

No. : BF.HM.01.61 06 March 2020  
 Enclosure : -  
 Subject : **Explanation of PT Jasa Marga (Persero) Tbk on the Implication of Effective Implementation of PSAK 71, 72, and 73 of 2020 to the Company's Financial Statements**

**Direktur Penilaian Perusahaan**  
**PT Bursa Efek Indonesia**  
 Indonesia Stock Exchange Building, Tower I  
 Jln. Jend Sudirman Kav. 52-53  
 Jakarta 12190

**Attn. Kepala Divisi Penilaian Perusahaan Group 2**

With reference to the letter from PT Bursa Efek Indonesia No. S-01457/BEI.PPU/03-2020 dated 03 March 2020 on Request for Explanation on the Implication of Effective Implementation of PSAK (Indonesia Financial Accounting Standards) 71, 72, and 73 of 2020 to the Company's Financial Statements, we herewith inform the following:

- 1) The impact of implementation of PSAK 71, 72, and 73 to the Company's financial performance in the Company's sales and profit/loss Perseroan, particularly in financial statements as of 31 March 2020.
  - a. Will it cause the Company to book business loss and/or net loss by implementing PSAK 71, 72, and 73? Please explain in detail.  
 Based on our evaluation on 31 December 2019, classification of quantitative influence of PSAK 71, 72 and 73 to the Company's financial statements 2020 does not have significant influence, with the following details:

**PSAK 71**

Account	Sub Account	Business Model	SPPI Test	Classification	Measurement	Further Measurement
Cash and cash equivalents	Cash on hand	Hold to collect contractual cash flows only	Contractual cash flows represent only payment of principal	Amortized cost	Measured at the amount recognized at initial recognition	Measured at the amount
Cash and cash equivalents	Cash in banks	Hold to collect contractual cash flows only	Contractual cash flows represent only payments of principal and interest	Amortized cost	Measured at the amount recognized at initial recognition	Measured at the amount



Account	Sub Account	Business Model	SPPI Test	Classification	Measurement	Further Measurement
Cash and cash equivalents	Deposits	Hold to collect contractual cash flows only	Contractual cash flows represent only payments of principal and interest	Amortized cost	Measured at the amount recognized at initial recognition	Measured at the amount
Investment in Securities	Mutual Fund Investment-Bond II Series	NOT hold to collect contractual cash flows only OR to collect contractual cash flows and sell	Contractual cash flows DO NOT represent payments of principal and interest	Fair value through profit and loss (FVTPL)	Measured at fair value recognized at initial recognition	Fair value on the date of the report. Difference with fair value on the next report date will be recognized in profit and loss
Investment in Securities	KIK EBA Mandiri JSMR01	NOT hold to collect contractual cash flows only OR to collect contractual cash flows and sell	Contractual cash flows DO NOT represent payments of principal and interest	Fair value through profit and loss (FVTPL)	Measured at fair value recognized at initial recognition	Fair value on the date of the report. Difference with fair value on the next report date will be recognized in profit and loss
Receivables	Receivables of toll revenues from bank	Hold to collect contractual cash flows only	Contractual cash flows reflect only payment of principal	Amortized cost	Measured at the amount recognized at initial recognition	Measured at the amount
Receivables	Loan to subsidiaries	Hold to collect contractual cash flows only	Contractual cash flows represent only payments of principal and interest	Amortized cost	Measured at fair value recognized at initial recognition	Amortized value uses effective interest rate
Receivables	Land bridging fund receivables	Hold to collect contractual cash flows only	Contractual cash flows represent only payments of principal and interest	Amortized cost	Measured at fair value recognized at initial recognition	Amortized value uses effective interest rate
Receivables	Loan to employees	Hold to collect contractual cash flows only	Contractual cash flows represent only payments of principal and interest (if any)	Amortized cost	Measured at the amount recognized at initial recognition	Amortized value uses effective interest rate



Account	Sub Account	Business Model	SPPI Test	Classification	Measurement	Further Measurement
Receivables	Retention receivables	Hold to collect contractual cash flows only	Contractual cash flows represent only payments of principal and interest (if any)	Amortized cost	Measured at the amount recognized at initial recognition	Measured at the amount
Appropriated Funds	Performance bond	Hold to collect contractual cash flows only	Contractual cash flows represent only payments of principal and interest (if any)	Amortized cost	Measured at the amount recognized at initial recognition	Measured at the amount
Other Financial Assets	Investment in equity of other entities without significant impact	NOT hold to collect contractual cash flows only OR to collect contractual cash flows and sell	Contractual cash flows DO NOT represent payments of principal and interest (if any)	Fair value through Other Comprehensive Income (FVOCI)	Recognized in the initial at fair value	Fair value on the date of the report. Difference with fair value on the next report date will be recognized in Other Comprehensive Income. Dividends are recognized in Profit and Loss

PSAK	Classification	Measurement	Impact
PSAK 72 (Revenue from Contracts with Customers)	Non-toll revenues: <ul style="list-style-type: none"> <li>Revenues from toll road operations</li> <li>Revenues from toll road maintenance</li> <li>Revenue obtained from other businesses (rest area, advertisements, rent of land)</li> </ul>	Recognition of revenues based on contracts with customers	Insignificant impact
PSAK 73 (Leases)	Operating lease: <ul style="list-style-type: none"> <li>Toll information technology system lease</li> <li>Office equipment lease</li> <li>Operational vehicles lease</li> </ul>	Leased Assets	Insignificant impact

- b. In view of PSAK 72, does the Company has revenues from contracts with a period of more than one year? If "yes", does such contract cause the Company not to book revenues with the implementation of such PSAK? Please explain in detail.

Yes, the Company has contacts with more than one-year term and those contracts mostly exist in the subsidiaries, carrying out the contract with parent company as well as other Jasa Marga subsidiaries. The impact of implementation of PSAK 72 in consolidated financial statements is insignificant as transactions among Jasa Marga Group will be eliminated.

- c. In view of PSAK 73, does the Company has leases causing the record of right-of-use assets to the Company's assets? If "yes", please explain its impact on the positions of the Company's assets and liabilities.



Yes, the Company has lease contract causing the recording of leased assets in the forms of toll information technology system lease, office equipment lease, and operational vehicles lease. The impact of implementing PSAK 73 on assets position in the consolidated financial statements is insignificant.

- 2) Risk mitigation conducted by the Company due to the impact mentioned in point 1 above.
  1. In August 2019  
The Company has appointed independent consultant Pusat Pengembangan Akuntansi Fakultas Ekonomi dan Bisnis Universitas Indonesia (PPA FEB UI) with the following targets:
    - a. Providing training to all teams of Jasa Marga Group.
    - b. Evaluating all existing work contracts in Jasa Marga Group by joint analysis, conducted by team of Jasa Marga Group and evaluated by team of consultant, so that team of Jasa Marga Group has sufficient comprehension in implementing PSAK 71, 72, and 73.
    - c. Analyzing the impact of implementing PSAK 71, 72, and 73 globally.
  2. In 2020  
Appointing independent consultant KAP PricewaterhouseCooper (PwC) to implement PSAK 71, 72, and 73 in the financial statements of Jasa Marga Group as of 31 March 2020, in accordance with prevailing financial accounting standards in Indonesia.
  3. Conducting training and socialization of PSAK 71, 72, and 73 within Jasa Marga Group.
- 3) Other significant and material information/occurrence that may influence the existence of the Company and influence the share price of the Company.  
No other information influencing the Company's equity and share price.

Thank you for your kind attention.



**M. Agus Setiawan**  
Corporate Secretary

SRH/ADR/TRS/PMA/MKA

4/1/19