



by Telkom Indonesia 



**YOUR
GATEWAY
TO THE
DIGITAL WORLD**

ANNUAL REPORT 2018



tcrash
shop



Terkluas
Tervecepat

TELKOM

INDONESIA GAMES CHAMPIONSHIP 2018

TELKOMSEL
5G

MAX



YOUR GATEWAY

TO THE
DIGITAL WORLD

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We continued to advance towards our goal of transforming Telkomsel into a Digital Telco Company and the leader in Mobile Digital Business. **This goal demands the transformation of our entire organization end-to-end, including business, people, organization and corporate culture, as well as our larger digital ecosystem.** All of these are critical elements as we seek to expand our capabilities to create a gateway to the digital world for the people of Indonesia.

2018 IMPROVED

Telkomsel has successfully delivered growth and revenue from digital and data, plus delivering good digital products and services, as shown by the improving momentum in 2018.

DIGITAL BUSINESS REVENUE (in billion rupiah)

47,299

+ 19.8%

DATA 41,339
+16.4%

DIGITAL SERVICES 5,960
+51.2%

DATA USER

(in million)

106.6

+ 0.7%

LTE USER

54.8
+ 10.3%

DIGITAL BUSINESS CONTRIBUTION

53%

2018

42%

2017

MOMENTUM

PAYLOAD (terabyte)

4,373,077

+ 101.7%



CONSUMPTION/
DATA USER

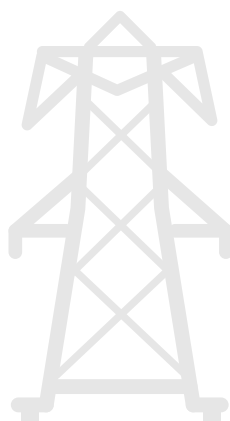


3.4 gigabyte

189,081

TOTAL BTS

+ 17.7% FROM 2017



138,771

3G/4G BTS

+ 25.7% FROM 2017



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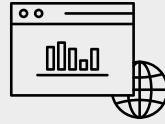
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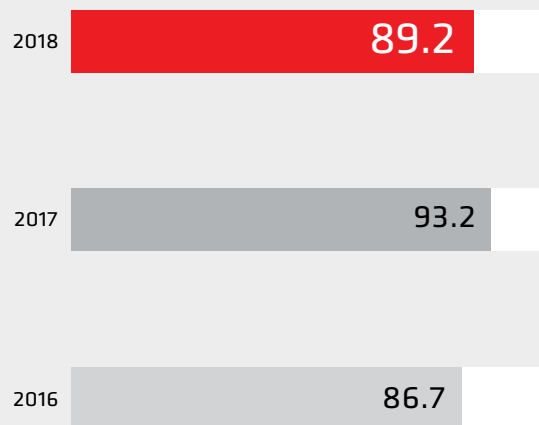
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KEY PERFORMANCES

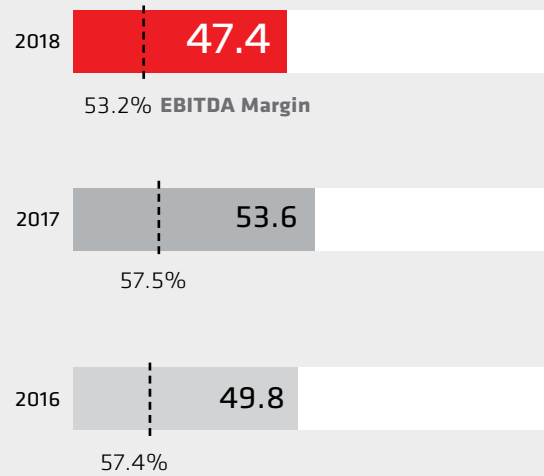
REVENUES

in trillion Rupiah



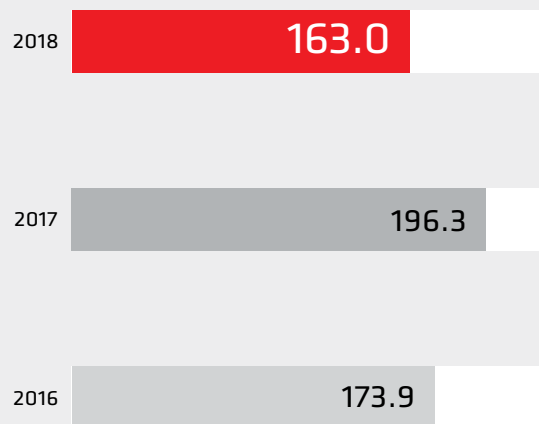
EBITDA & EBITDA MARGIN

in trillion Rupiah



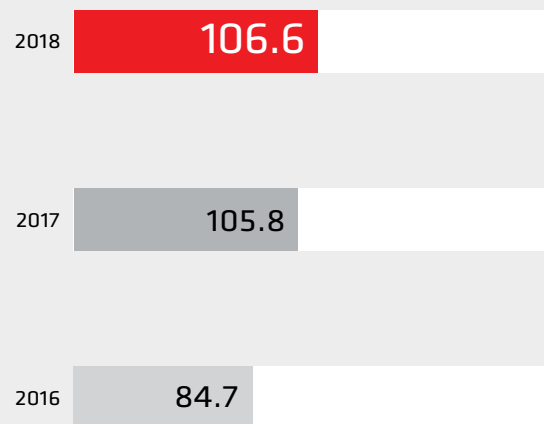
TOTAL CUSTOMER BASE

in million



DATA USER

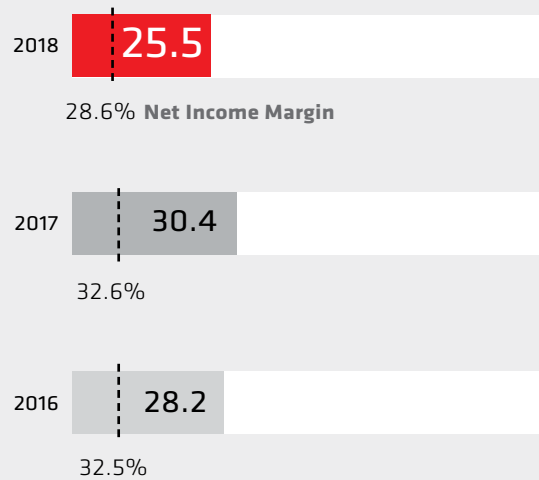
in million





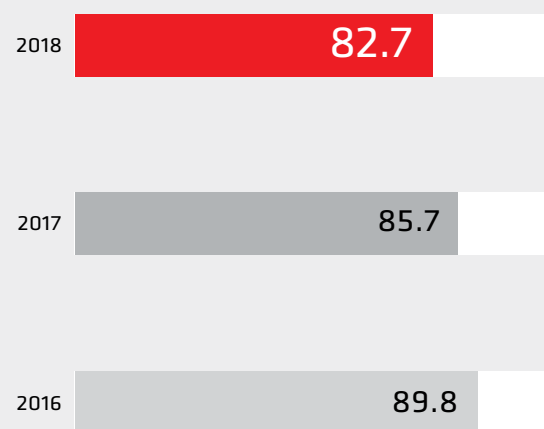
NET INCOME & NET INCOME MARGIN

in trillion Rupiah



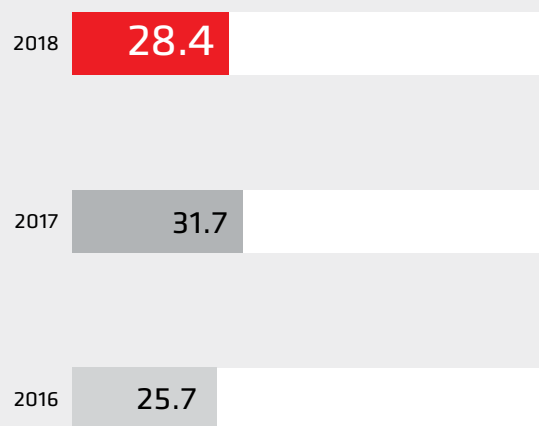
TOTAL ASSETS

in trillion Rupiah



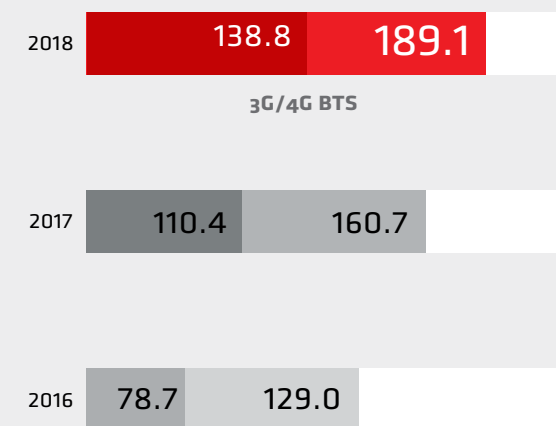
TOTAL BTS ROLL-OUT

in thousand



TOTAL BTS ON-AIR & TOTAL 3G/4G BTS

in thousand



FINANCIAL HIGHLIGHTS

DESCRIPTION (in billion Rupiah)	2018	2017	2016	2015	2014
FINANCIAL POSITION					
BALANCE SHEET					
Current Assets	16,834	21,098	28,818	25,660	20,465
Fixed Assets	56,899	56,074	54,259	54,112	55,021
Other Non - Current Assets	8,917	8,576	6,704	4,314	3,866
Total Assets	82,650	85,748	89,781	84,086	79,352
Current Liabilities	20,737	23,031	21,891	20,020	19,270
Non-Current Liabilities	10,767	8,587	8,520	12,565	8,604
Equity	51,147	54,130	59,370	51,502	51,477
Total Liabilities and Equity	82,650	85,748	89,781	84,086	79,352
PROFIT AND LOSS					
Revenues	89,246	93,217	86,725	76,055	66,252
Expenses (Include Depreciation)	54,707	53,164	49,502	46,377	40,579
EBITDA	47,439	53,592	49,781	42,602	37,241
Net Income	25,536	30,395	28,195	22,368	19,391
CASH FLOWS					
Cash Flows from Operating Activities	36,910	39,571	42,805	36,359	30,911
Cash Flows for Investing Activities	(16,095)	(13,984)	(12,794)	(12,951)	(11,052)
Cash Flows from (for) Financing Activities	2,998	(710)	(4,731)	2,077	(497)
Cash Dividend	(27,865)	(34,010)	(19,401)	(21,533)	(15,066)
Cash and Cash Equivalents at End of Years	6,497	10,548	19,681	13,802	9,851
FINANCIAL RATIOS					
EBITDA Margin ¹	53%	57%	57%	56%	56%
Net Income Margin ²	29%	33%	33%	29%	29%
Return on Assets ³	30%	35%	32%	27%	26%
Return on Equity ⁴	49%	54%	51%	43%	39%

NOTES:

1. EBITDA divided by Revenues
2. Net Income divided by Revenues
3. Net Income divided by Average Total Assets
4. Net Income divided by Average Total Equity

OPERATIONAL HIGHLIGHTS

	2018	2017	2016	2015	2014
CUSTOMERS - in thousands					
Postpaid	5,400	4,739	4,180	3,509	2,851
Prepaid	157,587	191,583	169,740	149,131	137,734
Total	162,988	196,322	173,920	152,641	140,586
LEGACY BUSINESS DRIVER					
MoU Total - in billion minutes	207	212	232	225	197
SMS Total - in billion units	77	135	183	219	256
CORE BUSINESS DRIVER					
Data-enabled Users - in thousands	106,553	105,808	84,729	73,887	67,860
Data Payload - in TByte	4,373,077	2,168,245	958,733	492,245	234,862
ARPU - in thousand Rupiah					
Postpaid	136	149	151	162	172
Prepaid	38	40	42	40	36
Blended	41	43	45	43	39
NETWORK DATA - units					
Total BTS-2G	50,310	50,324	50,344	48,394	46,398
Total BTS-3G/4G	138,771	110,381	78,689	54,895	39,022
Total BTS	189,081	160,705	129,033	103,289	85,420
EMPLOYEE DATA					
Total Employees (excl. BOD)	5,535	5,461	5,191	4,902	4,880
Efficiency Ratio (subs/employee)	29,447	35,950	33,504	31,138	28,809

2018 EVENT HIGHLIGHTS

JANUARY

TELKOMSEL ANNOUNCED THE 10 BEST INDONESIA NEXT PARTICIPANTS

Telkomsel announced the 10 best IndonesianNEXT 2017 participants who were selected after going through various selection stages involving more than 11,000 participants from all over Indonesia. The winners had the opportunity to take a short course at a university and several well-known technology companies in San Francisco, United States. This Telkomsel flagship CSR program aims to improve capability and expertise of participating students. Participants who passed the IndonesiaNEXT certification exam received a certificate of expertise that can be used as a diploma companion certificate (Surat Keterangan Pendamping Ijazah). In the final stage of the program, the best participants at the national level were chosen to gain knowledge about the working world by visiting several well-known technology companies at the international level.



FEBRUARY

TIMELESS INNOVATION AT TELKOMSEL INNO[X]TION

The Telkomsel Inno[X]tion program (read: Telkomsel Inno Action) was launched in order to accommodate employees' ideas as part of supporting a culture of innovation in order to adjust to changes in the industry. Telkomsel Inno[X]tion is expected to help employees get used to be more courageously in experimenting when presenting products and services. The program consist of: Forming Internal Expertise, Creating a Creation Hub: Lentera and HappyWork, Agile & Innovated Working and Inno[X]tion Awards platforms.

MARCH



TCASH BALANCE CAN NOW BE TOPPED UP THROUGH BRI

TCASH initiated a commercial partnership with BRI to give benefits for BRI Customers in using TCASH. Through synergy in BRI Link Program, TCASH and BRI agents are able to serve customers in remote areas.



NICKELODEON AND TELKOMSEL LAUNCHED "NICKELODEON PLAY" APPLICATION IN INDONESIA

Telkomsel customers can now enjoy a variety of exclusive Nickelodeon shows by activating the "VideoMAX NICKELODEON PLAY" package. This is made possible through collaboration between Nickelodeon Asia Viacom International Media Networks and Telkomsel so that Telkomsel customers can enjoy Nickelodeon Play content on their mobile phones.





TELKOMSEL AND UNIVERSITAS INDONESIA IMPLEMENTED NB-IOT BIKE SHARING INNOVATIONS

Telkomsel and the University of Indonesia held a pilot trial of a bike sharing solution based on Narrowband Internet of Things (NB-IoT) technology at the University of Indonesia, Depok in March 2018. Telkomsel was the first to commercialize NB-IoT technology in Indonesia, in an effort to accelerate the development of the IoT ecosystem in Indonesia.



TELKOMSEL AND TRIBE BROADCASTED ORIGINAL EXCLUSIVE CONTENT

Telkomsel partnered with Tribe, a streaming TV and first-run film application, as part of its strong commitment to provide the best digital entertainment experience through TV and film streaming services to customers. Telkomsel customers can directly enjoy a serial drama action created in collaboration between 3 countries titled "DO(S)A" that was newly launched by Tribe, by simply downloading the Tribe application and activating the monthly data package through the *363 # access menu or the MyTelkomsel application on their smartphone.



BINTARO MODERN MARKET NOW ACCEPTS TCASH

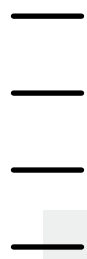
Customers at Pasar Modern Bintaro, South Tangerang can now use TCASH to buy daily necessities ranging from vegetables, fruit, spices and meat to snacks. TCASH sees wet market as an ideal ecosystem due to high volume of cash transactions. The initiative is aligned to government's effort in accelerating financial inclusion to 75% by the end of 2019.

APRIL

TELKOMSEL ANNOUNCED THE 2018 INDONESIA GAMES CHAMPIONSHIP CHAMPION

Telkomsel announced the winner of each game category at the 2018 Indonesia Games Championship (IGC), the largest online games tournament (eSports) in Indonesia with a grand finale that took place on April 20-22 2018 at Kartika Expo Balai Kartini, Jakarta. The final round was attended by more than 9,000 participants from overseas and its live streaming on YouTube attracted more than three million views. It is hoped that this event can become a useful forum for the games developer community, publishers, and gamers to collaborated and advocate for the development of new digital ecosystems in the games industry.





MAY



FOR RAMADAN AND EID AL-FITR, TELKOMSEL BUILT 12,000 MULTI-BAND LTE BTS

To welcome Ramadan and Eid al-Fitr (RAFI) Telkomsel demonstrated the readiness of its services and networks by supporting convenient communication for customers during the RAFI period this year, through the construction of 12,000 LTE multi-band BTS at strategic points along homecoming routes and public centers throughout Indonesia. Telkomsel strives to deliver quality services with adequate capacity so that customers can enjoy the experience of using Data services in an optimal and prime manner.



TELKOMSEL ONCE AGAIN HELD INDONESIANEXT

Telkomsel once again held one of its CSR programs, IndonesiaNEXT 2018, this time on a larger scale at 21 universities in Indonesia, with the aim to provide training and improve the professional skills of more than 12,000 registrants.

The IndonesiaNEXT program is a form of Telkomsel's social responsibility which advances Indonesia's young generation by improving students' capabilities and knowledge in order to increase their competitiveness at the international level.



SMART BIN SOLUTION

Supported by the Ministry of Environment and Forestry (KLHK), Telkomsel, Danone-AQUA, Alfamart and Smash launched the Smart Drop Box (SDB). The SDB is a smart garbage bin equipped with a plastic bottle barcode scanner system and connected to mySmash, an application that records bottle waste collected, and gives reward points which can be used for online payment. SDB users have to download the application on their smartphone then scan the barcode on plastic bottles that will be discarded. After the plastic bottle is inserted into the SDB, the user will receive TCASH points as a reward. Throughout 2018, a total of 80 SDBs were placed in Alfamart outlets in the Jakarta and Tangerang regions.

JUNE

CUSTOMERS ENJOYED THE 2018 WORLD CUP OVER MOBILE PHONES THROUGH THE MAXSTREAM APPLICATION

In order to welcome the high enthusiasm of the public to welcome the 2018 World Cup, Telkomsel presented the biggest football party show in the world through a special World Cup channel in the MAXstream application starting from June 2018. Telkomsel collaborated with PT Football Momentum Asia to launch the 2018 World Cup channel in MAXstream digital application. As the "Licensed Mobile Broadcaster World Cup 2018", Telkomsel made it easy for customers to watch all World Cup 2018 matches through live streaming video via the MAXstream Telkomsel application service, wherever and whenever using their mobile devices.



JULY



23 YEARS OF TELKOMSEL CONSISTENTLY DEVELOPING DIGITAL ECOSYSTEMS IN INDONESIA

On its 23rd birthday on May 26, 2018, Telkomsel committed to continuing the digital transformation by developing a digital ecosystem in Indonesia, through the deployment of a quality Data network in all Indonesian regions and encouraging the adoption of digital services by the public.

Telkomsel always strives to encourage the use of Data networks more optimally so as to provide maximum benefits for customers. To that end, Telkomsel continues to make various improvements to deliver the best digital lifestyle mobile experience to its customers.

In accordance with its stated commitment, the 23rd anniversary of Telkomsel's anniversary was celebrated through a series of events themed digital transformation. Its anniversary was celebrated with a fast-breaking by the Board of Directors together with employees and orphans in Jakarta area on May 28, 2018. The employees celebrated this anniversary internally on Monday, July 2, 2018 at Balai Kartini Jakarta, and held an anniversary celebration with work partners on July 9, 2018.



TCASH IS NOW AVAILABLE FOR CUSTOMERS FROM ANY TELCO OPERATORS

TCASH App can now be used for digital financial transactions by all Indonesian people from any Telco Operators. This service has also obtained an official permit from Bank Indonesia, as the regulator that oversees digital financial activities. The launch of TCASH Semua Bisa ("everyone can use TCASH") is also a form of TCASH's commitment to support the government's National Non-Cash Movement (GNNT) program.



TELKOMSEL AND SISFO INDONESIA PRESENTED HYBRID TECHNOLOGY SOLUTION (VMS) SERVICES

Telkomsel in collaboration with Sisfo Indonesia presented a ship fishing monitoring system (Vessel Monitoring Solution/VMS) with hybrid technology that utilizes the GSM infrastructure, as a Telkomsel myBusiness solution to complement the features available in fishing vessel monitoring devices.



FOCUSED ON DEVELOPING IOT ECOSYSTEMS, TELKOMSEL LAUNCHED THE TELKOMSEL INNOVATION CENTER (TINC) PROGRAM

Telkomsel inaugurated the Telkomsel Innovation Center (TINC) program with aim to support Indonesia's IOT ecosystem advancement. TINC co-develops ready-to-use IOT products to become commercially viable together with startups, developers, and system integrators since product development until go-commercial, with various forms of support, including connectivity SIM cards, development kits, and IOT Lab facilities.

AUGUST



TELKOMSEL LAUNCHED THE FIRST 5G TECHNOLOGY EXPERIENCE THROUGH THE 'TELKOMSEL 5G EXPERIENCE CENTER'

Telkomsel presented the very first 5G experience in Indonesia through the 'Telkomsel 5G Experience Center', which was open to the public during the Asian Games 2018. Visitors could directly experience various applications such as Live Streaming, Cycling Everywhere, Football 2022, Beat the Robot, Future Driving and Autonomous Electric Vehicle. The 5G experience is expected to give insights to visitors about the benefits and advantages of 5G technology, i.e. high-speed data rate, lower latency, geo-tagging, and autonomous driving. The implementation of 5G technology would support Government's roadmap in Making Indonesia 4.0.



THE TELKOMSEL PETANI PROGRAM HARVESTED POTATOES IN GARUT

Telkomsel's PETANI (Concern for Indonesian Farmers') program successfully harvested potatoes in Garut, West Java. PETANI is a CSR program in the field of e-agriculture that aims to nurture farming communities in Indonesia by utilizing cellular technology and the Internet of Things (IoT). In this program Telkomsel collaborated with two of The NextDev's top-up startups, namely Habibi Garden and Eragano, to monitor plant conditions in real-time using IoT and develop solutions from upstream to downstream for household farmers using digital platforms.



THE MAXSTREAM ONE STOP VIDEO PORTAL TELKOMSEL APPLICATION PRESENTED THE 2018 ASIAN GAMES AND WORLD FOOTBALL LEAGUE

Telkomsel strengthened MAXstream's digital video application content in collaboration with beIN SPORTS and EMTEK Group. The beIN SPORTS channel at MAXstream will present live broadcasts of world soccer leagues such as La Liga (Spain), Premier Leagues (England), France Ligue 1 (France), Major League Soccer (United States), and other live broadcasts such as the World Rally Championship, the World Golf Championship, Davis Cup and many others. Meanwhile, in collaboration with one of the subsidiaries of EMTEK Group, Vidio, MAXstream also broadcasted various live broadcasts of the 2018 Asian Games. EMTEK Group is the exclusive broadcast partner for the 2018 Asian Games.





TELKOMSEL LAUNCHED THE T-PERPUS APPLICATION TO INCREASE YOUNG INDONESIANS' READING INTEREST

Telkomsel in collaboration with Gramedia Digital Nusantara (GDN) launched the 'Telkomsel Digital Library' or T-PERPUS to increase young Indonesians' interest in reading. This application provides a variety of interesting categories of books, magazines and newspapers, and can be used on the IOS or Android platforms whenever and wherever. Telkomsel provided free access to 5,000 users across several regions in Indonesia. In the early stage, Telkomsel provided 1,000 users at universities or colleges in West Java with the content of more than 3,000 books from 69 categories. The T-PERPUS program will be released to stages to the next regions.



PAY FOR BLUEBIRD USING TCASH

Bluebird taxi users can now use TCASH as payments in the MyBlueBird application. This collaboration will provide a more convenient payment experience through non-cash transactions, as well as support government's cashless movement. The strategic collaboration is expected to increase both number of BlueBird passengers and number of TCASH transactions.

SEPTEMBER

HOOQ AND MAXSTREAM JOINTLY PRESENTED THE EPIC CRIME DRAMA BRATA - THE FIRST ORIGINAL INDONESIAN ORIGINAL SERIES

Telkomsel launched its first Indonesian original series, Brata, which can be watched on the HOOQ and MAXstream application services from Telkomsel. Through this film, Telkomsel seeks to empower the Indonesian people to continue to hone their creative talents and providing a platform to showcase their work to a wider public, including filmmaking.

OCTOBER

LAUNCH OF SHELLFIRE GAME

Telkomsel through Dunia Games launched its first game, ShellFire, a smartphone platform application in the action genre within the FPS (First Person Shooter) and MOBA (Multiplayer Online Battle Arena) sub genres which have various game modes, hero characters, maps and in-app items. This game can be downloaded on the Google Play Store and will also be available at the iOS Store with a target of 3 million downloaders by the end of this year. After the launch of ShellFire, in the future Dunia Games will present many game applications in various new genres.



WORLD GAMES ESPORT LEAGUE TITLE

Telkomsel through Dunia Games presented an eSport League named Dunia Games League for customers who love games and eSport. This is also part of Telkomsel's efforts to build a digital lifestyle ecosystem for the people of Indonesia. The Dunia Games League was held simultaneously in 141 cities and 13 of the best teams competed at the national level for grand final title which took place in March 2019 at Dunia Games Esports Stadium, Jakarta.



TELKOMSEL SPREAD THE SPIRIT OF COLLABORATION TO ADVANCE INDONESIA'S DIGITAL ECOSYSTEM

Telkomsel held the biggest annual creative festival, Ideafest X The Nextdev in Jakarta. The IdeaFest x The NextDev event became even more special thanks to the presence of the Telkomsel Experience Zone in the IDEAXPERIENCE area, with the theme 'Living the Balance Between Work and Passion', whereby Telkomsel presented its leading digital lifestyle services on the business side while accommodating the need for entertainment through the latest content.



NOVEMBER

TELKOMSEL BUSINESS DIGITIZATION SOLUTIONS

Telkomsel presented Digital solutions to companies such as G4S Indonesia which has entrusted Telkomsel myBusiness services and Telkomsel IoT solutions with digitizing the business processes in the company. These solutions included an IoT (internet of things) Control Center, FleetSight and Compack Enterprise. Telkomsel also cooperated with PERURI Corporation, Bulog Corporation and Indogrosir to present a variety of digital solutions including Telkomsel FleetSight, TCASH and LBA (location-based advertising) digital transactions, IoT solutions (internet of things) and many other digital solutions. As an operator committed to digitizing Indonesia through the application of technology, Telkomsel has prepared future technology-based business services and solutions that can support the realization of the readiness of businessmen in Indonesia.



DECEMBER



EXPANDING THE IOT ECOSYSTEM, TELKOMSEL COLLABORATED WITH EFISHERY AND JAPFA TO PRESENTED DIGITAL FISHING VILLAGE IN INDRAMAYU

Telkomsel showcases its commitment in developing IOT ecosystem through the initiation of Digital Innovation Villages across Indonesia. In collaboration with eFishery and Japfa, Telkomsel implemented Narrowband-IOT Aquaculture Technology in Digital Fishing Village in Losarang, Indramayu. The NB-IOT automatic fish feeder engine improves feed efficiency and accelerates harvesting cycle.



TCASH SUPPORTED TRIAL DISTRIBUTION OF ULTRA MICRO CREDIT FINANCING (UMI) WITH THE MINISTRY OF FINANCE AND BAKTI MINISTRY OF COMMUNICATION AND INFORMATION

Telkomsel, through TCASH, conducted a digitalization trial of Ultra Micro (UMI) credit financing distribution for members of cooperative in the East Lombok region, West Nusa Tenggara. The UMI credit was directed at providing working capital for the businesses of the cooperative members, specifically for the development of Official Bang TCASH Payment Counters in the area.



TELKOMSEL LAUNCHED THE MBANKING APPLICATION (MOBILE BANKING)

Telkomsel launched the Telkomsel Mobile Banking (mBanking) application to provide customers an easy and convenience way to access multiple bank accounts from a single app. The application is part of Telkomsel's effort in building Digital Indonesia.



TELKOMSEL DATA SERVICE TRAFFIC INCREASED 21% ON CHRISTMAS AND NEW YEAR

To anticipate the surge in service traffic that routinely occurs at the turn of the year, Telkomsel strengthened all network elements throughout Indonesia. The network was optimized at 628 points of major traffic by deploying 88 compact mobile base stations (Combat) or Mobile BTS, and dispatching 592 Mobile GraPARI (MoGi) as well as 3,779 Siaga outlets that provide starter packs, credit top-up services, and activation of various digital services.

AWARDS & ACCOLADES



Selular Awards 2018
Most Innovative IoT Solution
(May 2018)



FROST & SULLIVAN Award 2018
Excellence in Customer Experience –
Telecommunications Industry Indonesia
Overall Customer Experience
(November 2018)



Indonesia WOW Brand 2018
Gold Champion - Cellular Operator
(March 2018)

Telkomsel won a total of 66 national and international awards in 2018 in a variety of categories.

These prestigious achievements reflect Telkomsel's commitment to continuous excellence in business and customer service, maintaining a good corporate image, and delivering on its corporate social responsibility.



Asia Communications Awards 2018
Digital Life Style Winner
(June 2018)



Telecom Asia Awards 2018
The Most Innovative Voice
Service or Solution
(June 2018)



7th Infobank Digital Brand of The Year 2018
1st Winner Digital Brand E-Money
Non Bank - TCASH
(April 2018)



BUMN Marketeers Award 2018
Gold Winner The Most Promising
Company in Branding Campaign
(May 2018)



Indonesia Best Brand Awards 2018
Best Brand Award for 8 consecutive
years in GSM SIM card category -
simPATI
(December 2018)



**Mobile Application
Choice Award 2018**
Mobile Application Best Choice
in Customer - MyTelkomsel
(August 2018)

BUSINESS EXCELLENCE

Indonesia Netizen Brand Choice 2018

- 1 TCASH – Top 5 Netizen Choice in Digital Payments Category

Indonesia Netizen Brand Choice 2018

- 2 Telkomsel – 1st Winner The Best Content Marketing Implementation in Office Equipment/IT/Telecommunication Category

7th Infobank Digital Brand of The Year 2018

- 3 TCASH – 1st Winner Digital Brand E-Money Non-bank

Indonesia Most Creative Companies Award 2018

- 4 TCASH - Indonesia Most Creative Company 2018

Selular Awards 2018

- 5 TCASH – The Best Electronic Money
- 6 ROLi – The Best Advertising App

Digital Innovation Award 2018

- 7 TCASH – Innovative Company in Digital Payment Services in Financial Technology Category
- 8 Telkomsel – Innovative Company in Digital Services & Campaign in Telecommunication Category

Superbrands Indonesia 2018

- 9 TCASH – Superbrands Indonesia in Electronic Money Service
- 10 Telkomsel – Superbrands Indonesia in Provider Telco

Marketing Award 2018

- 11 LOOP - The Best in Marketing Campaign

Indonesia PR of the Year 2018

- 12 TCASH – The Best Marketing Public Relations Program 2018

Indonesian Best Brand Awards 2018

- 13 *simPATI* - Indonesian Best Brand Award for 8 consecutive years in GSM SIM card category

Mobile DNA Awards 2018

- 14 TCASH - Bronze Winner in Financial Technology (Cashless E-Money)

CUSTOMER SERVICE EXCELLENCE

Digital Touchpoint Customer Engagement Award 2018

- 15 Telkomsel - "Good" service performance in telecommunication category

Selular Awards 2018

- 16 MyTelkomsel- Best Customer Self Service Apps

Service Quality Award 2018

- 17 Telkomsel - The Best GraPARI in Cellular Telecommunication
- 18 Telkomsel - The Best GraPARI Telkomsel in Cellular Telecommunication for Corporate Customers

Mobile Application Choice Award 2018

- 19 MyTelkomsel - Mobile Application Best Choice in Customer Provider Service Application Category

Frost & Sullivan Awards 2018

- 20 Telkomsel - Excellence in Customer Experience Telecommunications Industry Indonesia "Overall Customer Experience"
- 21 Telkomsel - Excellence in Customer Experience Telecommunications Industry Indonesia "Online Customer Experience"

CORPORATE IMAGE

Indonesia Prestige Brand Awards 2018

- 22 Telkomsel - Top 5 Prestige Brand in Mobile Network Operator Category

Indonesia TOP Digital PR Award 2018

- 23 Telkomsel - Top Digital PR Award in Provider Category

Inhouse Magazine Award 2018

- 24 Telkomsel Popcorn - "Silver Winner" The Best E-Magazine Private Company Inhouse Magazine (InMA) 2018

Indonesia WOW Brand 2018

- 25 Telkomsel - "Gold Champion" in Cellular Operator Category
- 26 Telkomsel - Top 50 Indonesia WOW Brand 2018

PR Indonesia Award 2018

- 27 Telkomsel - Platinum Award in Private Company Category
- 28 MyTelkomsel - Gold Winner in Mobile Application Category
- 29 The NextDev - Gold Winner in Corporate Public Relation Category
- 30 InternetBAIK - Gold Winner in Business Sustainability Category
- 31 Telkomsel - Gold Winner in Crisis Handling Category
- 32 Popcorn - Bronze Winner in E-Magazine Category
- 33 Telkomsel - The Most Popular in Media Category
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BUMN Marketeers Award 2018

- 34 Telkomsel – Gold Winner as The Most Promising Company in Branding Campaign
- 35 Telkomsel – Bronze Winner as The Most Promising Company in Strategic Marketing
- 36 Telkomsel – Bronze Winner as The Most Promising Company in Tactical Marketing

HR Excellence Award 2018

- 37 Telkomsel – Rating A in Recruitment Strategy

Indonesia Most Admired Company Award 2018

- 38 Telkomsel – Top 5 Indonesia Most Admired Companies 2018 in Telecommunication Category

Selular Awards 2018

- 39 Ririek Adriansyah – CEO of the year
- 40 Telkomsel – The Most Innovative IoT Solution
- 41 Telkomsel – The Most Innovative use of Big Data
- 42 Telkomsel – as Operator of The Year

Asia Communication Awards 2018

- 43 Telkomsel – Top 5 Most Innovative IoT Solution
- 44 Telkomsel – Top 5 Innovation in Operator Category
- 45 Telkomsel – Top 5 Best Customer Care
- 46 Telkomsel – The Winner of Digital Lifestyle

Telecom Asia Awards 2018

- 47 Telkomsel – The Most Innovative Voice Service or Solution

CIPS Supply Management Awards Asia

- 48 Telkomsel - Best Supplier Relationship Management Category

Brand Asia Award 2018

- 49 Telkomsel – Top 10 Strongest Brand in Indonesia

Indonesia Champion for ASEAN 2018

- 50 Telkomsel - Acknowledgement of Significant Progress and Stellar Performance in Their Business Sector in ASEAN Market

Green CEO Award 2018

- 51 Ririek Adriansyah – Green CEO Award in Telecommunication Category

Social Business Innovation Award 2018

- 52 Telkomsel - Top 3 Social Business Innovation Company 2018 in Telecommunication Category

CREST Award 2018

- 53 Shifting to Digital Project – Project of The Year 2018

PR INDONESIA Best Communicators 2018

54 Ririek Adriansyah – Best Communicators 2018

Mobile DNA Awards 2018

55 Telkomsel – Gold Winner in Network Operator Category

Top IT & Telco Award 2018

56 Telkomsel - Top Data Package 2018

57 Telkomsel – Top Wireless Internet Provider 2018

Indonesia Most Admired CEO 2018

58 Ririek Adriansyah – Indonesia Most Admired CEO 2018

CORPORATE SOCIAL RESPONSIBILITY

Indonesia Branding Campaign Award 2018

59 Telkomsel The NextDev- Gold Champion for Public Relation Category

60 Telkomsel The NextDev – Silver Champion for Below The Line Category

Penghargaan Wajib Pajak Tahun 2018

61 Telkomsel – Kontribusi Penerimaan Pajak Besar

WSIS Prize 2018

62 Telkomsel “Baktiku Negeriku” - 2nd Best Champion of WSIS Prizes 2018

Certiport Digital Initiatives Award 2018

63 IndonesiaNEXT – Champion of Digital Literacy

Corporate Social Initiatives Award 2018

64 InternetBAIK – The Best Cause Promotion

Kominfo Award 2018

65 Telkomsel – Apresiasi Mitra Inovasi SDPPI 2018 in 5G Development Technology category

66 Telkomsel – Apresiasi Mitra Inovasi SDPPI 2018 di Pemanfaatan Spectrum Frekuensi Radio di Wilayah Indonesia Bagian Timur

ISO CERTIFICATION

We are committed to providing the highest customer satisfaction in accordance with the International ISO 9001:2008 standard. This is the international standard for quality management, indicating that we have achieved consistency in delivering high quality services and guaranteed customer satisfaction. We achieved the Certification Audit in 2011, Surveillance Audit 1 in 2012 and Surveillance Audit 2 in 2013.

In 2018, we maintained the areas that are recognized by ISO certification reflecting our quality maintenance.

CUSTOMER SERVICE

83

OF TELKOMSEL'S GRAPARI
WERE AWARDED ISO
9001:2008 CERTIFICATION

TELKOMSEL'S GRAPARI :

- Banda Aceh
- Binjai
- Graha Merah Putih
- Kisaran
- Kualanamu
- Lhokseumawe
- Medan Lippo Plaza
- Medan Sun Plasa
- Meulaboh
- Padang Sidempuan
- Pematang Siantar
- Sibolga
- Batam Center
- Batam Penuin
- Dumai
- Mall SKA
- Padang
- Pekanbaru
- Tanjung Balai Karimun
- Tanjung Pinang
- Tembilahan
- Belitung
- Bengkulu
- Jambi
- Lampung
- Lubuk Linggau
- Muara Bungo
- Palembang
- Pangkal Pinang
- BSD
- Cilegon
- Central Park
- Serang
- Jakarta Pusat (Wisma Alia)
- Gandaria City
- Cibubur
- Karawang
- Sukabumi
- Banda
- Dago
- Cianjur
- Tasikmalaya
- Kudus
- Purwokerto
- Semarang Mall Ciputra
- Semarang Pahlawan
- Solo
- Tegal
- Yogyakarta
- Banyuwangi
- Gresik
- Jember
- Kediri

- Madiun
- Malang
- Probolinggo
- Surabaya Bukit Darmo
- Surabaya Pemuda
- TTC HR Muhammad
- WTC
- Denpasar
- Kupang
- Kuta
- Mataram
- Renon
- Sudirman Balikpapan
- Banjarmasin
- Bontang
- Palangkaraya
- Pontianak
- Samarinda
- Tarakan
- Gorontalo
- Kendari
- Makassar
- Manado
- Palu
- Pare-Pare
- Ambon
- Jayapura
- Manokwari
- Sorong
- Timika

CALL CENTER

4 (four) Call Centers were awarded ISO 9001:2008 Surveillance certification with zero major findings:

- Call Center Medan
- Call Center Bandung
- Call Center Surabaya
- Call Center Makassar

NETWORK AND IT

Telkomsel received ISO/IEC 27001:2013 certification from BSI for the management of information security in provision of Billing, Rating and Charging, Mobile Financial Management (E-Wallet), service management, Order & Fulfilment Management, Customer Management (Prepaid, Postpaid, Customer Data Support), Supply Chain & Resource Management, Sales & Channel Management, Business Intelligence Management, Financial Management, Messaging and Notification Management, Telco Network Infrastructure and Surrounding Billing Environments. This in accordance with ISMS/M01 Statement of Applicability Version 9.0 dated January 2018 and is valid through September 22, 2019.

In addition, Telkomsel also obtained ISO/IEC 20000-1:2011 certification, which covers the IT Directorate Service Management System consisting of Billing, Rating and Charging Service; Mobile Financial Management Service; and Service Management Service from the IT Directorate office and data center in Jakarta.

To maintain service quality and increase customer satisfaction, this year Telkomsel extended and expanded ISO 9001:2015 for "Warehousing Management" from five to ten warehouses across Indonesia which acquired on 17 December 2018.

CHAPTER

02



REMARKS FROM THE MANAGEMENT

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DEAR SHAREHOLDERS,

The global economic recovery which began in 2017 strengthened in 2018, as the global economy expanded steadily but increasingly unevenly between countries and regions. Growth was driven by emerging markets, which proved fairly resilient despite various pressures.

Indonesia fared relatively well with stable economic growth of 5.17%, still better compared to 5.07% in the previous year and well above the global average of about 3.0%. GDP growth in Indonesia was supported by government spending especially in infrastructure, solid domestic demand, and sound macro-economic policies that successfully maintained overall stability.

Conversely, it was an extremely dynamic year for the Indonesian telecommunications industry as the transition from Legacy to Data Services accelerated, reshaping the competitive landscape. Meanwhile, revenue from Data Services is rising but has not yet offset the erosion in Legacy margins.

In addition, the prepaid SIM card registration exercise that was carried out in compliance with government regulation impacted subscriber numbers for all telecommunications providers.

At the same time, we are confident that these dynamics will result in a healthier industry over the long term. Moreover, the enormous demand for Data Services also opens up many opportunities, which Telkomsel is gearing up to embrace as it transforms into a leading digital telecommunications provider and the digital gateway for Indonesia.

SUPERVISION AND ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE MONITORING AND EVALUATION THROUGHOUT 2018

Throughout 2018, the Board of Commissioners supervised the management of the Company in accordance with its duties and responsibilities, and with reference to the long-term business strategy established by Telkomsel.



Indonesia fared relatively well with stable economic growth of 5.17%, a marginal improvement YoY and well above the global average of about 3.0%.

Alex J. Sinaga

REMARKS FROM

THE PRESIDENT COMMI



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Based on the results that the Company has achieved in a challenging environment, it is the assessment of the Board of Commissioners that the Board of Directors has effectively managed the transition of the Legacy business to Digital, while maintaining Telkomsel's market leadership and continuing the transformation of the Company.

Specifically, after an initial dip in performance at the beginning of the year, Telkomsel was able to recover to deliver positive growth in Revenue, EBITDA and Net Income starting in Q3 2018. As a result, Telkomsel was able to deliver solid financial performance for 2018 with Revenue amounting to Rp. 89.2 trillion, EBITDA of Rp. 47.4 trillion and Net Income of Rp. 25.5 trillion.

At the same time, the Board of Directors also remained focused on strengthening and expanding Telkomsel's network. Total on-air BTS increased by 17.7% to 189,081 BTS, of which the majority at around 73% were 3G/4G BTS. The development of the network was carried out with the aim of delivering best digital experience to customers, as a key factor in helping Telkomsel to win the competition going forward.

The management also continued to drive the development of digital products and services, with a number of exciting new innovations that will serve to strengthen

Telkomsel's digital ecosystem and deliver a high quality digital experience for customers.

All of these achievements were supported by human resources development and good corporate governance implementation, resulting in balanced and sustainable growth for all shareholders and stakeholders.

OPINION ON BUSINESS PROSPECTS - YOUR GATEWAY TO THE DIGITAL WORLD

In order to transform into a leading digital telco company, since 2012 Telkomsel has been on a journey of continuous transformation that touches on all aspects of its business including its ecosystem, organization, people and culture. In the opinion of the Board of Commissioners, this transformation has effectively positioned Telkomsel for growth, with good business prospects.

In 2018, this transformation was advanced through both external and internal programs. Externally, a wide variety of Digital investments and key initiatives were established during the year in the areas of Digital Lifestyle, Digital Advertising, Mobile Banking, IoT, Mobile Financial Service, Big Data and API business. These developments elicited good response from customers, partners and users, and helped drive Digital Business revenue growth, including in the B2B sector, which the Company has started to focus on. The

**Telkomsel
continued to
expand its network
to support its
transformation into
the Gateway to the
Digital World and
commitment to
serve the nation
and bridge
the digital divide.**

Board of Commissioners agrees that the B2B and government sector has potentially high demand for technology applications and Telkomsel stands ready to answer these needs with cutting edge solutions.

The external transformation was paralleled by internal transformation. Human resource development and leadership programs were carried out that aimed to develop change agents and leaders equipped with digital knowledge and capabilities as the engine of growth going forward. This was done through various programs that focused on enhancing internal capabilities and processes through digital technology, and building up a digital culture with new ways of working through. As part

of this initiative, employees were plunged into real-life agile projects in the Company where they participated in digital projects to sharpen their skills and gain digital experience.

