

DISCLOSURE OF CAPITAL INCREASE WITHOUT PRE-EMPTIVE RIGHTS

1. INTRODUCTION

In accordance to Otoritas Jasa Keuangan Regulation ("POJK") No. 38/POJK.04/2014, on Capital Increase without Pre-emptive Rights ("POJK No. 38"), hereby Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk ("The Company") plans to perform Capital Increase without Pre-emptive Rights ("Penambahan Modal Tanpa HMETD") at most 105.915.000 (one hundred and five million nine hundred and fifteen thousand) Seri B share, thus the number of new shares that may be issued in MESOP program is as much as 0.71% (zero point seventy one percent) of the total number of shares issued and fully paid in the Company.

Capital Increases Without this pre-emptive rights require the prior approval of the General Meeting of Shareholders ("AGM") to be held on January 29, 2016.

2. BACKGROUND AND REASONS

The Company believes that the improved performance is consistent from year to year can be achieved because of the commitment of management and employees. The Company will continue to implement appropriate strategies to generate maximum performance for the Company and maintain sustainable growth. The Company will evaluate the performance of individuals and groups in achieving the set targets and implement the Resource Management so employees can work efficiently and increase the expertise to maximize the potential

Option Program Benefits for The Company Manfaat

- Option program is structured to increase the sense of belonging to the Company that will enhance the performance of each participant Option Rights program which will ultimately improve the overall performance of the Company.
- With the granting of option rights to purchase shares which is management and employees stock ownership program, is expected to achieve alignment of the interests of the Company and the interests of Program Participants.
- Rewards and incentives towards the contributions of the participants of the Program so that it can boost the performance of the company's management and key employees.
- The granting of the Option Rights is expected to increase participant program's loyalty as well as improving the company's performance later in the day by establishing a transparent, measurable programs and have the assurance of the implementation.

3. ESTIMATION EXERCISE PERIOD

Option Right Amount	Exercise Price	Exercise Period
MESOP Program Phase I Grant Date (1) Tgl. 12 July 2015 Option Right will be distributed to purchase a certain amount of 31,774,500 shares with nominal value of Rp. 250.0-per share	The exercise price for MESOP phase I determined based on at least 90% multiplied by the average price 25-day closure of the company's shares trading on the Indonesia stock exchange for the period 27 April 2015 s/d 3 June 2015 amounting to Rp. 450.0 per share for shares with nominal value of Rp 250.0-per share	Year 2016 Option Phase I <u>Window Exercise I</u> : 30 days Bursa from the date of August 1, 2016 Year 2017 Option Phase I <u>Window Exercise I</u> : 30 days Bursa from the date of February 1, 2017 Option Phase I and Phase II <u>Window Exercise II</u> : 30 days Bursa from the date of August 1, 2017
MESOP Program Phase II Grant Date (2) Tgl. 12 July 2016 Option Right will be distributed to purchase a certain amount of 31,774,500 shares with nominal value of Rp. 250.0-per share	The exercise price for MESOP phase II was set upon at least 90% multiplied by the average price 25-day closure of the company's shares trading on the Indonesia stock exchange at the latest before the date of implementation of phase II MESOP	Year 2018 Option Phase I and Phase II <u>Window Exercise I</u> : 30 days Bursa from the date of February 1, 2018 Option Phase I, Phase II and Phase III <u>Window Exercise II</u> : 30 days Bursa from the date of August 1, 2018 Year 2019 Option Phase I, Phase II and Phase III <u>Window Exercise I</u> : 30 days Bursa from the date of February 1, 2019 Option Phase I, Phase II and Phase III <u>Window Exercise II</u> : 30 days Bursa from the date of August 1, 2019
MESOP Program Phase III Grant Date (3) Tgl. 12 July 2017 Option Right will be distributed to purchase a certain amount of 42,366,000 shares with nominal value of Rp. 250.0-per share	The exercise price for MESOP phase III was set upon at least 90% multiplied by the average price 25-day closure of the company's shares trading on the Indonesia stock exchange at the latest before the date of implementation of phase III MESOP	Year 2020 Option Phase II and Phase III <u>Window Exercise I</u> : 30 days Bursa from the date of February 1, 2020

4. USE OF FUNDS

The funds gained from the implementation of the Programs Option will be used as a deposit on the company's capital

5. THE RISK OF SHAREHOLDER

The existence of a number of new shares issued in the Option Right Program will not affect to previous shareholders.

6. FINANCIAL OVERVIEW

Laporan The company's financial statements for the period ended 30 September 2015 (Unaudited) and 2014 are in an audit by public accountant Purwanto, Suherman & Surja As set forth in the Independent Auditor's report No. RPC-288/PSS-Sby/2015 date February 27, 2015 with reasonable opinions in all matters of material.

