

INFORMATION DISCLOSURE

In complying the provision of the Financial Services Authority (OJK) Regulation No.30 / POJK.04 / 2017 due to the Company's plan to buyback the Company's share related to the Provision of Variable Remuneration to Directors, Board of Commissioners and Material Risk Takers (MRT)



PT BANK MESTIKA DHARMA, TBK (PERSEROAN)

Head Office
Jl. H. Zainul Arifin No. 118, Medan
Phone : +6261 4525800 Fax : +6261 4527324
Email : corsec@bankmestika.co.id
Homepage : www.bankmestika.co.id
Mestika call : 14083

INFORMATION TO SHAREHOLDERS DUE TO THE COMPANY'S PLAN TO BUYBACK THE COMPANY'S SHARES IN PROVISION OF VARIABLE REMUNERATION TO THE DIRECTORS, BOARD OF COMMISSIONERS AND MATERIAL RISK TAKERS (MRT)

The Company plans to buyback the shares of the Company which have been issued and listed on the Indonesia Stock Exchange which will be used for provision of a Variable Remuneration for the Directors, the Board of Commissioners (especially for the Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT) by allocated funds of up to **Rp 394.500.000,-** (three hundred ninety four million fifty hundred rupiahs), which will be fully conducted or in phases from **May 9th, 2019 to October 9th, 2020** (eighteen months). The implementation of the share purchase transaction will be carried out based on the consideration of the Board of Directors of the Company, through the Indonesia Stock Exchange, and refers to:

1. Regulation of the Financial Services Authority (POJK) Number 45 / POJK.03 / 2015 on December 23, 2015 about the Application of Good Governance in the Provision of Remuneration for Commercial Banks;
2. Circular Letter of the Financial Services Authority (SEOJK) Number 40 / SEOJK.03 / 2016 on 26 September 2016 about the Application of Good Corporate Governance in the Provision of Remuneration for Commercial Banks;
3. Regulation of the Financial Services Authority (POJK) Number 30 / POJK.04 / 2017 on June 21, 2017 about the Buyingback of Shares Issued by Open Company.

The General Meeting of Shareholders of the Company to approve the Execution of Share Buyback in Provision of Variable Remuneration to Board of Directors, Board of Commissioners (especially to Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT) will be held on May 9th, 2019 at Cypress Ballroom, Grand Aston Hotel Jl. City Hall No. 1, Medan

THE ESTIMATED TIME FOR THE IMPLEMENTATION OF COMPANY'S SHARE BUYBACK		
1	Notification to the Financial Services Authority (OJK), Indonesia Stock Exchange (IDX).	March 25 th , 2019
2	Announcement of Information Disclosure Plan of Share Buyback through Newspaper and Indonesia Stock Exchange (IDX) website and Company website www.bankmestika.co.id	April 2 th , 2019
3	The period of share buyback	May 9 th , 2019 to October 9 th , 2020

**THE ESTIMATED PRICES OF SHARE BUYBACK AND
THE ESTIMATED TOTAL OF NOMINAL VALUE FOR ALL SHARES WHICH WILL BE PURCHASED**

The financing of the Company's shares Buyback in the Provision of Variable Remuneration to Directors, Board of Commissioners (especially to the Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT), comes from bonuses and / or tantiem in 2018 as Rp 394.500.000, - (three hundred ninety four million fifty hundred rupiahs)

**THE EXPLANATION AND THE CONSIDERATION AS WELL AS THE REASON OF COMPANY'S
SHARE BUYBACK DONE**

Based on the Regulation of the Financial Services Authority No. 45 / POJK.03 / 2015 on December 23, 2015 about the Application of Good Corporate Governance in Remuneration for Commercial Banks (hereinafter referred to as POJK Number 45/2015), and Circular letter of the Financial Services Authority (SEOJK) Number 40 / SEOJK.03 / 2016 on 26 September 2016 about the Implementation of Good Corporate Governance in the Provision of Remuneration for Commercial Banks (hereinafter referred to as SEOJK Number 40/2016), banks may decide the unchanged and variable remuneration policies that observing the work performance as well as risk and determine the method of measurement based on the scale and complexity of the business activities of the bank.

