 and AA1000 AccountAbility standards and principles, and also have experience in sustainability and integrated report drafting and assessment based on various reporting regulations, standards, and principles, such as POJK 51 regulation as well as GRI, IIRF, IPIECA, SASB, and SUSBA standards.

Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content and specifically **Type 2 assurance** was applied on the **economic performance, members' health and safety**, and the **confidentiality of members** topics based on the AA1000 Assurance Standard v3 and AA1000APS (2018) AccountAbility Principles.
2. A **moderate level of assurance** procedure was applied on the Report content and evidence, where **the risks of information and conclusions of the Report being error is reduced, not to very low, but not zero**.

Scope and Limitation of Assurance Service

1. Data and information in the Report content for the period of **January 1st to December 31st, 2021**.
2. SR Asia did not include financial data, information, and figures in the Report content in the scope of assurance work. It is assumed that the Company, independent parties, or other parties associated with the Company, have verified and/or audited any data and information related to financial statements.
3. Adherence to the following reporting principles, standards, and regulations:
 - a) Regulation of Indonesia Financial Service Authority No.51/POJK.03/2017 on the Application of Sustainable Finance to Financial Services Institution, Issuer, and Publicly Listed Companies ("POJK 51");
 - b) Consolidated set of GRI Sustainability Reporting Standards 2020 (GRI Universal Standards); and
 - c) The International Integrated Reporting Framework (IIRF) issued by the International Integrated Reporting Council.
4. Topics in the Report content that have been identified as material by the Company: **the economic performance; education and training; indirect economic impact; diversity and equality; anti-corruption; confidentiality of members; and members' health and safety**.
5. Assessment of data, information, and disclosures including the mechanism, process, and control system under Type 2 assurance mechanism and procedures on the **economic performance, members' health and safety**, and the **confidentiality of members**.
6. Evaluation of publicly disclosed information, system, and process of the Company to ensure adherence of the Report content to the reporting principles.

Exclusion

1. Analysis of indicators, standards, or principles other than those mentioned in the Statement.
2. Financial performance data and information as presented in the Company's financial statements and documents, other than those mentioned in the Report.
3. Any assumptions or forward-looking statements in the Report content, such as future plans, expectations, opinions, beliefs, and advertisements
4. Stakeholder engagement that might be taken by the Company in developing the Report.
5. Topics, data, and information outside the reporting period; or in the public domain not covered in the reporting period; or other than those mentioned under the defining materiality section and discussion on defining Report content.

Methodology

1. SR Asia formed an Assurance Team consisting of a number of experts in Indonesia.
2. The Assurance Team conducts the pre-engagement evaluation to identify the risks of engagement and potential factors that could negatively influence the independence and impartiality of the experts.
3. The Assurance Team carries out a preliminary assessment of the Report draft submitted by the Company and initiated a kick-off meeting with the Management.
4. The Assurance Team conducts a preliminary analysis of the Report draft submitted by the Company.
5. Through online meetings, the Assurance Team discuss and share the results of the initial analysis with the Management and data contributors regarding verifying the disclosures in the Report content against the regulations, standards, principles, and indicators of AA1000AS v3, AA1000AP (2018), POJK 51, GRI Universal Standards 2020 Consolidated, and the International Integrated Reporting Framework (IIRF).
6. The Assurance Team verifies evidence documents and traces back the data, information, and disclosures in the Report.
7. The SR Asia Protocol on Assurance Analysis is implemented and SR Asia Great Assurance Tool digital platform is issued.
8. The Company revises the Report content based on SR Asia's recommendations and submits it to SR Asia as a final draft of the Report.
9. The Assurance Team develops and issues the Statement and sends it to SR Asia International for review and approval.
10. The Assurance Team submits the Statement to the Company and prepares a Management Letter presenting all aspects seen, recorded, and observed during the assurance work to the Management of the Company for further improvement of sustainability processes.

Adherence to AA1000AP (2018) and GRI Standards

Inclusivity – As shown in the Report, the Company has identified and engaged all of its stakeholders that affect and are involved in the Company's operation and sustainability. Hence, we acknowledge that the Company is inclusive. Moreover, the Company conducts periodic evaluations in order to improve the quality of engagement.

Materiality – As a Company in the field of public legal entity that manages social security programs for Indonesian workers, the presentation of material topics in the report is sufficient and in accordance with the topic of sustainability. However, we suggest in the next period the Company should conduct a materiality test with clear criteria and specific thresholds following the best practices and globally accepted so that the material topics of concern in the report are truly in accordance with the Company's urgent conditions.

Responsiveness – The Company's responsiveness management has been adequately presented in the report. The Company has a whistleblowing system which is managed by certain committees based on existing Company regulations. This whistleblowing system can also be accessed by internal and external parties, through several digital and non-digital complaint channels.

Impact – The quantitative and qualitative data regarding the economic, environmental, and social impacts of business decisions and operations of the Company have been sufficiently presented in the Report. The Company also has a commitment to understanding, measuring, evaluating, and managing the impact of its business on stakeholders.

In "Accordance" with the Comprehensive Option – The assurance team has concluded that the Company adheres to the comprehensive option of the GRI standard. The Report contains all the disclosures of each material topic covered in GRI fairly. The General Disclosure and the Disclosure of Management Approach are well presented, as well as the omission statement is well presented.

GRI Standards Principles – At a certain level, the report content indicates its adherence to sustainability reporting principles (Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability). This is also supported by the Management who have worked well together and are very cooperative in providing the evidence documents as well as the supporting data and information. In conclusion, the Company has sufficiently presented evidence documents during the assurance work.

Type 2 Assurance – Under Type 2 Assurance procedures, SR Asia has reviewed and analyzed the topics of **the economic performance, members' health and safety, and confidentiality of members**. The Company has set economic performance targets and strives to achieve economic performance by carrying out several good governance processes, such as an annual audit process that is audited by a reputable public accounting firm, conducting a good selection in the process of establishing a public accounting firm, assistance, and communication between internal audit company with the auditor. Furthermore, the Company has also implemented a good accounting information system that is designed according to the Company's needs. During the pandemic, companies are doing a lot of digital transformation, relocating budgets online, and using digital-based performance more. In terms of members' health and safety, the Company has good policies to regulate and manage this matter. There is a unit/function that is responsible for the safety and health of participants. The Board of Directors and Supervisors play an active role in implementing and supervising the implementation of policies, procedures, occupational safety, and health. The supervisory team and internal audit carry out the supervisory function and investigations related to claims from program participants. Hereinafter, the Company has policies, procedures, and mechanisms regarding the confidentiality of members' information. The Company also has a whistleblower information channel that is validated by related parties. The Board of Directors and Supervisors are actively involved in monitoring the whistleblower's system.

Adherence to IIRF

As the assurance work was taken, we concluded that the Report content already follows the standards, principles, and framework as indicated in the International Integrated Reporting Framework (IIRF). The value creation diagram in the Report also presents the six capitals of BPJAMSOSTEK. However, the Company is expected to implement the concept of integrated thinking at the corporate governance level, so that every top management decision can refer to integrated thinking which is the reference for Those Charged with Governance (TCWG) (corporate governance parties). Moreover, the implementation of integrated thinking must consider the six capitals that the Company owns, considering that the Company is a public entity that has responsibility for managing social security programs mandatory by government regulation for formal workers, including corporate employees. It is hereby expected that the goals and Company value that will be formed can be clearly defined as the value of the Company.

Recommendation

1. To engage an external party to validate the system, initiative, and procedure under the participants' health and safety.
2. To improve and keep monitoring the performance of the systems and certifications that have been built, especially in terms of collection of more integrated data and information through a data management system, such as Sustainability Data Management System (SDMS).
3. To continue the effort to conduct a materiality test following the global standards and best practices in future reporting.
4. Improve the stakeholder's engagement and create values referring to the key performance indicators (KPIs).
5. Integrated thinking is a key to developing the integrated system, therefore the role of top management is crucial.

The assurance provider,

Jakarta, 10th of August 2022




Birendra Raturi
International Director
Social Responsibility Asia


SR Asia
sustainability defined

 **GREAT**
Global Responsibility
and Accountability

 **AA1000**
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000-174/V3-BWT9F

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Feedback Form [POJK51-8]

Thank you for reading The Integrated Annual Report 2021 of BPJS Ketenagakerjaan (BPJAMSOSTEK). This report is an overview of BPJAMSOSTEK's performance throughout 2021. To improve a better quality of the report, we look forward to receive any inputs, critiques, and suggestions from you in this form.

1. This report is easy to understand.
☐ Agree ☐ Neutral ☐ Disagree
2. This report has described information of BPJAMSOSTEK's material aspects, from positive and negative aspects.
☐ Agree ☐ Neutral ☐ Disagree
3. Which material aspects is the most important to You:
(1 = most important up to 5 = least important)
 1. Economic Performance ☐
 2. Training and Education ☐
 3. Indirect Economic Impact ☐
 4. Diversity and Equality ☐
 5. Anti-corruption ☐
 6. Confidentiality of Members ☐
 7. Member Health and Safety ☐
4. Please give your advice, suggestion, and/or comment regarding this report:
.....
.....
.....
.....

Your Profile (if you like)

Name:

.....

Institution/Company:

.....

Occupation:

.....

Stakeholders

Group

- ☐ Government
- ☐ Employees
- ☐ Members
- ☐ Partners
- ☐ Community
- ☐ Media

.....

Thank you for your participation.

Please kindly email your feedback form to:

Deputy Director of Public Relations & Interinstitutions

BPJAMSOSTEK Headquarters

Phone: +62 21 520 7797

Fax: +62 21 520 2310

Email: depdirekt@bpjsketenagakerjaan.go.id

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Consolidated Financial Statement



BADAN PENYELENGGARA SOSIAL KETENAGAKERJAAN AND ITS SUBSIDIARY

**Consolidated Financial Statements
For The Years Ended
December 31, 2021 and 2020**

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For the years Ended
December 31, 2021 and 2020**

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DIRECTOR'S STATEMENT LETTER
RELATING TO
THE RESPONSIBILITY ON THE CONSOLIDATED FINANCIAL STATEMENTS
BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN AND SUBSIDIARY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

We, the undersigned:

- | | | | |
|---|--|---|---|
| 1 | Name | : | Anggoro Eko Cahyo |
| | Office Address | : | Plaza BPJamsostek Lt. 30 Jl. H.R. Rasuna Said Kav. 112 Blok B, Jakarta Selatan, 12910 |
| | Domicile Address as Stated in ID Card | : | Jl. Cimandiri V FF.3/22 Bintaro RT 001 RW 005, Pondok Jaya, Pondok Aren, Tangerang Selatan |
| | Phone Number | : | 021-5207797 |
| | Position | : | President Director |
| 2 | Name | : | Asep Rahmat Suwandha |
| | Office Address | : | Plaza BPJamsostek Lt. 28 Jl. H.R. Rasuna Said Kav. 112 Blok B, Jakarta Selatan, 12910 |
| | Domicile Address as Stated in ID Card | : | Taman Kenari Blok VIC/27 RT 002 RW 011, Puspasari, Citeureup, Bogor |
| | Phone Number | : | 021-5207797 |
| | Position | : | Finance Director |

State that:

1. We are responsible for the preparation and presentation of the Consolidated Financial Statements of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan and subsidiary;
2. The Consolidated Financial Statements of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan and subsidiary have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3.
 - a. All information contained in the Consolidated Financial Statements of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan and subsidiary is complete and correct;
 - b. The Consolidated Financial Statements of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan and subsidiary do not contain misleading material information or facts and do not omit material information or facts;
4. We are responsible for Badan Penyelenggara Jaminan Sosial Ketenagakerjaan and subsidiary's internal control system.

This statement is made truthfully.

Jakarta, February 25, 2022

Asep Rahmat Suwandha
Finance Director

Anggoro Eko Cahyo
President Director



Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Amir Abadi Jusuf, Aryanto, Mawar & Rekan
Registered Public Accountants

Number : 00097/2.1030/AU.1/08/0572-1/1/III/2022

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Independent Auditor's Report

The Capital Owner, Board of Supervisors, and Directors
Badan Penyelenggara Jaminan Sosial Ketenagakerjaan

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan ("BPJS Ketenagakerjaan") and its subsidiary, which comprise the consolidated statement of financial position as of December 31, 2021, and the consolidated statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of BPJS Ketenagakerjaan and its subsidiary as of December 31, 2021, and their consolidated financial performance and cash flows for the year ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of Matter

We draw attention to Note 54 to the accompanying consolidated financial statements which describes impact of the Covid-19 on the of BPJS Ketenagakerjaan as well as the efforts made by the BPJS Ketenagakerjaan in dealing with this matter. Our opinion is not modified in respect of this matter.

Other Matters

Our audit of the accompanying consolidated financial statements of the BPJS Ketenagakerjaan and its subsidiary as of December 31, 2021, and for the year then ended was carried out with the aim of formulating an opinion on the consolidated financial statements as a whole. The accompanying financial information of the BPJS Ketenagakerjaan (Parent Entity), which consists of the statement of financial position as of December 31, 2021, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended (collectively referred to as "Parent Entity Financial Information"), which are presented as additional information in appendix I through IV to the accompanying consolidated financial statements, presented for additional analysis purposes and not part of the consolidated financial statements required under Indonesian Financial Accounting Standards. The Parent Entity Financial Information is the responsibility of the Directors of BPJS Ketenagakerjaan and is generated from and directly related to the underlying accounting records and other notes used to prepare the accompanying consolidated financial statements. The Parent Entity Financial Information has been objected to the auditing procedures applied in the accompanying consolidated financial statements in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. In our opinion, the Parent Entity Financial Information presents fairly, in all material respects, in relation to the accompanying consolidated financial statements taken as a whole.

The financial statements of BPJS Ketenagakerjaan and its subsidiary as of December 31, 2020, and for the year then ended, were audited by other independent auditors who expressed an unmodified opinion on those financial statements on May 21, 2021.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan



Rusli

Public Accountant License Number: AP.0572

Jakarta, February 25, 2022



**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2021 and 2020

(Expressed in Full Rupiah, Unless Otherwise Stated)

| | Note | 2021 Rp | 2020 Rp |
|---|------|---------------------------|---------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 5 | 1,711,811,140,983 | 1,238,021,694,848 |
| Management Fee Receivables | 6 | 26,293,765,258 | -- |
| Investment Receivables | 7 | -- | 518,863,280 |
| Investment Income Receivables | 8 | 86,719,848,672 | 83,679,336,680 |
| Trade Account Receivables | | | |
| Net of Allowance for Impairment Losses Amounted to Rp14,700,093,900 and Rp14,432,535,953 as of December 31, 2021 and 2020 | 9 | 13,712,200,819 | 11,598,777,686 |
| Sarana Kesejahteraan Peserta (SKP) Receivables | | | |
| Net of Allowance for Impairment Losses Amounted to Rp85,841,705,928 and Rp85,689,599,910 as of December 31, 2021 and 2020 | 10 | 192,966,873,219 | 273,104,681,314 |
| Other Receivables | | | |
| Net of Allowance for Impairment Losses Amounted to Rp2,047,822,717 and Rp1,666,381,746 as of December 31, 2021 and 2020 | 11 | 13,175,197,452 | 383,579,579,011 |
| Short-term Investments | 12 | 6,454,265,436,407 | 5,407,585,450,244 |
| Prepaid Tax | 13 | 43,309,304,274 | -- |
| Advance | 14 | 21,733,829,074 | 26,503,007,938 |
| Prepaid Expenses | 15 | 20,717,148,024 | 14,468,429,932 |
| Supplies | 16 | 13,195,609,371 | 11,074,279,115 |
| Assets Held for Sale | 17 | 2,639,267,505 | 730,805,944 |
| Other Current Assets | 18 | 180,282,170 | -- |
| TOTAL CURRENT ASSETS | | 8,600,719,903,228 | 7,450,864,905,994 |
| NON-CURRENT ASSETS | | | |
| Long-term Investments | 19 | 4,995,928,065,302 | 5,940,313,790,853 |
| Investment in Other Entity | 20 | 44,555,065,390 | 650,000,000 |
| Investment Properties | | | |
| Net of Accumulated Depreciation Amounted to Rp11,856,007,610 and Rp10,980,767,945 as of December 31, 2021 and 2020 | 21 | 80,529,351,113 | 81,404,590,777 |
| Property and Equipment | | | |
| Net of Accumulated Depreciation Amounted to Rp1,377,442,212,543 and Rp1,288,221,456,824 as of December 31, 2021 and 2020 | 22 | 1,349,573,473,988 | 1,287,462,562,022 |
| Intangible Assets | | | |
| Net of Accumulated Amortization Amounted to Rp92,057,497,323 and Rp87,056,254,957 as of December 31, 2021 and 2020 | 24 | 57,761,288,183 | 7,455,624,999 |
| Right of Use Assets | 23 | 330,548,041,207 | 349,435,340,643 |
| Tax Refund Claim | 47b | 572,921,218 | 74,978,244,382 |
| Deferred Tax Assets | 47d | 640,498,894,505 | 586,257,994,375 |
| Other Non-current Assets | 25 | 48,794,568,159 | 23,148,274,622 |
| TOTAL NON-CURRENT ASSETS | | 7,548,761,669,065 | 8,351,106,422,674 |
| TOTAL ASSETS | | 16,149,481,572,293 | 15,801,971,328,668 |

The accompanying notes are an integral part of
the consolidated financial statements

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
As of December 31, 2021 and 2020
(Expressed in Full Rupiah, Unless Otherwise Stated)

| | Note | 2021 Rp | 2020 Rp |
|--|------|---------------------------|---------------------------|
| LIABILITES AND EQUITY | | | |
| SHORT-TERM LIABILITES | | | |
| Payable to Other Parties | 26 | 2,116,056,226 | 2,362,818,452 |
| Taxes Payable | 27 | 63,042,015,303 | 84,505,733,568 |
| Accrued Expenses | 28 | 1,377,268,068,348 | 1,108,598,745,068 |
| Unearned Revenue | 29 | 1,779,809,791 | 2,771,297,229 |
| Short-term Lease Liabilites | 23 | 58,398,914,771 | 32,450,282,279 |
| Other Current Liabilites | 30 | 122,542,248,174 | 155,846,085,240 |
| TOTAL SHORT-TERM LIABILITES | | 1,625,147,112,613 | 1,386,534,961,836 |
| LONG-TERM LIABILITES | | | |
| Employee Benefits Liabilites | 31 | 2,111,394,377,275 | 1,947,408,814,830 |
| Long-term Lease Liabilites | 23 | 238,567,687,271 | 277,746,696,625 |
| TOTAL LONG-TERM LIABILITES | | 2,349,962,064,546 | 2,225,155,511,454 |
| TOTAL LIABILITES | | 3,975,109,177,159 | 3,611,690,473,290 |
| EQUITY | | | |
| Equity Attributable to | | | |
| Owner of Parent Entity | | | |
| Paid-in Capital | 32 | 9,459,295,255,351 | 9,459,295,255,351 |
| Additional Paid-in Capital | 33 | 1,408,126,715,496 | 1,408,126,715,496 |
| Surplus Balance | | 2,117,823,640,976 | 2,060,082,141,541 |
| Other Equity Components | | (810,877,334,188) | (737,226,894,982) |
| Amount of Equity Attributable to Owner of Parent Entity | | 12,174,368,277,635 | 12,190,277,217,406 |
| Non-controlling Interest | 34 | 4,117,499 | 3,637,972 |
| TOTAL EQUITY | | 12,174,372,395,134 | 12,190,280,855,378 |
| TOTAL LIABILITES AND EQUITY | | 16,149,481,572,293 | 15,801,971,328,668 |

The accompanying notes are an integral part of
the consolidated financial statements

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended

December 31, 2021 and 2020

(Expressed in Full Rupiah, Unless Otherwise Stated)

| | Note | 2021 Rp | 2020 Rp |
|---|--------|--------------------------|--------------------------|
| WITHOUT RESTRICTION FROM RESOURCES PROVIDERS | | | |
| OPERATING REVENUE | 35 | | |
| PROGRAM MANAGEMENT | | | |
| Management Fee from Program Jaminan Hari Tua | | 2,906,362,011,619 | 3,106,939,271,287 |
| Management Fee from Program Jaminan Kecelakaan Kerja | | 533,245,873,399 | 226,369,062,925 |
| Management Fee from Program Jaminan Kematian | | 263,304,502,274 | 108,901,740,143 |
| Management Fee from Program Jaminan Pensiun | | 965,109,612,708 | 613,959,925,645 |
| | | 4,668,022,000,000 | 4,056,170,000,000 |
| OPERATING EXPENSES OF PROGRAM MANAGEMENT | 36 | | |
| Operating and Support Expenses | | 464,849,986,781 | 391,576,087,386 |
| Personnel and Management Expenses | | 3,363,225,071,475 | 3,068,522,542,464 |
| General and Other Expenses | | 805,353,023,111 | 628,757,052,087 |
| | | 4,633,428,081,367 | 4,088,855,681,937 |
| OPERATING SURPLUS (DEFICIT) PROGRAM MANAGEMENT | | 34,593,918,633 | (32,685,681,938) |
| NON-OPERATING INCOME (EXPENSE) | | | |
| PROGRAM MANAGEMENT | | | |
| Investment Income | 37, 49 | 689,514,853,375 | 825,944,105,673 |
| Investment Expenses | 38, 49 | (107,754,611,867) | (119,184,744,715) |
| Incentive Expenses | 39 | (434,540,015,215) | (397,816,600,676) |
| Social Responsibility and Environment Expenses | 42 | (152,094,936) | (1,587,887,523) |
| | | 147,068,131,357 | 307,354,872,761 |
| OPERATING SURPLUS | | 181,662,049,990 | 274,669,190,822 |
| NON-OPERATING INCOME (EXPENSES) | | | |
| Income of Subsidiary | 43 | 48,375,504,254 | 42,790,449,123 |
| Operating Expenses of Subsidiary | 44 | (79,860,567,590) | (75,321,674,238) |
| Other Income (Expenses) | 45 | 27,971,384,037 | 158,873,669,829 |
| | | (3,513,679,299) | 126,342,444,714 |
| SURPLUS BEFORE TAX AND DISTRIBUTION | | 178,148,370,691 | 401,011,635,536 |
| EXPENSES OF SURPLUS DISTRIBUTION | 46 | | |
| Program Jaminan Hari Tua | | 116,668,330 | 1,272,568,766 |
| Program Jaminan Kecelakaan Kerja | | 8,500,359 | 112,854,719 |
| Program Jaminan Kematian | | 4,089,357 | 53,431,773 |
| Program Jaminan Pensiun | | 23,054,741 | 382,181,243 |
| | | 152,312,787 | 1,821,036,501 |
| WITH RESCTRICTION FROM RESOURCES PROVIDERS | | | |
| SKP Income | 40 | 46,144,266,416 | 90,683,651,335 |
| SKP Expenses | 41 | (32,949,755,426) | (43,671,343,996) |
| SURPLUS SKP | | 13,194,510,990 | 47,012,307,339 |
| SURPLUS BEFORE INCOME TAX | | 191,190,568,894 | 446,202,906,374 |
| INCOME TAX EXPENSES (BENEFITS) | 47 | | |
| Current Tax | | 178,320,906,753 | 189,032,915,500 |
| Prior Year | | 22,842,511,777 | 120,499,761,235 |
| Deferred Tax Expenses (Income) | | (43,109,651,278) | 73,199,921,899 |
| | | 158,053,767,252 | 382,732,598,634 |
| SURPLUS FOR THE YEAR | | 33,136,801,642 | 63,470,307,740 |

The accompanying notes are an integral part of
the consolidated financial statements

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended

December 31, 2021 and 2020

(Expressed in Full Rupiah, Unless Otherwise Stated)

| | Note | 2021 Rp | 2020 Rp |
|--|------|-------------------------|--------------------------|
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to surplus or deficit | | | |
| Unrealized Gain/(Loss) from Increase/(Decrease) in Fair Value on OCI Investments | | (40,159,976,952) | (186,350,171,624) |
| Remeasurement of Liabilities | | | |
| Employee Benefits | | (20,016,520,294) | (30,359,757,975) |
| Income Tax Related | 47d | 11,131,248,852 | 12,126,660,499 |
| | | (49,045,248,394) | (204,583,269,100) |
| SURPLUS (DEFICIT) COMPREHENSIVE | | (15,908,446,752) | (141,112,961,360) |
| NET SURPLUS FOR THE YEAR | | | |
| ATTRIBUTABLE TO: | | | |
| Parent Entity | | 33,136,318,991 | 63,470,195,449 |
| Non-controlling Interest | | 482,651 | 112,292 |
| | | 33,136,801,642 | 63,470,307,740 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO: | | | |
| Parent Entity | | (15,908,443,628) | (141,113,049,248) |
| Non-controlling Interest | | (3,124) | 87,888 |
| | | (15,908,446,752) | (141,112,961,360) |

The accompanying notes are an integral part of the consolidated financial statements

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the Years Ended

December 31, 2021 and 2020

(Expressed in Full Rupiah, Unless Otherwise Stated)

| | Note | Equity attributable to owner of parent entity | | | | | Noncontrolling Interest | Total |
|---|------|---|-------------------|--------------------------------|-------------------|---------------------|-------------------------|--------------------|
| | | Paid-in Capital | Paid-in Capital | Additional Paid-in Capital SKP | Operational | Surplus Balance SKP | Other Equity Components | |
| Balance as of December 31, 2019 | | 9,459,295,255,351 | 1,408,126,715,496 | -- | 1,844,511,146,732 | 160,960,869,811 | (541,310,818,290) | 12,331,586,719,185 |
| Initial Implementation of SFAS 71 "Financial Instruments" | | -- | -- | -- | (192,902,446) | -- | -- | (192,902,446) |
| Balance as of January 01, 2020 | | 9,459,295,255,351 | 1,408,126,715,496 | -- | 1,844,318,244,286 | 160,960,869,811 | (541,310,818,290) | 12,331,393,816,739 |
| Surplus for the Year | 32 | -- | -- | -- | 16,457,888,110 | 47,012,307,339 | -- | 63,470,195,449 |
| Other Comprehensive Income | | -- | -- | -- | -- | -- | -- | -- |
| Remeasurement of Liabilities Employee Benefits | | -- | -- | -- | -- | -- | -- | -- |
| Unrealized gain/(loss) from Increase/(Decrease) | | -- | -- | -- | -- | -- | -- | -- |
| in Fair Value on OCI Investments | | -- | -- | -- | -- | -- | -- | -- |
| Reclassification Proceed from | | -- | -- | -- | -- | -- | -- | -- |
| Sales of Shares-FVOCI to Equity | | -- | -- | -- | (8,667,168,004) | -- | 8,667,168,004 | -- |
| Balance as of December 31, 2020 | | 9,459,295,255,351 | 1,408,126,715,496 | -- | 1,852,108,964,392 | 207,973,177,150 | (737,226,894,983) | 12,190,280,855,378 |
| Surplus for the Year | 32 | -- | -- | -- | 19,941,808,001 | 13,194,510,990 | -- | 33,136,318,991 |
| Dividend Payment | | -- | -- | -- | (10,368) | -- | -- | (10,368) |
| Other Comprehensive Income | | -- | -- | -- | -- | -- | -- | -- |
| Remeasurement of Liabilities Employee Benefits | | -- | -- | -- | -- | -- | -- | -- |
| Net of Deferred Tax | | -- | -- | -- | -- | -- | -- | -- |
| Direct Investment Reassessment | | -- | -- | -- | -- | -- | -- | -- |
| Unrealized Gain/(Loss) from Increase/(Decrease) | | -- | -- | -- | -- | -- | -- | -- |
| in Fair Value on OCI Investments | | -- | -- | -- | -- | -- | -- | -- |
| Reclassification Proceed from | | -- | -- | -- | -- | -- | -- | -- |
| Sales of Shares-FVOCI to Equity | | -- | -- | -- | 24,605,190,811 | -- | (24,605,190,811) | -- |
| Balance as of December 31, 2021 | | 9,459,295,255,351 | 1,408,126,715,496 | -- | 1,896,655,952,836 | 221,167,688,140 | (810,877,334,188) | 12,174,372,395,134 |

The accompanying notes are an integral part of the consolidated financial statements

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS**
For the Years Ended
December 31, 2021 and 2020
(Expressed in Full Rupiah, Unless Otherwise Stated)

| | 2021 Rp | 2020 Rp |
|--|----------------------------|----------------------------|
| OPERATING ACTIVITIES | | |
| Receipts of Management Fee from JHT | 2,906,932,291,294 | 3,123,296,095,183 |
| Receipts of Management Fee from JKK | 518,658,602,910 | 229,037,590,751 |
| Receipts of Management Fee from JKM | 256,382,586,420 | 110,505,349,595 |
| Receipts of Management Fee from JP | 959,092,477,766 | 617,782,065,736 |
| Other Receipts | 125,663,579,694 | 199,857,171,932 |
| | 4,766,729,538,084 | 4,280,478,273,197 |
| Payment for Operating Expenses of Program Management | (4,590,498,553,456) | (4,635,556,445,882) |
| Payment for Corporate Income Tax | (247,287,986,002) | (51,206,294,204) |
| | (4,837,786,539,458) | (4,686,762,740,086) |
| NET CASH USED IN OPERATING ACTIVITIES | (71,057,001,374) | (406,284,466,889) |
| INVESTING ACTIVITIES | | |
| Placement of Investment | (10,509,937,904,612) | (13,112,365,402,070) |
| Proceed from Investment | 10,554,228,829,212 | 12,333,672,111,990 |
| Receipts from Interest Deposits | 131,493,316,345 | 444,827,331,990 |
| Bond Disbursement | 43,866,000,000 | (60,062,949,327) |
| Receipts from Interest Bonds | 335,051,352,629 | 500,092,479,231 |
| Receipts from Dividend | 91,789,197,355 | 58,092,206,756 |
| Receipts from Sukuk | 119,788,883,223 | 110,805,948,993 |
| Receipts from Investment Property | 5,203,151,044 | 5,105,098,527 |
| Receipts from Mutual Funds | 9,174,310,838 | -- |
| Receipts from Sale of Property and Equipment | 2,051,812,325 | 6,402,950,795 |
| Acquisition of Property and Equipment | (223,859,460,526) | (131,428,254,672) |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | 558,849,487,832 | 215,204,471,540 |
| FINANCING ACTIVITIES | | |
| Receipts from Bank Loan | 23,600,000,000 | 53,000,000,000 |
| Payment of Bank Loan | (23,600,000,000) | (53,000,000,000) |
| Payment of Interest | (378,367,891) | (595,487,016) |
| Distribution to JHT | (116,668,330) | (1,272,568,766) |
| Distribution to JKK | (8,500,359) | (112,854,719) |
| Distribution to JKM | (4,089,357) | (53,431,773) |
| Distribution to JP | (23,054,741) | (382,181,243) |
| Payment of Lease Liabilities | (13,230,376,862) | -- |
| NET CASH USED IN FINANCING ACTIVITIES | (13,761,057,539) | (2,416,523,517) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 474,031,428,919 | (193,496,518,866) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | 1,238,021,694,848 | 1,431,518,213,714 |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | 1,712,053,123,767 | 1,238,021,694,848 |
| Allowance for Impairment Losses | (241,982,784) | -- |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR NET OF ALLOWANCE FOR IMPAIRMENT LOSSES | 1,711,811,140,983 | 1,238,021,694,848 |

The accompanying notes are an integral part of
the consolidated financial statements

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
For the Year Ended December 31, 2021 and 2020
(Expressed in Full Rupiah, Unless Otherwise Stated)

1. General

A. Establishment

Badan Penyelenggara Jaminan Sosial Ketenagakerjaan (BPJS Ketenagakerjaan) was initially established in the form of a Public Company (Perum) Asuransi Tenaga Kerja (ASTEK) on December 5, 1977 in accordance with the Government Regulation of the Republic of Indonesia Number 34 Year 1977. ASTEK's status as Perum then changed to a Limited Liability Company (Persero) Asuransi Sosial Tenaga Kerja (PT ASTEK) through the Government Regulation of the Republic of Indonesia Number 19 Year 1990. Under Law of Republic of Indonesia Number 3 Year 1992, PT ASTEK changed its name to Labor Social Security Limited Liability Company (PT Jamsostek (Persero)). Furthermore, since January 1, 2014, based on the Law of Republic of Indonesia Number 24 Year 2011 regarding Badan Penyelenggara Jaminan Sosial article 62, PT Jamsostek (Persero) transform become an Badan Penyelenggara Jaminan Sosial Ketenagakerjaan herein after referred to as BPJS Ketenagakerjaan. The law of Republic of Indonesia Number 24 Year 2011 is implementation of the Law of Republic of Indonesia Number 40 Year 2004 concerning the National Social Security System.

On January 1, 2014, PT Jamsostek (Persero) has been declared to dissolve without liquidation, and all assets and liabilities, and also the legal rights and obligations of PT Jamsostek (Persero) become assets and liabilities as well as the legal rights and obligations of BPJS Ketenagakerjaan.

The purpose of the establishment of BPJS Ketenagakerjaan is to realized the implementation of the provision of social security to fulfill the basic needs of a decent life for each participant and/or family member.

In accordance with the Law of Republic of Indonesia Number 40 Year 2004 and Law of Republic of Indonesia Number 24 Year 2011, BPJS Ketenagakerjaan function is to organize the programs as follows:

- 1) Jaminan Hari Tua (JHT)
Aims to ensure that participants receive cash if they enter retirement age, experience permanent total disability, or passed away.
- 2) Jaminan Kecelakaan Kerja (JKK)
Aims to ensure that participants receive health care benefits and cash compensation if a worker has a work accident or suffers from an occupational disease.
- 3) Jaminan Pensiun (JP)
Aims to maintain a decent standard of living when participants lose or reduce their income due to entering retirement age or experiencing permanent total disability. Pension insurance is provided on a defined benefit basis.
- 4) Jaminan Kematian (JKM)
Aims to provide death compensation paid to the heirs of participants who passed away.

BPJS Ketenagakerjaan is officially fully operated by organizing programs that comply with the Law of Republic of Indonesia Number 40 Year 2004 concerning the National Social Security System with the establishment of Government Regulation of the Republic of Indonesia Number 45 Year 2015 concerning The Implementation of Program Jaminan Pensiun, Government Regulation of the Republic of Indonesia Number 44 Year 2015 concerning The Implementation of Program Jaminan Kecelakaan Kerja and Jaminan Kematian, and Government Regulation of the Republic of Indonesia Number 46 Year 2015 concerning The Implementation of Program Jaminan Hari Tua dated June 30, 2015.

Furthermore, based on the Law of Republic of Indonesia Number 11 Year 2020 concerning Job Creation article 83, the social security program organized by BPJS Ketenagakerjaan added Program Jaminan Kehilangan Pekerjaan (JKP). The JKP program is held to maintain a decent standard of living when workers/laborers lose their jobs.

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2021 and 2020

(Expressed in Full Rupiah, Unless Otherwise Stated)

In accordance with Law of Republic of Indonesia Number 24 Year 2011 article 10, the main duties of BPJS Ketenagakerjaan are as follows:

- 1) Conduct and/or accept participant registration;
- 2) Charge and collect the contributions from participants and employers;
- 3) Receive contributions from the Government;
- 4) Manage the social security funds for the benefit of the participants;
- 5) Collect and manage data of the participants of social security program; and
- 6) Pay benefits and/or finances health services in accordance with the provisions of social security program; and
- 7) Provide information regarding the implementation of social security programs to the participants and to the public.

BPJS Ketenagakerjaan is domiciled in Indonesia and is headquartered at Plaza BP Jamsostek, Jalan HR. Rasuna Said Kav. 112B, Setiabudi, South Jakarta. BPJS Ketenagakerjaan has 11 Regional Offices, 325 Branch Offices located in various cities in Indonesia.

B. Asset Management

In accordance with the Government Regulation of the Republic of Indonesia Number 55 Year 2015 concerning Amendments to Government regulations of the Republic of Indonesia Number 99 Year 2013 concerning the Assets Management of Jaminan Sosial Ketenagakerjaan, the source of BPJS Ketenagakerjaan assets comes from:

- 1) Indonesian Government initial capital which comprises of state's assets separated and undivided into shares;
- 2) Asset transferred from PT Jamsostek (Persero) which previously managed social security program;
- 3) Investment result from BPJS Ketenagakerjaan's assets;
- 4) Management fee from Dana Jaminan Sosial (DJS) Ketenagakerjaan; and/or
- 5) Other sources as legally permitted by prevailing law and regulations.

C. Management of Social Security Funds

BPJS Ketenagakerjaan is administratively responsible for the implementation of the social security programs, consist of Jaminan Hari Tua, Jaminan Kecelakaan Kerja, Jaminan Kematian, Jaminan Pensiun, and Jaminan Kehilangan Pekerjaan. The programs are controlled by the Government of the Republic of Indonesia based on the applicable laws and regulations. Each program manages funds of Dana Jaminan Sosial Ketenagakerjaan separately and cannot provide subsidies among each other. Organizing of these programs includes the receipt of contributions, investment activities to obtain investment returns, payment of claims and allocation of management fee for the BPJS Ketenagakerjaan. For the Program of JKK, JKM, and JKP, management of Dana Jaminan Sosial includes the determination of technical reserves, the JHT Program covers the distribution of contributions and investment proceeds to participant funds, and for JP Program includes the determination of present value of actuarial obligations of pension benefits. The amount of management fee for each program for BPJS Ketenagakerjaan is determined by the Minister of Finance annually based on the applicable laws and regulations.

D. Capital

The initial capital of BPJS Ketenagakerjaan amounting to Rp7,823,338,452,466 was derived from the transfer of PT Jamsostek (Persero) assets and liabilities as stated in Closing Statement of Financial Position of PT Jamsostek (Persero) as of December 31, 2013 amounting to Rp7,323,338,452,466, and initial capital from the government which is State's assets separated and not divided into shares amounting to Rp500,000,000,000, in accordance with Government Regulation of the Republic of Indonesia Number 83 Year 2013.

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E. The Board of Supervisors and Directors

As of December 31, 2021 and 2020, the composition of the Board of Supervisors and Directors of BPJS Ketenagakerjaan are as follows:

| | 2021 | 2020 |
|---|-----------------------------|-----------------------|
| Board of Supervisors | | |
| Chairman | : Muh. Zuhri | Guntur Witjaksono |
| Members | : Kushari Suprianto | Puspita Wulandari |
| | : H. Yayat Syariful Hidayat | Eko Darwanto |
| | : Agung Nugroho | Rekson Silaban |
| | : Subchan Gatot | M. Aditya Warman |
| | : M. Aditya Warman | Inda D.Hasman |
| | : M. Iman Nuril HBP | Poempida Hidayatulloh |
| Board of Directors | | |
| President Director | : Anggoro Eko Cahyo | Agus Susanto |
| Strategic Planning and Information Director | : Pramudya Iriawan Buntoro | Sumarjono |
| Finance Director | : Asep Rahmat Suwandha | Evi Afiatin |
| General and Human Resources Director | : Abdur Rahman Irsyadi | Naufal Mahfudz |
| Membership Director | : Zainudin | E. Ilyas Lubis |
| Services Director | : Roswita Nilakurnia | M. Krishna Syarif |
| Investment Development Director | : Edwin Ridwan, CFA, FRM | Amran Nasution |

The composition of the Board of Supervisors and Directors as of December 31, 2021 was appointed based on the Decree of the President of the Republic of Indonesia Number 38/P Year 2021 dated February 19, 2021 concerning the Appointment of the Membership of the Board of Supervisors and Directors of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan for the term of 2021 – 2026.