The Board of Commissioners was also pleased to see that the management continued to aggressively strengthen and expand Telkomsel's infrastructure through the addition of BTS in high traffic areas, which is crucial to supporting its transformation and future business prospects.

In addition, Telkomsel faithfully executed its assigned tasks from the government to deploy BTS USO Blankspot services with the objective of enabling coverage in areas with no connection. Telkomsel moreover continued to provide BTS Merah Putih services, which is an initiative to provide telecommunication services in remote areas through effective technology solutions. Both of these services are provided in accordance with the Company's commitment to bridge the digital divide and support digital access for all Indonesians, towards becoming the Gateway to the Digital World.

Through this comprehensive approach, Telkomsel was able to defend its legacy business while building up the digital business in preparation to capture opportunities and revenue growth, supported by expanded broadband

connectivity. As such, Telkomsel is now better positioned to realize potential business opportunities to create value and shape the landscape.

CORPORATE GOVERNANCE

Telkomsel constantly strives to enhance its quality of good corporate governance. As such, the Board of Commissioners actively supervised the implementation of corporate governance in 2018, including monitoring and advising the Board of Directors through a variety of channels.

The Board of Commissioners performed its tasks with the support of its supporting organs, namely the Audit Committee, the Remuneration Committee, and the Capital Expenditure, Financing and Management Process (CFMP) Committee. These committees gave valuable input and assistance during the year, ensuring that Telkomsel's financial reporting received an unqualified audit opinion in 2018, in a reflection of Telkomsel's strong good governance systems.

Overall, we are satisfied that the corporate governance mechanisms at Telkomsel have been adequately implemented in 2018.

CHANGES TO THE BOARD OF COMMISSIONERS

During 2018, there was one change to the composition of the Board of Commissioners at Telkomsel. In July 2018, Diaz FM Hendropriyono was

honorably discharged from the Board of Commissioners, and Mohamad Irfan was appointed to succeed him. The Board of Commissioners expresses its appreciation to Diaz FM Hendropriyono for his contributions, and warmly welcomes Mohamad Irfan as a member.

ACKNOWLEDGEMENT

On behalf of the Board of Commissioners, I would like to express our thanks and appreciation to the Board of Directors and all Telkomsel employees. We recognize that it has been a challenging year and we commend them on their efforts, which successfully achieved performance above the industry average and maintained market dominance. We also recognize that this achievement would not have been possible without the support of Telkom Group and Singtel as the parent companies.

Last but not least, we sincerely thank our valued customers and all stakeholders, who have made Telkomsel's success possible by giving us the opportunity to serve you. We will strive to fulfill that trust as we move to build a Digital Indonesia.

Sincerely yours,



Alex J. Sinaga
President Commissioner



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REMARKS FROM

THE PRESIDENT DIRECT



Our Digital Business revenue was driven by Digital Services revenue, which grew 51.2% YoY, and by Data revenue, which grew 16.4% YoY, in line with the increasing data demand.

Ririek Adriansyah

OR

DEAR SHAREHOLDERS,

The entire Indonesian telecommunications industry experienced a highly dynamic year, with multiple challenges. Thanks to a variety of strategic initiatives, however, Telkomsel was able to navigate these developments and challenges to perform well above industry average, while successfully continuing its transformation to become a leading digital telco company and build a Digital Indonesia.

The first challenge was the ongoing acceleration in decline in the Legacy (Voice & SMS) business, which put continuous pressure on all telecommunications providers throughout the year. To counter this, Telkomsel implemented a number of initiatives to manage downtrend of Legacy while building up Digital Business in preparation to capture opportunities and revenue growth.

Specifically, the decline in Legacy was managed through a personalized marketing approach offering better attractive, higher value Voice and SMS packages, along with the continued implementation of dynamic, cluster-based pricing, and Pay-as-You-Use (PAYU) migration to packages supported by improvements in network quality and coverage. According to Open Signal, Telkomsel achieved the best overall network quality during the year supported by a total of 28,376 new 4G BTS. Through all of these initiatives, we were able to optimize Voice revenue despite the inevitable decline in Voice traffic. It is also worth noting that as the Legacy revenue base becomes smaller, Digital Business has experienced healthy, steady growth supported by strong Data traffic growth and rising data average revenue per user (ARPU).

The second challenge was the intense competition in Data as the new engine of growth for all operators, which resulted in continuous pressure on pricing and margins. Telkomsel managed this pressure by maintaining ideal premium levels and by pushing Data monetization, which led to stable RpMB and successfully managed top line revenue achievement above the industry average. Starting in Q3 2018, we even saw a trend of positive quarter-on-quarter financial growth after an initial dip at the start of 2018, with Telkomsel recording solid growth in Data services since then.

Going forward, Telkomsel will strive to maintain these trends in order to nurture healthy growth in the Data business as the future of telecommunications industry. Specifically, we are focused on driving the upward trend of Data traffic and Data revenue, amidst a shift in consumer behaviour from purchasing starter packs to opting for renewals. In addition, the subscriber base has become more productive with higher data package consumption and reduced rotational churn, leading to an increase in Data ARPU which has benefitted the Telkomsel.

The third challenge for the industry was the prepaid SIM card registration exercise, which had a natural cleansing effect on the customer databases of all telecommunications providers including Telkomsel. However, we firmly believe that the prepaid SIM card registration has resulted in a better quality customer base with higher numbers of real, active subscribers as well as more efficient SIM card production costs. Therefore, Telkomsel fully complied with and supported the government SIM card registration program during 2018, in line with our obligations and belief that the prepaid SIM card registration will have



positive long term impact and support the emergence of healthier competition in the industry.

Indeed, since the SIM card registration exercise, the industry has begun shifting in a more positive direction towards a healthier revenue structure, as indicated by the shift in consumer behaviour from starter packs to renewal packages. The increase in renewal packages was accompanied by a positive trend of increased usage and payload from longer length-of-stay customers, together with declining usage contribution from shorter length-of-stay customers. Data service penetration also increased in line with the improvement in Data service quality, resulting in increased customer usage and ARPU. Overall, we firmly believe that the industry is on its way to more sustainable growth dynamics, which is expected to benefit all industry stakeholders including Telkomsel as the leading telecommunications provider.

FINANCIAL & OPERATIONAL RESULTS

Amidst this challenging landscape, Telkomsel performed better than the industry average. We recorded Revenue, EBITDA and Net Income in 2018 amounting to Rp89.2 trillion, Rp47.4 trillion and Rp25.5 trillion, respectively. Performance better than the industry, which experienced negative growth as a whole, as well as lower industry productivity. Furthermore, we maintained our dominant market share with a subscriber base of 163 million customers, in spite of the saturated

market and organic erosion caused by implementation of SIM Card registration.

As expected, the main contributor to our performance was the Digital Business, which contributed more than half of total revenue at 53.0%, up from 42.3% a year ago. Our Digital Business revenue was driven by Digital Services revenue, which grew 51.2% YoY, and by Data revenue, which grew 16.4% YoY, in line with the increasing data demand. Overall, our data traffic surged by 101.7% YoY with 65.7% of our subscribers using 3G/4G capable devices, up from 55.1% in 2017. These numbers confirm our belief in Data and the Digital Services as the future of the telco industry.

We also increased our total on-air BTS by 17.7% YoY to 189,081 BTS, of which around 73% were 3G/4G BTS in support of the Digital Business. The new BTS, all of which were 4G capable, were deployed on an on-demand basis for optimum impact, with consideration of 4G handset penetration and level of demand in Broadband cities. At the same time, notwithstanding the large investments needed for network expansion and other developments during the year, Telkomsel managed to achieve quarter-on-quarter improvements in our top line and bottom line growth. This solid operational and financial achievement show that we have successfully delivered superior customer experience, while simultaneously managing costs in a disciplined manner. This combination will be key to competing in the long run as pricing pressure continues to increase and the business shifts further to digital.

CONTINUING OUR DIGITAL TRANSFORMATION

Throughout the year, we continued to advance towards our goal of transforming Telkomsel into a Digital Telco Company and the leader in Mobile Digital Business. This goal has demanded the transformation of our entire business, including business, people, organization and corporate culture, as well as our larger digital ecosystem. All of these are critical elements as we seek to expand our capabilities to create a gateway to the digital world for the people of Indonesia and maintain our leadership in this digital era.

In order to create a gateway to the digital world, three major mobile transformation programs were established for 2018. The goal of the first and second program were to build up the digital business, while the third program focused on defending legacy and expanding broadband connectivity. Under the first goal, we had a number of initiatives that were 'Expected to Directly Impact Revenue in 2018'. These programs included building Digital Lifestyle platforms and capabilities to accelerate hockey-stick growth, scaling up digital B2B to win the Enterprise and SME segment, and optimizing Data Management Platform as a key enabler to dominate digital ad play and advanced user analytics. Products and services generated included enhancements to our LangitMusik music platform and the development of digital games including the launch of Indonesia's biggest e-sport

Throughout the year, we continued to advance towards our goal of transforming Telkomsel into a Digital Telco Company and the leader in Mobile Digital Business.

league. We also launched our Enterprise Mobility Solutions for fleet connectivity, developed our data management platform and activated our M-banking program with selected bank partners. These solutions provide concrete, immediate benefits for the enterprise and retail segments that they target, and thus directly helped to boost revenue generation.

Under the second goal, 'To Build the Foundation in 2018', internally we focused on enhancing internal digital capabilities and developing a digital culture, while externally we focused on enhancing and transforming customer channel experiences via improvement of Digital Touch Points and implementation of digital Smart Care Capabilities. These advances are important to strengthen Telkomsel's human resources capabilities and improve customer satisfaction, as the foundation for future growth.

Under the third goal, 'Defend Legacy and Expand Broadband Connectivity', we established five programs, namely: personalization to grow and protect HVC; establish fixed mobile convergence and greater value-of-service convergence; improve 4G service through spectrum optimization; dominate the Indonesian mobile data market (including maximizing the new 2300MHz spectrum); and sales channel transformation and increase Point of Sales productivity. All of these initiatives were carried out during the year with concrete results.

In doing so, we made sure that we continued to develop our digital ecosystem, which is based on devices/ equipment, networks and application (DNA), in a productive and constructive manner. Specifically, we expanded our digital ecosystem to include video and e-sports through, respectively, our new MAXstream video streaming app and our new Shellfire e-sport game. In addition, we agreed to work together with various partners including major banks in Indonesia for mobile financial services, bringing many more users into the Telkomsel ecosystem.

More generally, we helped grow the Indonesian digital ecosystem through digitally-minded CSR programs in four (4) pillar categories, namely Education, Digital Citizenship, Community Empowerment & Wellbeing, and Philanthropy, with the objective of maximizing its positive impact for society and strengthening its position. For the fourth year in a row, the NextDev digital competition was held to find promising local startups, which Telkomsel then helps to support and scale to deliver positive impact for society. Since its establishment, the NextDev has received nearly 5,000 startup applications, showing that it is a valuable platform for digital development in Indonesia.

Seeing that only a very small percentage of applications came from East Indonesia, Telkomsel created a program called the The NextDev on the Mission 2018 to realize and strengthen the digital ecosystem, encourage the development and independence of the younger

generation, and increase productivity and economic growth in Eastern Indonesia. Some interesting startups have already emerged from The NextDev on The Mission in 2018, and we hope that this trend will accelerate in the years ahead as part of ensuring equitable access to digital opportunities across the archipelago. In addition, we carried out many other CSR programs such as giving scholarships, the #internetbaik campaign for responsible internet usage, digital applications to help farmers, local disaster response and assistance for victims, and digital education including the launch of a digital library application called T-Perpus, to encourage Indonesians everywhere to read.

ACKNOWLEDGEMENT

In closing, I would like to express our appreciation to our valued customers and subscribers. We would also like to acknowledge the many contributions and dedication of the Board of Commissioners, employees, partners and shareholders. Their efforts were essential in helping Telkomsel meet the challenges of 2018 and successfully advance Telkomsel on its transformation journey to become a leading digital company, towards becoming Indonesia's Gateway to the Digital World.

Sincerely yours,



Ririek Adriansyah
President Director

THE BOARD OF COMMISSIONERS

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Alex J. Sinaga, President Commissioner

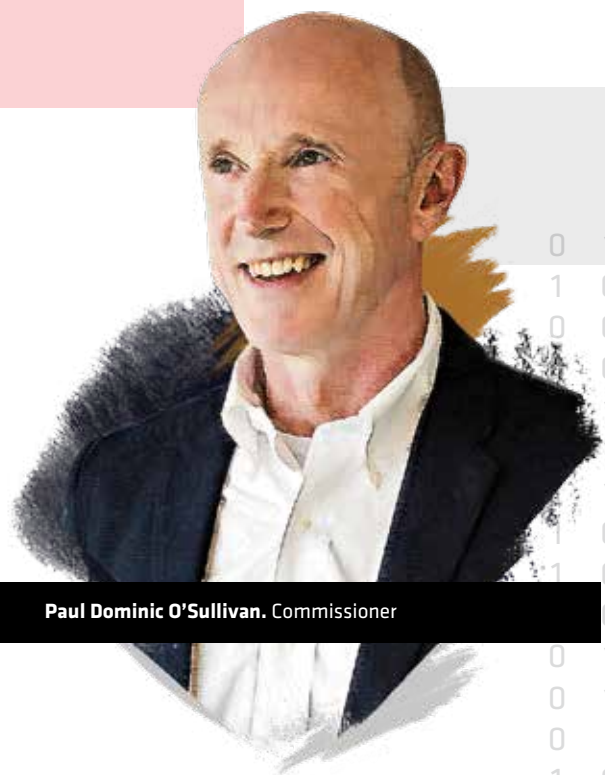


Harry M. Zen, Commissioner





Yose Rizal, Commissioner



Paul Dominic O'Sullivan, Commissioner

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Yuen Kuan Moon, Commissioner



Mohamad Irfan, Commissioner

PROFILE OF THE BOARD OF COMMISSIONERS



Alex J. Sinaga

President Commissioner

Mr. Alex J. Sinaga has been President Commissioner of Telkomsel since January 2015. He is currently also the President Director of PT Telkom Indonesia (Persero) Tbk.

Prior to this, he held various strategic positions within Telkom Group, including as the President Director of Telkomsel, President Director of TelkomMetra (a subsidiary of Telkom as a strategic investment company focusing on information, Media, Edutainment and Services), President Commissioner of PT Sigma CiptaCaraka (Telkomsigma) and Executive General Manager of various divisions in Telkom Indonesia.

Aside from Telkom Group, Alex J. Sinaga has also held several prestigious positions, including as the Chairman of Indonesian Telecommunication Association (ATSI) from 2012 to 2014 and Chairman of Board of Trustees of ATSI from 2014 to 2015.

He holds a degree in Electrical Engineering from the Bandung Institute of Technology (ITB) and a Master's degree in Telematics from the University of Surrey, Guildford, United Kingdom.

He was awarded Medal of Honor *Satyalancana Pembangunan* and *Satyalancana Wira Karya* in 2014 by the President of the Republic of Indonesia.

Harry M. Zen

Commissioner

Mr. Harry M. Zen has been a member of the Board of Commissioner of Telkomsel since August 2016. He has also served as the Chief Financial Officer of PT Telkom Indonesia (Persero) Tbk since April 2016. He concurrently serves as President Commissioner of PT Graha Sarana Duta.

Prior to this, he held various strategic positions including as President Director of PT Credit Suisse Securities Indonesia (2008-2015), Director of Barclays Capital (2007-2008), Co-Head Investment Banking of PT Bahana Securities (2001-2007) and Assistant Vice President of Citibank - Corporate Banking.

He holds a Bachelor degree in Metallurgical Engineering from the University of Indonesia and a Master of Business Administration in Corporate Finance and Financial Institutions & Market from the State University of New York at Buffalo, USA.



Yuen Kuan Moon

Commissioner



Mr. Yuen Kuan Moon has been on the Board of Commissioners since September 2009. He is currently Singtel's Chief Executive Officer, Consumer Singapore, appointed since June 2012. He is responsible for leading the Singapore consumer business to deliver a complete and integrated suite of services, including mobile, broadband, TV and fixed line solutions to consumers. In August 2018, Mr Yuen was also appointed as Singtel's Group Chief Digital Officer responsible for driving the Group's overall digitalisation strategy.

Mr. Yuen Kuan Moon also took a long-term assignment at Telkomsel from 2003 to 2007, which included a term as Commerce Director from 2005 to 2007. He has established a strong track record in the telecommunications industry since starting his career at Singtel in 1993.

In October 2016, he was appointed a Member of the SkillsFuture Singapore Board and in January 2018, he joined the Board of Advisors of the Institute of Service Excellence at Singapore Management University. He was also appointed a member to the Digital Readiness Council at the Ministry of Communications and Information in November 2018.

He is an Engineering graduate with a First Class Honors degree from the University of Western Australia and the holder of a Master of Science degree in Management from Stanford University.

PROFILE OF THE BOARD OF COMMISSIONERS

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Paul Dominic O'Sullivan

Commissioner

Mr. Paul O'Sullivan has been a Commissioner of Telkomsel since January 2010. He has also served as Chairman of Optus since October 2014. He is currently a Board Director of the following; HOOQ Pte Ltd, a JV between Singtel, Warner Bros and Sony Pictures Entertainment; NDIA, the National Disability Insurance Agency, providing support for Australians with disability, their families and carers; Healthscope, a leading private healthcare operation in Australia; and Coca-Cola Amatil Limited, one of the largest bottlers of non-alcoholic ready-to-drink beverages in the Asia-Pacific Region.

He is chairman of the Western Sydney Airport Company, a significant national infrastructure project to build a new airport which the Australian Government will own and operate, and also a Board member of the St George and Sutherland Medical Research Foundation. Mr. Paul O'Sullivan was previously CEO of Singtel Group Consumer from 2012-2014, where he was responsible for the wholly owned operations in Singapore and Australia, as well as Singtel's investments in Thailand, India, Africa, the Philippines and Indonesia.

He was CEO of Optus from September 2004 to March 2012, during which time Optus experienced strong growth including 18 quarters in a row of EBITDA growth and 7 consecutive half-years of mobile revenue share gain. He holds a Bachelor (MOD) degree in Economics from Trinity College, University of Dublin and is a graduate of the Advanced Management Program of Harvard University, USA.



Yose Rizal

Commissioner

Mr. Yose Rizal has served as a Commissioner of Telkomsel since May 2017. He is currently the CEO of MediaWave Interactive, a digital agency company, the CEO of MediaWave Analytics, a social media measurement company, the Founder PoliticaWave.com, a political social media monitoring and analytics, and an extraordinary lecturer and business mentor for the Master of Business Administration at the School of Business and Management - the Bandung Institute of Technology (SBM ITB). He has also been the Head of Research and Measurement, Indonesia Digital Association since 2014.

Previously, he was the Business Director of Snoop Mobile Media (2008-2010), a Director of Azka Megah Dirgantara (2003-2008), and Director of Bandung Information Technology (2000-2004). He was also Chairman of Business Data Department at the West Java Trade Chamber (2009-2013), the Chairman of Creative Industry Compartment at BPP Himpunan Pengusaha Muda Indonesia (2009-2010) and the General Secretary of BPC HIPMI Bandung (2006 -2009).

He earned a degree in Urban & Regional Planning from the Bandung Institute of Technology in 2003. He is often asked to act as a speaker at public forums, lead forums and national seminar.



Mohamad Irfan

Commissioner

Mr. Mohamad Irfan has served as a Commissioner of Telkomsel since July 2018. An executive with more than 14 years of profit-driven marketing and sales experience in various sectors including telecommunications, he is experienced in strategy analysis as well as sales and profit development.

He is presently also a Commissioner at PT Mandala Putera Prima, PT Nurbaitullah Tour & Travel, PT Indonesia Comnets Plus (ICON+), PT Mirga Metracon and PT Faidhi Systema Solusindo (Fasyndo), where he was actively involved in creating, developing and penetrating new market segments, including winning major tenders.

Over the course of his career he also held positions at PT Mediavision Innovative Technology as the Sales Director and at PT Philips Indonesia as Key Account Manager - Government Segment, Project Coordinator - Government Segment for East Java, Bali, NTB & NTT. At GE Consumer & Industrial - PT GE Lighting Indonesia, he was a Sales Engineer for DKI Jakarta and Sales Engineer for South Sulawesi. Previous to that he was a Business Development Officer at PT Phoenix International Indonesia.

He graduated from Hasanuddin University, Makassar in 2001 majoring in Marketing Management, and subsequently earned a Magister of Management degree from the University of Indonesia in 2004, also majoring in Marketing Management.



THE BOARD OF DIRECTORS

YOUR
GATEWAY
TO THE
DIGITAL



Ririek Adriansyah, President Director



Bob Apriawan, Director of Network



Heri Supriadi, Director of Finance



Edward Ying Siew Heng, Director of Planning and Transformation



Montgomery Hong, Director of IT



Irfan Tachrir, Director of Human Capital Management

WORLD



Alistair Johnston, Director of Marketing



Sukardi Silalahi, Director of Sales

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PROFILE OF THE BOARD OF DIRECTORS

Ririek Adriansyah

President Director



Mr. Ririek Adriansyah has served as President Director of Telkomsel since January 2015. He is responsible for the overall management of the Company.

He has held various strategic positions at PT Telekomunikasi Indonesia (Telkom) and Telkom Group since 1990. Prior to joining Telkomsel, he was appointed as Director of Wholesale & International Service at Telkom (2013-2014), Director of Compliance and Risk Management at Telkom (2012-2013) and has also served as President Director at PT Telekomunikasi Indonesia International (Telin), a subsidiary of Telkom (2011-2012), Director of Marketing & Sales at Telin (2010-2011), Director of International Carrier & Services at Telin (2008-2010) and Deputy Executive General Manager of the Infratel Division at Telkom (2004-2008).

He holds a degree in Electrical Engineering from the Bandung Institute of Technology (ITB).

Heri Supriadi

Director of Finance

Mr. Heri Supriadi has served as Director of Finance since May 2012. He is responsible for the overall finance and procurement functions.

Prior to joining Telkomsel, he was President Director of PT Telkom Property (2010-2012) and held several important positions at PT Telekomunikasi Indonesia Tbk such as Vice President of Investor Relations and Corporate Secretary (2009-2010), Vice President of Subsidiary Performance (2007-2010), Assistant Vice President of Subsidiary Performance (2007) and Assistant Vice President of Funding and Debt Management (2006-2007).

Mr. Heri Supriadi graduated with a Bachelor degree in Industrial Engineering from Bandung Institute of Technology (1991) and has a Master degree in Business Administration from Saint Mary's University, Halifax, Canada (1997) as well as a Doctoral degree in Business Management from Padjadjaran University, Bandung (2013). He has attended various executive education programs at Harvard Business School, Kellogg School of Management, Euro Money, and The University of Auckland Business School among others. He is a visiting lecturer at various universities and the author of books on Strategic Management & Research Methodology.





Edward Ying Siew Heng

Director of Planning and Transformation

Mr. Edward Ying Siew Heng has served as Director of Planning and Transformation since May 2012. He is now responsible for leading the Digital Services as well as developing Corporate Strategy and Transformation.

Prior to this, he has served as Director of Commerce of the Company since November 2011. He has vast leadership experience in the telecommunication industry, particularly in the telephony, entertainment and content business, in many countries. From 2008 to 2011 he was Chief, Multimedia Group at Singtel, where he successfully led the company to become a leader in local content, the media landscape and Pay TV businesses. He also served as COO of Maxis Communications, Malaysia's largest mobile operator (2003-2008), with primary responsibility for developing the multimedia content business, marketing, channel management, customer service and network operations. He was Chief Operating Advisor and a member of the Board of Globe Telecom in the Philippines from 1996 to 2003. He also served as Chairman of Metraplasa, a joint venture company between PT Telekomunikasi Indonesia and eBay (2013-2015). From 1995 to 1996, he served as Managing Director at Cambridge Cable Group Pay TV Business in the United Kingdom.

He graduated with a degree in Marketing from the Institute of Marketing, United Kingdom (1987), holds a Diploma in Sales and Marketing from the Marketing Institute of Singapore (1985) and also attended the General Management Program at the National University of Singapore in 1984 and the International Executive Program at INSEAD, Fontainebleau, France (1996). In 2015, he attended the "The Corporate Entrepreneur - Driving Innovation and New Ventures (TCE)" executive program at Stanford Graduate School of Business in California, USA and in 2016, the "Leading Business into the Future" Executive Leadership Program at London Business School, London, United Kingdom.



Montgomery Hong

Director of IT

Mr. Hong has over 32 years of experience in the telecommunications industry. He has deep expertise in the Communications industry specializing in large-scale Business, Digital, and IT Transformation programs for many world-class companies across North America, Europe, and Asia Pacific. Mr. Hong has Telco Operator experience and an extensive consulting background. Mr. Hong has held P/L responsibilities in his Consulting and Telco Operator roles.

As Telkomsel CIO, Mr. Hong is responsible for defining Telkomsel's overall IT strategy and leading the implementation of this strategy which has a significant focus on digital transformation and innovation. He is responsible for aligning the IT strategy and implementation of capabilities to Telkomsel's overall business strategy and initiatives. Mr. Hong has accelerated IT's transformation to a digital core micro-services, container based architecture enabling greater agility, reduced time to market, and improved reliability of capabilities required by the Business. Mr. Hong is responsible for all aspects of IT Strategy, Planning, Design, Implementation, Testing, Infrastructure, Service Deployment, Service Assurance/Management, Security Governance and Operations, and Vendor Management across 150+ applications.

Prior to joining Telkomsel, Mr. Hong served as Singtel International Group's Regional CIO where he was responsible for leading the development of a Regional IT Roadmap and Vision, defining key IT capabilities required for the evolution to a Digital Service Provider, and working closely with the Singtel Group Associates to align and adopt best practices and leverage synergies across the Group.

Mr. Hong has significant experience in the design, implementation, deployment, and operations of Customer Relationship Management, Rating & Charging, Billing, Network Fulfillment and Assurance, Value Added Services, Service Delivery Platform, Digital Channels, eCommerce, and ERP systems. Mr. Hong has also led a number of Application Managed Services engagements. He has worked with the majority of the leading software and hardware providers. Mr. Hong's extensive experience covers clients throughout North America, Europe, and Asia Pacific.

Mr. Hong attended Willamette University in Salem, Oregon, USA, and holds Bachelor of Arts and Masters of Management degrees. A frequent keynote speaker at industry conferences, Mr. Hong has published numerous articles, and previously served on the Board of Directors and Senior Leadership Team for the TM Forum.

PROFILE OF THE BOARD OF DIRECTORS

Irfan Tachrir

Director of Human
Capital Management

Mr. Irfan A. Tachrir has served as Director of Human Capital Management since his appointment in May 2017. He is also currently a member of the Board of Commissioners at PT Graha Sarana Duta (GSD), subsidiary of PT Telekomunikasi Indonesia (Telkom).

Since joining Telkomsel, he has held various strategic positions including Senior Vice President Corporate Secretary (2014-2015), Vice President Corporate Counsel (2012-2014), Head of Wholesale Management Group (2012), Vice President International Roaming (2009-2012) and VP Synergy & Partnership (2008-2009).

He holds a degree in Economics and Development Law from the Padjadjaran University, and has attended various executive education programs, such as the Management Program at the Singapore Management University (SMU), and a Leadership Course at the University of California, Berkeley, USA. He was also awarded Indonesia's Best Corporate Secretary in 2015 by SWA Magazine.



Sukardi Silalahi

Director of Sales



Mr. Sukardi Silalahi has served as Director of Sales since his appointment in May 2017 which previously served as Director of Network since January 2015.

He is also the President Commissioner of PT Daya Mitra Telekomunikasi (Mitratel). Since joining Telkom in 1991, he has served in a number of senior positions prior to his appointment to the Board of Telkomsel including as Board of Commissioners of various Telkom subsidiaries, Director of Consumer Service at Telkom (2012-2014), Executive General manager of Consumer service, East Division (2011-2012) and Deputy Executive General Manager of Consumer service, West Division (2010-2011).

He holds a Bachelor degree in Civil Engineering from the Bandung Institute of Technology (ITB) and a Master's Degree in Business Administration (Cum Laude) from the University of Gadjah Mada (UGM). He has also attended the "Making Corporate Boards More Effective" executive program from Harvard Business school, International Business management Training in Sweden and High Performance Boards Training at ImD in Switzerland. Currently, he is a candidate for a Doctoral degree on Strategic Management at Padjadjaran University.

He was a recipient of the *Satyalancana Pembangunan* medal from the President of the Republic Indonesia in 2013. In the same year, he also was appointed as the Community Director of the BUMN (State Owned Enterprise) Marketers Club. He also won The Best BUMN on Marketing award in 2013 and The Best Service Provider of The Year award in recognition of his milestone achievement in positioning Telkomsel as the operator with best network quality in Indonesia, based on Open signal data for 2015 and 2016.

Alistair Johnston

Director of Marketing



Mr. Alistair D. Johnston has served as Director of Marketing since August 2012. He has a wide portfolio of responsibilities including core and digital lifestyle product management and pricing, advertising and customer campaigns, brand portfolio management, interconnection and international roaming, customer analytics, digital sales and service channels and customer loyalty.

He has extensive experience in the telecommunications industry in multiple countries. He joined Singtel in June 2012 as a Director at Singtel International. Prior to this he served as Group Chief Marketing Officer at Augere, Dubai (2010–2012), where he oversaw commercial activities in India, Pakistan, Bangladesh and Uganda for this start-up business offering Internet connectivity to under-served emerging markets.

From 1998 to 2010 he successfully held important roles in the UK telecommunications industry. This included Telefonica O2 UK (2007–2010) where he served as Head of Prepay, Head of Online and Marketing Director and helped to build the O2 business into a strong market leader; Orange UK (2004–2007), where he served as Head of Prepay Acquisition and Retention, and British Sky Broadcasting UK (2003–2004). From 1998 to 2003 he worked for Sir Richard Branson's Virgin Group of companies in a variety of business development roles in the UK, Australia and Singapore, and was a founder of the Virgin Mobile businesses in the UK and Australia.

He began his career as a Management Consultant at Andersen Consulting, based in London, UK.

He holds a degree in Modern History from Oxford University, UK and over the years has attended a number of management programmes, including at Harvard and Stanford Universities.

Bob Apriawan

Director of Network

Mr. Bob Apriawan has served as Director of Network since his appointment in May 2017. He is responsible for the overall management and control of network infrastructure.

He joined Telkomsel in 2002 and has 26 years of telecom experience including 11 years at Telkom, the largest telecommunications services company in Indonesia. Prior to his appointment to the Board of Telkomsel, he served in a number of senior positions including Senior Vice President Procurement (2013–2017), Vice President Asset Management (2012–2013), Vice President Organization and Workforce Management (2012), Vice President HR System (2010–2012), Vice President Radio Access Engineering Outside Java-Bali at Telkomsel (2008–2010). He also served as a Board of Commissioner at Telkom infra (2017), and actively as President Commissioner at Mitratel (2018–now).

He holds a Bachelor Degree in Electrical Engineering from Diponegoro University, and Master of Science in Operational Telecommunication from the Coventry University, UK. He also attended a Strategic Business Leadership program from The University of Chicago Booth School of Business, USA.

He was a recipient of Government Special Award, *Satya Lancana Pembangunan* from the President of the Republic Indonesia in 2018 for successfully deploying BTS infrastructure all over Indonesia including remote and border area, as Telkomsel's commitment to provide best mobile telephony and broadband service across nation.



CHAPTER

03



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TELKOMSEL IN BRIEF

+163
million
customers

+189,000

BTS operating in
11 regions across
Indonesia

+5,500
employees

Our go-to-market brand for postpaid customers is kartuHalo, while for prepaid customers, who account for almost 97% of our base, we have three distinctive brands targeted at different customer segments: *simPATI*, Kartu As and LOOP.

Telkomsel is a subsidiary of PT Telekomunikasi Indonesia Tbk (65%) and Singapore Telecom Mobile Pte Ltd (35%). We have the country's widest network coverage, with estimated 2G population coverage of almost 100%, 3G population coverage of 85% and 4G population coverage of 91%. In 2018, we deployed around 28,000 new Base Transceiver Stations (BTSs), with all of BTS were 4G-based. Telkomsel was the first

operator to commercially market 4G LTE technology in Indonesia and as the end of 2018, we had 54.8 million LTE users with around 56,600 4G BTS.

The telecommunications industry in Indonesia were impacted by accelerated transition of Legacy to Data combined with inconsistent price hikes, which was aggravated by SIM registration process lead to continuous pressure in terms of pricing & margin.

After a sharp slowdown between 2017 to 1H18, in 2H18 telkomsel's revenue showed a recovery as data usage continued to grow and prices stabilized.

This results were supported by Telkomsel initiatives which successfully delivered performance well above industry average, while continuing its transformation to become a leading digital telco company and build a Digital Indonesia. These initiatives focused on growing the digital

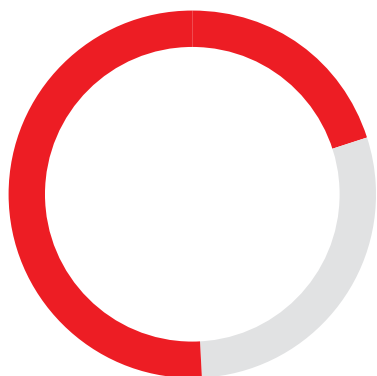
business, strengthening customer satisfaction and increase internal efficiency, all of which are key elements of long term growth.

In parallel, we continued our internal organizational transformation to cultivate a digital culture and grow its capabilities so as to be better prepared to face challenges in a digital age. We also complied with and supported the government SIM card registration program in 2018. This program will have positive long term impact, supporting the emergence of healthier competition in the industry.

We are committed to making this transformation into a Digital Telco Company a success, in order to better connect our customers and to add value to our customers' lives. The key

65%

PT Telekomunikasi
Indonesia Tbk



35%

Singapore Telecom
Mobile Pte Ltd

Telkomsel first started operations in 1995. Twenty-three years later, Telkomsel has established itself as the leading cellular operator in Indonesia.

indicators in our Digital Business are strongly positive, with revenue growth at +19.8%, supported by strong growth in payload at +101.7%, data user accounted 65% to total subscribers, and Digital Services revenue at +51.2%. We see an opportunity in adversity going forward as Indonesia's data prices are among the lowest in the region. We also believe there are growth resumption as the legacy revenue base become smaller and Digital Business growth picks up on a flatter YoY data yield curve, and data traffic continue to be strong along with up-selling efforts.

SHARE OWNERSHIP HISTORY

1995

Telkomsel was established by PT Telekomunikasi Indonesia Tbk (Telkom) and PT Indosat Tbk (Indosat).

1996

KPN Netherlands (KPN) and PT Setdco Megacell Asia (Setdco) acquired stakes in Telkomsel of 17.3% and 5%, respectively.

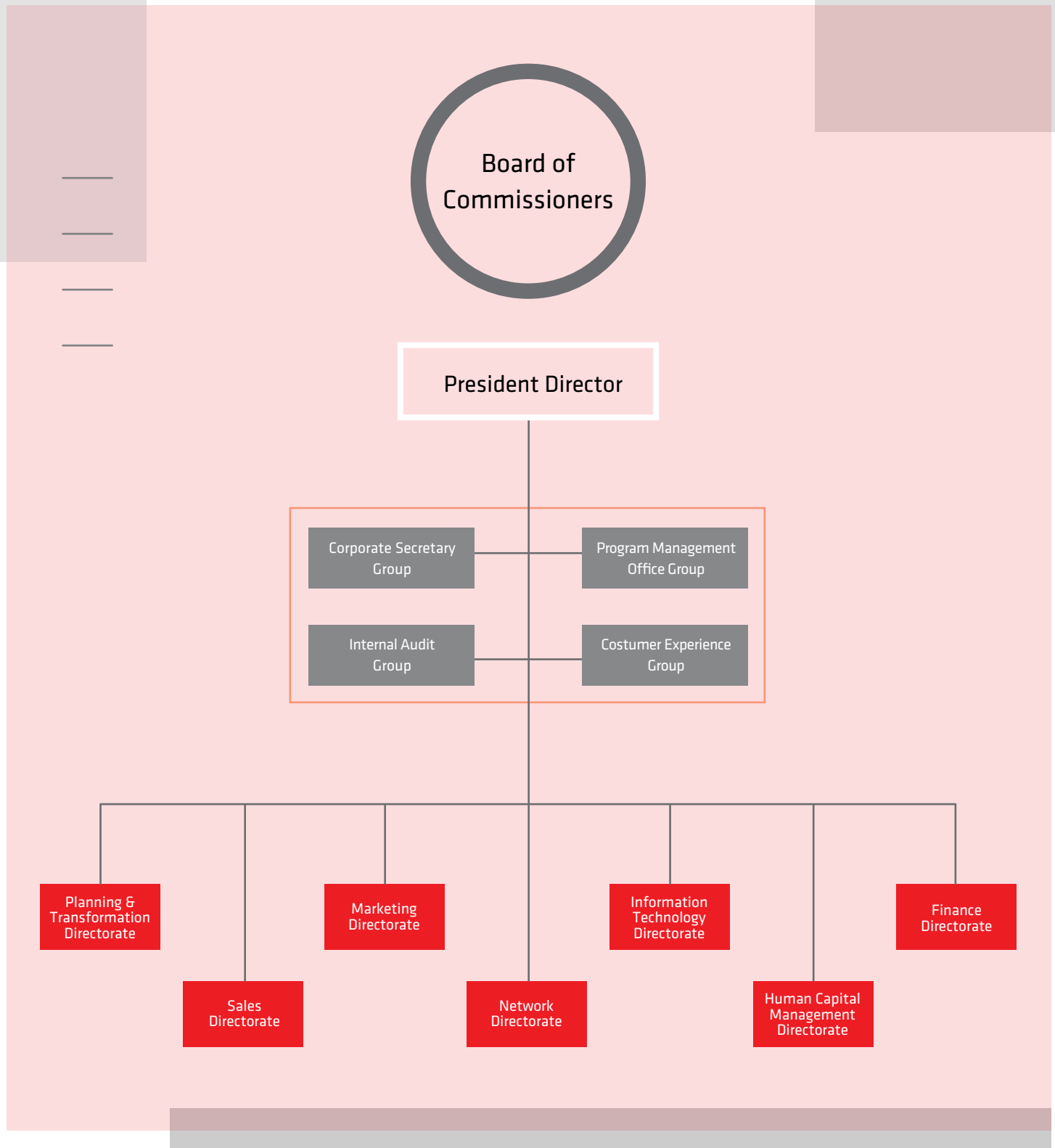
2001

Telkom acquired Indosat shares to increase its ownership to 77.7%. KPN and Setdco's shares were acquired by Singapore-based Singtel Mobile.

2002

Singtel Mobile increased its ownership by 12.7%, bringing its total ownership in Telkomsel to 35% with the remainder 65% owned by Telkom as the majority owner.

ORGANIZATION STRUCTURE



KEY PRODUCTS & SERVICES



Positioned as the postpaid brand of choice for professionals and corporate customers, kartuHalo provides an unparalleled suite of full mobile services and exclusive privileges. We expanded our kartuHalo brand to embrace the young professionals, positioned kartuHalo as the coolest and best value postpaid card for middle and upper segments.



Positioned as the prepaid brand for the savvy middle class segment, *simPATI* is Telkomsel's award winning lifestyle prepaid brand. *simPATI* continued to offer an exciting range of innovative packages and campaigns to drive demand for mobile data.

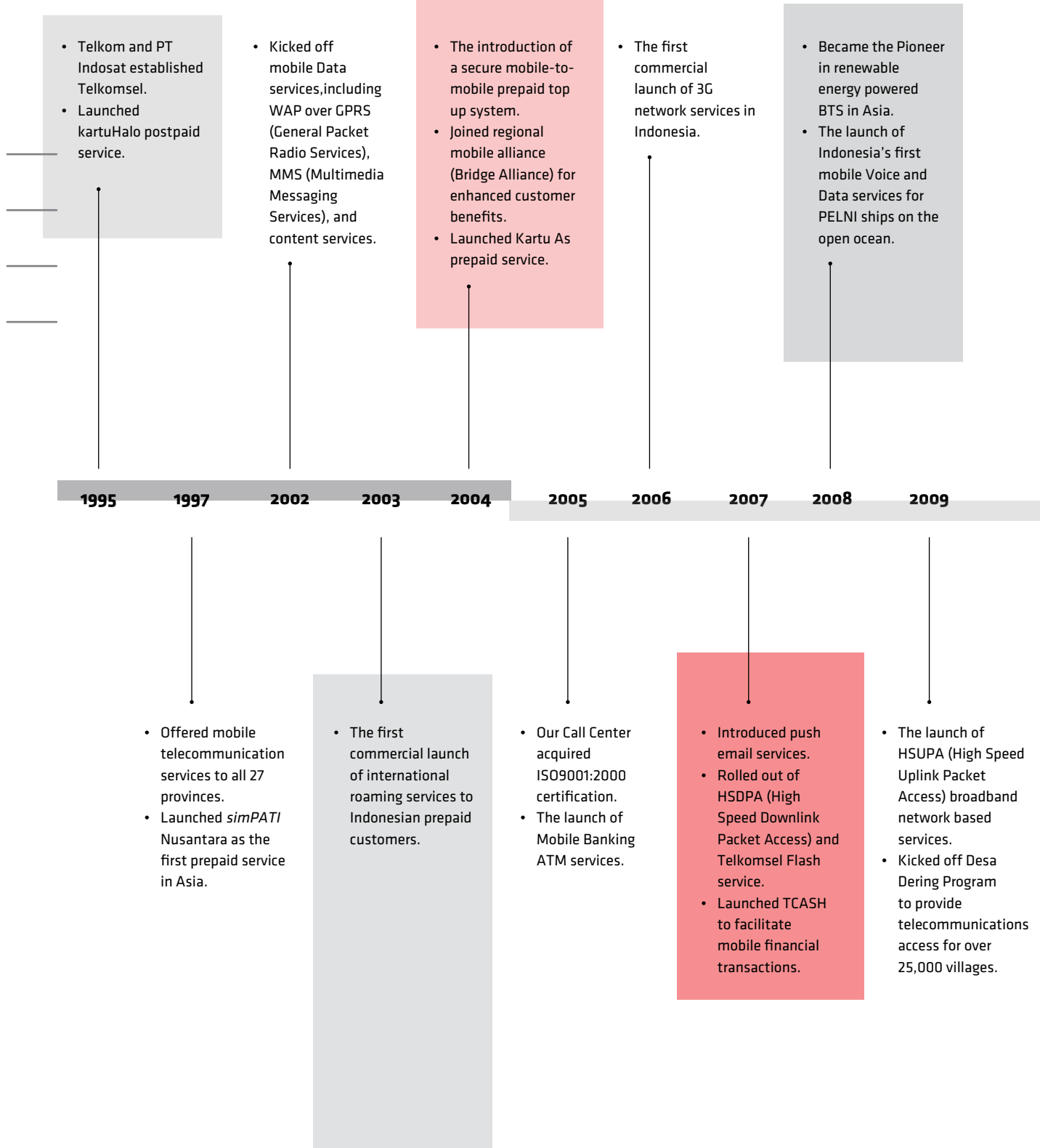


Positioned as an 'Affordable, Value Prepaid Brand', Kartu As is Telkomsel's most popular prepaid brand offering the best value to customers.



Positioned as the prepaid brand which targeting the youth segment. With the tagline "Ini KITA" (This Is Us), LOOP has a youthful image supported by its brand proposition of "being better together" and a focus on offering attractive Data and Digital Services.

MILESTONES





- The first to trial the implementation of Long Term Evolution (LTE) network broadband technology in Indonesia.
- The introduction of Indonesia's first Mobile Newspaper services.

- The introduction of the first Seamless Mobile Wi-Fi to Indonesian customers for transferring automatically from a 2G/3G network connection to a Wi-Fi network to access highspeed data.

- Telkomsel launched Masterpiece programs: CRM, M2M and Winning The Youth.
- Telkomsel & Telkom reached agreement on a Conditional Business Transfer Agreement (CBTA) to utilize Flexi's spectrum.
- Telkomsel became the first to commercially launch 4G LTE in Indonesia.

- Executed 3 Masterpiece programs: Big Data, Lead 4G, and Customer Experience.
- Expanded LTE coverage to more than 80 Broadband Cities across the country.
- Achieved five consecutive years of Triple Double Digit growth in Revenue (+14.0% YoY), EBITDA (+16.9% YoY) and Net Income (+26.1% YoY).