(in million rupiah)

DESCRIPTION	30 SEP 2015 (UNAUDITED)	31 DES 2014 (AUDITED)
FINANCIAL REPORT		
ASSET		
TOTAL ASSET	52,092,676	37,998,046
LIABILITY DAN EQUITY		
LIABILITY	45,986,431	31,954,411
EQUITY	6,106,245	6,043,635
TOTAL LIABILITY AND EQUITY	52,092,676	37,998,046
LOSS & PROFIT COMPREHENSIVE CONSOLIDATION (FOR NINE MONTHS PERIOD) / (30 SEP 2015 - 30 SEP 2014)		
PROFIT (OPS+NON OPS)	291,148	285,367
EARNING BEFORE TAX	988,840	1,046,025
NETT PROFIT	696,492.0	742,893
PROFIT PER SHARE (ON FULL VALUE PENUH)	46.69	49.80

7. ANALYSIS AND CAPITAL STRUCTURE

Share Capital
Consists of series A Shares and common stock on behalf of series B
The Nominal value of Rp250,-(two hundred fifty Rupiah) Per Share

Description	Before IPO			After IPO & ESA		
	Share Amount	Value Amount (Rp)	%	Share Amount	Value Amount (Rp)	%
Authorized Capital						
- Seri A	24.000.000.000	6.000.000.000.000		24.000.000.000	6.000.000.000.000	
- Seri B	12.000.000.000	3.000.000.000.000		12.000.000.000	3.000.000.000.000	
Total Authorized Capital	36.000.000.000	9.000.000.000.000		36.000.000.000	9.000.000.000.000	
Capital Placed and paid in Full						
Seri A						
-East Java Province Government	7.676.913.648	1.919.228.412.000	64,33	7.676.913.648	1.919.228.412.000	51,46
-Eas Java Municipal Government	4.257.234.334	1.064.308.583.500	35,67	4.257.234.334	1.064.308.583.500	28,54
Seri B						
- Public	-	-	-	2.685.184.000	671.296.000.000	18,00
- Employees through ESA program	-	-	-	298.353.000	74.588.250.000	2,00
Total Capital Placed and paid in Full	11.934.147.982	2.983.536.995.500	100,00	14.917.684.982	3.729.421.245.500	100,00
Share on Portepel						
- Seri A	12.065.852.018	3.016.463.004.500		12.065.852.018	3.016.463.004.500	
- Seri B	12.000.000.000	3.000.000.000.000		9.016.463.000	2.254.115.750.000	
Total Share on Portepel	24.065.852.018	6.016.463.004.500		21.082.315.018	5.270.578.754.500	

Share Capital
Consists of series A Shares and common stock on behalf of series B
The Nominal value of Rp250,-(two hundred fifty Rupiah) Per Share

Description	Before IPO			After IPO, ESA & MESOP		
	Share Amount	Value Amount (Rp)	%	Share Amount	Value Amount (Rp)	%
Authorized Capital						
- Seri A	24.000.000.000	6.000.000.000.000		24.000.000.000	6.000.000.000.000	
- Seri B	12.000.000.000	3.000.000.000.000		12.000.000.000	3.000.000.000.000	
Total Authorized Capital	36.000.000.000	9.000.000.000.000		36.000.000.000	9.000.000.000.000	
Capital Placed and paid in Full						
Seri A						
-East Java Province Government	7.676.913.648	1.919.228.412.000	64,33	7.676.913.648	1.919.228.412.000	51,10
-Eas Java Municipal Government	4.257.234.334	1.064.308.583.500	35,67	4.257.234.334	1.064.308.583.500	28,34
Total Share of Seri A						
	11.934.147.982	2.983.536.995.500		11.934.147.982	2.983.536.995.500	
Seri B						
- Public	-	-	-	2.685.184.000	671.296.000.000	17,87
- Employees through ESA program	-	-	-	298.353.000	74.588.250.000	1,98
- Managements dan Employees through MESOP program	-	-	-	105.915.000	26.478.750.000	0,71
Total Share of Seri B	-	-	-	3.089.452.000	772.363.000.000	
Total Capital Placed and paid in Full	11.934.147.982	2.983.536.995.500	100,00	15.023.599.982	3.755.899.995.500	100,00
Share on Portepel						
- Seri A	12.065.852.018	3.016.463.004.500		12.065.852.018	3.016.463.004.500	
- Seri B	12.000.000.000	3.000.000.000.000		8.910.548.000	2.227.637.000.000	
Total Share on Portepel	24.065.852.018	6.016.463.004.500		20.976.400.018	5.244.100.004.500	

The number of shares that can be issued in the Program Options is Right as much as 105,915,000 (one hundred and five million nine hundred and fifteen thousand) shares of series B, thus the number of new shares that may be issued in MESOP program is as much as 0.71% (zero comma seventy one percent) of the total number of shares placed and paid in full within the company.