The composition of the Board of Supervisors and Directors as of December 31, 2020 was appointed based on the Decree of the President of the Republic of Indonesia Number 25/P Year 2016 dated February 19, 2016 concerning the Appointment of the Board of Supervisors and Directors of the Badan Penyelenggara Jaminan Sosial Ketenagakerjaan for the term of 2016 – 2021.

Puspita Wulandari was appointed as the temporary substitute member of the Board of Supervisor for Badan Penyelenggara Jaminan Sosial Ketenagakerjaan for the term of 2016 – 2021 from the Government element based on the Decree of the President of the Republic of Indonesia Number 45/P Year 2019 dated April 29, 2019.

F. The Committees Established by The Board of Supervisors

The composition of the Committee formed by the Board of Supervisors of BPJS Ketenagakerjaan as of December 31, 2021 was determined based on the Regulation of the Board of Supervisors Number: KEP/14/DEWAS/112021 dated September 15, 2021 concerning the Appointment of the Committee's Chairman and Members of the Board of Supervisors are as follows:

1. Risk Management, Investment and Services Committee

| | |
|---|--------------------------|
| Chairman of the Supervisory Board Committee | : Agung Nugroho |
| Member of the Supervisory Board Committee | : Subchan Gatot |
| Member of the Non-Supervisory Board Committee | : Tonni Adhityo Nugroho |
| | Titi Kusriani |
| | Citra Ramadhana Prayitno |

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2. Performance Program and Badan Committee

| | |
|---|---|
| Chairman of the Supervisory Board Committee | : M. Aditya Warman |
| Member of the Supervisory Board Committee | : H. Yayat Syariful H |
| Member of the Non-Supervisory Board Committee | : Nazmah Siti Nadiyanti Sri Surastono Achmad Yani Rasty Susanty |

3. Budget, Audit and Actuarial Committee

| | |
|---|-------------------------------------|
| Chairman of the Supervisory Board Committee | : Kushari Suprianto |
| Member of the Supervisory Board Committee | : M. Iman Nuril HBP |
| Member of the Non-Supervisory Board Committee | : Anton Fathoni Mudzakir Harsana |

The composition of the Committee formed by the Board of Supervisors as of December 31, 2020 was determined based on the Board of Supervisors Regulation Number: PER/08/DEWAS/052016 dated May 10, 2016 concerning Amendments to the Regulation of the Board of Supervisors Number PER/01/ DEWAS/072014 concerning Procedures for the Implementation of the Functions, Duties, and Authorities of the Board of Supervisors of BPJS Ketenagakerjaan are as follows:

1. Budget, Audit and Actuarial Committee

| | |
|-----------------|-------------------------|
| Chairman | : Puspita Wulandari |
| Vice Chairman 1 | : M. Aditya Warman |
| Vice Chairman 2 | : Poempida Hidayatulloh |
| Members | : Mirawati Sudjono |
| Members | : Budi Rahayu |
| Members | : Yogo Purwono |
| Members | : I Nyoman Sardiana |

2. Risk Management Monitoring and Information Technology Committee

| | |
|-----------------|---------------------------|
| Chairman | : Poempida Hidayatulloh |
| Vice Chairman 1 | : Eko Darwanto |
| Vice Chairman 2 | : Rekson Silaban |
| Members | : Hartian Surya Widhanto |
| Members | : Lastyo Kunto Aji Lukito |
| | : D. Sulad Sri Hardanto |

3. Organizational Performance Management and HR Policy Committee

| | |
|--|--------------------------|
| Chairman of the Committee for Policy Organizational Performance | : Inda D. Hasman |
| Chairman of the Committee for Policy HR management | : M. Aditya Warman |
| Vice Chairman | : Puspita Wulandari |
| Members | : Teguh Budi Santosa |
| Members | : Wustari L. Mangundjaya |
| Members | : Seta A. Wicaksana |

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4. Membership Expansion and Services Committee

| | |
|--|--------------------------|
| Chairman of Committee for | |
| Membership Expansion | : Rekson Silaban |
| Chairman of the Committee for Services | : Eko Darwanto |
| Vice Chairman | : Inda D. Hasman |
| Members | : Muzaenah Zein |
| Members | : Murpin Josua Sembiring |

G. Employees

BPJS Ketenagakerjaan (Parent only) has a total number of 5,888 and 6,045 employees (unaudited) as of December 31, 2021 and 2020, respectively. The total number of employees of BPJS Ketenagakerjaan and its subsidiary were 5,947 dan 6,105 employees as of December 31, 2021 and 2020, respectively.

H. Subsidiary

| <u>Name of Subsidiary</u> | <u>Main Activities</u> | <u>Domicile</u> | <u>Start of Commercial Operations</u> | <u>% Ownership</u> |
|-----------------------------------|--------------------------------|-----------------|---------------------------------------|--------------------|
| PT Binajasa Abadikarya (PT Bijak) | Outsourcing and other services | Jakarta | 1994 | 99.99 |

PT Binajasa Abadikarya (PT Bijak) was established based on Notarial Deed Number 1 dated April 6, 1994 of Harun Kamil, SH, a notary in Jakarta which was approved by the Minister of Law and Human Rights in his Decision Letter No. C2.11380.HT.01.01 dated July 25, 1994.

Currently, PT Bijak is engaged in the placement of Indonesian workers (domestic and foreign), building management services, outsourcing services, management and flats rental services, parking management services, land asset management services, rental of office space and space other uses, aircraft cleaning services and foodcourt management services.

PT Bijak head office is located at Jalan Raya Condet No. 27, East Jakarta.

BPJS Ketenagakerjaan has direct participant in PT Bijak with ownership interest of 99.99%. Total assets of PT Bijak which were consolidated before elimination amounted to Rp52,603,707,823 and Rp45,950,975,268 as of December 31, 2021 and 2020, respectively and the comprehensive income of PT Bijak which was consolidated before elimination amounted to Rp4,915,154,938 and Rp900,855,733 as of December 31, 2021 and 2020, respectively.

2. Summary of Significant Accounting Policies

A. Declaration of Compliance

The financial statements of the BPJS Ketenagakerjaan are prepared and presented in accordance with Financial Accounting Standards in Indonesia which include Statements of Financial Accounting Standards (Pernyataan Standar Akuntansi Keuangan/ SFAS) and Interpretation of Financial Accounting Standards (ISAK) issued by the Financial Accounting Standards Board - Indonesian Institute of Accountants (Ikatan Akuntan Indonesia/ IAI).

B. Statements and Interpretations of New and Revised Accounting Standards Effective in the Current Year

Amendments and improvements to the standards which effective for periods beginning on or after January 1, 2021, with early adoption is permitted, are as follows:

- SFAS 22 (Amendment 2019): Business Combination regarding Definition of Business;
- Amendment SFAS 71, Amendment SFAS 55, Amendment SFAS 60, Amendment SFAS 62 and Amendment SFAS 73 regarding Interest Rate Benchmark Reform – Phase 2;
- SFAS 110 (Improvement 2020): Accounting for Sukuk;

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- SFAS 111 (Improvement 2020): Accounting for Wa'd;
- SFAS 112: Accounting for Endowments;
- SFAS 1 (Annual Improvement 2021): Presentation of Financial Statements;
- SFAS 13 (Annual Improvement 2021): Investment Properties;
- SFAS 48 (Annual Improvement 2021): Impairment of Asset;
- SFAS 66 (Annual Improvement 2021): Joint Arrangement; and
- ISFAS 16 (Annual Improvement 2021): Service Concession Agreements.

The implementation of these standards had no significant effect on the amounts reported for the current period or prior financial year.

Accounting Standards and Interpretation of Standards Has Been Issued But Not Yet Effective

DSAK-IAI has published several new standards, amendment and improvements to standards, as well as interpretations of standards but not yet effective for the period beginning on January 1, 2021.

Amendment to the standard that are effective for periods beginning on or after April 1, 2021, are:

- Amendment SFAS 73: Leases regarding Covid-19-related Rent Concessions Beyond June 30, 2021.

Amendment and annual improvement to standards that are effective for periods beginning on or after January 1, 2022, with early adoption is permitted, are as follows:

- Amendments SFAS 22: Business Combinations regarding Reference to Conceptual Framework;
- Amendments SFAS 57: Provisions, Contingent Liabilities, and Contingent Assets regarding Onerous Contracts - Cost of Fulfilling the Contracts;
- Amendments SFAS 16: Property, Plant and Equipment regarding Proceeds Before Intended Use;
- SFAS 69 (Annual Improvement 2020): Agriculture;
- SFAS 71 (Annual Improvement 2020): Financial Instruments; and
- SFAS 73 (Annual Improvement 2020): Leases.

Amendments to standards which effective for periods beginning on or after January 1, 2023, with early adoption is permitted, are as follows:

- Amendment SFAS 1: Presentation of Financial Statements regarding Disclosure of Accounting Policies;
- Amendment SFAS 1: Presentation of Financial Statements regarding Classification of Liabilities as Current and Non Current;
- Amendment SFAS 25: Accounting Policies, Changes in Accounting Estimates, and Errors regarding Definition of Accounting Estimates; and
- Amendment SFAS 46: Income Tax regarding Deferred Taxes related to Assets and Liabilities arising from a Single Transaction.

New standard and amendment above standard which are effective for periods beginning on or after January 1, 2025, with early adoption is permitted, are as follows:

- SFAS 74: Insurance Contract; and
- Amendment SFAS 74: Insurance Contract regarding Initial Implementation of SFAS 74 and SFAS 71 – Comparative Information.

Until the date of the financial statements is authorized, BPJS Ketenagakerjaan and its subsidiary is still evaluating the impact of the adoption of the new standards, amendments to standards and interpretations of these standards.

C. Basis of Preparation

The consolidated financial statements are prepared on an accrual basis, except for cash flow information. Statements of cash flows are prepared using the classification of operating, investing and financing activities which are presented using the direct method.

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Dana Jaminan Sosial Ketenagakerjaan JHT, JKK, JKM, JP, and JKP Program, prepare their own financial statements respectively. Consolidated financial statements of BPJS Ketenagakerjaan do not consolidate the financial statements of the Program because they do not meet the principles of consolidation based on Indonesian Financial Accounting Standards in Indonesia (Note 2D).

BPJS Ketenagakerjaan prepares a consolidated comprehensive income statement to present the income and expenses along with the surplus deficit of BPJS Ketenagakerjaan and its subsidiary in managing Dana Jaminan Sosial Ketenagakerjaan. In this financial statements, the term profit and loss are not used but uses the term surplus deficit, because BPJS Ketenagakerjaan is a non-profit entity based on capital paid up from the government and the transfer of net assets from PT Jamsostek (Persero).

BPJS Ketenagakerjaan prepares a parent only financial statements as an attachment to the consolidated financial statements, investments in subsidiary are presented using the equity method.

D. Basis of Consolidation

The consolidated financial statements include the financial statements of BPJS Ketenagakerjaan and its subsidiary that has been controlled directly or indirectly by BPJS Ketenagakerjaan.

A subsidiary is an entity controlled by BPJS Ketenagakerjaan, which BPJS Ketenagakerjaan is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

The existence and effect of substantive potential voting rights, whereas BPJS Ketenagakerjaan has practical ability to exercise (substantive rights) are considered when assessing whether BPJS Ketenagakerjaan controls another entity.

BPJS Ketenagakerjaan's financial statements consist of operational results, cash flows, assets and liabilities of BPJS Ketenagakerjaan and all of its directly and indirectly controlled subsidiary. The subsidiary is consolidated from the effective date of acquisition, which is the date BPJS Ketenagakerjaan effectively obtains control of the acquired business, until that control ceases.

BPJS Ketenagakerjaan prepares consolidated financial statements using uniform accounting policies for transactions and other events in similar circumstances. All intragroup transactions, balances, surplus, expenses and cash flows are eliminated in full during consolidation. BPJS Ketenagakerjaan attributed the surplus or deficits and each component of other comprehensive income to the owner of the parent and non-controlling interest even though this results in non-controlling interests having a deficit balance. BPJS Ketenagakerjaan presents non-controlling interest in the equity component of the consolidated statement of financial position, separately from the equity owner of the parent.

Changes in the parent's ownership in the subsidiary that do not result in loss of control are equity transactions (transactions with owners in their capacity as owners). When the proportion of equity held by non-controlling interest change, BPJS Ketenagakerjaan adjusted the carrying amounts of the controlling interest and non-controlling interest to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent entity.

If BPJS Ketenagakerjaan losses control, BPJS Ketenagakerjaan would:

- 1) Derecognize the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- 2) Derecognize the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them);
- 3) Recognize the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control;

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- 4) Recognize any investment retained in the former subsidiary at fair value at the date when control is lost;
- 5) Reclassify to surplus or deficits, or transfer directly to retained earnings if required by other SFAS, the amount recognized in other comprehensive income in relation to the subsidiary;
- 6) Recognize any resulting difference as a gain or loss in surplus or deficits attributable to the parent entity.

E. Foreign Currency Translation

Functional and Reporting Currencies

The consolidated financial statements are presented in Rupiah, which is the functional currency and the presentation currency of BPJS Ketenagakerjaan and its subsidiary.

Transactions and Balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates at transaction date.

As of December 31, 2021 and 2020, the conversion rate is the middle rate of Bank Indonesia, which used by BPJS Ketenagakerjaan and its subsidiary for USD1 was Rp14,269 and Rp14,105.

Exchange differences arising from the settlement of monetary items and from the translation of monetary items in currencies foreign currency is recognized in surplus or deficit.

F. Transactions with Related Parties

As a reporting entity, BPJS Ketenagakerjaan and its subsidiary conducts transactions with related parties. Related party represent a person or an entity who is related to the reporting entity.

- 1) A Person or a close member of that person's family is related to a reporting entity if that person:
 - a) Has control or joint control over the reporting entity;
 - b) Has significant influence over the reporting entity; or
 - c) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- 2) An entity is related to the reporting entity if any of the following conditions apply:
 - a) The entity and the reporting entity are members of the same group (which means that parent, subsidiary, and other subsidiary is related to each other);
 - b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - c) Both entities are joint ventures of the same third party;
 - d) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity;
 - e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is the entity that organizes the program, the sponsoring entity is also related to the reporting entity;
 - f) The entity is controlled or jointly controlled by a person identified in (1).
 - g) A person identified in (1) point (a) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity); and
 - h) The entity or any members of a group of which the entity is a part provides key management personnel services to the reporting entity or to the parent entity of the reporting entity.

BPJS Ketenagakerjaan is controlled by the Government of the Republic of Indonesia. A government-related entity is an entity that is controlled, jointly controlled or significant influence by a government. Government refers to government, government agencies, and similar bodies, whether local or national.

Significant transactions carried out with related parties, both carried out under conditions and the same requirements as third parties or not, are disclosed in the financial statements consolidated (Note 49).

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G. Cash and Cash Equivalents

Cash consists of cash on hand and in banks, and cash equivalents that are short-term, and highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of placements, and which are not used as collateral and are not restricted.

For cash flow presentation purposes, cash consists of cash on hand and in banks, and all investments with maturities of three months or less from the date of acquisition and are not used as collateral and are not restricted.

Cash and cash equivalents include cash on hand, cash in banks (demand accounts), and time deposits with maturities of three months or less at the time of placement that are not used as collateral or are not restricted in use.

H. Investment Receivables

Investment receivables represent receivables arising from the disposal of BPJS Ketenagakerjaan investments for which payment has not been received until the reporting date. Investment receivables are recognized upon the sale of the investment at the agreed amount.

I. Receivables of Investment

Receivables from investment consist of:

- 1) Receivables arising from contractual interest income from various types of fixed income investments, including time deposits and bonds;
- 2) Receivables arising from dividends, both from shares and mutual funds and profit sharing from Islamic banks; and
- 3) Receivables arising from rental income.

Recognition and measurement of investment receivables are as follows:

- 1) Interest receivables are recognized at the contractual or coupon rate over time;
- 2) Receivables for profit sharing are recognized at the rate of return in line with the passage of time (*ijarah*) or specified yield (*mudharabah*);
- 3) Dividend receivables are recognized when determined at the amount due; and
- 4) Lease receivables are recognized at the contractual amount over time.

J. Sarana Kesejahteraan Peserta (SKP) Receivable

SKP receivables consist of:

- 1) Accrued SKP rent income
Rent Receivables of SKP is recognized and recorded at the reporting date.
- 2) Loan Interest Receivables
Interest receivables on loans are recognized when the rights to interest on the loan arises.
- 3) Loans
The loan provided is a claim to the participant arising from the provision of the SKP Program loan which prior to being transferred was referred as the Additional Service Benefit Program on a revolving basis to the specified parties either by executing or directly.

K. Time Deposit

Time deposits with maturities of more than 3 (three) months at the time of placement are presented as "short-term investments".

L. Financial Instrument

Financial Assets

Classification, Recognition and Derecognition

Policy applies from January 1, 2020

In accordance with SFAS 71, there are three classifications of measurement of financial assets:

- i. amortized cost;
- ii. measured at fair value through other comprehensive income (FVOCI); and
- iii. measured at fair value through profit or loss (FVPL).

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BPJS Ketenagakerjaan and its subsidiary use 2 (two) bases to classify financial assets, namely the business model in managing financial assets and the contractual cash flow characteristics are solely payments of principal and interest (SPPI) of financial assets.

SPPI Test

In assessing whether the contractual cash flows have SPPI characteristics, BPJS Ketenagakerjaan and its subsidiary consider the contractual requirements of the instrument. This includes assessing whether a financial asset contains contractual provisions that may change the timing or amount of contractual cash flows so that they do not meet the SPPI conditions. In conducting the assessment, consider:

- 1) Contingent events that will change the amount and timing of cash flows;
- 2) Leverage feature; and
- 3) Liquidity fulfillment.

Business model assessment

BPJS Ketenagakerjaan and its subsidiary determine its business model based on the level best reflects how groups of financial assets are managed to achieve objectives certain business.

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost if the financial asset is managed in a business model whose purpose is to hold the financial asset in order to obtain contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. At initial recognition, financial assets measured at amortized cost are recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate.

Interest income on financial assets measured at amortized cost is recorded in the consolidated statement of comprehensive income and recognized as "Interest income". When an impairment loss occurs, the impairment loss is recognized as a deduction from the carrying amount of the financial asset and is recognized in the consolidated financial statements as establishment of "Allowance for Impairment Losses".

BPJS Ketenagakerjaan classifies cash and cash equivalents, receivables, time deposits, KIK-EBA and debt securities instruments which are designated as financial assets measured at amortized cost.

(b) Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets are managed in a business model whose objectives will be met by obtaining contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

At the time of initial recognition, debt instruments that are measured at fair value through other comprehensive income are recognized at fair value plus transaction costs and subsequently measured at fair value wherein gains or losses on changes in fair value, gains or losses on foreign exchange, and impairment losses, recognized as other comprehensive income. Dividends from equity instruments are recognized in surplus deficit.

Expected credit losses are recognized as an addition to other comprehensive income in the statement of financial position (does not reduce the carrying amount of financial assets in the financial statements). Interest income is calculated using the effective interest rate method.

On derecognition, the accumulated fair value gain or loss, net of the accumulated expected credit losses, is transferred to surplus deficit. Investments in shares designated to be measured at FVOCI, the unrealized gain or loss is recognized as comprehensive income, upon derecognition the accumulated unrealized gain or loss is transferred to the surplus balance in the statement of changes in equity.

BPJS Ketengakerjaan classifies shares, mutual funds and debt securities instruments as a financial asset is measured at FVOCI.

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(c) Financial assets measured at fair value through profit or loss (FVPL)

Financial assets are measured at fair value through profit or loss unless tests of business models and contractual cash flow tests indicate that financial assets are classified as measured at amortized cost or fair value through other comprehensive income.

This classification is intended for financial instruments that are held for trading or at the time of initial recognition have been designated to be measured at fair value through profit or loss. BPJS Ketenagakerjaan classifies shares, mutual funds, debt securities instruments, and KIK-EBA as financial assets measured in FVPL.

Measurement After Initial Recognition

After initial recognition, financial assets at cost are amortized using the effective interest rate. Meanwhile financial assets measured at fair value through other comprehensive income, after initial recognition will be measured at fair value where the unrealized gains and losses on changes in fair value will be recognized as other comprehensive income and accumulated in a separate component in the head office account.

For financial assets that are required to be measured at fair value through profit or loss, after initial recognition will be measured at fair value where gain and loss arising from the changes in fair value are recorded in investment income.

On derecognition, the accumulated fair value gain or loss, net of the accumulated expected credit losses, is transferred to surplus deficit.

Gains and losses arising from changes in the fair value of financial liabilities classified as fair value through profit or loss are recorded in the statement comprehensive income consolidated as income from fair value through profit or loss - net. Interest expense on financial liabilities classified as fair value through profit or loss is recorded in the income account in fair value through profit or loss - net.

Changes in fair value relating to financial liabilities that are designated to be measured at fair value through profit or loss are recognized in the income group at fair value through profit or loss - net. Interest expense on financial liabilities that are designated to be measured at fair value through profit or loss are recorded in the income account group at fair value through profit or loss - net.

Derecognition of Financial Assets

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred (if substantially all the risks and rewards have not been transferred), then BPJS Ketenagakerjaan and its subsidiary conduct an evaluation to ensure continued involvement in the control it still has does not prevent derecognition).

Allowance for Impairment Losses of Financial Assets

BPJS Ketenagakerjaan and its subsidiary recognize allowance for impairment losses of financial assets measured at amortized cost and fair value through other comprehensive income as follows:

- 1) Impairment of financial assets measured at amortized cost is recognized as a deduction from the carrying amount of the asset in the statement of financial position, and is recognized in the consolidated comprehensive income statement as "Allowance for Impairment Losses Expenses".
- 2) Impairment of financial assets (excluding equity instruments) measured at fair value through other comprehensive income is recognized as an addition to other comprehensive income in the statement of financial position (not reducing the carrying amount of financial assets in the financial statements) as "Unrealized Gain or Loss" , and recognized in the consolidated comprehensive income statement as "Allowance for Impairment Losses Expenses".

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BPJS Ketenagakerjaan and its subsidiary apply a simplified method to measure the expected credit losses on trade receivables and contract assets without a significant financing component.

Measurement of the expected credit losses of financial instruments is done in a way that reflects:

- 1) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- 2) Time value of money; and
- 3) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecast of future economic conditions.

BPJS Ketenagakerjaan and its subsidiary recognize the expected credit loss (ECL) using a complex model that uses a probability of default (PD), loss given default (LGD) and exposure at default (EAD), which is discounted using the effective interest rate. For investment instruments that have a smaller and less complex value, BPJS Ketenagakerjaan and its subsidiary use the roll rate or loss rate model.

- 1) Probability of Default (PD)
The probability that arises at a time when the debtor defaults, is calibrated up to a period of 12 months from the report date (stage 1) or over its lifetime (stage 2) and is combined with the impact of future economic assumptions that are subject to credit risk. PD is estimated at a point in time where it fluctuates in line with the economic cycle.
- 2) Loss Given Default (LGD)
BPJS Ketenagakerjaan and its subsidiary estimate LGD based on historical data from the recovery rate.
- 3) Exposure at Default (EAD)
Estimated value of balance sheet exposure at the time of default taking into account the expected change in expectations over the life of the exposure.

To determine the expected credit losses, these components will be calculated together and discounted to the financial statement date using a discount based on the effective interest rate. The basic inputs, assumptions and estimation techniques are disclosed in Note 4.

Expected credit losses (ECL) are recognized for all investment instruments as hold to collect/hold to collect and sell and have SPPI cash flow. Expected credit losses are not recognized for equity instruments designated as FVOCI and FVPL.

At each reporting date, BPJS Ketenagakerjaan and its subsidiary measure allowance for impairment losses instrument amounting to its life time expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition. However, if the credit risk of the financial instrument has not increased significantly since initial recognition, it recognizes 12-month expected credit losses. To capture the effect of changes on the economic environment in the future, the calculation of the probability of default (PD), loss given default (LGD) as well as expected credit losses take into account forward-looking information; assumptions on the pattern of economic variables and asset prices that can have an impact on the debtor's ability to pay.

For financial instruments measured at amortized cost, the balance on the balance sheet reflects gross assets less expected credit losses. For financial instruments in the FVOCI category, the balance on the balance sheet reflects the fair value of the instrument, with allowance for Impairment losses the value is recorded separately as a reserve in other comprehensive income.

Policy applies before January 1, 2020

Regular purchases or sales of financial instruments are recognized on the transaction date.

Financial instruments at initial recognition are measured at fair value, which is the fair value of cash given up (in the case of financial assets) or received (in the case of financial liabilities). Fair value is determined by referring to the transaction price or the prevailing market price. If the market price cannot be determined reliably, fair value is calculated based on the estimated total of future cash payments or receipts, discounted using the prevailing market interest rates for similar instruments with the same or nearly the same maturities. Initial measurement of financial instruments includes transaction costs, except for financial instruments which are measured at fair value through profit or loss.

Transaction costs are amortized over the life of the instrument using the effective interest method.

The classification of financial instruments is carried out based on the purpose for which the instrument was acquired and considering whether the instrument has a quoted price in an active market.

Financial Assets

1) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets acquired primarily for the purpose of resale in the near term (trading group).

Financial assets at fair value through profit or loss are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recognized immediately in profit or loss. Interest earned is recorded as interest income, while dividend income is recorded as part of other income in accordance with the terms of the contract, or when the right to receive dividends has been determined.

2) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market, which are subsequently measured at amortized cost using the effective interest method, less allowance for impairment losses.

3) Investments Held to Maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, and the management of BPJS Ketenagakerjaan and its subsidiary has the positive intention and ability to hold these financial assets to maturity. If BPJS Ketenagakerjaan and its subsidiary sell or reclassify held-to-maturity investments in an amount that is more than an insignificant amount before maturity, then all financial assets in that category are subject to tainting rules and must be reclassified to the available-for-sale group.

Sales before maturity or reclassification to the available for sale (AFS) category does not change the positive intention and ability to hold other investments to maturity if any of the following conditions are:

- a) The amount sold or reclassified is not significant.
- b) The issuer has the right to settle at a significantly lower amount.
- c) After obtaining substantially all of the principal amount according to the payment schedule or accelerated settlement.
- d) In relation to certain events that are beyond control, non-recurring and could not be reasonably anticipated, including:
 - (1) Significant decline in publisher credibility.
 - (2) Changes in tax regulations that eliminate or significantly reduce the status of tax amnesty on investment interest in the HTM category; or

- (3) Changes in statutory or regulatory provisions that significantly change the rules regarding allowed investments or the maximum level of certain types of investment, which ultimately causes the entity to release an investment in the HTM category.

These investments are subsequently measured at amortized cost using the effective interest method, net of impairment.

4) Financial Assets Available for Sale

Available for sale financial assets are assets that are designated as available for sale or are not classified in another category of financial instruments, and are subsequently measured at fair value, with the unrealized gain or loss recognized in equity until the financial asset is derecognized or deemed to have been impaired, at which time the accumulated gain or loss is reclassified to profit or loss.

Impairment of Financial Assets

At each statement of financial position date, the management of BPJS Ketenagakerjaan and its subsidiary reviews whether a financial asset or a group of financial assets has been impaired.

1) Financial assets at amortized cost

Management first determines whether there is objective evidence of impairment individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If management determines that there is no objective evidence of impairment for an individually assessed financial asset, whether the financial asset is significant or insignificant, then the asset is included in a group of financial assets with similar credit risk characteristics and assesses the group for impairment on an aggregate basis. Assets that are individually assessed for impairment, for which an impairment loss is or continues to be recognized, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted using the asset's original effective interest rate. The carrying amount of the asset is immediately reduced by the impairment incurred or using an allowance for impairment losses account and the amount of the loss incurred is recognized in a surplus deficit.

If, in a subsequent year, the amount of the impairment loss decreases because of an event occurring after the impairment was recognized, an adjustment is made to the allowance for impairment losses previously recognized. Further impairment recovery is recognized in the surplus deficit, provided that the carrying amount of the asset after the impairment is reversed does not exceed the amortized cost at the date of the recovery.

2) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred for an equity instrument that is not quoted in an active market and is not measured at fair value because the fair value cannot be measured reliably, the amount of the impairment loss is measured based on the difference between the carrying amount of the financial asset and the present value of the estimated future cash flows discounted at the market rate of return for similar financial assets.

3) Financial assets available for sale

In the case of equity instruments in the FVOCI group, the impairment assessment is indicated by a significant and ongoing decrease in fair value below cost. If there is objective evidence of impairment, the cumulative impairment loss calculated from the difference between cost and current fair value, less any impairment loss previously recognized in a surplus deficit, is removed from equity and recognized in a surplus deficit. Impairment losses may not be reversed through a surplus deficit. The increase in fair value after the impairment is recognized in equity.

In the case of debt instruments in the FVOCI group, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Interest continues to be accrued based on the original effective interest rate applied to the carrying amount of the impaired asset, and is recorded as part of interest income. If, in a subsequent year, the fair value of a debt instrument increases and the increase in fair value is due to an event occurring after the impairment was recognized in a surplus deficit, the previously recognized impairment shall be reversed through a surplus deficit.

Derecognition of Financial Asset

A financial asset (or part of a financial asset or group of similar financial assets) is derecognized if:

- a) The contractual rights to the cash flows from the financial asset expire;
- b) BPJS Ketenagakerjaan and its subsidiary retain the right to receive cash flows from these financial assets, but also assume a contractual obligation to pay third parties for the cash flows received in full without any significant delay based on an agreement; or BPJS Ketenagakerjaan and its subsidiary have transferred their rights to receive cash flows from the financial asset and (i) have transferred substantially all the risks and rewards of the financial asset, or (ii) neither transferred nor owns all the risks and rewards of the financial asset, but has transferred control of the financial asset.

Financial Liabilities

Classification, Recognition and Derecognition

Policy applies from January 1, 2020

BPJS Ketenagakerjaan and its subsidiary classify financial liabilities in the category of financial liabilities measured at fair value through profit or loss.

This category consists of two sub-categories: financial liabilities classified as fair value through profit or loss and financial liabilities which at the time of initial recognition have been determined by BPJS Ketenagakerjaan and its subsidiary to be measured at fair value through profit or loss.

Financial liabilities are classified as fair value through profit or loss if they are acquired principally for the purpose of selling or repurchasing in the near term or if they are part of a portfolio of identified financial instruments that are managed together and there is evidence of a recent pattern of short term profit taking.

Gains and losses arising from changes in the fair value of financial liabilities classified as fair value through profit or loss are recorded in the consolidated comprehensive income statement as income from fair value through profit or loss - net. Interest expense on financial liabilities classified as fair value through profit or loss is recorded in the income account in fair value through profit or loss - net.

Changes in fair value relating to financial liabilities that are designated to be measured at fair value through profit or loss are recognized in the income group at fair value through profit or loss - net. Interest expense on financial liabilities that are designated to be measured at fair value through profit or loss are recorded in the income account group at fair value through profit or loss - net.

Derecognition of Financial Liabilities

A financial liability is derecognized when the financial liability has expired because the obligation specified in the contract has been discharged, canceled or expired or if there is a substantial change in the terms of a financial liability, the contractual financial liability prior to the change will be written off.

Financial liabilities and equity instruments of BPJS Ketenagakerjaan and its subsidiary are classified based on the substance of the contractual agreement and the definition of financial liabilities and equity instruments. The accounting policies applied to these financial instruments are disclosed below.

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Other Financial Liabilities

This category represents financial liabilities that are not held for trading or at the time of initial recognition are not designated to be measured at fair value through surplus deficit.

Financial instruments issued or components of these financial instruments, which are not classified as financial liabilities at fair value through surplus deficit, are classified as other financial liabilities, if the substance of the contractual agreement requires BPJS Ketenagakerjaan and its subsidiaries to deliver cash or financial assets to the holder of the financial instrument, or if the liability is settled not through the exchange of cash or other financial assets or own shares of a fixed or fixed amount.

Other financial liabilities are subsequently measured at amortized cost based on the effective interest rate.

As of December 31, 2021 and 2020, this category includes payables to other parties, accrued expenses, and bank loans.

Offsetting Financial Instruments

Policy applies from January 1, 2020

Offsetting financial assets and financial liabilities are presented in the consolidated statement of financial position if they have a legally enforceable right to set off the recognized amounts and intend to settle on a net basis or to realize the asset and settle the liability simultaneously. A legally enforceable right means:

- a) there are no future contingencies; and
- b) legally enforceable rights in the following conditions:
 - (a) normal business activities;
 - (b) business failure conditions; and
 - (c) condition of default or bankruptcy.

Policy applies before January 1, 2020

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statement of financial position if, and only if, BPJS Ketenagakerjaan and its subsidiary currently have a legally enforceable right to set off the recognized amounts; and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

M. Fair Value Measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- 1) In the main market for the asset or liability or;
- 2) In the absence of a main market, in the most advantageous market for the asset or liability.

BPJS Ketenagakerjaan and its subsidiary must have access to the main or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When BPJS Ketenagakerjaan and its subsidiary uses valuation techniques, it maximizes the use of relevant observable inputs and minimize the use of inputs that cannot be observed.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy as follows:

- 1) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- 2) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- 3) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, BPJS Ketenagakerjaan and its subsidiary determine whether there are transfers between levels in the hierarchy by reassessing categorization at the end of each reporting period.

N. Advance

Advances are an amount of money paid to internal or external parties for an activity that is yet to be accounted for directly or indirectly. Advances are recognized at the time the amount is issued and will be derecognized when accounted for. Advances that are not accounted for are to be reclassified to the other receivables.

O. Office Supplies

Office supplies are supplies of goods to be used for operational activities. Office supplies are recognized in the amount of supplies that have not been used as of the reporting date. Office supplies expenses are recognized at cost which is paid at the time of purchase. The recording system used is periodic. Cost is determined using the weighted-average method.

Allowance for office supplies obsolescence and decline in value of the office supplies are provided to reduce the carrying value of office supplies to their net realizable values.

P. Prepaid Expenses

Prepaid expenses are expenses that have been paid but will be charged future periods, such as prepaid insurance premium and prepaid rent. Prepaid expenses are amortized over their beneficial or contract periods using the straight-line method.

Q. Investment Properties

Investment property is property (land or building or part of a building or property) both controlled by the owner or the lessee through a finance lease to generate rent or for capital appreciation or both, and not for use in production or supply of goods or services or for administrative purposes; or sold in daily business activities.

Investment property is recognized as an asset if and only when it is probable that the economic benefits the future associated with the investment property will flow to the entity; and acquisition cost investment property can be measured reliably.

Investment properties are initially measured at cost, including the purchase price and any directly attributable expenses (legal service fees, taxes transfer of property and other transaction costs). Transaction fees are included in the initial measurement.

After initial recognition, BPJS Ketenagakerjaan chose to use cost model to measure investment properties. In the cost model, investment properties are stated at cost acquisition after deducting accumulated depreciation and accumulated impairment losses, if any.

Investment properties other than land are depreciated using the straight-line method over the estimate useful life of 20 years.

Transfers to investment properties are made if, and only when, there is a change in use indicated by the end of owner use and the commencement of an operating lease to other parties.

The transfer of investment property is carried out if, and only when, there is a change in use indicated by commencement of owner use and commencement of development for sale.

Investment property is derecognized when it is disposed of or when it is no longer used permanently and no future economic benefits are expected from its release. The gain or loss arising from the termination or disposal is determined of the difference between the net proceeds of disposal and the carrying amount of the asset, and is recognized in the surplus deficit in the period of termination or disposal.

R. Investment in Sukuk

Sukuk investments are classified as financial assets at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI), and amortized cost.

Investment in sukuk is initially measured at cost, including transaction costs. The difference between the acquisition cost and the nominal value is amortized on a straight-line basis over the term of the sukuk and recognized in surplus deficit. If an indication of impairment exists then the amount of impairment loss is measured as the difference between the recoverable amount of sukuk and its carrying value.

Investment in sukuk measured at fair value through a surplus deficit and is initially recognized at acquisition costs, excluding transaction costs. After initial recognition, the difference between the fair value and the carrying amount is recognized in surplus or deficit.

Investment in sukuk measured at fair value through other comprehensive income is initially recognized at cost, including transaction costs. After initial recognition, the difference between the acquisition cost and nominal value is amortized on straight-line basis over the term sukuk and recognized in surplus or deficit. Gains or losses from changes in fair value are recognized in other comprehensive income. When the investments in sukuk are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to surplus or deficit as a reclassification adjustment. An impairment loss is recognized in surplus or deficits when the recoverable amount is less than the carrying amount, after taking into account the balance in other comprehensive income.

S. Property and Equipment

Property and equipment are tangible assets owned to be used in the provision of services, leased to other parties, or administrative purposes and used for more than one period, including property and equipment of Participant Welfare Facility/ *Sarana Kesejahteraan Peserta* (SKP) originating from the transfer of assets and liabilities of Additional Services Benefits/ *Manfaat Layanan Tambahan* (MLT).

Direct Acquisition

Property and equipment are initially recognized at cost, which comprises its purchase price and any cost directly attributable to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

BPJS Ketenagakerjaan choose to use the cost method to measure the property and equipment. In cost method, property and equipment are stated at cost less accumulated depreciation and any impairment, if any.

Initial legal costs incurred to obtain legal rights are recognized as part of the acquisition cost of the land, and these costs are not depreciated. Costs related to renewal of land rights are recognized as other assets – land rights and amortized during the period of the land rights.

Expenses incurred after property and equipment are used, such as repairs and maintenance costs, are charged to the surplus deficit as incurred. If these expenses meet the definition and criteria for recognition of property and equipment, these expenses are capitalized as additional costs of acquiring property and equipment.

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Depreciation of property and equipment, computed on a straight-line basis over the property and equipment's useful lives as follows:

| | <u>Year</u> |
|-------------------------------|-------------|
| Buildings | 20 year |
| Vehicles | 5 year |
| Office furniture and fixtures | 4 year |
| Computer equipments | 4 year |
| Other equipments | 4 year |

The remaining residual value of property and equipment are as follows:

| | <u>Residual Value</u> |
|-------------------------------|-----------------------|
| Buildings | 20% |
| Vehicles: | |
| Sedan vehicles | 25% |
| Non sedan vehicles | 20% |
| Motorcycles | 10% |
| Office furniture and fixtures | 5% |
| Computer equipments | 5% |
| Other equipments | 5% |

In any significant inspection, its costs are recognized in the carrying amount of the item of property and equipment as a replacement if they meet the recognition criteria. The capitalized significant inspection costs are amortized over the period until the next significant inspection.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or loss arising from derecognition of property and equipment is included in surplus or deficit in the year the item is derecognized.

The asset's residual values, if any, useful lives and depreciation and amortization method are reviewed and adjusted if appropriate, at each financial year-end.

The cost of maintenance and repairs is recognized as an expense as incurred. Expenditures that meet the definition and criteria for recognition of fixed assets, these expenses are capitalized as additional costs of acquiring property and equipment.

When fixed assets are no longer used, the book value of property and equipment are reclassified to other assets and not depreciated. When property and equipment that meet criteria of available for sale property and equipment, the book values transfer to available assets for sale and any resulting gains or losses are recognized in the surplus or deficit

Construction in Progress

Construction in progress represents property and equipment under construction which is stated at cost and not depreciated. The accumulated costs will be reclassified to the respective property and equipment account and will be depreciated when the construction is substantially complete and the asset is ready for its intended use.