- Expanded positioning on Video ecosystem by launched MAXstream, a one stop video portal which aggregating OTT video apps, linear channel and VOD content.
- Launched the first 5G technology experience through the "Telkomsel 5G Experience Center" which was open to the public during the Asian Games 2018.
- Extended TCASH services to customers of any telecommunication providers and able to utilize by everyone as well as used for diverse types of digital transactions easily, anytime and anywhere.
- Launched first Indonesian original series, Brata, which can be watched on the HOOQ and MAXstream
- Published first game, Shellfire, an e-sport game to target the existing gamer communities

2010

2011

2012

2013

2014

2015

2016

2017

2018

- Surpassed the target of 100 million subscribers which positioned Telkomsel as the world's seventh largest telecommunication operator by customer base.
- The inauguration of Indonesia's first Research & Development Facility for cellular technology.
- The introduction of Tap Izy, Indonesia's first mobile contactless payment system that turns mobile phone into an electronic wallet.

- The launch of Masterpiece, a program that included 268 units of mobile GraPARI, the establishment of 268 mobile Broadband Cities, 68 applications from local developers to support the development of digital creative industry.
- The launch of 450 units of Compact Mobile Base Station (COMBAT).
- Successful LTE trial during APEC 2013.

- Telkomsel launched 3 Masterpiece programs: Digital World, Great Payment Experience and TrueBEx (True Broadband Experience).
- Completed spectrum re-arrangement in 1800 MHz, and launched LTE in 14 cities with 2.2 million LTE users.
- Exceeded 100 Thousand BTS and 150 million customer base.
- Achieved Triple 3 Strategy, with Enterprise Value > Rp300 Tn, 3 Year Cumulative Revenue of 33%, and Digital Business Contribution of 33% of Revenue which was achieved in Q4-15.

- Focused on creating a consistently excellent Customer Experience (CX), IoT Digital Ecosystem for Fleet Management and New Talent Management to support Digital Mastery.
- Awarded 30 MHz additional spectrum on the 2300 MHz frequency by the government, which will be used to provide the best Data services to customers and support the 2014-2019 Indonesian Broadband Plan [as part of Telkomsel's commitment to the nation].
- Telkomsel 4G LTE coverage reached 490 kabupaten cities across Indonesia.

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BUSINESS REVIEW

CHAPTER 04



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VISION

Be a world-class, trusted provider of mobile digital lifestyle services and solutions

MISSION

Deliver mobile digital services and solutions that exceed customers' expectations, create value for our stakeholders, and support the economic development of the nation

CORPORATE STRATEGY IN BRIEF

Telkomsel Data Service grew 16.4% YoY, driven by healthy growth of Data users and Telkomsel's ability to successfully increase Data ARPU levels.

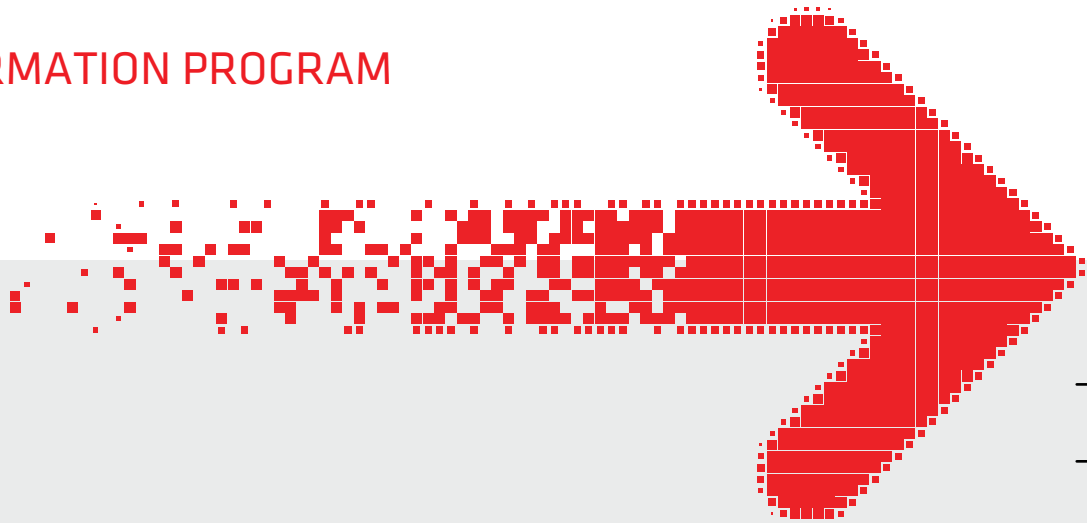
In 2018, the Indonesia mobile telecommunications industry experienced an inflection point, with negative growth for the first time after several years of consistently positive growth. The decline in Legacy (Voice & SMS) revenue accelerated further compared with 2017, while aggressive competition in Mobile Data pricing plus the requirement to register prepaid SIM cards resulted in slowing Data revenue growth. These factors resulted in the Indonesia mobile telecommunications market shrinking by 7.4% YoY overall.

As the largest mobile player in Indonesia, Telkomsel performed well above the industry average and successfully manage its YoY decline by 4.3%. The main contributors to Telkomsel's growth were its Data and Digital Service business. Telkomsel Data Service grew by 16.4% YoY, driven by healthy growth of data users and Telkomsel's ability to successfully increase data ARPU levels. During 2018, Telkomsel's data revenue share improved to reach 60% among the BIG-3, while TSEL Digital Service achieved its highest growth yet, growing by 51.2% YoY over the same period.

The above achievements were made possible by the successful implementation of Telkomsel's 5-year Corporate Strategy Plan, which set forth the following Strategic Objectives: "Sharpening the Core", "Creating Expansive Offers", and "Transforming the Operating Model". This Corporate Strategy was formulated to prepare Telkomsel for the inevitable decline in Legacy and to accelerate the growth of Digital Business.

The current market dynamic has confirmed Telkomsel's belief in Data and Digital Service as the future of telco industry. Going forward, Telkomsel will continue to capitalize on growth in Data and Digital Service to realize its future as a Digital Telco Company. Telkomsel is committed to deliver the best data connectivity by ensuring the availability of 4G service throughout Indonesia. In addition, Telkomsel is also committed to develop Indonesia's Digital Ecosystem, not only by developing its own Digital Services but also by becoming a Digital Service enabler by leveraging Telkomsel's many relevant telco assets.

TRANSFORMATION PROGRAM



In order to transform into a Digital Company and leading Mobile Digital provider, since 2012 Telkomsel has been on a journey of continuous transformation that touches on all aspects of business including its ecosystem, organization, people and culture.

Telkomsel established a number of programs under three major mobile transformation categories, with the overall goal of building up the digital business, while defending legacy and expand broadband connectivity.

Overall all programs were successfully completed in 2018 in line with targets, delivering positive contribution to Telkomsel's performance during the year.

EXPECTED TO YIELD DIRECT IMPACT TO REVENUE IN 2018

The first transformation category consisted of programs that were expected to directly impact revenue in 2018. These programs included building Digital Lifestyle (DLS) platforms and

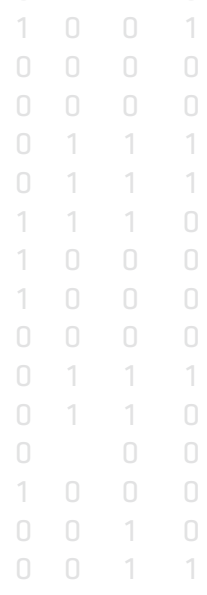
Telkomsel established a number of programs under three major mobile transformation categories.

capabilities to accelerate hockey-stick growth, scaling up digital B2B to win the Enterprise and SME segment, and optimizing Data Management Platform as a key enabler to dominate digital ad play and advanced user analytics.

The DLS platform building focused on developing digital music in the form of LangitMusik as well as digital games. For LangitMusik, we revamped the LangitMusik web portal, allowed user generated content, created a business model for video RBT, and implemented a system for development of kits and widgets for third party apps. In addition, an e-sport league was launched in the saving. In terms of gaming, an e-sport league was launched.

Under the next program, namely 'Scale Up Digital B2B to Win the Enterprise and SME Segment', we profiled corporate targets based on their line of business. We also profiled Large Enterprise and SMEs offering product delivery, executed in the 10 biggest industrial parks in Indonesia, and launched our Enterprise Mobility Solutions for fleet connectivity.

In the third program of 'Optimize Data Management Platform', we developed our data management platform with selected partners. All digital ad platforms were integrated into this so as to better serve B2B and B2C customers.



TO BUILD THE FOUNDATION IN 2018

In the second transformation category, which aimed to build the foundation of the Company in 2018, the first program focused on enhancing internal digital capabilities and processes through action. New ways of working through real projects were implemented, and an interim HR policy was established to formalize Telkomsel's Agile pilot project. A culture program was also developed for Enterprise clients in the form of an Entropy Index Survey.

Under the second program in this category, namely transformation of customer channel experiences via digital, Telkomsel's Digital GraPARI were enhanced by digital Smart Care capabilities. Integrated Virtual Assistants were implemented on all digital channels, and prepaid registration was offered through new channels.

DEFEND LEGACY AND EXPAND BROADBAND CONNECTIVITY

The third transformation category, which aimed to defend legacy and expand broadband connectivity, consisted of five programs as follows: personalization to grow and protect HVC; establish fixed mobile convergence and greater value-of-service convergence; improve 4G service through spectrum optimization; dominate the Indonesian mobile data market (including maximizing the new 2300MHz spectrum); and sales channel

transformation and increase Point of Sales productivity.

Under the 'Personalization to Grow and Protect HVC' program, Telkomsel held a corporate campaign program supported by a Loyalty POIN program. We also carried out HVC profiling and sent them customized offerings via MyTelkomsel. HVC enjoyed attractive offerings in the form of handset privileges, and we also pushed corporate activation with kartuHalo acquisition and prepaid to postpaid conversion via the Telkom Synergy program.

Next, under the 'Establish Fixed Mobile Convergence: Greater Value of Service Convergence' program, we focused on delivering the best home solution services for customers through collaboration and partnership. This resulted in the Indihome Fixed Mobile Convergence Bundling Product for both postpaid and prepaid. We rolled out pilot LTE commercial home trials in Pekanbaru, Cikarang and Tangerang during the year.

The third program in this category, 'Improve 4G service through spectrum optimization', was executed through LTE 2300 MHz Deployment, as well as transport modernization and optimization.

The fourth program was 'Dominate Indonesia Mobile Data market (including maximizing 2300MHz)'. This was carried out through aggressive acquisition of new data users and direct as well as indirect selling and branding, including bundling and sales events.

Finally, the 'Sales Channel Transformation & Increase Point of Sales Productivity' was carried out by using new channels including digital, e-commerce and fleet transportations, and optimizing DigiPos for outlet. Synergies were also strengthened between Digipos, TCASH and MKIOS.

At the end of 2018 Telkomsel launched a transformation plan to drive improvements with focus on three growth drivers (B2C - enabling the data growth, B2B - connectivity & solutions, Digital - compelling services) and three critical enablers (new operating models to support growth priorities, cost transformation and digitalization for sustained profitability and digital culture) towards realizing Telkomsel's strategic priorities to profitably grow data, new segments and digital service while driving efficiency.

These marketing strategies and programs were carefully aligned with target customer segments for maximum impact, and where possible, digital channels were used for efficient implementation.

MARKETING PROGRAMS AND STRATEGIES

In order to support the Company's transformation into a leading digital Company, while also maintaining revenue from legacy services, the Marketing Directorate rolled out various programs, promotions and product offers. These initiatives addressed both the digital and legacy business consisting of postpaid, prepaid, broadband, enterprise mobility solution, device bundling, MyTelkomsel experience, loyalty program, interconnection and international roaming.

These marketing strategies and programs were carefully aligned with target customer segments for maximum impact, and where possible, digital channels were used for efficient implementation. They also aimed to attract new subscribers with an emphasis on data users, encouraging existing subscribers to spend more especially on data products, and continuing to support legacy product usage.

A. POSTPAID - KARTUHALO

Telkomsel continues to lead in the postpaid market with kartuHalo offers that provide excellent customer experience, extraordinary value and exclusive lifestyle privileges tailored to suit customers' needs. kartuHalo customers are assured of unrivaled experience with fast downloads/uploads, seamless video streaming and clear voice calls. In 2018, kartuHalo's customer base recorded double digit growth of 14% to 5.4 million subscribers.

Peace of Mind using kartuHalo

kartuHalo customers enjoy the convenience of postpaid billing. They can set and adjust their spend limit with the kartuHalo credit limit feature, so as to manage their bill expense for peace of mind.

Key Product Highlight

• Halo Kick

Continuing its success in the previous year, kartuHalo used HaloKick to anchor attractive customer offerings with the enhancements of Double Data and Double Voice quota. On top of a big quota, Telkomsel added

entertainment packages, Loyalty POIN rewards, and TCASH value to offer customers the best digital experience

• kartuHalo Halo Family

Telkomsel customers enjoy more privileges and benefits than ever before with the Halo Family product. Halo Family members can communicate freely among themselves with unlimited voice calls to members without any additional charge. All Halo Family members can share their internet quota through the Family Sharing Internet Package. Additional Internet Family quota is given every month to every member.

• kartuHalo Bank Collaboration

During 2018, Telkomsel further strengthened its strategic partnerships with major banks in Indonesia such as Citibank, BRI (Bank Rakyat Indonesia), BNI (Bank Negara Indonesia) and Bank Mandiri to give more benefits to banks customers who are kartuHalo subscribers.

Through this collaboration, Telkomsel delivers additional value and benefits to enhance customers' lifestyle such as data quota, cashback, premium merchant rewards, e-commerce vouchers and points.

• **kartuHalo Devices Bundling**

kartuHalo formed strategic partnerships with device manufacturers, device distributors and banks to offer kartuHalo device bundling packages with high data quota and attractive bundled prices. The packages include pre-order programs for Samsung Galaxy Note 9, Samsung Galaxy A7, Samsung Galaxy A9, and Huawei P20 Pro. Telkomsel teamed up with device brand principles and device retail partners such as Erafone, Telesindo, and TRIO on sales and channel collaboration in promoting kartuHalo.

B. PREPAID

In 2018, Telkomsel rolled out many Data campaigns in order to encourage customers to use more Data. These offerings were available for all prepaid customers and valid for certain period of times such as the #WeekendDeal program, which gave special offerings only on Saturday and Sunday. Telkomsel also offered a voice package called Nelpon Vaganza, available at outlets, which gave a bigger quota with more minutes for calls to all operators 24/7. Telkomsel also launched the Sahur Voice

Package offering unlimited calls for Telkomsel users, and the #obralobrol program which gives surprise voice package deals on selected days which are available for 24 hours. Customers get up to 300 hours of voice calls at Rp40,000.

In addition, Telkomsel held the Modal Jempol recharge program, a prepaid registration program to get customers to register their numbers, and the Ajak Keluarga member-get-member program that targets existing Telkomsel users to invite family members who share the same family identification documents to use Telkomsel as their main provider.



1. simPATI

Our *simPATI* brand is designed to serve the middle market segment. To date, it remains our most popular brand, with total subscribers reaching more than 80 million as of December 2018. The following were the key campaigns and activities for *simPATI* in 2018.

Above The Line (ATL) Program

i. *simPATI* Asian Games

Telkomsel launched a *simPATI* Asian Games limited starter pack to support Asian Games 2018 events held in Jakarta and Palembang. Telkomsel provided 20,000 starter packs for volunteers and 21,000 for athletes, officials, and journalists. This starter pack's special feature is that its minutes and SMS quota can be used for communication to all participating countries.



ii. *simPATI* Tourist Wonderful Indonesia



Telkomsel launched its *simPATI* Wonderful Indonesia Tourist starter pack in 11 exclusive designs based on the Ministry of Tourism's 11 promoted tourist destinations as a form of collaboration with the Ministry. This starter pack, costing Rp100,000 with

14 days validity, can be obtained from national tourism partners. It comes with a 10 GB data quota, 300 minutes and SMS quota that can be used to contact all countries.

providing a movie sponsorship program with special content for customers, and held the #bersimPATI event as a digital activity that focused on social movement.

Panggung Asik Kartu As, is an event offering free entertainment for loyal customers of Kartu As. In addition to Panggung Asik, there were also activities such as Halo Dokter (hello doctor), booth games, Nonton Bareng (watching movies together), a cheap handphone bazaar, and TCASH usage. Attendees enjoyed prizes and special internet packages, including a motorcycle as the grand prize.

iii. *simPATI* Entertainment



Telkomsel launched this new *simPATI* starter pack in order to boost Data and Digital Service adoption. Customer can get this starter pack for Rp10,000 with an Rp5,000 balance, 300 MB Data quota valid for 30 days, and various digital features product value such as 2GB of MAXstream quota and access to HOOQ, free NSP, premium access to LangitMusik, and gift vouchers for special items in the Shellfire and Free Fire applications.

Activities

Telkomsel collaborated with selected partners in order to strengthen customer loyalty and engagement through Creativepreneur corner, *simPATI* forever Young 80's 90's Fest, *simPATI* ICE, Kickfest and the Synchronize Fest events which were held in several big cities in Indonesia. Telkomsel also supported national movies by



2. KARTU AS

Kartu As is designed for the mid-low segment and had a subscriber base of more than 55 million as of December 2018.

Activities

In 2018, Telkomsel held several Kartu As programs in order to attract customers. The main Kartu As event, called

3. LOOP

LOOP is positioned as a prepaid brand for the youth segment, aiming the growth of Telkomsel's youth/millennials market share and revenue share. LOOP has already attracted more than 20 million subscribers.

Activities

During 2018 LOOP held several key programs such as LOOPxGramedia SBMPTN, which focused on supporting youth in growing their passions and addressed their major concerns in life such as a SBMPTN (national entrance university examination) simulation held in 22 cities to help young students prepare for their SBMPTN exams.

Telkomsel also collaborate with Ruangguru to provide relevant, beneficial content for students through LOOP Ensiklopedia, enabling students to access content on school subjects at LOOP.co.id. Ensiklopedia also offers an affordable special data package with bundled Ruangguru access.



In September 2018, LOOP launched the LOOP Instagram package to drive greater engagement with the youth community. The LOOP Instagram package features a data package bundled with free access to Instagram. This package available in 3 variants: Insta Puas (LOOP Instagram package after recharge), LOOP Extragram (LOOP add on package) and Insta LOOP.



In October, LOOP presented LOOP Ajak Teman, a referral program where customers can refer their friends to buy LOOP packages in order to create word of mouth marketing within the youth segment. Both the referrer and the referee will receive benefits after the referee successfully purchases a package, such as extra quota of up to 1GB, credit balance and point redemption.



Telkomsel also held the ILOOPRUN in 8 cities featuring a fun cosplay run concept in collaboration with Mobile

Legend, followed by a Mobile Legend competition after the race. The objective of this program was to increase LOOP awareness, boost acquisition, create community engagement and leverage digital services.



TUNGGUIN SERUNYA ILOOPRUN DI KOTA KAMU	
LOKASI	WAKTU
Manoran Mandala, Makassar	4 November 2018
Lingsang Brigal, Cimahi	18 November 2018
Semarang, Bekasi	25 November 2018
Loop Area MTD, Pekanbaru	23 November 2018
Ger Jagati, Semarang	23 November 2018
Lumut Surodono Medan	2 Desember 2018
Geluh Ruri Grand, Surabaya	9 Desember 2018
Lumpang Jaya, Pekanbaru	9 Januari 2019

Community Management

Through the LOOP SQUAD program, which ran from March to December 2018, LOOP tapped into the desire of Indonesian millennials to express themselves more, especially on social media. LOOP Squad helped its more than 350 members learn to be good at creating content, giving their members regular challenges to scale up their creativity. LOOP SQUAD also presented the Indonesia Content Creator roadshow in 4 cities namely Medan, Jakarta, Surabaya and Makassar.



C. BROADBAND

Telkomsel has revamped its portfolio to response the fierce of competition, signaling the start of healthier competition by managing its product portfolio appropriately and strengthening its competitive positioning through several initiatives as well as innovative new products to capture incremental data revenue.

New Acquisition Framework

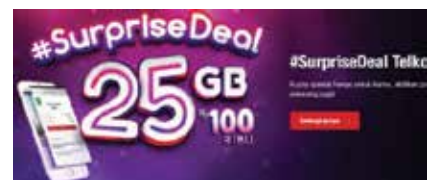
To be more effectively drive acquisition, Telkomsel revamped its product acquisition strategy by aligning its Data quota offers with the different needs and characteristics of its customers in different cities and areas, starting from 1.25 GB to 25 GB of Data quota.

More Attractive Monthly Core Data

In response to the high increase in customer Data usage, and taking into consideration that Telkomsel is well known for offering a variety of different quota offers, Telkomsel revamped its regular package by increasing the core monthly Data quota value and making this Data quota available for all networks. Following the revamp, the most popular data package size was increased to 12GB.



Optimize Seasonal Occasions and Stimulation Program



In order to retain subscribers, Telkomsel held special initiatives on seasonal occasions and created stimulation programs at other times. During seasonal occasions of Ramadhan and

Eid al Fitr, seasonal Data packages were launched in the form of the Sahur Package and Special THR packages, and price adjustments also took place. Whereas Telkomsel's stimulation programs took the form of attractive Surprise deal packages. Both the seasonal programs and stimulation program successfully uplifted the ARPU of Telkomsel customers.

D. ENTERPRISE MOBILITY SOLUTION

Through Telkomsel myBusiness Enterprise solutions, Telkomsel strives to provide one-stop solutions that are customizable according to the needs of each business, so that customers can successfully improve their business performance and become more successful through digital transformation.

Telkomsel myBusiness offers a wide range of enterprise solutions for the Corporate, Government, Large Enterprise and Small Medium Enterprise Segments. Our solutions help to enhance employee mobility and customer satisfaction by making information more easily accessible, improving business process efficiency, increasing employee productivity, reducing operating costs, improving customer experience, and more.

At the end of 2018, Telkomsel myBusiness had won the trust of more than three million corporate customers from 55 thousand companies throughout Indonesia from various industries. To answer the unique needs of each business, hundreds of Telkomsel Account Managers spread throughout Indonesia serve as personal business consultants who stand ready to help companies with our services.

Customers enjoy fast and convenient experience when using Telkomsel myBusiness-Enterprise solutions, backed by Telkomsel's best quality network comprising more than 189,000 base transceiver stations (BTS) throughout Indonesia, 73% of which are 3G/4G BTS.

Enterprise Products and Solutions in 2018

Several new Enterprise products and solutions were launched in 2018 for both the Corporate, Government, and Large Enterprise segment as well as the Small Medium Enterprise segment.

Corporate, Government and Large Enterprise segment

Telkomsel has launched various solutions for the Corporate, Government and Large enterprise including Enterprise Secure Messaging, BlackBerry Suites, Field Force Management, Emergency Mass Notification Services, Touch to Talk and Digital Smart City.

Enterprise Secure Messaging is a messaging application designed for business and professional organizations that supports highly secure and practical communication and data sharing among employees with instant messaging, voice, and video communications. By using this channel, the IT team has full control over the corporate data and the risk of data theft is eliminated through the use of advanced encryption for end-to-end data protection.

BlackBerry Suites (Mobile Security) is a solution that provides a holistic and user-centric approach to managing all endpoints by combining traditional client management of desktop and PC systems with a modern enterprise mobility management (EMM) framework to manage all endpoints, from desktop and mobile to IoT.

Field Force Management is a cloud-based mobile application that aims to empower staff/employees in the field and reduce administration cost for companies. It eliminates manual paper processes, helps to assign and manage tasks, track employees and facilitate real-time reporting for faster decision making. In short, this Field Force Management tool helps to remotely track and control field staff without the employer having to be physically present.

Emergency Mass Notification Services is a solution that allows companies to carry out real-time two-way communications during emergencies, which can be integrated with many communication channels, mobile devices and IoT. This is essential for businesses to ensure the safety of their people and sensitive data during critical situations.

Touch to Talk is a service option for a cellular phone network that enables subscribers to use their phones as walkie-talkies with unlimited rang. Besides supporting group and one to one near-instant communication (voice and chat), this service option also supports location tracking, picture or video sharing and emergency message broadcasting. A solution for easier and more secure collaboration while improving cost efficiency.

Digital Smart City this software-as-a-service, which is offered by Telkomsel in collaboration with Qlue, works to integrate multiple data sources and visualize them into a single dashboard. This helps city leaders improve their ability to make critical decisions better

and faster based on significant amounts of data processed and analyzed.

Small Medium Enterprise (SME) segment

For the Small Medium Enterprise (SME) Segment, Telkomsel also launched a variety of initiatives. Telkomsel Office 365 Education was launched in collaboration with Microsoft to help educational staff members in Indonesia to stay up to date with digital technology. This leading-edge technology supports the teaching and learning process by enabling teachers and students to collaborate digitally wherever and whenever. This program also allows students in a school to get a Microsoft Office 365 license free of charge subject to certain conditions.

In April 2018, Telkomsel launched a connectivity solution for SME in the form of Paket MITRA (ComPack UKM), namely Paket MITRA plus and MITRA PRO, which was later rebranded as ComPack UKM. Supported by a special pricing plan, the ComPack UKM

solution addresses the needs of SME to facilitate communications between their employees at efficient cost.

In July 2018, we launched a new marketplace platform called Telkomsel myBusiness Store, which can be accessed at <https://mybusiness.telkomsel.com>. Telkomsel myBusiness Store is an online web-based platform that provides solutions and connectivity products from Telkomsel to fulfill the needs of the corporate segment, especially the SME segment.

To help SMEs further expand their market, Telkomsel provided a Digital Marketing online advertising solution for SME customers, which can be adjusted to target the SME's target customer profile.

Finally, Klinik Digital helps to provide digital health care information systems for doctors and clinics. This solution is integrated with BPJS Kesehatan, making it easier for doctors to serve BPJS Health patients.



Telkomsel myBusiness Exhibition for Corporate, Government, Large Enterprise customers in 4 big cities



Telkomsel myBusiness Store Media Update



Joint Go To Market with Microsoft on Education Forum

Enterprise Sales and Marketing Activities

Throughout the year, Telkomsel carried out various marketing activities aimed at both the Corporate, Government and Large Enterprise segment and the Small Medium Enterprise segment.

For the Corporate, Government and Large Enterprise segment, in order to create awareness and trust towards Telkomsel as a solution provider, in 2018 Telkomsel continued to hold Telkomsel myBusiness exhibition events in four big cities in Indonesia, namely Jakarta, Surabaya, Balikpapan and Batam. These events featured speeches and insights on digital transformation by keynote speakers from global consultants, testimonials from enterprise customers and exhibition booth showcasing our business solutions, demonstrations and expert consultation.

For Small and Medium Enterprise segment, this year Telkomsel held Media Updates for the launch of Telkomsel myBusiness Store and Telkomsel Office 365 Education. Moreover, we held Coaching Clinics in many cities to connect SMEs with small and medium scale business experts who could share their knowledge on various business aspects ranging from how to start a business to tips on financial management. We also sponsored national events such as Kenduri eUKM and eUKM Level Up.



FGD and Coaching Clinic with Enterprise Customers



Kenduri eUKM 2018 - Joint Go To Market with idEA (Indonesia E-commerce Association)



IDEAFest 2018



PDAM Digital Transformation Summit 2018 - Joint Go To Market with PDAM

This was a one-day event, themed “Mobility Solution for Your Digital Transformation”, whose aim was to create awareness of Telkomsel myBusiness as a trusted solution provider for the Corporate, Government and Large Enterprise segment. During the event customers could purchase Telkomsel myBusiness Enterprise solutions at a special event promotion rate.

E. DEVICE BUNDLING

In 2018, Telkomsel launched a smartphone collaboration with device principles that bundled devices with SIM Card, 4G device migration, sales activation and co-marketing.

Telkomsel’s main bundling package, namely TAU Dynamic Plan, provides bundled value with a long validity period (3 and 6 months) and a big quota to fulfill customer needs. Telkomsel also launched the TAU Lite6 Package which is bundled with a low cost 4G smartphone, with the main objective of boosting 4G DNA (device, network, application) penetration nationwide.



Telkomsel users' e-commerce usage has grown significantly. To help Telkomsel users conveniently shop on line, Telkomsel collaborated with e-commerce partners such Tokopedia, Blibli.com, Blanja.com and Erafone.com.

Telkomsel also held its annual Telkomsel Ramadhan Fair program in 13 cities in Indonesia, which featured various promotional activities to boost Telkomsel product and service sales during peak Ramadhan season.



During 2018, Telkomsel continued to migrate existing customers to 4G by replacing their old SIM card with USIM. Customers can choose to do the replacement in GraPARI/MyGraPARI, the nearest device store/Kantor POS or simply by accessing the Telkomsel website to get the USIM delivered to their home where they can swap the cards themselves.

F. MYTELKOMSEL

During 2018, Telkomsel continuously improved MyTelkomsel user experience based on customer feedback, by adding relevant features and attractive products to increase the benefits and convenience offered by this app. Exclusive offers such as Best Deal gave customers discounted data plans in line with their needs. We also engaged many customers with Surprise Deals, a limited offer that gives customers a larger quota at a very attractive price.

Apart from attractive new products, we also gamified our user experience and launched various features to maximize MyTelkomsel App users' digital experience. We introduced Daily Login Reward whereby customers received Telkomsel POIN

and rewards such as telco products simply by checking in via the app. Customers can participate in a Wheel of POIN by redeeming their POIN to win a surprise prize.

Customers who are going to travel abroad can utilize Future Package Activation to easily schedule their roaming package activation beforehand. It is also easy to access the current promotions simply by scanning available QR codes.

We recently released the latest version of MyTelkomsel with a new, fresh look using a Contextual Dashboard which provides customers with more comprehensive information in the first layer. With these enhancement, MyTelkomsel App has attracted more than 36 million downloads. The accomplishment has been widely recognized as MyTelkomsel App received the Best Customer Self Service App award from Selular Award 2018 and The Best Choice Award award for the most downloaded mobile application.



G. LOYALTY PROGRAM

The Telkomsel Poin Loyalty Program enhances customer experience, engagement and loyalty by providing exclusive rewards based on lifestyle preference in 13 categories such as Digital, Entertainment, Shop, E-commerce, Travel, Dine, Health and Beauty, Telco and many more.

Leveraging Telkomel’s intimate knowledge of customers’ interests and preferences, Telkomsel Poin Loyalty program aims to offer more relevant benefits to the customer by collaborating with major merchants and partners to increase the attractiveness of the loyalty offerings.

In 2018, Telkomsel held many programs aimed at increasing customer loyalty such as a Loyalty Special Draw on Telkomsel’s anniversary and Ramadhan where customers could win more than 4,800 attractive prizes including a BMW, SUV cars, motorcycles and smartphones. Telkomsel also offered special flash deals on Kartini Day including smartphones, e-commerce vouchers and redemption of Telkomsel POIN for telecommunication packages.

On September 2018, Telkomsel celebrated Customer’s Day by making more than 20,000 rewards available for Telkomsel POIN redemption by customers, including

smartphones, vouchers and merchandise. Through the POIN Jajan TCASH program, customers could redeem their Telkomsel POIN into TCASH to enjoy benefits from partner merchants.



At the end of 2018, Telkomsel held a year end celebration featuring a Loyalty Special Draw program where customers could win more than 6,500 attractive prizes including BMW, SUV cars, motorcycles and smartphones.

H. INTERCONNECTION

This year, interconnection continued to face disruption from OTT (Over the Top) providers in both domestic and international voice service. However, while domestic incoming traffic declined, domestic outgoing traffic still increased compared to the previous year due to aggressive voice package promotion in order to maintain customer usage of Telkomel’s legacy voice service. In the international voice business, Telkomsel focused on securing its network to prevent traffic leakage by routing it

via SIMBOX fraud. Another important initiative to grow new revenue streams is the international A2P SMS feature, which involves securing leakage on routes and effective managing both domestic and international channels.

I. INTERNATIONAL ROAMING

In the international roaming business, Telkomsel has successfully increased international roaming package sales revenue to compensate for the decline in roaming PAYU revenue. A new roaming package consisting of promo coverage for Europe and the USA was introduced in April 2018 with the objective to increase roaming revenue for Europe and USA travel destination, given that IPX traffic has increased in line with the trend in roaming of moving to data roaming. As a result, besides enhancing its 3in1 package to include local Voice MT/MO in addition to MO home, Telkomsel has also expanded its roaming package coverage to include 4G connection in most of its 94 roaming countries. Channels for roaming package sales were moreover expanded to include My Telkomsel apps, third party channels and MKios in addition to the existing UMB channel.



DIGITAL SERVICES

DIGITAL SERVICES DESCRIPTION

Digital Services has become a critical driver in Telkomsel's transformation to a Digital Telco company. Investments and key initiatives have been established to accelerate the traction of Digital Services, aligned to our mission in building Digital Indonesia. Our Digital Services portfolio consists of Digital Advertising, Mobile Banking, Internet of Things (IoT), TCASH, Big Data & API, and Digital Lifestyle.

Through our Digital Advertising business, we aim to become a dominant media owner in Indonesia's Digital Advertising industry. Enhanced by our Big Data Analytics engine, our Digital Advertising provides a more accurate customer targeting to 163 million Telkomsel subscribers, resulting in a higher ROI while simultaneously delivering better advertising value and relevancy to advertisers. We offer an extensive range of Digital Advertising services including conventional text messaging, timely advertising for mobile coupons, and display advertising in mobile applications. In 2018, we continue the double-digit growth of the advertising business.

Our Mobile Banking business also continued to grow in a solid double digit. Through our Mobile Banking, we enable financial institutions to provide mobile banking services via SMS, USSD, IVR and the recently launched Mobile App. Through our Mobile Banking services, we provide Indonesian citizens with broader access to financial transactions through their mobile phones.

We extended our footprint in Internet of Things business to go beyond connectivity to capture a substantial share of IoT business opportunities. We doubled our IoT business in 2018 through our IoT services which consist of Smart Connectivity, Fleet Sight and InTank. Telkomsel is the only operator in Indonesia to roll out Narrow-Band IOT (NB-IoT) technology, which currently covers Greater Jakarta region and enhanced with IoT Lab and Telkomsel Incubation (TINC) to explore both business and technology opportunities for massive NB-IoT implementation in Indonesia. Our new service Remote Tank

Monitoring System, InTank, already has customers waiting in line ahead of its launch next year.

TCASH, our flagship product in Mobile Financial Services, made strides in a highly competitive market towards fulfilling its vision to realize financial inclusion and to create a cashless society in Indonesia. In 2018, TCASH tripled both its GMV and revenue. We expanded our reach by going agnostic to serve beyond Telkomsel subscribers throughout 87,000 merchant outlets, 225,000 cash-in points, 150,000 Bang TCASH outlets, and partnerships with major players in transportation and financial use cases.

In Big Data & API business, we put an immense focus to accelerate its growth which resulted in tripled revenue in 2018. We served more than 20 clients of financial institutions, e-commerce unicorns, system integrators, logistic providers, and governments through both bespoke projects (MSIGHT) and API products (DigiHub). Our Credit Scoring

Going forward, we will continue to scale-up our digital services business more rapidly through innovations and partnerships along with developing the digital ecosystem.

API assisted in more than Rp250 billion personal loan disbursements from 11 financial institutions through 1.4 million hits. Meanwhile, our Telco API has served more than 400 connected apps with 6 million monthly hits.

Going forward, we will continue to scale-up our digital services business more rapidly through innovations and partnerships along with developing the digital ecosystem – a key foundation to become a Digital Telco company and to build a Digital Indonesia.

TCASH - INDONESIA'S LEADING MOBILE MONEY PROVIDER



TCASH aims to be the largest mobile money provider in Indonesia with holistic use-cases, ubiquitous CICO network, and nationwide presence by delivering a good quality, fast, and easy-to-use product that is secure and reliable.

Through TCASH, Telkomsel supports government's aim in broadening financial inclusion and achieving cashless society.

TCASH users comprise of two main segments; the Lifestyle and Micro segments. The Lifestyle segment refers to bankable individuals who mostly live in tier-1 and tier-2 cities, while the Micro segment refers to the unbanked/ under-banked segment who generally live in tier-3 and tier-4 cities as well as rural areas.

By the end of 2018, TCASH has acquired more than 23 million registered users in 34 provinces in Indonesia. To cover the nationwide presence, TCASH leverages telco outlets to establish 150,000 Bang TCASH outlets across Indonesia to whom users can go to top-up, withdraw, activate their TCASH accounts, and transact. TCASH is accepted in 87,000 merchant outlets in both local and national merchants with 225,000 Cash-in Cash-out (CICO) Points.

In extending CICO Points, TCASH piloted 15 TCASH Kiosk machine deployment to enable self-service transactions including top-up and cash out. The Kiosk machines can identify customer not only by Phone number but also via QR Code and NFC for a better customer experience.

TCASH added several new use-cases, namely App payment for Blue Bird Taxi, game vouchers purchase, petrol purchase at Pertamina gas stations, eCommerce, entertainments, donations, financial services, and bill payments. At midyear, TCASH obtained Bank Indonesia's license to go agnostic and extend its reach beyond Telkomsel customers, so that any telco operator customers can enjoy TCASH services. In building Digital Indonesia, TCASH supports government initiatives in broadening financial inclusions through Ultra Micro Loan and traditional market digitalization. Extending our reach beyond Indonesia, we are currently piloting Cross Border Online Payment to make TCASH available in the South East Asia region.



STRATEGY

Below are some of our main initiatives in 2018 that have enabled TCASH to expand our reach and help sustaining our leading position in the financial technology industry in Indonesia:

1. TCASH Wallet App Revamp Launch (March 2018)

In the first quarter of 2018, TCASH announced the revamped TCASH Wallet application, which includes the first electronic-Know Your Customer (e-KYC) to receive an official authorization from Bank of Indonesia ; Snap QR code feature to ease transaction; bill payment feature; as well as a more humanizing and interactive user interface, with nine main services on its home section. The app is available on Google Play Store and App Store since the end of March 2018. The launch of this revamped app strengthened TCASH's business strategy in creating a more comprehensive digital ecosystem in Indonesia.



2. TCASH Agnostic “Semua Bisa” Launch (July 2018)



In July 2018, TCASH extended its reach to customers of any telecommunication providers. To introduce it, TCASH held “Semua Bisa” campaign with two main messages: TCASH is now able to be utilized by everyone; as well as TCASH can be used for diverse types of digital transactions easily, anytime and anywhere. Furthermore, TCASH also held a special promo for new users from diverse telecommunication operators at TCASH merchant outlets. We also held TCASH Snap Market at Energy Building area, in which the users from different telecommunication operators could directly experience the easiness of digital transaction with TCASH.

3. TCASH as Mass Transportation Payment Method (January & August 2018)

One of the most notable services that TCASH grew significantly in 2018 is in transportation sector. TCASH can now be used to purchase Railink Airport Train to Soekarno-Hatta International Airport, Cengkareng, and Kualanamu Airport, Medan. Starting August 2018, through our strategic partnership with Blue Bird, we can use TCASH to pay our taxi ride through Blue Bird mobile App.



4. Gasoline Payment with TCASH (June 2018)

This year, TCASH became one of the first electronic money to be accepted in Pertamina Gas Stations across the country. The kick-off launch for this service was held near the Ied Fitr holiday, with a visitation from the Minister of BUMN, and the Minister of Energy and Mineral Resources at the designated Gas Stations along the

northern beach route of Java. In 2018, we are available at 230 Pertamina Gas Stations throughout Indonesia, as well as at Total Gas Stations.



5. TCASH Digital Donation with QR Code (May 2018)

In introducing our Snap QR Code payment, we introduced our digital donation service in collaboration with Rumah Zakat, Yayasan Cinta Anak Bangsa (YACAB), Baznas, Dompot Dhuafa, Gerakan Indonesia Mengajar, and many more.



TCASH launched #JadiBaik di Bulan Baik Ramadan campaign and digital donation with Rumah Zakat

During Ramadhan, we collaborated with Rumah Zakat in “#JadiBaik di Bulan Baik” campaign to invite our customers to donate with TCASH QR Code. Through this campaign, we supported Rumah Zakat’s programs, such as Berbagi Buka Puasa, Kado Lebaran Yatim, and Bingkisan Lebaran Keluarga. Customers could find TCASH’s QR code in our social media, billboards, and over 100 “kencleng digital” at mosques in Jakarta and Bandung. The campaign received an award at Mix Magazine’s Indonesia’s PR Program of The Year, under the category of “The Best Marketing Communication Program”.

6. The initial introduction of TCASH’s Ultra Micro Credit Service (December 2018)

TCASH continued to collaborate with the Indonesia’s Government to support the acceleration of financial inclusion

in the country. We participated on the Ultra-Micro Credit disbursement trial period, collaborating with the Ministry of Finance and BAKTI-the Ministry of Communication and Informatics. TCASH remained as the only electronic-money providers who own the USSD Code feature to better serve the unbanked segment who still heavily rely on their feature phone. Our focus area in this trial period is in East Lombok, particularly the members of a local Cooperation whose members still receive their loans in cash. This service is in-line with TCASH’s aspiration to empower the unbanked segments by providing a better access to financial services. Telkomsel is fully committed in this electronic money sector and would further expand its service and user base in 2018, in line with Indonesian government objective of driving financial inclusion and less-cash society in Indonesia.

AWARDS

- 1. Indonesia Netizen Brand Choice Award (February 2018)
- 2. Infobank: 7th Digital Brand Awards (April 2018)
- 3. SWA network: Indonesia’s Most Creative Companies (May 2018)
- 4. Superbrands Award 2018: Electronic Money Services (July 2018)
- 5. Mix Magazine: Indonesia’s PR Of the Year 2018 (November 2018)





BIG DATA & API - ACCELERATING INDONESIA'S DIGITAL TRANSFORMATION



Established in 2014, Our Big Data Business Mobile Consumer Insight (MSIGHT) has continued its journey to bring telco data insights to the market. With several acceptances from key industry leaders, MSIGHT tripled its revenue YoY through its solid propositions under three pillars: Mobility Insight, Risk Insight, and Lifestyle Insight products. MSIGHT analyzes and utilizes telco big data as a range of consumer insight services that enable organization to make better business decisions. In 2018, MSIGHT successfully launched Telco Credit Scoring, which was well received by the financial market by paving a way for financial institutions to grow the market and foster financial inclusion by enabling financial access for the underserved. We are also proud to have provided our mobility insights for 18th Asian Games, supporting



September 2018 - MSIGHT at ASIAN GAMES conference by BAPPENAS

Indonesian government to measure economic impact of the event based on the mobility pattern of local and international visitors of the event.

Moreover, the growing internet users and online businesses in Indonesia have driven the business at various verticals to be able to reach their customers for multiple purposes. It makes the need for telco API, a means of communication using telco inventories that enables flexibility for businesses to customize their communication to their customer, continue to increase. By end of 2018, Telkomsel's API DigiHub has served more than 400 apps through multiple system integrators, with 6.5 million API Calls generated every month. Telkomsel's API business has grown more than doubled YoY and should be expected to expand its product portfolio in 2019.

MSIGHT solutions have been showcased at two major digital technology events namely TechInAsia and IdeaFest. This highlights the determination of the company to grow the interest towards data insight from telco big data as well as to be relevant in the digital industry.



October 2018 - MSIGHT at TechInAsia 2018

NEW PRODUCTS

Telco Credit Score

In 2018, we launched Telco Credit Scoring which generates user risk score based on users' telco behavior. It enables various financial institutions to provide risk-based pricing products to their customers and provides the offer to the relevant segment. On the other hand, the users, especially the unbanked, who previously do not have access to quality savings, now have a better chance to obtain formal financial credit based on their risk profile.

Telkomsel expects to grow financial market through this product which has facilitated multiple financial institutions to assess more than 100,000 potential credit customers every month. This has put Telkomsel as the leading telco in providing credit scoring within the span of less than one year.

Digital Marketing Activation

In digital marketing, business it is imperative to know who your target audience are and how to reach them. Customer profiles derived from telco data is promising a unique audience segmentation that cannot be provided by other data providers. Telkomsel is making the telco data-driven segmentation available in digital marketing platforms and enabling businesses to perform more effective marketing campaign.