Based on POJK Number 45/2015 and SEOJK Number 40/2016, the Company has set a provision of Variable Remuneration that applied for approval of the Company's General Meeting of Shareholders to provide the variable remuneration in the form of:

1. Cash; and / or
2. Shares.

Because of that, the Company has made the policies about the provision of Variable Remuneration to Directors, Board of Commissioners (especially to Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT).

The allocation of shares in provision of Variable Remuneration to Directors, Board of Commissioners (especially to Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT) will be conducted based on:

1. Approval of the General Meeting of Shareholders related to the provision of Variable Remuneration in the form of Shares.
2. Approval of the General Meeting of Shareholders in the shares buyback issued by Company.

3. It has been executed The share buyback that issued by the Company based on the suitable regulations and the amount that can be allocated in the Provision of Variable Remuneration to Directors, the Board of Commissioners (especially to the Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT) .
4. The Remuneration Committee has submitted the calculation of share allocation for the Provision of Variable Remuneration for Directors, Board of Commissioners (especially for Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT), to the Board of Directors and Board of Commissioners Meeting, and the calculation has been approved at the Company's Board of Directors and Board of Commissioners Meetings.
5. The implementation of share allocation in the Provision of Variable Remuneration to Directors, Board of Commissioners (especially to Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT) refers to POJK Number 45/2015 and SEOJK 40/2016 and also concerns the implementation of Good Corporate Governance within the Company.

The rules of the Provisions of Variable Remuneration in the form of shares to Directors, Board of Commissioners (especially to the Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT):

1. The period of suspension

For the provision of Variable Remuneration in the form of shares to the Board of Directors, Board of Commissioners (especially to Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT) in 2018 are suspended for a minimum period of 3 (three) years but it can be proportionally paid every year.

In the period of suspension, the Board of Directors, the Board of Commissioners (especially for the Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT) have not been able to change and / or do whole shares transactions obtained from the Provision of Variable Remuneration to the Board of Directors, especially for the Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT) in 2018 even through stock exchanges or outside the stock exchange.

2. Supervision

Supervision of the provision of Variable Remuneration in the form of shares to the Board of Directors, Board of Commissioners (especially to the Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT) in 2018 will be executed by the Board of Directors and will be reported to the nearest Company's Shareholders General Meeting for the program implementation.

<p>ESTIMATED DECREASING OF COMPANY'S INCOME AS THE IMPACT OF SHARE BUYBACK AND THE IMPACT OF THE COST OF COMPANY'S BUDGETING AND PROFORMA PROFIT PER COMPANY'S SHARE AFTER THE SHARE BUYBACK PLAN WAS DONE BY CONSIDERING TO THE INCOME DECREASING</p>

The Share buyback named treasury stock. Used method to record the treasury stock is base price method (cost method). With this method, the buyback share will be debited of paid price. This is simulation for treasury stock:

Cathegory	Before buying back	Effect	After buying back
Total Asset	12.093.073	(395)	12.092.684
Equity	3.088.013	(395)	3.087.618
Profit for current year	265.863	-	265.863
Profit of share in IDR	65,00175	0,00456	65,00631
Return on asset	2,96000%	0,00000%	2,96000%
Return on equity	9,01000%	-0,01000%	9,00000%

Asumtions :

- Price of each share PT Bank Mestika Dharma, Tbk on December 2018 is 1.375 IDR/share
- Transaction fee of buying back share assumed 0,05% from total transactions.
- Total share after deductible from transaction fee is 287.000 share (2.870 lot share; 1 lot = 100 share)

The effect of buying back shares are :

1. Decreasing total asset about 394.500.000 IDR caused by Increasing ROA as impact from decreased cash
2. Increasing profit per share on IDR caused by treasury stock, and
3. The decrease equity impact to the increase ROE

SHARE PRICE LIMITATION IN COMPANY'S SHARE BUYBACK

The Company's shares buyback will be conducted at a price lower or equal to the price of the offer that occurred the previous day .