T. Intangible Assets

Separately acquired patents and licenses are presented at historical cost less accumulated amortization and impairment. Patents and licenses acquired in a business combination are recognized at fair value at the acquisition date. Patents and licenses have a finite useful life. Amortization is calculated using the straight-line method to allocate the cost of patents over their estimated useful lives of 4 years and license over the contract period.

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U. Lease

On the date of inception of a contract, BPJS Ketenagakerjaan and its subsidiary assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if it provides the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract provides the right to control an identified asset, BPJS Ketenagakerjaan and its subsidiary assess whether:

- a. The contract involves the use of an identifiable asset – this can be explicitly or implicitly specified and physically distinguishable or represents substantially the entire capacity of a physically distinguishable asset. If the supplier has substantive substitution rights, the asset is not identified;
- b. BPJS Ketenagakerjaan and its subsidiary has the right to obtain substantially all the economic benefits from the use of the asset during the period of use; and
- c. BPJS Ketenagakerjaan and its subsidiary has the right to direct the use of the identified asset. BPJS Ketenagakerjaan and its subsidiary has this right when the decision-making rights are most relevant to change how and for what purpose the asset is used. In certain circumstances where all decisions about how and for what purposes assets are used are predetermined, BPJS Ketenagakerjaan and its subsidiary has the right to direct the use of the asset if:
 1. BPJS Ketenagakerjaan and subsidiary has the right to operate the asset; or
 2. BPJS Ketenagakerjaan and subsidiary designing assets by determining in advance how and for what purposes the assets will be used.

At the date of inception or at the time of revaluation of a contract containing a lease component, BPJS Ketenagakerjaan and its subsidiary allocate the consideration in the contract to each component of the lease based on the relative standalone prices of the components of the lease.

The lease payments included in the lease payable index include: fixed lease payments, variable leases dependent on the index, the amount to be paid under the residual value guarantee and the exercise price of call options, extension options or termination penalties if BPJS Ketenagakerjaan and its subsidiary pretty sure will execute those options.

BPJS Ketenagakerjaan and its subsidiary recognize right-of-use assets and lease liabilities at the commencement date of the lease. Right-of-use assets are initially measured at cost, which consists of the initial measurement of the lease liability adjusted for lease payments made on or before the commencement date, plus the initial direct costs incurred, and the estimated costs to dismantle and move the underlying asset or to restore the underlying asset or the place where the asset is located, less any rental incentives received.

After the commencement date, BPJS Ketenagakerjaan and its subsidiary measuring right-of-use assets using the cost model, which is cost less accumulated depreciation and accumulated impairment losses, and adjusted for remeasurement of lease liabilities. Right-of-use assets are depreciated using the straight-line method.

If the lease transfers ownership of the underlying asset at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a call option, the lessee depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset, which refers to the terms of the useful life of the property and equipment. If not, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the unpaid lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if the interest rate cannot be determined, using the incremental borrowing rate. Generally, BPJS Ketenagakerjaan and its subsidiary using the incremental borrowing rate as the discount rate.

After the commencement date, BPJS Ketenagakerjaan and its subsidiary measure the lease liability by:

- a. Increase the carrying amount to reflect interest on the lease liability.
- b. Reduce the carrying amount to reflect the rent already paid.
- c. Remeasure of the carrying amount to reflect a revaluation or modification of a lease or to reflect a fixed lease payment is substantially revised.

Lease liabilities are remeasured when there is a change in future lease payments arising from changes in index or interest rates, if there is a change in estimates BPJS Ketenagakerjaan and its subsidiary on the amount expected to be paid under the residual value guarantee, or if BPJS Ketenagakerjaan and its subsidiary change its judgment whether to exercise a call, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or recorded in profit or loss if the carrying amount of the right-of-use asset has decreased to zero.

Furthermore, payments for contracts that are included in the exception, namely payments for short-term leases and leases of low-value assets are recognized on the straight-line method and charged to surplus deficit. The lease payments related to the excluded leases are recognized as an expense using the straight-line method over the lease term.

V. Impairment of Nonfinancial Assets

At the end of each annual reporting period, BPJS Ketenagakerjaan and its subsidiary assess whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, BPJS Ketenagakerjaan and its subsidiary make an estimate of the asset's recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and impairment losses are recognized in surplus or deficit. In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Assessment is made at the end of each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset may no longer exist or may have decreased. If such indication exists, then BPJS Ketenagakerjaan and its subsidiary estimate the recoverable amount of the asset. Impairment losses for an asset that has been recognized in the prior period is reversed in profit or loss to the extent that the carrying amount of the assets does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After such a reversal, the depreciation of the assets is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

W. Recognition of Revenue and Expenses

Income

Management fee income from social security fund is recognized when the rights to the income arising.

Investment income is income derived from investment activities.

The investments income consist of:

- 1) Interest income and profit sharing are income earned from an investment instrument in deposits and debt securities;
- 2) Dividend income is income earned on investments in equity securities;
- 3) The rental income is income earned on investment properties;
- 4) Gains on disposal of investment are profits realized from disposal of investment assets;
- 5) Difference in valuation of investment is the unrealized decrease/increase from the change in valuation of investment assets;
- 6) Gain (loss) foreign exchange related to investments in foreign currency are presented as part of the investments income;
- 7) Other investment income is investment income that cannot be classified in any of the existing investment income accounts.

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BPJS Ketenagakerjaan recognized investment income, for each respective type of investment as follows:

- a. Interest income is recognized using the effective interest rate method;
- b. The profit sharing is recognized in accordance with profit-sharing (ljarah) or upon determination of profit sharing (mudharabah);
- c. Dividend income is recognized when the right to receive dividend payment is defined which is during the general meeting of shareholders;
- d. Rental income is recognized on straight-line basis over the lease term;
- e. Difference in fair value of financial assets in the FVPL category is recognized equal to the difference between the fair value at the measurement date and the carrying amount;
- f. Gain or loss on disposal is recognized upon disposal of investment amounting to the difference between the sales proceeds and the carrying amount of investment.

Expenses

Expenses are recognized when incurred (accrual basis).

Interest expense for all financial instruments is recognized in surplus or deficit in statement of comprehensive income on an accrual basis using the effective interest rate method.

X. Management Fee of BPJS Ketenagakerjaan

Based on Government Regulation of the Republic of Indonesia Number 55 Year 2015 concerning Amendment of Government Regulation Number 99 Year 2013, percentage of management fee for BPJS Ketenagakerjaan has set out at the highest of 10% (ten percent) from the contributions received of each program (JHT, JKK, JKM, and JP), and the results of the investment of JHT and JP Program, effective January 1, 2016. In programs (JHT, JKK, JKM, and JP), the result of those management fee's calculation are recorded as an operating expenses and transferred to BPJS Ketenagakerjaan's bank account.

Year 2021

The percentage of management fees of BPJS Ketenagakerjaan for the year 2021 is regulated in the Regulation of the Minister of Finance of the Republic of Indonesia Number 241/PMK.02/2020 dated December 30, 2020 concerning the Management Fee of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan for the year 2021, that BPJS Ketenagakerjaan in administering the Social Security Program obtains Management Fees taken from the Dana Jaminan Sosial Ketenagakerjaan every month in the amount of a certain percentage from:

- a. Program Jaminan Kecelakaan Kerja contribution that has been received every month.
- b. Program Jaminan Kematian contribution that has been received every month.
- c. Program Jaminan Hari Tua contribution that has been received every month.
- d. Program Jaminan Pensiun contribution that has been received every month.
- e. Proceeds from the investment income of Program Jaminan Hari Tua that have been received every month.
- f. Proceeds from the investment income of Program Jaminan Pensiun that have been received every month.

Proceeds from the investment income as the basis for imposition of Management Fees are the proceeds from investment income less investment expenses. The percentage of Management Fees for the year 2021 are:

- a. 10% of Program Jaminan Kecelakaan Kerja contribution.
- b. 10% of Program Jaminan Kematian contribution.
- c. 4% of Program Jaminan Hari Tua contribution.
- d. 4% of Program Jaminan Pensiun contribution.
- e. 4.21% of proceeds from Program Jaminan Hari Tua investment income.
- f. 4.21% of proceeds from Program Jaminan Pensiun investment income.

Based on the Regulation of the Minister of Finance of the Republic of Indonesia Number 241/PMK.02/2020, the nominal amount of the Management Fees obtained from a certain percentage as referred to above is a maximum of Rp4,668,022,000,000 (four trillion six hundred sixty-eight billion twenty-two million rupiah).

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Year 2020

The percentage of BPJS Ketenagakerjaan operational funds for the year 2020 is regulated in the Regulation of Minister of Finance of the Republic of Indonesia Number 224/PMK.02/2019 dated December 31, 2019 concerning Management Fees of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan for the year 2020, that BPJS Ketenagakerjaan in administering the Social Security Program obtains management fees taken from the Dana Jaminan Sosial Ketenagakerjaan every month in the amount of a certain percentage of:

- a. Program Jaminan Kecelakaan Kerja contribution that has been received every month.
- b. Program Jaminan Kematian contribution that has been received every month.
- c. Program Jaminan Hari Tua contribution that has been received every month.
- d. Program Jaminan Pensiun contribution that has been received every month.
- e. Proceeds from the investment income of Program Jaminan Hari Tua that have been received every month.
- f. Proceeds from the investment income of Program Jaminan Pensiun that have been received every month.

Proceeds from the investment income as the basis for imposition of Management Fees are proceeds from investment income less investment expenses. The percentage of Management Fees for the year 2020 are:

- a. 1.22% of Program Jaminan Kecelakaan Kerja contribution.
- b. 1.22% of Program Jaminan Kematian contribution.
- c. 4% of Program Jaminan Hari Tua contribution.
- d. 4% of Program Jaminan Pensiun contribution.
- e. 5% of proceeds from Program Jaminan Hari Tua investment income.
- f. 5% of proceeds from Program Jaminan Pensiun investment income.

Based on the Regulation of the Minister of Finance of the Republic of Indonesia Number 224/PMK.02/2019, the nominal amount of Management Fees obtained from a certain percentage as referred to above is a maximum of Rp5,279,705,000,000 (five trillion two hundred seventy-nine billion seven hundred five million rupiah).

On November 12, 2020, the Regulation of the Minister of Finance of the Republic of Indonesia Number 177/PMK.02/2020 concerning Management Fees of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan for the year 2020 was issued which replaces the previous regulation i.e Regulation of the Minister of Finance Regulation Number 224/PMK.02/2019. So that the percentage of operational funds for 2020 will be:

- a. 7.5% of Program Jaminan Kecelakaan Kerja contribution.
- b. 7.5% of Program Jaminan Kematian contribution.
- c. 4% of Program Jaminan Hari Tua contribution.
- d. 4% of Program Jaminan Pensiun contribution.
- e. 5% of proceeds from Program Jaminan Hari Tua investment income.
- f. 5% of proceeds from Program Jaminan Pensiun investment income.

Based on the Regulation of the Minister of Finance of the Republic of Indonesia Number 177/PMK.02/2020, with a nominal amount of Management Fees obtained from a certain percentage as referred to above of a maximum of Rp4,056,170,000,000 (four trillion fifty-six billion one hundred and seventy million rupiah).

In accordance with the BPJS Ketenagakerjaan Board of Directors Regulation Number: PERDIR/2/012021 concerning the Mechanism for Calculation of BPJS Ketenagakerjaan Management Fees, the mechanism for calculating BPJS Ketenagakerjaan management fees for each program is regulated on a daily basis. Then, the calculation will be reconciled on a monthly basis. BPJS Ketenagakerjaan records management fees income from the JHT, JKK, JKM, and JP programs as operating income in the statement of comprehensive income of BPJS Ketenagakerjaan.

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The excess of management fees adjusted from management fees originating from DJS fees and the proceeds of JHT and JP Program investment income. Management Fees adjustment mechanism by discontinuing the recognition of management fees income when it has reached the nominal upper limit that has been set in accordance with the Regulation of the Minister of Finance of the Republic of Indonesia Number 241/PMK.02/2020.

The management fees income derived from the investment results of the JHT Program is distributed entirely to all branch offices based on the proportion of the respective JHT balance of each branch to the JHT balance nationally, while the management fees income derived from the investment results of the JP Program is distributed entirely to all branch offices based on the proportion of JP's net asset balance of each branch to the national JP's net asset balance.

Y. Employee Benefits

Short-term Employment Benefits

Short-term employment benefits, such as salaries, benefits and other facilities, including paid annual leave, are recognized at an undiscounted amount as liabilities in the consolidated statement of financial position after deducting the amount paid and recorded as expenses in surplus or deficit in the statement of comprehensive income. Including in the short-term employment benefits are benefits in the form of defined contributions for Program Jaminan Kecelakaan Kerja, Program Jaminan Kematian, Program Jaminan Kesehatan, and additional health and work accident benefits for employees.

Post-Employment Benefits

Post-employment benefits include defined contribution and defined benefit. The defined contribution is recognized as an expense in surplus or deficit in the statement of comprehensive income when it occurs in the amount of the outstanding contribution. Post-employment benefits are calculated using the Projected Unit Credit method. Remeasurement of defined benefit obligations are recognized immediately in the consolidated statement of financial position and other comprehensive income in the period in which they are incurred and will not be reclassified to surplus or deficit, but instead will be part of the retained earnings. Other defined benefit liability costs related to defined benefit plans are recognized in surplus or deficit

BPJS Ketenagakerjaan also provides post-employment benefits to employees in the form of defined contribution benefits which include: Old Age Benefit (*Tunjangan Hari Tua* (THT)) benefit for all employees with contributions of employee and BPJS Ketenagakerjaan are respectively set at 4% of the monthly gross salary, contributions for Program Jaminan Hari Tua, and contributions for Program Jaminan Pensiun. BPJS Ketenagakerjaan also provides post-employment benefits in the form of defined contribution pension benefits for employees appointed after September 2011, the total defined contribution consists of employee contributions of 5% of monthly basic salary and BPJS Ketenagakerjaan contributions of 15.75%.

BPJS Ketenagakerjaan also provides post-employment compensation for defined benefits such as pension benefits, gratuity benefits, and termination benefits. Post-employment benefits in the form of defined pension benefits are provided to employees appointed prior to September 2011, these benefits are managed by Dana Pensiun Manfaat Pasti Jamsostek. Retirement benefits are regular monthly payments to employees starting from employment termination until the employee's death and to their families. Gratuity benefits and termination benefits are set up without special funding and their amount are determined based on years of services and the amount of salary of employees at retirement, these benefits are granted to all employees when termination of employment. Total contributions consist of employee contributions of 5% of monthly basic salary and BPJS Ketenagakerjaan of 21.42%.

Other Long-term Employment Benefits

Other long-term employment benefits include long-term paid absences and jubilee benefits that are set up without special funding and its amount are determined based on years of services and the amount of salary of employees, these benefits are granted to all employees who meet the requirements. These benefits are calculated using the Projected Unit Credit method, measurements are recognized directly in a surplus or deficit in the consolidated statement of comprehensive income and the consolidated statement of financial position.

Severance Termination of Work Contracts

Termination benefits are recognized as liabilities and expenses in the consolidated financial statements. If the severance pay is due more than 12 months after the statement of financial position date, the amount of the severance pay is presented at the discounted present value.

Z. Taxation

Current Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all temporarily deductible differences and the fiscal losses that can be compensated. Deferred tax assets are recognized and reviewed at every reporting date and reduced to the extent that it is probable that taxable profit will be available against which the temporarily deductible differences and the fiscal losses that can be compensate.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (or tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

AA. Provisions, Contingent Assets, and Contingent Liabilities

Provisions, contingent assets, and contingent liabilities are recognized and measured when the condition is met and adequate information is disclosed in the notes to the consolidated financial statements.

Provisions are recognized if the following three conditions are met:

1. BPJS Ketenagakerjaan and its subsidiary have current liabilities (both legal and constructive) as a result of past events;
2. It is probable the settlement of the liability caused by an outflow of resources; and
3. Reliable estimates can be made for the liabilities.

The amount recognized as a provision is the best estimate of the expenditure needed to settle the present obligation at the reporting date, taking into account the risks and uncertainties related to that obligation.

Contingent assets are potential assets arising from past events and their existence becomes certain with the occurrence or non-occurrence of one or more future events that are not fully within the entity's control.

Contingent liabilities are:

1. Potential liabilities arising from past events and their existence become certain with the occurrence or non-occurrence of one or more future events that are not entirely within the entity's control;
2. Current liabilities that arise as a result of past events which are not recognized because:
 - i. There is no possibility of an entity to lead to an outflow of cash or other economic resources to settle its liabilities.
 - ii. The amount of the liability cannot be measured reliably.

Contingent assets and liabilities are not recognized in the statement of financial position. However, contingent assets and liabilities are adequately disclosed in the notes to the consolidated financial statements.

BB. Events After The Reporting Period

Events occurring after the reporting period that provide additional information regarding the consolidated financial position of BPJS Ketenagakerjaan and its subsidiary at the date of the consolidated statement of financial position (adjusting events), if any, have been reflected in the consolidated financial statements. Events occurring after the reporting period that do not require adjustment (non-adjusting events), if the amount is material, have been disclosed in the consolidated financial statements.

3. Assets Development

Based on the Government Regulation of the Republic of Indonesia Number 55 Year 2015 concerning the Amendments to Government Regulation of the Republic of Indonesia Number 99 Year 2013 concerning the Assets Management of Jaminan Sosial Ketenagakerjaan and the Regulation of BPJS Ketenagakerjaan Directors Number: PERDIR/31/122021 concerning Investment Management Guidelines, the asset investment of BPJS Ketenagakerjaan is carried out in the form of investments placed in a domestic investment instrument, consist of:

Types of Investment

- 1) Time deposits
Time deposits investment including deposit on call and deposits with maturity of less than or equal to 1 (one) month and non-negotiable certificate deposit at the bank, at the maximum of 15% (fifteen percent) of the total investments for each bank.
- 2) Debt securities issued by Government of the Republic of Indonesia
There is no limit on the amount and percentage.
- 3) Debt securities issued by Bank Indonesia
There is no limit on the amount and percentage.
- 4) Listed corporate bonds and widely traded in the Stock Exchange
 - a) Investments of listed corporate bonds and widely traded in the Stock Exchange for every issuer shall be at the maximum of 5% (five percent) of the investments and the total shall be at the maximum of 50% (fifty percent) of the total investments;
 - b) Minimum has a rating of A- or equivalent rating from a securities rating company that has obtained a permit from a supervisory agency in the capital market sector.
- 5) Share listed in the Stock Exchange
Investments of shares listed in the Stock Exchange for every issuer shall be at the maximum of 5% (five percent) of the investments and the total shall be at the maximum of 50% (fifty percent) of the total investments.
- 6) Mutual funds
 - a) Investments on mutual funds for every investment manager shall be at the maximum of 15% (fifteen percent) of the investment and the total shall be at the maximum of 50% (fifty percent) of the total investments;
 - b) Investments comply with the law in the capital markets.
- 7) Asset-backed securities
 - a) Investments in assets backed securities for each investment manager or issuer shall be at the maximum of 10% (ten percent) investment and the total shall be at the maximum of 20% (twenty percent) of the total Investments;
 - b) Investments have received effective notice from the supervisory agency in the capital markets sector;

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- c) Investments at least have a rating of A- or equivalent rating from securities rating company that has obtained permit from the supervisory agency in the capital markets sector and have issued through public offering as regulated in the capital market sector.
- 8) Real estate investment fund
 - a) Investments in real estate investment for each investment manager or issuer shall be at the maximum of 10% (ten percent) investment and the total shall be at the maximum of 20% (twenty percent) of the total Investments;
 - b) The investments have received effective notice from the supervisory agency in the capital markets sector. The investments at least have a rating of A- or equivalent rating from securities rating company that has obtained permit from the supervisory agency in the capital markets sector;
 - c) Investments have been issued through public offering as regulated in the law of the capital market sector.
- 9) Repurchase agreement
 - a) Investment on repurchase agreement for every counterpart shall be at the maximum of 2% (two percent) of investment and the total shall be at the maximum of 5% (five percent) of the total investments;
 - b) Using standard contract with the Global Master Repurchase Agreement (GMRA);
 - c) The type of collateral is limited to securities issued by government of the Republic of Indonesia and/or Bank Indonesia;
 - d) Investments period not more than 90 days;
 - e) The value of repurchase agreement is not more than 80% of the market value of securities pledged as collateral.
- 10) Direct investment
 - a) Investments on direct investment for every party at the maximum of 1% (one percent) of investment and the total shall be at the maximum of 5% (five percent) of the total investments;
 - b) Business entities engaged in an area supporting the implementation of the tasks of BPJS Ketenagakerjaan in organizing social security programs;
 - c) Business entities that are not engaged in the financial services;
 - d) No potential conflict of interest in the cooperation.
- 11) Land, buildings, or land and buildings
 - a) Investments on lands, buildings, or land and buildings shall be at the maximum of 5% (five percent) of total investments;
 - b) Resulting income to BPJS Ketenagakerjaan;
 - c) Not placed on the land, buildings, or land and building that are being pledged, in dispute or blocked by other parties.
- 12) Listed local government bonds issued by the local government and widely traded in the Stock Exchange
 - a) Investments on listed local bonds issued by the local government and widely traded in the Stock Exchange for every issuer shall be at the maximum of 5% (five percent) of the investment and the total shall be at the maximum of 50% (fifty percent) of the total investments;
 - b) Investments have received effective notice from the supervisory agency in the capital market sector;
 - c) Investments at least have a rating of A- or equivalent from a securities rating company that has obtained a permit from the supervisory agency in the capital markets sector.

Custodian

The following is a list of custodians who manage investments of BPJS Ketenagakerjaan assets:

| No | Custodian Name | No.SPK/Contract | Date of SPK/Contract | Type of investment management |
|----|-----------------------|-----------------|----------------------|--|
| 1 | Bank Negara Indonesia | PER/309/122019 | December 19, 2019 | Securities/security depository, transaction handling, corporate action management. |

4. Use of Estimates, Judgements, and Assumptions

In the application of accounting policies, which are described in Note 2 to the consolidated financial statements, BPJS Ketenagakerjaan is required to make estimates, judgments, and assumptions about the carrying amounts of assets and liabilities that are not available apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

The Board of Directors of BPJS Ketenagakerjaan believes that the following disclosures represent a summary of the significant estimates, judgments, and assumptions made by the Board of Directors that affected certain reported amounts and disclosures in the consolidated financial statements.

Judgments

The following judgments are made by BPJS Ketenagakerjaan and its subsidiary in the process of applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements:

a. **Classification of Financial Assets and Liabilities**

BPJS Ketenagakerjaan and its subsidiary determined the classifications of certain assets and liabilities as financial assets and liabilities by assessing whether the assets and liabilities meet the definition set forth in SFAS 71. Accordingly, the financial assets and liabilities are accounted for in accordance with BPJS Ketenagakerjaan and its subsidiary's accounting policies disclosed in Note 2.

b. **Allowance for Impairment of Financial Assets**

Allowance for impairment of financial assets measured at amortized cost is recognized at an amount that BPJS Ketenagakerjaan considers is adequate to cover possible uncollectible financial assets. In addition, at each consolidated statement of financial position date, BPJS Ketenagakerjaan and its subsidiary specifically assess whether there has been a significant increase in credit risk or objective evidence that a financial asset has been impaired (uncollectible).

The allowance level is based on the historical collectability and other factors that may influence it, such as the probability of insolvency or significant financial difficulties of the instrument publisher, or significant delay in payments.

If there is objective evidence of impairment, the amount that can be collected is estimated based on the experience of past losses taking into account future conditions. Allowance is provided on accounts specifically identified as impaired. Written off financial assets are based on BPJS Ketenagakerjaan decisions in accordance with the provisions of applicable laws and regulations, namely: that the financial assets are uncollectible or cannot be realized in whatsoever actions have been taken. Evaluation of receivables to determine the total allowance to be provided is performed periodically during the year. Therefore, the timing and amount of allowance recorded at every period might differ based on the judgments and estimates that have been used by looking at future conditions (forward-looking).

c. **Income Taxes**

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain due to different interpretations of tax regulations. BPJS Ketenagakerjaan and its subsidiary has recorded liability in order to anticipate the result of tax audits based on estimations of additional taxes. If the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the current and deferred income tax assets and liabilities in the period in which such determination is made.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed below. BPJS Ketenagakerjaan and its subsidiary based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future

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developments may change due to market changes on circumstances arising beyond the control of BPJS Ketenagakerjaan and its subsidiary. Such changes are reflected in the assumptions when they occur.

a. Fair Value of Financial Assets and Liabilities

Indonesian Financial Accounting Standards require measurement of certain financial assets and liabilities at fair values, and the disclosure requires the use of estimates. Significant component of fair value measurement is determined based on verifiable objective evidence (i.e. foreign exchange rate, interest rate), while timing and amount of changes in fair value might differ due to different valuation methods used.

b. Estimated Useful Lives of Investment Properties and Property and Equipment

The useful life of every of the item of BPJS Ketenagakerjaan and its subsidiary's investment properties and property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of similar business, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if the estimate differs from the previous estimate due to usage, technically or commercially obsolete and limitations on rights or other restrictions on the use of assets. Therefore, the results of future operations may be significantly affected by changes in the amount and timing of costs due to changes caused by the factors mentioned above. A decrease in the estimated useful life of each fixed asset will result in an increase in depreciation expense and a decrease in the carrying value of the fixed assets (Note 21 and 22).

c. Impairment of Intangible Assets

Intangible assets, other than goodwill, are tested for impairment when an indication of impairment has occurred. For goodwill, an impairment test must be conducted at least once a year regardless of whether there has been an indication of impairment. Determining the value in intangible assets requires an estimation of cash flows that are expected to result from the continued use and final disposal of the asset as well as the appropriate discount rate to calculate the present value.

BPJS Ketenagakerjaan believes that the assumptions used in the estimated use values in the consolidated financial statements are appropriate and reasonable, however, significant changes in these assumptions can have a significant impact on the amount of recoverable value and the amount of impairment losses that may have a material impact on BPJS Ketenagakerjaan and its subsidiary operating results.

d. Impairment of Nonfinancial Assets

Impairment review is performed when certain impairment indicators are present. Determining the fair value of assets requires the estimation of cash flows expected to be generated from the continued use and final disposal of such assets. Any significant changes in the assumptions used in determining the fair value may materially affect the assessment of recoverable values and any resulting impairment loss could have a material impact on results of BPJS Ketenagakerjaan and its subsidiary's operations.

e. Post-employment Benefits

The determination of post-employment benefits obligations and other long-term benefits are influenced by certain assumptions used by actuary in calculating such amounts. Those assumptions are described in Note 31 and include, among others, the rate of increase in salary, and the discount rate determined by reference to market returns on high-quality government bond interest in the same currency as the currency in which payments are paid and have a term that is close to the estimated period of the employment benefit liability. Actual results that differ from BPJS Ketenagakerjaan and its subsidiary's assumptions are charged to comprehensive income and therefore, generally affect the recognized comprehensive income and recorded obligation in such future periods. The Agency believes that the assumptions used are appropriate and reasonable, however, significant differences in actual results, or significant changes in these assumptions can have a significant impact on the amount of the employment benefits liability (Note 31).

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f. Deferred Tax Assets

Deferred tax assets are recognized for all temporary differences between the carrying value of assets and liabilities in the financial statements and their respective tax basis to the extent that the taxable profit will be adequate against which the temporary differences can be utilized. Significant estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likelihood of the realization and the amount of future taxable profits as well as the future tax planning strategies (Note 47).

g. Sustainable Program

BPJS Ketenagakerjaan is implemented based on Law of the Republic of Indonesia Number 40 Year 2004 concerning the National Social Security System and Law of the Republic of Indonesia Number 24 Year 2011 concerning Badan Penyelenggara Jaminan Sosial. One of the principles of the implementation of social security is portability, the principles that provide sustainable guarantees even if participants change jobs or live within the territory of the Unitary State of the Republic of Indonesia. The funding for the BPJS Ketenagakerjaan Program derived from the program's management fee contributions and the assets development of BPJS Ketenagakerjaan. The Government is authorized to make various efforts so that the programs can be continue to be carried out in a sustainable manner. The Board of Directors has assessed its ability to continue its program and believes that BPJS Ketenagakerjaan has the resources to continue its program in the future with the support of the Government and the laws and regulations. Therefore, the financial statements have been prepared based on a sustainable program.

5. Cash and Cash Equivalents

| | December 31, 2021 | | |
|--|-----------------------|--|--|
| | Amount Rp | Allowance for Impairment Losses Rp | Amount after Allowance for Impairment Losses Rp |
| Cash on Hand | | | |
| Cash on hand | 135,325,700 | - | 135,325,700 |
| Bank | | | |
| Related Parties (Note 49) | | | |
| Entites Related to the Government | | | |
| Rupiah | | | |
| PT Bank Rakyat Indonesia (Persero) Tbk | 31,622,331,180 | - | 31,622,331,180 |
| PT Bank Mandiri (Persero) Tbk | 19,990,601,946 | - | 19,990,601,946 |
| PT Bank Negara Indonesia (Persero) Tbk | 7,705,209,482 | - | 7,705,209,482 |
| PT Bank Syariah Indonesia Tbk | 997,073,028 | - | 997,073,028 |
| PT Bank Pembangunan Daerah Papua | 469,028,664 | - | 469,028,664 |
| PT Bank DKI | 416,153,234 | - | 416,153,234 |
| PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk | 389,860,618 | - | 389,860,618 |
| PT Bank Raya Indonesia Tbk d/h PT Bank Rakyat Indonesia Agroniaga Tbk | 348,245,482 | - | 348,245,482 |
| PT Bank Pembangunan Daerah Bali | 249,720,350 | - | 249,720,350 |
| PT Bank Pembangunan Daerah Riau Kepri | 185,893,509 | - | 185,893,509 |
| PT Bank Pembangunan Daerah Sumatera Utara | 138,636,080 | - | 138,636,080 |
| PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat | 135,998,786 | - | 135,998,786 |
| PT Bank Pembangunan Daerah Nusa Tenggara Timur | 76,893,253 | - | 76,893,253 |
| PT Bank Pembangunan Daerah Sulawesi Utara Gorontalo | 71,184,906 | - | 71,184,906 |
| PT Bank Tabungan Negara (Persero) Tbk | 49,800,949 | - | 49,800,949 |
| PT Bank Pembangunan Daerah Sumatera Barat | 33,202,420 | - | 33,202,420 |
| PT Bank Pembangunan Daerah Sulawesi Tenggara | 29,928,645 | - | 29,928,645 |
| PT Bank Aceh Syariah | 21,607,308 | - | 21,607,308 |
| PT Bank Pembangunan Daerah Jawa Tengah | 19,571,430 | - | 19,571,430 |
| PT Bank Pembangunan Daerah Jawa Timur Tbk | 12,710,775 | - | 12,710,775 |
| PT Bank Pembangunan Daerah NTB Syariah | 6,944,135 | - | 6,944,135 |
| PT Bank Pembangunan Daerah Maluku | 6,517,202 | - | 6,517,202 |
| PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara | 5,565,437 | - | 5,565,437 |
| PT Bank Pembangunan Daerah Kalimantan Tengah | 5,043,464 | - | 5,043,464 |
| PT Bank Pembangunan Daerah Sulawesi Tengah | 4,542,302 | - | 4,542,302 |
| PT Bank Pembangunan Daerah Kalimantan Barat | 2,847,238 | - | 2,847,238 |
| PT Bank Pembangunan Daerah Jambi | 1,500,000 | - | 1,500,000 |
| PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung | 1,500,000 | - | 1,500,000 |
| Subtotal | 62,998,111,823 | - | 62,998,111,823 |

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| December 31, 2021 | | | |
|---|--------------------------|--|--|
| | Amount Rp | Allowance for Impairment Losses Rp | Amount after Allowance for Impairment Losses Rp |
| Third Parties | | | |
| Rupiah | | | |
| PT Bank CIMB Niaga Tbk | 2,273,932,436 | - | 2,273,932,436 |
| PT Bank KB Bukopin Tbk | 1,686,478,995 | - | 1,686,478,995 |
| PT Bank Nationalnobu Tbk | 563,756,589 | - | 563,756,589 |
| PT Bank Central Asia Tbk | 525,618,627 | - | 525,618,627 |
| PT Bank MNC Internasional Tbk | 309,586,625 | - | 309,586,625 |
| PT Bank Permata Tbk | 267,422,435 | - | 267,422,435 |
| PT Bank Muamalat Indonesia Tbk | 1,445,000 | - | 1,445,000 |
| Subtotal | 5,628,240,707 | - | 5,628,240,707 |
| Investment Bank | | | |
| Related Parties (Note 49) | | | |
| Entites Related to the Government | | | |
| Rupiah | | | |
| PT Bank Mandiri (Persero) Tbk | 788,714,914 | - | 788,714,914 |
| PT Bank Negara Indonesia (Persero) Tbk | 2,730,623 | - | 2,730,623 |
| Subtotal | 791,445,537 | - | 791,445,537 |
| Total Cash and Bank | 69,553,123,767 | - | 69,553,123,767 |
| Cash Equivalents | | | |
| Deposits on Call ≤ 90 Hari | | | |
| Entites Related to the Government | | | |
| PT Bank Pembangunan Daerah Jawa Tengah | 724,500,000,000 | 131,492,417 | 724,368,507,583 |
| PT Bank Negara Indonesia (Persero) Tbk | 276,000,000,000 | - | 276,000,000,000 |
| PT Bank Pembangunan Daerah Sumatera Utara | 250,000,000,000 | 74,953,307 | 249,925,046,693 |
| PT Bank Rakyat Indonesia (Persero) Tbk | 242,000,000,000 | - | 242,000,000,000 |
| PT Bank Pembangunan Daerah Sulawesi Tenggara | 100,000,000,000 | 29,981,323 | 99,970,018,677 |
| PT Bank Syariah Indonesia Tbk | 26,000,000,000 | - | 26,000,000,000 |
| PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk | 8,000,000,000 | - | 8,000,000,000 |
| PT Bank Pembangunan Daerah NTB Syariah | 8,000,000,000 | - | 8,000,000,000 |
| PT Bank Pembangunan Daerah Nusa Tenggara Timur | 8,000,000,000 | 5,555,737 | 7,994,444,263 |
| Total Cash Equivalents | 1,642,500,000,000 | 241,982,784 | 1,642,258,017,216 |
| Total Cash and Cash Equivalents | 1,712,053,123,767 | 241,982,784 | 1,711,811,140,983 |
| December 31, 2020 | | | |
| | Amount Rp | Allowance for Impairment Losses Rp | Amount after Allowance for Impairment Losses Rp |
| Cash on Hand | | | |
| Cash on hand | 117,805,521 | - | 117,805,521 |
| Bank | | | |
| Related Parties (Note 49) | | | |
| Entites Related to the Government | | | |
| Rupiah | | | |
| PT Bank Negara Indonesia (Persero) Tbk | 51,499,608,660 | - | 51,499,608,660 |
| PT Bank Rakyat Indonesia (Persero) Tbk | 29,384,399,677 | - | 29,384,399,677 |
| PT Bank Mandiri (Persero) Tbk | 7,884,389,595 | - | 7,884,389,595 |
| PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk | 617,491,171 | - | 617,491,171 |
| PT Bank Aceh Syariah | 536,080,747 | - | 536,080,747 |
| PT Bank Raya Indonesia Tbk d/h | | | |
| PT Bank Rakyat Indonesia Agroniaga Tbk | 322,674,165 | - | 322,674,165 |
| PT Bank DKI | 298,377,653 | - | 298,377,653 |
| PT Bank Pembangunan Daerah Nusa Tenggara Timur | 254,707,152 | - | 254,707,152 |
| PT Bank Pembangunan Daerah Sulawesi Utara | 247,184,511 | - | 247,184,511 |
| PT Bank Pembangunan Daerah Riau Kepri | 242,387,068 | - | 242,387,068 |
| PT Bank Pembangunan Daerah Sulawesi Tenggara | 238,823,582 | - | 238,823,582 |
| PT Bank Pembangunan Daerah Bali | 197,549,445 | - | 197,549,445 |
| PT Bank Pembangunan Daerah Jawa Tengah | 179,184,301 | - | 179,184,301 |
| PT Bank Pembangunan Daerah Papua | 167,239,085 | - | 167,239,085 |
| PT Bank Pembangunan Daerah Sumatera Utara | 71,281,069 | - | 71,281,069 |
| PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat | 70,399,800 | - | 70,399,800 |
| PT Bank Pembangunan Daerah Jawa Timur Tbk | 48,442,902 | - | 48,442,902 |
| PT Bank Tabungan Negara (Persero) Tbk | 44,648,220 | - | 44,648,220 |
| PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung | 28,021,904 | - | 28,021,904 |
| PT Bank Syariah Indonesia Tbk | 24,073,586 | - | 24,073,586 |
| PT Bank Pembangunan Daerah Jambi | 14,537,589 | - | 14,537,589 |

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| December 31, 2020 | | | |
|--|--------------------------|------------------------------------|--|
| | Amount | Allowance for Impairment Losses | Amount after Allowance for Impairment Losses |
| | Rp | Rp | Rp |
| PT Bank Pembangunan Daerah Sumatera Barat | 14,352,198 | - | 14,352,198 |
| PT Bank Pembangunan Daerah NTB Syariah | 11,563,964 | - | 11,563,964 |
| PT Bank Pembangunan Daerah Kalimantan Tengah | 11,188,508 | - | 11,188,508 |
| PT Bank Pembangunan Daerah Kalimantan Timur | 10,561,941 | - | 10,561,941 |
| PT Bank Pembangunan Daerah Bengkulu | 9,891,733 | - | 9,891,733 |
| PT Bank Pembangunan Daerah Sulawesi Tengah | 9,462,232 | - | 9,462,232 |
| PT Bank Pembangunan Daerah Kalimantan Barat | 3,114,916 | - | 3,114,916 |
| PT Bank Pembangunan Daerah Maluku | 2,936,702 | - | 2,936,702 |
| PT Bank Pembangunan Daerah Lampung | 1,053,779 | - | 1,053,779 |
| Subtotal | 92,445,627,854 | - | 92,445,627,854 |
| Third Parties | | | |
| Rupiah | | | |
| PT Bank CIMB Niaga Tbk | 1,623,682,737 | - | 1,623,682,737 |
| PT Bank KB Bukopin Tbk | 338,487,692 | - | 338,487,692 |
| PT Bank Central Asia Tbk | 23,095,728 | - | 23,095,728 |
| PT Bank Muamalat Indonesia Tbk | 1,625,000 | - | 1,625,000 |
| Subtotal | 1,986,891,156 | - | 1,986,891,156 |
| Investment Bank | | | |
| Related Parties (Note 49) | | | |
| Entites Related to the Government | | | |
| Rupiah | | | |
| PT Bank Mandiri (Persero) Tbk | 269,408,419 | - | 269,408,419 |
| PT Bank Negara Indonesia (Persero) Tbk | 1,961,898 | - | 1,961,898 |
| Subtotal | 271,370,317 | - | 271,370,317 |
| Total Cash and Bank | 94,821,694,848 | - | 94,821,694,848 |
| Cash Equivalents | | | |
| Deposits on Call ≤ 90 Hari | | | |
| Entites Related to the Government | | | |
| PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk | 905,500,000,000 | - | 905,500,000,000 |
| PT Bank Mandiri (Persero) Tbk | 237,700,000,000 | - | 237,700,000,000 |
| Total Cash Equivalents | 1,143,200,000,000 | - | 1,143,200,000,000 |
| Total Cash and Cash Equivalents | 1,238,021,694,848 | - | 1,238,021,694,848 |

| | 2021 | 2020 |
|-----------------------|-------------|-------------|
| Maturity periods | 1 - 2 Weeks | 1 - 2 Weeks |
| Average interest rate | 2.16% | 1.96% |

Allowance for impairment of cash and cash equivalent for 31 December 2021 and 2020:

| | 2021 Rp | 2020 Rp |
|---------------------------|--------------------|------------|
| Beginning balance | - | - |
| Addition (Note 38 and 41) | 241,982,784 | - |
| Ending Balance | 241,982,784 | - |

6. Management Fee Receivables

This account represents receivables from the management fee revenue of BPJS Ketenagakerjaan. Up to the date of the report, payments have not yet been received from each program as follows:

| | 2021 Rp | 2020 Rp |
|--------------|-----------------------|------------|
| JKK Program | 14,587,270,488 | - |
| JKM Program | 6,921,915,857 | - |
| JP Program | 4,784,578,913 | - |
| Total | 26,293,765,258 | - |

Directors of BPJS Ketenagakerjaan believe that all management fee receivables are collectible; accordingly, no allowance is provided for impairment on such receivables.