AWARDS

- 1. Selular Award: Most Innovative Use of Telco Big Data (July 2018)
- 2. MMA Smarties Award 2018: Gold winner at Messaging category and Bronze winner at Lead Generation category (October 2018)
- 3. MMA Smarties Award 2018 APAC: Bronze winner at Messaging category and Bronze winner at Lead Generation category (October 2018)



both feature phones and smartphones customers. Our on-deck Display Inventory has become our strategic product development throughout 2018, not only in internal inventories such as MAXstream, MyTelkomsel, Langit Music, LOOP, and ROLi but also in external inventories. The inventory gives us an additional of 20 million impressions per day.

In keeping up with the dynamics in digital advertising industry, we introduced new performance-based business models including Cost-Per-Install, Cost-Per-Leads, Cost-Per-Acquisition, and Cost-Per-Visit that deliver 95% order fulfilment rate. We continue to grow our advertising technology and ecosystem through collaborations with trusted Ad-Tech partners in measurement, tracking, and programmatic.

As the official partner in 18th Asian Games, we launched Telkomsel Asian Games 2018 (TAG '18) mobile application on which customers of any mobile providers can find comprehensive information on the Asian Games event including event schedules, landmark or event locations, match results, and the medal ranking. We provided static banner slots for other Asian Games partners to promote their products and services. During the event, we had 400,000 daily active users that contributed 2.7 million of page views.

DIGITAL ADVERTISING AND BANKING



The Telkomsel Digital Advertising and Banking business consist of three business categories, namely digital advertising, The Telkomsel Digital Advertising and Banking business consist of three business categories, namely digital advertising, mobile coupon, and mobile banking. Our efforts to continuously improve our products

and services have attracted significant growth in number of advertisers resulting in a 40% revenue increase YoY. With more than 160 million Telkomsel subscribers, Telkomsel Digital Advertising solutions play an important role for advertisers in reaching their target customers. The right audience profile combined with effective reach using digital telco inventory allows advertisers to better target their ads to prospective customers, thus providing better returns.

We offer various types of advertising services including Messaging Ads, Display Ads, Contextual Ads, Location Based Advertising (LBA), Rewards for





Mobile Coupon is a promotional solution for retail merchants to issue digital coupons of its products and services for their customers. The coupons can be structured under different scenarios including location-based, push-based, and pull-based, as well as delivered over various channels namely SMS, MMS,

USSD, and Apps. In 2018, we on-boarded 400 new m-coupon merchants.



Our Mobile Banking (mBanking) service enables bank customers to access and use many banking services through their mobile devices using SMS, IVR, USSD channels, and recently launched mBanking mobile app. Providing the services to 89 financial institutions, our 2018 revenue grew a solid double-digit YoY.

NEW PRODUCTS

On-Deck and in-app inventory

Telkomsel provides an ads space in its own application such as MAXstream, MyTelkomsel, Langit Musik (Telkomsel music services that offers a new way to download and stream songs legally and without limits through PCs and mobile phones), and Dunia Games Portal (Telkomsel trusted Game portal for news, download, and buying the game voucher with more than 500 thousand gamers joined in the FB fanpage). This service allows advertisers to promote their products or services on Telkomsel apps.

AWARDS

In 2018, Telkomsel Digital Advertising received digital marketing awards which further encouraged the spirit of innovation in the company.

1. MMA Smarties Indonesia
MMA Smarties Indonesia recognizes brands and stakeholders for the innovative use of mobile marketing tools and campaigns. In 2018, Telkomsel received awards in the following categories:

a. Silver Winner Promotion Award

- Title: Retain your customer through Digital Reward
- Client: GRAB

b. Bronze Winner Promotion Award

- Title: Generate Marketing Performance Through the RIGHT Audience
- Client: Shopee

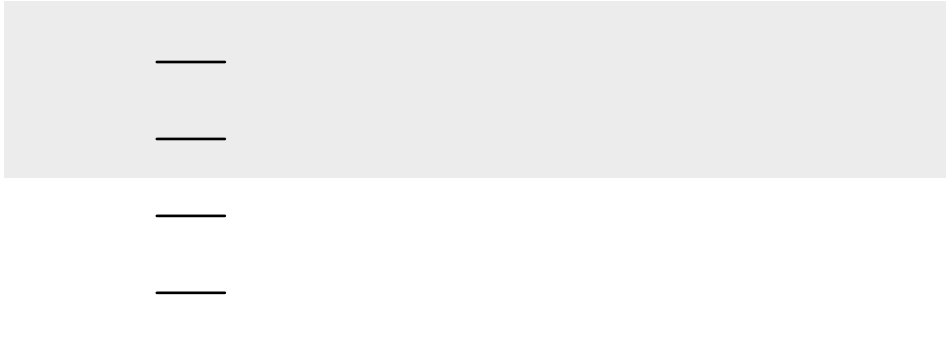
2. Selular Award

Selular Award is an award from Selular media as an appreciation to technology companies for their contribution to the Indonesian people with their best services. In 2018 (15th Selular Award), Telkomsel Digital Advertising received award as The Best Advertising Apps for ROLi Apps.

There are two choices of advertising method that advertisers can choose to show their ads, such as Pre-Roll and Static Banner. Pre-Roll is an ad in the form of a content that will appear before the main content is played. Static Banner is a small image ad that will appear when the main content is played.

Throughout 2018, Ads in MyTelkomsel application appear in the carousel and have seen by 15 million active users each month. For Dunia games, ads appear on the article page and can be seen by 4 million visitors each month with dominant age range of 18-34 years.





TELKOMSEL MBANKING APPS



Telkomsel mBanking App is a mobile application that provides an easy and convenience way for customers to access multiple bank accounts from a single app. To use mBanking App, users need to make sure that their Telkomsel number has been registered to SMS Banking service in bank partners. Users can access multiple banks and do transactions anytime and anywhere.

INTERNET OF THINGS - BEYOND CONNECTIVITY



Telkomsel IoT (Internet of Things) connects devices, machines and objects containing embedded technology to the Internet, turning them to 'intelligent' assets that interact with external environments. We aim to help enterprises grow their

business by leveraging the latest IoT Technology through our reliable, secure, and advanced platform.

In 2018, we aimed to go beyond connectivity to capture a substantial share of the potential IoT market share. Enhanced with powerful automation and additional tracking feature (LOCI, Location Info) for better asset visibility and safety, Telkomsel's IoT core solution has grown to over 600k connected devices with extensive customer portfolio of more than 200+ Enterprise customers. We continue to keep up with the latest technology to gain advantage and holistic view of Internet of Things ecosystem. To name a few, we adopted Narrowband-IoT (NB-IoT) and Low Power Wide Area Network (LPWAN) technology to enable extensive IoT solution enhancement and development. In October 2018, we have enabled sub-station smart metering using NB-IoT for

PLN DISJAYA - the first NB-IoT smart metering in south east asia.

In line with Making Indonesia 4.0 aspiration that the economic growth will be stimulated by more innovations, Telkomsel initiated TINC (Telkomsel Innovation Center) to encourage Indonesia's IoT ecosystem in developing business solutions by involving related stakeholders. TINC is facilitated by proper development funding, technical & business mentorships and NB-IoT Lab in Jakarta and Bandung as a platform for IoT startups to connect with related technology providers, government and enterprise to inspire and create vertical solutions. TINC's 2018 portfolio consists the first NB-IoT 4+ gen Bike Sharing in collaboration with Banopolis and Universitas Indonesia, Smart Bin - Waste Management systems with Smash & Danone and NB-IoT Automatic Fish Feeder with eFishery and JAPFA.



March 2018 - The launch of NB-IoT Bike Sharing with Banopolis and Universitas Indonesia



December 2018 - The launch of NB-IoT Automatic Fish Feeder with e-Fishery, attended by Governor of West Java

IoT Managed Service is our corporate connectivity service with Service Level Guarantee of 99.5% uptime through various channels including leased line, multi cellular, and VSAT.

IOT CONTROL CENTER



IoT Control center is a cloud-based solution that enables enterprise to automate the management of their connected devices. In addition to connectivity management, control center powerful automation and tracking features (LOCI, Location Info) that provides asset visibility and safety will help ensure the reliability of your connected services, device usage optimization and cost predictability. IoT Control Center supports 2G/3G/4G and NB-IoT to be managed in single IoT Platform.

IOT MANAGED SERVICE CONNECTIVITY



IoT Managed Service is our corporate connectivity service with Service Level Guarantee of 99.5% uptime through various channels including leased line, multi cellular, and VSAT. IoT Managed Service decreases the likelihood of downtime and ensures your business to stay connected 24/7.

FLEETSIGHT



Fleetsight is our end-to-end Fleet Management solution that provides insight and professional services to help enterprise in improving productivity, safety & efficiencies. Our focus is in vehicle telematics by utilizing sensor devices embedded in the vehicle & fleet management platform. Fleetsight aims to minimize the risk associated with vehicle investment, gaining efficiency & productivity.



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NEW PRODUCTS

Telkomsel Order Management System (TOMS)



Telkomsel Order Management System (TOMS) is an adjacent solution in order management for enterprise fleet. With TOMS, enterprises can now track and manage operational fleet to increase fleet efficiency and lower fleet downtime. TOMS can be implemented both as a standalone system and combined with our FleetSight solution.

Intelligent Tank Monitoring System (InTank)

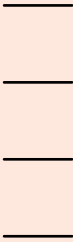


Telkomsel InTank (Intelligent Tank Monitoring System), our new addition to Telkomsel IoT portfolio, is an

end-to-end IoT Intelligent solution with the capability to monitor and maintain liquid inventories, particularly oil, chemical, and even water. Armed with robust and efficient technology and sensors, InTank aims to bring visibility and enhance operational efficiency in liquid inventories with 50% energy cost reduction. With international certification for devices and sensors, InTank has done pilots with multiple enterprises for InTank Solution.

AWARDS

- 1. Asia Communication Award Nominee on Most Innovative IOT Solution on IOT Control Center Geo Location Services (June 2018)
- 2. Selular Award: Most Innovative IOT Solution (July 2018)



DIGITAL LIFESTYLE

Digital Lifestyle continues to focus on providing a mobile lifestyle experience for customers. By targeting different segments through various services, Telkomsel aims to become the leading mobile lifestyle provider in the country through video, games, music and various mobile VAS services. With an emphasis on partnership to accelerate our go-to market strategy, Telkomsel helps to promote and create a supportive environment that enables access to Digital Services from anywhere in the country.

In 2018, Telkomsel expand its positioning on Video ecosystem by providing content and platform for mass market video. MAXstream was launched in May 2018 to serve as the platform and become one stop video portal by aggregating OTT video apps, linear channel and VOD content.

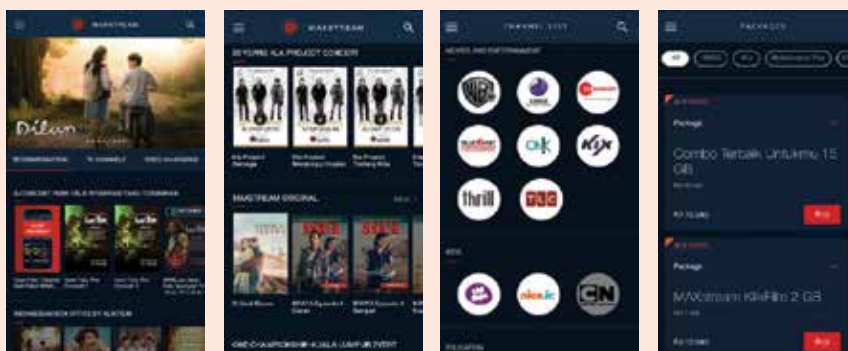
Telkomsel also maintains its position as the leading operator in Indonesia that provide full digital gaming ecosystem through Media, Payment Solution (direct carrier billing), eSport, and step into Game Publishing by releasing its first game in October 2018 under Dunia Games brand.

Meanwhile in Music, Telkomsel continues to become the biggest contributor in Indonesian music

industry through RBT and music streaming service. By continuous innovation and enhancement on the services, RBT user still grew more than 30% year on year in spite of smartphone and OTT domination.

Besides growing its video, games, and music services, Telkomsel continues to innovate on new mobile VAS to expand its digital lifestyle product base. On February 2018, Telkomsel has launched Paket Darurat, a new loan service that make it possible for users to stay connected even when they are out of phone credit balance.

VIDEO



MAXstream is a video streaming app that enable user to live stream events and VOD for best quality series or movies, subscribe to wide range of packages, search all movies, tv series, and sports, extensive OTT VOD catalogue and accessing international and domestic linear channel. The ease of accessing MAXstream is also supported by VideoMAX monthly data quota package service or VideoMAX extra quota package so that VideoMAX package content services such as HOOQ, Viu, Tribe, and Catchplay can be enjoyed by user through their smartphone.

Along with the momentum of World Cup event in June - July 2018, MAXstream successfully gained tractions from more than 4 Mio downloaders by providing live streaming of World Cup 2018. To continue the momentum, MAXstream provides more live sport contents including Asian Games, EPL, Serie A, Ligue 1, La Liga, Piala Indonesia and One Championship. And recently, MAXstream has also offered live music concerts from several artist with pay per view concept, such as GOD Bless, KLa Project, Iwan Fals, and many others.



In September 2018, MAXstream released its first original series: BRATA - 6 episodes of high octane crime thriller that produced in collaboration with HOOQ. Starring Oka Antara, Laura Basuki and some top Indonesian actors and actress, BRATA has been viewed by more than 1 million users.

By end of 2018 MAXstream has reached 8 Mn downloads and 2 Mn monthly active user, aggregating 6 OTT video, providing 30 channels and 4 original contents and becomes the top 5 Video apps in term of payload contribution.

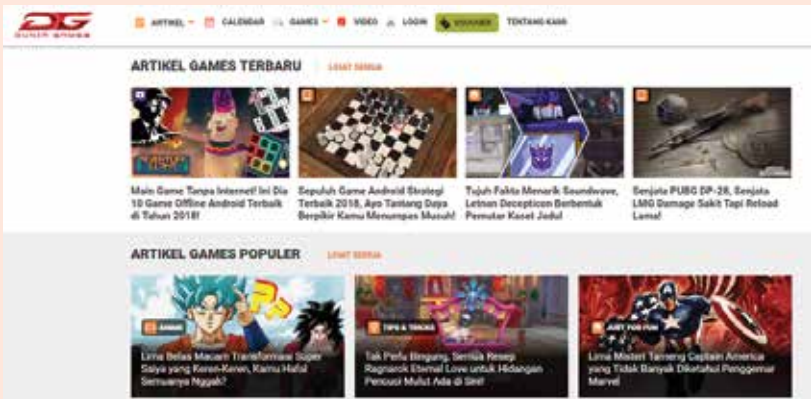
GAMES

In 2018, Telkomsel plays in almost all value chain of gaming ecosystem including media and distribution, payment, e-sport and publishing.

Dunia Games is the leading game portal with more than 5 Mn monthly visitors in Indonesia. It provides articles, review, trends and content related to Games and e-sport. Dunia Games has also become distribution channel for games items including Mobile Legends, AOV, Free Fire, Garena, and Steam.

Telkomsel also act as payment solution provider that enable direct carrier billing (DCB) access to all Telkomsel subscribers for game publishers and developers through application stores, including Google Play, or directly through Dunia Games DCB. By end of 2018, more than 100 game publishers and developers are connected through Dunia Games DCB and accessed by more than 3 Mn user monthly. This has made Telkomsel the biggest games payment enabler in Indonesia.

Continuing its success on 2017, in March to April 2018 Telkomsel held the biggest e-sport event in Indonesia, the Indonesia Games Championship (IGC) that gathered professional gamers, e-sport viewers and top publishers in Indonesia. Gamers served with a variety of PC and mobile gaming tournament, with more emphasize on mobile.



For the mass and grass root level, starting October 2018 Telkomsel launched Dunia Games League in 151 cities and 8 universities, making it the largest e-sport league in South East Asia. More than 4000 amateur teams joined the league, competing for play-off tickets of the next year IGC.

Both IGC and Dunia Games league will be held annually to strengthen Telkomsel position as major player in Indonesia Games Industry.

Publishing

In October 2018, Dunia Games published its first game, Shellfire, an e-sport game combining the two popular genres to target the existing gamer communities. Some features of the game are 5v5 game mode, clans and community, various game mode (quick match, rank mode, zombie war, and island war), and more than 20 heroes with different weapons and skins.



Players are able to make in-app purchase of heroes, hero skin, and other in-game items too. This game is available as OTT apps on Google play store, Oppo App Store, and Xiaomi App Store. By end of 2018, Shellfire has reached 1,7 Mio downloaders and more than 200 thousands monthly active users.

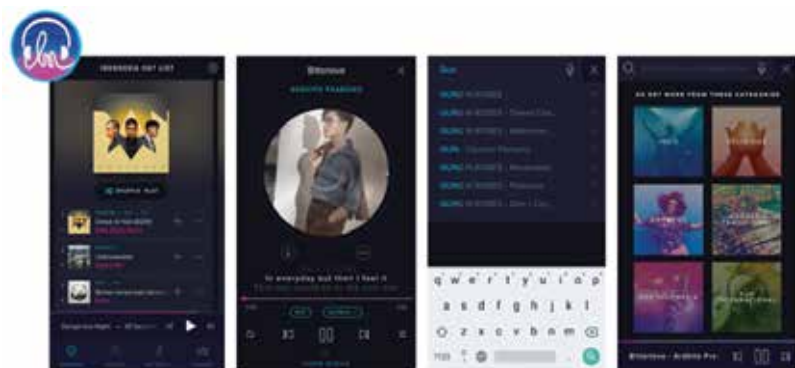
MUSIC

In 2018, Telkomsel focused on improving user experience of Langit Musik, partnering with OTT music apps and maximizing revenue from RBT. Overall, Telkomsel contributes up to 60% of Indonesian music revenue share.

Langit Musik and Music OTT

Telkomsel continue to enhance Langit Musik to give the best experience for customers. With its new interface and new features including seamless login, search recommendation, new player and more than 6 Mio local and international songs catalogue, with 27 minutes average session duration which considered the highest among other music apps, Langit Musik continues to please music lovers and at the same time support the music industry in Indonesia.

Telkomsel also grab the opportunity from other music OTT apps by working with music OTT partners including Spotify, Joox, and Smule for direct carrier billing start from July 2018.



Telkomsel also grab the opportunity from other music OTT apps by working with music OTT partners including Spotify, Joox, and Smule for direct carrier billing start from July 2018.

Ring Back Tone (RBT)

Ring Back Tone (RBT), known also as Nada Sambung Pribadi (NSP), continued to deliver good performance in 2018. Besides working with music labels to promote specific artist, RBT in 2018 also focused on working with 65 radios to promote RBT service via differentiate UMB. In product side, several innovations has been made including provide bundling with prepaid and postpaid package and integration with Langit Musik to enable RBT activation from the application.

By end of 2018 RBT has 8 million user, the highest achievement since launched more than 10 years ago.



MOBILE VAS NEW SERVICE

In February 2018 Telkomsel has launched Paket Darurat, a Mobile VAS that offers loan to whitelisted prepaid users to allow them to make a call, send SMS, and access the internet. The whitelisted users are also able to request loan through UMB call. There is no extra fee to activate and repay Paket Darurat which makes it a great option for user in need. There are more than 3 million loan taker monthly with good repayment and low bad debt level. In next phase, Paket Darurat will be expanded with various kind of loan and able to be accessed from many channels.

SALES

Telkomsel's coverage currently has reached almost 100% of the Indonesian population, making us the only operator with truly nationwide coverage. In order to deliver optimal customer experience, our sales operations are divided into four Areas and 11 Regions: Sumatra Area (North, Central and South Sumatra), Jabodetabek-Jabar Area (Greater Jakarta and West Java), Java Bali Area (Central Java, East Java, Bali and Nusa Tenggara) and Pamasuka Area (Kalimantan, Sulawesi and Papua-Maluku). The four Areas, which contain almost 60% of our workforce, are further subdivided into more than 200 clusters, supporting our cluster-based pricing strategy as well as better customer penetration and faster execution of our Sales and Marketing strategies and initiatives.

SALES BUSINESS STRATEGY

In 2018 our Sales strategy continued to focus on the three main programs established in 2017 in order to support Telkomsel's digital transformation and the creation of a digital society. These three main sales programs were Increase Data Share, Digital Touchpoint Experience and Winning Enterprise Business. These three main programs were translated into a total of 10 key sales programs as follows.

In 2018 our Sales strategy continued to focus on the three main programs established in 2017 in order to support Telkomsel's digital transformation and the creation of a digital society.

1. INCREASE BROADBAND SHARE

a. Protect Existing HVC (High Value Customers)

HVC is a priority segment to maintain since they contribute 85% of Telkomsel revenue and 94% of Telkomsel Data Revenue. In order to protect existing HVC, two sales initiatives were carried out in the form of Differentiate Service & SLA Resolution which focused on delivering high quality service, and Build Effective Reward Programs which focused on ensuring that HVC were rewarded for transactions within the Telkomsel ecosystem in order to create loyalty.

b. Grow HVC

In order to grow the number of Telkomsel HVC customers, a comprehensive campaign using both offline and digital channels was

executed. We also tried to leverage existing HVC to be more productive, giving special value offers to HVC in line with their customer profile, ARPU, service preference and so forth.

c. Aggressive Data Penetration

We encouraged Telkomsel customers to become data users or use 4G networks through a number of initiatives. We migrated customers to USIM, gave more attractive data offerings and offered attractive Smartphone Data Bundling, increased 3G and 4G utilization, increased Points of Interest (POI) and battlefield productivity by deploying new sites at POI, and acquired new customers through aggressive offers including swaps and trade-ins.

d. Untapped Market

To reach untapped markets, we explored potential revenue streams by effective clustering for network deployment, offering a new product called VOLTE to access untapped markets.

e. Sales Channel Transformation and Increased POS Productivity

Digital channel empowerment and channel business model transformation were carried out through various initiatives to increase competitiveness. These initiatives included Standardized Territory and Retail Management, Racing TDC for Certification, an Outlet Incentive Program for accelerating Sales Data Packages, increasing dealer capability in order to manage more sophisticated products e.g. solutions, and Optimizing Digital Channel.

f. Win Youth

The tech savvy youth segment, which is also a high data package user segment, represents big growth opportunities. As such Telkomsel launched attractive offerings for

youth, ensured effective sales and distribution to certain outlets to acquire competitors; youth customers, empower youth sales channels/ agent programs at youth POI, and engaged millennials through social media.

2. DIGITAL TOUCH POINT EXPERIENCE

a. Enhance Digital Customer Experience

We built Digital Touch Points to enhance customers' digital experiences through various initiatives with the aim of increasing Customer Satisfaction (Customer Engagement Score, CSI, Net Promotor Score). We also invested in First Contact Resolution, deployed Omni Channel experience (shifting from traditional to digital experience) and increased the effectiveness of Customer Touch Points through service segmentation.

b. Enhance End-to-End Digital Sales Platform

We also enhanced our end-to-end digital sales platform to automate the sales process and thereby increase sales effectiveness. Specifically, we improved the sell-in, sell-through and sell-out functionality of the platform, and enhanced it with digital products and segmented offerings.

3. WINNING ENTERPRISE BUSINESS

a. Winning Enterprise Business

The enterprise segment still represents big opportunities. We made efforts to capture market share by enhancing our product portfolio with regard to customer-centric solutions, and expanding our business partnership with the Corporate, Government, and Enterprise segments. We also scaled up advertising, big data, and our payment solution services.

b. Leading in the SME Segment

The SME market has big potential revenue. To lead in this segment, we enhanced our portfolio product of customer-centric connectivity and solutions for SMEs. We increased our penetration in the SME market through a pull and push sales approach, and collaborated with third party partner channels to reinforce our B2B2C ecosystem.





YOUTH AND COMMUNITY

The Telkomsel Youth and Community, Telkomsel customers between the ages of 12 to 24, is one of the important drivers behind the growth of Telkomsel's Data and Digital Business. Therefore, we continued to develop acquisition and engagement that focused on the youth segment at schools/campuses to win market share.

Engagement with schools/campuses was carried out by implementing 3 masterpiece programs, namely Telkomsel Youth Ambassador, School/Campus Ecosystem, and Youth and Community Sales Rewards involving outlets around the school or campus (OSS/OSK), clusters, and Telkomsel branches.

The Telkomsel Youth Ambassador program aimed to acquire and engage subscribers through high school students and students from within the school/campus environment itself as a new channel. Telkomsel Youth Ambassador also played a role in socializing Telkomsel digital products in schools/campus environments. This strategy



Ecosystem Campus (Universitas Esa Unggul)

to use school/campus ecosystems is a strategy aimed at digitally engaging school/campus communities (teachers, students/students, parents, and alumni) in a media that they encounter daily. In addition to programs aimed directly at customers, we also held sales reward programs for the parties involved in distributing or selling Telkomsel products.

In addition to these three masterpiece programs, Telkomsel also carried out several initiatives in the form of BTL Activities, namely supporting school sponsorship activities and pareto campuses, where Telkomsel services are present or even dominant. Loyalty and retention of the youth segment customers are strengthened by providing various benefits apart from the benefits



Telkomsel Ambassador Winner - Goes to Japan

of Telkomsel products and specifically for young people who register themselves as Telkomsel Community members. To strengthen retention and engagement with young people digitally, activities were also carried out on social media through Instagram.

To increase the use of Telkomsel digital products in the youth and community segment, referral programs were held for youth and community sales agents (Telkomsel Ambassadors, Community Account Officers, and Youth Buddy Accounts). The digital products included in this program were Telkomsel Digital products and several bundled digital products with external parties.



CHANNEL MANAGEMENT

Telkomsel works in partnership to support the company's goals. In 2018 Telkomsel increased the number of both its traditional and modern partners. For example this year, in addition to maintaining relationships with previous partners, Telkomsel also collaborated with new partners such as Mobile Gallery, PT KIS, PT NFC, and others. The objective is to increase market penetration for broadband product fulfillment and increase purchases of data packages renewals. In addition, during certain seasons Telkomsel gave special offers to customers such as Harbolnas, RAFI, GAMESMAX and so forth.



CUSTOMER CARE MANAGEMENT

Telkomsel currently maintains several assisted channels and self-service channels for customer care management. The Assisted Channels include GraPARI, Call Centers and Digital Channels. As of December 31, 2018 there were 83 ISO 9001:2015 certified GraPARI, 335 GraPARI Mitra nationwide, and 11 GraPARI International overseas in Jeddah, Mecca, Madinah, Hongkong and Singapore. There were also Contact Centers located in Medan, Bandung, Surabaya, and Makassar, and a Digital Care Center or eCare headquartered in Bandung that handles Facebook, Twitter, E-Mail, and Live Chat with customers.

The self-service channels consisted of MyGraPari, virtual assistance and IVR. Telkomsel had a total of 108 MyGraPARI, three Virtual Assistance (VA) channels consisting of Telegram, Facebook Messenger and telkomsel.com, plus the MyTelkomsel App and MyTelkomsel Web as digital self-service channel, and finally IVR.

In addition, in line with Telkomsel's digital transformation and customer care roadmap, certain Customer Touch Points (CTP) have been transformed into digital touch points under a flagship store concept as follows:

GRAPARI DIGITAL (FLAGSHIP CONCEPT) – GRAPARI TELKOM GROUP, GEDUNG MERAH PUTIH

GraPARI Digital as Telkomsel's flagship store delivers digitally-enhanced customer service by using various digital tools and IoT products to deliver a customer-centric experience driven by KYC (Know Your Customer) logic. This flagship store presents customers with seamless, omni channel experience when interacting with Telkomsel service personnel. Customers can experience various digital innovations including:

- Brand New Digital Queuing Machine Telkomsel installed new queuing machines for a more customer centric service approach. These machines give the service personnel information and insight on the customers they are serving so that the service personnel can provide better service and upsell more effectively, resulting in better customer experience.

- Interactive Touch Wall
The interactive touch walls around the service area projects digital images and allows customers to interact with various interactive content. Customers can input their mobile number to see their usage characteristics, such as loving music, games, messaging, and much more. This shows that Telkomsel is fully aware of its customers and knows a lot about them.
- Vending Machine
Our customers can use TCASH to buy goods like beverages and gadget accessories at vending machines.
- IoT Showcase
This area showcases Telkomsel's IoT products with tablets, dedicated screens, and physical mock-ups available to show the latest innovations.
- Cozy Lounge
This cozy customer-centric lounge gives customers a great experience while they are being served by service personnel in this service area.



• Game Zone

Game Zone offers space for gamers to gather and play games on a mounted Android TV box using an LED screen. The space is themed around the Players Unknown Battle Ground (PUBG) as the most anticipated game of 2018 complete with replicas of in-game items.

CORPORATE ACCOUNT MANAGEMENT

Enterprise customers are an important customer segment for Telkomsel, including global and multi-national companies. In 2018, Telkomsel continued to develop innovative products and digital solutions for the corporate segment including Mobile Security, NB-IoT and other mobile solutions that leveraged the TELKOMSEL myBusiness product portfolio.

To win in the enterprise segment, Telkomsel Corporate Account Management focuses on understanding enterprise accounts by industry. We strive to understand the needs of



each industry and provide end-to-end solutions that can help sustain and improve businesses.

Telkomsel also worked together with several companies. In collaboration with PT Bank Rakyat Indonesia (BRI), Telkomsel provided End-to-End Mobile Security solutions in digitalize BRI's securities agents' business processes. Telkomsel offered special special communication package for drivers from PT Aplikasi Karya Anak Bangsa (GO-JEK Indonesia) and PT Solusi Transportasi Indonesia (Grab) in order to support them in effectively serving customers. Telkomsel also provided NB-IOT solutions to PT Perusahaan Listrik Negara (PLN) that enabled PLN to monitor electricity meters on an online basis.

As of December 31, 2018 there were **83 ISO 9001:2015 certified GraPARI, 335 GraPARI Mitra nationwide, and 11 GraPARI International overseas in Jeddah, Mecca, Madinah, Hongkong and Singapore.**



AREA SALES ACTIVITIES

AREA 1: SUMATRA

In 2018, we further strengthened Telkomsel's dominance in the Telkomsel Sumatera Area as the market leader with a market share of more than 60%. We carried out several programs to maintain and increase Telkomsel's dominance in Sumatera by increasing the number of resellers and providing special programs to resellers selling Data and Legacy. Customers were also encouraged to transact through Telkomsel's own channel, namely MyTelkomsel, by providing special offers for customers who made purchases through MyTelkomsel.

In addition, to maintain and improve the High Value Customer (HVC), we held the Cherry Blossom program to drive increased activation of HVC



Press Conference Dunia Games 2018



SMS Banking collaboration with Bank BNI

To improve digital services in the Sumatra area, we conducted several programs such as organizing online Mobile Legend tournaments simultaneously in 141 cities in Sumatra.

Combo packages, renewal packages, and purchases of credits (recharges) by giving rewards to customers. To target the youth and community segments (YnC), we collaborated with record labels and celebrity artists to mobilize fans and followers on Instagram to activate RBT.

To improve digital services in the Sumatra area, we conducted several programs such as organizing online Mobile Legend tournaments simultaneously in 141 cities in Sumatra, forming a games community management called Game Z, increasing the purchase of game items via credit or billing for HVC customers, and so on.

The Telkomsel Sumatra Area also provided special programs for Enterprise customers such as conducting digital transformation by developing various applications needed by corporates,

among them the E-BABINSA application which was created together with Military District Command (Kodim) 0201/BS to secure the area and advance regional development. Telkomsel also held the myBusiness Exhibition 2018 to showcase a variety of integrated digital solutions for Enterprise customers' business needs.

We further developed marketing communication activities called MARKOM-X, whereby Telkomsel produced video-based digital content daily to be posted on social media and utilized internal employees to disseminate information. In addition, the Telkomsel Sumatra Area also has a "Mantabs" marketing campaign, featuring a character that was created to foster more intimate ties with the community or the market.



Start Up 2018

AREA 2: JABODETABEK WEST JAVA

In 2018, the main objectives of Telkomsel Area 2 in Jabodetabek and West Java were Defend Legacy and Expand Broadband Connect, which was done through several programs. During the year, we began to implement customer profiling and improved our analysis of customer behavior based on their value, service preference, and trajectory, which was used to protect and grow existing High Value Customers and win the youth segment by giving segmented offerings after prepaid SIM card registration requirement.

Digital campaigns were also used in the Jabodetabek and West Java area to boost awareness and promote bundled offerings featuring additional digital product value such as Games, TCASH, and Video. To support the youth segment acquisitions program,



a games competition was held targeting the youth segment that was supported by targeted video promotions, along with an increasing amount of TCASH merchant and CICO points.

We incentivized outlets to push sales of data package renewals rather than starter packs, to support the development and sales of systematic



renewal programs. To acquire low segment customers, namely those with low ARPU, Telkomsel launched small denomination acquisition packages consisting of both Data and Voice.

Other than that, we transformed our sales channels to increase sales productivity by strengthening traditional retail management while also

AREA 3: JAVA BALI NUSRA

In the midst of intense market competition, in order to maintain its dominance as the market leader in the Java Bali Nusra Area which has the largest population in Indonesia, we carried out several strategic and tactical steps during 2018 entitled “5G Building Fundamental Rajawali 1 2018 as a realization of the Sales Directorate’s masterpiece programs.

The strategic steps taken included among others: Go RETAIL, covering the Transform Sales Channel program and Increase Sales Profit Productivity; Go DETAIL, covering the Protect and Grow Existing HVC program, as well as the Leading in Large Enterprise & SME Segment program; Go YOUTH & DIGITAL, covering the Win Youth, Aggressive Data Penetration, and E2E Sales Digital Platform program; Go ACCURATE NETWORK, including the 4G Leadership program and also the alleviation of Untapped Markets; Go COLLABOR-

ACTION, including collaborative programs and tangible work initiatives among all members of the Area 3 team supported by acceleration programs from Human Capital Management (HCM) as part of the “Balance of Life” acculturation program.

To support the implementation of these strategic policies, throughout 2018 various Program Champion supporting activities were carried out in the Java

strengthening modern retail in a balanced manner. The sales team used a retail performance dashboard to monitoring the performance of Telkomsel's outlets.

We also tried to win the Enterprise segment by building Account Management team capabilities, to offer enterprise solutions and build awareness by participating in enterprise expos. To maximize postpaid consumers, Telkomsel strengthened its salesforce and pushed outbound call acquisition.

Many activities were held to support these strategies in Telkomsel Area 2. These included many events in 2018 related to boosting data and digital usage in society such as a mobile games competition at Jakarta Fair Kemayoran, which was attended by more than 200 teams from various communities. Telkomsel received an award from the



Indonesia Record Museum (MURI) as the "Organizer of the Longest Mobile Games for 40 Consecutive Days".

We also strengthened the adoption of a digital lifestyle by developing mobile financial services that can be used for service payment facilities at the Bekasi Metro Police Station. Now people can pay for SIM drivers licenses and SKCK Police Conduct extensions using TCASH.

We also successfully presented the I LOOP Run event in Bekasi. This 5-kilometer run was attended by more

than 2000 millennials from Bekasi and its surroundings. The theme of the I LOOP Run event in Bekasi this time was Cosplay Run Mobile Legends, whereby the runners who were running wore character costumes.

For corporates, which are an important customer segment for Telkomsel, in 2018, Telkomsel area 2 continued to provide Digital, Legacy and Core Solutions for the corporate segment including Mobile Device Management (MDM), Device Bundling, IoT Connectivity Package, New TeamPlan Revamp and other mobile solutions.

Bali Nusra Area. These programs were related to the development of digital ecosystems and winning the young customer segment, which is very engaged and close to the digital world.

Several Champion Programs included the TAP (Telkomsel Apprentice Program) Program with more than 1,700 people members in the Area 3 region, the Digital Army and Youth Movement

Program with more than 1,200 soldiers and more than 10.5 million followers, as well as TCASH and Digital Ecosystem Development programs in more than 35 well-known campuses in the Java Bali Nusra Area through campus roadshows, seminars, smart cards for students, public lectures, campus application development, campus canteen collaboration and collaboration strategic programs with campuses and schools. The digital ecosystem was simultaneously and comprehensively

developed in parallel with the programs to win the market, in particular the youth customer market, and the programs to maintain regular outlet partners who still dominate the legacy business by giving appreciation to outlet partners. Various activities were carried out to develop our digital ecosystem in the youth segment, among others through I LOOP RUN activities, Indonesia Next, Next Dev, and others.

The development of the TCASH ecosystem as part of the Java Bali Nusra Area digital business was not limited to the campus environment, but continued to be developed in various other fields, among others for the payment of BRT (Bus Rapid Transport) transactions in Semarang City, fuel transaction payments at gas stations in cooperation with Pertamina, and also has been successfully developed for payment of vehicle taxes, non-tax revenue, drivers licenses and police certificates of good conduct at the traffic police office in the Java Bali Nusra Area.

The management of the Telkomsel Java Bali Nusra Area also supported the success of government programs including Blusukan Pre-Paid Prime Card Registration activities all the way to the farthest corners of the Nusra Java Bali area, the "ASIAN GAMES 2018" Torch Parade which passed through the Java Bali Nusra area beginning in the Yogya Solo area all the way to Lombok Mataram, as well as providing the best telecommunications services during the IMF and World Bank Annual Meetings in Bali. In addition, the Telkomsel Java Bali Nusra Area also mobilized all of its resources to help areas affected by the earthquake in Lombok-NTB to

recover, in particular the restoration of telecommunications facilities accompanied additionally by the provision of CSR assistance to residents.

These strategic policies, champion programs, supporting activities, and events successfully strengthened Telkomsel's brand position. product awareness and market share in general including specifically increasing market share among young subscribers in the Java Bali Nusra area.



Telkomsel Managing Director Ririek Adriansyah (center) accompanied by SVP Corporate Secretary Endi P. Muharam (third from left), EVP Java Bali EVP Area Agus Setia Budi (second from left) and External Corporate Communication GM Denny Abidin, symbolically hand over logistics assistance to representatives of earthquake victims at the Lombok Regency Evacuation Post North, as part of the fourth wave of assistance given by Telkomsel (6/9). Telkomsel also provided assistance in the form of trauma healing which was channeled directly to the people of Lombok through the TERRA team (Telkomsel Emergency Response & Recovery Activity) at evacuation posts.

Synergy between Telkomsel, represented by Sales Director Sukardi Silalahi (center, red shirt), the Minister of Maritime Affairs (left) and the NTB Governor (second from left) along with NTB provincial government officials at the "ASIAN 2018 Torch Parade Games" in Mataram (07/25/18)



Minister of SOE Rini M. Soemarno (third from left) listened to the expose on TCASH usage for BBM purchases from the Vice President of Sales and Marketing Java Bali Telkomsel, Ericson Sibagariang (first from left) and the Head of TCASH Partnership, Edwin Ariono (second from right) during a work visit to Sultan Agung Gas Station, Semarang (1/6).



Synergy between all Telkomsel teams together with Telkomsel Network Director Bob Apriawan (center) at the IMF Annual Meeting - World Bank Group @ Nusa Dua, Bali (10/11/18)





Minister of Energy and Mineral Resources (ESDM) Ignasius Jonan (left), Executive Vice President Java Bali Area Agus Setia Budi (third from right), Acting Director of Pertamina Nicke Widyawati (second from left), and Pertamina Retail Marketing Director Mas'ud Khamid (second from right) talking to a fuel buyer during a work visit to Bagor gas station in Nganjuk (6/3/18).

Executive Vice President Java Bali Area Agus Setia Budi accompanying the prepaid card registration process in Homba Karipit Village, Southwest Sumba, NTT (4/25/18).



The opening atmosphere of the Indonesia Next event at the UNDIP Semarang Campus (12/4/18).



The Head of the Population and Civil Registry Service (Kadispendukcapil) Kupang handed over gifts to Telkomsel registration officers.

Audience enthusiasm at the "NoBar World Cup Final" @ Renon Field Denpasar (07/15)



To buy gas using TCASH, customers simply need to use the Snap QR Code feature in the TCASH Wallet application, and scan the QR Code that is available at the gas station. In addition to being faster and more practical, the TCASH QR Code has also received an official operating permit from Bank Indonesia so that the transaction is secure. Customers can also enjoy additional 10% cashback for the purchase of Pertamina until June 30 at all participating Pertamina gas stations, including on the homecoming mudik route.



(Left to right) Sales Director Sukardi Silalahi receives the 2018 Asian Games torch from former national soccer athlete Rochy Putiray accompanied by Executive Vice President Java Bali Agus Setia Budi and Vice President of Sales and Marketing in Java Bali Ericson Sibagariang, at the Solo GraPARI (7/19). As the Official Mobile Partner of the 2018 Asian Games, Telkomsel participated in the success of torch relays held in a number of cities in Indonesia, cities namely: Solo (7/19), Mataram (25/7), Tanjung Bira (28/7), Bandar Lampung (8/8) and Jakarta (18/8).



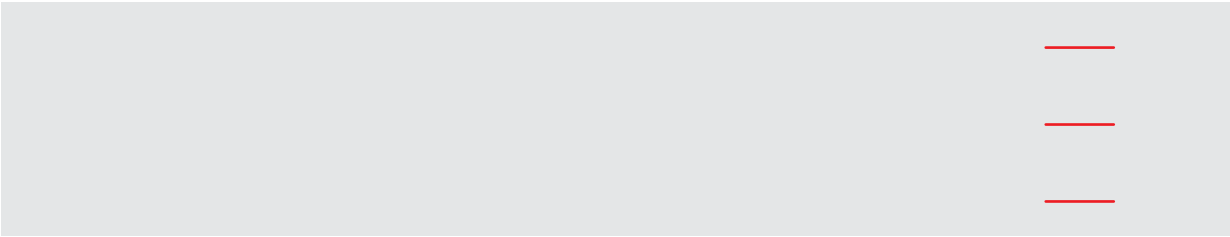
Holi powder enlivened thousands of enthusiastic runners at the RUN I LOOP Program at Renon Field Denpasar (01/14/18).



Vice President Corporate Account Management Primadi K. Putra (third from right), Vice President of Sales and Marketing Java Bali Ericson Sibagariang (far right), LoB Leader Manufacturing, Agribusiness, and Maritime Services Roeswandi (fifth from right), and GM Customer Service Management Java Bali Area Ainul Hamam (fourth from the right) took a group photo after the Telkomsel myBusiness solution cooperation signing at Sendang Biru, Malang, Monday (8/27/18).



Telkomsel's electronic money service, TCASH is one of the non-cash payment methods involved in the Surabaya Major City Police Resort (Polrestabes) Evolution Cashless Payment (ECP) for payment of vehicle taxes, non-tax revenue, drivers licenses and police certificates of good conduct, and is the only payment method that provides users with multiple benefits namely Rp10,000 cashback and 1GB packages for payment of vehicle taxes and drivers licenses, compared to other methods available on the ECP. This step was also greatly appreciated by the East Java Regional Police Chief who directly conveyed this in his remarks on the launch of the Surabaya Police Evolution Cashless Payment (ECP) on Saturday (12/1/18).



AREA 4: PAMASUKA

We maintained Telkomsel's domination in Area 4 Pamasuka by focusing on expanding its 4G ecosystem and retaining existing customers. Several programs were implemented in 2018 to support this strategy, which mainly focused on Uplift HVC customers, Improve Core Revenue, Sustain Market Share Dominance, Leading in Corporate Market and Intense Digital Penetration.

The Uplift HVC Customers program focused on increasing ARPU of existing customers with tailored packages based on customers' habits and profile. Customers were able to purchase products on multiple channels comprising MyTelkomsel, UMB and Outlets. In 2018, we were able to increase revenue broadband from existing customers.



Panggung ASIK



LOOP Fun Run

KEJUTAN INTERNET VAGANZA
ISI ULANG PAKET DATA PULANG DAWA MOBIL DISINI!