PERIOD OF TIME LIMITATION ON THE IMPLEMENTATION OF THE COMPANY'S SHARES BUYBACK

The Company's Share Buyback will be held for a period of 18 (eighteen) months, starting from May 9th, 2019 to October 9th , 2020.

THE METHODS THAT WILL BE USED FOR THE COMPANY'S SHARES BUYBACK

1. The Company will appoint one member of the stock exchange to buy back the Company's shares for the period of May 9th, 2019 to October 9th , 2020 with due regard to the prevailing laws and regulations.
2. Shares buyback shall be conducted through trading on the Indonesia Stock Exchange.
3. The purchase will be made at a price lower or equal to the price.
4. Parties as follows:
Board of Directors, Board of Commissioners (especially for Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT).

ANALYSIS AND DISCUSSION OF MANAGEMENT ABOUT THE EFFECT OF SHARE BUYBACK ON BUSINESS ACTIVITIES AND GROWTH OF THE COMPANY IN THE FUTURE

The Company does the share buyback in the prevision of Variable Remuneration to the Directors, the Board of Commissioners (especially to the Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT), thus as soon as the number of shares buyback has reached the amount that allocated to a Variable Remuneration Participant, before the implementation of the allocation of shares in a Variable Remuneration Asset, the shares buyback shall be recorded as Treasury Stock, and recorded on behalf of the Bank, until at the time of distribution shall be provided to each Participant.

The Company will announce the plan to re-allocate the shares to the Board of Directors, the Board of Commissioners (especially to the Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT) through the Indonesia Stock Exchange website and the Company's website www.bankmestika.co.id no later than 14 (fourteen) days prior to the allocation of a Variable Remuneration

in the form of shares to the Board of Directors, the Board of Commissioners (especially to the Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT).

In the event that the remaining shares and / or in the case of the exercise of the distribution of shares for the Provision of Remuneration of Variables can not be executed as referred to in POJK 45/2015, then the repurchased shares shall be recorded in the Treasury Stock account with taking into account the prevailing rules and regulations. Therefore, the Board of Directors may transfer the shares through trading in Indonesia Stock Exchange by considering the Regulation of the Financial Services Authority (POJK) Number 30 / POJK.04 / 2017.

Shares that have been bought back by the Company before being allocated to the Board of Directors, the Board of Commissioners (especially to the Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT) which are still recorded in the treasury stock can not be used to issue the votes in the General Meeting of Shareholders and shall not be taken into account in determining the amount of quorum to be achieved in accordance with the prevailing laws and regulations, in addition to the said shares being not entitled to the distribution of dividends. The Board of Directors of the Company will report on the implementation of the Company's share buybacks as well as the results of the allocation of shares in a Variable Remuneration to the Directors, the Board of Commissioners (especially to the Affiliated President Commissioner and Commissioners) and the Risk Material Takers (MRT) that have been repurchased in the General Meeting of Shareholders Annual held by the Company during the period of the Share Buyback of the Company.

By doing the implementation of the provision of Variable Remuneration to Directors, Board of Commissioners (especially to Affiliated President Commissioner and Commissioner) and Material Risk Takers (MRT), the company has complied with the provisions of the Financial Services Authority (OJK) and it is expected to have a positive impact on the Company's growth in the future.

<p>ANALYSIS AND DISCUSSION OF MANAGEMENT ABOUT THE EFFECT OF SHARE BUYBACK ON BUSINESS ACTIVITIES AND GROWTH OF THE COMPANY IN THE FUTURE</p>
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For further information may contact the Company within hours of work at:

Corporate Secretary

Jl. H. Zainul Arifin No. 118, Medan

Phone: +6261 4525800 Facsimile: +6261 4527324

Email: corsec@bankmestika.co.id