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7. Investment Receivables

This account represents receivables originating from the sale of shares for which payment has not been received until the report date (T+2) and will be settled at maturity (outstanding transaction). The balance of receivables from the sale of shares as of December 31, 2021 and 2020 was nil and Rp518,863,280, respectively.

8. Investment Income Receivables

| | 2021 Rp | 2020 Rp |
|----------------------------|-----------------------|-----------------------|
| Accrued Income | | |
| Interest on bonds | 51,920,199,698 | 49,212,680,514 |
| Sukuk profit sharing | 27,967,692,111 | 26,413,931,438 |
| Interest on time deposits | 6,729,505,519 | 8,034,199,830 |
| Due Receivables | | |
| Receivable income deposits | 102,451,344 | 18,524,898 |
| Total | 86,719,848,672 | 83,679,336,680 |

9. Trade Account Receivables

| | 2021 Rp | 2020 Rp |
|-------------------------------------|-----------------------|-----------------------|
| Accounts receivable from subsidiary | 28,412,294,719 | 26,031,313,639 |
| Allowance for impairment losses | (14,700,093,900) | (14,432,535,953) |
| Total | 13,712,200,819 | 11,598,777,686 |

Allowance for impairment losses on trade account receivables for 31 December 2021 and 2020 are as follows:

| | 2021 Rp | 2020 Rp |
|-------------------|-----------------------|-----------------------|
| Beginning balance | 14,432,535,953 | 14,351,859,441 |
| Addition | 267,557,947 | 80,676,512 |
| Total | 14,700,093,900 | 14,432,535,953 |

Based on evaluation of the collectibility of the individual receivable accounts as of December 31, 2021 and 2020, Directors of BPJS Ketenagakerjaan believe that the allowance for impairment is adequate to cover possible losses from uncollectible trade receivables.

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10. Sarana Kesejahteraan Peserta (SKP) Receivables

| | 2021 Rp | 2020 Rp |
|--|------------------------|------------------------|
| Loan provided by the SKP program | 221,950,242,659 | 274,669,695,880 |
| Less : Allowance for impairment losses | (72,232,806,909) | (72,090,167,967) |
| Subtotal | 149,717,435,750 | 202,579,527,913 |
| Loan interest receivables by the SKP program | 56,858,336,488 | 84,124,585,345 |
| Less : Allowance for impairment losses | (13,608,899,019) | (13,599,431,944) |
| Subtotal | 43,249,437,469 | 70,525,153,401 |
| Total | 192,966,873,219 | 273,104,681,314 |

| | 2021 Rp | 2020 Rp |
|--|-------------------------|-------------------------|
| SKP receivables based on type of loan | | |
| Direct distribution | 87,553,787,713 | 157,558,165,931 |
| Distribution through bank cooperation | 191,254,791,434 | 201,236,115,293 |
| Subtotal | 278,808,579,147 | 358,794,281,225 |
| Allowance for impairment losses | | |
| Direct distribution | (85,841,529,805) | (73,654,499,999) |
| Distribution through bank cooperation | (176,123) | (12,035,099,911) |
| Subtotal | (85,841,705,928) | (85,689,599,910) |
| Total | 192,966,873,219 | 273,104,681,314 |

Allowance for impairment losses on SKP receivables for 31 December 2021 and 2020 are as follows:

| | 2021 Rp | 2020 Rp |
|-----------------------|-----------------------|-----------------------|
| Beginning balance | 85,689,599,910 | 86,029,988,320 |
| Addition (Note 41) | 152,106,018 | - |
| Recoveries (Note 41) | - | (340,388,410) |
| Ending balance | 85,841,705,928 | 85,689,599,910 |

In accordance with the Government Regulation of the Republic of Indonesia Number 99 Year 2013 Article 62 which stated that the assets and liabilities of Additional Services Benefits (Manfaat Layanan Tambahan/MLT) ex DPKP had been transferred to the assets and liabilities of BPJS Ketenagakerjaan as of June 30, 2015 and the name of MLT program changed into participants welfare facilities (Sarana Kesejahteraan Peserta/SKP).

Based on evaluation of the collectibility of the balance of each receivable as of December 31, 2021 and 2020, Directors of BPJS Ketenagakerjaan believe that the allowance for impairment losses is adequate to cover possible losses from the uncollectible accounts.

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11. Other Receivables

| | 2021 Rp | 2020 Rp |
|-------------------------------------|------------------------------|-------------------------------|
| Other Receivables | | |
| Car loans | 7,080,787,879 | 3,841,458,332 |
| Unearned income - subsidiary | 2,544,953,584 | 404,291,391 |
| Indemnity claims | 760,273,338 | 636,233,127 |
| Advance diversion | - | 16,909,956 |
| Other receivables | 4,711,015,948 | 380,232,285,019 |
| Subtotal | <u>15,097,030,749</u> | <u>385,131,177,825</u> |
| BPJS Receivables | | |
| BPJS Receivables - to JHT program | 125,989,420 | - |
| # BPJS Receivables - to JKK program | - | 114,782,932 |
| Subtotal | <u>125,989,420</u> | <u>114,782,932</u> |
| Allowance for impairment losses | <u>(2,047,822,717)</u> | <u>(1,666,381,746)</u> |
| Total | <u>13,175,197,452</u> | <u>383,579,579,011</u> |

Allowance for impairment losses on other receivables for 31 December 2021 and 2020 are as follows:

| | 2021 Rp | 2020 Rp |
|-----------------------|-----------------------------|-----------------------------|
| Beginning balance | 1,666,381,746 | 1,666,381,746 |
| Addition | 381,440,971 | - |
| Ending balance | <u>2,047,822,717</u> | <u>1,666,381,746</u> |

The ending balance of other receivables as of December 31, 2020 majority are from deposits due at PT Bank KB Bukopin Tbk amounted to Rp375,000,000,000. The balance is part of the settlement for the disbursement of time deposits amounted to Rp848,643,000,000, which has not been received until the reporting date. For the disbursement of funds from PT Bank KB Bukopin Tbk of Rp375,000,000,000 has not been received, BPJS Ketenagakerjaan has made various efforts however it is constrained by liquidity problems experienced by the PT Bank KB Bukopin Tbk. In addition, there are impact of changes in management and shareholders of PT Bank KB Bukopin Tbk. On March 1, 2021, BPJS Ketenagakerjaan has received the entire settlement for the disbursement of PT Bank KB Bukopin Tbk's time deposit amounted to Rp375,000,000,000.

Car loans are given to the structural officers according to the Directors of BPJS Ketenagakerjaan Decision Number: KEP/368/122011 dated December 29, 2011 concerning the Four-Wheels Vehicle Purchase Facilities for Structural Officials Employees. The maturities for car loans are less than 12 (twelve) months.

Based on evaluating the collectibility of the balance of other receivables as of December 31, 2021 and 2020, Directors of BPJS Ketenagakerjaan believe that the allowance for impairment losses is adequate to cover possible losses uncollectible accounts.

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12. Short – term Investments

| | 2021 Rp | 2020 Rp |
|---|--------------------------|--------------------------|
| Time Deposits | 3,163,750,130,378 | 2,620,017,489,059 |
| Fair Value Through Profit or Loss (FVPL) | | |
| Shares | 311,274,926,500 | 129,183,977,500 |
| Bonds | 330,295,000,000 | 347,010,000,000 |
| Fair Value Through Other Comprehensive Income (FVOCI) | | |
| Shares | 1,122,444,572,322 | 1,678,607,443,702 |
| Mutual Funds | 591,791,996,413 | 588,832,119,264 |
| Amortized Cost | | |
| Bonds | 912,775,810,794 | 43,934,420,719 |
| Sukuk | 21,933,000,000 | - |
| Total | 6,454,265,436,407 | 5,407,585,450,244 |

A. Time Deposits

| | December 31, 2021 | | |
|---|--------------------------|------------------------------------|---|
| | Amount | Allowance for Impairment Losses | Amount after Allowance for Impairment Losses |
| | Rp | Rp | Rp |
| Related Parties (Note 49) | | | |
| Entities Related to The Government | | | |
| PT Bank Pembangunan Daerah Riau Kepri | 388,000,000,000 | 212,258,180 | 387,787,741,820 |
| PT Bank Pembangunan Daerah Jawa Timur Tbk | 263,000,000,000 | 60,940,273 | 262,939,059,727 |
| PT Bank Pembangunan Daerah Jawa Tengah | 244,643,000,000 | 198,384,940 | 244,444,615,060 |
| PT Bank Pembangunan Daerah Nusa Tenggara Timur | 218,000,000,000 | 70,386,930 | 217,929,613,070 |
| PT Bank DKI | 198,727,000,000 | - | 198,727,000,000 |
| PT Bank Pembangunan Daerah Kalimantan Selatan | 182,000,000,000 | 37,393,765 | 181,962,606,235 |
| PT Bank Pembangunan Daerah Lampung | 164,000,000,000 | 48,797,692 | 163,951,202,308 |
| PT Bank Pembangunan Daerah Sumatera Utara | 161,000,000,000 | 54,529,586 | 160,945,470,414 |
| PT Bank NTB Syariah | 151,000,000,000 | - | 151,000,000,000 |
| PT Bank Pembangunan Daerah Bali | 143,000,000,000 | 53,856,585 | 142,946,143,415 |
| PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk | 122,267,000,000 | - | 122,267,000,000 |
| PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung | 95,000,000,000 | 40,934,921 | 94,959,065,079 |
| PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat | 74,000,000,000 | 25,847,072 | 73,974,152,928 |
| PT Bank Pembangunan Daerah Sulawesi Utara Gorontalo | 50,000,000,000 | 36,844,762 | 49,963,155,238 |
| PT Bank Pembangunan Daerah Maluku dan Maluku Utara | 48,000,000,000 | 19,743,757 | 47,980,256,243 |
| PT Bank Pembangunan Daerah Kalimantan Tengah | 21,000,000,000 | 8,168,224 | 20,991,831,776 |
| PT Bank Nagari | 6,000,000,000 | 2,160,336 | 5,997,839,664 |
| PT Bank Pembangunan Daerah Jambi | 1,000,000,000 | 622,599 | 999,377,401 |
| PT Bank Tabungan Negara (Persero) Tbk | 528,984,000,000 | - | 528,984,000,000 |
| PT Bank Rakyat Indonesia (Persero) Tbk | 98,000,000,000 | - | 98,000,000,000 |
| PT Bank Negara Indonesia (Persero) Tbk | 7,000,000,000 | - | 7,000,000,000 |
| Total | 3,164,621,000,000 | 870,869,622 | 3,163,750,130,378 |

| | December 31, 2020 | | |
|--|--------------------------|------------------------------------|---|
| | Amount | Allowance for Impairment Losses | Amount after Allowance for Impairment Losses |
| | Rp | Rp | Rp |
| Related Parties (Note 49) | | | |
| Entities Related to The Government | | | |
| PT Bank Pembangunan Daerah Jawa Timur Tbk | 360,000,000,000 | - | 360,000,000,000 |
| PT Bank NTB Syariah | 290,000,000,000 | - | 290,000,000,000 |
| PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk | 783,080,020,000 | - | 783,080,020,000 |
| PT Bank Pembangunan Daerah Riau Kepri | 267,000,000,000 | - | 267,000,000,000 |
| PT Bank Pembangunan Daerah Kalimantan Tengah | 202,000,000,000 | - | 202,000,000,000 |
| PT Bank Nagari | 150,000,000,000 | - | 150,000,000,000 |
| PT Bank Pembangunan Daerah Sumatera Utara | 144,000,000,000 | 52,141,680 | 143,947,858,320 |
| PT Bank DKI | 106,000,000,000 | - | 106,000,000,000 |
| PT Bank Pembangunan Daerah Maluku dan Maluku Utara | 70,000,000,000 | - | 70,000,000,000 |
| PT Bank Pembangunan Daerah Jambi | 32,000,000,000 | - | 32,000,000,000 |
| PT Bank Aceh Syariah | 25,000,000,000 | - | 25,000,000,000 |
| PT Bank Pembangunan Daerah Kalimantan Selatan | 20,000,000,000 | - | 20,000,000,000 |
| PT Bank Pembangunan Daerah Sulawesi Utara Gorontalo | 19,000,000,000 | 6,652,128 | 18,993,347,872 |
| PT Bank Pembangunan Daerah Sulawesi Tenggara | 15,000,000,000 | - | 15,000,000,000 |
| PT Bank Pembangunan Daerah Bali | 10,000,000,000 | - | 10,000,000,000 |
| PT Bank Pembangunan Daerah Nusa Tenggara Timur | 9,000,000,000 | 3,737,133 | 8,996,262,867 |
| PT Bank Pembangunan Daerah Jawa Tengah | 7,000,000,000 | - | 7,000,000,000 |
| PT Bank Tabungan Negara (Persero) Tbk | 111,000,000,000 | - | 111,000,000,000 |
| Total | 2,620,080,020,000 | 62,530,941 | 2,620,017,489,059 |

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| | <u>2021</u> | <u>2020</u> |
|-----------------------|-------------|-------------|
| Maturity Periods | 1-12 Months | 1-12 Months |
| Average Interest Rate | 3.90% | 5.82% |

Allowance for impairment losses on time deposits as of December 31, 2021 and 2020:

| | <u>2021 Rp</u> | <u>2020 Rp</u> |
|---|---------------------------|--------------------------|
| Beginning Balance | 62,530,941 | - |
| Addition (Note 38) | 808,338,681 | 52,552,638 |
| Impact of Adjustment on Implementation SFAS 71 "Financial Instruments" | - | 9,978,303 |
| Ending Balance | <u>870,869,622</u> | <u>62,530,941</u> |

Time deposit of Rp500,000,000,000,000 is capital from Government accordance to Government Regulation of the Republic of Indonesia Number 83 Year 2013 dated December 12, 2013, regarding Initial Capital for BPJS Ketenagakerjaan, that placed on December 31, 2021, at PT Bank Tabungan Negara (Persero) Tbk and on December 31, 2020, at PT Bank Pembangunan Daerah Jawa Barat and Banten Tbk.

Interest income from time deposits for the years ended December 31, 2021 and 2020 amounting to Rp114,247,560,438 and Rp96,626,965,737, respectively, also profit sharing from deposits for the years ended December 31, 2021 and 2020 amounting to Rp10,434,144,425 and Rp6,639,915,278, respectively (Note 37).

B. Shares - FVPL

| | <u>December 31, 2021</u> | | | |
|--|--------------------------|-------------------------------|--|-------------------------------|
| | <u>Total Shares</u> | <u>Cost Rp</u> | <u>Difference in Investment Valuation Rp</u> | <u>Fair Value Rp</u> |
| Related Party (Note 49) | | | | |
| PT Perusahaan Gas Negara (Persero) Tbk | 25,551,200 | 108,511,825,999 | (73,506,681,999) | 35,005,144,000 |
| Third Party | | | | |
| PT Astra International Tbk | 48,681,900 | 311,219,067,500 | (34,949,285,000) | 276,269,782,500 |
| Total | <u>74,233,100</u> | <u>419,730,893,499</u> | <u>(108,455,966,999)</u> | <u>311,274,926,500</u> |

| | <u>December 31, 2020</u> | | | |
|--|--------------------------|-------------------------------|--|-------------------------------|
| | <u>Total Shares</u> | <u>Cost Rp</u> | <u>Difference in Investment Valuation Rp</u> | <u>Fair Value Rp</u> |
| Related Party (Note 49) | | | | |
| PT Perusahaan Gas Negara (Persero) Tbk | 25,551,200 | 108,511,825,999 | (66,352,345,999) | 42,159,480,000 |
| Third Party | | | | |
| PT Astra International Tbk | 14,443,900 | 107,910,802,500 | (20,886,305,000) | 87,024,497,500 |
| Total | <u>39,995,100</u> | <u>216,422,628,499</u> | <u>(87,238,650,999)</u> | <u>129,183,977,500</u> |

BPJS Ketenagakerjaan recognized unrealized loss from a decrease in shares value for the years ended December 31, 2021 and 2020, amounting to Rp21,217,316,000 and Rp25,308,427,000, respectively (Note 37).

Gains realized from the sale of shares for the years ended December 31, 2021 and 2020 amounting to nil, and recorded dividend income on share ownership amounting to Rp1,906,594,800 and Rp3,719,585,472, respectively (Note 37).

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C. Bonds- FVPL

| | | | | December 31, 2021 | | |
|-------------------------|---------------|---------------|------------|------------------------------------|----------------|-----------------|
| Rating | Interest Rate | Maturity Date | Cost | Difference in Investment Valuation | | Fair Value |
| | | | Rp | Rp | | Rp |
| Related Party (Note 49) | | | | | | |
| Government Bonds | | | | | | |
| Recap Bonds FR 0072 | idAAA | 8.25 | 15/05/2027 | 160,440,000,000 | 1,307,500,000 | 161,747,500,000 |
| Recap Bonds FR 0075 | idAAA | 7.50 | 15/05/2038 | 168,590,000,000 | (42,500,000) | 168,547,500,000 |
| Total | | | | 329,030,000,000 | 1,265,000,000 | 330,295,000,000 |
| December 31, 2020 | | | | | | |
| Rating | Interest Rate | Maturity Date | Cost | Difference in Investment Valuation | | Fair Value |
| | | | Rp | Rp | | Rp |
| Related Party (Note 49) | | | | | | |
| Government Bonds | | | | | | |
| Recap Bonds FR 0072 | idAAA | 8.25 | 15/05/2027 | 160,440,000,000 | 8,122,500,000 | 168,562,500,000 |
| Recap Bonds FR 0075 | idAAA | 7.50 | 15/05/2038 | 168,590,000,000 | 9,857,500,000 | 178,447,500,000 |
| Total | | | | 329,030,000,000 | 17,980,000,000 | 347,010,000,000 |

For the year ended December 31, 2021, BPJS Ketenagakerjaan recognized unrealized loss and interest income amounting to Rp16,715,000,000 and Rp24,492,989,583, respectively. For the year ended December 31, 2020, recognized unrealized gain and interest income amounting to Rp29,392,570,000 and Rp25,611,788,675, respectively (Note 37).

D. Shares-FVOCI

| December 31, 2021 | | | | |
|--|--------------------|------------------------------------|--------------------------|--------------------------|
| Total Shares | Cost | Difference in Investment Valuation | Fair Value | |
| Related Parties (Note 49) | | | | |
| PT Bank Mandiri Persero (Persero) Tbk | 27,913,400 | 216,036,145,156 | (19,944,510,156) | 196,091,635,000 |
| PT Perusahaan Gas Negara (Persero) Tbk | 86,938,700 | 465,870,378,365 | (346,764,359,365) | 119,106,019,000 |
| PT Bank Negara Indonesia (Persero) Tbk | 15,264,000 | 135,222,359,847 | (32,571,959,847) | 102,650,400,000 |
| PT Semen Indonesia Persero (Persero) Tbk | 8,500,200 | 126,481,316,921 | (65,067,371,921) | 61,413,945,000 |
| PT Bank Tabungan Negara (Persero) Tbk | 22,937,200 | 70,554,549,916 | (30,987,879,916) | 39,566,670,000 |
| PT Jasa Marga (Persero) Tbk | 7,061,582 | 40,844,503,623 | (13,374,949,643) | 27,469,553,980 |
| PT Bank Rakyat Indonesia (Persero) Tbk | 4,388,022 | 17,811,384,632 | 179,505,568 | 17,990,890,200 |
| PT Krakatau Steel (Persero) Tbk | 43,255,211 | 34,471,591,798 | (16,650,444,866) | 17,821,146,932 |
| PT Wijaya Karya (Persero) Tbk | 14,500,027 | 35,235,774,346 | (19,213,244,511) | 16,022,529,835 |
| PT Tambang Batubara Bukit Asam (Persero) Tbk | 2,844,300 | 11,880,709,835 | (4,172,656,835) | 7,708,053,000 |
| PT Aneka Tambang Persero (Persero) Tbk | 1,331,180 | 1,593,884,656 | 1,401,270,344 | 2,995,155,000 |
| PT Timah Persero (Persero) Tbk | 1,088,838 | 1,418,831,096 | 159,984,004 | 1,578,815,100 |
| Subtotal | 236,022,660 | 1,157,421,430,191 | (547,006,617,144) | 610,414,813,047 |
| Third Parties | | | | |
| PT Astra International Tbk | 26,308,800 | 201,298,159,338 | (51,995,719,338) | 149,302,440,000 |
| PT Unilever Indonesia Tbk | 22,231,500 | 236,066,305,042 | (144,694,840,042) | 91,371,465,000 |
| PT United Tractors Tbk | 2,601,000 | 93,938,593,701 | (36,326,443,701) | 57,612,150,000 |
| PT Indofood CBP Sukses Makmur Tbk | 5,811,800 | 60,640,108,598 | (10,222,743,598) | 50,417,365,000 |
| PT Indo Tambang Raya Megah Tbk | 2,309,100 | 94,555,833,074 | (47,507,920,574) | 47,047,912,500 |
| PT PP London Sumatera Indonesia Tbk | 34,276,600 | 79,424,218,484 | (38,806,447,484) | 40,617,771,000 |
| PT Indofood Sukses Makmur Tbk | 6,166,900 | 47,580,137,744 | (8,728,667,744) | 38,851,470,000 |
| PT Astra Agro Lestari Tbk | 2,273,333 | 44,010,556,681 | (22,470,726,506) | 21,539,830,175 |
| PT Salim Ivomas Pratama Tbk | 25,174,900 | 28,798,989,477 | (17,369,584,877) | 11,429,404,600 |
| PT Bumi Serpong Damai Tbk | 3,500,000 | 5,693,146,350 | (2,158,146,350) | 3,535,000,000 |
| PT Vale Indonesia Tbk | 65,300 | 311,288,947 | (6,337,947) | 304,951,000 |
| Subtotal | 130,719,233 | 892,317,337,436 | (380,287,578,161) | 512,029,759,275 |
| Total | 366,741,893 | 2,049,738,767,627 | (927,294,195,305) | 1,122,444,572,322 |

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| | December 31, 2020 | | | |
|---|--------------------|--------------------------|---------------------------------------|--------------------------|
| | Total Shares | Carrying Amount | Difference in Investment Valuation | Fair Value |
| Related Parties (Note 49) | | | | |
| PT Bank Mandiri Persero (Persero) Tbk | 27,913,400 | 216,036,145,156 | (40,181,725,156) | 175,854,420,000 |
| PT Telekomunikasi Indonesia (Persero) Tbk | 46,918,900 | 193,741,902,880 | (38,440,343,880) | 155,301,559,000 |
| PT Bank Rakyat Indonesia (Persero) Tbk | 35,000,000 | 147,376,872,260 | (1,426,872,260) | 145,950,000,000 |
| PT Perusahaan Gas Negara (Persero) Tbk | 86,938,700 | 465,870,378,365 | (322,421,523,365) | 143,448,855,000 |
| PT Semen Indonesia Persero (Persero) Tbk | 8,500,200 | 126,481,316,921 | (21,078,836,921) | 105,402,480,000 |
| PT Bank Negara Indonesia (Persero) Tbk | 15,264,000 | 135,222,359,847 | (40,967,159,847) | 94,255,200,000 |
| PT Bank Tabungan Negara (Persero) Tbk | 22,937,200 | 70,554,549,916 | (31,102,565,916) | 39,451,984,000 |
| PT Jasa Marga (Persero) Tbk | 7,061,582 | 40,844,503,623 | (8,149,378,963) | 32,695,124,660 |
| PT Wijaya Karya (Persero) Tbk | 14,500,027 | 35,235,774,346 | (6,453,220,752) | 28,782,553,594 |
| PT Krakatau Steel (Persero) Tbk | 46,533,511 | 37,084,183,825 | (17,167,841,117) | 19,916,342,708 |
| PT Tambang Batubara Bukit Asam (Persero) Tbk | 2,844,300 | 11,880,709,835 | (3,888,226,835) | 7,992,483,000 |
| PT Aneka Tambang Persero (Persero) Tbk | 1,331,180 | 1,593,884,656 | 975,292,744 | 2,569,177,400 |
| PT Timah Persero (Persero) Tbk | 1,088,838 | 1,418,831,096 | 192,649,144 | 1,611,480,240 |
| Subtotal | 316,831,838 | 1,483,341,412,726 | (530,109,753,124) | 953,231,659,602 |
| Third Parties | | | | |
| PT Unilever Indonesia Tbk | 22,231,500 | 236,066,305,042 | (72,664,780,042) | 163,401,525,000 |
| PT Astra International Tbk | 26,308,800 | 201,298,159,338 | (42,787,639,338) | 158,510,520,000 |
| PT Kalbe Farma Tbk | 60,068,800 | 95,191,528,579 | (6,590,048,579) | 88,601,480,000 |
| PT United Tractors Tbk | 2,601,000 | 93,938,593,701 | (24,817,018,701) | 69,121,575,000 |
| PT Indofood CBP Sukses Makmur Tbk | 5,811,800 | 60,640,108,598 | (5,718,598,598) | 54,921,510,000 |
| PT PP London Sumatera Indonesia Tbk | 34,276,600 | 79,424,218,484 | (32,465,276,484) | 46,958,942,000 |
| PT Indofood Sukses Makmur Tbk | 6,166,900 | 47,580,137,744 | (5,491,045,244) | 42,089,092,500 |
| PT Indo Tambang Raya Megah Tbk | 2,309,100 | 94,555,833,074 | (62,690,253,074) | 31,865,580,000 |
| PT Astra Agro Lestari Tbk | 2,273,333 | 44,010,556,681 | (16,048,560,781) | 27,961,995,900 |
| PT Bank Central Asia Tbk | 600,000 | 17,129,323,760 | 3,180,676,240 | 20,310,000,000 |
| PT Salim Ivomas Pratama Tbk | 25,174,900 | 28,798,989,477 | (18,275,881,277) | 10,523,108,200 |
| PT Vale Indonesia Tbk | 1,065,300 | 5,078,347,864 | 328,049,636 | 5,406,397,500 |
| PT Bumi Serpong Damai Tbk | 3,500,000 | 5,693,146,350 | (1,405,646,350) | 4,287,500,000 |
| PT Adaro Energy Tbk | 990,600 | 1,524,866,675 | (108,308,675) | 1,416,558,000 |
| Subtotal | 193,378,633 | 1,010,930,115,367 | (285,554,331,267) | 725,375,784,100 |
| Total | 510,210,471 | 2,494,271,528,093 | (815,664,084,489) | 1,678,607,443,702 |

BPJS Ketenagakerjaan recognized dividend income on share ownership for the years ended December 31, 2021 and 2020 amounting to Rp36,703,345,070 and Rp55,918,997,901, respectively (Note 37).

Comprehensive income mutations on shares measured at fair value through other comprehensive income are as follows:

| | 2021 Rp | 2020 Rp |
|--|--------------------------|--------------------------|
| Beginning balance | (815,664,084,489) | (667,521,829,992) |
| Net unrealized gain/(loss) from increase/(decrease) of shares measured at fair value through other comprehensive income | (87,024,920,005) | (156,809,422,501) |
| Reclassification proceed from sales of shares measured at fair value through other comprehensive income to equity | (24,605,190,811) | 8,667,168,004 |
| Ending balance | (927,294,195,305) | (815,664,084,489) |

E. Mutual Funds-FVOCI

| | December 31, 2021 | | | |
|--------------------------------------|--------------------|------------------------|---------------------------------------|------------------------|
| | Total Unit | Cost | Difference in Investment Valuation | Fair Value |
| Third Parties | | | | |
| Ashmore Saham Sejahtera Nusantara II | 181,611,781 | 200,000,000,000 | (17,799,796,557) | 182,200,203,443 |
| Batavia Saham Sejahtera | 340,189,310 | 400,000,000,000 | (18,623,017,430) | 381,376,982,570 |
| Insight Tunas Bangsa (I-Next G) | 28,000,000 | 28,000,000,000 | 214,810,400 | 28,214,810,400 |
| Total | 549,801,091 | 628,000,000,000 | (36,208,003,587) | 591,791,996,413 |
| | December 31, 2020 | | | |
| | Total Unit | Cost | Difference in Investment Valuation | Fair Value |
| Third Parties | | | | |
| Ashmore Saham Sejahtera Nusantara II | 181,611,781 | 200,000,000,000 | (11,624,995,993) | 188,375,004,007 |
| Batavia Saham Sejahtera | 340,189,310 | 400,000,000,000 | (28,104,161,544) | 371,895,838,456 |
| Insight Tunas Bangsa (I-Next G) | 28,000,000 | 28,000,000,000 | 561,276,800 | 28,561,276,800 |
| Total | 549,801,091 | 628,000,000,000 | (39,167,880,737) | 588,832,119,263 |

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BPJS Ketenagakerjaan recognized unrealized loss as of December 31, 2021 and 2020 amounting to Rp36,208,003,587 and Rp39,167,880,164, respectively, recorded as a component of equity, and recognized dividend income (share of mutual funds investment income) on mutual fund ownership amounting to Rp9,654,310,838 and Rp11,414,250,673 (Note 37).

Comprehensive income mutation on shares measured at fair value through other comprehensive income are as follows:

| | 2021 Rp | 2020 Rp |
|---|-------------------------|-------------------------|
| Beginning balance | (39,167,880,164) | (9,627,131,041) |
| Net unrealized gain/(loss) from increase/(decrease) of mutual funds measured at fair value through other comprehensive income | 2,959,876,577 | (29,540,749,123) |
| Ending balance | (36,208,003,587) | (39,167,880,164) |

F. Bonds - Amortized Cost

Bonds that will be mature in less than 1 (one) year are disclosed as short term investment.

| December 31, 2021 | | | | | | |
|--|-----------------|---------------|------------------------|--|------------------------|--|
| Rating | Interest Rate % | Maturity Date | Nominal Amount | Unamortized Premium/(Discount), Interest and Transaction Fee | Carrying Amount | Amount after Allowance for Impairment Losses |
| Related Parties (Note 49) | | | | | | |
| Government Bonds | | | | | | |
| Recap Bonds FR 0035 | idAAA | 12.90 | 15/06/2022 | 2,924,000,000 | 20,810,794 | 2,944,810,794 |
| Subtotal | | | 2,924,000,000 | 20,810,794 | 2,944,810,794 | 2,944,810,794 |
| Corporate Bonds | | | | | | |
| Obl Bkl I Bank BJB I Tahun 2017 Seri B | idAA- | 8.15 | 6/12/2022 | 75,000,000,000 | - | 75,000,000,000 |
| Obl. Bkl. I Pupuk Indonesia II 2017 B | AAA(idn) | 7.9 | 9/11/2022 | 460,000,000,000 | - | 460,000,000,000 |
| Obl. Bkl. IV SMF VIII 2019 B | idAAA | 8.45 | 22/03/2022 | 220,000,000,000 | - | 220,000,000,000 |
| Obl Bkl V SMF Thp I Thn 2019 B | idAAA | 8.5 | 4/07/2022 | 100,000,000,000 | - | 100,000,000,000 |
| Subtotal | | | 855,000,000,000 | - | 855,000,000,000 | 855,000,000,000 |
| Third Party | | | | | | |
| Indosat VIII seri B tahun 2012 | idAAA | 8.88 | 27/06/2022 | 54,831,000,000 | - | 54,831,000,000 |
| Subtotal | | | 54,831,000,000 | - | 54,831,000,000 | 54,831,000,000 |
| Total | | | 912,755,000,000 | 20,810,794 | 912,775,810,794 | 912,775,810,794 |

| December 31, 2020 | | | | | | |
|-----------------------------------|-----------------|---------------|-----------------------|--|-----------------------|--|
| Rating | Interest Rate % | Maturity Date | Nominal Amount | Unamortized Premium/(Discount), Interest and Transaction Fee | Carrying Amount | Amount after Allowance for Impairment Losses |
| Related Parties (Note 49) | | | | | | |
| Government Bonds | | | | | | |
| Recap Bonds FR 0034 | idAAA | 12.80 | 15/06/2021 | 14,622,000,000 | 68,420,719 | 14,690,420,719 |
| Subtotal | | | 14,622,000,000 | 68,420,719 | 14,690,420,719 | 14,690,420,719 |
| Corporate Bonds | | | | | | |
| Anlam Berkelanjutan I Seri B 2011 | idA | 9.05 | 14/12/2021 | 29,244,000,000 | - | 29,244,000,000 |
| Subtotal | | | 29,244,000,000 | - | 29,244,000,000 | 29,244,000,000 |
| Total | | | 43,866,000,000 | 68,420,719 | 43,934,420,719 | 43,934,420,719 |

For the years ended December 31, 2021, and 2020, BPJS Ketenagakerjaan recognized interest income amounting to Rp75,167,108,510 and Rp4,392,130,406, respectively (Note 37).

G. Sukuk - Amortized Cost

Sukuk which matured in less than 1 (one) year are presented as short-term investments. The classification of sukuk measured at amortized cost as of December 31, 2021 and 2020 is Rp21,933,000,000 and nil, with details as follows:

| December 31, 2021 | | | | | |
|--------------------------------|----------------|---------------|-----------------------|--|-----------------------|
| Rating | Profit Sharing | Maturity Date | Nominal Amount | Unamortized Premium/(Discount), Interest and Transaction Fee | Carrying Amount |
| Related Party (Note 49) | | | | | |
| Corporate Sukuk | | | | | |
| PLN Sukuk VB /2010 | idAAA(sy) | 10.40% | 8/07/2022 | 21,933,000,000 | - |
| Total | | | 21,933,000,000 | - | 21,933,000,000 |

For the years ended December 31, 2021 and 2020, BPJS Ketenagakerjaan recognized profit sharing income from sukuk amounting to Rp2,307,644,040 and nil, respectively (Note 37).

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13. Prepaid Tax

Prepaid tax as of December 31, 2021 is exceed payment for income tax expense for the year 2021 amounted to Rp43,309,304,274.

14. Advance

Work advances are advances given to employees for operational activities and cash advance purchase of BPJS Ketenagakerjaan assets. The subsidiary's bailout funds are funds that paid by subsidiary to be billed to customers

| | 2021 Rp | 2020 Rp |
|-------------------------------------|-----------------------|-----------------------|
| Parent | | |
| a. Work Advances | | |
| Head Office | 2,965,848,556 | 1,137,400,000 |
| | 2,965,848,556 | 1,137,400,000 |
| b. Advances for the purchase | | |
| Meubelairs | 3,526,740,536 | 2,087,045,048 |
| Other Equipments | 2,471,400,885 | 2,471,401,005 |
| Lands | 51,200,000 | 427,800,000 |
| Networks | - | 10,558,967,356 |
| Servers | - | 1,060,000,000 |
| Computers | - | 2,910,600,000 |
| License Software | - | 287,640,000 |
| | 6,049,341,421 | 19,803,453,409 |
| Subsidiary | | |
| Reimbursement | 12,718,639,097 | 5,562,154,529 |
| | 12,718,639,097 | 5,562,154,529 |
| Total | 21,733,829,074 | 26,503,007,938 |

15. Prepaid Expenses

| | 2021 Rp | 2020 Rp |
|------------------------|-----------------------|-----------------------|
| Office Building Rental | 6,463,711,407 | 3,379,194,937 |
| Office House Rental | 3,010,807,437 | 3,220,561,198 |
| Insurance | 4,854,719,896 | 4,555,329,985 |
| Other Rental | 4,461,841,860 | 1,923,901,497 |
| Investment | 950,000,000 | 1,010,000,000 |
| Others | 976,067,424 | 379,442,315 |
| Total | 20,717,148,024 | 14,468,429,932 |

16. Supplies

| | 2021 Rp | 2020 Rp |
|--------------------------------|-----------------------|-----------------------|
| Printed Goods | 5,319,539,802 | 5,118,184,908 |
| Disposable Computer Equipments | 4,906,181,221 | 3,646,948,809 |
| Stationeries | 1,950,605,977 | 1,493,025,353 |
| Stamp Duties | 603,594,999 | 391,766,998 |
| Subsidiary's Inventories | 415,687,372 | 424,353,048 |
| Total | 13,195,609,371 | 11,074,279,115 |

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17. Assets Held for Sale

| | 2021 Rp | 2020 Rp |
|-------------------|----------------------|--------------------|
| Building Interior | 11,972,261 | 49,712,265 |
| Other Equipments | 12,732,171 | 45,250,575 |
| Office Machines | 21,978,107 | 42,085,106 |
| Computers | 73,729,046 | 146,749,369 |
| Office Vehicles | 2,518,855,921 | 447,008,629 |
| Total | 2,639,267,505 | 730,805,944 |

Changes in assets held for sales are as follows:

| | 2021 Rp | 2020 Rp |
|-----------------------|----------------------|--------------------|
| Beginning balance | 730,805,944 | 260,213,382 |
| Addition | 2,268,486,724 | 2,045,868,765 |
| Deduction | (360,025,163) | (1,575,276,203) |
| Ending balance | 2,639,267,505 | 730,805,944 |

Deductions during 2021 and 2020 are sales of assets held for sale with the following details:

| | 2021 Rp | 2020 Rp |
|--------------------------------|----------------------|-------------------|
| Selling price | 1,923,021,733 | 45,802,142 |
| Carrying amount | (360,025,163) | (8,058,693) |
| Gain on sales (Note 45) | 1,562,996,570 | 37,743,449 |

Directors of BPJS Ketenagakerjaan believe that all the assets held for sale are not impaired, so it is not required to provide the allowance for impairment losses.

18. Other Current Assets

This account is recognition of travel management fee refunds as of December 31, 2021 and 2020 amounting to Rp180,282,170 and nil, respectively.