GRAND PRIZE HONDA BRIO

15 smartwatch
30 smartwatch
90 smartwatch

Carumadaha:
Ketib VAGANZA (SPAS) (DAFTAR kirim ke 3836
Cara tarik prize:
Ketib VAGANZA (SPAS) (KEYWORD HADIAH kirim ke 3836
Call Prize: 0811-8888-3836 (Hanya area partal)

Hadiah	Keyword	Semua harga
Mobil Honda Brio	Hadiah	100
Smartwatch galaxy S9	38	150
Emas 1kg	Urusa	100
Hadiah prize 6 juta	Prize	34

Internet Vaganza

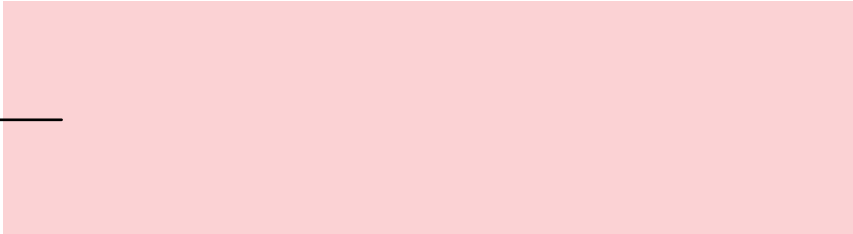
We also focused on penetration and engagement in youth segments by holding the LOOP Fun Run, Youth Digital Academy, IndonesiaNEXT and Internet Baik Action plan to establish Telkomsel's position as Leading in the Corporate Market, Winning Enterprise Market, Double Scale Up Large Corporates & SME, and Enhance Indirect Sales & Strengthen Retail.

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The Improve Core Revenue strategy focused on increasing revenue from data top ups rather than focusing on new customer acquisition, as part of our strategy to increase the proportion of top up revenue and reduce new customers churn. Internet Vaganza is one example of a program to increase the number of renewal packages using MKios Data.

Sustain Market Share Dominance was implemented by developing smart sales in high competition cities. We also focused on penetration and engagement in youth segments by holding the LOOP Fun Run, Youth Digital Academy, IndonesiaNEXT and Internet Baik Action plan to establish Telkomsel's position as Leading in the Corporate Market, Winning Enterprise Market, Double Scale Up Large Corporates & SME, and Enhance Indirect Sales & Strengthen Retail. Besides providing connectivity to Corporate Segment, Telkomsel also provided digital solutions.

Digital penetration was intensified in 2018, mostly through games, video and music. In games, we focused on organizing e-Sport games competition and championships each week in every area, towards a National Games Championship. In Video and Music, we heavily campaigned through both CDDS and digital channels (Facebook, WhatsApp and Instagram) to attract customers to install MAXstream, and Langit Musik. In music, to boost NSP as the main contributor of revenue, we approached customers based on their preferences and location to offer free first activation of NSP in order to acquire new music users and generate more revenue from NSP renewals.



INFORMATION TECHNOLOGY

Over the last 5 years, Telkomsel has embarked on a journey to transform itself into a leading company in the digital world. The IT Directorate has significantly contributed to this goal by enabling important digital capabilities, which have been established in phases: (1) Laying the foundation, (2) Completing critical enablers, and (3) Adding functionality.

In 2018, the IT Directorate already completed the first phase of laying the foundation for Digital Capabilities in the following domains: Digital Foundation, Core Capabilities, and Agile Operating Model.

In addition, to support Telkomsel's transformation in general, the IT Directorate also strengthened the Company's IT Cyber Security, Infrastructure Modernization, Project & Design Authority, IT Quality Assurance, and finally Service Quality and Monitoring, towards achieving IT Operational Service Excellence.

Going forward, IT will continue to provide dedicated support for the next phases of "Completing critical enablers" and "Adding functionality" throughout 2019.

1. UPSCALE CORE DIGITIZATION FOR LEADING CUSTOMER AND CHANNEL EXPERIENCE

In line with the corporate objective to become a leading digital operator, during 2018 Telkomsel made progress in digitizing its core capabilities with an emphasis on the digital ordering and integration layer, including product catalogue and identity management. These core capabilities will serve as a strong Digital IT Foundation that in turn enable the creation of new digital products and services, turning Telkomsel into an efficient 'Digital Factory'.

Benefits include faster Time-to-Market for new product launches, as bundled products can now be formulated by mixing desired product components from a newly created product catalog that is available in our Digital Core, instead of creating them from scratch. This catalog-driven and componentized product

configuration set up will in turn will support Telkomsel's capacity and capabilities to support growth of data/voice package sales (e.g. Family Plan product offerings). In addition, this will support faster API client/channel onboarding as well as API consistently across channels, resulting in better omni-channel experience. Finally, the IT Directorate has implemented DevOps, Microservices and Container technology to help drive agile development and meet business demand requirements.

In addition to digitizing the core capabilities, IT enhanced the Charging and Billing system as well to allow new broadband products to be introduced more quickly to both prepaid and postpaid customers through Telkomsel's Policy Charging Rule System.

2. ESTABLISH NEXT GEN BUSINESS INTELLIGENCE FOR REAL TIME AND PERSONALIZED ACTION

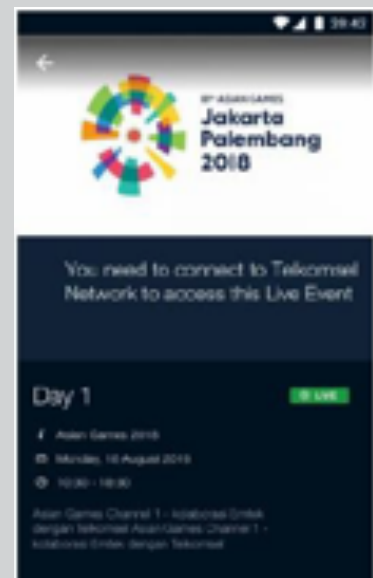
In order to support faster and better business decision making, the IT Directorate transformed the Company's high-volume data processing framework from batch-based processing to real time processing, including improving latency time for personalization in the process. This initiative has delivered a single source for omni-channel subscription data which will support better customer experience. Other benefits include fast and timely access to business reports to support Top Management strategic decision making, compliance with the new IFRS15 accounting standard, and enrich the analytics models for business use cases. It will also

support external party monetization of Telkomsel's data insight, give the ability to drive targeted marketing and campaign programs at individual customer level, significantly accelerate query performance and enhance analytical capabilities, and enable more accurate timelines for operational report delivery up to an hourly basis.

3. EXPAND DIGITAL ECOSYSTEM THROUGH VIDEO MARKETPLACE GIVING DISTINCTIVE DIGITAL EXPERIENCE

Digital Video become an integral part of Mobile Data Consumption in 2018, following Netflix's launch of its Video On Demand (VOD) Services in Indonesia which was followed by the arrival of other video services such as HOOQ, VIU and IFLIX. VOD is expected to have great potential given that VOD comprises 50% of global market mobile data consumption. In 2018, Telkomsel therefore released the MAXstream digital video application

for Android and iOS which streams entertainment content from selected partners. Among others, users of MAXstream were able to enjoy exclusive coverage of the World Cup Match 2018, the ASIAN Games event and BRATA. Until the end of December 2018, MAXstream had been downloaded 9.0 million times.



In 2018, the IT Directorate already completed the first phase of laying the foundation for Digital Capabilities in the following domains: Digital Foundation, Core Capabilities, and Agile Operating Model.

4. LEVERAGE IT OPERATIONAL EXCELLENCE AND AGILITY TIME-TO-MARKET

To support Telkomsel's transformation into a digital company, the IT Directorate implemented the following programs in support of operational excellence:

A. IT QUALITY ASSURANCE FRAMEWORK

To ensure Quality Assurance for projects, IT started building an IT Quality Assurance Framework that will support effective program management and completeness of testing. The framework contains different scenarios that test each critical business aspect to make

sure that all functionalities work as desired in support of a smooth end customer experience. This framework also ensures that functional testing is carried out to certify the system's readiness for production roll-out, including defining the gating process for different test stages.

B. CYBER SECURITY FORTIFICATION

In order to ensure Telkomsel's business security, the IT Directorate modernized, re-engineered and expanded the Telkomsel ICT Firewall system using an adaptive cyber security framework. Besides strengthening Telkomsel's IT security, these changes also enhanced governance and served to remedy previously identified Audit Findings. The IT Directorate

has obtained Information Security Management System (ISMS) - ISO/IEC 27001:2013 certification, in compliance with national regulation PERMENKOMINFO no. 4/ 2016 which requires electronic and telecommunication providers to have ISO27001 certification no. 12/2016.

C. ENTERPRISE-WIDE WORKFORCE COLLABORATION UTILIZATION

Office365 has been implemented in Telkomsel to improvement working experience, increase operational efficiency and increase employee productivity by enabling secure cloud working collaboration.

The IT Directorate provided a new service monitoring system to speed up detection of problems/bad experience perceived by Customer.

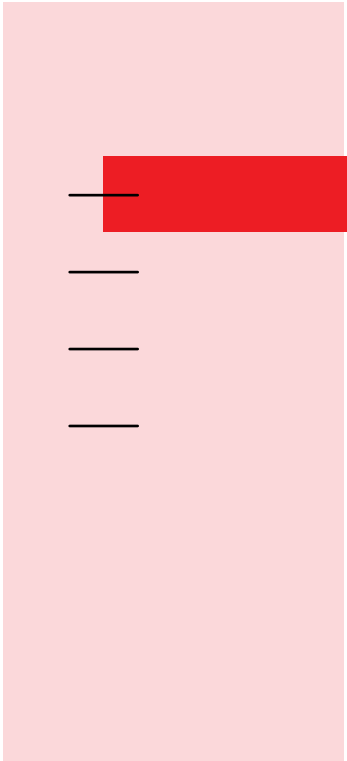
D. IT SERVICE-CENTRIC IMPROVEMENT BY DEPLOYING A NEW MONITORING SYSTEM, CORRELATION ENHANCEMENT & METRICS IMPROVEMENT

The IT Directorate provided a new service monitoring system to speed up detection of problems/ bad experience perceived by Customer. This system addressed the gap in the current metrics being used, improved analytical projection capacity, improved monitoring capability and visibility of infrastructure, enhanced correlations and improved Service Impact Management. As a result, major incidents were reduced by 50%, with complaint handling time was shortened through automation, with a 20% in the number of tickets solved in less than 1 hour, from 80% to 60%.

E. ESTABLISH IT INFRASTRUCTURE BLUEPRINT AND STRENGTHEN IT INFRASTRUCTURE CORE

A 5-year infrastructure transformation roadmap has been defined to guide IT development within Telkomsel which includes standardized guidelines. In line with this roadmap, the core IT data center and infrastructure continued to be modernized and consolidated, with adoption of the latest technological developments. The result has been a better wireless access experience for employees, a bigger Data Center transport bus (40 Gbps and 10 Gbps), standardized IT infrastructure with a lower TCO (Total Cost of Ownership) ratio for easy adoption, and sufficient computing and storage to support faster, reliable and better SLA fulfillment for the next three years.

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NETWORK

In 2018, the Network Directorate focused on three strategic programs for 2018, namely “Aggressive and Smart Networks Investment”, “Build Digital Maturity Network Operation Model” and “Deliver Best Perceived Network Quality”. These network programs were chosen for their potential to accelerate Telkomsel’s transformation into a digital company through impact in key areas.

The Aggressive and Smart Network Investment program aimed to deliver Best LTE Experience to customers. This was achieved by employing smart planning followed by aggressive rollout throughout the year. This program successfully expanded the Telkomsel network as of 2018 we deployed 28,376 new BTS with all of BTS were 4G-based, bringing the network to a total of

189,081 BTS at end of 2018 and almost doubling our 4G capacity. The majority of the deployment was on the 1800 MHz spectrum as this provides both capacity and coverage, with around a quarter of the deployment taking place on the in 2300 MHz spectrum to meet high demand in densely populated areas.

In the Build Digital Maturity Network Operation Model program, the Network Directorate transformed the digital network by adopting smart technology and pushing through cost transformation. With regard to smart technology, use cases were developed for the NB-IoT technology, which is a standards-based low power wide area (LPWA) technology that supports a wide range of new IoT (internet of things) devices and services. The team harnessed the capabilities of NB-IoT, which significantly improves the power consumption of user devices, system capacity and spectrum efficiency

especially in deep coverage areas, to power use cases such as a Bike Sharing event with Universitas Indonesia in March 2018, a Smart Metering Solution event with Perusahaan Listrik Negara in October 2018 and the Launch of a Digital Fishery Village with eFishery in Losarang, West Java in December 2018.

Meanwhile, the cost transformation was conducted across various sections of the network operation. The costs addressed included those related to transmission cost, frequency license, power system, network space rental, repair, maintenance and technical support assistance. Leased transmission cost in the CNOP was consolidated with our parent company. The biggest cost reduction came from migrating the Company’s radio link transmission to fiber access, which reduced associated frequency licensing costs.



In the Deliver Best Perceived Network Quality program, we carried out the True Customer Oriented Network Experience project. The main focus was the prioritization and segmentation to our customers and services in order to deliver the best network experience. Based on customer profiling, in 2018 network quality management focused on 112 priority cities consisting of province capital cities and other populous cities that the marketing team identified as having with good potential. We are able to differentiate the depth of network optimization for each city, enabling us to use available resources as efficiently and effectively as possible.

Supported by those activities, Telkomsel maintained its superiority in broadband user experience. According to the Mobile Networks Update: Indonesia (December 2018) by OpenSignal, Telkomsel continued to lead in download and upload speed and latency.

The Network Directorate transformed the digital network by adopting smart technology and pushing through cost transformation.



NETWORK MODERNIZATION

Under the Build Digital Maturity Network Operation Model program, we modernized network elements in Sumatera, Nusa Tenggara, Kalimantan, Maluku and Papua. The modernization, which focused on upgrading the radio access network, delivered better power efficiency, upgraded network capacity and enabled new capabilities needed to support the Company's digital ecosystem. Well known telecommunication infrastructure partners, such as Huawei, Ericsson and ZTE, were involved in the modernization.

Telkomsel currently owns around 18,000 towers located all over Indonesia that are used by its BTS network. In addition to the towers that Telkomsel owns, the Company also lease towers from other independent tower providers. Currently, the Telkomsel towers are managed by PT Dayamitra Telekomunikasi, a subsidiary of PT Telekomunikasi Indonesia that specializes in tower operations. As part of the Best LTE Experience Program, Tower Management successfully supported Telkomsel network infrastructure in expanding its capacity, coverage and quality. More than 6,650 network infrastructure projects have been deployed by Telkomsel since 2016 including B2S (Build to Suit), Collocation, Hotel BTS and Mini CME.

In addition to fixed BTS, we managed Compact Mobile Base Stations (COMBAT) as a flexible solution to meet temporary surges in network demand at PoI (Point of Interest) during local events such as festivals or music events, as well as national event such as RAFI (Ramadhan Idul Fitri) and NARU (Christmas and New Year). On average, 630 COMBATs are actively in service each month nationwide.

SUPPORTING INDONESIAN DIGITAL ACCESS

Telkomsel was honored to be assigned by the government to deploy BTS USO Blankspot services in 2018 with the objective of enabling coverage in areas with no connection. In parallel, we continued to provide BTS Merah Putih services, which is an initiative to provide telecommunication services in remote areas through effective technology

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solutions. Both initiatives are in line with Telkomsel 's commitment to provide mobile telecommunication services for rural and remote areas in Indonesia, both independently and in partnership with the government.

Telkomsel completed deployment of all BTS USO Blankspots as scheduled by the government, reinforcing its position as the mobile operator with the widest cellular network in remote areas. Telkomsel BTS USO Blankspot and BTS Merah Putih serve more than one thousand remote villages and at least one million people in the Indonesian hinterlands, border regions and outermost islands. In addition, Telkomsel's BTS Merah Putih Maritime Services served a total of 2.5 million ship passengers and offshore employees in 2018.

As the Official Mobile Partner for the Asian Games 2018, the Company provided mobile communication at both the 51 main and 47 supporting venues. A total of 915 BTSs were prepared to support in Jakarta, Palembang and West Java area. We also provided support for the IMF-World Bank Annual Meeting 2018 in Bali covering 12 main and 19 supporting venues.

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Telkomsel currently owns around 18,000 towers located all over Indonesia that are used by its BTS network.



HUMAN CAPITAL MANAGEMENT

As the company transforms into a “Gateway to the Digital World”, Human Capital Management (HCM) plays a vital function in shaping the organization and preparing the employees to achieve this goal. Various initiatives have been implemented, not only to achieve the company’s targets but also to explore, experiment and take advantage of new business opportunities.

To support this transformation, HCM declared four changes: Digital Culture Transformation, Digital Capability Development, Agile Way of Working and Organizational Transformation. The Digital Culture Transformation Program includes developing an innovation culture through the InnoXtion program, encouraging the development of digital culture by creating a culture RACE and also employee voluntary programs. The Digital Capability Development Program aims to develop employees’ capabilities in order to enter the digital business by developing digital leaders and gaining new capabilities from young talent. We have also instilled an agile way of working in the company culture by creating ‘agile’ projects and digitizing the workplace. Meanwhile Organizational Transformation strives to ensure that all components of the company are focused on achieving the overall corporate goal.

DIGITAL CULTURE TRANSFORMATION

In supporting the company’s strategy to become the “Gateway to the Digital World”, HCM continued with the cultural transformation theme set in the previous year of “Living THE TELKOMSEL WAY with Digital Culture”.

The blueprint for the development of Telkomsel employees, known as GPS Digital, has established the 7 digital culture that all employee must possess in order to enter the digital business, namely: Agility, Experimental, Open Mindset, Anticipation, Creativity, Innovation and Networking. In 2018, the corporate culture transformation focused on 3 of these digital cultures: Agility, Open Mindset and Experimental.

In the process of carrying out the cultural transformation program, we held a competitions between groups at the head office, between regional offices and also between branch & network services through the Culture RACE. This competition aims to encourage all leaders and employees to be actively involved in the cultural transformation. One cultural program we held to encourage a culture of innovation is the “InnoXtion” program, with the tagline Action - Impactful - Experience. Meanwhile, to foster and increase awareness and concern for our environment and humanity, we hold an Employee Volunteer Program (EVP) program called Baktiku Negeriku,

which focuses on improving the living standards of rural people through technology, community empowerment and education by providing digital platforms that can be used for communication services, exchanging information on villages’ potential capabilities, market places and buying and selling. This EVP program was carried out throughout Indonesia involving around 200 employees.

DIGITAL CAPABILITY DEVELOPMENT

Telkomsel’s strategy to become the “Gateway to the Digital World” pushed HCM to prepare Digital Capabilities through the development of Digital Leadership Capabilities and the acquisition of new skills needed for digital businesses.

DIGITAL LEADERSHIP CAPABILITY DEVELOPMENT

Development of Digital Leadership Capabilities was carried out through the “Digital X” program. This program aimed to help Telkomsel leaders change their mindset, way of thinking and move to agile working methods which are better suited for digital business. Like the Digital Culture Transformation, leadership development focused on 3 digital cultures, namely Agility, Open Mindset and Experimental.

The Digital X program pushed leaders to adopt a founder’s mindset and mentality in doing business in the digital world (in terms of behavior, ways of working, knowledge, experience,

challenges, and opportunities) and to be able to implement them in the company. Selected startups invited to participate in this program to create unique experiences for leaders. In the process of going through Digital X, Telkomsel's leaders transformed to become startup founders, global venture capitalists and accelerators so they could experience the new way of working. 85% of senior leaders plunge directly into real business in a broad range of segments: tourism, SME business, agriculture, internal processes, games, education and health.

NEW RECRUITMENT STRATEGY

Telkomsel's involvement in the digital industry means that it needs young talents who understand the millennial generation's thinking. This drove the company to implement a new recruitment channel called TELKOMSEL NEXT GEN. This recruitment channel involves holding discussions and recruiting talents in the final year of university. During the program, these young talents were put through a bootcamp program where they were given projects to improve their digital capabilities and help them develop. After completing the bootcamp, the participants go through final evaluation and selection to become employees of the Company.

Once they are hired, we continue to hone their capabilities by involving them in product development that are carried out with a digital approach. These young

talents, together with our digital leaders, are expected to catalyze the company's transformation into a digital telco company.

AGILE WAY OF WORKING

The transformation of the company to a digital telco company requires new work methods, unlike the old methods used while it was still a telco company. The new ways of working were internalized through the implementation of Agile projects and internal digitization.

AGILE PROJECTS

HCM established 5 agile pilot projects within the HCM function to help drive new ways of working. These projects involved members from various levels and work functions, supported by open recruitment to invite employees who want to be involved in agile projects. Each project started by interviewing employees to identify pain points, then pitching ideas to solve these pain points and better meet employees' needs. The projects were also supported by the development of policies that could appropriately support the implementation of agile projects.

The implementation of these agile pilot projects successfully accelerated the development of better HCM products and services resulting in increased employee benefits and engagement.

INTERNAL DIGITIZATION

In 2018, HCM redesigned its HCM services technology concept and renamed it MOANA (Mobile Office Application and Automation). Under this concept, all HCIS modules have been revamped to automate and digitize the processes involved. Existing applications have been integrated into MOANA for more effective data storage and better service to employees.

In addition, this more advanced HCIS system properly records data in an integrated and reliable manner, thus facilitating the HC Analytics process by towards better decision-making in business functions.

ORGANIZATIONAL TRANSFORMATION

The changes made in the company's strategy to enter the digital business requires the organization to be better prepared for these challenges, starting with changing to become a customer-oriented organization. The organizational transformation will begin by reviewing and changing the operating model to become more customer-oriented. Overall, this transformation will take place over 2 years.

HUMAN CAPITAL MANAGEMENT AWARDS AND ACKNOWLEDGEMENT

HCM Telkomsel was awarded the 2018 HR Excellence Award in the Recruitment Strategy category for the implementation of the TELKOMSEL NEXT GEN recruitment strategy in 2018, which was considered to have successfully created change.

SYNERGY

The Company faced greater challenges and competition in 2018 but nonetheless maintained its position as the industry market leader, supported by synergies with its parent companies. Both Telkomsel's legacy business and its digital mobile services enjoyed the support of Telkom Group and Singtel, whereby the synergies in digital mobile development came from the integration of relevant DNA (device, network and application) into larger digital ecosystems.

Overall these synergies focused on 3 aspects:

1. Honing the Core Growth Market, by maintaining leadership in the core business through flawless execution of on-going initiatives to grow in line with market expectations.
2. Creating Expansive Offers to Go Beyond, which involves building new engines of growth such as the B2B, FMC, and digital businesses in order to surpass the growth rate of the Indonesian wireless market.
3. Transforming the Company's operating model to sustain growth, i.e. changing the way Telkomsel operates to a lean and agile mindset to support of accelerated growth.

There were more than 13 synergy initiatives in 2018, which could be broadly categorized as follows:

1. Synergy related to Customer Experience
2. Synergy related to Network Infrastructure
3. Synergy related to Digital Business
4. Synergy related to Business Support

SYNERGY RELATED TO CUSTOMER EXPERIENCE

Telkomsel and Telkom Group collaborated to improve customer experience through a pilot project that integrates fixed and cellular networks to deliver Seamless Digital Experience (SEADEx). A Business Committee Team has been formed by Telkom and Telkomsel to conduct trials and assess the pilot project and product viability.

Telkomsel and Telkom Group also worked together to build the Telkom Group Digital GraPARI (DGTG), which is located at Telkom Hub. The DGTG which includes the use of robots to serve customers, is designed to be an innovative digital customer touch point that delivers a flagship digital experience for retail customers and corporate customers.

Retail customers were targeted through the Joint Sales Quadplay program between Telkom and Telkomsel which offered both Telkom's IndiHome fixed service and Telkomsel's KartuHalo/*simPATI* mobile product in a single package with competitive price for subscribers. This collaboration aimed to increase group revenue by cross-selling between Telkom and Telkomsel subscribers.

In the B2B segment, Telkomsel synergized with Telkom Group to offer Corporate Business Solutions to existing Telkom Corporate Customers, especially State Owned Enterprises and Government customers, to drive new customer acquisition and generate more revenue.

SYNERGY RELATED TO NETWORK INFRASTRUCTURE

The main focus of synergy related to network infrastructure was to leverage Telkom's infrastructure to drive cost efficiencies through economies of scale, while enhancing revenue and preparing Telkomsel's infrastructure for digital business. The scope of the synergy activities with Telkom Group were as follows:



Launching of Digital GraPARI TELKOM Group



Naru Operation Centre Telkom - Telkomsel



TCASH ecosystem launching eticket system with Damri

1. Planning and Deployment, and Continuity of CNOP program to support Telkomsel's network plan, design and roll out of preparations for the Christmas and New Year period (NARU).
2. Quality improvement through the TRUCONNECT program to improve user experience
3. Operational experiences in synergy with Telkom to improve BTS power improvement in Sulawesi and Puma, IP RAN transport redundancy and resilience in major cities, and management of the Sigma IT service operation in Telkomsel.

SYNERGY RELATED TO DIGITAL BUSINESS

During the year, Telkomsel leveraged synergies with Telkom Group to drive digital business growth, among other by expanding the TCASH ecosystem to include Telkom products. The ability to use TCASH to pay for Telkom products helped support TCASH interoperations T-Money Merchant Acquisition, and TCASH activation. Telkomsel also collaborated with Finnet to develop an e-Money Ecosystem Platform and drive user acquisition, and launched an e-ticketing system for DAMRI, the public bus company.

The TCASH ecosystem was further expanded through a trial to digitally distribute small sums of e-money, or Ultra Micro Credit, run in by Telkomsel in collaboration with Telkom Group and the Ministry of Villages, Disadvantaged Regions and Transmigration. This



Launching TCASH kredit ultra mikro



Launching TDX Telkom Group



Competency Development for Innovation



Talent Mobility

program allowed TCASH payments to be made by dialing USSD * 800#, enabling the unbanked segment as well as feature phone users to easily and conveniently use this feature and thus integrating them into the TCASH ecosystem.

To support customer experience of the FIFA World Cup 2018, Telkom and Telkomsel synergized to purchase the broadcast and media rights, branding rights and commercial rights for this event. This exclusive content helped drive high customer engagement in the Telkomsel MAXstream World Cup application with 4 million downloads.

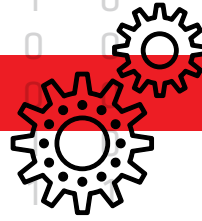
At the launch of the new Telkom Group Digital Experience (TDX) Center on 10 November, Telkomsel demonstrated its capabilities to deliver Ultra Throughput, Ultra Low latency and Massive Connectivity using 5G technology. This simultaneously showcased Telkomsel's abilities as a leading mobile operator delivering high speed

internet connection, and enriched the TDX experience. The TDX, which has been visited by the Indonesian President, is designed to provide visitors/customers with a unique and individualized tour experience that automatically analyzes inputs to figure out each visitor's personal preference.

SYNERGY RELATED TO BUSINESS SUPPORT

Telkomsel prepared various human capital development programs to support the transformation to a digital company, including several Synergy Programs with its parent companies such as the RLA (Regional Leadership in Action) Training program in collaboration with Singtel Group, assessment of employee competencies in collaboration with Telkom Group, and talent mobility between Telkom and Telkomsel with a total of 38 talents participating in 2018. Starting in 2018, Telkomsel has also partnered with Admedika (THC Clinic) for employee medical check-ups that are covered by health insurance.

CHAPTER 05



GOOD CORPORATE
GOVERNANCE

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GOOD CORPORATE GOVERNANCE

Our commitment to the implementation of Good Corporate Governance (GCG) in every aspect of the business represents our compliance with the Company Law No. 40 of 2007 and certain aspects of the United States Sarbanes-Oxley Act (SOA), with which all subsidiaries of PT Telekomunikasi Indonesia Tbk (TELKOM) are required to comply following its share listing on New York Stock Exchange (NYSE).

At the same time, the GCG implementation is also an important element that will ensure the Company's continuous competitiveness, enable us to stay ahead of the industry and maintain our market leadership position, and guide us in creating long-term value for both shareholders and stakeholders. In order to build a strong GCG structure within the organization, we are firmly bound by five principles which serve as the pillars of our GCG implementation. The five principles are:

A. TRANSPARENCY

This principle shall be carried out in the effort to present fair access to all information about the Company's financial and operational performance.

B. ACCOUNTABILITY

Management and staff at all levels are required to develop high accountability in every action taken and in maintaining a fruitful relationship with the shareholders and stakeholders as well as with regard to regulatory compliance.

C. RESPONSIBILITY

This principle requires the commitment of all elements in the organization to show their integrity and responsibility in the decision-making process, in defending the Company's and stakeholders' interests and assets and risk management to ensure business continuity.

D. INDEPENDENCE

We exercise our independence as an organization with high integrity by ensuring that all management is free from conflict of interest and/or the influence of other party.

E. FAIRNESS

We carry out this principle to ensure that all shareholders and stakeholders receive equal treatment, including fair opportunities for the employees to earn career promotions, training and education, and access to information.

CODE OF CONDUCT

Telkomsel has adopted a code of conduct in accordance with highest standards of values and ethical conducts. The code applies to all employees representing the Company and it is envisioned to govern them in executing their duties. Everyone associated with the Telkomsel code of conduct should comply with prevailing laws and regulations and act in the best interest of the Company.

The code influences how employees think about actions and what they should or should not do in safeguarding the Company's assets, revenues and monetary adjustment beyond Company's Policy. It is the personal responsibility of each employee to adhere to applicable standards.

GENERAL MEETING OF SHAREHOLDERS

As stated in the Articles of Association, the General Meeting of Shareholders (GMS) serves as the highest forum that is granted with the authority other than that granted to either the Board of Directors or the Board of Commissioners, including taking the decisions regarding vital and strategic corporate actions and approving the reports of the Board of Commissioners and the Directors. In the GMS, the Board of Directors releases the Company Annual Report and the financial report, determines the allocation of the Company Net Profit and appoints the independent auditors.

INDEPENDENCE OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The Company has a firm policy regarding the independence and potential conflict of interest of its Boards, which requires all members of Board of Commissioners and Board of Directors to report any positions they hold at other institutions that may potentially result in a conflict of interest or violate existing laws and regulations. In a situation where one of our Directors is exposed to a conflict of interest, he or she, in accordance with the Articles of Association, shall be represented by another Board member.

The Articles of Association further states that the Board of Commissioners may take over responsibility from the Board of Directors in the case that all members of the Board of Directors have

a conflict of interest. To further ensure independence, our policy regulates that all members of the Board of Directors and Board of Commissioners must not possess familial relationships with any other Board member.

THE BOARD OF COMMISSIONERS

Board of Commissioners comprises six members of whom one performs as the President Commissioner. Telkom as the majority shareholder is entitled to nominate four Commissioners and Singapore Telecom Mobile Pte Ltd reserves the right to nominate two Commissioners. Based on the shareholders resolution number 39 dated May 15, 2017, the composition of Telkomsel's Board of Commissioners effective from May 15, 2017 to July 15, 2018 was as follows:

TELKOM REPRESENTATIVE	
President Commissioner	Alex Janangkih Sinaga
Commissioner	Harry Mozarta Zen
Commissioner	Diaz FM Hendropriyono
Commissioner	Yose Rizal
SINGTEL REPRESENTATIVE	
Commissioner	Paul Dominic O'Sullivan
Commissioner	Yuen Kuan Moon

Based on the shareholders resolution, the composition of Telkomsel's Board of Commissioners effective from July 16, 2018 was as follows:

TELKOM REPRESENTATIVE	
President Commissione	Alex Janangkih Sinaga
Commissioner	Harry Mozarta Zen
Commissioner	Mohamad Irfan
Commissioner	Yose Rizal
SINGTEL REPRESENTATIVE	
Commissioner	Paul Dominic O'Sullivan
Commissioner	Yuen Kuan Moon

The Board of Commissioners is responsible for:

- Supervising the Board of Directors' management of the Company;
- Supervising the implementation of the Company's long-term business strategy;
- Overseeing the effectiveness of the good corporate governance practices in the Company, including risk management and internal controls;

- Monitoring the performance of the business;
- Providing direction, recommendations and guidance for the Board of Directors in managing the Company's business.

MEETINGS OF THE BOARD OF COMMISSIONERS

The Articles of Association states that the Board of Commissioners holds a meeting at least once every three months, or whenever necessary as requested by any of the Board members or shareholder(s) who represent at least 1/10 of the total issued shares of the Company with valid voting rights. The Board of Commissioners also holds joint meetings with the Board of Directors as part of performing its supervisory function.

BOARD OF COMMISSIONERS

NAME	POSITION	MEETING ATTENDANCE
Alex J. Sinaga	President Commissioner	3 of 3
Harry Mozarta Zen	Commissioner	3 of 3
Diaz Hendropriyono	Commissioner	1 of 2
Yose Rizal	Commissioner	3 of 3
Paul Dominic O'Sullivan	Commissioner	3 of 3
Yuen Kuan Moon	Commissioner	3 of 3
Mohamad Irfan	Commissioner	0 of 1

BOARD OF DIRECTORS

NAME	POSITION	MEETING ATTENDANCE
Ririek Adriansyah	President Director	3 of 3
Sukardi Silalahi	Director of Sales	3 of 3
Heri Supriadi	Director of Finance	3 of 3
Sukardi Silalahi	Director of Network	3 of 3
Bob Apriawan	Director of Network	3 of 3
Irfan Ahadi	Director of Human Capital Management	3 of 3
Edward Ying	Director of Planning and Transformation	2 of 3
Montgomery Hong	Director of IT	3 of 3
Alistair Johnston	Director of Marketing	3 of 3

In addition, there were 2 additional strategic workshops in 2018 attended by selected member of commissioners.

COMMITTEES UNDER THE BOARD OF COMMISSIONERS

The Board of Commissioners is charged with a supervisory role in a general and/or a specific manner in accordance with the Articles of Association and to provide advice to Board of Directors.

In performing its supervisory function, the Board of Commissioners is assisted by three Committees. The Committees are:

- Audit Committee
- Remuneration Committee
- CAPEX, Financing and Management Process (CFMP) Committee

THE AUDIT COMMITTEE

The Audit Committee assists the Board of Commissioners in fulfilling its oversight responsibilities for the financial reporting process, internal control process, internal and external audit process and risk management process. In performing its duties, the Audit Committee shall ensure an effective working relationship with the Board of Directors, Managements, Internal Auditors and External Auditors. The Audit Committee shall meet at least four (4) times a year, and meetings must be attended by at least two members of the Audit Committee, including one member nominated by Telkom and one member nominated by Singapore Telecom Mobile Pte Ltd. The Audit

Committee members shall comprise at least 3 (three) members. The members are appointed by the Board of Commissioners, and at least one of the members shall have competency in accounting and/or auditing.

Based on the Circular Resolution of the Board of Commissioners of the Company on the Appointment of Committee Members of the Board of Commissioners, the members of the Audit Committee from January 1, 2018 to July 31, 2018 were:

- Harry Mozarta Zen as Chairman
- Paul Dominic O’Sullivan as a Member
- Diaz FM Hendropriyono as a Member
- Agus Suryono as a Member

Based on the Circular Resolution of the Board of Commissioners of the Company on the Appointment of Committee Members of the Board of Commissioners, the members of the Audit Committee from August 1, 2018 are:

- Harry Mozarta Zen as Chairman
- Paul Dominic O’Sullivan as a Member
- Mohamad Irfan as a Member
- Agus Suryono as a Member

The Audit Committee holds meetings on regular basis with the Internal Audit Group to discuss findings from the audit process.

In 2018, there were a total of 7 Audit Committee meetings.

THE REMUNERATION COMMITTEE

The Remuneration Committee is established to assist the Board of Commissioners in ensuring that the remuneration policy and scheme that is being implemented or will be implemented in the Company fairly rewards the Board of Directors and employees, attracts talent and has competitive value, in order to ensure that the Company has competent human resources. The Remuneration Committee shall comprise of at least 3 members and the members are appointed by the Board of Commissioners. Pursuant to its Charter, the Remuneration Committee shall meet at least 1 (once) a year and the meeting shall be attended by at least 2 (two) members.

Based on the Circular Resolution of the Board of Commissioners of the Company on the Appointment of Committee Members of the Board of Commissioners, the members of the Remuneration Committee during the 2018 financial year were:

- Yuen Kuan Moon as Chairman
- Harry Mozarta Zen as a Member
- Yose Rizal as a Member
- Irfan Ahadi as a Member

In 2018, there were a total of 3 Remuneration Committee meetings.

THE CAPEX, FINANCING AND MANAGEMENT PROCESS (CFMP) COMMITTEE

The Capex, Financing and Management Process (CFMP) Committee shall assist the Board of Commissioners in fulfilling its oversight responsibilities regarding the Capex, financing, and management processes of the Company. The CFMP Committee will provide the Board of Commissioners from time to time with its findings and recommendations. For an effective review and understanding of the Capex and operational processes, the CFMP Committee will need to have ongoing interaction with the management, which can be the members of the Board of Directors.

The CFMP Committee shall review, but are not limited to, the following:

- a. The Capex planning and management process.
- b. The financing policies and plans of the Company.
- c. The capacity management, supply chain and operational targets.



The CFMP Committee reports periodically to the Board of Commissioners. Its reports contain a summary of the CFMP Committee's activities, findings and recommendations. The CFMP Committee shall comprise at least 3 (three) members. At least one member of the CFMP Committee is a member of the Board of Commissioners nominated by Telkom and at least one member of the CFMP Committee is a member of the Board of Commissioners nominated by Singtel. One other member of the CFMP Committee shall be a representative of the Company in charge for Capex planning/monitoring and financing. The CFMP Committee holds regular meetings, structured via a timetable, agendas and minutes of meeting. The frequency of meetings will depend on the CFMP Committee's objectives and scope of activities.

Based on the Circular Resolution of the Board of Commissioners of the Company on the Appointment of Committee Members of the Board of Commissioners, the members of the Capex, Financing & Management Process (CFMP) Committee from January 1, 2018 to March 31, 2018 were:

- Harry Mozarta Zen as Chairman
- Yuen Kuan Moon as a Member
- Heri Supriadi as a Member
- Pramasaleh Hario Utomo as a Member

Based on the Circular Resolution of the Board of Commissioners of the Company on the Appointment of Committee

Members of the Board of Commissioners, the members of the Capex, Financing & Management Process (CFMP) Committee from April 1, 2018 are:

- Harry Mozarta Zen as Chairman
- Yuen Kuan Moon as a Member
- Heri Supriadi as Member
- Era Kamali Nasution as a Member

In 2018, there were a total of 4 CFMP Committee meetings with a total of Rp9.7 trillion worth of Capital Expenditure approved by the Committee.

THE BOARD OF DIRECTORS

Board of Directors consists of eight members and is led by the President Director. PT Telkom as the majority shareholder is entitled to nominate five Directors and Singapore Telecom Mobile Pte Ltd reserves right to nominate three Directors. Based on the Annual General Meeting Shareholders' Resolution number 39 dated May 15, 2017, the composition of Telkomsel's Board of Directors effective from May 15, 2017, was as follows:

TELKOM REPRESENTATIVE	
President Director	Ririek Adriansyah
Director of Sales	Sukardi Silalahi
Director of Finance	Heri Supriadi
Director of Human Capital Management	Irfan Ahadi
Director of Network	Bob Apriawan
SINGTEL REPRESENTATIVE	
Director of Planning and Transformation	Edward Ying Siew Heng
Director of IT	Montgomery Andrew Hong
Director of Marketing	Alistair David Johnston

There were no changes to Telkomsel's Board of Directors in 2018.

The Board of Directors is responsible for:

- Maintaining the daily business of the Company;
- Formulating Telkomsel's Business Plan and Strategy;
- Preparing the Annual budget;
- Preparing the Annual Report to Shareholders;
- Ensuring that the business is run effectively to give value to the shareholders and stakeholders;
- Representing the Company in any legal cases.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors holds meetings at least once in every two months or whenever requested by any of the Board members or by any of the Commissioners or by shareholder(s) who represent at least 1/10 of the total issued shares of the Company with valid voting rights. The Board of Directors also holds joint meetings with the Board of Commissioners to present reports on the operational and financial performances of the Company as well as to discuss and seek the necessary approval for the corporate agenda. The quorum for the meetings of the Board of Directors is four members, including one Director nominated by each shareholder of the Company that possesses at least 10% of the total issued shares of the Company.

NAME	POSITION	MEETING ATTENDANCE
Ririek Adriansyah	President Director	39
Sukardi Silalahi	Director of Sales	40
Heri Supriadi	Director of Finance	39
Bob Apriawan	Director of Network	42
Irfan Ahadi	Director of Human Capital Management	42
Edward Ying	Director of Planning and Transformation	41
Montgomery Hong	Director of IT	40
Alistair Johnston	Director of Marketing	41

REMUNERATION

The General Meeting of Shareholders is authorized to determine the amount of remuneration for members of the Board of Commissioners and Board of Directors based on the recommendations from the Remuneration Committee. The remuneration structure for Directors and Commissioners comprises three components, namely fixed compensation, variable compensation, benefits and facilities.

1. Fixed Compensation

Fixed Compensation comprises the base salary with reference to the AGMS dated May 5, 2017.

2. Variable Compensation

Variable Compensation shall be paid in form of a yearly bonus. The amount of yearly bonus will be determined in the AGMS.

3. Benefits & Facilities

Telkomsel provides benefits such as medical, allowance, housing, membership, communication and insurance.

For the year ended December 31, 2016 and 2017, the Company paid aggregate compensation of Rp219.6 billion and Rp239.1 billion to all Commissioners and Directors, an increase of 8.8% YoY.

EXTERNAL AUDIT

During the AGMS, Telkomsel's shareholders empower the Board of Commissioners to appoint external auditors. The external auditors serve until their removal or resignation. The Audit Committee assesses the external auditors based on factors such as the performance and quality of their audit and the independence of the auditors, and recommends their appointment to the Board of Directors in the frame of synergy with the majority shareholding.

In order to maintain the independence of the external auditors, Telkomsel has developed policies regarding the types of non-audit services that the external auditors can provide and related approval processes.

The Audit Committee has also reviewed the non-audit services provided by the external auditors during the financial year and the fees paid for such services.

The Audit Committee is satisfied that the independence of the external auditors has not been impaired by the provision of those services. The external auditors have also provided a confirmation of their independence to the Audit Committee.

WHISTLEBLOWING

Telkomsel applies a firm whistleblowing policy. This policy regulates the ways in which an employee or other parties report fraud, unethical behavior, corruption, dishonest practices or breaches of internal control and code of conduct to Telkomsel's Audit Committee. The Committee will then follow up with an investigation. As long as the reporting of such matters is done in good faith, Telkomsel ensures that the employees making such reports are treated fairly and protected from reprisals. All whistleblower complaints are investigated by a special audit team and the results of the investigation are reported to the Audit Committee for follow up action.

CORPORATE SECRETARY

The scope of work of the Corporate Secretary is to ensure regulatory compliance and to manage relationships with the Company's stakeholders on the principles of good corporate governance, including the relationships with employees, shareholders, government institutions, the public and the media. The Corporate Secretary manages the

interrelationship between the Board of Commissioners and the Board of Directors as well as the relationships among the Board members.

The detailed scope of duties and responsibilities of the Corporate Secretary includes:

- To ensure the governance of the Company's operations, particularly in terms of the alignment of interests among the stakeholders as well as the distribution of rights and responsibilities among the key elements of the Company.
- To ensure that all policies and business process of the Company are in compliance with the prevailing laws and regulations.
- To ensure effective communication between the Company, the regulators and mass media and develop the Company's capability to fulfill its obligations to the Government.
- To manage working facilities and infrastructure in order to facilitate the efficient and effective operation of the Company.
- To develop the Corporate Image and carry out the Corporate Social Responsibilities (CSR) activities.
- To hold the Corporate General Meetings, including Annual General Meeting of Shareholders.

INVESTOR RELATIONS

Our Investor Relations represents a commitment to promote transparency and fairness of the Company to the shareholders and stakeholders. Together

with Telkom's Investor Relations team, we facilitate meetings and conferences with existing and potential institutional investors, investment and market analysts as well as financial communities.

The Investor Relations team is responsible for:

- The distribution of accurate and complete information on the Company's business activities, strategies and performance in a timely manner.
- The issuance of Info Memos on a quarterly basis, which will be inserted into Telkom's quarterly Info Memo, and the Annual Report.
- Participation in a series of corporate events, such as road shows and conferences, investor meetings and site visits with the holding companies.

In 2018, we held 380 meetings with investors/analysts and held a total of 27 non-deal road shows/conferences in Jakarta, Singapore, Hong Kong, Sydney, Paris, Frankfurt, London, Toronto, Boston, New York and San Francisco.