19. Long-Term Investments

| | 2021 Rp | 2020 Rp |
|--------------|--------------------------|--------------------------|
| Sukuk | 1,606,297,217,188 | 1,639,465,811,369 |
| Bonds | 3,389,630,848,114 | 4,300,847,979,484 |
| Total | 4,995,928,065,302 | 5,940,313,790,853 |

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A. Sukuk - Amortized Cost

| December 31, 2021 | | | | | | |
|---------------------------|-----------|----------------|---------------|-------------------|---|-------------------|
| | Rating | Profit Sharing | Maturity Date | Nominal Amount | Unamortized Premium/(Discount), Interest, and Transaction Fee | Carrying Amount |
| Related Party (Note 49) | | | | | | |
| Government Sukuk | | | | | | |
| PBS011 | idAAA | 8.75% | 15-Aug-2023 | 522,676,000,000 | 10,743,970,222 | 533,419,970,222 |
| PBS012 | idAAA | 8.88% | 15-Nov-2031 | 822,615,000,000 | 40,435,458,803 | 863,050,458,803 |
| PBS022 | idAAA | 8.63% | 15-Apr-2034 | 193,375,000,000 | 9,223,775,703 | 202,598,775,703 |
| PBS005 | idAAA | 6.75% | 15-Apr-2043 | 8,000,000,000 | (771,987,540) | 7,228,012,460 |
| Total | | | | 1,546,666,000,000 | 59,631,217,188 | 1,606,297,217,188 |
| December 31, 2020 | | | | | | |
| | Rating | Profit Sharing | Maturity Date | Nominal Amount | Unamortized Premium/(Discount), Interest, and Transaction Fee | Carrying Amount |
| Related Parties (Note 49) | | | | | | |
| Government Sukuk | | | | | | |
| PBS011 | idAAA | 8.75% | 15-Aug-2023 | 522,676,000,000 | 17,190,352,355 | 539,866,352,355 |
| PBS012 | idAAA | 8.88% | 15-Nov-2031 | 822,615,000,000 | 44,512,984,061 | 867,127,984,061 |
| PBS022 | idAAA | 8.63% | 15-Apr-2034 | 193,375,000,000 | 9,971,649,408 | 203,346,649,408 |
| PBS005 | idAAA | 6.75% | 15-Apr-2043 | 8,000,000,000 | (808,174,455) | 7,191,825,545 |
| Subtotal | | | | 1,546,666,000,000 | 70,866,811,369 | 1,617,532,811,369 |
| Corporate Sukuk | | | | | | |
| PLN Sukuk VB /2010 | idAAA(sy) | 10.40% | 8-Jul-2022 | 21,933,000,000 | - | 21,933,000,000 |
| Subtotal | | | | 21,933,000,000 | - | 21,933,000,000 |
| Total | | | | 1,568,599,000,000 | 70,866,811,369 | 1,639,465,811,369 |

Directors of BPJS Ketenagakerjaan believe that there is no indication of impairment of sukuk; so it is not required to provide the allowance for impairment losses

The following table of sukuk maturity period as of December 31, 2021 and 2020:

| Maturity Period | 2021 Rp | 2020 Rp |
|--------------------|--------------------------|--------------------------|
| < 1 year (Note 12) | 21,933,000,000 | - |
| > 1 - 5 years | 533,419,970,222 | 561,799,352,355 |
| > 5 - 10 years | 863,050,458,803 | - |
| > 10 - 15 years | 202,598,775,703 | 1,070,474,633,469 |
| > 20 - 25 years | 7,228,012,460 | 7,191,825,545 |
| Subtotal > 1 year | 1,606,297,217,188 | 1,639,465,811,369 |
| Total | 1,628,230,217,188 | 1,639,465,811,369 |

For the years ended December 31, 2021 and 2020 BPJS Ketenagakerjaan recognized profit sharing income Rp126,253,293,690 and Rp119,414,342,232, respectively (Note 37).

B. Bonds - Amortized Cost

| December 31, 2021 | | | | | | | | |
|---------------------------|--------|-------------------|---------------|-------------------|---|-------------------|---------------------------------|--|
| | Rating | Interest Rate (%) | Maturity Date | Nominal Amount | Unamortized Premium/(Discount), Interest, and Transaction Fee | Carrying Amount | Allowance for Impairment Losses | Amount after Allowance for Impairment Losses |
| Related Parties (Note 49) | | | | | | | | |
| Government Bonds | | | | | | | | |
| Recap Bonds FR 0059 | idAAA | 7.00 | 15/05/2027 | 333,000,000,000 | (4,801,864,869) | 328,198,135,131 | - | 328,198,135,131 |
| Recap Bonds FR 0065 | idAAA | 6.63 | 15/05/2033 | 314,943,000,000 | (32,149,225,021) | 282,793,774,979 | - | 282,793,774,979 |
| Recap Bonds FR 0068 | idAAA | 8.38 | 15/03/2034 | 257,867,000,000 | 3,335,715,102 | 261,202,715,102 | - | 261,202,715,102 |
| Recap Bonds FR 0067 | idAAA | 8.75 | 15/02/2044 | 200,000,000,000 | 18,679,720,122 | 218,679,720,122 | - | 218,679,720,122 |
| Recap Bonds FR 0072 | idAAA | 8.25 | 15/05/2036 | 204,827,000,000 | 2,462,389,140 | 207,289,389,140 | - | 207,289,389,140 |
| Recap Bonds FR 0070 | idAAA | 8.38 | 15/03/2024 | 115,000,000,000 | 3,068,643,660 | 118,068,643,660 | - | 118,068,643,660 |
| Recap Bonds FR 0054 | idAAA | 9.50 | 15/07/2031 | 60,868,000,000 | 2,086,509,127 | 62,954,509,127 | - | 62,954,509,127 |
| Recap Bonds FR 0058 | idAAA | 8.25 | 15/06/2032 | 49,758,000,000 | (69,419,903) | 49,688,580,097 | - | 49,688,580,097 |
| Recap Bonds FR 0052 | idAAA | 10.50 | 15/08/2030 | 20,152,000,000 | 1,625,892,319 | 21,777,892,319 | - | 21,777,892,319 |
| Recap Bonds FR 0056 | idAAA | 8.38 | 15/09/2026 | 20,000,000,000 | 1,018,793,532 | 21,018,793,532 | - | 21,018,793,532 |
| Recap Bonds FR 0073 | idAAA | 8.75 | 15/05/2031 | 20,000,000,000 | 633,701,460 | 20,633,701,460 | - | 20,633,701,460 |
| Recap Bonds FR 0040 | idAAA | 11.00 | 15/09/2025 | 20,105,000,000 | 150,414,856 | 20,255,414,856 | - | 20,255,414,856 |
| Recap Bonds FR 0071 | idAAA | 9.00 | 15/03/2029 | 18,145,000,000 | 118,620,719 | 18,263,620,719 | - | 18,263,620,719 |
| Recap Bonds FR 0046 | idAAA | 9.50 | 15/07/2023 | 18,277,000,000 | (1,144,050,480) | 17,132,949,520 | - | 17,132,949,520 |
| Recap Bonds FR 0045 | idAAA | 9.75 | 15/05/2037 | 18,277,000,000 | (3,531,669,684) | 14,745,330,316 | - | 14,745,330,316 |
| Recap Bonds FR 0042 | idAAA | 10.25 | 15/07/2027 | 12,794,000,000 | (1,125,560,311) | 11,668,439,689 | - | 11,668,439,689 |
| Recap Bonds FR 0044 | idAAA | 10.00 | 15/09/2024 | 7,806,000,000 | (960,157,691) | 6,845,842,309 | - | 6,845,842,309 |
| Subtotal | | | | 1,691,819,000,000 | (10,601,547,922) | 1,681,217,452,078 | - | 1,681,217,452,078 |

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| December 31, 2021 | | | | | | | |
|--|-------------------|---------------|-------------------|---|-------------------|---------------------------------|--|
| Rating | Interest Rate (%) | Maturity Date | Nominal Amount | Unamortized Premium/(Discount), Interest, and Transaction Fee | Carrying Amount | Allowance for Impairment Losses | Amount after Allowance for Impairment Losses |
| Corporate Bonds | | | | | | | |
| BTN Berk I Tahap II 2013 | AA(idn) | 7.90 | 27/03/2023 | 245,172,000,000 | (458,603,964) | 244,713,396,036 | 244,713,396,036 |
| Obl Bkl III PLN Thp VI Thn 2020 E | idAAA | 9.05 | 18/02/2040 | 100,000,000,000 | - | 100,000,000,000 | 100,000,000,000 |
| Obl Bkl I Bank BJB I Tahun 2017 Seri C | idAA- | 8.85 | 6/12/2024 | 125,000,000,000 | - | 125,000,000,000 | 125,000,000,000 |
| Obl. Bkl. I Bank BJB Thp II 2018 B | idAA- | 9.50 | 28/09/2023 | 105,000,000,000 | - | 105,000,000,000 | 105,000,000,000 |
| Obl Bkl I SMI Thp I Th 2016 Seri D | idAAA | 8.90 | 18/11/2031 | 138,700,000,000 | - | 138,700,000,000 | 138,700,000,000 |
| Obl. Bkl. II SMI II 2019 Seri D | idAAA | 8.50 | 28/08/2026 | 150,000,000,000 | - | 150,000,000,000 | 150,000,000,000 |
| Obl. Bkl. II SMI III 2019 Seri D | idAAA | 8.30 | 30/10/2026 | 165,000,000,000 | - | 165,000,000,000 | 165,000,000,000 |
| Obl. Berk. III Eximbank IV Th 2017 D | idAAA | 9.20 | 23/02/2024 | 50,000,000,000 | - | 50,000,000,000 | 50,000,000,000 |
| Obl. Berk. III Eximbank IV Th 2017 E | idAAA | 9.40 | 23/02/2027 | 100,000,000,000 | - | 100,000,000,000 | 100,000,000,000 |
| Obl. Bkl. Eximbank IV Thp II 2018 D | idAAA | 8.75 | 5/09/2025 | 100,000,000,000 | - | 100,000,000,000 | 100,000,000,000 |
| Obl. Bkl. I Semen Indo II 2019 A | idAA+ | 9.00 | 28/05/2024 | 160,000,000,000 | - | 160,000,000,000 | 160,000,000,000 |
| Obl. Bkl. I Semen Indo II 2019 B | idAA+ | 9.10 | 28/05/2026 | 120,000,000,000 | - | 120,000,000,000 | 120,000,000,000 |
| Obl. I Pelindo IV 2018 B | idAA | 9.15 | 4/07/2025 | 150,000,000,000 | - | 150,000,000,000 | 150,000,000,000 |
| Subtotal | | | 1,708,872,000,000 | (458,603,964) | 1,708,413,396,036 | - | 1,708,413,396,036 |
| Total | | | 3,400,691,000,000 | (11,060,151,886) | 3,389,630,848,114 | - | 3,389,630,848,114 |
| December 31, 2020 | | | | | | | |
| Rating | Interest Rate (%) | Maturity Date | Nominal Amount | Unamortized Premium/(Discount), Interest, and Transaction Fee | Carrying Amount | Allowance for Impairment Losses | Amount after Allowance for Impairment Losses |
| Related Parties (Note 49) | | | | | | | |
| Government Bond | | | | | | | |
| Recap Bonds FR 0059 | idAAA | 7.00 | 15/05/2027 | 333,000,000,000 | (5,495,287,557) | 327,504,712,443 | 327,504,712,443 |
| Recap Bonds FR 0065 | idAAA | 6.63 | 15/05/2033 | 314,943,000,000 | (33,802,741,547) | 281,140,258,453 | 281,140,258,453 |
| Recap Bonds FR 0068 | idAAA | 8.38 | 15/03/2034 | 257,867,000,000 | 3,496,858,339 | 261,363,858,339 | 261,363,858,339 |
| Recap Bonds FR 0067 | idAAA | 8.75 | 15/02/2044 | 200,000,000,000 | 18,984,173,271 | 218,984,173,271 | 218,984,173,271 |
| Recap Bonds FR 0072 | idAAA | 8.25 | 15/05/2036 | 204,827,000,000 | 2,549,827,164 | 207,376,827,164 | 207,376,827,164 |
| Recap Bonds FR 0070 | idAAA | 8.38 | 15/03/2024 | 115,000,000,000 | 4,285,128,932 | 119,285,128,932 | 119,285,128,932 |
| Recap Bonds FR 0054 | idAAA | 9.50 | 15/07/2031 | 60,868,000,000 | 2,219,345,571 | 63,087,345,571 | 63,087,345,571 |
| Recap Bonds FR 0058 | idAAA | 8.25 | 15/06/2032 | 49,758,000,000 | (64,726,377) | 49,693,273,623 | 49,693,273,623 |
| Recap Bonds FR 0052 | idAAA | 10.50 | 15/08/2030 | 20,152,000,000 | 1,743,642,882 | 21,895,642,882 | 21,895,642,882 |
| Recap Bonds FR 0056 | idAAA | 8.38 | 15/09/2026 | 20,000,000,000 | 1,192,951,502 | 21,192,951,502 | 21,192,951,502 |
| Recap Bonds FR 0073 | idAAA | 8.75 | 15/05/2031 | 20,000,000,000 | 676,455,497 | 20,676,455,497 | 20,676,455,497 |
| Recap Bonds FR 0040 | idAAA | 11.00 | 15/09/2025 | 20,105,000,000 | 181,409,029 | 20,286,409,029 | 20,286,409,029 |
| Recap Bonds FR 0071 | idAAA | 9.00 | 15/03/2029 | 18,145,000,000 | 129,874,311 | 18,274,874,311 | 18,274,874,311 |
| Recap Bonds FR 0046 | idAAA | 9.50 | 15/07/2023 | 18,277,000,000 | (1,723,076,107) | 16,553,923,893 | 16,553,923,893 |
| Recap Bonds FR 0045 | idAAA | 9.75 | 15/05/2037 | 18,277,000,000 | (3,581,987,874) | 14,695,012,126 | 14,695,012,126 |
| Recap Bonds FR 0042 | idAAA | 10.25 | 15/07/2027 | 12,794,000,000 | (1,251,415,222) | 11,542,584,778 | 11,542,584,778 |
| Recap Bonds FR 0044 | idAAA | 10.00 | 15/09/2024 | 7,806,000,000 | (1,219,928,444) | 6,586,071,556 | 6,586,071,556 |
| Recap Bonds FR 0035 | idAAA | 12.90 | 15/06/2022 | 2,924,000,000 | 59,044,344 | 2,983,044,344 | 2,983,044,344 |
| Subtotal | | | 1,694,743,000,000 | (11,620,452,286) | 1,683,122,547,714 | - | 1,683,122,547,714 |
| Corporate Bond | | | | | | | |
| BTN Berk I Tahap II 2013 | AA(idn) | 7.90 | 27/03/2023 | 245,172,000,000 | (786,882,230) | 244,385,117,770 | 244,385,117,770 |
| Obl Bkl III PLN Thp VI Thn 2020 E | idAAA | 9.05 | 18/02/2040 | 100,000,000,000 | - | 100,000,000,000 | 100,000,000,000 |
| Obl Bkl I Bank BJB I Tahun 2017 Seri B | idAA- | 8.15 | 6/12/2022 | 75,000,000,000 | - | 75,000,000,000 | 74,953,110,000 |
| Obl Bkl I Bank BJB I Tahun 2017 Seri C | idAA- | 8.85 | 6/12/2024 | 125,000,000,000 | - | 125,000,000,000 | 124,921,850,000 |
| Obl. Bkl. I Bank BJB Thp II 2018 B | idAA- | 9.50 | 28/09/2023 | 105,000,000,000 | - | 105,000,000,000 | 104,934,354,000 |
| Obl Bkl I SMI Thp I Th 2016 Seri D | idAAA | 8.90 | 18/11/2031 | 138,700,000,000 | - | 138,700,000,000 | 138,700,000,000 |
| Obl. Bkl. II SMI II 2019 Seri D | idAAA | 8.50 | 28/08/2026 | 150,000,000,000 | - | 150,000,000,000 | 150,000,000,000 |
| Obl. Bkl. II SMI III 2019 Seri D | idAAA | 8.30 | 30/10/2026 | 165,000,000,000 | - | 165,000,000,000 | 165,000,000,000 |
| Obl Bkl V SMF Thp I Thn 2019 B | idAAA | 8.50 | 4/07/2022 | 100,000,000,000 | - | 100,000,000,000 | 100,000,000,000 |
| Obl. Bkl. IV SMF VIII 2019 B | idAAA | 8.45 | 22/03/2022 | 220,000,000,000 | - | 220,000,000,000 | 220,000,000,000 |
| Obl. Berk. III Eximbank IV Th 2017 D | idAAA | 9.20 | 23/02/2024 | 50,000,000,000 | - | 50,000,000,000 | 50,000,000,000 |
| Obl. Berk. III Eximbank IV Th 2017 E | idAAA | 9.40 | 23/02/2027 | 100,000,000,000 | - | 100,000,000,000 | 100,000,000,000 |
| Obl. Bkl. Eximbank IV Thp II 2018 D | idAAA | 8.75 | 5/09/2025 | 100,000,000,000 | - | 100,000,000,000 | 100,000,000,000 |
| Obl. Bkl. I Pupuk Indonesia II 2017 B | AAA(idn) | 7.90 | 9/11/2022 | 460,000,000,000 | - | 460,000,000,000 | 460,000,000,000 |
| Obl. Bkl. I Semen Indo II 2019 A | idAA+ | 9.00 | 28/05/2024 | 160,000,000,000 | - | 160,000,000,000 | 160,000,000,000 |
| Obl. Bkl. I Semen Indo II 2019 B | idAA+ | 9.10 | 28/05/2026 | 120,000,000,000 | - | 120,000,000,000 | 120,000,000,000 |
| Obl. I Pelindo IV 2018 B | idAA | 9.15 | 4/07/2025 | 150,000,000,000 | - | 150,000,000,000 | 150,000,000,000 |
| Subtotal | | | 2,563,872,000,000 | (786,882,230) | 2,563,085,117,770 | 190,686,000 | 2,562,703,745,770 |
| Third Parties | | | | | | | |
| Corporate Bond | | | | | | | |
| Indosat VIII seri B tahun 2012 | idAAA | 8.88 | 27/06/2022 | 54,831,000,000 | - | 54,831,000,000 | 54,831,000,000 |
| Subtotal | | | 54,831,000,000 | - | 54,831,000,000 | - | 54,831,000,000 |
| Total | | | 4,313,446,000,000 | (12,407,334,515) | 4,301,038,665,485 | 190,686,000 | 4,300,657,293,484 |

The sources of the government bond rating are from Fitch Rating while the sources of the corporate bond rating are from PT Pemeringkat Efek Indonesia (PEFINDO).

The Board of Directors of BPJS Ketenagakerjaan believed that the allowance for impairment losses provided is adequate to cover losses that may arise in the future.

The following table of bonds maturity period as of December 31, 2021 and 2020:

| | 2021 Rp | 2020 Rp |
|---------------|--------------------------|--------------------------|
| > 1-5 years | 1,553,035,039,913 | 2,009,720,009,524 |
| > 5-10 years | 702,196,298,445 | 935,410,765,916 |
| > 10-15 years | 800,974,459,318 | 814,661,191,483 |
| > 15-20 years | 114,745,330,316 | 322,071,839,290 |
| > 20-25 years | 218,679,720,122 | 218,984,173,271 |
| Total | 3,389,630,848,114 | 4,300,847,979,485 |

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Allowance for impairment losses in bond for December 31, 2021 and 2020 :

| | 2021 | 2020 |
|---|---------------|--------------------|
| | Rp | Rp |
| Beginning Balance | 190,686,000 | - |
| Addition (Note 38) | - | 7,761,857 |
| Recovery (Note 38) | (190,686,000) | |
| Adjustment to the Impact of Implementation SFAS 71 "Financial Instruments" | - | 182,924,143 |
| Ending Balance | - | 190,686,000 |

For the years ended December 31, 2021 and 2020, BPJS Ketenagakerjaan recognized interest income amounting to Rp291,820,123,696 and Rp376,008,765,007, respectively (Note 37).

20. Investment in Other Entity

| 2021 | | |
|--|--|----------------------------------|
| Nature of Business | Percentage of Ownership (%) | Nominal Amount Rp |
| Minority Direct Investment - FVOCI PT Marga Mandala Sakti | Toll Road 0.45 | 44,555,065,390 |
| Total | | 44,555,065,390 |

| 2020 | | |
|--|--|----------------------------------|
| Nature of Business | Percentage of Ownership (%) | Nominal Amount Rp |
| Minority Direct Investment - FVOCI PT Marga Mandala Sakti | Toll Road 0.45 | 14,625,000,000 |
| Less : Permanent Impairment PT Marga Mandala Sakti | | (13,975,000,000) |
| Total | | 650,000,000 |

On February 5, 2003, there was permanent decrease in investment of PT Marga Mandala Sakti (PT MMS) in 2002 from Rp14,625,000,000 to Rp650,000,000. The basis for recognition of impairment refers to changes in Articles of Association BPJS Ketenagakerjaan, in which the price per share has decreased from Rp2,250 to Rp100. The Board of Directors believe that the allowance for impairment losses in the direct investment is adequate to cover losses that may arise from permanent impairment.

In accordance with management policy that investment in PT MMS is long term and Amendment to SFAS 15 paragraph 14A which regulate that entity also applies SFAS 71 on financial instruments in associates or joint ventures where the equity method is not applied, then the investment in PT MMS net of impairment is reclassified to financial asset measured at fair value through other comprehensive income. An adjustment of Rp43,905,065,390 has been made in accordance with the results of the study and analysis by Kantor Jasa Penilai Publik (KJPP) which has been carried out on the market approach and the income approach, 0.45% of the market value of PT Marga Mandala Sakti as of September 30, 2021, amounting to Rp44,555,065,390 in accordance with Report Number 00686/2.0109-05/PI/08/0069/1/XII/2021.

For the years ended December 31, 2021 and 2020, BPJS Ketenagakerjaan recognized dividend income for amounting to Rp2,205,450,000 and Rp2,301,065,000, respectively (Note 37).

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21. Investment Properties

This account represents placement investment funds of BPJS Ketenagakerjaan as of December 31, 2021 and 2020 in investment properties according to the Directors Regulation of BPJS Ketenagakerjaan Number: PERDIR/37/122018 dated December 28, 2018 and PERDIR/15/05/2020 dated May 15, 2020 regarding the Investment Properties Classification of BPJS Ketenagakerjaan, as follows:

| | 2021 | | | | Ending Balance |
|---------------------------------|-------------------------|----------------------|-----------|-----------------|-------------------------|
| | Beginning Balance | Addition | Deduction | Reclasification | |
| Acquisition Cost | | | | | |
| Land | 74,707,994,683 | - | - | - | 74,707,994,683 |
| Building | 17,677,364,040 | - | - | - | 17,677,364,040 |
| | 92,385,358,723 | - | - | - | 92,385,358,723 |
| Accumulated Depreciation | | | | | |
| Building | (10,980,767,945) | (875,239,665) | - | - | (11,856,007,610) |
| | (10,980,767,945) | (875,239,665) | - | - | (11,856,007,610) |
| Total | 81,404,590,777 | (875,239,665) | - | - | 80,529,351,113 |

| | 2020 | | | | Ending Balance |
|---------------------------------|------------------------|------------------------|-----------|-----------------|-------------------------|
| | Beginning Balance | Addition | Deduction | Reclasification | |
| Acquisition Cost | | | | | |
| Land | 74,707,994,683 | - | - | - | 74,707,994,683 |
| Building | 17,677,364,040 | - | - | - | 17,677,364,040 |
| | 92,385,358,723 | - | - | - | 92,385,358,723 |
| Accumulated Depreciation | | | | | |
| Building | (9,591,842,522) | (1,388,925,423) | - | - | (10,980,767,945) |
| | (9,591,842,522) | (1,388,925,423) | - | - | (10,980,767,945) |
| Total | 82,793,516,201 | (1,388,925,423) | - | - | 81,404,590,777 |

Investment property income recognized in surplus deficit for the years ended December 31, 2021 and 2020 amounting to Rp7,126,328,607 and Rp5,000,000,000, respectively, was recorded as part of "Investments income-rent income" in the statement of comprehensive income (Note 37).

Depreciation of investment properties for the years ended December 31, 2021 and 2020 amounting to Rp875,239,665 and Rp1,388,925,423 recorded as part of "investment expenses-depreciation of investment properties" in the statement of comprehensive income (Note 38).

BPJS Ketenagakerjaan disclosed the fair value of investment properties in financial records as comparative information to the book value. The fair value of investment properties in the form of land as of December 31, 2021 and 2020 amounted to Rp1,986,726,632,000 that determined based on an independent appraisal report with the following details:

Lands

| No | Location | Region | Acqicition cost | Fair Value | KJPP |
|----|---|-----------------|-----------------|-----------------|--|
| 1 | Jln.Imam Bonjol no.1, Kecamatan Batam Timur, Kelurahan Lubuk Baja Barat. | Batam | 5,626,254,270 | 30,130,000,000 | KJPP Muttaqin Bambang Purwanto Rozak Uswatun & Rekan |
| 2 | Jl. Muhtar Raya, Kecamatan Pesanggrahan, Kelurahan Petukangan Utara, Petukangan Utara, Jaksel | Jakarta Selatan | 1,257,104,018 | 269,177,813,000 | DJKN Kementerian keuangan RI No: LAP-0067/1/1KN.6/99.00/2017 |
| 3 | Jln.HR.Rasuna Said Kav No.112 Blok B, No.13 Blok B, No.14 Blok B, Kelurahan/Kecamatan Setiabudi, Jaksel | Jakarta Selatan | 53,042,859,250 | 387,567,600,000 | KJPP Zainal Efendi, M.T |

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| No | Location | Region | Acquicition cost | Fair Value | KJPP |
|--------------|--|-----------|-----------------------|--------------------------|--|
| 4 | Jln.Jend Sudirman, Desa Harapan Mulya, Kecamatan Medan Satria, Kabupaten Bekasi, Jawa Barat | Bekasi | 1,736,674,450 | 84,703,200,000 | KJPP Febriman Siregar & Rekan |
| 5 | Desa Bugel, Kecamatan Tangerang, Kotamadya Tangerang Jl.Moch Toha, Kelurahan Bugel, Kecamatan Karawaci Tangerang, Banten | Tangerang | 12,681,732,245 | 1,154,741,619,000 | DJKN Kementerian keuangan RI No: LAP-0067/1/1KN.6/99.00/2017 |
| 6 | Jl. Penghulu Haji Hasan Mustopha No. 45, Kel Neglasari, Kec.Cibeunying Kaler, Bandung | Bandung | 363,370,450 | 60,406,400,000 | KJPP Febriman Siregar & Rekan |
| TOTAL | | | 74,707,994,683 | 1,986,726,632,000 | |

Buildings

| NO | DESCRIPTION | ACQUISITION YEAR | ACQUISITION COST | DEPRECIATION | TOTAL ACCUMULATED DEPRECIATION | NET BOOK VALUE |
|--------------|---|------------------|-----------------------|--------------------|--------------------------------|----------------------|
| 1 | Graha Nagoya Mas Batam | 2003 | 6,290,607,834 | 1,655,657 | 5,032,486,268 | 1,258,121,566 |
| | - Batam Nagoya Building | 2010 | 122,557,000 | 175,228 | 98,045,600 | 24,511,400 |
| | - Canopy Construction - Batam Branch | 2011 | 82,300,000 | 130,572 | 65,840,000 | 16,460,000 |
| | - Corridor Renovation | 2012 | 16,200,000 | 29,596 | 12,960,000 | 3,240,000 |
| | - Canopy Construction - PT Resindo Pratama | 2015 | 185,000,000 | 1,279,102 | 148,000,000 | 37,000,000 |
| | - Supervisory Consultant of Revitalization Planning | 2016 | 5,265,909,089 | 70,212,121 | 4,212,727,271 | 1,053,181,818 |
| | - Graha Nagoya Building Revitaliazation | 2017 | 6,818,180 | 123,967 | 5,454,546 | 1,363,634 |
| | - Mekanikal Elektrikal Gedung Graha Nagoya | 2018 | 1,150,863,520 | 25,574,745 | 920,690,816 | 230,172,704 |
| | - Extention of UWT | | | | | |
| 2 | Security Post Building in Kuningan | 2009 | 32,189,400 | - | 32,189,400 | - |
| 3 | Concrete Fence of Land in Petukangan & Bugel | 2014 | 4,524,919,017 | 15,081,063 | 1,327,613,709 | 3,197,305,308 |
| TOTAL | | | 17,677,364,040 | 114,262,051 | 11,856,007,610 | 5,821,356,430 |

Investment properties consist of lands and buildings located in several places, including Kecamatan Cibeunying Kaler Bandung, Kecamatan Pesanggrahan Jakarta Selatan, Kabupaten Bekasi, Kecamatan Karawaci, Kecamatan Setiabudi Jakarta Selatan, and Kecamatan Batam Timur.

Land assets at Jln. HR. Rasuna Said Kav No.112 Block B, Number13 Block B, Number14 Block B, Kelurahan / Kecamatan Setiabudi, Jakarta Selatan has been in strategic cooperation with PT Sinergi Investasi Properti (PT SIP), related party, with a build operate transfer scheme for 30 years since 2017. PT SIP built a building on the land and paid rent of the land to BPJS Ketenagakerjaan and part of it is used for the head office.

Graha Mas Nagoya Batam building recorded as BPJS Ketenagakerjaan assets which is intended to be rented out. Based on appraisal report of Kantor Jasa Penilai Publik - Muttaqin Bambang Purwanto Rozak Uswatun dan Rekan (KJPP-MBPRU & Rekan) with the latest report Number: 0135-1/PNL-P/MBPRU-JKTN/2017 dated March 31, 2017 regarding Assessment on BPJS Ketenagakerjaan's assets, the fair value of Graha Nagoya Mas Batam's land and building amounted to Rp38,113,000,000.

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22. Property and Equipment

As of December 31, 2021 and 2020 property and equipment consist of acquisition assets amounting to Rp1,349,573,473,988 and Rp1,287,462,562,022, respectively.

| | December 31, 2021 | | | | |
|---------------------------------------|--------------------------|------------------------|-----------|-------------------------|--------------------------|
| | Beginning Balance | Addition | Deduction | Reclassification | Ending Balance |
| Acquisition Cost | | | | | |
| Lands | 423,940,988,138 | 48,500,000 | - | 14,117,468,250 | 438,106,956,388 |
| Buildings | 811,820,402,821 | 24,386,756,142 | - | 59,605,540,153 | 895,812,699,116 |
| Vehicles | 374,371,233,963 | 51,269,130,993 | - | (11,165,596,000) | 414,474,768,956 |
| Office Furniture and Fixtures | 166,387,177,868 | 4,332,142,657 | - | (13,751,518,044) | 156,967,802,481 |
| Computer Equipments | 439,427,963,815 | 83,412,392,713 | - | 6,507,713,543 | 529,348,070,071 |
| Other Equipments | 265,434,867,304 | 12,156,828,972 | - | (24,031,616,658) | 253,560,079,618 |
| Subtotal | 2,481,382,633,909 | 175,605,751,477 | - | 31,281,991,244 | 2,688,270,376,630 |
| Construction on Progress | | | | | |
| Lands | 14,117,468,250 | - | - | (14,117,468,250) | - |
| Buildings | 75,331,830,580 | 40,411,855,169 | - | (82,069,361,955) | 33,674,323,794 |
| Others Equipment | 4,852,086,107 | 300,560,000 | - | (81,660,000) | 5,070,986,107 |
| Subtotal | 94,301,384,937 | 40,712,415,169 | - | (96,268,490,205) | 38,745,309,901 |
| Total Acquisition Cost | 2,575,684,018,846 | 216,318,166,646 | - | (64,986,498,961) | 2,727,015,686,531 |
| Accumulated Depreciation | | | | | |
| Buildings | 343,683,773,565 | 31,877,432,673 | - | (1,733,181,705) | 373,828,024,533 |
| Vehicles | 223,886,403,810 | 32,466,256,563 | - | (8,843,994,288) | 247,508,666,085 |
| Office Furniture and Fixtures | 136,968,035,641 | 10,722,836,874 | - | (12,122,439,535) | 135,568,432,980 |
| Computer Equipments | 363,312,182,679 | 34,601,099,776 | - | 5,508,909,315 | 403,422,191,770 |
| Other Equipments | 220,371,061,129 | 15,243,397,135 | - | (18,499,561,089) | 217,114,897,175 |
| Total Accumulated Depreciation | 1,288,221,456,824 | 124,911,023,021 | - | (35,690,267,302) | 1,377,442,212,543 |
| Total | 1,287,462,562,022 | | | | 1,349,573,473,988 |

| | December 31, 2020 | | | | |
|---------------------------------------|--------------------------|------------------------|-------------------------|----------------------|--------------------------|
| | Beginning Balance | Addition*) | Deduction**) | Reclassification***) | Ending Balance |
| Acquisition Cost | | | | | |
| Lands | 418,145,656,838 | 5,795,331,300 | - | - | 423,940,988,138 |
| Buildings | 786,896,511,558 | 36,663,254,393 | (110,906,800) | (11,628,456,330) | 811,820,402,821 |
| Vehicles | 353,702,759,240 | 38,482,685,503 | (18,385,415,870) | 571,205,090 | 374,371,233,963 |
| Office Furniture and Fixtures | 152,324,318,692 | 21,181,662,614 | (7,118,803,438) | - | 166,387,177,868 |
| Computer Equipments | 436,887,796,582 | 6,091,324,113 | (3,551,156,880) | - | 439,427,963,815 |
| Other Equipments | 239,734,477,166 | 28,387,180,337 | (2,686,790,200) | - | 265,434,867,304 |
| Lease Financing | | | | | |
| Vehicles | 571,205,090 | - | - | (571,205,090) | - |
| Subtotal | 2,388,262,725,166 | 136,601,438,261 | (31,853,073,188) | (11,628,456,330) | 2,481,382,633,909 |
| Construction on Progress | | | | | |
| Lands | 127,200,000 | 14,117,468,250 | (127,200,000) | - | 14,117,468,250 |
| Buildings | 51,390,443,710 | 37,246,078,669 | (24,933,148,129) | 11,628,456,330 | 75,331,830,580 |
| Office Furniture and Fixtures | 61,800,000 | 203,175,000 | (264,975,000) | - | - |
| Other Equipments | 2,383,092,300 | 2,468,993,807 | - | - | 4,852,086,107 |
| Subtotal | 53,962,536,010 | 54,035,715,726 | (25,325,323,129) | 11,628,456,330 | 94,301,384,937 |
| Total Acquisition Cost | 2,442,225,261,176 | 190,637,153,987 | (57,178,396,317) | - | 2,575,684,018,846 |
| Accumulated Depreciation | | | | | |
| Building | 311,681,422,107 | 32,002,351,458 | - | - | 343,683,773,565 |
| Vehicles | 208,373,151,991 | 15,151,488,595 | - | 361,763,224 | 223,886,403,810 |
| Office Furniture and Fixtures | 108,114,582,336 | 28,951,644,558 | (98,191,246) | - | 136,968,035,641 |
| Computer Equipment | 356,573,617,988 | 6,738,564,691 | - | - | 363,312,182,679 |
| Other Equipment | 195,164,971,710 | 25,206,089,419 | - | - | 220,371,061,129 |
| Lease Financing | | | | | |
| Vehicles | 361,763,224 | - | - | (361,763,224) | - |
| Total Accumulated Depreciation | 1,180,269,509,356 | 108,050,138,721 | (98,191,246) | - | 1,288,221,456,824 |
| Total | 1,261,955,751,820 | | | | 1,287,462,562,022 |

*) The addition of property and equipment comes from direct purchases.

***) Deduction of property and equipment, mainly from the transferred to assets not in used and assets held for sale.

***) Reclassification of assets under construction and reclassification of property and equipment between classes.

Reclassification in the mutation of property and equipment in 2021 is the net amount for additions and the deduction in property and equipment account mainly consists of the transfer of assets under construction to property and equipment, the transfer of operating property and equipment to assets that are not in used and assets held for sale, as well as reclassification between classes of property and equipment.

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The depreciation expense for property and equipment for the year ended December 31, 2021 amounting to Rp124,911,023,021 is presented as part of the operating expenses for the parent entity amounting to Rp117,791,495,490 (Note 36), SKP expenses amounting to Rp5,833,544,638 (Note 41) and operating expenses of subsidiary amounting to Rp1,285,982,893 (Note 44).

Property and equipment consist of property and equipment owned by the parent and subsidiary entities, including assets of Sarana Kesejahteraan Peserta (SKP).

As of December 31, 2021 and 2020, Directors of BPJS Ketenagakerjaan believe that there is no impairment in the property and equipment.

Sarana Kesejahteraan Peserta (SKP)

Sarana Kesejahteraan Peserta (SKP) are Additional Services Benefits (Manfaat Layanan Tambahan/MLT) that are used to improve the welfare of BPJS Ketenagakerjaan participants through flats housing facilities, health service facilities, and other welfare facilities. SKP assets consist of lands, buildings, and equipments.

All SKP property and equipment acquired are recorded initially at cost at the date of acquisition. BPJS Ketenagakerjaan choose the cost model for measuring its assets. In the cost model, SKP assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any, and presented in the consolidated financial statements separately. SKP assets, except lands, depreciated using the straight-line method at 5% per year and equipments at 25% per year. As of December 31, 2021 and 2020 property and equipment of the SKP entity are amounting to Rp104,272,002,011 and Rp108,004,472,322, respectively.

Property and equipment of BPJS Ketenagakerjaan buildings have been revalued regularly with the latest revaluation by Kantor Jasa Penilai Publik (KJPP) Zainal Effendi, M.T. through Assessment Report Number: 00003/3.0005-00/PI/11/0003/1/IX/2020 on September 25, 2020. The fair value of BPJS Ketenagakerjaan buildings are Rp535,370,510,000.

23. Right of Use Assets

In 2020 there is new application of accounting standards for leased assets recognized in the financial statements as property and equipment as stated in SFAS 73 on leases in which all leases above 12 months and have significant value will be recognized as right-of-use assets.

| | December 31, 2021 | | | Ending Balance |
|---------------------------------|------------------------|----------------|-----------|------------------------|
| | Beginning Balance | Addition | Deduction | |
| Right of Use Assets | | | | |
| Office Buildings | 371,786,282,978 | 73,386,875,068 | - | 445,173,158,045 |
| Other Buildings | 6,852,845,982 | 4,955,045,365 | - | 11,807,891,347 |
| Parking lots | 3,276,090,483 | - | - | 3,276,090,483 |
| Subtotal | 381,915,219,443 | 78,341,920,433 | - | 460,257,139,876 |
| Accumulated Depreciation | | | | |
| Office Buildings | 31,455,720,767 | 94,354,153,024 | - | 125,809,873,791 |
| Other Buildings | 1,024,158,033 | 2,219,848,748 | - | 3,244,006,781 |
| Parking lots | - | 655,218,097 | - | 655,218,097 |
| Subtotal | 32,479,878,800 | 97,229,219,869 | - | 129,709,098,669 |
| Total | 349,435,340,643 | | | 330,548,041,207 |

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| | December 31, 2020 | | | |
|---------------------------------|-----------------------|-----------------|-------------|------------------------|
| | January 1, 2020 | Addition | Deduction | Ending Balance |
| Right of Use Assets | | | | |
| Office Buildings | 23,282,361,081 | 348,503,921,897 | - | 371,786,282,978 |
| Other Buildings | 430,020,833 | 6,422,825,149 | - | 6,852,845,982 |
| Parking lots | - | 4,051,335,872 | 775,245,389 | 3,276,090,483 |
| Subtotal | 23,712,381,914 | 358,978,082,918 | 775,245,389 | 381,915,219,443 |
| Accumulated Depreciation | | | | |
| Office Buildings | - | 31,455,720,767 | - | 31,455,720,767 |
| Other Buildings | - | 1,024,158,033 | - | 1,024,158,033 |
| Parking lots | - | 775,245,389 | 775,245,389 | - |
| Subtotal | - | 33,255,124,189 | 775,245,389 | 32,479,878,800 |
| Total | 23,712,381,914 | | | 349,435,340,643 |

| | 2021 Rp | 2020 Rp |
|-------------------|------------------------|------------------------|
| Lease liabilities | | |
| Short term | 58,398,914,771 | 32,450,282,279 |
| Long term | 238,567,687,271 | 277,746,696,625 |
| Total | 296,966,602,042 | 310,196,978,904 |

Depreciation expense of right-of-use assets for the years ended December 31, 2021 and 2020 amounting to Rp97,229,219,869 and Rp33,255,124,189 presented as part of operating expenses of the parent entity amounting to Rp96,574,001,772 and Rp32,415,210,569, respectively (Note 36) and part of operating expenses of subsidiary amounting to Rp655,218,097 and Rp775,245,389, respectively (Note 44).

24. Intangible Assets

| | December 31, 2021 | | | | |
|---------------------------------|----------------------|-----------------|-----------|------------------|-----------------------|
| | Beginning Balance | Addition | Deduction | Reclassification | Ending Balance |
| Acquisition Cost | | | | | |
| Software License | 73,042,327,999 | 55,306,905,554 | - | - | 128,349,233,553 |
| Software Development | 21,469,551,953 | - | - | - | 21,469,551,953 |
| | 94,511,879,952 | 55,306,905,554 | - | - | 149,818,785,506 |
| Accumulated Amortization | | | | | |
| Software License | (65,586,703,001) | (5,001,242,370) | - | - | (70,587,945,371) |
| Software Development | (21,469,551,952) | - | - | - | (21,469,551,952) |
| | (87,056,254,953) | (5,001,242,370) | - | - | (92,057,497,323) |
| Net Book Value | 7,455,624,999 | | | | 57,761,288,183 |

| | December 31, 2020 | | | | |
|---------------------------------|-----------------------|-----------------|-----------|------------------|----------------------|
| | Beginning Balance | Addition | Deduction | Reclassification | Ending Balance |
| Acquisition Cost | | | | | |
| Software License | 73,042,327,999 | - | - | - | 73,042,327,999 |
| Software Development | 21,469,551,953 | - | - | - | 21,469,551,953 |
| | 94,511,879,952 | - | - | - | 94,511,879,952 |
| Accumulated Amortization | | | | | |
| Software License | (61,612,286,416) | (3,974,416,585) | - | - | (65,586,703,001) |
| Software Development | (21,469,551,952) | - | - | - | (21,469,551,952) |
| | (83,081,838,368) | (3,974,416,585) | - | - | (87,056,254,953) |
| Net Book Value | 11,430,041,584 | | | | 7,455,624,999 |

Amortization expense for intangible assets for the years ended December 31, 2021 and 2020 amounting to Rp5,001,242,370 and Rp3,974,416,585, respectively, are presented as part of operating expenses of the parent entity – depreciation and amortization.

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25. Other Non-current Assets

| | 2021 Rp | 2020 Rp |
|---|------------------------------|------------------------------|
| Unproductive Investment Assets | | |
| Lands ex MTN - PT. Sapta Prana Jaya | 72,250,000,000 | 72,250,000,000 |
| Subordinated Bonds - Bank Global | 67,000,000,000 | 67,000,000,000 |
| MTN - PT Volgreen Indonesia | 30,534,672,000 | 30,534,672,000 |
| Commercial Paper - PT Bank Pasific | 21,600,000,000 | 21,600,000,000 |
| MTN - Hati Prima Persada | 12,800,000,000 | 12,800,000,000 |
| Interest Receivable MTN - PT Volgreen Indonesia | 5,931,430,556 | 5,931,430,556 |
| Time Deposits non JHT - BPR Pilar Niaga | 4,955,000,000 | 4,955,000,000 |
| Shares - PT. Infoasia Teknologi Global | 2,925,000,000 | 2,925,000,000 |
| Deposits - Bank Republik Timor Leste | 1,081,948,430 | 1,081,948,430 |
| Rent Receivables - Menara Jamsostek | 365,955,333 | 365,955,333 |
| Subtotal | <u>219,444,006,319</u> | <u>219,444,006,319</u> |
| Unused Assets | 20,921,427,090 | 1,545,867,101 |
| Car Loans | 13,632,222,462 | 6,937,847,413 |
| Membership Golf Guarantee | 3,107,810,580 | 3,107,810,580 |
| Other Receivables | 315,222,000 | 315,222,000 |
| Others | 10,817,886,027 | 11,241,527,527 |
| Subtotal | <u>268,238,574,478</u> | <u>242,592,280,941</u> |
| Allowance for Impairment Losses | | |
| Unproductive Investment Assets | (219,444,006,319) | (219,444,006,319) |
| Total | <u><u>48,794,568,159</u></u> | <u><u>23,148,274,622</u></u> |

Car Loan

Car loanis given to BPJS Ketenagakerjaan's structural officers. As of December 31, 2021 and 2020, car loans with maturities of more than 12 (twelve) months amounting to Rp13,632,222,462 and Rp6,937,847,413, respectively.

Membership Golf Guarantee

Membership golf guarantee (Transferable Membership) is an investment in the form of membership which can be returned to the issuer of transferable membership or sold. Membership golf guarantee comes from the transfer of assets of PT ASTEK (Persero) amounting to Rp1,407,238,080 in 1991-1992 which is share participation in the form of membership transfer and transition assets of PT Jamsostek (Persero) amounting to Rp1,700,572,500 to BPJS Ketenagakerjaan for mutual fund debt repayment in 2004.

The details of golf tranferable membership are as follows:

| | Acquisition Year | 2021 Rp | 2020 Rp |
|-----------------------------|---------------------|-----------------------------|-----------------------------|
| Rancamaya, Bogor | 2004 | 1,485,000,000 | 1,485,000,000 |
| Taman Dayu Golf Club | 2004 | 215,572,500 | 215,572,500 |
| Cibodas Golf Park | 1992 | 180,000,000 | 180,000,000 |
| Palm Hill Country | 1992 | 202,000,000 | 202,000,000 |
| Pan Isi Development | 1992 | 177,238,080 | 177,238,080 |
| PT. Kokaba Diba | 1991 | 375,000,000 | 375,000,000 |
| Damai Padang Indonesia Golf | 1991 | 473,000,000 | 473,000,000 |
| Total | | <u><u>3,107,810,580</u></u> | <u><u>3,107,810,580</u></u> |

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Unused Assets

Unused assets represent assets that are not used operationally by BPJS Ketenagakerjaan for certain reasons based on the Regulation of Directors of BPJS Ketenagakerjaan Number: PERDIR/28/112018 dated November 18, 2018, concerning Guidelines for Property and Equipment, and Intangible Assets Management in the BPJS Ketenagakerjaan. Total assets that are no longer in used as of December 31, 2021 and 2020 are derived from mutations deduction in property and equipment (Note 22) with details as follows:

| REGIONAL OFFICE | 2021 | | | | | TOTAL |
|-----------------------------|-----------------------|--------------------|--------------------|---------------------|--------------------|-----------------------|
| | BUILDINGS | VEHICLES | OFFICE EQUIPMENTS | COMPUTER EQUIPMENTS | OTHER EQUIPMENTS | |
| Head Office | - | - | - | 73,040,559 | 10,709,270 | 83,749,829 |
| Regional Office Sumbagut | - | 2 | 38,181,129 | 80,525,026 | 27,036,154 | 145,742,311 |
| Regional Office Sumbagsel | - | 12,201,700 | 36,235,783 | 108,988,496 | 80,661,675 | 238,087,654 |
| Regional Office DKI Jakarta | - | 10,200,000 | 24,240,896 | 106,203,914 | 39,315,571 | 179,960,382 |
| Regional Office Jawa Barat | - | 11,780,001 | 30,946,328 | 121,849,663 | 39,028,243 | 203,604,235 |
| Regional Office Jawa Tengah | 10,373,757 | - | 12,154,448 | 36,964,211 | 24,466,713 | 83,959,130 |
| Regional Office Jawa Timur | - | - | 35,658,863 | 55,087,320 | 66,214,484 | 156,960,656 |
| Regional Office Kalimantan | - | - | 47,955,300 | 80,822,973 | 21,974,261 | 150,752,534 |
| Regional Office Sulama | 18,631,299,042 | - | 40,072,745 | 78,355,075 | 249,293,336 | 18,999,020,198 |
| Regional Office Sumbarriau | - | 305,586,000 | 17,775,649 | 95,812,160 | 83,122,214 | 502,296,023 |
| Regional Office Banten | - | - | 13,671,013 | 59,025,174 | 16,914,283 | 89,610,470 |
| Regional Office Banuspa | 1 | - | 21,575,505 | 28,415,130 | 37,693,024 | 87,683,659 |
| Total | 18,641,672,800 | 339,767,703 | 318,467,659 | 925,089,701 | 696,429,227 | 20,921,427,090 |

| REGIONAL OFFICE | 2020 | | | | | TOTAL |
|-----------------------------|-----------|--------------------|--------------------|---------------------|--------------------|----------------------|
| | BUILDINGS | VEHICLES | OFFICE EQUIPMENTS | COMPUTER EQUIPMENTS | OTHER EQUIPMENTS | |
| Head Office | - | - | 1,842 | 73,040,948 | 10,709,411 | 83,752,201 |
| Regional Office Sumbagut | - | 3 | 54,960,795 | 58,031,695 | 147,048,841 | 260,041,334 |
| Regional Office Sumbagsel | - | 1 | 11,410,397 | 104,555,927 | 58,267,684 | 174,234,008 |
| Regional Office DKI Jakarta | - | 10,200,000 | 16,194,341 | 63,905,347 | 15,240,734 | 105,540,422 |
| Regional Office Jawa Barat | - | 11,780,001 | 4,171,122 | 15,421,634 | 83 | 31,372,840 |
| Regional Office Jawa Tengah | - | - | 7,973,397 | 7,842,182 | 14,924,338 | 30,739,918 |
| Regional Office Jawa Timur | - | - | 18,419,663 | 33,271,339 | 47,353,280 | 99,044,281 |
| Regional Office Kalimantan | - | - | 16,875,357 | 36,904,369 | 30,710,885 | 84,490,611 |
| Regional Office Sulama | - | - | 48,008,264 | 65,686,062 | 71,586,806 | 185,281,132 |
| Regional Office Sumbarriau | - | 305,586,000 | 7,267,139 | 73,578,120 | 46,602,610 | 433,033,869 |
| Regional Office Banten | - | - | 8,093,355 | 2,627,034 | 2,732,209 | 13,452,598 |
| Regional Office Banuspa | 1 | - | 9,853,784 | 20,655,809 | 14,374,294 | 44,883,888 |
| TOTAL | 1 | 327,566,005 | 203,229,455 | 555,520,465 | 459,551,174 | 1,545,867,109 |

In 2021, there was write-off of assets that were no longer in used amounting to Rp422,504,111 (Note 45).

Unproductive Investment Assets

For the unproductive investment assets, allowances for impairment losses has been made in the amount of Rp219,444,006,319 or equivalent with 100% of the asset value as follows:

- 1) Unproductive investment assets in the form of land located in Pandeglang Regency, Lebak Banten and Cikahuripan Village, Bogor Regency with an area of 3,077,791 m² worth Rp72,250,000,000 and all of this has been set aside, derived from the submission of guarantees for MTN principal replacement issued by PT Sapta Prana Jaya (PT SPJ) in the amount of Rp100,000,000,000 made through Deed No: 6 dated 11 June 2003 Notary Syarifah Chozie, SH regarding the investment manager service contract termination agreement and settlement obligation. The land consists of a parcel of land with an area of 2,115,520 m² which has been certified a total of 149 (one hundred and forty-nine) certificates of ownership and an area of 962,271 m² with 132 girik. All proof of ownership of the land is still in the names of several people and not yet on behalf of BPJS Ketenagakerjaan because the administrative requirements for the process have not been fulfilled transfer of rights. As of the issuance date of this financial report, BPJS Ketenagakerjaan is making efforts to fulfill the administrative requirements.
- 2) On September 6, 2003, PT Jamsostek (Persero), since 2014 has become BPJS Ketenagakerjaan, purchased subordinated bonds of PT Bank Global International Tbk (Bank Global) amounting to Rp100,000,000,000. These bonds matured on September 15, 2013. At the time of acquisition, Rp50,000,000,000 of these bonds were classified as trading, while the remaining Rp50,000,000,000 was classified as available-for-sale. On December 13, 2004 Bank Indonesia (BI) has freezed the

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business activities of this Bank Global. The General Meeting of Subordinated Bond I Holders (RUPO) of Bank Global on December 29, 2004 then decided that Bank Global had defaulted on the principal payment of debt securities. In 2004, there was a decrease in the market value of bonds categorized as Available for Sale (AFS) and Trading amounting to Rp16,500,000,000, respectively. Therefore, the fair value in 2004 of each bonds are Rp33,500,000,000. BPJS Ketenagakerjaan has charged the investment in this Bank Global subordinated bond entirely as a loss (full provision).

- 3) In 2015, BPJS Ketenagakerjaan received the transfer of land assets of the former Medium Term Notes (MTN) of PT Volgren from PT Jamsostek (Persero) worth Rp32,323,207,900. The MTN has been declared default and an allowance has been made for PT Volgren's principal MTN amounting to Rp32,323,207,900 which is Rp24,370,000,000 was made in the 2002 financial year and Rp7,953,207,900 in the 2005 financial year. The latest provision is based on appraisal results by independent appraiser PT Sucofindo on its collateral land in Subang covering area of 15,700 m² so the principal balance of PT Volgren's MTN becomes Rp926,792,100.

In the 2006 fiscal year, PT Jamsostek (now changed to BPJS Ketenagakerjaan) has written off the MTN and its provision amounting to Rp32,323,207,900. Then, in 2011 financial year, the principal balance of the MTN and the allowance has been reverted and recorded in the financial statements as Unproductive Investments Assets and Allowance for Impairment Loss amounting to Rp30,534,672,000. This is due to the fact that not all assets related to PT Volgren's MTN guarantee have been executed so that the remaining value of the MTN remains recorded in the financial statements. The value of Rp30,534,672,000 is the difference between MTN principal at the time of acquisition amounted to Rp33,323,207,900 less the value of land and building in accordance with the appraisal report by an appraiser consultant amounting to Rp2,788,535,900. Land and the building in Subang has been recorded as Investment Property of JHT. Completion process of PT Volgren Indonesia's MTN principal is carried out after the execution of the former MTN collateral assets Another PT Volgren. Land and buildings have been auctioned three times but there were no interested parties have participated in the auction process. Until the issuance date of this financial report, efforts are being made to re-auction while looking for investors who want to buy the land. BPJS Ketenagakerjaan has sued back Eddy Sofyan as the original owner related to the objection to the execution of the Subang land, and based on Subang District Court Decision No: 52/Pdt.Bth/2016/PN.Sng which has been upheld in Bandung High Court Decision and Supreme Court Cassation Decision, BPJS Ketenagakerjaan is entitled to land and buildings in Subang and has permanent legal force. Currently BPJS Ketenagakerjaan is in the process of executing the property and will subsequently change the name to be in the name of BPJS Ketenagakerjaan.

- 4) Commercial Paper (CP) is an investment of BPJS Ketenagakerjaan funds worth Rp21,600,000,000, this investment has been impaired 100% and recorded as loss. This investment initially consist of 14 CPs from several issuers amounting to Rp36,000,000,000 and the issuance was guaranteed by PT Bank Pacific. However, at the maturity date of December 18, 1995, this CP could not be withdrawn. In 1998, some of CP's assets were exchanged for land assets covering an area of 187.5 hectares in Sirnasari Village, Kab. Bogor with an acquisition cost of Rp41,502,760,000 paid with 40% CP amounting to Rp14,400,000,000 and paid in cash amounting to Rp26,752,760,000 also notary fees of Rp350,000,000. Meanwhile, the CP of 60% equivalent to Rp21,600,000,000 remains as the property of BPJS Ketenagakerjaan. However, based on the Minutes of Physical Handover of CP between PT Jamsostek (Persero) and PT Nugra Santana dated July 23, 1998, 8 physical copies of CP were submitted with total amount of Rp14,500,000,000 or Rp100,000,000 greater than the CP that should have been submitted of Rp14,400,000,000. The difference of Rp100,000,000 is incorporated in the physical CP submitted because there is no fraction of the CP value of that amount and in 2012 BPJS Ketenagakerjaan has collected the excess of CP submission amounting to Rp100,000,000.
- 5) PT Hati Prima Perdana (HPP) MTN investment is managed by FM PT Panin Sekuritas Tbk, the recording is done on the basis of deal confirmation on November 1, 2001 with an interest rate of 13% per annum. In the 2002 financial year, all of PT HPP's MTN was impaired. PT HPP's MTN has matured on November 8, 2003, however as of the reporting date, there has been no repayment of either principal or interest. On August 7, 2012 in accordance with the Supreme Court's Cassation Decision Number: 146K/Pdt/2009, it has implicitly decided to incracht the case, so in substance,

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BPJS Ketenagakerjaan does not have any control over the economic benefits of PT HPP's MTN. According to the letter from the Board of Directors of PT Jamsostek (Persero) to the Minister of SOE Number: B/7113/072013 dated July 18, 2013, a proposal for the abolition of PT HPP's MTN was submitted to achieve approval from the Extraordinary General Meeting of Shareholders.

- 6) In accordance to the letter of the Senior Deputy Governor of Bank Indonesia Number: 5/49/KEP.DGS/2003 dated November 17, 2003 BPR Pilar Niaga's business license has been revoked. PT Jamsostek has a Non-JHT time deposits in the Bank amounting to Rp4,955,000,000, and has been fully impaired in 2003. This amount represents time deposits at BPR Pilar Niaga Head Office amounting to Rp3,650,000,000 and Salemba Branch Office amounting to Rp1,305,000,000. According to the letter of the BPR Pilar Niaga Liquidation Team Number: BPR/12/092006 dated December 13, 2006 regarding PT Jamsostek (Persero) time deposits, it was stated that the liquidation team had difficulties in the collection process to debtors and asked PT Jamsostek (Persero) to write off the receivables and write off the obligations of PT BPR Pilar Niaga (DL).
- 7) On December 2009, the shares of PT Infoasia Teknologi Global Tbk (IATG) were impaired for IATG shares (100%) with an unrealized loss of Rp2,925,000,000, and the recording was reclassified from investment assets to other assets.
- 8) Deposits amounting to Rp1,081,948,430 with Bank Republik Timor Leste (formerly BPD Timor Timur) which cannot be withdrawn and in December 2003 has been fully impaired.
- 9) The balance of the Menara Jamsostek rent receivables amounting to Rp365,955,333 is rent from a tenant who is no longer renting but the tenant has not yet completed the obligations and has been fully impaired.

Other Receivables and Others Non-Current Assets

Other receivables represent employee receivables for compensation claims. Other accounts are land rights, renovation of rental buildings and other investment collateral that are taken over.

26. Payable to Other Parties

| | 2021 Rp | 2020 Rp |
|------------------------|----------------------|----------------------|
| Parking Lot Rent | 1,360,745,173 | 1,524,107,069 |
| Building Rent Deposit | 581,311,053 | 664,711,383 |
| Telephone Rent Deposit | 174,000,000 | 174,000,000 |
| Total | 2,116,056,226 | 2,362,818,452 |

27. Taxes Payable

| | 2021 Rp | 2020 Rp |
|--------------------------|-----------------------|-----------------------|
| Parent Entity | | |
| Income Tax Article 21 | 54,520,423,839 | 51,492,227,869 |
| Income Tax Article 4 (2) | 4,770,756,809 | 1,752,704,264 |
| Income Tax Article 23 | 1,478,136,222 | 850,302,323 |
| Value Added Tax | 611,393,377 | 887,769,359 |
| Income Tax Article 29 | - | 28,585,913,946 |
| Subtotal | 61,380,710,247 | 83,568,917,760 |

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| | 2021 Rp | 2020 Rp |
|----------------------------------|-----------------------|-----------------------|
| Subsidiary | | |
| Income Tax Article 25 | 614,414,761 | - |
| Local Tax | 474,941,593 | 201,688,483 |
| Income Tax Article 21 | 235,804,487 | 224,857,660 |
| Value Added Tax | 234,461,002 | 403,401,383 |
| Income Tax Article 4 (2) | 94,249,912 | 87,160,085 |
| Income Tax Article 23 | 7,433,301 | 12,284,973 |
| Tax Overpayment of VAT year 2018 | - | 7,423,224 |
| Subtotal | 1,661,305,056 | 936,815,808 |
| Total | 63,042,015,303 | 84,505,733,568 |

The filed taxes payable are based on the calculation of the taxpayer(self assessment). Under Law No. 28 of 2007 concerning the Third Amendment to General Provisions and Tax Procedures, the Tax Authorities may conduct a tax audit on such calculation within a period of 5 years after the tax is due, with some exception, as determined in the Laws of General Provisions and Administration of Taxation.

Government Regulation of the Republic of Indonesia Number 73 Year 2016 has been enacted which regulates the Income Tax of the Social Security Program Organized by the Badan Penyelenggara Jaminan Sosial on December 30, 2016 and has been effective since the date of promulgation as well as Regulation of the Minister of Finance of the Republic of Indonesia Number 140/PMK.03/2017 concerning Procedures for Exclusion And Deduction of Income Taxes on Investment Results or Development of Funds from Assets of Social Security Funds on October 24, 2017.

In the Minister of Finance of the Republic of Indonesia Regulation Number 140/PMK.03/2017 article 3 paragraph (1) states that the investment results or the development of funds from assets of theDJS Ketenagakerjaan as referred in article 2 paragraph (4) letter b is not subject of income tax deduction by the payers parties or providing income.

The income tax that has been deducted as referred to in Article 3 paragraph (1) received or obtained from December 30, 2016 until before this Ministerial Regulation effectively applied, and has been deposited and reported by the with holding Income Tax, can be requested for a refund by BPJS Ketenagakerjaan.

28. Accrued Expenses

| | 2021 Rp | 2020 Rp |
|-----------------------|--------------------------|--------------------------|
| Accrued Expense | 528,622,877,245 | 354,859,386,013 |
| Management Incentive | 490,169,247,546 | 404,539,721,831 |
| Employee Incentive | 348,910,489,500 | 341,734,995,900 |
| Subsidiary | 5,171,169,536 | 3,642,437,692 |
| Accrued Expense - SKP | 4,394,284,521 | 3,808,550,722 |
| Subscription Expense | - | 13,652,910 |
| Total | 1,377,268,068,348 | 1,108,598,745,068 |

Management incentives are benefits other than salary and other additional benefits for the Board of Supervisors and the Board of Directors which are regulated in Presidential Regulation Number 110 Year 2013 concerning Presidential Regulation concerning Salaries or Wages and Other Additional Benefits and Incentives for Members of the Board of Supervisors and Members of the Board of Directors of Badan Penyelenggara Jaminan Sosial Article 4 paragraph 2. The balance of management incentives is an accumulation of incentive value for six years, from 2014 to 2019 which will be given to members of

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the Board of Supervisors and Board of Directors of BPJS Ketenagakerjaan. However, these incentives cannot be paid because until 2019 there are no implementing regulations regarding the amount and/or procedure for paying incentives to members of the Board of Supervisors (Dewan Pengawas) and Board of Directors of BPJS Ketenagakerjaan issued by authorized officials.

Through the Bintang Mulia Law Firm and Partners, 4 (four) members of the BPJS Ketenagakerjaan Board of Supervisors for the period January 1, 2014 until January 2016 sued the parties, namely: BPJS Ketenagakerjaan as Defendant I, Directors of BPJS Ketenagakerjaan as Defendant II, Minister of Finance of the Republic of Indonesia as Defendant III, President of the Republic of Indonesia Defendant IV and Board of Supervisors of BPJS Ketenagakerjaan as Co-Defendant I and Dewan Jaminan Sosial Nasional (DJSN) as Co-Defendant II. According to letter number: 008/BM&R/SP/II/2019 dated February 19, 2019, the Plaintiffs through their Attorneys withdrew the Civil Case Lawsuit Number: 806/Pdt.G/2018/PN.JKT.SEL in the District Court of South Jakarta.

Through their legal counsel, the Plaintiff re-filled the lawsuit at the South Jakarta District Court with case Number: 241/Pdt.G/2019/PN.Jkt.Sel with BPJS Ketenagakerjaan as Defendant I, Directors of BPJS Ketenagakerjaan as Defendant II, Minister of Finance of the Republic of Indonesia as Defendant III, President of the Republic of Indonesia as Defendant IV and Board of BPJS Ketenagakerjaan as Co-Defendant I and DJSN Republic of Indonesia as Co-Defendant II. In the new lawsuit, the Plaintiffs who originally consists of 4 (four) members become 6 (six) members of the BPJS Ketenagakerjaan Board of Supervisors for the period January 1, 2014 until January 2016 with the subject matter of the lawsuit still the same as before.

Regarding the lawsuit process in this case, a decision has been issued:

- 1) Jakarta District Court Decision Number: 241/Pdt.G/2019/PN.Jkt.Sel dated December 18, 2019 with the verdict, where the Plaintiff's claim cannot be accepted (Niet Ontvankelijk Verklaard) because the lawsuit is declared premature.
- 2) DKI Jakarta High Court Decision Number: 503/Pdt/2020/PT.DKI with a verdict on the point is: "To strengthen the decision of the South Jakarta District Court Number 241/Pdt.G/2019/PN Jkt Sel".

Against this decision, the original cassation applicant declared a cassation. BPJS Ketenagakerjaan has filed a contramemory of cassation through the South Jakarta District Court on April 5, 2021. Until this financial report is issued, it is still awaiting the decision of the Supreme Court.

29. Unearned Revenue

This account represents the income balance received in advance by BPJS Ketenagakerjaan and its subsidiary on capital expenditure building leases by other parties as of December 31, 2021 and 2020, as follows:

| | 2021 | 2020 |
|----------------------|----------------------|----------------------|
| | Rp | Rp |
| BPJS Ketenagakerjaan | 1,388,037,594 | 1,647,695,319 |
| Subsidiary | 391,772,197 | 1,123,601,910 |
| Total | 1,779,809,791 | 2,771,297,229 |

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30. Other Current Liabilities

| | 2021 Rp | 2020 Rp |
|---|------------------------|------------------------|
| Parent Entity | | |
| Other Liabilities Fixed Assets | 96,062,521,897 | 72,703,908,972 |
| Other Current Liabilities | 6,554,649,984 | 7,406,391,664 |
| Contribution Liabilities - Wages Recipients Workers | 12,496,749,663 | 36,002,472,650 |
| Contribution Liabilities - Construction Services | 205,876,574 | 716,699,040 |
| Contribution Program - JKM | - | 307,143 |
| Contribution Program - JHT | - | 1,888,167 |
| Contribution Program - JP | 6,118,500 | 300,000 |
| Transfer of Operating Expense Program Liabilities - JHT | 1,224,381,350 | 27,678,082,912 |
| Transfer of Operating Expense Program Liabilities - JKK | - | 282,930,599 |
| Transfer of Operating Expense Program Liabilities - JKM | - | 172,658,729 |
| Transfer of Operating Expense Program Liabilities - JP | - | 6,860,931,836 |
| Subsidiary | 5,991,950,206 | 4,019,513,528 |
| Total | 122,542,248,174 | 155,846,085,240 |

Inter-Program Liabilities

The BPJS Program payable to DJS is formed on transactions to contribution receive PU fees, construction services, and BPU.

Other Liabilities of Property and Equipment

This account represents the unpaid of property and equipment purchased transactions that has not been paid until the reporting period, with the following details:

| | 2021 Rp | 2020 Rp |
|-----------------|-----------------------|-----------------------|
| Head Office | 88,086,572,623 | 54,538,332,536 |
| Regional Office | 7,975,949,274 | 18,165,576,436 |
| Total | 96,062,521,897 | 72,703,908,972 |

Other Current Liabilities

As of December 31, 2021 and 2020, this account mainly represents accrued investment cost and employee salary deductions.

Contribution Liabilities to Program

Contribution Liabilities BPJS to Program is formed on transactions for receiving PU (through Virtual Account mechanism), Construction Services and BPU contributions.

31. Post Employment Benefits

This account is the sum of post-employment benefits liabilities and other long-term benefit liabilities. These liabilities are long-term, while post-employment benefits in the form of defined contribution benefits such as contributions for the JHT Program, contributions for the JP Program, and THT contributions for employees are recognized as short-term employee benefits. The followings are details of the long-term liabilities:

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| | 2021 Rp | 2020 Rp |
|--|--------------------------|--------------------------|
| BPJS Ketenagakerjaan | | |
| Post-Employment Benefit | | |
| Defined Pension Benefit | 207,553,301,174 | 141,773,408,974 |
| Gratuity benefits and termination benefits | 1,340,015,944,424 | 1,344,907,880,929 |
| Other Long-term Benefit | | |
| Long-term paid absences | 252,971,783,483 | 186,181,466,195 |
| Jubilee benefits | 306,926,705,128 | 270,298,620,240 |
| Subtotal | 2,107,467,734,209 | 1,943,161,376,338 |
| Subsidiary | 3,926,643,066 | 4,247,438,492 |
| Total | 2,111,394,377,275 | 1,947,408,814,830 |

Defined Pension Benefits

These benefits are given to the employees who stopped working, including retirement, death, permanent disabilities or early retirement in accordance with BPJS Ketenagakerjaan regulation in the form of regular monthly payment to employees or their families until death or for children until reach a certain age. These benefits are provided to permanent employees appointed prior to September 2011, these benefits programs are managed by Dana Pensiun Manfaat Pasti Jamsostek whose establishment has been approved in accordance with applicable laws and regulations. BPJS Ketenagakerjaan pays contributions to the Pension Fund in accordance with the actuarial valuation calculated by the Pension Fund, which is 15.04% and for employees is 5%. In addition to retirement benefits, employees who are still active and retired employees, also receive additional benefits in the form of Eid al-Fitr allowances. Permanent employees who are appointed after September 2011 obtain defined contribution pension benefits under the same contribution scheme, the pension benefits managed by DPLK BNI Life.

Liabilities and post-employment benefit expenses for defined benefit pensions for 2021 are calculated using Projected Unit Credit method by actuary Kantor Konsultan Aktuaria (KKA) Muh Imam Basuki dan Rekan according to its report Number 009/PSA-MIB/LA/I/2022 dated January 14, 2022. The following describes movement of employees benefits liabilities and current year expenses and the assumptions used for the calculations.

| | 2021 | 2020 |
|--|--|-------|
| Interest rate | 7.20% | 7.50% |
| Rate of increased salary in the future | 4.00% | 4.00% |
| Mortality rate | GAM 1971 | |
| Disability rate | 0.20% | |
| Turnover rate | Age 18 - 45 years = 0.72% per year Age 46 - 55 years = 1.00% per year | |

Reconciliation of post-employment benefits assets and liabilities recognized in the statement of financial position:

| | 2021 Rp | 2020 Rp |
|--|------------------------|------------------------|
| Present value of the defined benefit obligation | 2,199,716,181,077 | 2,057,550,061,007 |
| Fair value of program assets | (1,992,162,879,903) | (1,915,776,652,033) |
| Liability recognized in consolidated statement of financial position | 207,553,301,174 | 141,773,408,974 |

Movements in net liabilities in the statement of financial position are as follows:

| | 2021 Rp | 2020 Rp |
|--|------------------------|------------------------|
| Beginning balance of present value obligation | 141,773,408,974 | 71,211,100,910 |
| Total amount recognized in statement of surplus deficits | 33,031,501,137 | 60,518,635,032 |
| Total amount recognized in statement of other comprehensive income | 66,955,805,610 | 45,176,761,357 |
| Benefits payment | (34,207,414,547) | (35,133,088,325) |
| Ending balance of present value obligation | 207,553,301,174 | 141,773,408,974 |

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Expenses recognized in the surplus deficit statement are as follows:

| | 2021 Rp | 2020 Rp |
|---|-----------------------|-----------------------|
| Total amount recognized in statement of surplus deficits | | |
| Current service cost | 36,177,650,529 | 35,774,172,054 |
| Employees' contributions | (8,079,220,779) | (8,420,225,258) |
| Net interest of liability (assets) | 10,633,005,673 | 5,839,310,275 |
| Actuarial (gains) loss | (5,699,934,286) | 27,325,377,961 |
| Total expense in surplus deficits | 33,031,501,137 | 60,518,635,032 |
| Remeasurement of defined benefits liability (assets): | | |
| Actuarial (gains) loss | 66,955,805,610 | 45,176,761,357 |
| Total other comprehensive loss | 66,955,805,610 | 45,176,761,357 |

Sensitivity analysis based on the effect of defined benefit obligation:

| | 2021 Rp | 2020 Rp |
|--|-------------------|-------------------|
| Interest rate | | |
| Effect on present value defined benefit liability | | |
| Increase 1% | 1,964,610,381,325 | 1,840,084,671,047 |
| Decrease 1% | 2,486,122,329,152 | 2,321,920,411,852 |
| Effect on current service cost | | |
| Increase 1% | 30,387,704,925 | 30,163,109,818 |
| Decrease 1% | 43,556,943,361 | 42,914,350,497 |
| Rate of increased salary | | |
| Effect on present value defined benefit liability | | |
| Increase 1% | 2,260,317,242,181 | 2,114,299,888,312 |
| Decrease 1% | 2,145,030,252,903 | 2,006,436,632,632 |
| Effect on current service cost | | |
| Increase 1% | 39,261,127,109 | 38,776,358,909 |
| Decrease 1% | 33,424,430,552 | 33,105,168,205 |

Subsidiary

Movements in net liabilities in the statement of financial position are as follows:

| | 2021 Rp | 2020 Rp |
|---|----------------------|----------------------|
| Beginning balance | 4,247,438,492 | 4,024,396,897 |
| Current service cost | 353,222,085 | 427,049,291 |
| Net interest cost | 269,383,091 | 247,190,870 |
| Actuarial (gain) loss | | |
| Recognized - Completion | (894,160,302) | - |
| Gain of remeasurement | | |
| Actuarial gain | 41,051,720 | 320,686,889 |
| Payment of benefits in the current year | (90,292,020) | (771,885,455) |
| Ending balance | 3,926,643,066 | 4,247,438,492 |

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Expenses recognized in the deficit surplus statement are as follows:

| | 2021 Rp | 2020 Rp |
|---|----------------------|--------------------|
| Service cost | | |
| Current service cost | 353,222,085 | 427,049,291 |
| Net interest cost | 269,383,091 | 247,190,870 |
| Actuarial (gain) loss | | |
| Recognized - Completion | (894,160,302) | - |
| Defined benefit costs recognized in profit or loss | (271,555,126) | 674,240,161 |
| Remeasurement of defined benefit liability | | |
| Actuarial (gain) loss | 41,051,721 | 320,686,889 |
| Defined benefit costs recognized in other comprehensive income | 41,051,721 | 320,686,889 |
| Ending balance | (230,503,405) | 994,927,050 |

Gratuity Benefits and Termination Benefits

Rewards for gratuity benefits and termination benefit payments are granted to all employees when termination of employment, the amount is calculated based on a certain formula according to the number of working years and the amount of salary at the time of employment termination, which is stipulated in the regulations by the Directors of BPJS Ketenagakerjaan. These benefits are not funded and managed internally. Expenses and liabilities for these benefits for 2021 are calculated by the actuary of KKA Muh Imam Basuki dan Rekan according to report Number 008/PSA-MIB/LA/I/2022 dated January 14, 2022. The basic assumptions used by actuary are as follows:

| | 2021 | 2020 |
|--|--|--|
| Interest rate | 7.61% | 7.50% |
| Rate of salary increased in the future | 5% | 5% |
| Mortality rate | TMI IV - 2019 | TMI IV - 2019 |
| Turnover rate | 1% in age 20 year to 0.2% in age 50 year | 1% in age 20 year to 0.2% in age 50 year |
| Disability or illness rate | 0.0025% in age 20 year increase to 0.025% in age 50 year | 0.0025% in age 20 year increase to 0.025% in age 50 year |
| Retirement age | 57 | 57 |

Movements in net liabilities in the statement of financial position are as follows:

| | 2021 Rp | 2020 Rp |
|--|--------------------------|--------------------------|
| Beginning balance of present value obligation | 1,344,907,880,929 | 1,320,218,906,730 |
| Total amount recognized in statement of surplus deficits | 199,294,768,049 | 200,040,345,267 |
| Total amount recognized in statement of other comprehensive income | (46,980,337,037) | (15,137,690,272) |
| Benefits payment | (157,206,367,517) | (160,213,680,796) |
| Ending balance of present value obligation | 1,340,015,944,424 | 1,344,907,880,929 |

Expenses recognized in the deficit surplus statement are as follows:

| | 2021 Rp | 2020 Rp |
|---|------------------------|------------------------|
| Total amount recognised in statement of surplus deficits | | |
| Current service cost | 98,426,676,979 | 97,195,292,433 |
| Interest cost | 100,868,091,070 | 102,845,052,834 |
| Total expense in surplus deficits | 199,294,768,049 | 200,040,345,267 |
| Remeasurement of defined benefits liability (assets) | | |
| Actuarial (gains) loss | 46,980,337,037 | 15,137,690,272 |
| Total other comprehensive loss | 46,980,337,037 | 15,137,690,272 |

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Sensitivity analysis based on the effect of defined benefit obligation:

| | 2021 | 2020 |
|---------------------------------|-------------------|-------------------|
| | Rp | Rp |
| Interest rate | | |
| Increase 1% | 1,212,674,009,582 | 1,219,213,450,935 |
| Decrease 1% | 1,490,095,930,151 | 1,493,517,471,839 |
| Rate of increased salary | | |
| Increase 1% | 1,519,008,428,819 | 1,508,933,916,196 |
| Decrease 1% | 1,191,041,664,419 | 1,207,059,877,361 |

Long-term Paid Absences

These benefits are given to employees who have fulfilled the requirements stipulated in the regulations set by the Directors of BPJS Ketenagakerjaan. These benefits are not funded and are fully managed by BPJS Ketenagakerjaan internally. Liabilities and compensation expenses recognized in the 2021 statement of financial position calculated by the actuary of KKA Muh Imam Basuki dan Rekan according to report Number 008/PSA-MIB/LA/I/2022 dated January 14, 2022. The methods, assumptions and number of employees used as a basis for the calculation are the same as the employee's methods, assumptions and data used to calculate the gratuity benefits and termination benefits.