For any inquiries regarding Telkomsel's financial and operational information, please visit Telkomsel's website, www.telkomsel.com or Telkom's website, www.telkom.co.id.

INTERNAL AUDIT

THE FUNCTION AND ROLE OF INTERNAL AUDIT

The role of Internal Audit is to help ensure that organization accomplishes the objectives that have been established.

The Internal Audit performs its function with reference to the Internal Audit Charter, which sets out the vision, objectives, and scope of work of the audit organization. Internal Audit activities include carrying out risk-based audits in the process of determining, monitoring and mitigating the organization’s risk, as well as providing assurance or consulting services as needed. Referring to its charter, the Internal Audit has dual accountability to the Audit Committee for functional matters and the President Director for administrative matters.

INTERNAL AUDIT PROGRAMS AND ACTIVITIES IN 2018

Our Internal Audit programs for 2018 focused on a number of goals, in support of Telkomsel’s transformation into a Digital Company with an emphasis on Digital Services. These goals were as follows:

- 1. To be a Smart Partner and support achievement of the corporate vision to be “A World-class, Trusted Provider of Mobile Digital Lifestyle Services and Solutions”.
- 2. To ensure the reliability and integrity of financial and operational information.
- 3. To ensure the efficiency and effectiveness of business operations.

- 4. To safeguard both tangible and intangible assets.
- 5. To ensure compliance with internal and external regulations.

In order to achieve these goals, we carried out a number of assurance and consulting activities during 2018 as follows:

- 1. Assurance
 - a. Joint Audit With Telkom for Related Party Transaction With Mitratel
 - b. Joint Audit With Telkom – Audit User Access Management LDAP
 - c. Audit of ISO 20000 Service Management System – SMS Certification.
 - d. Audit of ISO 27001 Surveillance.
 - e. Joint Audit with Singtel - Audit TCASH Business and Operation
 - f. Audit of ISO 9001 Warehousing and Quality Management System.
 - g. Joint Audit with Singtel – IT Procurement.
 - h. Joint Audit with Singtel – Information Security: Customer Facing Services.
 - i. Audit Bad Debt Performance Management.
 - j. Review Complaint Reseller.
- 2. Consulting
 - a. Consultancy Revenue Recognition (IFRS 15)
 - b. Consultancy Service Differentiation for HV Prepaid Subscriber
 - c. Consultancy Channel Management (Digital/Modern Channel)
 - d. Joint Consultancy with Singtel – Review Monitoring Asset Tagging ICT Area

- e. Joint Consultancy with Singtel – Account Receivable Performance for Corporate Customer
- f. Consultancy Human Capital Services Implementation
- g. Consultancy Implementation of Broadband Performance in Area
- h. Consultancy Implementation of Enterprise & SME B2B Digital

We also supported Integrated Audits in 2018 including financial review and analysis for Quarterly Limited Reviews, Manual Adjustment Reviews, and SOA Audit (Transactional, Entity Level and IT General Controls). We are also provided additional consulting services and followed up on whistleblowing reports as part of the Whistleblower System.

In addition, in line with Telkomsel’s transformation to become more customer-centric, we have also developed a satisfaction survey index to measure the satisfaction levels of Internal Auditees/Clients as our customers with regard to the support given by Internal Audit.

IMPROVEMENTS IN 2018

We reviewed and enhanced our audit and consulting processes with several improvements as follows:

- 1. Implementing Continuous Auditing concerns in TCASH and Enterprise.
- 2. Enhancing the Audit Management System for improvement in automation audit planning and reporting.

ENTERPRISE RISK MANAGEMENT

In 2018, the Company has identified, assessed and responded to corporate risks whose impact could influence the Company's business and business continuity.

The Company realizes that the transformation of its business into a digital telco company amidst fierce competition, not only with local telecommunications companies but also with start ups and global digital companies, poses new challenges and risks.

The role of Risk Management is expected to expand in line with stakeholder concerns regarding the transparency and accountability of the Company, increasingly complex business environment, rapidly evolving technology, ever-changing regulations, and globalization.

In order to respond to these concern, the Company's Risk Management has also transformed by updating the Company's risk management framework based on the 2017 COSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM framework, so that the Company's risk management, capability and practices are more integrated with strategy-setting and performance and can therefore be relied upon to support the value creation, value preservation and value realization processes of the Company.

In 2018, the Company has identified, assessed and responded to corporate risks whose impact could influence the Company's business and business continuity. The Company has also

implemented the Business Continuity Management System, and updated the business processes and internal controls needed.

A. POTENTIAL RISKS

The risks that have the potential to hinder the Company's performance and responses to mitigate these risks include:

INABILITY TO MONETIZE DIGITAL BUSINESS IN RESPONSE TO DECLINING LEGACY REVENUE

Various product substitutions are offered for free from OTT (over the top) in the form of voice as well as messaging, causing customer preferences to switch from legacy services to digital broadband services. However, the increase in digital broadband services and revenue, while significant, cannot yet cover the decline in legacy revenue, given that the Revenue Per Mega Byte (RPMB) price charged to customers is very low.

Various broadband technologies from overseas companies in the form of Wi-Fi connections are also a threat to the Company going forward because these companies have the potential to be able to provide and deploy more expansive broadband network infrastructure using various types of technology.

Such conditions require the Company to take steps to maintain current revenue stream, one of which is to increase revenue for digital business with strategies including:



- a. Expanding the use and distribution of LTE broadband data through handset bundling programs and 4G data packages and expanding coverage and penetration of 4G networks.
- b. Diversifying the combo packages offered to customers between voice call packages, internet data packages, Wi-Fi and digital service entertainment.
- c. Extending the use of digital advertising by increasing inventory display capacity, using big data predictive analytics, mobile banking applications and enhancing the use of ROLi applications.
- d. Adding digital business and advertising to the Company's scope of business in the Company's Articles of Association.

INVESTMENT IN MOBILE FINANCE SERVICES (MFS) BUSINESS DOES NOT MEET THE ENTERPRISE VALUE EXPECTATION

Opportunities on the fintech market, especially payment, are increasingly wide open. The Company, banks and startups control the top 5 (five) e-money positions with an average of 1-2 million active customers. Payments are the largest market in Indonesia comprising 32% of the total existing fintech market. The Company, through TCASH, entered this market considering that telecommunication customers have great potential to use e-money.

However, the Company faces several internal and external challenges in an effort to win the e-paymet market in Indonesia and achieve the expected TCASH Enterprise Value (EV). Therefore, the Company has prepared a strategy to response to these challenges through these steps:

- a. Providing convenience and more specific competitive advantages, among others through Bang TCASH dealers and resellers, and through Payment Point Online Bank (PPOB).
- b. Providing promotional programs, discounts, bundling packages and customer education programs at potential sales points.
- c. Building the TCASH payment ecosystem through collaboration with merchants, modes of transportation, and agnostic TCASH users (active users from other operators).

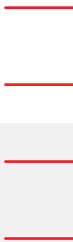
FAILURE TO DETERMINE ATTRACTIVE PROGRAMS RECOGNIZED BY HVC & SME

The Company in the course of managing customers with different characteristics and needs, segments these customers so that the programs or products it offers is accurately targeted. The Company's customer segmentation is currently divided into 2 (main) categories, namely: High Value Customer (HVC) and Non HVC. In addition, the Company has developed various solutions needed by Small Medium Enterprise (SME) for these main categories: SMEs that are just

starting businesses and SMEs that are developing their businesses. The majority of solutions offered to SME customers are connectivity programs and bundling products from several partners. The biggest challenge of the Company in managing SME customers is to change the paradigm of the Company as a telecommunications service provider to become a solution provider.

Facing these conditions, the Company launched program alternatives for HVC and SME, including:

- a. Providing special white lists for HVC customers and program support related to personalized HVC such as: customer care special access, special networks, various loyalty and retention programs.
- b. Convenience in migrating from prepaid to postpaid.
- c. Go to market collaboration with third partners and utilization of direct channels (GraPARI, websites, call centers) to market SME products.
- d. SME education programs through exhibitions, communities and development of one stop SME solution application.



LOSS OF COMPETITIVE ADVANTAGE DUE TO CHANGES/UNCERTAINTY IN REGULATIONS

Regulation in the telecommunications industry is a very crucial factor, as it can change the business direction of the Company. The following are some regulations that have the potential to have a significant effect on the Company's business:

a. Network Sharing

The Ministry of Telecommunications and Information Technology has conducted a public hearing of draft ministry degree of the Telecommunication Services which regulates network sharing. The Company has identified risks that might arise if the regulation is issued, including:

- OLO B2B collaboration in network sharing may trigger a price war.
- Decreased barriers to entry in obtaining telecommunications service provider licenses. OTT players (Facebook, Google, Whatsapp, etc.) could easily hold basic telecommunications services in Indonesia.
- The obligation to lease networks to other telecommunications service providers will eliminate the competitiveness of the Company.
- Service quality and network security become less controllable.

b. Digital Service

Rapid change in telecommunications technology and services as well as the digital services business models have not taken place in the regulations that regulate it. This condition has resulted in uncertainty when launching new service models / businesses, so that the Company cannot compete with foreign start-up companies and OTT players, given that the Company is required to continue to comply with regulations.

The Company faces risks related to uncertainty and regulatory changes by conduct intensive communication with regulators and related government institutions, so that the Company can provide recommendations so that the regulations issued can support the Company's business in particular and provide an environment conducive to the telecommunications industry in general, and so that the Company can take quick steps to anticipate conditions that are less favorable to the Company.

VULNERABILITY OF ICT SECURITY

The transformation of the Company into a Digital Telco Company by creating a new second business curve must be balanced with a better data / information security system. Some of the risks that can arise from the weaknesses of ICT Security in the Company, include:

- Loss of important data / information that can damage the Company's reputation and stakeholders' trust.
- Direct revenue loss due to theft, misuse or damage to information systems.
- Operational disruption so that services are not delivered to customers.
- Decreased work productivity due to applications / devices infected with viruses / malware.

It has preventive measures and mechanisms to protect and minimize security disturbances, both from physical attacks and cyber-attacks, as follows:

- End to End Security Architecture Planning,
- Enhance Security Operation Center (SOC),
- Strengthen Infrastructure Security,
- Protect Endpoints,
- Strengthen User Access Management,
- ISO / IEC 27001 implementation and awareness assessment.

FAILURE IN IMPLEMENTING STRATEGIC APPLICATION DAMAGES CUSTOMER EXPERIENCE

Facing high business competition, the Company is committed to increasing customer satisfaction, among others by improving the systems / applications

in use so that it can meet the needs of customers whose numbers continue to increase significantly. In this regard, the Company has upgraded the billing system, the scope of which covers hardware replacement and software upgrades. In the process of migrating customer data to the new billing system, there are possibilities for disruptions that may affect several services to customers, including: inability to activate packages, recharge credit, and check credit.

In anticipation of risks that may occur during the process of upgrading the billing system and ensuring compliance with the Company's business requirements, steps have been prepared that include the following:

- a. Establishment of a Turbo Charging Formation (TC) Task Force
- b. Hiring technical assistants
- c. Strengthening the roles of project management and quality assurance
- d. Preparation of backup planning according to customer priority categories
- e. Ensuring the capability of network support infrastructure
- f. Establishment of a crisis center with all related business units

g. Strengthening the role of revenue assurance in verifying the results of customer data migration, including in the preparation process, to better guarantee the accuracy of customer data migration and data billing.

B. BUSINESS CONTINUITY MANAGEMENT SYSTEM (BCMS)

The Company in the course of provide services and products must anticipate and manage the possibility of a crisis / disaster that can threaten the sustainability of the Company business, both before, during, and after the event.

In crisis / disaster conditions, the Company is expected to continue to provide its main services to customers at the minimum acceptable service level that is predetermined by management, while still prioritizing employee health and safety.

Anticipation and management of the crises / disasters as mentioned above, are included in the Business Continuity Management System (BCMS) policy, with ISO 22301: 2012 as the framework. Referring to this policy, the Company succeeded in overcoming the crises / disasters that occurred in 2018, including the earthquake in Lombok, and the earthquake that followed by tsunami and liquefaction in Palu-Donggala, Central Sulawesi.

C. INTERNAL CONTROL IMPROVEMENT PROGRAM

With reference to the 2013 COSO Internal Control Framework and TM Forum Framework, the Company made continuous improvements to the business process and Risk Control Matrix (RCM) as related to Internal Control over Financial Reporting (ICoFR) and operations, to ensure the process of achieving the Company's targets was supported by business processes and internal controls is in accordance with organizational changes, policy changes / regulations, automation and simplification of processes.

The improvements made include ensuring the readiness of the Company to implement International Financial Reporting Standards (IFRS), in particular IFRS 15 - Revenue from Contracts with Customers, IFRS 9 - Financial Instruments, and IFRS 16 - Leases. The implementation of IFRS is a consequence of the Company being a subsidiary of PT Telekomunikasi Indonesia Tbk (TELKOM) and an associate company of Singapore Telecom Mobile Pte Ltd (Singtel Mobile).

REGULATORY MANAGEMENT

REPORTS OF IMPORTANT ISSUES RELATED TO REGULATION & COMPLIANCE IN 2018

- 1. Acquisition of New License as an Electronic System Operator**
During 2018 Telkomsel obtained a License to Implement Electronic Systems for the implementation of an Internet of Things (IoT) Electronic System, an API System and a Big Data System. The electronic system provider registration mark is an operating permit issued by the Ministry of Communications and Informatics in accordance with the provisions contained in the Minister of Communications and Informatics Regulation on Procedures for Registration of Implementation of Electronic Systems, whereby the registration mark is valid for 5 (five) years from issuance and must be renewed after the expiration date.
- 2. Acquisition of 5G Trial & Trial Technology Licenses at the 2018 Asian Games**
In May 2018, the Ministry of Communications and Informatics issued a Ministerial Decree concerning the IMT-2020 Technology Use Test (5G) as last amended by the Ministry whereby Telkomsel was appointed as one of the Government's partners for the 5G technology testing activities based on a letter from the Directorate General of Resources and Equipment of Post and Information Technology (SDPPI). In the aforementioned trial activities, Telkomsel used the 28 GHz frequency in accordance with the approval of the Ministry of Communications and Informatics and this is carried out around the Bung Karno Stadium, Jakarta during the 2018 Asian Games activities. In conducting these trial activities with the Ministry of Communications and Informatics, Telkomsel, which was also the Official Mobile Partner of the 2018 Asian Games, implemented several breakthrough technologies through a variety of devices equipped with 5G technology such as Live Streaming, Football 2020, Future Driving, Cycling Everywhere and Autonomous Bus.
- 3. Acquisition of LAA Technology Trial Permit**
In September 2018, the Directorate General of Resources and Equipment of Post and Information Technology issued the SDPPI Directorate General Decree on Technical Guidelines for Trials of Licensed Assisted Access (LAA) Technology, whereby to support the LAA technology trial activities the Ministry of Communications and Informatics has appointed Telkomsel as a partner in conducting the LAA technology trial activities as stipulated in a letter from the Director of Resource Planning. Trial activities have been carried out in September 2018 at TTC Telkomsel Serpong using the 5 GHz 46A, 46B, 46C and 46D Sub Band frequencies, with the expectations that these frequencies can be immediately allocated by the Government in order to help meet internal capacity requirements for the provision of mobile broadband networks in Indonesia.
- 4. Recalculation of Interconnection Fees**
Regarding the results of recalculation of interconnection cost, in September 2018, the BRTI has delivered the results of the verified and validated recalculation of interconnection costs to each operator, including Telkomsel based on the BRTI letter regarding the 2016 BPKP verification results for the calculation of interconnection costs, the results of which will be followed up by Telkomsel in accordance with the provisions of applicable laws.



5. Rearrangement of 2100 MHz Frequency Band

Related with the frequency rearrangement activities of 2100 MHz as announced by the Ministry of Communications and Informatics in November 2017 through Ministerial Decree (KM). To Provide Cellular Mobile Networks, Telkomsel completed this frequency rearrangement activity nationally in April 2018, so that the Telkomsel frequency allocation in the 2100 MHz frequency band falls in the working frequency range between 1935 to 1950 MHz paired with the 2125 - 2140 MHz band in accordance with the provisions stated in the Ministerial Decree concerning the Provision of Radio Frequency Bands for the Reordering of 2.1 GHz Radio Frequency Bands for the Purposes of Provide Cellular Mobile Networks established in April 2018. As for the allocation of the transferred Telkomsel frequency band (3rd carrier), Kominfo has also determined the latest Radio Frequency Band License (IPFR) with a valid permit period that is up to March 2023.

6. Rearrangement of 800 - 900 MHz Frequency Band

Related with the agreement of a joint meeting in August 2018 between Telkomsel and Indosat whereby the parties agreed to propose activities to reform 800 MHz and 900 MHz radio frequency bands to the Government, in December 2018 the Government established a Ministerial Decree (KM) about 800 MHz and 900 MHz Frequency Band Rearrangements for the Use of Cellular Mobile Networks. The frequency rearrangement activities will be carried out nationally starting in January 2019 in Papua Province and end in the March 2019 in East Java Province. With this rearrangement, Telkomsel will have a contiguous frequency band in the 800 MHz and 900 MHz frequencies whereas the radio frequency spectrum band allocation owned by Telkomsel as a result of the rearrangement falls between 880 MHz - 890 MHz paired with the 925 MHz - 935 MHz range on the 800 MHz band and between the 890 MHz - 895 MHz paired with 935 MHz - 940 MHz in the 900 MHz band.

7. BRTI Circular (SE) and Decree (TAP) related to Prepaid Registration

In November 2018, the Indonesian Telecommunications Regulatory Body (BRTI) issued BRTI Circular Letter which was a cover letter of BRTI about the Prohibition against Using Personal ID Without Rights and/or Against the Law for the Requirement of Customer Registration.

As a form of support towards the Government, Telkomsel has fulfilled the obligations described in the BRTI Decree that specifically relate to the obligation to close the registration feature in the customer registration tool used by Telkomsel Partners (Outlets, Distributors, Agents, Outlets, Sellers), registration limitations for individual/individual customers with the provision the use of 1 personal ID for maximum 3 MSISDN, and the obligation to block the numbers that are improperly and not entitled to be registered in accordance with the provisions of the laws and regulations. This was done to help the Government to reduce the crime rate in the community and create a healthy industrial climate, especially in the telecommunications sector.

8. Compliance with Telkomsel's obligations to the Government
During 2018, Telkomsel has been declared to have fulfilled all obligations issued by the government, including:

a) Related to fulfilling the 3G domestic component level (TKDN) both for the Capital Expenditure (CAPEX) and Operational Expenditure (OPEX) components, based on the verification results issued by the Ministry of Communication and Information Technology, whereby Telkomsel's CAPEX TKDN level is still above the target set by the government at a minimum of 30% and minimum of 50% for TKDN OPEX.

b) Regarding the level of fulfillment of service quality of cellular mobile networks, both service quality and network quality, during 2017 Telkomsel was considered to have

met the minimum standards issued by the government in which the quality of the network was based on the results of measurements made by the Government. As for the fulfillment of service quality, the conclusion that it has been fulfilled is based on the results of the audit / verification issued by the Ministry of Communication and Information on all data parameters submitted by Telkomsel.

c) Telkomsel has fulfilled all Permit for Radio Frequency Spectrum Bands (IPSFRR) BHP payment obligations before the time limit set by the Government, both for the 2100 MHz frequency band (1st carrier, 2nd carrier and 3rd carrier), 900 MHz frequency band, 800 MHz, 2300 MHz and 1800 MHz frequency bands, in which related to this matter, the Ministry of Communication and Informatics has issued an endorsement of all of these payments.

d) Telkomsel has also submitted a guarantee of the commitment of the payment for the next year's IPSFR BHP to the Government in accordance with the relevant statutory provisions.

e) Telkomsel has fulfilled all obligations for payment of Telecommunications Implementation Fee (BHP Jastel) and Universal Service Contribution (KPU/USO) to the Government whereby the value of the obligations is calculated of a self-assessment basis in accordance with applicable laws and regulations.

LITIGATION CASES

Development of important litigation cases during 2018.

VAT YEAR 2010 INSUFFICIENT PAYMENT (DISCOUNT USAGE CASE)

Prior to this case, Supreme Court of Republic of Indonesia has made a Judicial Review decision which stated that Telkomsel had made insufficient VAT payment for year 2010 amounted to Rp292.1 billion. The case was related to the discount usage that Telkomsel offered to their customers, which Telkomsel views that it should be deducted from the taxable value and shall be reported through a simple tax invoice. Telkomsel has filed a motion for Judicial Review over the Supreme Courts Judicial Review Decision.

Supreme Court of Republic of Indonesia has ruled Verdict which formally state that Telkomsel's second motion for second Judicial Review have been granted by the Supreme Court of Republic of Indonesia.

CORPORATE INCOME TAX YEAR 2011 INSUFFICIENT PAYMENT

The case is related to several issues, which are: receivables write off, promotional cost and tower depreciation. The amount of insufficient payment of Corporate Income Tax for 2011 is Rp257.8 billion. The Government has made a motion for Judicial Review to the Supreme Court and its Memory of Judicial Review. Telkomsel has submitted its Counter Memory of JR to the Supreme Court and currently waiting for the Supreme Court's decision.

Supreme Court of Republic of Indonesia has ruled Verdict which formally state that Directorate General of Taxation's motion for Judicial Review have been rejected by the Supreme Court of Republic of Indonesia.

BANI VERDICT REGARDING THE TELINFO-TUNTAS USO CONTRACT BETWEEN PT TELEKOMUNIKASI SELULAR AND BAKTI (PREVIOUSLY KNOWN AS "BP3TI")

Consortium Telkomsel has filed an arbitration petition regarding the unilateral termination of the USO Telinfo-Tuntas by BP3TI. The said termination could potentially dissolve

Telkomsel rights to claim payment of the USO Telinfo-Tuntas project. BANI issued a Verdict regarding the Telkomsel Consortium (Telkomsel and PT Dayamitra Telekomunikasi) and BP3TI, which ruled the following among others:

1. BP3TI is penalized by paying the Telkomsel Consortium related with compensation in the amount of Rp217.7 billion (based on calculations by an independent verifier/Public Accountant Razikun Tarkosunaryo);
2. The Telkomsel Consortium and BP3TI shall be penalized by paying court fees (each 50%) and so BP3TI shall pay to Telkomsel Consortium costs related to the administration, review and arbitration costs that had been previously paid by Telkomsel Consortium amounting to Rp1.9 billion.

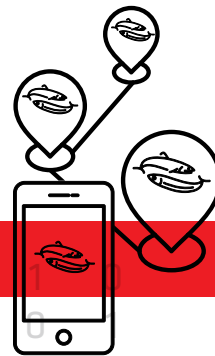
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CORPORATE SOCIAL RESPONSIBILITY



CHAPTER
06



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CSR SUPPORTS THE VISION AND MISSION OF THE COMPANY

Telkomsel's vision is to be a world class, trusted provider of mobile Digital Lifestyle services and solutions, with a mission is to deliver Mobile Digital Services and solutions that exceed customers' expectations, create value for our stakeholders and support the economic development of the nation. Telkomsel's numerous CSR programs and initiatives have therefore been designed to support the achievement of Company's vision and mission.

Through a variety of CSR programs based on its vision and mission, Telkomsel desires to strengthen its position as a company that is technologically innovative, delivers products and services to help solve various social economic problems, and provides added value for Indonesia.

TELKOMSEL CSR OBJECTIVES

In conducting its CSR program, Telkomsel has several objectives, namely:

- Maximizing the positive impact of the company on society.
- Introducing the latest innovations from Telkomsel in the field of technology, excellent products or services to solve various social problems, and at the same time increasing the level of technological adoption by the public.
- Supporting its transformation into a digital company.

CSR AND SUSTAINABILITY

As a company that operates in numerous Indonesian locations in direct contact with the public, Telkomsel is consistently promoting positive impact to the communities through technology to support future sustainability. Therefore, the orientation of Telkomsel's various CSR programs is clearly designed to broadly benefit society.

CSR STRATEGY

In order to support the achievement of the company's 2018 goals and targets, particularly with regard to the company's mission to become a digital telco company, Telkomsel has established strategic initiatives to build CSR program platforms that efficiently based on ICT, and that have a long-term and sustainable perspective.

These strategic CSR initiatives were realized through CSR programs in four (4) pillar categories, namely Education, Digital Citizenship, Community Empowerment & Wellbeing, and Philanthropy.

EDUCATION

1. IndonesiaNEXT

IndonesiaNEXT is one of Telkomsel's CSR masterpiece programs in Education which gives university students the opportunity to improve their competencies by participating in international standard certification and Communication Skills Training that can increase their confidence and horizons in facing global competition. With the theme "Yes, I'm The Next", IndonesiaNEXT 2018 program was held in 8 main cities dan 12 satellite cities in 4 areas.

Telkomsel's numerous CSR programs and initiatives have therefore been designed to support the achievement of Company's vision and mission.

The IndonesiaNEXT 2018 roadshow contained several phases of activities, namely:

- Inspiring seminar and Talkshow
- 2 Days Training & Exam Preparation
- International Certification (Google Adwords, Adobe & Microsoft)
- 3 Days Communication Skills Training (Talk Inc.)
- Area Qualification Panel
- NATIONAL Bootcamp (Nationwide)
- NATIONAL Qualification Panel (Nationwide)
- Telkomsel REWARD (Crowning Session)

The program kicked off with an Inspiring Seminar open to 500 – 850 selected students which provided insight on preparing for the global era as well as the role and importance of certification in improving competency and confidence to compete against global competition, specifically in Indonesia.

This Inspirational Seminar was attended by professionals, academics and entrepreneurs who are competent in their sectors to give motivation and inspiration regarding the latest global and creative industry as well as trends in global competition.

After getting inspiration and motivation, 400 selected participant will be Trained for 3 Days. From this training process, participants get the

learning material in accordance with the chosen interest and preparation for the standard certification examination.

The International Certification Exam conducted online, attended by 400 trainees.

After that, 30 best participant in each city which selected based on highest score and fastest time in Certification Standard Exam are required to participated in Communication Skill Training. Participant are taught soft skill material in making interesting presentation, communicative, comprehensive, and informative. Participant will be evaluated by the trainer to prepare themselves for next stage Area Qualification Panel.

The 30 best participants (TOP 30) in each city are required to make presentations align with the theme that will be delivered in technical meeting. During the presentation process, participants will get online assistance by the master trainer before submitting via the platform provided by the organizer.

The top Three in each city will take part in the National Bootcamp along with the 3 best participants from each of the the cities hosting the program. During the national bootcamp participants will be equipped with impactful presentation and communication training for 2 days, followed by critical thinking training for 2 days and an industry sharing session.

National bootcamp participants are required to develop their presentations. During the presentation process, participants will get assistance from a master trainer and Telkomsel area leader and will then present to panelists from Telkomsel Senior Leaders and top level management from several industries and leading entrepreneurs to choose the Best of the best Indonesia NEXT 2018.

The crowning session is the peak event of the Indonesia NEXT program, where a ceremonial procession will be held to be stow the Best of the best Indonesia NEXT 2018.

2. T-PERPUS (TELKOMSEL DIGITAL LIBRARY)

Indonesia has some of the lowest literacy rates in the world. As a result, Indonesian children exhibit lower reading and counting ability and general knowledge compared with neighboring countries such as Singapore, Malaysia and Thailand.

Telkomsel, as a company that is transforming into a Digital Telco Company, is present and strives to provide a digital solution to this problems through an educational pillar CSR programs called T-PERPUS or Telkomsel Digital Library. On August 20, 2018 Telkomsel collaborated with Gramedia Digital Nusantara (GDN) as a content partner for books in the T-PERPUS application that can be accessed by the public.

T-PERPUS a digital library application platform that makes it easier for communities, especially school communities, to access information. It also encourages interest in reading, and improves educational competence and quality. As part of supporting government programs to improve the quality of education and human resources, Telkomsel invites young

people to increase their interest in reading through the T-PERPUS application and to participate in creating a digital reading style. During 2018 Telkomsel socialized the T-PERPUS application at several universities in Indonesia by presenting T-PERPUS showcases, workshops and seminars in tandem with the Indonesia Next program. During the T-PERPUS showcase event, Telkomsel granted 2,000 users a free access for students in 5 cities, such as Bandung, Lampung, Pontianak, Makassar and Surabaya. Hopefully by facilitate society with digital solution through T-PERPUS application will stimulating and fostering interest of reading for students and college students, giving rise to creative ways of thinking. In the next year, the T-PERPUS CSR program will held in other cities by giving users free access to the community so that they can continuously take part in modern reading methods which in turn will increase reading literacy in Indonesia.

DIGITAL CITIZENSHIP

1. THE NEXTDEV 2018

A. The NextDev Talent Scouting

Through the NextDev Talent Scouting activity (formerly called The NextDev Competition) which has been ongoing since 2015, Telkomsel looks for the best startups, that are able to create positive social impact for the people of Indonesia. Through The Next Dev Academy, which began in 2017, Telkomsel brings together the best startups for development into more stable, independent, and sustainable startups, both in terms of business and social impact.

As part of Telkomsel's CSR masterpiece program, The NextDev was held once more as the best technology startup and search platform in Indonesia that is oriented towards positive social impact. Through The NextDev Talent Scouting, Telkomsel invites digital startup developers to present

solutions that are beneficial to society, presenting good & positive initiatives and breakthroughs that advance Indonesia.

Since its inception until the fourth year of its implementation, The NextDev has channeled the potential and encouraged positive contributions from 4,906 startups who had the initiative to effectively utilize digital technology to create digital applications capable of solving problems in society.

In The NextDev Talent Scouting 2018, the main requirement for registered applications was to be able to deliver positive social impact that can help the lives of Indonesian people. The startup teams participating in The NextDev program consisted of a maximum of 3 (three) Indonesian citizens aged 18-30 years. Next, the startup teams could register their solutions through the site www.thenextdev.id. The registration category was open to all fields without limitation this year, so registered startups could submit solutions in any sector. However, as reference for the creation and basis of developing their solutions, public sectors where startups can directly touch aspects

of people's lives include education, government, environment, health, transportation, tourism, energy, agriculture, maritime affairs, and trade.

The NextDev Talent Scouting participants presented their brilliant ideas on Pitching Day which took place from April to October 2018 in seven cities: Surabaya, Semarang, Denpasar, Batam, Samarinda, Yogyakarta, and Jakarta. As many as two to five of the best startups from each city were chosen by a jury comprised of experts in their respective fields to advance to Pitching Day Final in Jakarta in October 2018.

Of the 523 startups registered for 2018's The NextDev Talent Scouting program, the 25 best startups qualified for the Final Pitching Day round. They had the opportunity to take part in The NextDev Academy's startup business development program, and obtain some form of support from Telkomsel for their startup acceleration, such as Seed Fund (seed funding for best startups), Investors (access to angel investors & Venture Capital/VC), Mentoring (mentors dedicated to startups), Knowledge (training from startup experts and practitioners), Marketing (opportunities for strategic collaboration with Telkomsel and access to its customers), Media

Publication (media access for widespread publicity), and Trip & Experience (the opportunity to visit Silicon Valley and the best digital companies).

At the Final Pitching Day held at the IDEAFEST x The NextDev venue as the biggest inspiration and creativity festival in Indonesia, the 3 best startups were selected as the Best of the Best Startup of The NextDev Talent Scouting 2018. These best startups were:

- FishGO
An application that helps fishermen determine fishing locations and market theirs for a more efficient fishing process.
- Garda Pangan
A Food Bank movement that aims to coordinate excess food from the hospitality industry and the food industry that would otherwise be wasted for donations to people in need.
- HelloBeauty
The best beauty marketplace service and the largest beauty artist community in Indonesia, HelloBeauty provides a support system for beauty professionals who want to manage and grow their business online, while helping Indonesian women to find and order beauty services easily, anytime, anywhere.

B. The NextDev Academy

Held as part of Telkomsel's CSR masterpiece program (The NextDev), The NextDev Academy 2018 is a platform to hone and sharpen the quality of applications created by the 20 The NextDev 2017 startup finalists. By participating in this academy which runs between the April to October 2018, the participants are able to get the insight into the development of their applications. This program effectively helps maintain the continuity of the tech & app developer community, and helps to realize Telkomsel's role in building the digital technology ecosystem in Indonesia.

The NextDev Academy was held to improve the scalability of social technopreneurs through self-development as well as their capacity building in a variety of fields, ranging from business strategy, design sprints, branding, product development, investment, and digital marketing. Twenty startups

gained comprehensive knowledge and information regarding tech startups to improve the quality of the applications that they created and further develop their business skills. Equipped with more comprehensive and in-depth material, participants will be able to tackle product planning resulting in products that are better prepared to go to market.

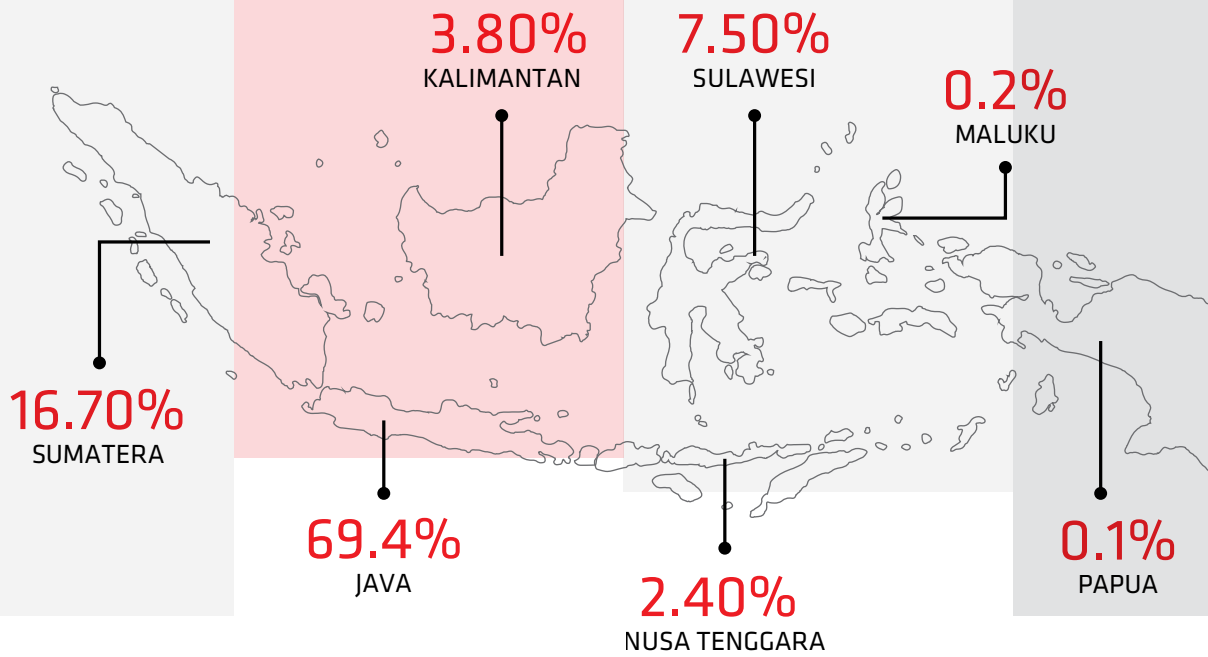
The NextDev Academy 2018 consisted of three activities: intensive training for ten days (April 15-24 2018 in Jakarta), offline and online mentoring (May-October 2018) with progress tracking for 6 months (April-October 2018). During The NextDev Academy, the participants were accompanied by mentors who had competencies in startup development.

At the end of The NextDev Academy program, the 3 best progress startups received the title The NextDev Evangelist and received rewards from Telkomsel in the form of networking, publicity, virtual office, and seed money. These three The NextDev Evangelists 2018 are:

- LindungiHutan
A crowdsourcing platform that can be used for fundraising and green movements as well as monitoring planting results.
- Squline
The largest online language learning platform in Indonesia, connecting students with professional teachers to learn foreign languages through video calls and text conversations.
- BOTIKA
An Artificial Intelligence application using Natural Language Processing (NLP) that can understand everyday Indonesian conversations online as a chat conversation assistant to serve customers.

C. The NextDev on The Mission

The NextDev On The Mission is a derivative program of The NextDev which is also focused on the digital education segment, with an emphasis on local youth in Eastern Indonesia. With its parent program The NextDev's spirit of change and innovation, The NextDev On The Mission also hopes to be able to create positive social impact in Eastern Indonesia through technology.



Percentage distribution of the number of The NextDev submissions.

Based on distribution data of The NextDev participants, from a total of 4,091 early stage startups in Indonesia, only 9.93% were from Eastern Indonesia. Most of the early stage startups who registered at The NextDev came from the West Indonesia region. The total number of startups from Java and Sumatra that registered respectively reached

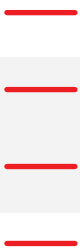
69.4% and 16.7%. Meanwhile, the number of registrations in Eastern Indonesia was dominated by Sulawesi with 7.5%. Even combined with registrations from Papua, Maluku and Nusa Tenggara, which respectively represented only 0.1%, 0.2%, and 2.4% of all submissions, the number of registrations from Eastern Indonesia fell short of 10%.

relevant capabilities to create the right digital products through the program The NextDev On The Mission 2018.

The lack of registration from the eastern part of Indonesia made Telkomsel aware of the need to increase digital interest and development there.

Thus through The NextDev, Telkomsel supports young creators to produce initiatives and breakthroughs that can deliver positive social contributions to Indonesia's future. This is aligned with Telkomsel's view that a creation has high valuable if it is able to deliver a solution that benefits society.

Building on this issue, Telkomsel The NextDev and Binar Academy held a derivative program that will explore the digital education segment for local youth. In its 4th year of implementation, Telkomsel The NextDev will equip the young generation of Eastern Indonesia with





What's up in The NextDev On The Mission 2018?

Under the theme “Bridge The Gap, Evolve The Nation!”, Telkomsel The NextDev On The Mission has a mission to realize and strengthen the digital ecosystem, encourage the development and independence of

the younger generation, and increase productivity and economic growth in Eastern Indonesia. In accordance with the United Nations guidelines on Global Goals for Sustainable Development Growth, Telkomsel The NextDev On The Mission also focuses on several community development points such as good health and well-

being, quality education, decent work and economic goals, to sustainable cities and communities.

In particular, The NextDev On The Mission targets East Indonesian youths who are highly enthusiastic and hungry for digital information and communication technology development.

ON THE MISSION PHASES



Together with Binar Academy, Telkomsel The NextDev On The Mission invited 30 participants to join a knowledge-based curriculum for digital application coding and development for 30 days in Kupang and Ambon during the second semester of 2018. Since Telkomsel shares the same vision with Binar of realizing a digital ecosystem that is evenly distributed throughout Indonesia, Binar Academy welcomed the opportunity to bring digital education to areas that still have limited access.

Here are some beginner startups born from The NextDev on The Mission program:

- Kupang:
- Lopo Tenun
 - Babagibuku
 - Airdo
 - Komodev
 - Bantu Beta, Beta Bantu

- Ambon:
- Medoc
 - Maniso Trip
 - Kantung Darah
 - iLine
 - Krah Indonesia

D. IDEAFEST x The NextDev

IDEAFEST is an annual creative festival that connects creative industry players of all types including filmmakers, content creators, tech experts, musicians, C-level executives, and founders that aims to encourage and inspire Indonesian youth and communities through the latest

digital technology. Whereas Telkomsel The NextDev is a platform that looks for and develops early stage, socially oriented startups with high impact in Indonesia, as part of Telkomsel's contribution to the nation. The NextDev's goal is to help develop a sustainable digital ecosystem with social impact. Designed to strengthen multiple aspects of social technopreneurs startups, The NextDev builds scalability through self-development, user research and development, sprint design, branding, to business models and product development.

In 2018, the fifth IDEAFEST and TheNextDev 2018 partnered for biggest IDEAFEST ever with the theme "C", which stood for "building

Communities, overcoming Challenges, and more about the Creative industry.” This event aimed to expose Indonesia’s young creatives to opportunities and bring them together towards building a sustainable creative ecosystem and making a social impact through technology.

The event was attended by many participants, sponsors and speakers from both government and speakers from notable companies. IDEAFEST x The NextDev was opened by the president of Indonesia, Joko Widodo and attracted a total of 11,427 attendees. The sessions ranged from presentations about tech, tourism, culinary, movies and music, to social media and the internet.

As part of IDEAFEST x The NextDev, Telkomsel held IdeaXperience to showcase a creative experience. In 2018 Telkomsel chose to showcase its own Experience Zone, a show centered on the theme ‘Living The Balance Between Work and Passion’. The Experience Zone was filled with various business units in the company. A series of mini seminars with tech-related and governmental speakers also enlivened the area.

2. INTERNET BAIK

#internetBAIK is a Telkomsel digital citizenship CSR program, formed because Telkomsel recognizes that the most important foundation supporting this digital ecosystem is the human character of its users. Before smart villages and a smart country can be realized, ‘smart people’ must first be realized.

The program began in 2016, initially the #internetBAIK CSR program was formed to offer internet users navigation and guidance on deriving optimal benefits while suppressing any negative impacts. Targeting school children, young teenage communities, parents and teachers, by involving many different groups it was hoped that in the end, understanding of #internetBAIK (good internet) would become a necessity for all parties.

Then in 2017, materials and campaign of good internet education (Responsible, Safe, Inspirational and Creative) were assembled to encourage responsible and ethical usage by Internet users, involving an understanding of the risks of harmful online behavior so as to be conscious of protecting themselves and others safely, while using and leveraging the Internet to drive improvements and positive contributions to society at large in order to improve the quality of life together.


The #internetBAIK material is expected to serve as a role model and reference for digital literacy in Indonesia, with a Digital Citizenship Education (DCE) or #internetBAIK educational concept that teachers can implement in educational institutions together with parents and digital ecosystem communities. This concept covers 4 aspects:

- a. Digital Awareness and Behavior
- b. Digital Rights and Netizenship
- c. Digital Safety
- d. Digital Content and Creativity

In 2018, Telkomsel continued the #internetBAIK education campaign in more specific programs and movements that demanded real action from internet users to become content creators with positive content in their channels and social media accounts. In parallel, participants are helped to understanding how to recognize, be alert and behave towards hoax issues and news.

This step is a manifestation of the application of #InternetBAIK behavior in everyday life. Thus the audiences involved specifically targeted high school teachers as well as high school and vocational students, who already have a better understanding of cyberspace and social media.

This year #InternetBAIK socialization and programs were carried out in six cities, namely: Karawang, Malang, Bandung, Medan, Banjarmasin and Kendari for 2 days filled by talkshow which discussing about Smart Social Media, creative writing, and creating creative & positive content.



1

Hari pertama *Talkshow Medsos Cerdas* yang dibawakan oleh pakar dunia digital di Indonesia tentang cara kerja *social media*.

Output:
Edukasi untuk guru SMA/SMK sederajat bagaimana memahami dunia internet dan *social media* sehingga dapat memanfaatkannya secara kreatif sekaligus menjadi *Agent of Change anti HOAX* bagi orang-orang disekitarnya.



2

Hari kedua *Workshop Digital Creative Content* untuk pelajar SMA/SMK/ sederajat dengan materi membuat konten positif di *social media*.

Output:
Para siswa dilokasi pelaksanaan mampu menjadi *content creator* untuk menyebarkan konten baik dan positif di *social media*.

This program challenged participants to produce inspirational content for dissemination on social media, in collaboration with teachers and students from each participating school.

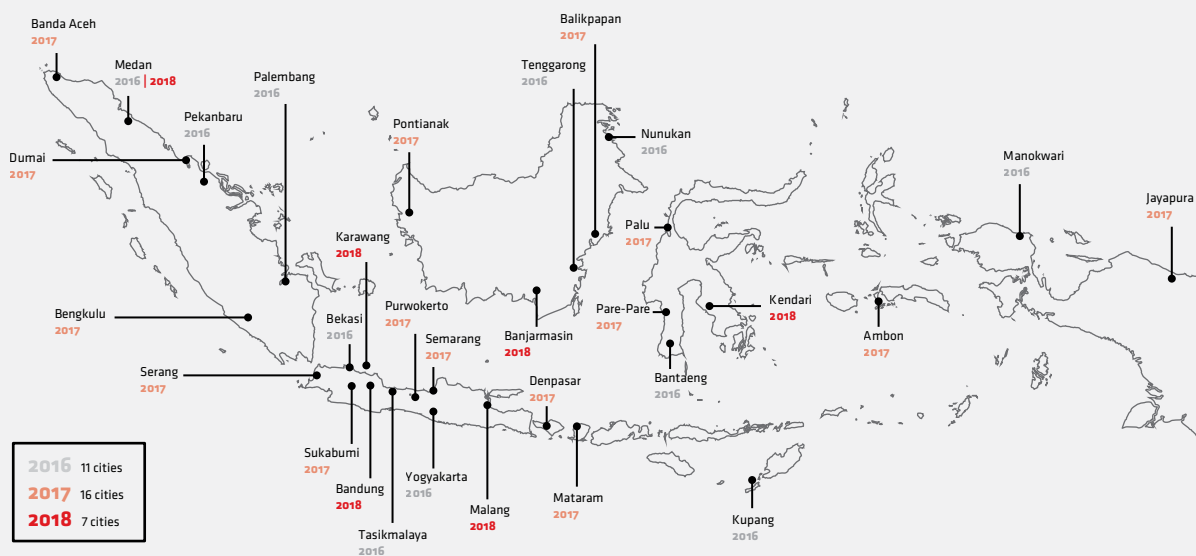
The program began in 2016, initially the #internetBAIK CSR program was formed to offer internet users navigation and guidance on deriving optimal benefits while suppressing any negative impacts.

ONLINE TUTORIAL CLASS

To supports the content production process, online tutorial classes were also opened guided by a Digital Coach. The process took place through a message sharing application.

In order to expand the #antiHoax campaign to reach adults who often spread hoaxes through message sharing applications, Telkomsel released educational video material related to anti-hoax actions that was disseminated through groups in the message sharing application.

IMPLEMENTATION AREA FOR #INTERNETBAIK IN 2016 - 2018



According to reports from McKinsey Consulting, the IoT market value in Indonesia will reach USD 1 Billion (2016) and is estimated to increase to USD 3 billion in 2020.



Documentation of the 2018 #InternetBAIK t Roadshow Program in Kendari City

COMMUNITY EMPOWERMENT & WELL-BEING

1. PETANI (PEDULI TANI ANAK NEGERI)

According to reports from McKinsey Consulting, the IoT market value in Indonesia will reach USD 1 Billion (2016) and is estimated to increase to USD 3 billion in 2020. The availability portion for communication providers is only 2%. Meanwhile, Telkomsel's capabilities can be developed into enablers by providing a platform for connectivity management and big data processing. The value of IoT

in the agricultural sector alone is estimated to be worth USD 25 million by 2020.

Amid the issue of low agricultural productivity in relation to national food security, the low quality of life of farmers from an economic point of view, and the size of agricultural land in Indonesia, we see that there is a considerable opportunity for Telkomsel to enter the agricultural industry through its capability.

Telkomsel realizes that the villages are the future of Indonesia. The strength and growth of the Indonesian economy will rely on development in

the private sector driven by homes and families in the countryside, including farming.

The PETANI program ("Caring for Our Farmers") is a real manifestation and spirit of "Building Digital Indonesia" in accordance with the direction of Management and Memorandum of Understanding between Telkomsel and Habibi Garden and Eragano as startup graduates of the NextDev program, which is proven to be an effective incubator in accelerating start-ups.

The PETANI CSR program is expected to be Telkomsel's IoT business initiation, not just providing connectivity solutions, but also in line with hopes of developing new and potential digital businesses in the future.

The PETANI program is an agricultural pilot project that offers a complete solution towards improve farmers' welfare and livelihoods by touching on 3 aspects of the value chain, namely market inbound supply on supply (upstream / supply), market of consumption, and buyers market (downstream / distribution).

This program is expected to benefit farmers by giving them hope of a better life, one where they can be proud of using technology in their noble profession towards maintaining the food security of the nation. A joint movement has also sprung up to revitalize villages as communities of the future by achieving a high quality of life that is balances physical, social and spiritual aspects. The farming community is furthermore expected to increase and accelerate its mastery of information and utilization of technology, including mastery of the Internet, digital ecosystems and other sensor and automation technology that is appropriate for village usage in particular farmers. Thus, farmers can become more prosperous with improved productivity and effective usage of existing resource.

In 2017, Habibi Garden as Telkomsel's partner worked on two farms in the villages of Sukatani and Kalianda. The other partners, Eragano, worked on land in Cikajang District, Garut.

2. DISASTER HANDLING SYSTEM (TERRA)

Telkomsel Emergency Response and Recovery Activity (TERRA) is Telkomsel's front end disaster handling program, as Telkomsel is the largest cellular operator in Indonesia and has responsibility to the public to ensure good, reliable communication networks in disaster areas which can facilitate actions ranging from humanitarian and disaster response efforts to post-disaster rehabilitation and disaster mitigation processes.

TERRA has many volunteers consisting of both internal Telkomsel employees and external parties. These volunteer employees have previously participated in basic rescue training including Water Rescue, Vertical Rescue, and Posko management. Since its launch in 2010, at least 500 employees have been trained and prepared to volunteer in the event of a disaster.

External Volunteers are volunteers from nature lover groups, who are integrated into a partnership so as to help provide solutions for Telkomsel when conducting disaster mitigation.

Currently TERRA volunteers are scattered throughout all of Telkomsel's working areas and this program has been ongoing since 2010 until the present.

In 2018, TERRA carried out the following activities:

a. TERRA - Technology-based TERRA Training

Disaster response and mitigation in Indonesia should be directed at disaster prevention and disaster risk reduction (DRR). This drove the management to conduct IT-based TERRA training programs in its 2017 CSR programs so as to produce effective and efficient disaster management programs, which was continued with expansion of TERRA's role by actively holding routine Focus Group Discussions with the field coordinators in the 10 regional Telkomsel areas.

This is also expected to support the continuity of Telkomsel's operations during disasters, where telecommunication services are essential for the acceleration of disaster recovery. Early and appropriate handling of disaster situations plays a very important role in ensuring that any affected production tools belonging to Telkomsel can function. The general purpose of implementing IT-based emergency response training based is as follows:

- i. To provide basic knowledge of disaster management and concepts.
- ii. Socialization and application of IT-based disaster mitigation facilities.
- iii. To establish a disaster response community and standardize disaster management SOP.

The specific objectives of implementing IT-based emergency response training re as follows:

- i. Trainees are able to identify the potential for disasters in their surrounding environment.
- ii. Trainees are able to apply the principles of disaster management to their surroundings.

- iii. Train participants to use technology for effective disaster management.
- iv. Improve communication through practical digital-based solutions.

b. MAPPER TRACKER SYSTEM - Disaster Management Technology

Disaster mitigation is presently a national priority, with dedicated response agencies established at national and local levels. Currently, field information updates are still manual resulting in delayed responses due to delays in information.

Mapper tracker is a map-based geographic information system that functions as an information center which can visually show disaster conditions and disaster response efforts, becoming a center for the latest updates and monitoring of member movements.

This mobile information center can serve as the media center at every disaster site. This system will enable the media to easily see the areas affected by natural disasters, will support mobility in handling victims, and provide photo updates without endanger oneself.

c. SOCIAL ASSISTANCE - To Communities Affected by Disasters

In 2018, Telkomsel continued to actively participate in various humanitarian activities, providing social assistance for victims of disasters. Several actions taken this year include assistance for victims of floods in Serang; earthquakes in Lombok; earthquake, liquefaction and tsunami in Palu; the Lion Air JT-610 plane crash in Banten waters; and tsunami in the Banten and Lampung regencies.

The assistance for disaster victims included logistical support for the daily needs of the community, as well as the establishment of free telecommunications posts where the affected communities could fulfill their communication needs. On the other hand, where large scale disasters took place, Telkomsel also participated in the recovery process, for example by supporting the construction of public facilities that are frequently used by local communities.

3. BAKTIKU NEGERIKU

The CSR (Corporate Social Responsibility) Program 'Baktiku Negeriku' is a community assistance program that focuses on improving the quality of life of people in various regions in Indonesia through technology, community empowerment and education. In 2018 Phase II was implemented as the continuation of Phase I in 2017.

This program directly involves Telkomsel employees, covering various activities such as infrastructure development, green movement, employee volunteering, and the construction of digital center facilities. The program's goals cover 4 aspects: stakeholder relationships, community development, employee involvement and industrial relations to provides room for employees to perform community service activities as a form

of actualization and self-development that has a positive impact for the company and country.

Preparation for Baktiku Negeriku began in June 2018 and field execution began in November 2018 in nine remote areas.

The locations selected are regions that possess unique agricultural, fishery and industrial commodity potential, natural resources and local wisdom and are globally competitive but have not been optimally developed. The Baktiku Negeriku program includes a mentoring program for local youth regarding the use of information technology by involving village youth groups or Karang Taruna. This training is intended so that they can act as 'agents of change' who will lead local communities towards a better life by utilizing the digital ecosystem. In addition, Telkomsel employees also provide training to communities on entrepreneurship, e-commerce,

e-logistics, digital payment and practical photography techniques. At the same time they also interact with the local community to do joint activities. Before the Volunteers are sent down, they will first be given teaching material in a Training of Trainers session.

To improve people's understanding of technology, Baktiku Negeriku will also build a digital center equipped with Wi-Fi access and an application that connects villagers to other villages. Here, residents can learn to use the Internet by using computer equipment and smartphones, accompanied by mentors and agents of change in the form of local youths who previously received training from Telkomsel. This is expected to inspire these youths to rebuild their village with all its potential and local wisdom.



Employee Volunteers in Nagari Kinali - Pasaman Barat, teach the community how to package avocados as part of e-logistic material

Before going to serve in villages, Volunteers are debriefed in a Training for Trainers session



Entrepreneurship material was delivered by the Employee Volunteers in Salem Village, Purwakarta



Children in Simanindo Village learn to use the Digital Center Facility, Samosir Island



PHILANTHROPY

1. 23 TONS OF TAKJIL BREAK-FASTING DATES

To welcome Ramadan 1439 Hijriyah, Telkomsel shared fast-breaking takjil for Ramadan in the form of 23 tons of dates delivered to 15 mosques in various regions from the eastern tip of Indonesia to its westernmost edge, to be enjoyed by the general public when breaking their fast.

Fifteen mosques received these dates as assistance, namely Masjid Raya Baiturrahman Aceh, Masjid Al Mashun Medan, Masjid Raya Padang, Masjid Istiqlal Jakarta, Masjid At Taqwa Cirebon, Masjid Agung Jawa Tengah Semarang, Masjid Nasional Al Akbar Surabaya, Masjid Agung Bangkalan Madura, Masjid At Taqwa Mataram,

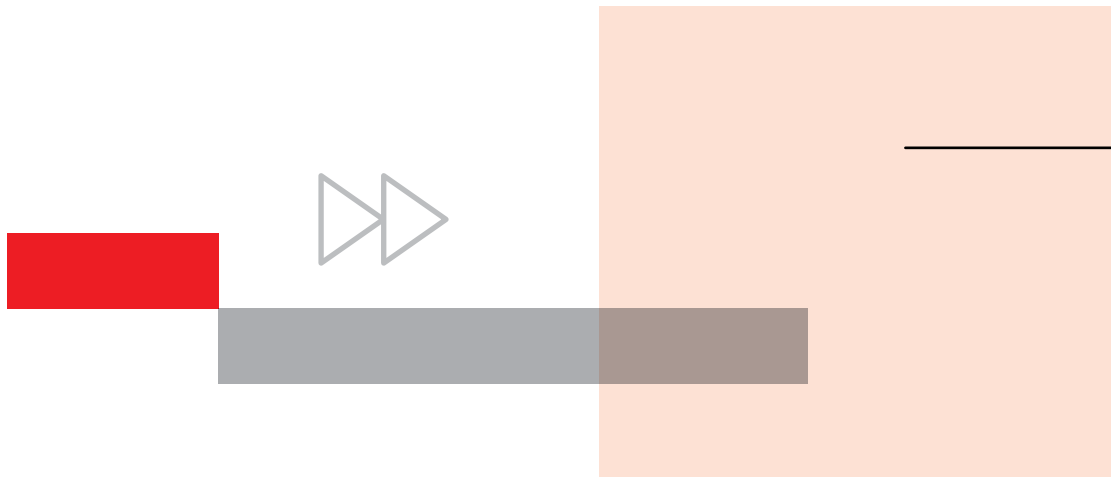
Masjid At Taqwa Balikpapan, Masjid Al Markas Al Islami Makassar, Masjid Al Munawar Ternate, Masjid Agung Nurul Yaqin Waisai Raja Ampat, Masjid Agung Babussalam Timika, and one mosque in the Jabotabek and West Java region.

During the month of Ramadan, mosques become the most frequented places as people come to worship, including breaking their fast. The mosques selected by Telkomsel for distribution of these dates are those that are centers of religious activities in the region.

Since 2013, Telkomsel has always given dates as assistance in line with Telkomsel's age. This year, the 23 tons of dates were given in accordance with Telkomsel's 23rd anniversary, in May 2018.

2. FAST-BREAKING WITH 5,000 CHILDREN AND THE POOR - RAFI 2018

Promoting the spirit of "Sharing in Diversity", Telkomsel held a fast-breaking roadshow together with 5,000 children and the poor in five Indonesian cities, namely Banjarmasin, Padang, Purwakarta, Banyuwangi and Jakarta. In addition to giving assistance for orphans, Telkomsel also assisted 50 mosques and foundations by providing or improving religious facilities and infrastructure in various regions throughout Indonesia.



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3. DISTRIBUTION OF SACRIFICIAL ANIMAL PARCELS - IDUL ADHA 2018

On Eid al-Adha 10 Dzulhijjah 1439 Hijriyah 2018, Telkomsel provided 740 sacrificial animals, consisting of 118 cows and 622 goats. Packets of sacrificial meat were delivered to more than 42,000 beneficiaries, namely the needy who are entitled to receive it, located at hundreds of points in various parts of Indonesia. Overall, the number of Telkomsel sacrificial meat packages distributed increased compared with 2017, in accordance with the expansion of Telkomsel's operational coverage and Telkomsel's commitment to show its concern for the people of Indonesia.

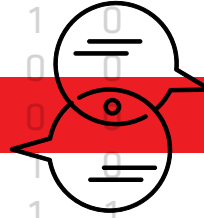
4. ASSISTANCE FOR 5,000 ORPHANS AND UNDERPRIVILEGED CHRISTMAS 2018

In order to welcome Christmas Day 2018, Telkomsel held a series of charity activities in four cities, namely South Tangerang (December 6, 2018), Palangkaraya (December 10, 2018), Lampung (December 13, 2018), and Denpasar (December 20, 2018). At the event Telkomsel handed over assistance for the needs of 2,500 orphans/underprivileged children through various social foundations, provided social assistance to these foundations / orphanages, provided cheap basic food packages to 2,500 poor individuals, and carried out joint cleaning activities at foundations and churches around the operational locations of Telkomsel.

On Eid al-Adha 10 Dzulhijjah 1439 Hijriyah 2018, Telkomsel provided 740 sacrificial animals, consisting of 118 cows and 622 goats.

CHAPTER

07



MANAGEMENT DISCUSSION & ANALYSIS

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MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL AND INDONESIA MACROECONOMIC REVIEW

The global economy had a strong start in 2018, buoyed by higher global manufacturing and trade in 2018. Growth softened however in the second half of the year with slowing international demand for key commodities, among others. In addition, various geopolitical and macroeconomic developments continued to shadow growth such as the potential for an international trade war and pressure on many emerging markets currencies (International Monetary Fund, World Economic Outlook Update – January 2019).

Indonesia fared surprisingly well in this climate, ending the year with stable GDP growth of 5.17% compared with 5.07% in the previous year, as well as sound macroeconomic fundamentals (Statistic Indonesia- February 2019). It is the third consecutive year that Indonesia's GDP growth rate has increased, albeit marginally. The main drivers of growth were accelerated government spending, mostly on infrastructure, as well as stable private consumption and strong export earnings from commodities. Inflation stayed under control and the rupiah, after sliding against the US dollar, regained much of its value by the end of the year.

We believe that the Indonesian economy is likely to continue its trend of slight but positive growth in 2019, which is

also a national election year. In the past, election years have usually correlated with higher economic growth. We also hope that the regulatory framework and business environment will continue to move in a positive direction for the growth and development of the telco industry, following the government SIM card registration card exercise carried out in 2018.

BUSINESS REVIEW AND INDUSTRY OUTLOOK

The entire Indonesian telecommunications industry experienced a highly challenging year in 2018 due to price competition and the government SIM card registration exercise which took place during the year. These factors, combined with the accelerated transition of Legacy to Data services, resulted in continuous pressure on pricing and margins for all telecommunication providers in Indonesia. As a result, the telecommunication industry experienced negative growth of 7-8% YoY, compared with 6-7% positive growth in 2017.

Telkomsel, which had anticipated this situation, responded by proactively moving to strengthen its digital ecosystem and long term competitive position in order to firmly establish itself as Indonesia's gateway of choice to the digital world. Telkomsel therefore expanded its network, increasing its products and services as well as the partners in its ecosystem, and focused on improving customer satisfaction.

Telkomsel was still able to book a substantial amount of Revenue, EBITDA & Net Income in 2018 at Rp89.2 trillion, Rp47.4 trillion and Rp25.5 trillion respectively.

Besides increasing its 4G coverage, Telkomsel also connected numerous new remote areas in the hinterlands, as part of supporting the government's target of bridging the digital divide. Telkomsel also gave the public its first glimpse of 5G future technology during the Asian Games 2018, at the Telkomsel 5G Experience Center. According to Open Signal, Telkomsel achieved the best overall network quality during the year supported by a total of 28,376 new 4G BTS.

Long term, the outlook for the telecommunications industry is solid. The Indonesian population's demand for data has continued to accelerate, supported by improved national infrastructure, higher smartphone penetration and rising GDP. These trends open up promising opportunities for telecommunications providers to provide new digital products and services for both retail and enterprise customers, who will look to telco providers to provide them with a gateway to the digital world.

OVERVIEW OF 2018 PERFORMANCE

The accelerated transition of Legacy to Data services, combined with the intense competition landscape and prepaid SIM card registration exercise, put continuous pressure on Indonesian telecommunications providers' pricing and margins throughout 2018.

With take up strategy implemented to maintain and improve Data monetization profitability, Telkomsel was nonetheless able to book substantial Revenue, EBITDA and Net Income in 2018 at Rp89.2 trillion, Rp47.4 trillion and Rp25.5 trillion respectively. These results were mainly driven by transformation initiatives in our Digital Business as the engine of growth, along with Cost Leadership initiatives to effectively lower the growth of Operational Expenses compared to the previous year. Digital Business posted significant growth of 19.8% YoY on the back of 16.4% YoY growth in Data and 51.2% YoY growth in Digital Services, accounting for 53.0% of total revenue up from 42.3% a year ago. These strong results and consistent quarterly growth, as well as current market dynamics, have confirmed Telkomsel's belief and actions in leading the industry towards healthier growth opportunities for Data and Digital Services as the future of the telecommunications industry.

Despite the saturated market and natural cleansing impact of the prepaid SIM card registration exercise, Telkomsel successfully maintained an active subscriber base of 163.0 million subscribers thanks to effective sales and marketing programs. In line with our philosophy to always lead in network supply including in outside Java, towards maintaining and strengthening our network leadership and growing our

Digital Business. We deployed 28,376 new BTS during 2018, all of which were 4G-based BTS. Our data traffic increased by 101.7% YoY to 4,373,077 TB fueled mainly by high Data User numbers, which grew by 0.7% YoY to reach 106.6 million or 65.4% of our customer base. Data usage consumption also grew enormously by 72.2% YoY to an average of 3,460 MB per user. In terms of infrastructure, by the end of 2018 our BTS on-air totaled 189,081 units (+17.7% YoY), 73.4% of which were 3G/4G BTS.

OPERATIONAL RESULTS CUSTOMER BASE

Telkomsel's customer base experienced a natural cleansing effect from the SIM card registration exercise. Around 80% of the churn continued to have identification registered in our network meaning that the average number of SIM cards per subscribers decreased, leading to higher productivity per SIM card. As of 2018 our customer base amounted to 163 million subscribers, which we pushed to become higher quality with less churn, lower cost due to more efficient card production cost, and higher ARPU as more customers began choosing to buy higher margin renewal packages rather than lower margin new starter packs. Subscribers were encouraged by the More for More initiatives to choose these attractive renewal packages.

ARPU

In accordance with the shift to Digital Business, our Digital ARPU grew by digital digits due to higher Data user productivity, resulting in strong Data growth and increasing 3G/4G device penetration.

NETWORK DEVELOPMENT

Our focus on Digital Business was reflected in our network deployment. This year, we continued to accelerate our network development with aggressive 4G BTS deployment to support the Digital Business as Data traffic jumped 101.7% YoY to 4,373,077 TB. We have deployed 56,653 4G BTS to date on an on-demand basis, taking into account 4G handset penetration and demand levels in Broadband cities. The network roll out brought total BTS on air to 189,081 units at the end of 2018, an increase of 17.7% YoY, of which 138,771 units were 3G/4G BTS (+25.7% YoY).

DATA USERS

At the end of December 2018, Telkomsel had 106.6 million Data users, representing around 65.4% of the Company's total subscribers. This figure was higher than last year, when data users accounted for around 53.9% of the total subscribers. The higher penetration of Data users, along with the availability of various applications, is critical to increasing data traffic.

FINANCIAL RESULTS

REVENUE

In 2018, Telkomsel recorded a 4.3% decline in revenue to Rp89.2 trillion as a result of accelerated transition of Legacy to Data services combined with the intensely competitive landscape and prepaid SIM card registration exercise.

As per above factors mentioned coupled with higher base productivity, Telkomsel still posted significant growth of Digital Business which increased by 19.8% over the last year. The healthy growth of Digital Business was driven by a 16.4% YoY increase in Data revenue and a 51.2% YoY increase in Digital Services revenue.

in billion (Rp)	2018	2017	GROWTH
REVENUE BY PRODUCT			
Postpaid	8,009	7,118	12.5%
Prepaid	75,306	79,484	-5.3%
Interconnection & International Roaming	4,740	5,398	-12.2%
Others	1,191	1,217	-2.1%
Total	89,246	93,217	-4.3%

Prepaid revenue decreased by 5.3% YoY to Rp75,306 billion mainly due to the shift of Legacy to Data services combined with the ongoing natural cleansing of subscribers to become more productive as subscribers shifted consumption preferences from starter packs to renewals.

Postpaid revenue increased by 12.5% YoY to Rp8,009 billion driven mainly by a 14.0% YoY increase in the postpaid customer base to 5.4 million subscribers.

Interconnection and International Roaming revenues decreased by 12.2% YoY to Rp4,740 billion, due mainly to Voice and SMS traffic from other local operators as a result of service substitution by OTT applications.

At the end of December 2018, Telkomsel had 106.6 million Data users, representing around 65.4% of the Company's total subscribers.

in billion (Rp)	2018	2017	GROWTH
REVENUE BY SERVICE			
Voice	32,858	40,113	-18.1%
SMS	6,599	10,841	-39.1%
Sales discount & Others Revenue	(2,672)	(3,239)	-17.5%
IC & IR	4,740	5,398	-12.2%
Other (USO compensation & network leased)	422	637	-33.7%
Data	41,339	35,524	16.4%
Digital Service	5,960	3,942	51.2%
Total	89,246	93,217	-4.3%

VOICE AND SMS

In line with the industry transition of Legacy business to Data as the growth driver, a shift which has been further accelerated by the impact of OTT cannibalization on Legacy services, Telkomsel's Legacy business slowed down. Voice revenue decreased by 18.1% YoY to Rp32,858 billion on the back of a 2.2% YoY decline in Voice traffic, and SMS revenue declined by 39.1% YoY to Rp6,599 billion in relation to a 42.9% decline in SMS traffic. In order to manage the downward trend of the Legacy business, various personal marketing initiatives were introduced such as offering better value packages and attractive Voice & SMS packages.

DIGITAL BUSINESS

Digital Business continued to be the engine of growth, supported by the Company's focus of maintaining its lead in 3G and 4G network infrastructure supply. This segment recorded strong performance with 19.8% YoY growth to Rp47,299 billion and increased its contribution to total revenue substantially to 53.0% from 42.3% last year.



Revenue from Data grew by 16.4% YoY to Rp41,339 billion, driven by healthy growth in Data User (+0.7% YoY to 106.6 million users), successful migration of PAYU to Flash packages, and continued strong growth in Data payload, which increased by 101.7% YoY to 4,373,077 TB.

Digital Services also grew strongly by 51.2% YoY to Rp5,960 billion and has become the main driver of Telkomsel's transformation from a Telco Company to a Digital Telco Company. A number of investments and key initiatives have been established to accelerate the growth of Digital Services, in line with Telkomsel's mission to build a digital Indonesia with key products and services within this segment include Digital Lifestyle, Mobile Financial Services, Digital Advertising, Digital Banking and Internet of Things (IoT).

EXPENSES

in billion (Rp)	2018	2017	GROWTH
EXPENSES			
Operation & Maintenance	25,059	23,239	7.8%
Depreciation & Amortization	13,480	13,558	-0.6%
Cost of Services	4,063	3,510	15.8%
Interconnection & International Roaming	3,191	2,785	14.6%
Personnel	4,074	3,950	3.1%
General & Administration	2,072	1,821	13.8%
Marketing	3,347	4,320	-22.5%
Others - net	(579)	(19)	N/A
Total	54,707	53,164	2.9%

In FY18, total expenses including depreciation and amortization increased by 2.9% YoY to Rp54,707 billion. The growth was mainly driven by Operational & Maintenance expenses related to acquisition initiatives of the new 2.3 GHz frequency. This acquisition will increase Telkomsel's capacity, strengthen 4G LTE services and maximize Broadband service quality in alignment with the the Company's infrastructure expansion, as reflected by the 17.7% YoY increase in BTS. Meanwhile, other expenses were effectively managed as seen from the YoY decline in Marketing Expenses and Depreciation & Amortization.

EBITDA AND NET INCOME

EBITDA and Net Income respectively declined by 11.5% YoY to Rp47,439 billion and 16.0% YoY to Rp25,536 billion. While EBITDA and Net Income margins trended lower by 4.3ppt to 53.2% and by 4.0ppt to 28.6%, respectively.

BALANCE SHEET

in billion (Rp)	2018	2017	GROWTH
STATEMENTS OF FINANCIAL POSITION			
Current Assets	16,834	21,098	-20.2%
Non-Current Assets	65,816	64,650	1.8%
Total Assets	82,650	85,748	-3.6%
Current Liabilities	20,737	23,031	-10.0%
Non-Current Liabilities	10,767	8,587	25.4%
Equity	51,147	54,130	-5.5%
Total Liabilities & Stockholders Equity	82,650	85,748	-3.6%

As of 31 December 2018, Total Assets decreased by 3.6% to Rp82,650 billion, total Liabilities decreased by 0.4% at Rp31,503 billion and total Equity decreased by 5.5% to Rp51,147 billion.

- Current Assets decreased by 20.2% to Rp16,834 billion, mainly due to decrease in cash and cash equivalents.
- Non-current Assets increased by 1.8% to Rp65,816 billion, mainly due to the increase in fixed assets.
- Current Liabilities decreased by 10.0% to Rp20,737 billion, mainly due to the decrease in taxes payable.
- Non-current Liabilities increased by 25.4% to Rp10,767 billion, mainly due to the increase in medium-term loans net of current maturities.
- Total Equity decreased by 5.5% to Rp51,147 billion, mainly due to the decrease in retained earnings as the Company distributed dividends in the current period.

Digital Services also grew strongly by 51.2% YoY to Rp5,960 billion and has become the main driver of Telkomsel's transformation from a Telco Company to a Digital Telco.

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Cash flow used for investment activities was Rp16,095 billion mainly for the payment of infrastructure spending.

CASH FLOW

in billion (Rp)	2018	2017	GROWTH
CASH FLOW			
Cash Flow from Operating Activities	36,910	39,571	-6.7%
Cash Flow for Investing Activities	(16,095)	(13,984)	15.1%
Cash Flow from (for) Financing Activities	2,998	(710)	N/A
Dividend Payment	(27,865)	(34,010)	-18.1%
Net Decrease in Cash & Cash Equivalents	(4,051)	(9,133)	-55.6%
Cash & Cash Equivalents at Beginning of Years	10,548	19,681	-46.4%
Cash & Cash Equivalents at End of Years	6,497	10,548	-38.4%

Net cash generated from operations in FY18 decreased 6.7% YoY to Rp36,910 billion. Cash flow used for investment activities was Rp16,095 billion mainly for the payment of infrastructure spending. Net cash generated from financing activities (excluding Dividend) increased to Rp2,998 billion as the company has drawn the facility of medium-term loans.

DEBT PROFILE

As of 31 December 2018, Telkomsel's total outstanding loans amounted to Rp4,750 billion, of which approximately 16% will mature in 2019, while the remaining will mature in 2023. As of 31 December 2018, Telkomsel's Debt to Equity Ratio (DER) was 16.9%, decreasing significantly from 32.0% in the previous quarter.

DESCRIPTION	LOCAL CURRENCY (Rp bn)	FOREIGN CURRENCY (USD mn)	TOTAL EQUIVALENT (Rp bn)
% of Total Loan	100%	-	100%
Loan per Maturity			
2019	750.0	-	750.0
2023	4,000.0	-	4,000.0
Total	4,750.0	-	4,750.0

The year-end exchange rates of the Rupiah against the USD were Rp14,481 (31 December 2018) and Rp13,548 (31 December 2017).

Telkomsel has to maintain several financial covenants related to its loans/debts. As of 31 December 2018 the covenants were as follows:

COVENANTS TO BE MAINTAINED	REQUIRED	ACTUAL
EBITDA to Debt Service	≥ 1.25	3.05
Debt to Tangible Net Worth	≤ 2.00	0.10

CREDIT RATINGS

Telkomsel has excellent credit quality and is one of the highest rated companies in Indonesia. Telkomsel's latest ratings issued by Standard & Poor's (Global) and Fitch Rating Indonesia are as follows:

	RATINGS	OUTLOOK	ISSUED DATE
Standard & Poor's	BBB (Foreign Currency) BBB+ (Local Currency)	Stable	June 13, 2018
Fitch Ratings Indonesia	AAA (National Long-Term)	Stable	April 18, 2019

FINANCIAL RATIOS

Telkomsel's strong financial profile was reflected in several key financial ratios, as follows:

	2018	2017	YoY
SOLVABILITY			
Debt* to Equity	16.9%	10.5%	6.4ppt
Debt* to EBITDA	16.7%	10.6%	6.1ppt
Total Liabilities to Equity	61.6%	58.4%	3.2ppt

*) Debt includes Obligations under finance lease - net of current maturities.

	2018	2017	YoY
PROFITABILITY			
Return on Assets	30.3%	34.6%	-4.3ppt
Return on Equity	48.5%	53.6%	-5.1ppt

**Telkomsel
has excellent
credit
quality and
is one of the
highest rated
companies in
Indonesia.**

RESPONSIBILITY

for the 2018 Annual Report

This Annual Report including the accompanying consolidated financial statements and related financial information for the year ended December 31, 2018 was authoritatively signed by members of the Board of Commissioners and the Board of Directors of PT Telekomunikasi Selular.

Jakarta, May 2019

BOARD OF COMMISSIONERS



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President Commissioner



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Commissioner



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Capital Management



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Director of Marketing



Montgomery Hong
Director of IT



Edward Ying Siew Heng
Director of Planning & Transformation

ABBREVIATIONS

3G	3 rd Generation of wireless mobile telecommunications technology
4G	4 th Generation of broadband cellular network technology
APEC	Asia Pacific Economic Cooperation
API	Application Programming Interface
ARPU	Average Revenue Per User
ATM	Automated Teller Machine
BTS	Base Transceiver Station
CAPEX	Capital Expenditure
CBTA	Conditional Business Transfer Agreement
CFMP	Capital Expenditure, Financing, and Management Process
COMBAT	Compact Mobile Base Station
CSR	Corporate Social Responsibility
CTP	Customer Touch Points
DNA	Device, Network, Applications
E2E	End to End
EBITDA	Earning Before Interest, Tax, Depreciation, and Amortization
Fintech	Financial Technology
GB	Gigabyte
GCG	Good Corporate Governance
GHz	Gigahertz
GPRS	General Packet Radio Service
GSM	Global System for Mobile communication
HCM	Human Capital Management
HSDPA	High Speed Downlink Packet Access

ICT	Information and Communication Technology
IoT	Internet of Things
IT	Information Technology
LBA	Location Based Advertising
LTE	Long Term Evolution
M2M	Machine to Machine
MHz	Megahertz
MFS	Mobile Financial Services
MMS	Multimedia Messaging Service
MoU	Minute of Usage
MSISDN	Mobile Station International Subscriber Directory Number
NSP	Nada Sambung Pribadi
OTT	Over The Top
PAYU	Pay As You Use
QR Code	Quick Response Code
SIM	Subscriber Identity Module
SME	Small Medium Enterprise
SMS	Short Messaging Service
SOA	Sarbanes-Oxley Act
TAU	Telkomsel Android United
TERRA	Telkomsel Emergency Response and Recovery Activity
USO	Universal Service Obligation
USSD	Unstructured Supplementary Service Data
VAS	Value Added Service
WAP	Wireless Application Protocol

LIST OF GRAPARI

REGION	NAME	ADDRESS
NORTH SUMATERA	Banda Aceh	Jl.T.Daud Beureueh No. 23, Kp.Laksana, Kec.Kuta Alam, Banda Aceh 23123
	Binjai	Jl. Soekarno Hatta No. 121, Binjai
	Gmp Putri Hijau	Graha Merah Putih Lt. 1, Jl. Putri Hijau No.1, Medan 20111
	Kisaran	Jl. HOS. Cokroaminoto No. 30-32, Kisaran 21215
	Kualanamu	Bandar Udara Internasional Kualanamu, Medan, Sumatera Utara
	Lhokseumawe	Jl. Merdeka No. 147-148 Simpang Empat Lhokseumawe 24312
	Medan Lippo Plaza	Jl. Imam Bonjol No. 6 Lt. UG No. 17A-17B, 18A-18B, Medan
	Medan Sun Plasa	Sun Plasa Lt. 1 Blok A1 No. 5 Jl. KH. Zainul Arifin No. 7, Medan
	Meulaboh	Jl. Nasional Ujung Baroh, Kec.Johan Pahlawan, Meulaboh, Aceh Barat
	Padang Sidempuan	Jl. Sisingamangaraja No. 212 ABC, Kel. Sitamiang, Kec. Padangsidempuan Selatan, Kota Padang Sidempuan 22721
	Pematang Siantar	Kompleks Megaland Jl. Asahan Blok A No. 53 Pematang Siantar 21136
	Sibolga	Jl. M. H. Thamrin No. 58 Sibolga 22521
	Balige	Jl. SM. Raja No. 204, Balige
	Bireun	Jl. Sultan Iskandar Muda No. 17, Desa Bireuen Meunasah Blang, Kec. Kota Juang, Kab. Bireuen 24211
	Gunung Sitoli	Jl. Muhamad Hatta No. 2, Kel Pasar Gunungsitoli, Kec. Gunung Sitoli, Kab. Nias 22813
	Kabanjahe	Jl. Veteran No. 23 b-c (depan kantor DPRD Kari), Kabanjahe
	Kampung Lalang	Jl. Gatot Subroto Km. 7.8 Blok A No. 9 Comp. Makro Medan Sunggal
	Kota Pinang	Jl. Bukit Kotapinang, Kel. Kotapinang, Kec. Kotapinang, Kab. Labuhanbatu Selatan
	Krakatau	Jl. Gunung Krakatau No. 191 A Medan
	Langsa	Jl. Ahmad Yani No. 108, Kota Langsa
	Lubuk Pakam	Jl. Dr. Sutomo No. 7 Lubuk Pakam, Deli Serdang
	Medan Fair Plaza	Jl. Gatot Subroto Plaza Medan Fair Lt. 1 No. 52-53 Medan
	Medan Karyajasa	Jl.Tritura, Ruko Titi Kuning Mas B-3, Medan
	Medan Sutomo	Jl. Sutomo Ujung No. 7/9, Kel. Gaharu, Kec. Medan Timur, Medan 20235
	Panyabungan	Jl. Willem Iskandar No. 117, Panyabungan Kota, Kab. Mandailing Natal 22913
	Plaza Millenium	Jl. Kapten Muslim NO. 111 Plaza Millenium Lt. Dasar No. 4-5, Medan
	Rantau Prapat	Jl. SM. Raja Simpang Mangga Atas, Kel. Bakaran Batu, Kec. Rantau Selatanm, Kab. Labuhan Batu
	Sabang	Jl. Oentoeng Suropati, Kel. Kota Atas, Kec. Sukakarya Sabang 23512
	Setui	Jl.Teuku Umar No. 232, Kelurahan Setui, Kec. Baiturahman, Banda Aceh 23243
	Sigli	Jl. Iskandar Muda No. 32 Blok Bengkel, Kec. Kota Sigli, Kab. Pidie-Sigli Aceh
	Stabat	Jl. Jend. Sudirman No. 14A, Kel. Perdamaian, Stabat
	Takengon	Jl. Lebee Kadir No. 243, Takengon, Blang Kolak, Bebesan, Aceh Tengah
	Tanjung Balai Asahan	Jl.Teuku Umar No. 120 Tanjung Balai 21312
Tanjung Morawa	Jl. Medan Km.17.5, Komp. Suzuya Plaza Blok A6, Tanjung Morawa, Deli Serdang	
Tarutung	Jl. Mayjend DI Panjaitan No. 143, Kec. Tarutung, Kab. Tapanuli Utara 22412	
Tebing Tinggi	Jl. Jend. Sudirman No. 405F Tebing Tinggi	
Wahidin	Jl. Dr. Wahidin No. 46 /4-AA Medan 20211	
Lubuk Pakam	Jl. Hasanuddin No. 1, Kel. Lubuk Pakam I,II, Kec Lubuk Pakam 20511	

REGION	NAME	ADDRESS
CENTRAL SUMATERA	Batam Center	Jl. Engku Putri Batam Centre Batam 29432
	Batam Penuin	Jl. Pembangunan Nusa Indah Komplek Penuin Regency No. 3-4 Batu Selicin Lubuk Baja Batam
	Dumai	Jl. Jendral Sudirman No. 153 Riau 28812
	Mall Ska	Mall SKA Lt. 2 Unit 23-26, Jl. Soekarno Hatta, Pekanbaru
	Padang	Jl. Khatib Sulaiman No. 51 Padang 25135
	Pekanbaru	Gd. Graha Merah Putih, Jl. Jend Sudirman No. 199 Pekanbaru
	Tanjung Balai Karimun	Komplek Karimun Centre Jl. A Yani No. 9-10 Kolong, Tg. Balai Karimun 29661
	Tanjung Pinang	Jl. Basuki Rachmat No. 9 Tanjung Pinang 29124
	Tembilahan	Jl. M Boya RT 004 RW 001 Tembilahan
	Bagan Batu	Jl. Jendral Sudirman No. 745, Bagan Batu, Kec. Bagan Sinembah, Kab. Rokan Hilir 28992
	Bagan Siapiapi	Jl. Pahlawan No. 74 Bagansiapiapi Rokan Hilir
	Bangkinang	Jl. DI. Panjaitan No. 88C, Depan Plasa Telkom Bangkinang, Kab. Kampar 28411
	Batu Sangkar	Jl. Ahmad Yani Pincuran 7, Kec. Lima Kaum Batusangkar, Kab. Tanah Datar, Sumatera Barat 27211
	Bengkalis	Jl. A Yani Depan Kantor Bupati, Bengkalis 28712
	Botania	Komp. Pertokoan Botania Garden Blok B12 No. 2B Batam
	Bukit Tinggi	Jl. Ahmad Karim No. 8c, Kel. Benteng Pasar Atas, Kec. Guguk Panjang, Bukittinggi 26100
	Dabo Singkep	Jl. Kartini No. 17A, Kec. Singkep, Kab. Lingga, Dabo Singkep 29871
	Duri	Jl. Hangtuh No. 10 RT 02 RW 10 Kel. Duri Barat, Kec. Mandau Duri, Riau 28884
	Lubuk Alung	Jl. Raya Padang Bukittinggi Pasar Lubuk Alung Padang Pariaman, Sumatera Barat 25581
	Mall Panbill	Lt. Dasar KD 2, Panbil Mall Muka Kuning, Batam 29433
	Nagoya Hill	Ruko Nagoya Hill Mall Blok O No. 12B-15, Kec. Lubuk Baja, Nagoya Batam, Kep. Riau 29432
	Natuna	Jl. Datok Kaya Wan Mohd Benteng No.116, Kec. Bunguran Timur, Kota Ranai, Kab. Natuna
	Simpang Aru	Jl. Imam Bonjol No. 21F, Kel. Pondok, Kec. Padang Selatan
	Pangkalan Kerinci	Jl. Lintas Timur No. 11, samping BPJS Kesehatan Pasar Baru Pangkalan Kerinci, Kab. Pelalawan, Riau 28300
	Pasaman	Jl. Jend. Soedirman Simpang Empat Selatan, Kec. Pasaman, Kab. Pasaman Barat, Sumatera Barat 26566
	Payakumbuh	Jl. Soekarno Hatta No. 37-39, Kel. Padang Tengah, Kec. Payakumbuh Barat, Sumatera Barat
	Pekanbaru Panam	Jl. HR Subrantas Km. 12,5 (samping Riau Pos), Panam
	Perawang	Jl. Raya Perawang No. 79 KM. 6, Kel. Perawang, Kec. Tualang, Kab. Siak, Riau 28772
	Rengat	Jl. Narasinga No. 04 Kambesko (Depan Kantor Pos), Rengat, Inhu, Riau-29300
	Selat Panjang	Jl. Diponegoro No. 107C, Kab. Kepulauan Meranti, Selatpanjang, Riau 28753
	Solok	Jl. M. Yamin No. 60, Kel. PPA, Kec. Tj. Harapan, Kota Solok 27322
	Sungai Rumbai	Jl. Lintas Sumatera depan lapangan sepak bola Sungai Rumbai, Kec. Sungai Rumbai, Kab. Dharmasraya
	Tanjung Batu	Jl. Jend. Sudirman No. 216 RT 02/03, Tanjung Batu Kota, Tanjung Batu Kundur, Kepri 29662
	Tanjung Uban	Jl. Permaisuri No. 2, Tanjung Uban (depan Wisma Pesona), Kab. Bintan 29152
Teluk Kuantan	Jl. Ahmad Yani No. 33 Koto Taluk, Kec. Kuantan Tengah, Kab. Kuantan Singingi	