Movements in net liabilities in the statement of financial position are as follows:

| | 2021 | 2020 |
|--|------------------------|------------------------|
| | Rp | Rp |
| Beginning balance of present value obligation | 186,181,466,195 | 231,855,408,466 |
| Total amount recognized in statement of surplus deficits | 111,441,933,888 | 19,818,645,579 |
| Benefits payment | (44,651,616,600) | (65,492,587,850) |
| Ending balance of present value obligation | 252,971,783,483 | 186,181,466,195 |

Expenses recognized in the surplus deficit statement are as follows:

| | 2021 | 2020 |
|---|------------------------|-----------------------|
| | Rp | Rp |
| Total amount recognised in statement of surplus deficits | | |
| Current service cost | 27,878,366,610 | 22,877,062,125 |
| Interest cost | 31,299,577,040 | 18,061,536,319 |
| Actuarial (gains) loss | 52,263,990,238 | (21,119,952,865) |
| Total expense in surplus deficits | 111,441,933,888 | 19,818,645,579 |

Sensitivity analysis based on the effect of defined benefit obligation:

| | 2021 | 2020 |
|---------------------------------|-----------------|-----------------|
| | Rp | Rp |
| Interest rate | | |
| Increase 1% | 237,782,437,931 | 174,410,100,742 |
| Decrease 1% | 270,135,150,977 | 199,487,071,524 |
| Rate of increased salary | | |
| Increase 1% | 270,412,794,666 | 199,687,634,281 |
| Decrease 1% | 237,286,942,980 | 174,307,828,139 |

Jubilee Benefits

These benefits are given to employees who have fulfilled the requirements stipulated in BPJS Ketenagakerjaan's internal regulations, amount of the benefits depends on the length of service of the employee. These benefits are not funded and are fully managed internally by BPJS Ketenagakerjaan. Liabilities and compensation expenses are recognized in the 2021 financial statement calculated by the actuary of KKA Muh Imam Basuki dan Rekan according to the report Number 008/PSA-MIB/LA/I/2022

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dated January 14, 2022. The methods, assumptions and number of employees used as a basis the calculation are the same as the employee's methods, assumptions and data used to calculate the gratuity benefits and termination benefits.

Movements in net liabilities in the statement of financial position are as follows:

| | 2021 Rp | 2020 Rp |
|--|------------------------|------------------------|
| Beginning balance of present value obligation | 270,298,620,240 | 240,469,338,455 |
| Total amount recognized in statement of surplus deficits | 54,439,636,288 | 45,079,790,785 |
| Benefits payment | (17,811,551,400) | (15,250,509,000) |
| Ending balance of present value obligation | 306,926,705,128 | 270,298,620,240 |

Expenses recognized in the surplus deficit statement are as follows:

| | 2021 Rp | 2020 Rp |
|---|-----------------------|-----------------------|
| Total amount recognised in statement of surplus deficits | | |
| Current service cost | 27,974,734,601 | 26,745,936,437 |
| Interest cost | 23,485,510,983 | 18,732,561,466 |
| Actuarial (gains) loss | 2,979,390,704 | (398,707,118) |
| Total expense in surplus deficits | 54,439,636,288 | 45,079,790,785 |

Sensitivity analysis based on the effect of defined benefit obligation:

| | 2021 Rp | 2020 Rp |
|---------------------------------|-----------------|-----------------|
| Interest rate | | |
| Increase 1% | 286,416,319,054 | 251,100,615,215 |
| Decrease 1% | 330,303,725,280 | 292,182,549,425 |
| Rate of increased salary | | |
| Increase 1% | 330,683,521,870 | 292,513,811,153 |
| Decrease 1% | 285,750,259,591 | 250,496,138,342 |

32. Paid-in Capital

This account represents the consolidated balance of BPJS Ketenagakerjaan capital as of December 31, 2021 and 2020 amounting to Rp9,459,295,255,351 with the following details:

| | 2021 Rp | 2020 Rp |
|--|--------------------------|--------------------------|
| Government Initial Capital | 500,000,000,000 | 500,000,000,000 |
| Transfer of Net Assets of PT Jamsostek | 7,323,338,452,466 | 7,323,338,452,466 |
| Surplus Distribution | 1,635,956,802,885 | 1,635,956,802,885 |
| Total | 9,459,295,255,351 | 9,459,295,255,351 |

The initial capital of BPJS Ketenagakerjaan amounted to Rp7,823,338,452,466 was derived from the transfer of PT Jamsostek (Persero) assets and liabilities as stated in the Closing Statement of Financial Position of PT Jamsostek (Persero) as of December 31, 2013 amounted to Rp7,323,338,452,466, and initial capital from the government which is separated state's assets and not divided into shares amounted to Rp500,000,000,000, in accordance with Government Regulation of the Republic of Indonesia Number 83 Year 2013.

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33. Additional Paid-in Capital

BPJS Ketenagakerjaan also manages Additional Services Benefits (Manfaat Layanan Tambahan (MLT)) with the objective to improve welfare of participants. Based on article 62 of the Government Regulation of the Republic of Indonesia Number 99 Year 2013 stated that assets and liabilities of MLT as of June 30, 2015 are transferred to BPJS Ketenagakerjaan assets and liabilities. MLT for operations and MLT that has been distributed, which is a net asset of the MLT program, when transferred to BPJS Ketenagakerjaan as of June 30, 2015 was presented as additional paid in capital amounted to Rp1,408,126,715,496.

Based on Government Regulation Number 55 Year 2015 article 64A concerning the Amendment of Government Regulation Number 99 Year 2013 concerning Employment Social Security Assets Management, the MLT Program changed its name to Program Sarana Kesejahteraan Peserta (SKP) as of June 30, 2015.

34. Noncontrolling Interest

This account is part of non-controlling ownership of the net assets of subsidiary with details as follows:

| Subsidiary | December 31, 2021 | | | | Total |
|-------------------------|-------------------|-------------------|---------------------|----------------------------|-----------|
| | Capital Shares | Retained Earnings | Profit Current Year | Other Comprehensive Income | |
| PT Binajasa Abadi Karya | 1,000,000 | 2,637,972 | 482,651 | (3,124) | 4,117,499 |

| Subsidiary | December 31, 2020 | | | | Total |
|-------------------------|-------------------|-------------------|---------------------|----------------------------|-----------|
| | Capital Shares | Retained Earnings | Profit Current Year | Other Comprehensive Income | |
| PT Binajasa Abadi Karya | 1,000,000 | 2,550,084 | 87,888 | - | 3,637,972 |

35. Management Fee Revenue

| | 2021 Rp | 2020 Rp |
|--|--------------------------|--------------------------|
| Management Fee Revenue from Program Jaminan Hari Tua (JHT) | 2,906,362,011,619 | 3,106,939,271,287 |
| Management Fee Revenue from Program Jaminan Kecelakaan Kerja (JKK) | 533,245,873,399 | 226,369,062,925 |
| Management Fee Revenue from Program Jaminan Kematian (JKM) | 263,304,502,274 | 108,901,740,143 |
| Management Fee Revenue from Program Jaminan Pensiun (JP) | 965,109,612,708 | 613,959,925,645 |
| Total | 4,668,022,000,000 | 4,056,170,000,000 |

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36. Operating Expenses of Program Management

| | 2021 Rp | 2020 Rp |
|-----------------------------------|--------------------------|--------------------------|
| Operating and Support Expenses | 464,849,986,781 | 391,576,087,386 |
| Personnel and Management Expenses | 3,363,225,071,475 | 3,068,522,542,464 |
| General and Other Expenses | 805,353,023,111 | 628,757,052,087 |
| Total | 4,633,428,081,367 | 4,088,855,681,937 |

| | 2021 Rp | 2020 Rp |
|--|--------------------------|--------------------------|
| Operating and Support Expenses | | |
| Educating and Training Expenses | 359,416,052,991 | 335,901,580,748 |
| Planning and Development Expenses | 72,278,100,489 | 26,628,442,149 |
| Human Resource Development Expenses | 27,009,022,273 | 22,889,487,373 |
| Legal Issue Settlement Expenses | 6,146,811,028 | 6,156,577,115 |
| Subtotal | 464,849,986,781 | 391,576,087,386 |
| Personnel and Management Expenses | | |
| Personnel Expenses | 3,095,948,165,664 | 2,778,031,905,595 |
| Post Employment Benefit Expenses | 196,379,913,149 | 200,040,345,267 |
| Management Expenses | 70,896,992,662 | 90,450,291,602 |
| Subtotal | 3,363,225,071,475 | 3,068,522,542,464 |
| General and Other Expenses | | |
| General/Administration Expenses | 585,325,533,253 | 477,550,351,550 |
| Depreciation and Amortization Expenses | 220,027,489,858 | 151,206,700,537 |
| Subtotal | 805,353,023,111 | 628,757,052,087 |
| Total | 4,633,428,081,367 | 4,088,855,681,937 |

Detail of operating expenses:

| | 2021 Rp | 2020 Rp |
|---|------------------------|------------------------|
| Educating and Training Expenses | | |
| Participant Deelopment Expenses | 190,384,469,696 | 180,580,272,318 |
| Business Travel Expenses | 56,079,235,187 | 38,813,749,040 |
| Participant Expanation Expenses | 51,205,859,010 | 62,750,259,696 |
| Public Relation Expenses | 48,494,938,826 | 40,615,557,694 |
| Representation Officer Expenses | 13,251,550,272 | 13,141,742,001 |
| Subtotal | 359,416,052,991 | 335,901,580,748 |
| Planning and Development Expenses | | |
| Planning and Development Management Expenses | 69,479,467,027 | 21,129,606,251 |
| Planning and Development International Cooperation Expenses | 1,455,748,194 | 1,782,177,438 |
| Planning and Development Institutional Expenses | 977,140,903 | 561,780,398 |
| Planning and Development Program Expenses | 365,744,365 | 3,154,878,062 |
| Subtotal | 72,278,100,489 | 26,628,442,149 |
| Human Resource Development Expenses | | |
| Career Training Expenses | 18,095,720,281 | 22,038,192,303 |
| Development Training Expenses | 3,206,823,816 | - |
| Beban Penyelenggaraan Penilaian Pegawai | 3,198,556,700 | - |
| Technical Training Expenses | 2,213,771,315 | 674,170,233 |
| Continuing Training Expenses | 294,150,161 | 177,124,837 |
| Subtotal | 27,009,022,273 | 22,889,487,373 |

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| | 2021 Rp | 2020 Rp |
|---|--------------------------|--------------------------|
| Legal Issue Settlement Expenses | | |
| Legal Implementation Expenses | 4,592,246,560 | 4,564,376,171 |
| Legal Preparation Expenses | 1,554,564,468 | 1,592,200,944 |
| Subtotal | 6,146,811,028 | 6,156,577,115 |
| Personnel Expenses | | |
| Salaries Expenses | 1,670,325,583,401 | 1,522,993,256,389 |
| Social Securites and Employee Pension Expenses | 382,266,565,018 | 383,330,153,180 |
| Other Salaries Expenses | 318,415,127,527 | 232,037,905,673 |
| Honorary Salary Expenses | 298,564,542,000 | 297,098,629,977 |
| Additional Allowance Expenses | 292,392,822,850 | 262,268,633,075 |
| Training Employment Expenses | 119,599,858,878 | 69,054,874,103 |
| Recruitment and Placement Expenses | 14,383,665,990 | 11,248,453,198 |
| Subtotal | 3,095,948,165,664 | 2,778,031,905,595 |
| Management Expenses | | |
| Director Expenses | 34,333,086,428 | 39,900,515,377 |
| Supervisory Board Expenses | 24,523,080,400 | 34,773,610,518 |
| Other Expenses | 12,040,825,834 | 15,776,165,708 |
| Subtotal | 70,896,992,662 | 90,450,291,602 |
| Post Employment Benefit Expenses | | |
| Post Employment Benefit Expenses | 196,379,913,149 | 200,040,345,267 |
| Subtotal | 196,379,913,149 | 200,040,345,267 |
| General/Administration Expenses | | |
| Assets Maintanace and Management Expenses | 209,022,754,588 | 191,542,441,131 |
| Finance Expense from Lease Liabilities | 78,341,920,433 | - |
| Data Processing Expenses | 59,164,046,708 | 60,000,883,024 |
| Household and Meeting Expenses | 57,329,883,906 | 47,640,527,583 |
| Rent Expenses | 51,631,378,674 | 42,611,324,037 |
| Subscription Expenses | 39,097,236,888 | 43,173,575,332 |
| Financial Administration Expenses | 29,016,579,628 | 23,284,190,101 |
| Office Supplies Expenses | 25,243,185,539 | 31,793,448,589 |
| Tax and Insurance Expenses for Fixed Assets | 18,811,141,269 | 19,129,803,495 |
| Secretariat Expenses | 17,667,405,620 | 18,349,158,258 |
| Others General Expenses | - | 25,000,000 |
| Subtotal | 585,325,533,253 | 477,550,351,550 |
| Depreciation and Amortization Expenses | | |
| Depreciation Expenses (Note 22) | 117,791,495,490 | 114,009,556,151 |
| Depreciation Expenses - Right of Use Assets (Note 23) | 96,574,001,772 | 32,415,210,569 |
| Amortization Expenses | 5,661,992,596 | 4,781,933,817 |
| Subtotal | 220,027,489,858 | 151,206,700,537 |
| Total | 4,633,428,081,367 | 4,088,855,681,937 |

37. Investment Income

| | 2021 Rp | 2020 Rp |
|--|------------------------|------------------------|
| Interest Income | 529,578,007,447 | 538,545,088,786 |
| Shariah Investment Income | 138,995,082,155 | 126,054,257,510 |
| Dividend Income | 50,469,700,708 | 73,353,899,046 |
| Rent Income | 7,126,328,607 | 5,000,000,000 |
| Other Investment Income | 1,278,050,459 | 49,160,331 |
| Gain On Sale of Investment | - | 78,857,557,000 |
| Unrealized Gain/(Losses) on Investment | (37,932,316,000) | 4,084,143,000 |
| Total | 689,514,853,375 | 825,944,105,673 |

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Detail of investment income:

| | 2021 | 2020 |
|---|-------------------------|------------------------|
| | Rp | Rp |
| Interest Income | | |
| Bonds | | |
| Measured at fair value through profit or loss (Note 12) | 24,492,989,583 | 25,611,788,675 |
| Measured at amortized cost (Note 12 and 19) | 366,987,232,206 | 380,400,895,413 |
| Time Deposits (Note 12) | 114,247,560,438 | 96,626,965,737 |
| Deposit On Call (Note 5) | 23,850,225,220 | 35,905,438,960 |
| Subtotal | 529,578,007,447 | 538,545,088,786 |
| Shariah Investment Income | | |
| Profit Sharing of Sukuk (Note 12 and 19) | 128,560,937,730 | 119,414,342,232 |
| Profit Sharing of Deposits (Note 12) | 10,434,144,425 | 6,639,915,278 |
| Subtotal | 138,995,082,155 | 126,054,257,510 |
| Dividend Income | | |
| Shares (Note 12) | 38,609,939,870 | 59,638,583,373 |
| Profit Sharing of Mutual Funds (Note 12) | 9,654,310,838 | 11,414,250,673 |
| Investment in Other Entities (Note 20) | 2,205,450,000 | 2,301,065,000 |
| Subtotal | 50,469,700,708 | 73,353,899,046 |
| Rent Income | | |
| Rent Incomes | 7,126,328,607 | 5,000,000,000 |
| Subtotal | 7,126,328,607 | 5,000,000,000 |
| Other Investment Income | | |
| Other Investment Income | 1,278,050,458 | 49,160,331 |
| Subtotal | 1,278,050,458 | 49,160,331 |
| Gain On Sale of Investment | | |
| Shares (Note 12) | - | 74,506,307,000 |
| Bonds | - | 4,351,250,000 |
| Subtotal | - | 78,857,557,000 |
| Unrealized Gain/(Losses) | | |
| Bonds (Note 12 and 19) | (16,715,000,000) | 29,392,570,000 |
| Shares (Note 12) | (21,217,316,000) | (25,308,427,000) |
| Subtotal | (37,932,316,000) | 4,084,143,000 |
| Total | 689,514,853,375 | 825,944,105,673 |

38. Investment Expenses

| | 2021 | 2020 |
|---|------------------------|------------------------|
| | Rp | Rp |
| Tax on Investment Activities | 101,733,706,236 | 111,448,935,601 |
| Administration on Investment Activities | 2,341,156,861 | 1,972,645,381 |
| Other Investment Expenses | 1,603,003,846 | 1,253,879,397 |
| Investment Properties Expenses | 1,379,240,811 | 1,916,152,252 |
| Investment Properties | 689,460,000 | 2,587,100,000 |
| Investment Assets Insurance Expenses | 8,044,113 | 6,032,084 |
| Total | 107,754,611,867 | 119,184,744,715 |

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| | 2021 Rp | 2020 Rp |
|--|------------------------|------------------------|
| Tax on Investment Activities | | |
| Income Tax on Interest of Bonds | 50,984,901,983 | 61,060,048,054 |
| Income Tax on Interest of Time Deposits | 27,454,645,780 | 26,734,051,095 |
| Income Tax on Interest of Sharia Shares | 20,659,027,356 | 20,220,654,188 |
| Tax on Land and Building | 1,210,544,702 | 1,235,139,065 |
| Income Tax on Interest of Investment Property | 712,632,861 | 978,970,844 |
| Income Tax on Interest of Shares | 711,953,554 | 515,475,106 |
| Income Tax on Interest of Discount Bonds | - | 359,437,500 |
| Income Tax on Interest of Investment in Associates | - | 345,159,750 |
| Subtotal | 101,733,706,236 | 111,448,935,601 |
| Investment Properties | | |
| Fee of Investment Manager | 689,460,000 | 2,587,100,000 |
| Subtotal | 689,460,000 | 2,587,100,000 |
| Administration on Investment Activities | | |
| Custody | 1,198,198,800 | 1,267,714,729 |
| Investment Transaction | 1,142,958,061 | 704,930,652 |
| Subtotal | 2,341,156,861 | 1,972,645,381 |
| Investment Properties Expenses | | |
| Depreciation of Investment Property (Note 21) | 875,239,665 | 1,388,925,423 |
| Land Maintenance | 504,001,146 | 527,226,829 |
| Subtotal | 1,379,240,811 | 1,916,152,252 |
| Other Investment Expenses | | |
| Other Investment | 975,080,800 | 1,189,544,300 |
| Allowance for Impairment Losses/(Recoveries) of Deposits | 813,989,747 | 52,552,638 |
| Investment Bank Charges | 4,362,299 | 3,903,602 |
| Stamps Duty | 257,000 | 117,000 |
| Allowance for Impairment Losses/(Recoveries) of Bonds | (190,686,000) | 7,761,857 |
| Subtotal | 1,603,003,846 | 1,253,879,397 |
| Investment Assets Insurance Expenses | | |
| Building Insurance Expenses | 8,044,113 | 6,032,084 |
| Subtotal | 8,044,113 | 6,032,084 |
| Total | 107,754,611,867 | 119,184,744,715 |

39. Incentive Expenses

| | 2021 Rp | 2020 Rp |
|--------------------------------|------------------------|------------------------|
| Director and Supervisory Board | 85,629,525,715 | 56,081,604,776 |
| Employees | 348,910,489,500 | 341,734,995,900 |
| Total | 434,540,015,215 | 397,816,600,676 |

40. SKP Income

| | 2021 Rp | 2020 Rp |
|--|-----------------------|-----------------------|
| Interest Income from Temporary Placement | 42,894,115,176 | 86,250,508,304 |
| Income from Flat Rental | 3,183,964,572 | 2,475,100,000 |
| Other | 66,186,668 | 197,794,211 |
| Interest Income from Loan | - | 1,760,248,820 |
| Total | 46,144,266,416 | 90,683,651,335 |

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41. SKP Expenses

| | 2021 | 2020 |
|---|-----------------------|-----------------------|
| | Rp | Rp |
| Income Tax Expenses | 11,328,350,660 | 17,393,917,423 |
| Management Loan Expenses | 9,020,316,937 | 12,065,940,096 |
| Depreciation Expenses (Note 22) | 5,833,544,638 | 7,010,588,233 |
| Survey Expenses | 2,917,055,708 | 858,358,151 |
| Management Flat Rent Expenses | 2,602,555,658 | 1,431,812,434 |
| Coaching Expenses | 824,657,840 | 361,918,789 |
| General and Administration Expenses | 271,167,967 | 4,889,197,280 |
| Receivable Allowance/(Recovery) (Note 10) | 152,106,017 | (340,388,410) |
| Total | 32,949,755,426 | 43,671,343,996 |

42. Social Responsibility and Environment Expenses

This account represents social responsibility and environment expenses incurred for the community-based participants and environmental guidelines for the community for the years ended December 31, 2021 and 2020, which amounting to Rp152,094,936 and Rp1,587,887,523, respectively.

43. Income of Subsidiary

This account represents the Subsidiary's operating income from direct operational activities for the years ended December 31, 2021 and 2020, which amounting to Rp48,375,504,254 and Rp42,790,449,123, respectively.

44. Operating Expenses of Subsidiary

This account represents the Subsidiary's operating expenses which were used to operational BPJS Ketenagakerjaan for the years ended December 31, 2021 and 2020 amounting to Rp79,860,567,590 and Rp75,321,674,238, respectively.

45. Other Income (Expenses)

| | 2021 | 2020 |
|--|------------------------|-------------------------|
| | Rp | Rp |
| Other Income | | |
| Interest from Current Account | 6,630,730,172 | 5,445,140,214 |
| Penalties | 3,418,666,011 | 1,857,287,982 |
| Rental Building | 1,607,822,724 | 1,791,093,611 |
| Gain on Sale of Property and Equipment | 1,562,996,570 | 5,001,607,890 |
| Subsidiary | 768,867,088 | 665,043,970 |
| Others | 15,959,836,085 | 198,181,016,837 |
| Subtotal | 29,948,918,650 | 212,941,190,503 |
| Other Expenses | | |
| Write-off of Property and Equipment | (422,504,111) | (815,483,491) |
| Income Tax and Penalties | (5,000,000) | (51,904,581,953) |
| Subsidiary | (364,221,900) | (507,976,654) |
| Other | (1,185,808,602) | (839,478,576) |
| Subtotal | (1,977,534,613) | (54,067,520,674) |
| Total | 27,971,384,037 | 158,873,669,829 |

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46. Surplus Distribution Expense

| | 2021 Rp | 2020 Rp |
|--|--------------------|----------------------|
| Program Jaminan Hari Tua (JHT) | 116,668,330 | 1,272,568,766 |
| Program Jaminan Kecelakaan Kerja (JKK) | 8,500,359 | 112,854,719 |
| Program Jaminan Kematian (JKM) | 4,089,357 | 53,431,773 |
| Program Jaminan Pensiun (JP) | 23,054,741 | 382,181,243 |
| Total | 152,312,787 | 1,821,036,501 |

Based on the Decision of the Board of Supervisors Number: KEP/10/DEWAS/082021 dated August 5, 2021, regarding the approval of the Board of Supervisors on the Amount of Surplus Asset Allocation of BPJS Ketenagakerjaan for the year 2020, the amount of allocation and surplus of asset management of BPJS Ketenagakerjaan for the year 2020 has been approved, with the following details:

- Social and Environmental Responsibility of 1% or amounted to Rp152,312,787.
- Strengthening the BPJS Ketenagakerjaan assets by 98% or amounted to Rp14,926,653,115. This amount is recorded in the surplus balance.
- Strengthening the DJS for 1% or amounted to Rp152,312,787 consisting of allocations for JHT Program of 76.60% or amounted to Rp116,668,330, for JKK Program of 5.58% or amounted to Rp8,500,359, for JKM Program of 2.68% or amounted to Rp4,089,357 and for JP Program of 15.14% or amounted to Rp23,054,741.

Based on the Decision of the Board of Supervisors Number: KEP/11/DEWAS/082020 dated August 3, 2020, regarding the approval of the Board of Supervisors on the Amount of Surplus Asset Allocation of BPJS Ketenagakerjaan for the year 2019, the amount of allocation and surplus of asset management of BPJS Ketenagakerjaan for the year 2019 has been approved, with the following details:

- Social and Environmental Responsibility of 0.56% or amounted to Rp1,821,036,501.
- Strengthening the BPJS Ketenagakerjaan assets by 98.88% or amounted to Rp320,841,234,447. This amount is recorded in the surplus balance.
- Strengthening the DJS for 0.56% or amounted to Rp1,821,036,501 consisting of allocations for JHT Program of 69.88% or amounted to Rp1,272,568,766, for JKK Program of 6.20% or amounted to Rp112,854,719, for JKM Program of 2.93% or amounted to Rp53,431,773 and for JP Program of 20.99% or amounted to Rp382,181,243.

47. Corporate Income Tax

A. Corporate Tax

| | 2021 Rp | 2020 Rp |
|----------------------|------------------------|------------------------|
| Current Tax | | |
| BPJS Ketenagakerjaan | 176,994,134,460 | 188,766,338,200 |
| Subsidiary | 1,326,772,293 | 266,577,300 |
| Prior Year Tax | 22,842,511,777 | 120,499,761,235 |
| Deferred Tax | | |
| BPJS Ketenagakerjaan | (43,453,721,762) | 73,178,439,934 |
| Subsidiary | 344,070,484 | 21,481,965 |
| Total | 158,053,767,252 | 382,732,598,634 |

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Reconciliation between surplus before tax as presented in the income statement and other comprehensive income and taxable income are as follows:

| | 2021 Rp | 2020 Rp |
|--|--------------------------|--------------------------|
| Surplus before tax consolidated | | |
| comprehensive income statement | 191,190,568,894 | 446,202,906,374 |
| Loss (Profit) before tax of the subsidiary | (6,618,018,056) | (1,439,050,771) |
| Elimination | 5,033,812,360 | 813,648,114 |
| Surplus before tax of BPJS Ketenagakerjaan | 189,606,363,198 | 445,577,503,717 |
| Temporary differences: | | |
| Depreciation & Amortization | (53,186,027,798) | (4,694,402,527) |
| Employee Benefit Liabilities | 158,700,769,102 | 49,367,550,692 |
| | 105,514,741,303 | 44,673,148,165 |
| Permanent differences: | | |
| Non-Deductable Expenses | 1,073,644,528,600 | 951,726,948,984 |
| Distribution to DJS | 152,312,787 | 1,821,036,501 |
| Income Subjected to Final Tax | (564,399,152,888) | (585,769,826,666) |
| | 509,397,688,499 | 367,778,158,819 |
| Taxable Income of BPJS Ketenagakerjaan | 804,518,793,000 | 858,028,810,701 |
| Taxable Income of BPJS Ketenagakerjaan - Rounded | 804,518,793,000 | 858,028,810,000 |
| Current Tax of BPJS Ketenagakerjaan | 176,994,134,460 | 188,766,338,200 |
| Less Payment of Prepaid Income Taxes: | | |
| Income Tax Article 23 | - | (8,945,787,506) |
| Income Tax Article 25 | (220,303,438,734) | (177,462,287,652) |
| | (220,303,438,734) | (186,408,075,158) |
| Under (Over) Payment Current Tax | (43,309,304,274) | 2,358,263,042 |

B. Claim Tax Refund

| | 2021 Rp | 2020 Rp |
|----------------------------|--------------------|-----------------------|
| Over payment tax year 2019 | | |
| BPJS Ketenagakerjaan | - | 72,900,680,657 |
| Subsidiary | - | - |
| Over payment tax year 2020 | | |
| Subsidiary | 572,921,218 | 2,077,563,725 |
| Total | 572,921,218 | 74,978,244,382 |

C. Tax Assessment

On May 29, 2020, BPJS Ketenagakerjaan received a Tax Assessment Letter of Underpayment of Income Tax Number 00005/206/16/093/20 for the 2016 fiscal year amounted to Rp99,811,674,200 and administrative sanctions amounted to Rp47,909,603,616. On June 30, 2020, BPJS Ketenagakerjaan has fully paid the underpayment of income tax and administrative sanctions based on the approved final examination results, which amounted to Rp147,721,277,816.

In 2020, BPJS Ketenagakerjaan was examined for excess corporate income tax for the 2018 fiscal year with overpayment of income tax amounted to Rp126,934,541,099. On June 22, 2020, BPJS Ketenagakerjaan received the results of the examination result with the issuance of the Tax Assessment Letter of Overpayment of Income Tax Number 00037/406/18/093/20 Fiscal Year 2018, amounted to Rp108,192,804,348, from this amount, the tax refund of Rp51,892,891,725 is compensated for tax payable through SPMKP deductions. On July 30, 2020, BPJS Ketenagakerjaan received a tax overpayment amounted to Rp56,299,192,629.

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BPJS Ketenagakerjaan received an Tax Assessment Letter of Overpayment of Income Tax for the 2019 fiscal year with Number 00036/406/19/093/21 on June 09, 2021. On July 14, 2021, BPJS Ketenagakerjaan has received payment from the Tax Office related to tax overpayment amounted to Rp50,572,630,939 in accordance with SKPKPP Number: KEP-00054.PPH/WPJ.19/KP.04/2021.

PT Bijak received an Tax Assessment Letter of Overpayment of Income Tax for the 2019 fiscal year with Number: 00039/406/19/093/21 on June 24, 2021. On August 05, 2021, it has been received a payment from the Tax Office related to overpayment of tax amounted to Rp1,504,642,515 according to SKPKPP Number: KEP- 0059.PPH/WPJ.19/KP.04/2021.

D. Deferred Tax Assets (Liabilities)

| | January 1, 2021 | Credited/(charged) to | | December 31, 2021 |
|----------------------------------|------------------------|-----------------------|----------------------------|------------------------|
| | | Surplus Deficit | Other Comprehensive Income | |
| BPJS Ketenagakerjaan | | | | |
| Employee Benefits Liabilities | 427,495,502,794 | 31,752,795,645 | 4,394,603,085 | 463,642,901,524 |
| Depreciation | 154,632,823,205 | 11,700,926,117 | - | 166,333,749,322 |
| Allowance of Direct Investment | 3,074,500,000 | - | 6,727,614,386 | 9,802,114,386 |
| | 585,202,825,999 | 43,453,721,762 | 11,122,217,471 | 639,778,765,232 |
| Subsidiary | | | | |
| Employee Benefits Liabilities | 1,055,168,376 | (344,070,484) | 9,031,381 | 720,129,273 |
| | 1,055,168,376 | (344,070,484) | 9,031,381 | 720,129,273 |
| Deferred Tax Assets - Net | 586,257,994,375 | 43,109,651,278 | 11,131,248,852 | 640,498,894,505 |

| | January 1, 2020 | Credited/(charged) to | | December 31, 2020 |
|----------------------------------|------------------------|-------------------------|----------------------------|------------------------|
| | | Surplus Deficit | Other Comprehensive Income | |
| BPJS Ketenagakerjaan | | | | |
| Employee Benefits Liabilities | 465,938,688,640 | (50,499,295,229) | 12,056,109,383 | 427,495,502,794 |
| Depreciation | 176,892,717,910 | (22,259,894,705) | - | 154,632,823,205 |
| Allowance of Direct Investment | 3,493,750,000 | (419,250,000) | - | 3,074,500,000 |
| | 646,325,156,550 | (73,178,439,934) | 12,056,109,383 | 585,202,826,000 |
| Subsidiary | | | | |
| Employee Benefits Liabilities | 1,006,099,225 | (21,481,965) | 70,551,116 | 1,055,168,375 |
| | 1,006,099,225 | (21,481,965) | 70,551,116 | 1,055,168,375 |
| Deferred Tax Assets - Net | 647,331,255,775 | (73,199,921,899) | 12,126,660,499 | 586,257,994,375 |

48. Significant Agreements

a. Bank Cooperation Worker Housing Agreements:

The scope of the agreement includes, BPJS Ketenagakerjaan will provide participants with funds in the form of deposits in the JHT Program account which will be placed in accordance with the Bank Cooperation Worker's Housing financing needs, which will be used to assist in house construction or home purchases. PT Bank Tabungan Negara (Persero) Tbk provides Bank Cooperation Worker Housing financing to participants in the form of Construction Loans, Home Ownership Loans, and Down Payment Loans. Financing can also be provided based on Sharia Banking Principles by PT Bank Tabungan Negara (Persero) Tbk and in accordance with the conditions of the authority that regulates banking business with sharia principles.

Based on Agreement Number: PER/204/102021 and Number: 43/PKS/DIR/2021 on October 28, 2021, BPJS Ketenagakerjaan entered into an agreement with PT Bank Tabungan Negara (Persero) Tbk regarding the Provision of Banking Services and Services in the Context of Providing Additional Service Benefits in the form of Housing Financing Facilities for BPJS Ketenagakerjaan Participants. The term of the agreement is effective from the October 28, 2021 until October 28, 2024.

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- b. PT Sinergi Investasi Properti is a joint venture company with 80% shares owned by BPJS Ketenagakerjaan DJS JHT program amounting to Rp363,200,000,000 which was fully paid on August 2, 2017 and the remaining 20% share ownership is owned by PT Pembangunan Perumahan (Persero) for Rp90,800,000,000.

PT Sinergi Investasi Properti and BPJS Ketenagakerjaan have a cooperation agreement regarding the optimization of land owned by BPJS Ketenagakerjaan for the construction of a rental office building with a build-to-transfer scheme Number: PER/109/052017 dated May 22, 2017. The scope of the cooperation includes Build Operate Transfer (BOT) in form of construction and rent of office building namely Social Security Tower (Plaza BpJamsostek) with the term of this agreement for 30 years since the agreement was signed. For this cooperation, BPJS Ketenagakerjaan will receive land rental income annually in form of BOT contribution.

- c. Cooperation agreement between BPJS Ketenagakerjaan and PT Bank Negara Indonesia (Persero) Tbk, PT Bank Mandiri (Persero) Tbk, PT Bank Rakyat Indonesia (Persero) Tbk, PT Bank Central Asia Tbk, PT Bank Tabungan Negara (Persero) Tbk, PT Bank Muamalat Indonesia Tbk, PT Bank Syariah Indonesia Tbk, PT Bank CIMB Niaga Tbk, PT Pembangunan Daerah Jawa Barat dan Banten Tbk, PT Bank DKI, PT Bank Jawa Timur Tbk, and PT Bank Jawa Tengah. The scope of cooperation that has been carried out includes: 1) Payment and precept of contribution dues through banking services; 2) Payment of guarantee and payment of BUBM by using facilities bank services in all BPJS Ketenagakerjaan region and branch offices; 3) Cash management system.
- d. Cooperation agreement between BPJS Ketenagakerjaan and PT Bank Negara Indonesia (Persero) Tbk, PT Bank Mandiri (Persero) Tbk, PT Bank Pembangunan Daerah Jawa Barat and Banten Tbk, PT Bank Tabungan Negara Tbk regarding BPJS Ketenagakerjaan Service Point Office (SPO).

The scope of the Cooperation agreement includes, the use of service facilities in the bank operational work, namely providing registration forms, helping fill out completeness checklist of files, recording participant registration data, helping to receive submission files of JHT claims, providing network of implementing units that will be used as BPJS Ketenagakerjaan SPO, providing information, and expanding program participation.

49. Information Regarding Transactions with Related Parties

BPJS Ketenagakerjaan is controlled by the Government of the Republic of Indonesia based on prevailing laws and regulations. BPJS Ketenagakerjaan performs transactions with the related parties as explained in these following notes.

A. Nature of Relationships and Transactions with Related Parties

| Related Parties | Nature of Relationship | The Nature of Transaction |
|---|-------------------------------|--|
| Government of Republic Indonesia | Controlling Party | Paid-in capital, investment-bond placement |
| JHT Program | Program Administrator | Management fee receivables, surplus allocation payables, management fee income |
| JKK Program | Program Administrator | Management fee receivables, surplus allocation payables, management fee income |
| JKM Program | Program Administrator | Management fee receivables, surplus allocation payables, management fee income |
| JP Program | Program Administrator | Management fee receivables, surplus allocation payables, management fee income |
| Defined Benefits Pension Fund Jamsostek | BPJS as Founder | Operating Expenses - Employees |

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| Related Parties | Nature of Relationship | The Nature of Transaction |
|---|------------------------------------|--|
| State-Owned Enterprises | Entity control by the government | Placement of Funds, Investments, Investment Income and Investment Expenses |
| PT Bank Mandiri (Persero) Tbk | Entity control by the government | Placement of Funds, Investments, Investment Income and Investment Expenses |
| PT Bank Negara Indonesia (Persero) Tbk | Entity control by the government | Placement of Funds, Investments, Investment Income and Investment Expenses |
| PT Bank Tabungan Negara (Persero) Tbk | Entity control by the government | Placement of Funds, Investments, Investment Income and Investment Expenses |
| PT Jasa Marga (Persero) Tbk | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Aneka Tambang (Persero) Tbk | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Krakatau Steel (Persero) Tbk | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Perusahaan Gas Negara (Persero) Tbk | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Semen Indonesia (Persero) Tbk | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Tambang Batubara Bukit Asam (Persero) Tbk | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Telekomunikasi Indonesia (Persero) Tbk | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Timah (Persero) Tbk | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Danareksa (Persero) | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Perusahaan Listrik Negara (Persero) | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Adhi Karya (Persero) Tbk | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Pegadaian (Persero) | Entity control by the government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank DKI | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Jawa Tengah | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Sumatera Utara | Entity control by local government | Placements, Investment of Income and Expenses |
| PT. Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Riau Kepri | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Lampung | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Rakyat Indonesia AgroniagaTbk | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Jambi | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Aceh Syariah | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Jawa Timur Tbk | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Nagari | Entity control by local government | Placements, Investment of Income and Expenses |

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| Related Parties | Nature of Relationship | The Nature of Transaction |
|--|------------------------------------|---|
| PT Bank Pembangunan Daerah Nusa Tenggara Barat Syariah | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Bali | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Papua | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Sulawesi Tengah | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Bengkulu | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Sulawesi Utara | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Syariah Indonesia Tbk | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Maluku Malut | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Nusa Tenggara Timur | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Kalimantan Selatan | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Kalimantan Tengah | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Sulawesi Tenggara | Entity control by local government | Placements, Investment of Income and Expenses |
| PT Bank Pembangunan Daerah Kalimantan Barat | Entity control by local government | Placements, Investment of Income and Expenses |
| The Board of Supervisors and Directors | Key Management Personnel | Salary expenses, benefits and employee benefits |

B. Placement of Funds

The followings are the placement of funds with related parties as of December 31, 2021 and 2020 are as follows:

| | 2021 Rp | 2020 Rp |
|-------------------------|---------------------------|---------------------------|
| Bonds (Note 12 and 19) | 4,577,870,658,908 | 4,636,961,400,203 |
| Time Deposits (Note 12) | 3,163,750,130,378 | 2,620,017,489,059 |
| Banks (Note 5) | 1,706,047,574,576 | 1,235,799,192,650 |
| Sukuk (Note 12 and 19) | 1,628,230,217,188 | 1,639,465,811,369 |
| Shares (Note 12) | 645,419,957,047 | 995,391,139,602 |
| Total | 11,721,318,538,097 | 11,127,635,032,883 |

C. Transaction with Related Parties

BPJS Ketenagakerjaan receives management fee from each Programs, as a related party, the amount is disclosed in the program's management fee income account (Note 35).

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D. Investment Income

The followings are investment income from related parties as of December 31, 2021 and 2020 are as follows:

| | 2021 Rp | 2020 Rp |
|--|-------------------------|------------------------|
| Interest Income | | |
| Bonds | 386,611,267,068 | 401,146,432,839 |
| Time Deposits | 136,719,347,841 | 132,009,841,712 |
| Deposit on Call | 1,392,064,124 | 22,362,503 |
| | 524,722,679,033 | 533,178,637,054 |
| Sharia Investments Income | | |
| Profit Sharing on Sukuk | 128,560,937,730 | 119,414,342,230 |
| Profit Sharing on Time Deposits | 10,385,979,167 | 6,639,915,278 |
| | 138,946,916,897 | 126,054,257,508 |
| Dividend Income | | |
| Shares | 18,424,567,897 | 35,353,836,905 |
| Mutual Funds | - | - |
| | 18,424,567,897 | 35,353,836,905 |
| Gain on Sales Investment | | |
| Gain on sale of Shares | - | 48,745,831,500 |
| Gain on sale of Bonds | - | 4,351,250,000 |
| | - | 53,097,081,500 |
| Unrealized Gain/(Losses) | | |
| Unrealized Gain (Losses) - Shares | (7,154,336,000) | (13,031,112,000) |
| Unrealized Gain (Losses) - Bonds | (16,715,000,000) | 29,392,570,000 |
| | (23,869,336,000) | 16,361,458,000 |
| Other Investment Income | | |
| Other Investment Income from Time Deposits | 512,568,230 | - |
| Other Investment Income from Bank Fee | 221,529,243 | 49,160,331 |
| | 734,097,473 | 49,160,331 |
| Total | 658,958,925,300 | 764,094,431,299 |

E. Investment Expenses

The followings are investment expenses for related parties as of December 31, 2021 and 2020 are as follows:

| | 2021 Rp | 2020 Rp |
|--|------------------------|------------------------|
| Tax on Investing Activities | | |
| Land and Building Tax | 1,210,544,702 | 1,235,139,065 |
| Income Tax of Profit on Sales of Bonds | - | 61,060,048,054 |
| Income Tax of Interest DOC Overnight | 278,412,825 | 4,472,501 |
| Income Tax of Interest on Bonds | 50,984,901,983 | 359,437,500 |
| Income Tax of Dividend Direct Investment | - | 345,159,750 |
| Income Tax of Other Investment Time Deposits | 102,513,646 | - |
| Income Tax of Investment Property | 500,000,000 | 500,000,000 |
| Income Tax of Investment Building Rental | 212,632,861 | 204,470,844 |
| Income Tax of Sharia Shares | 534,059,603 | 336,436,886 |
| Income Tax of Shares | 177,893,951 | 179,038,220 |
| Income Tax of Bonds | - | 274,500,000 |
| Income Tax of Time Deposits | 22,114,279,653 | 19,291,971,081 |
| Income Tax of Deposits - Social Responsibility and Environmental | 414,806,718 | 694,721,111 |
| Income Tax of Profit Sharing Sharia - Time Deposits | 2,207,053,580 | 1,125,043,056 |
| Income Tax of Profit Sharing Sharia - Sukuk | 18,451,973,776 | 19,095,611,132 |
| Income Tax of DOC Non Investment | 4,544,632,939 | 6,742,886,403 |
| Subtotal | 101,733,706,236 | 111,448,935,601 |

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| | 2021 | 2020 |
|--|------------------------|------------------------|
| | Rp | Rp |
| Administration on Investing Activities | | |
| Bonds Custody Expenses | 958,874,342 | 974,906,390 |
| Shares Custody Expenses | 239,324,458 | 292,808,339 |
| Purchase Transasction Expense of Sukuk | - | 1,914,239 |
| Purchase Transasction Expense of Bonds | 42,729,652 | 47,055,252 |
| Sale Transasction Expense of Bonds | - | 58,750,000 |
| Purchase Transasction Expense of Sharia Shares | 243,969,919 | - |
| Sale Transasction Expense of Sharia Shares | 640,871,512 | 389,491,802 |
| Sale Transasction Expense of Shares | 213,472,739 | 207,719,359 |
| Subtotal | 2,339,242,622 | 1,972,645,381 |
| Maintenance Expenses | | |
| Land Maintenance Expenses | 504,001,147 | 527,226,829 |
| Investment Bank Expenses | 4,362,300 | 3,903,602 |
| Investment Stamp Duty Expenses | 257,000 | 117,000 |
| Subtotal | 508,620,447 | 531,247,430 |
| Depreciation and Allowance Expenses | | |
| Investment Building Depreciation Expenses | - | 1,388,925,423 |
| Allowance of Impairment Losses Deposits | 870,869,622 | 52,552,638 |
| Allowance of Impairment Losses Bonds | - | 7,761,857 |
| Subtotal | 870,869,622 | 1,449,239,918 |
| Total | 105,452,438,927 | 115,402,068,331 |

F. Compensation For Key Management Personnel

The key management personnel of BPJS Ketenagakerjaan are the Board of Supervisors and the Board of Directors, as disclosed in Note 1. Key personnel receive compensation in the form of salaries and allowances for 2021 and 2020, amounting to Rp24,584,428,571 and Rp26,175,600,000, respectively. While the subsidiary, key management personnel receive compensation for 2021 and 2020 amounting to Rp3,698,172,769 and Rp3,078,918,472, respectively.

50. Contingencies and Legal Issues

In carrying out its activities, BPJS Ketenagakerjaan faces various legal cases and claims related to compliance, contracts, agreements, government regulations, and assets ownership. On the completion date of this consolidated statement of financial position, there are lawsuits that are still in the process of being settled in court, consisting of:

a. Completion of assets ex PT Volgren Indonesia's Medium Term Notes (MTN)

On the MTN Investment Agreement PT. Volgreen Indonesia amounting to Rp32,323,207,900 which failed to pay BPJS Ketenagakerjaan confiscated collateral for MTN assets in the form of :

1) 20 units of Nissan Diesel Chassis

For these guarantees, an auction was held on December 16, 2013, by KPKNL Bogor with a net selling price of Rp585,090,000.

2) Land and building assets covering an area of 15,700 m² with a Building Rights Title Certificate (HGB) Number 69/Kamarung, Pagedan District, Subang Regency dated November 24, 1997.

For this land collateral asset, the Subang District Court has issued a letter of determination by the Subang District Court Number 03/XI/Pen.k/pdt.Eks/2011T/P.Sbg dated November 3, 2011.

Based on this stipulation letter, H. Eddy Sofyan took legal action against the lawsuit (resistance) through the Subang District Court to appeal against case Number: 52/Pdt.Bth/2016/PN dated May 17, 2017 Jo Number: 400/PDT/2017/PT.BDG Jo Number: 1014K/Pdt/2018/PN.Sbg which has permanent legal force wherein the verdict basically rejects the Plaintiff's claim and grants the reconvection lawsuit filed by BPJS Ketenagakerjaan, and declares the land and building covering an area of 15,700 m² on the basis of a Building Rights Title Certificate (Hak Guna Bangunan or HGB). Number 69/Kamarung, Pagedan District, Subang Regency dated

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November 24, 1997 belongs to BPJS Ketenagakerjaan with a price value according to the limit value set in the execution auction of the Subang District Court of Rp2,700,000,000 (two billion seven hundred million rupiah).

Based on the Supreme Court's Cassation Decision, on October 19, 2021, the execution of the clearing of land and buildings in Subang as determined by the Head of the Subang District Court Number: 8/Pen.K/Pdt.Eks/2021/PN.Sng dated September 27, 2021. Until the issuance date of these financial statements, the land and buildings are under the control of BPJS Ketenagakerjaan and the certificates are in process transfer of title at BPN Subang.

- 3) Additional collateral in the form of 14 plots of land with title certificates located in Cerucuk Village, Tanjung Pandan District, Belitung. These collateral assets have been blocked by BPN Belitung based on the application submitted by the State Attorney as the attorney for BPJS Ketenagakerjaan dated May 30, 2014, and for the next stage legal action will be taken after the principal guarantee has been executed.

b. Completion of collateral assets of ex PT Sapta Prana Jaya's Medium Term Notes

In 2003, the MTN PT Sapta Prana Jaya which failed to pay was resolved with an Termination of Investment Manager Service Contract and Settlement of Obligations Agreement in accordance with the Notary Deed dated June 11, 2013 Number 6 Transfer of Assets in accordance with the Notary Deed of Syarifah Chozie SH concerning Minutes of Asset Transfer dated June 11, 2003 Number 7 and the Agreement for Submission of Guarantees as Debt Payers in compliance with the Notary Deed dated May 19, 2003 Number 10.

However, in the further process there are legal issues related to the transfer of land ownership to BPJS Ketenagakerjaan.

BPJS Ketenagakerjaan has appointed James Purba & Partners Law Office where on February 22, 2018 has filed a Compensation Claim of Rp100 billion to PT Recapital Asset Management and PT Sapta Prana Jaya with case Number 188/Pdt.G/2018/PN.Jkt.Sel.

On April 9, 2018, BPJS Ketenagakerjaan decided to revise the lawsuit to:

- (a) Request that the land assets be legally designated as the property of BPJS Ketenagakerjaan without canceling the Deed of Agreement for Termination of Investment Manager Services Contract and Settlement of Obligations Number 6 dated June 11, 2003;
- (b) Request responsibility from PT Recapital Asset Management (previously PT Rifan Asset Management) to administer the transfer of ownership its land to BPJS Ketenagakerjaan and or return all investment funds along with the penalties;
- (c) If based on the appraisal results there are still deficiencies, then PT Recapital Asset Management (previously PT Rifan Asset Management) must be sued and responsible for the deficiencies, in accordance with the legal opinion of the Attorney General.

For the revision of the lawsuit, up to now, a fifth addendum has been made to the extension of the work on the compensation claim with the James Purba & Partners Law Office.

c. The second subpoena of PT Oracle Indonesia

Since November 27, 2012, the Oracle License and Service Agreement (OLSA) v073112 was signed between BPJS Ketenagakerjaan (previously PT Jamsostek (Persero)) and the Finance Director of Oracle Indonesia and continued with OBIEE installation and OBIEE migration on December 24, 2012 in accordance with Minutes of the event Number: 274/DBS/BAST/XII/12.

For the installation, Oracle conducted a license audit to PT Jamsostek (Persero) on November 22 - 28, 2013 and collected a license gap with a total of 414 units and license support for the first year amounting to Rp156,836,536,360.

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For this claim and the following process to resolve the license gap problem of PT Oracle Indonesia. through its legal counsel, TNB & Partners, on June 23, 2016 submitted a subpoena to BPJS Ketenagakerjaan regarding the demand for payment of license debt amounting to Rp156,836,536,360.

BPJS Ketenagakerjaan seeks assistance from BPKP for mediation and gap license calculations, so in 2021 there are an agreement that has been reached with PT Oracle Indonesia, items and the number of licenses that must be fulfilled by BPJS Ketenagakerjaan in a total of 286 units, then after the fulfillment process, PT Oracle Indonesia will issue a closing audit letter.

d. Lawsuit for Execution of Jakabaring Palembang Land in Palembang District Court

Starting from the Supreme Court Decision Number: 87K/Pdt/2017 dated March 6, 2017 regarding the problem of default on the land reclamation cooperation agreement in the Jakabaring Palembang area between PT. Amen Mulia with Ir. Ahmad Aman Astra Ramli, SE where from the land there is a 4,000 m² section of land belonging to BPJS Ketenagakerjaan which was purchased from PT. Amen Noble. Based on the Supreme Court's decision, the Palembang District Court ordered the execution of the land of PT Amen Mulia and the lands that had been sold by PT. Amen Mulian.

BPJS Ketenagakerjaan took legal action in the form of a lawsuit against the decision to execute the Palembang District Court Number: 04/172/PDT.G/2015/EKS/2017.PLG dated August 24, 2017 with the Palembang District Court Case Number: 163/Pdt.Plw/2017/ PN.Plg. Junto Appeal Case of Palembang High Court Number: 38/PDT/2018/PT.Plg Junto Supreme Court Cassation Case Number: 741 K/Pdt/2019 where BPJS Ketenagakerjaan is declared unacceptable.

Furthermore, BPJS Ketenagakerjaan filed a legal action by filing a Daden Verzet lawsuit with case register Number: 30/Pdt.Bth/2020/PN.Plg at the Palembang District Court. Where on October 14, 2020, the Palembang District Court Decision Number: 30/Pdt.Bth/2020/PN.Plg with verdict stated "Declaring PELAWAN (BPJS Ketenagakerjaan) is the Legal Right Holder to a land area of 4,000 m² (four thousand square meters), as stated in the HGB certificate Number: 5708, South Sumatra Province, Palembang City, Seberang Ulu District, Village/Ex 15 Ulu".

At the appellate level, the South Sumatra High Court Decision Number: 93/PDT/2020/PT.PLG dated February 8, 2021, with the decision essentially "Accepting the Appeal Application for Mr. Ir. Ahmad Aman Astra Ramli, SE and Canceled the Palembang District Court Decision Number: 30/Pdt.Bth/2020/PN.Plg on October 14, 2020".

Furthermore, on November 24, 2021, the Supreme Court Decision Number: 3070K/PDT/2021 with verdict states "Accept Cassation I and II", "Cancel the Decision of the Palembang High Court", and "Strengthens the Decision of the Palembang District Court". So that BPJS Ketenagakerjaan is declared as the Legal Right Holder to a land area of 4,000 m² (four thousand square meters), as stated in the HGB certificate Number: 5708, South Sumatra Province, Palembang City, Seberang Ulu District, Village/Ex 15 Ulu.

Until the issuance date of these financial statements, we are still waiting for the notification of the decision from the Palembang District Court.

e. Default lawsuit for the Service Procurement Agreement for the Implementation of the Customer Relationship Management System (CRMS) from PT Phintraco Technology in the South Jakarta District Court.

In 2019, PT Phintraco Technology filed a civil lawsuit for default on the Service Procurement Agreement for the Implementation of the Customer Relationship Management System (CRMS) at the South Jakarta District Court with Case Number: 301/Pdt.G/2019/PN.Jkt/Sel where the claims submitted to BPJS Ketenagakerjaan amounted Rp34,862,105,465, are in the form of:

- a) Payment for work stages III, IV and V amounted to Rp10,319,882,400;
- b) Paying interest amounted to Rp5,963,940,664;

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- c) Paid additional work fee (Design Core) amounted to Rp4,129,200,000;
- d) Pay the total opportunity cost amounted to Rp14,449,082,401;

In case Number: 301/Pdt.G/2019/PN.Jkt/Sel Juncto Number: 278/PDT/2020/PT.DKI, the South Jakarta District Court and the Jakarta High Court basically stated that the verdict granted part of the Plaintiff's demands (PT Phintraco Technology) namely punishing BPJS Ketenagakerjaan to pay for work stages III, IV, V in the amount of Rp10,319,882,400 and a fine of Rp2,476,771,776.

Based on the Decision of Jakarta High Court Number: 278/PDT/2020/PT.DKI dated October 14, 2020, BPJS Ketenagakerjaan has filed a Cassation lawsuit and is currently still in the process at the Cassation Level.

f. Incentive Rights Payment Lawsuit

Management incentives are benefits other than salary and other additional benefits for the Board of Supervisors and the Board of Directors which are regulated in Presidential Regulation No. 110 year 2013 concerning Presidential Regulation for Salaries or Wages and Other Additional Benefits and Incentives for Members of the Board of Supervisors and Members of the Board of Directors of Badan Penyelenggara Jaminan Sosial Article 4 paragraph 2.

Management Incentive Balance is an accumulation of incentive value for six years, from 2014 to 2019 which will be given to members of the Board of Supervisors and members of the Board of Directors of BPJS Ketenagakerjaan. However, the incentives cannot be paid because there are no implementing regulations regarding the amount and/or procedure for paying incentives to members of the Board of Supervisors (Dewas) and members of the Board of Directors of BPJS Ketenagakerjaan issued by the authorized official.

On October 15, 2018 the Board of Supervisors for the 2014-2016 period through the Law Firm of Bintang Mulia and Partners sued BPJS Ketenagakerjaan, the Board of Directors for the 2016-2021 period, the Minister of Finance of the Republic of Indonesia, and the President of the Republic of Indonesia regarding Incentive Rights to the South Jakarta District Court.

On December 18, 2019, the South Jakarta District Court through its Decision Number 241/ Pdt.G/2019/PN.Jkt-Sel decided that the plaintiff's main claim was premature, so the plaintiffs' claim could not be accepted.

Furthermore, the DKI Jakarta High Court Number: 503/Pdt/2020/PT.DKI with a verdict in essence: "Strengthen the Decision of the South Jakarta District Court Number: 241/Pdt.G/2019/PN/Jkt.Sel dated December 18, 2019".

On March 23, 2021, a notice of cassation was received from the Plaintiff and BPJS Ketenagakerjaan also submitted a counter memorandum of cassation on April 5, 2021.

Until the issuance date of these financial statements, it is still waiting for a decision from the Supreme Court.

g. Progress of Public Complaint Examination

Based on public complaints regarding allegations in cases of alleged corruption related to crimes irregularities in financial management and investment funds of BPJS Ketenagakerjaan period 2016 – 2020, the investigation process was carried out by the Jampidsus of the Attorney General's Office starting from issuance of Investigation Order Number: Print-23/F.2/Fd.1/11/2020 dated November 09, 2020. Furthermore, the Jampidsus Attorney General's Office raised the status of the investigation on the complaint the public on suspicion of criminal acts of corruption regarding irregularities in financial management and BPJS Ketenagakerjaan investment funds for the period 2016 – 2020 in several companies became the level of investigation as stated in the Investigation Order No. Print-02/F.2/Fd.2/01/2021 dated January 14, 2021. Until the issuance of these financial statements, the investigation process was still ongoing.

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- h. Application for judicial review of article 57 letter f and article 65 paragraph (2) of the Law of Republic of Indonesia Number 24 Year 2011 against the 1945 Constitution of the Republic of Indonesia in Constitutional Court:

Application for judicial review at the Constitutional Court with case Number: 72/PUU-XVII/019 regarding the Cancellation of the Transfer of PT Taspen Program to BPJS Ketenagakerjaan proposed by Retired State Officials, Retired Civil Servants and active Civil Servants.

Article submitted for judicial review according to the applicant potentially cause constitutional harm namely pension rights reduced by the transfer of the program from PT TASPEN (Persero) to BPJS Ketenagakerjaan.

BPJS Ketenagakerjaan submits Statements of Related Parties at the session of the Constitutional Court on February 5 and 17, 2020 and submission of the Conclusions of the Related Parties on February 25, 2020.

Decision of the Constitutional Court Number: 72/PUU-XVII/2019 dated September 30, 2021 with the verdicts:

- Granted the petitioners' requests in their entirety
- Stated Article 57 letter f and Article 65 paragraph (2) of Law Number 24 Year 2011 contrary to the 1945 Constitution and has no binding legal force.
- Order the documentation of this decision in the State Gazette of the Republic of Indonesia as appropriate

With the decision of the Constitutional Court, the provisions for the transfer of the program from PT Taspen to BPJS Ketenagakerjaan is not binding, therefore BPJS Ketenagakerjaan remains organize social security programs for workers other than ASN.

- i. Application for judicial review of Article 57 letter e and Article 65 paragraph (1) of the Law Number 24 year 2011 against the 1945 Constitution of the Republic of Indonesia in the Court Constitution with case No: 06/PUU-XVIII/2020 regarding Cancellation of the Transfer of PT Asabri Program to BPJS Ketenagakerjaan

Application for judicial review Number: 06/PUU-XVIII/2020 submitted by Retired and/or Retired from the TNI, total of 4 (four) people by giving power to the Junaidi & Partners Office Law. The requested article for judicial review, according to the Petitioners, that potentially cause constitutional losses if the program transfer is still carried out from PT Asabri (Persero) to BPJS Ketenagakerjaan.

Decision of the Constitutional Court Number: 06/PUU-XVII/2020 dated September 30, 2021 with the verdicts:

- Granted the petitioners' requests in their entirety
- Stated Article 57 letter e and Article 65 paragraph (1) of the Law of the Republic of Indonesia Number 24 of 2011 against the 1945 Constitution of the Republic of Indonesia and has no binding legal force.
- Order the documentation of this decision in the State Gazette of the Republic of Indonesia as appropriate.

With the decision of the Constitutional Court, the provisions for the transfer of the program from PT ASABRI to BPJS Ketenagakerjaan is not binding, therefore that BPJS Ketenagakerjaan remains organize social security programs for workers other than the TNI-POLRI.

- j. Application for judicial review Article 5 letter d of the Law of the Republic of Indonesia Number 18 Year 2017 concerning the protection of Indonesian migrant workers with Case Number 20/PUU-XVII/2020

The application for judicial review was submitted by H. Sunaryo HS and Zarkasi, as the owner of the company work force placement.

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BPJS Ketenagakerjaan in March 2020 submitted an application letter as a related party to the Chief Justice of the Constitutional Court.

On November 25, 2020, the Constitutional Court Decision Number: 20/PUU XVII/2020 was read out with the verdict: "Stating the petition of the petitioners throughout as it concerns Article 5 letter d of the Law of the Republic of Indonesia Number 18 of 2017 concerning protection Indonesian migrant workers are unacceptable".

51. Financial Risk Management Objectives and Policies

In line with the reference to the best practice standard for risk management adopted by BPJS Ketenagakerjaan, namely ISO 31000:2018 Risk Management-Guidelines, the following is the risk classification for BPJS Ketenagakerjaan assets:

A. The Risk Faced by BPJS Ketenagakerjaan

1) Market Risk

Market risk is a risk arising from the potential events that may occur that will affect the market value of the investments portfolio resulting from price volatility factors and/or market supply-demand mechanisms.

BPJS Ketenagakerjaan is exposed to price fluctuations because of trading and held to maturity investments. This risk is related to the changes in investments price due to fluctuations in issuing companies and/or fluctuations in macroeconomic conditions such as the level of economic activity, inflation rate, and fluctuations in the exchange rate of Rupiah against foreign currencies trading volume and interest rates. Therefore, BPJS Ketenagakerjaan, as the responsible entity for the asset of BPJS Ketenagakerjaan, conducts monitoring and analysis of price movements to minimize the negative impact on Financial Statement of BPJS Ketenagakerjaan.

The entity conducts a sensitivity analysis to measure the impact of price changes on the BPJS Ketenagakerjaan asset portfolio. The following sensitivity analysis of the stock portfolio as of December 31, 2021:

| Description | December 2021 |
|---|---------------|
| MTM Sensitivity; Δ 100 point IHSG | 2.17% |
| Δ SPE – Liability at risk | - 41.94% |
| Note: MTM = Marked to Market. HSG's 100 point change affected the MTM shares portfolio of BPJS assets per December 31, 2021 an average of 2.17%. | |

Based on the sensitivity analysis of changes in share prices, the changes in composite stock price index (Indeks Harga Saham Gabungan/IHSG) 100 points affected the marked to market shares of instrument investments assets of BPJS Ketenagakerjaan as of December 31, 2021 by an average of 2.17%. While the difference in the valuation of assets of BPJS Ketenagakerjaan investment as of December 31, 2021 was -41.94%.

The following sensitivity analysis of the Mutual Fund portfolio as of December 31, 2021:

| Description | December 2021 |
|--|---------------|
| MTM Sensitivity; Δ 100 point IHSG | 0.15% |
| Δ SPE – Liability at risk | - 5.77% |
| Note: MTM = Marked to Market. HSG's 100 point change affected the MTM mutual fund portfolio of BPJS assets per December 31, 2021 an average of 0.15%. | |

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Based on the sensitivity analysis of changes in mutual fund prices, the changes in composite mutual fund price index (Indeks Harga Saham Gabungan/IHSG) 100 points affected the marked to market mutual fund investments assets of BPJS Ketenagakerjaan as of December 31, 2021, by an average of 0.15%. While the difference in the valuation of assets of BPJS Ketenagakerjaan investment as of December 31, 2021, was -5.77%.

The following table describes the diversification of the stock portfolio in BPJS Ketenagakerjaan as of December 31, 2021 and December 31, 2020 by sector, such as:

| Sector (Rp Billion) | December 31, 2021 | | December 31, 2020 | |
|-------------------------------------|-------------------|----------------|-------------------|----------------|
| | Portfolio | Weight | Portfolio | Weight |
| Raw goods | 84.11 | 5.87% | 134.91 | 7.46% |
| Non-primary consumer goods industry | 0.00 | 0.00% | 0.00 | 0.00% |
| Consumer goods industry | 254.23 | 17.73% | 345.86 | 19.13% |
| Energy | 208.87 | 14.57% | 226.88 | 12.55% |
| Infrastructure | 43.49 | 3.03% | 216.78 | 11.99% |
| Health | 0.00 | 0.00% | 88.60 | 4.90% |
| Finance | 356.30 | 24.85% | 475.82 | 26.32% |
| Industry | 483.18 | 33.70% | 314.66 | 17.41% |
| Property and real estate | 3.54 | 0.25% | 4.29 | 0.24% |
| Technology | 0.00 | 0.00% | 0.00 | 0.00% |
| Transportation | 0.00 | 0.00% | 0.00 | 0.00% |
| Total | 1,433.72 | 100.00% | 1,807.80 | 100.00% |

The following table describes the diversification of the mutual fund portfolio as of 31 December 2021 and 31 December 2020 by type mutual fund:

| Type of mutual fund (Rp Billion) | December 31, 2021 | | December 31, 2020 | |
|-------------------------------------|-------------------|----------------|-------------------|----------------|
| | Portfolio | Weight | Portfolio | Weight |
| Shares | 563.58 | 95.23% | 560.27 | 95.15% |
| Mixed | 28.21 | 4.77% | 28.56 | 4.85% |
| Fixed income | 0.00 | 0.00% | 0.00 | 0.00% |
| ETF | 0.00 | 0.00% | 0.00 | 0.00% |
| Index | 0.00 | 0.00% | 0.00 | 0.00% |
| Total | 591.79 | 100.00% | 588.83 | 100.00% |

BPJS Ketenagakerjaan conducts an analysis of the sensitivity of SUN by Fair Value to changes in interest rates as of December 31, 2021 and December 31, 2020 are as follow:

| Description | December 31, 2021 | December 31, 2020 |
|---------------------------------------|-------------------|-------------------|
| Portfolio SUN fair value (Rp Billion) | 330.29 | 347.01 |
| Price Changes (%) | 0.062% | 0.069% |
| Price Changes (Rp Billion) | 7.31 | 8.00 |

The sensitivity of SUN fair value is assessed using the assumption of an increase in interest rates of 0.25%. The result obtained from those assessments show that if interest rates had been increased 0.25% with fair value of SUN's portfolio amounted to Rp330.29 billion will impact in decrease on fair value of SUN portfolio of 0.062% equivalent to Rp7.31 billion from total Assets Under Management (AUM) of BPJS Ketenagakerjaan.

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2) Credit Risk

Credit risk is a risk arising from potential occurrence of default of the emiten or issuer of bonds/securities owned by BPJS Ketenagakerjaan, can be in the form of coupons or principal debt at maturity.

The parties related to the entity in this context are investment partners and other parties who support the entity's operational activities for the manage BPJS Ketenagakerjaan. The partners include investment fund management companies, brokerage investment companies, investment consulting firms, and property asset management companies.

The entity conducts periodic and intensive monitoring of the performance of related party companies to monitor the potential for defaults. Based on Directors Regulation Number PERDIR/31/122021 concerning the Investment Management Policy BPJS Ketenagakerjaan stated that the selection of investment partners is carried out carefully and through an assessment process of reputation, performance, adherence to the principles of good governance.

BPJS Ketenagakerjaan periodically reviews the exposure and level of credit risk to ensure the placement of investment funds of BPJS is at the risk appetite and tolerance of management.

The following table illustrates the portfolio diversification of corporate bonds of BPJS Ketenagakerjaan as of December 31, 2021 and 2020 based on sector:

| Sector (Rp Billion) | December 31, 2021 | | December 31, 2020 | |
|---------------------------|-------------------|----------------|-------------------|----------------|
| | Portfolio | Weight | Portfolio | Weight |
| Energy | 121.93 | 4.62% | 121.93 | 4.57% |
| Basic Chemical industry | 740.00 | 28.03% | 740.00 | 27.73% |
| Roads, ports and airports | 150.00 | 5.68% | 0.00 | 0.00% |
| Contruction | 0.00 | 0.00% | 0.00 | 0.00% |
| Metals and minerals | 0.00 | 0.00% | 29.24 | 1.10% |
| Financing | 1,023.70 | 38.77% | 1,023.70 | 38.36% |
| Banking | 549.71 | 20.82% | 549.19 | 20.58% |
| Telecommunication | 54.83 | 2.08% | 54.83 | 2.05% |
| Transportation | 0.00 | 0.00% | 150.00 | 5.62% |
| Oil and Gas | 0.00 | 0.00% | 0.00 | 0.00% |
| Total | 2,640.17 | 100.00% | 2,668.89 | 100.00% |

Based on the financial statements as of December 31, 2021, investment placements that have taken into account the allowance for impairment in time deposits, corporate bonds, direct investments and property amounted to Rp6.191 trillion, the credit risk level of BPJS Ketenagakerjaan's assets is at a low risk level.

The table of credit risk exposure to financial assets in the net assets report for the years ended December 31, 2021 and 2020 are as follows:

| | December 31, 2021 | | |
|-------------------------------|---------------------------|------------------------------------|---------------------------|
| | Gross Amount | Allowance for Impairment Losses | Net Amount |
| | Rp | Rp | Rp |
| Cash and Cash Equivalents | 1,712,053,123,767 | (241,982,784) | 1,711,811,140,983 |
| Time Deposits | 3,164,621,000,000 | (870,869,622) | 3,163,750,130,378 |
| Shares | 1,433,719,498,822 | - | 1,433,719,498,822 |
| Mutual Funds | 591,791,996,413 | - | 591,791,996,413 |
| SKP Receivables | 278,808,579,147 | (85,841,705,928) | 192,966,873,219 |
| Sukuk | 1,628,230,217,189 | - | 1,628,230,217,189 |
| Direct Investment | 44,555,065,390 | - | 44,555,065,390 |
| Bonds | 4,632,701,658,908 | - | 4,632,701,658,908 |
| Investment Income Receivables | 86,719,848,672 | - | 86,719,848,672 |
| Trade Account Receivables | 28,412,294,719 | (14,700,093,900) | 13,712,200,819 |
| Other Receivables | 15,223,020,169 | (2,047,822,717) | 13,175,197,452 |
| Total | 13,616,836,303,196 | (103,702,474,951) | 13,513,133,828,245 |

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| | December 31, 2020 | | |
|-------------------------------|---------------------------|--|---------------------------|
| | Gross Amount Rp | Allowance for Impairment Losses Rp | Net Amount Rp |
| Cash and Cash Equivalents | 1,238,021,694,848 | - | 1,238,021,694,848 |
| Time Deposits | 2,620,017,489,059 | - | 2,620,017,489,059 |
| Shares | 1,807,791,421,203 | - | 1,807,791,421,203 |
| Mutual Funds | 588,832,119,263 | - | 588,832,119,263 |
| SKP Receivables | 358,794,281,225 | (85,689,599,911) | 273,104,681,314 |
| Sukuk | 1,639,465,811,369 | - | 1,639,465,811,369 |
| Direct Investment | 14,625,000,000 | (13,975,000,000) | 650,000,000 |
| Bonds | 4,691,792,400,203 | - | 4,691,792,400,203 |
| Investment Receivables | 518,863,280 | - | 518,863,280 |
| Investment Income Receivables | 83,679,336,680 | - | 83,679,336,680 |
| Trade Account Receivables | 26,031,313,639 | (14,432,535,953) | 11,598,777,686 |
| Other Receivables | 385,717,667,765 | (471,707,007) | 385,245,960,758 |
| Total | 13,455,287,398,534 | (114,568,842,871) | 13,340,718,555,664 |

3) Liquidity Risk

Liquidity risk is a risk arising from the potential events that BPJS Ketenagakerjaan's investment instruments that are owned by the program or market condition are in an illiquid making it difficult to conduct sales transactions.

The following table present information about the estimated remaining maturity of assets and liabilities that become cash inflows or outflows as of December 31, 2021 and 2020 are as follows:

| | December 31, 2021 | | | | |
|-------------------------------|---------------------------|--------------------------|------------------------|--------------------------|--------------------------|
| | Amount | ≤ 1 Month | 1 - 6 Month | 6 - 12 Month | ≥ 12 Month |
| Cash and Cash Equivalent | 1,712,053,123,767 | 1,712,053,123,767 | - | - | - |
| Time Deposits | 3,163,750,130,378 | - | 90,130,000,000 | 3,073,620,130,378 | - |
| Shares | 1,433,719,498,822 | 1,433,719,498,822 | - | - | - |
| Mutual Fund | 591,791,996,413 | 591,791,996,412 | - | - | - |
| Sukuk | 1,628,230,217,188 | - | - | 21,933,000,000 | 1,606,297,217,189 |
| Bond | 4,632,701,658,908 | 330,295,000,000 | 277,775,810,794 | 635,000,000,000 | 3,389,630,848,114 |
| Total | 13,162,246,625,476 | 4,067,859,619,001 | 367,905,810,794 | 3,730,553,130,378 | 4,995,928,065,303 |
| Payable to Other Parties | 2,116,056,226 | - | - | - | - |
| Tax Liabilities | 63,042,015,303 | - | - | - | - |
| Accrued Expenses | 1,377,268,068,348 | - | - | - | - |
| Rent Liabilities | 296,966,602,042 | - | - | - | - |
| Short-term Other Liabilities | 122,542,245,040 | - | - | - | - |
| Employee Benefits Liabilities | 2,111,394,377,275 | - | - | - | - |
| Total | 3,973,329,364,235 | - | - | - | - |

| | December 31, 2020 | | | | |
|------------------------------|---------------------------|--------------------------|--------------------------|------------------------|--------------------------|
| | Amount | ≤ 1 Month | 1 - 6 Month | 6 - 12 Month | ≥ 12 Month |
| Cash and Cash Equivalent | 1,238,021,694,848 | 1,238,021,694,848 | - | - | - |
| Time Deposits | 2,620,080,020,000 | - | 1,868,080,020,000 | 732,000,000,000 | 20,000,000,000 |
| Shares | 1,807,791,421,203 | 1,807,791,421,203 | - | - | - |
| Mutual Fund | 588,832,119,262 | 588,832,119,262 | - | - | - |
| Sukuk | 1,639,465,811,369 | - | - | - | 1,639,465,811,369 |
| Bond | 4,691,983,086,203 | 347,010,000,000 | 14,690,420,719 | 29,244,000,000 | 4,301,038,665,484 |
| Total | 12,586,174,152,886 | 3,981,655,235,313 | 1,882,770,440,719 | 761,244,000,000 | 5,960,504,476,853 |
| Payable to Other Parties | 2,362,818,453 | - | - | - | - |
| Tax Liabilities | 84,505,733,568 | - | - | - | - |
| Accrued Expenses | 1,108,598,745,050 | - | - | - | - |
| Rent Liabilities | 32,450,282,279 | - | - | - | - |
| Short-term Other Liabilities | 155,846,084,624 | - | - | - | - |
| Total | 1,383,763,663,973 | - | - | - | - |

4) Strategic Risk

Strategic risk is the risk inherent in BPJS Ketenagakerjaan's efforts in achieving its strategic goals or objectives. These risks include risks related to the strategic objectives stated in the Strategic Planning, institutional & regulatory relations, and macroeconomics.

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
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In general, the Strategic Risks exposed in Semester II of 2021 are as follows:

- 1) The achievement realization of active participant from all segment participation (Formal Worker, Informal Worker, Migrant Worker and Construction Service Work) at the end of December 2021 is 30,660,901 active participants from the target of 33,673,202 (91.05 percent).
- 2) Based on Financial Statements, BPJS assets as of December 2021, the achievement of Yield on Investment (YOI) realized net compared to the target Agency's Target (RKAT) still below 100%.
- 3) One of the reasons causing the failure of achieving YOI target comes from several instruments that are not yet optimal where deposit is one of them.

5) Operational Risk

Operational Risk includes risks that occur due to the inability/failure of BPJS Ketenagakerjaan to carry out an activity or a series of activities in the business process optimally due to internal and/or external factors of BPJS Ketenagakerjaan.

In general, operational risks exposed in Semester II Year 2021 consist of:

- 1) Up to period of December 2021, there are 49.09% SOPs that haven't been available in the Service and Membership field.
- 2) There was increasing turnover rate for informal and formal worker participants in the period of October to December 2021. In October 2021, the turnover rate of informal and formal worker participants was 207.83% (8,623,144 workers in and 17,921,265 workers out). Whereas turnover rate in November 2021 was 173.81% (10,475,314 workers in and 18,207,366 workers out). Furthermore, turnover rate in December 2021 was 90.53% (9,691,561 worker in and 10,704,894 workers out).
- 3) The COVID-19 pandemic has occurred since March 2020 until now, where the number of employees who have been declared cured up to September 30, 2021 are 2,072 people and 5 people have died.
- 4) In December 2021, there was a disaster flood at the Banjarmasin Branch Office.
- 5) The data of employer/business entity that made late payment for contribution fee in the period of October to December 2021 has declined. In October 2021, the number of employer/business entity that made late payment was 191,697 (27.39%) of 699,782. Whereas the number of it in November 2021 was 189,536 (26.26%) of 721,775 and in December 2021 was 158,024 (21.79%) of 725,356.
- 6) Up to period of Semester II 2021, there are still data on active and non-active formal participants that do not match with national id (NIK) from adminduk.
- 7) Up to period of Semester II 2021, four natural disasters have occurred in four points of Indonesia. In January 2021 flood disaster occurred in Rusunawa (low-cost apartment) Jababeka Cikarang owned by BPJS Ketenagakerjaan, in February 2021 Earthquake and Flood disasters occurred in West Sulawesi and Banjarmasin, and at the beginning of April 2021 there was an El Nina Hurricane disaster in East Nusa Tenggara.

6) Reputational Risk

Reputational risk includes the risk due to injury to BPJS Ketenagakerjaan's reputation or the decline in the public's positive view/assessment of the BPJS Ketenagakerjaan image or the existence of negative public views/judgments of the BPJS Ketenagakerjaan's image. Reputation risk will have an impact on business continuity in the short, medium and/or long term.

In general, Reputational Risk exposed in Semester II of 2021 are described as follows:

- 1) Participant Complaints to e-service application provided by BPJS Ketenagakerjaan has been increased in the period of Semester II 2021.
- 2) The number of participant complaints on membership has been increased period Semester II 2021 compared to previous period.
- 3) The number of negative news through social media/ influencer increased significantly in period Semester II 2021 compared to previous period.
- 4) The number of negative news through electronic media / print / online increased significantly in period Semester II 2021 compared to previous period.

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2021 and 2020

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- 5) In the period Semester II 2021 complaints with medium risk declined and completion status already closed / finished.

7) Legal Risk

In Semester II of 2021 BPJS Ketenagakerjaan facing 36 legal cases in the form of external claims to BPJS Ketenagakerjaan, with details: 4 legal cases (11.11%) which are litigation and 32 legal cases (88.89 %) which are non-litigation.

8) Compliance Risk

Compliance risk is the risk that occurs due to non-compliance/violation and/or inability of the BPJS Ketenagakerjaan/ BPJS Ketenagakerjaan's personnel to comply with the provisions of applicable laws, regulations, and laws, which can come from the external or internal environment of BPJS Ketenagakerjaan.

In general, Compliance Risk exposed in Semester II of 2021 are described as follows:

- 1) Up to the period of reporting risk in December 2021, there are 5 findings with recommendations from external auditors (Badan Pemeriksa Keuangan / BPK) which are still of being followed up on completion.
- 2) There are two external regulations which are still in the process of drafting internal regulations as derivative regulation.

9) Information Technology Risk

Information technology risk is the risk that occurs due to the failure or non-optimal use, ownership, operation, involvement, influence, and application of information technology in BPJS Ketenagakerjaan. Information technology risk can come from application development, information technology infrastructure, and information technology governance.

In general, Compliance Risk exposed in Semester II of 2021 are described as follows:

- 1) In the period of Semester II 2021, the number of error/repeated error on the Core System Application has declined.
- 2) In the period of Semester II 2021, the number of error/repeated error on the e-Service Application has increased.
- 3) In the Semester II period of 2021, risk events are occurred and some of the risk events have already been handled.

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