REGION	NAME	ADDRESS
SOUTH SUMATERA	BELITUNG	Jl. Jend Sudirman No. 28 D-E Pangkal Lalang, Belitung 33412
	BENGGULU	Jl. Kapten Tendean No.86 Km.6,5 Bengkulu 38225
	Jambi	Jl. HM Yusuf Singadekane No.09 Telanaipura, Jambi 36122
	Lampung	Komp. Villa Citra Blok RE I-III Jl. P. Antasari, Bandar Lampung 35132
	Lubuk Linggau	Jl. Yos Sudarso No. 13 A, RT. 04, Kel. Taba Jemekeh, Kec. Lubuk Linggau Timur 1, 36125
	Muara Bungo	Jl. Jendral Sudirman No. 76, Muara Bungo 37214
	Palembang	Jl. Veteran No. 88A Palembang 30114
	Pangkal Pinang	Komp. Villa Bangka Asri No. 8 Jl. Raya Koba Pangkalpinang, Bangka 33171
	Alang Alang Lebar	Jl. Raya Palembang-Betung KM. 15 No. 10, Kel. Sukajadi, Kec. Talang Kelapa Banyuasin 30716 Alang-alang Lebar
	Bandar Jaya	Jl. Proklamator raya No. 71C, Bandar jaya Terbanggi Besar, Lampung Tengah 34162
	Batu Raja	Jl. Ahmad Yani No. 84, Kemalaraja Ata, Pasar Baru, Baturaja
	Belitang	Jl. Jendral Sudirman Komp. Ruko Belitang Mas Gumawang BK. 10 OKU Timur Sumsel 32382
	Betung	Jl. Palembang-Betung No. 76, RT.003/001 LK.I, Kel. Betung, Kec. Betung Banyuasin 30758
	Curup	Jl. M.Hasan No. 61 (samping Pasar Bang Mego), Kel.Pasar Tengah Curup, Bengkulu
	Hayam Wuruk	Jl. Hayam Wuruk No. 109/19, RT.9, Jambi
	Indralaya	Jl. Lintas Timur Palembang-Kayuagung Km. 36, Komplek Ruko TPI Blok B1, Indralaya Ogan Ilir Sumsel
	Kalianda	Jl. Kusuma Bangsa No.88B Kalianda Lampung Selatan 35513
	Kayu Agung	Jl. Letnan Muchtar Saleh Blok A No. 2 Ogan Komering Ilir, Sumsel
	Kedaton	Jl. Teuku Umar No.43C Kedaton Bandar Lampung 35147
	Kotabumi	Jl. Jend. Sudirman No. 414, Kotabumi, Kel. Tg Aman, Kec. Kotabumi Selatan, Kab. Lampung Utara
	Kuala Tungkal	Jl. Ki Hajar Dewantara No. 30B Kuala Tungkal
	Lahat	Jl. Kolonel Burlian No. 182 Talang Kapuk Kel. Pasar Lama Lahat, Sumsel 31413
	Manna	Jl. Letnan Tukiran No. 46, RT 002/RW 000, Kel. Pasar Baru, Kec. Kota Manna Bengkulu Selatan 38513
	MDP Palembang	Gedung MDP Lt.2, Jl. Jend. Sudirman KM 4 (simpang POLDA), Palembang 30128
	Merangin	Jl. Jend. Sudirman Lintas Sumatera KM 3, Kec. Nalotantan Kel. Sungai Ulak, Merangin, Jambi 37300
	Metro Lampung	Jl. Jendral Sudirman No. 282 Metro Lampung
	Muara Enim	Jl. Jendral Sudirman Talang Jawa Atas, Kel.Pasar III, Kab.Muara Enim 31315 (Samping Bank BRI)
Muntok	Jl. Jendral Sudirman Pal 2 Ruko Sin-Sin Desa Air Belo Bangka Barat, Kep. Bangka Belitung 33351	

REGION	NAME	ADDRESS
SOUTH SUMATERA	Natar	Jl. Raya Natar No 78E, Desa Merak Batin, Kec. Natar, Kota Lampung Selatan, Lampung 35362
	Palembang Kenten	Jl. MP.Mangkunegara No.2 RT.40 RW.017, Perumnas Sako Kenten, Kel.8 Ilir, Kec.Iilir Timur II Palembang 30163
	Palembang Square	Komp. Ruko Palembang Square Blok R 126 Jl. POM IX Palembang
	Prabumulih	Jl. Jend. Sudirman No. 2 (samping Jati Jepara), Kel.Muara Dua, Kec.Prabumulih Timur
	Pringsewu	Jl. Ahmad Yani No. 188A-B Pringsewu 35373
	Raden Intan	Jl. Raden Intan No.57A, Kel.Enggal, Kec. Enggal Bandar Lampung
	Rimbo Bujang	Jl. Pahlawan Unit 2 (depan Polsek), Kel. Wirotho Agung, Kec.Rimbo Bujang, Kab.Tebo, Jambi 37553
	Sarolangun	Jl. Lintas Sumatera KM 1, Kel. Augading, Simpang Raya RT.08 No. 2, Kab. Sarolangun, Jambi
	Sebrang Ulu	Jl. Ahmad Yani No. 30 RT.20 RW.01, Kel.13 Ulu, Kec.Seberang Ulu II, Palembang 30263
	Sekayu	Jl. Kol Wahid Udin No. 559D Ruko Sejahtera, Kec.Sekayu, Kab.Musi Banyuasin 30711
	Sribawono	Jl. Jend Sudirman No.16A, Kel.Srimenanti, Kec.Bandar Sribawono Lampung Timur 34199
	Sungai Liat	Jl. Jend. Sudirman, Ruko Permata Indah Blok C No.1, Kel. Sungai Liat, Kec. Sungai Liat, Kab. Bangka 33211
	Sungai Penuh	Jl. Jendral Sudirman No. 88A Amar Sakti, Kel.Pondok Tinggi Kota Sungai Penuh 37114
	Teluk Betung	Jl. Laksamana Malahayati No. 103, Kel.Kangkung, Kec.Teluk Betung Selatan Bandar Lampung 35224
	Tulang Bawang	Jl. Lintas Timur Unit 2 Kp. DWT Jaya, Kec.Banjar Agung, Kab.Tulang Bawang, Lampung 34595
WESTERN JABOTABEK	GTG BSD	Graha Telekomunikasi Lt. Dasar Jl. Raya Serpong Sektor IV BSD Tangerang 15322
	Central Park	Mall Central Park Lt. 3, Lot-116-118, Jl. Letjend S. Parman, Kav. 28, Jakarta 11470
	Cilegon	Graha Sucofindo Lt. 1, Jl. Jendral A. Yani No. 106, Cilegon 42426
	Serang	Jl. Raya Cilegon KM. 2, Kepandean, Serang
	Balaraja	Jl. Raya Serang KM. 24 No. 88, Balaraja (Depan PT Dharma Polimental), Tangerang, Banten 15610
	Bintaro	Mall Bintaro Jaya Xchange, CBD Bintaro Jaya Sektor VII Lt. G No.121 Tangerang Selatan 15227
	Cengkareng	Ruko Mutiara Palem Blok A2 No.11, Cengkareng, Jakarta 11730
	Cikupa	Ruko Belgie Blok B.05B No.1, Citra Raya Square II, Perumahan Citra Raya Cikupa, Jl. Raya Serang KM 14.7 Tangerang
	Ciputat	Jl. Dewi Sartika No. 71 D, Cipayung, Ciputat, Tangerang Selatan 15411
	Kebon Jeruk	Jl. Kebon Jeruk No. 24 RT 002/009 Batusari, Kel. Kebon Jeruk, Kec. Kebon Jeruk, Jakarta 11530
	Labuan	Jl. Perintis Kemerdekaan No. 24 C-D Labuan, Banten
	Mall Tangerang City	Mall Tangerang City Lt. LG Blok C61, Jl. Jend. Sudirman No. 1, Cikokol, Tangerang, Kec. Tangerang, Banten 15117
	Pandeglang	Jl. Lapangan Sukarela No.2E, Kadu Pandak Pandeglang 42213
	Rangkasbitung	Rangkas Bitung Plaza (RABINZA) Jl. RT Hardiwinangun Ruko Rabinsa Blok A No.15, Kel. Muara Ciujung Timur, Kec. Rangkas Bitung, Kab. Lebak 42314
	Summarecon Mall Serpong	Mall Summarecon Serpong 2 Lt. Unit 2 F-239, Tangerang, Banten 15810
	Supermal Karawaci	Supermall Karawaci e-Center, Lt. LG Blok A5/4-A5/7, Jl. Boulevard Diponegoro No. 105, Bencongan, Kelapa Dua, Tangerang, Banten 15810
	T3 Bandara	Jl. Pajang Kecamatan Tangerang, Kota Tangerang Bandara Soekarno-Hatta Kedatangan Gate 5 Lt. GF 19120
	Lounge Bandara	Bandara Soekarno Hatta Terminal 2

REGION	NAME	ADDRESS	
CENTRAL JAKARTA	Gandaria City	Mal Gandaria Lt. 1 unit 137-141 Jl. KH. Syafii Hazami No. 8, Jakarta 12240	
	Jakarta Pusat (Wisma Alia)	Wisma Alia Lt. 1-2, Jl. M. Ridwan Rais 10-18, Jakarta 10110	
	Bassura City Mall	Lt. 1, Jl. Basuki Rahmat No. 1A RT.008 RW.010 Jatinegara, Cipinang Besar, Jakarta 13410	
	Cempaka Mas	Lt. LG, Jl. Letjen. R. Suprpto, Sumur Batu, Kemayoran, Jakarta 14360	
	Cijantung	Mall Cijantung Lt. 1 No. 26-27, Cijantung, Jakarta 13770	
	Emporium Pluit	Emporium Pluit Mall, Jl. Pluit Selatan Raya Lt. 2, Jakarta 14440	
	Grand Indonesia	Mall Grand Indonesia Lt. 5, Jl. M.H Thamrin No.1, Jakarta 10310	
	Kota Kasablanka	Jl. Casablanca Raya Kav. 88, Lt. 2, Jakarta 12870	
	Mall Kelapa Gading 3	Mall Kelapa Gading 3, Lt. 2 Jl. Boulevard Kelapa Gading blok M RT 13/RW 18, Kelapa Gading Timur, Jakarta 14240	
	Mall Ambassador	Mall Ambassador Lt. 2 No. 46, Jl. Prof. Dr. Satrio, Jakarta 12940	
	Metro Cipulir Mall	Mall Metro Cipulir, Lt. LG Blok A No. 1, Jl. Ciledug Raya No. 1, Jakarta 12240	
	Pusat Grosir Cililitan	Lt. 3A, Jl. Mayjen Sutoyo No. 76 Cililitan Kramat Jati, Jakarta 13640	
	Plaza Semanggi	Plaza Semanggi Lt. 2 Kav. 046-047, Jl. Jend. Sudirman Kav. 50 Semanggi Jakarta 12930	
	Pluit	Ruko Muara Karang Raya No. 52 Pluit, Jakarta 14450	
	Pondok Bambu	Jl. Pahlawan Revolusi No. 41 Pondok Bambu, Jakarta 13470	
	Pondok Indah Mall	Street Gallery Lt. 2 No. 205, Pondok Indah Mall 3, Jl. Metro Pondok Indah Blok IIIB, Kebayoran Lama, Jakarta 12310	
	Roxy Mas	Komp. Ruko ITC Roxy Mas Blok D1 No.1-7, Jl. KH. Hasyim Ashari, Jakarta 10150	
	Sawah Besar	Jl. Sukarjo Wiryopranoto No. 3 & 3A, Sawah Besar, Jakarta 10120	
	Yos Sudarso	Jl. Yos Sudarso Kav. 23 - 24, Jakarta 14320	
	LOOP Station Mahakam	Jl. Mahakam 1 No. 3 Blok M, Jakarta 12130	
	Kalibata City	Jl. Raya Makam Pahlawan Apartement Kalibata City Blok C No.18, Jakarta 12750	
	EASTERN JABODETABEK	Cibubur	Lt. 2 Mal Ciputra Cibubur, Jl. Alternatif Cibubur/Jl. Raya Arteri Cibubur KM. 4 Cileungsi, Cibubur, Jawa Barat 17435
		Karawang	Jl. Galuh Mas Raya Ruko Broadway Blok 2 No. 1, Karawang 41361
		Sukabumi	Jl. RE Martadinata No. 71 Sukabumi
		Bekasi	Mall Bekasi Cyber Park, Jl. KH Noer Ali No. 177, Bekasi Selatan 17144
Bekasi Timur		Ruko Bekasi Town Square Blok I-2, Jl. Chairil Anwar, Bekasi Timur 17113	
Bogor		Jl. Raya Pajajaran No. 37 Bogor 16143	
Cibinong		Komplek Ruko Permata Cibinong No. 3A, Jl. Mayor Oking No. 60 Cibinong, Bogor	
Cicurug		Jl. Siliwangi Blok 2 No. 89, Cicurug, Sukabumi	
Cikampek		Jl. H. Juanda No. 20, Cikampek 41374	
Cikarang		Komplek Ruko 21, Jl. Raya Cibusah No. 21H, Kel. Sukaresmi, Kec. Cikarang Selatan, Kab. Bekasi 17530	
Cinere		Mall Cinere Lt. 2 No. 9 Cinere, Jawa Barat 16514	
ITC Depok		Mall ITC Depok, Lt. Dasar Blok A No. 5, Jl. Margonda Raya Depok 16423	
Jampang Kulon		Kampung Simpang Bungur, Jampang Kulon, Sukabumi, Jawa Barat 43178	
Leuwiliang		Jl. Raya Leuwiliang RT.02/RW.05 Kp. Lebak Kaum, Leuwiliang	
Margo City		Lt. 1 Blok L112 Margo City Mall, Jl. Margonda Raya Depok	
Pelabuhan Ratu		Jl. Siliwangi No. 47 Pelabuhan Ratu, Sukabumi	
Plaza Indah Bogor		Plaza Indah Bogor Blok BI - 5 Lt. 1 Jl. Sholeh Iskandar, Cimanggu Bogor	
Purwakarta		Jl. Terusan Ibrahim Singadilaga, Ruko Pembaharuan No. 12, Kel. Nagrikaler, Kec. Purwakarta 41115	

REGION	NAME	ADDRESS
WEST JAVA	Telkomsel Digilife Dago	Jl. Ir. H. Juanda No. 8 Citarum, Bandung Wetan, Kota Bandung, Jawa Barat 40116
	Cianjur	Jl. Abdullah bin Nuh No. 64-66 Cianjur
	Dago	Jl. Ir. H. Juanda no. 252 Bandung 40134
	Tasikmalaya	Jl. Panglayungan II No. 3 - 5 Tasikmalaya 46134
	Banjar	Jl. Let. Jend Suwanto No. 03 RT01 RW01 Kel. Hegarsari, Kec. Pataruman, Kota Banjar 46311
	Bantarkalong	Jl. Simpang No. 11 Bentar Kalong, Tasik
	BEC	Istana BEC Lt. LG Jl. Purnawarman No. 13-15 Bandung
	BTC	BTC Mall Jl. DR Djundjuran No. 143-149 Lt. GF Blok A1 No. 2-3 Bandung
	Ciamis	Jl. KH. Ahmad Dahlan No. 13B Ciamis
	Cimahi	Plaza Sangkuriang Jl Sangkuriang No 19-23, Cimahi
	Cirebon Super Blok	Mall Cirebon Superblok (CSB) Lt. 2, Jl. Dokter Cipto Mangunkusumo No. 26 Cirebon, Jawa Barat
	Garut	Jl. Pramuka Ruko IBC D-19 Depan Ramayana, Kel. Pakuwon, Kec. Garut Kota Kab. Garut
	Indramayu	Jl. D.I Panjaitan RT03/RW03 No.54, Indramayu 45212
	Jatibarang	Jl. Mayor Dasuki No. 58/82 Jatibarang, Kab. Indramayu 45273
	Kabupaten Cirebon (Ciledug Cirebon)	Ruko Simpang Tiga Jl.Merdeka Utara No. 1 Ciledug Cirebon 45188
	Kopo/Miko Mall (MTC)	Miko Mall Jl. Kopo No. 599 Lt. 1 Blok B1 20-30, Kel. Cirangrang, Kec. Babakan Ciparay Bandung 40255
	Kota Cirebon	Jl. Tuparev No. 57 Cirebon
	Kuningan	Jl. Siliwangi No. 196 Cigembang Purwawinangun Kuningan 45512
	Lembang	Jl. Raya Lembang No. 241 Lembang
	Majalaya	Ruko Permata Majalaya Blok B No. 2, Jl.Tengah 3 Majalaya 60882
	Majalengka	Jl. KH. Abdul Halim No. 158, Majalengka 45418
	MTC	Jl. Soekarno-Hatta No. 590, Ruko MTC D-18 Bandung 40286
	Padalarang	Jl. Rancabali No. 78A Padalarang Bandung Barat 40553
	Pamanukan	Jl. Ion Martasasmita No. 12F, Pamanukan, Subang 41254
	Pangandaran	Jl. Merdeka KM 0,5 RT03/RW03 Pananjung, Kec. Pangandaran, Ciamis 46395
	Rancaekek	Jl. Raya Rancaekek No. 151 Sumedang
	Singaparna	Jl. Raya Timur No. 212 Singaparna, Kab. Tasikmalaya
	Soreang	Jl. Al-Fathu Ruko Bale Sakanca Blok A.03 Desa Pamekaran, Kec. Soreang, Kab. Bandung 40912
	Subang	Jl. Kapt. Hanafiah Ruko C8, Kel. Karanganyar, Kec. Subang, Kab. Subang 41211
	Sumber	Jl. P .Cakrabuana - Kemantren Ruko Grand Duta 14A Sumber, Cirebon 45611
	Sumedang	Jl. Mayor Abdurrahman No. 154 Komplek Pujasera Sawopolo Sumedang
	Sunda	Jl. Sunda No. 16, Bandung 40112
	Ujung Berung	Jl. A.H. Nasution No. 228 Bandung 40614
Lembong	Jl. Lembong 15 Bandung	
LOOP Station Diponegoro	Jl. Diponegoro No.24 - Bandung	
Trans Studio Mall Bandung	Trans Studio Mall Lt. 3 Jl. Gatot Subroto No. 289 Cibangkong, Bandung, Jawa Barat 40273	
Festival Citylink	Jl. Peta No.241, Suka Asih, Bojongloa Kaler, Bandung, Jawa Barat 40232	

REGION	NAME	ADDRESS
CENTRAL JAVA	Kudus	Jl. Jend. Sudirman No. 69 Kudus
	Purwokerto	Gedung Telkom, Jl. Merdeka No. 26 Purwokerto 53116
	Semarang Mall Ciputra	Mall Ciputra Lt. Dasar, Jl. Simpang Lima No.1 Semarang 50241
	Semarang Pahlawan	Gedung Telkomsel Jl. Pahlawan No. 10 Semarang 50241
	Solo	Jl. Slamet Riyadi No. 310 Solo
	Tegal	Jl. Gajahmada No. 77 Tegal Jawa Tengah (bersebelahan dengan Gedung Telkom)
	Yogyakarta	Jl. Jend. Sudirman No. 60 Yogyakarta 55224
	Banjarnegara	Ruko Atrium Blok B-5, Jl. HOS Cokroaminoto Banjarnegara No. 39, Jawa Tengah 53412
	Banyumanik	Jl. Jati Raya Blok C-17 Banyumanik , Kabupaten Semarang, Jawa Tengah
	Batang	Jl. Raya Limpung (Jl. Jend Sudirman) Ruko No. 6 Limpung (selatan SD N 1 Limpung), Batang
	Boyolali	Jl. Pandanaran No. 23, Boyolali
	Cepu	Jl. Ronggolawe No. 67 Cepu-Blora
	Cilacap	Jl. S. Parman No. 30 Cilacap
	Cilacap Kroya	Plaza Telkom Jl. A Yani No. 70 Kroya Cilacap 53282
	Demak	Ruko C Jl. Sultan Fatah Demak
	Hartono Mall	Hartono Mall Lt. 1/B-11, Jl. Raya Ring Road Utara, Kel. Condong Catur, Kec. Depok, Kab. Sleman 55283
	Jepara	Jl. Pemuda No. 64 Jepara, Jawa Tengah
	Jogja City Mall	Jogja City Mall Lt.1, Jl. Magelang KM.6 No.18 Sinduadi, Sleman, DIY 55284
	Karanganyar	Jl. Lawu Barat, Pandes Papahan, Karanganyar
	Kebumen	Jl. H.M Sarbini No. 15A Kebumen 54311
	Kendal	Jl. Soekarno Hatta No.70 B Weleri, Kendal 51355
	Klaten	Jl. Veteran No. 22 Klaten
	Kulonprogo	Jl. Sutidjab 74, Kel. Wonosari Lor, Kec. Wates, Kulon Progo
	Yogyakarta Inner, Gedong Kuning	Jl. Gedong Kuning No. 94B, Rejowinangun, Kota Gede, Yogyakarta 55171
	Magelang	Jl. Jend. Sudirman No. 375 Magelang
	Pati	Jl. Pemuda No. 252 Pati, Jawa Tengah
	Pekalongan	Jl. Merdeka No.3D Pekalongan
	Pemalang	Jl. Jend. Sudirman, Ruko Swalayan Pemalang Permai Blok F, Pemalang
	Purbalingga	Jl. MT Haryono No. 18 Purbalingga Jawa Tengah
	Purwodadi	Ruko Grand City No.2B, Jl. R. Suprpto No. 60, Purwodadi
	Purworejo	Jl. KHA Dahlan No. 141
	Rembang	Jl. Diponegoro No. 28 Rembang
	Salatiga	Jl. Diponegoro, Ruko Wijaya Square Blok A No 5, Salatiga
	Sragen	Jl. Raya Sukowati No. 28E (Ruko depan Samsat Sragen), Sragen, Jawa Tengah
Hartono Mall Solo	Hartono Mall GF-C09 Jl. Ir Soekarno Madegondo Solo Baru Sukoharjo	
Temanggung	Jl. Jend. Sudirman No. 95, Ruko 1, Jampiroso, Temanggung	
Ungaran	Jl. Diponegoro No. 158 Ungaran	
Wonogiri	Jl. Pemuda II No. 1 Wonogiri	
Wonosari	Jl. KH Agus Salim No. 6 Kepek Wonosari	
Wonosobo	Jl. RSU Setjonegoro No. 10B, Wonosobo	
LOOP Station Yogyakarta	Jl. Trikora No. 2 Yogyakarta 55122	

REGION	NAME	ADDRESS
EAST JAVA	Banyuwangi	Jl. DR. Sutomo No. 63 Banyuwangi 68411
	Gresik	Jl. Usman Sadar No. 81 Gresik 61122
	Jember	Jl. Gatot Subroto 43 Jember
	Kediri	PT Telkom Kediri, Jl. Hayam Wuruk No. 45-47, Kediri 64122
	Madiun	Gedung Telkom Jl. Pahlawan No. 59 Madiun 63161
	Malang	Jl. S.Parman No. 47 Malang
	Probolinggo	Jl. Suroyo 16 Probolinggo
	Surabaya Bukit Darmo	Jl. Bukit Darmo Boulevard No.6 C-D, Surabaya
	Surabaya Pemuda	Gedung Graha Timbul Jaya, Jl. Pemuda No. 181 Surabaya 60271
	TTC HR Muhammad	Jl. HR Muhammad No. 46 Surabaya 60225
	WTC	Gedung WTC It.1 No. 164 - 171, Jl. Pemuda 27-31, Surabaya 60271
	Atom Mall	Jl. Bunguran45 Lt 1 Blok A-85 Surabaya
	Bangkalan	Jl. Trunojoyo 39C, Bangkalan
	Blitar	Ruko Melati 1E, Jl. Melati No. 1 Blitar
	Bojonegoro	Jl. Dr. Wahidin No. 9B Bojonegoro
	Bondowoso	Jl. Diponegoro No 24B Bondowoso
	Caruban	Jl. Panglima Sudirman No. 16 Caruban, Madiun 63153
	Ciputra World	Ciputra World Surabaya LG -55 Jl. Mayjend Sungkono 89 Surabaya
	Cyber Mall	Jl. Raya Langsep no. 2 Malang
	Genteng	Jl. Hassanuddin No.11, Genteng Wetan Banyuwangi
	Jombang	Jl. KH Wachid Hasyim No. 136E Jombang
	Kepanjen	Jl. Panji 154 Kepanjen 65163
	Lamongan	Jl. Veteran No. 12 (depan SMAN 2 Lamongan)
	Lawang	Jl. Raya Cipto 57 Bedali Lawang Malang
	Lumajang	Jl. Raya PB Sudirman 73 Lumajang Jawa Timur
	Magetan	Jl. Monginsidi No. 30 Magetan
	Mojokerto	Royal Ruko regency Jl. Pahlawan 7 Rk 5 Mojokerto
	Nganjuk	Ruko Mustika Square, Jl. Merdeka block 2A Nganjuk
	Ngawi	Jl. A Yani No 97, Ngawi
	Pacitan	Jl. P. Sudirman 180 Pacitan 63511
	Pamekasan	Gedung Telkom, Jl. Trunojoyo No. 67 Pamekasan
	Pandaan	Plaza Telkom Jl. A. Yani No. 56A Kasri, Pandaan
	Pare	Jl. A. Yani No. 6 Pare Kediri
	Pasuruan	Jl. Panglima Sudirman No. 122, Pasuruan
	Perak - Surabaya Utara	Jl. Perak Timur 40 B Surabaya
	Plaza Marina Surabaya	Mall Plaza Marina Lt.1 Blok B12-B21, Jl. Raya Margorejo Indah 97-99 Surabaya
	Ponorogo	Jl. Diponegoro No. 42 Ponorogo
	Rogojampi	Jl. Brawijaya No. 27 Muncar Banyuwangi
	Rungkut	Ruko MERR Square City 2B Pandugo
	Sidoarjo	Komp. Jenggolo Plaza Blok B-1, Jl. KH. Mukmin A-11 Sda
Situbondo	Jl. Kenanga No. 94 Situbondo	
Sumenep	Jl. KH Wachid Hasyim No. C-2 Sumenep 69417	
Taman (Wiyung)	Jl. Raya Taman No. 218 E Sidoarjo	

REGION	NAME	ADDRESS
EAST JAVA	Trenggalek	Jl. Panglima Sudirman No. 33, Trenggalek
	Tuban	Jl. Brawijaya No. 26 Tuban
	Tulungagung	Jl. Panglima Sudirman 45 Ruko Kanjengan Tulungagung
	Tunjungan Plaza	Tunjungan Plaza I Lt. 4 No 7-10, Jl. Basuki Rahmad 8-12 Surabaya
	LOOP Station Surabaya	Jl. Raya Darmo No. 110 Surabaya
	Sampang	Jl. Teja Timur RT 02 RW 06, Kel. Tejatimur, Kec. Pamekasan
	Galaxy Mall	Jl. Dharmahasuda Indah Timur No. 35 - 37 Galaxy Mall 1 Lt.2 unit 228 Surabaya
	Pondok Jati	Jl. Pd. Jati No.37, Pondokjati, Pagerwojo, Buduran, Kabupaten Sidoarjo, Jawa Timur 61252
	Dinoyo	Jl. Raya Dinoyo No.48, Keputran, Tegalsari, Jawa Timur 60265
BALI NUSA TENGARA	Denpasar	Gedung Plasa Telkom, Jl. Teuku Umar Nomor 6, Denpasar 80114
	Kupang	Jl. W.J. Lalamentik 88 Oebufu Kupang 85119
	Kuta	Mall Bali Galeria Lt. 2, Jl. By Pass I Gusti Ngurah Rai, Simpang Dewa Ruci Kuta Bali (Simpang Siur)
	Mataram	Jl. Pejanggik 47 F Mataram Lombok 83231
	Renon	Jl. Raya Puputan Renon No. 33, Renon, Denpasar
	Atambua	Jl. Adam Malik No. 5, Kel. Beirafu, Kec. Atambua Barat, Kab. Belu 85711
	Bima	Jl. Soekarno Hatta kelurahan Pane (depan Gedung Koni lapangan manggemaci) Kota Bima
	Gatsu	Jl. Gatot Subroto Timur no 36 C, Denpasar 80237
	Gianyar	Jl. By Pass Darmagiri Desa Buruan Kecamatan Blahbatuh Kabupaten Gianyar (Dewatacom)
	Gunung Agung	Jl. Gunung Agung 125B, Denpasar 80118
	Karang Asem	Jl. Jendral Sudirman No. 98 C Amlapura, karangasem, 80813
	Kefamenanu	Jl. Basuki Rahmat Kel. Benpasi, Kec. Kota Kefamenanu
	Lippo Mall Kupang	Jl. Veteran, Kel. Fatululi, Kec. Oebobo, Kupang, Nusa Tenggara Timur
	Lombok Epicentrum Mall	Jl. Sriwijaya No. 333, Mataram, NTB 83127
	Lombok Utara	Jl. Raya Tanjung komplek Pertokoan (Depan Lapangan Umum Super Semar) Tanjung, Lombok Utara, 83352
	Maluk Newmont	Jl. Raya Maluk No. 141 Maluk, Sumbawa Barat 84357
	Maumere	Jl Ahmad Yani Kelurahan Nangameting Kecamatan Alok Timur Kabupaten Sikka 86111
	Negara	Jl. Ngurah Rai 86, Negara 82217
	Nusa Dua	Jl. Bypass Ngurah Rai No. 122, Mumbul, Nusa Dua 80363
	Ruteng	Jl. Kartini No. 2, Desa Lawir, Kec. Langke Rembong, Kab. Manggarai 86516
	Selong	Jl. Pejanggik No.53 Pancor (Komplek Pertokoan Yanmar baru), Kel. Majidi, Kec. Selong, Lombok Timur 83611
	Singaraja	Jl. A. Yani No. 72 Singaraja 81116
	Soe	Ruko Baru Soe Jl. Hayam Wuruk No. 16A, Kel. Taubneno, Kota Soe, Kab. TTS, NTT 85511
	Sumbawa Besar	Jl. Mangga No.09 Kel. Umasima Sumbawa Besar, NTB
	Sunset Road	Jl. Sunset Road No. 16C Badung Bali
	Tabanan	Jl. Ir. Soekarno No. 99D (Bypass Kediri), Kec. Kediri, Tabanan 52151
	Taliwang	Jl. Jendral Sudirman No. 30 Taliwang, Sumbawa Barat 84355
	Waingapu	Kompleks Pertokoan Permata Sari Jl. Ahmad Yani No.4, Blok A2, Mentawai, Waingapu 87111

REGION	NAME	ADDRESS
KALIMANTAN	Banjarmasin	Jl. A. Yani KM.5,2 Banjarmasin 70249
	Bontang	Jl. Ahmad Yani No. 20 Bontang - Kalimantan Timur 75311
	Palangkaraya	Jl. Ahmad Yani No. 45 Komp. Telkom, Pahandut, Palangkaraya
	Pontianak	Jl. Gusti Sulung Lelanang No. 5 A, Pontianak 78117
	Samarinda	Komp. Mall Lembuswana Blok A 16-18, Jl. S. Parman Samarinda 75118
	Sudirman Balikpapan	Jl. Jend. Sudirman No. 1 Balikpapan 76114
	Tarakan	Jl. Mulawarman No. 12 Tarakan 77111
	Amuntai	Jl. A. Yani KM 1, Kec. Amuntai Tengah, Kab. Hulu Sungai Utara, Kalsel
	Banjarbaru	Jl. A. Yani KM 33.5 Loktabat Banjar Baru 70712
	Barabai	Jl. IR. P. H. M. Noor RT03, Kec. Barabai, Kab. HST, Kalimantan Selatan 71311
	Batulicin	Jl. Raya Batulicin RT.13 Tanah Bumbu Kalimantan Selatan
	Buntok	Jl. Panglima Batur No. 25 Buntok, Kalimantan Tengah 73711
	Handil	Jl. M. Hatta (Handil 3), Kec. Muara Jawa Kalimantan Timur
	Hr Arahman Pontianak	Jl. H.R.Arahman No. 168 Pontianak, Kalimantan Barat 78113
	Kandangan	Jl. Panglima Batur No. 36 Simpang 4 BRI Kandangan, Kalimantan Selatan 71212
	Kasongan	Jl. Cilik Riwut KM .1 Kasongan, Kalimantan Tengah
	Ketapang	Jl. S.Parman RT.038/RW002, Kel. Sukaharja, Ketapang , Kalimantan Barat 78851
	Kota Bangun	Jl. Sri Bangun No. 31 RT.19 Kec. Kotabangun Ulu, Kota Bangun
	Kotabaru	Jl. Veteran K.01 RT. 4 Kel. Dirgahayu (seberang Hotel Kartika), Kec. P.L Utara Kota Baru 72115
	Kuala Kapuas	Jl. Jend. A. Yani No. 37 RT. 12, Kel. Selat Hilir Kuala Kapuas, Kalimantan Tengah 73513
	Loajanan	Jl. Cipto Mangunkusumo No. 39 RT. 12, Kel. Harapan Baru, Kec. Loa Janan Ilir
	Malinau	Jl. Raya Pandita RT 06 No. 71B Malinau 77554
	Melak	Jl. K.H Dewantara No. 55 AB RT.26 Melak Ulu 75765, Kutai Barat
	Mt Haryono Balikpapan	Jl. Soekarno Hatta KM. 3 RT. 42 Kel. Gunung Samarinda Balikpapan Utara
	Ngabang	Jl. Pemuda No. 8. RT/RW 01/08 Dusun Tungkul, Desa Hilir Kantor, Kec. Ngabang, Kab. Landak 78357
	Nunukan	Jl. Tien Soeharto RT.13 No. 14, Kel. Nunukan Timur, Kec. Nunukan, Kab. Nunukan, Kalimantan Tenggara 77482
	Pangkalan Bun	Jl. Iskandar No. 99C Kel. MaduRejo, Pangkalan Bun - Kalteng
	Pelaihari	Jl. H.Boejasin No.09 RT.26 (samping Bank Mandiri Syariah) Pelaihari, Kalimantan Selatan 70814
	Penajam	Jl. Provinsi KM.18 Kel. Petung, Kec. Penajam, Kab Penajam Paseur Utara, Kalimantan Timur 76143
	Pulau Irian Samarinda	Jl. Pulau Irian No. 67, Samarinda
	Putussibau	Jl. Komyos Sudarso No 28 Putussibau, Kalimantan Barat
	Rantau	Jl. Brigjend H. Hasan Basri No. 3 Rantau, Kalimantan Selatan 71111
	S.parman Banjarmasin	Jl. S. Parman Ruko No. 4D Rt. 20/01 Pasar Lama, Banjarmasin Tengah
	Sambas	Jl. Terigas Ds. Saing Rambu, Dusun Sunsung RT. 14/RW.03 No.89 B Sambas, Kalimantan Barat 79462
	Sampit	Jl. MT Haryono No. 88 B Sampit, Kalimantan Tengah
	Sangatta	Jl. APT Pranoto No. 98D, Sangatta 15611, Kalimantan Timur
	Sanggau	Jl. Jend. Sudirman No. 13 Kel. Beringin Kec. Kapuas - Sanggau 78512
Sei Danau	Jl. Propinsi KM 167, Sei Danau, Kec. Satu, Kab. Tanah Bumbu, Kalimantan Selatan 72257	
Singkawang	Jl. Swadaya No. 02 Komp. Telkom, Kel. Pasiran, Kec. Singkawang Barat, Kalimantan Barat	
Sintang	Jl. MT Haryono KM 04. Samping SPBU Melawi Timur, Kel. Kapuas Kanan Hulu 78614	
Tanah Grogot	Jl. RM Noto Sunardi RT 4 Tanah Grogot Kalimantan Timur	

REGION	NAME	ADDRESS
KALIMANTAN	Tanjung	Jl. Ir PHM Noor RT. 08 Desa Mabuun, Kec. Murung Pudak, Kab. Tabalong, Kalimantan Selatan 71571 (400 meter dari tugu Obor arah ke tanjung)
	Tanjung Redep	Jl. Niaga 1 RT.1 No. 19 Tj. Redep, Berau 77311
	Tanjung Selor	Jl. Duku RT.15 Komp. Ruko No. 2 (Samping Star Swalayan) Tanjung Selor 77212
	Tenggarong	Jl. Patin No. 09 RT.28, Kel. Timbau, Kec. Tenggarong, Kab. Kutai Kartanegara Kalimantan Timur 75511
SULAWESI	Gorontalo	Jl. Jaksa Agung Suprpto No 22 Gorontalo 96115
	Kendari	Jl. A. Yani No. 8 Kendari 93117
	Makassar	Gedung Diva Jl. AP. Pettarani No. 2 Makassar 90222
	Manado	Jl. Pemuda No. 2, Sario Manado
	Palu	Jl. Mohammad Yamin No. 9 Palu
	Pare-Pare	Jl. Bau Maseppe 108 91111
	Amurang	Jl. Kantor Pos Lingk III, Uwuran 1, Kec. Amurang, Minahasa 95354
	Bau Bau	Jl. WR. Monginsidi (Pertigaan SPBU H. Karim) Kel. Bataraguru, Kec. Wolio, Bau Bau 93714
	Bitung	Jl. Sam Ratulangi, Kompleks Ruko Baru (Samping Kantor Pajak) Bitung
	Bone	Jl. Ahmad Yani (depan Alfamart) Kel. Jeppe E, Kec. Tanete Riattang Barat, Kab. Bone
	Bulukumba	Jl. Sam Ratulangi, Bulukumba
	Daya Makassar	Jl. Perintis Kemerdekaan Km. 15 Ruko Kimia Square B.A16, Makassar
	Gowa	Jl. Poros Sultan Hasanuddin No.146 B, Gowa (Depan Patung Adipura Gowa)
	Kolaka	Jl. Pramuka No. 30, Kolaka
	Kotamobagu	Jl. Adampe Dolot No. 168 Kel. Mogolaing (Depan Lapangan Mogolaing) Kotamobagu
	Luwuk	Jl. Kol. Sugiono Komplek Ruko Lalong, Luwuk Banggai Sulawesi Tengah 94715
	Makassar Trade Center	Jl. Ahmad Yani No. 49 MTC Lt.3 Blok P08-09, Makassar
	Mall Panakukkang	Jl. Adhyaksa No. 1, Panakukkang Square Lt. 2 Makassar
	Mamuju	Jl. Jendral Sudirman No. 20b. Kec. Simboro, Kab. Mamuju, Sulawesi Barat 91511
	Manado Town Square	Mantos Handphone Center (MHC), Komplek Mall Manado Town Square (Mantos), Jl. Piere Tendean Boulevard, Lt. Ground Floor (GF),Manado
	Marisa	Jl. Trans Sulawesi No. 133 Komplek Ruko Vanda Indah Kab. Pohuwato/Jl. Trans Sulawesi Kab. Pohuwato (depan PT Cargill)
	Maros	Jl. Jendral Sudirman No. 133, Maros
	Matoangin Square	Jl. Cendrawasih No. 218
	Osman Djafar Makassar	Jl. Usman Jafar No. 9, Makassar
	Palopo	Jl. Andi Djemma Kel. Tompotika Ruko 3-4 (Ruko Sinar Galesong) Palopo
	Pangkep	Jl. Kemakmuran No. 5B (Ruko Abadi), Pangkep
	Parigi	Jl.Trans Sulawesi Kel. Masigi, Kec. Parigi ,Kab. Parigi, 94471
	Pinrang	Jl. Jendral Sudirman No. 56 Kel. Jaya, Kec. Watang Sawitto, Kab. Pinrang
	Polman	Jl. Ahmad Yani No. 72B, Paliwali Mandar
	Poso	Jl. P. Irian Jaya No 8 (Samping Bank BNI), Kel. Kayamanya Sentral, Kec. Poso Kota, Kab. Poso, Sulawesi Tengah
	Raha	Jl. Lakilaponto Kel. Mangga kuning, Kec. Katobu
	Selayar	Jl. KH. Hayyung No. 97, Selayar
	Sengkang	Jl. A. Magga Amirullah, Kel. Teddaopu, Kec. Tempe, Kab. Wajo
	Sinjai	Jl. Persatuan Raya No. 13, Sinjai
	Soroako	Jl. Gamalama No. 1, Soroako
	Ternate	Jl. Kapitan Pattimura No. 124 Kel. Kalumpang Ternate

REGION	NAME	ADDRESS
SULAWESI	Tobelo	Jl. Bayangkara Ruko Amazi. Gamsungi Tobelo 97762
	Toli Toli	Jl. Usman Binol No. 25, Toli-Toli, Kel. Baru, Kec. Baolan Sulawesi Tengah 94514
	Tomohon	Jl. Raya Tomohon Kel. Kakaskasen, Lk. VI No. 238 Kec. Tomohon Utara, Tomohon
	Toraja	Jl. Pongtiku lemb. Rinding Batu Kec. Kesu (Samping Bank Pundi)
MALUKU PAPUA	Ambon	Gedung Telkom, Jl. Dr. J.B. Sitanala No. 9A Talake Ambon 97115
	Jayapura	Gedung Telkom, Jl. Koti No. 1 Jayapura
	Manokwari	Jl. Merdeka No.66 Manokwari (Samping Plaza Telkom)
	Sorong	Jl. Ahmad Yani No. 25 A-B Klademak Sorong 98414
	Timika	Jl. Hasanuddin Timika 99910
	Abepura	Jl. Raya Abepura Plasa Telkom
	Biak	Jl. Jendral Sudirman Ruko Pemda No. 4, Biak 98112
	Fak Fak	Jl. Salasa Namudat No. 11 Kompleks Ruko Pelabuhan, Fak Fak
	Merauke	Jl. Raya Mandala, Merauke 99616
	Nabire	Jl. Pepera Kantor Telkom Kelurahan Karang Mulia(depan Dinas Kehutanan) Nabire 98815
	Saumlaki	Jl. Ir. Soekarno Depan Kantor Agama Saumlaki
	Sentani	Jl. Raya Sentani Pojok (Kompleks Ruko BRI unit Hawaii), Sentani 99352
	Tembagapura	Retail Center - Mile 68 , Tembagapura, Timika - Papua 99930
	Tual	Jl. Gajah Mada/Tanah Putih Tual, Maluku
	Wamena	Jl.Tamberin Plasa Telkom Wamena
Masohi	Jl. Imam Bonjol (Belakang Bank Maluku Lama) Kec. Masohi, Kab. Maluku Tengah	

REGION	NAME	ADDRESS
INTERNATIONAL	GraPARI Kuala Lumpur	Chow Kit Lot 2044-2045 Jl. Tuanku Abdul Rahman seksyen 41 Kuala Lumpur 50480
	GraPARI Macau	26 R De Tome Pires Macau
	GraPARI Makkah	Lantai P3/Food Court di Grand Zam Zam/Abraj Al Bait (Depan Masjidil Haram)
	GraPARI Singapore	Lucky Plaza Building, 304 Orchard Road, unit 01-026, Singapore 238863
	GraPARI Tainan	Tainan City, North District Fu Bei Road No. 85
	GraPARI Taipei	Ruko No. 1A, Lantai B1, Taipei City Mall (Mall Bawah Tanah TMS pintu Y27, Beimen MRT Ext 3)
	GraPARI Tawau	Jalan Dunlop Tawau, Malaysia
	Plasa GraPARI Hong Kong	11 Keswick Street Causeway Bay (Depan KJRI Hong Kong)
	GraPARI Madinah	Hotel Al-Salihiya, Lantai M/RF, di depan pintu Masuk nomor 26 Masjid Nabawi, Madina Al Munawarah, Kode Pos 42311
	GraPARI Jeddah	Al Moallefeen Street, Al Rehab District 5, Jeddah 21411 (Depan KJRI Jeddah)
	GraPARI Chiayi	hiayi City, ZhongShan Road No. 522, Taiwan

AREA	GRAPARI TYPE	NUMBER OF GRAPARI OUTLET
1	GRA Mitra	86
2	GRA Mitra	72
3	GRA Mitra	95
4	GRA Mitra	80

CORPORATE DATA

Telkomsel's shareholders are PT Telekomunikasi Indonesia Tbk (TELKOM) and Singapore Telecom Mobile Pte Ltd (Singtel Mobile). TELKOM, which owns 65% of Telkomsel's issued share capital, is the largest full-service telecommunications operator in Indonesia. TELKOM is listed on the Indonesia Stock Exchange (IDX:TLKM) and the New York Stock Exchange (NYSE:TLK) and is majority owned by the Government of Indonesia. Singtel Mobile owns 35% of Telkomsel's issued share capital and is a wholly-owned subsidiary of Singapore Telecommunications Limited (Singtel). Singtel is Asia's leading communications group with a network of offices in the US, Europe, Asia-Pacific and Middle East. Singtel is listed on the Singapore Exchange (SGX:ST).

ADDRESSES OF SHAREHOLDERS



PT Telekomunikasi Indonesia Tbk
(TELKOM)

Graha Merah Putih

Jl. Japati No. 1, Bandung

Jawa Barat, Indonesia - 40133

Telepon : +62-22-4521404

Faksimili : +62-22-7206757

Website : www.telkom.co.id

COMPANY ADDRESS

PT Telekomunikasi Selular
(Telkomsel)

Telkom Landmark Tower, Tower 1

Jl. Jend Gatot Subroto Kav. 52,

Jakarta 12710, Indonesia

www.telkomsel.com

Investor Relations

e-mail: investor@telkomsel.co.id



Singtel Mobile

31 Exeter Road - Comcentre

Singapore 239732

Tel. +65-6838 3388

Fax. +65-6738 3769

www.singtel.com



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PT TELEKOMUNIKASI SELULAR (TELKOMSEL)

Telkom Landmark Tower, Tower 1
Jl. Jend Gatot Subroto Kav. 52,
Jakarta 12710, Indonesia
www.telkomsel.com