

**PERUSAHAAN PERSEROAN (PERSERO)
PT PERUSAHAAN LISTRIK NEGARA**

**ADB LOAN 4164-INO: SUSTAINABLE AND RELIABLE ENERGY ACCESS PROGRAM -
WESTERN AND CENTRAL JAVA (WESTERN AND CENTRAL JAVA - RESULTS
BASED LENDING PROGRAM)**

**SPECIAL - PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
ADB LOAN 4164-INO: SUSTAINABLE AND RELIABLE ENERGY ACCESS PROGRAM - WESTERN AND
CENTRAL JAVA (WESTERN AND CENTRAL JAVA - RESULTS BASED LENDING PROGRAM)
SPECIAL - PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**DIRECTORS' STATEMENT
REGARDING RESPONSIBILITY FOR
ADB LOAN 4164-INO: SUSTAINABLE AND RELIABLE ENERGY ACCESS
PROGRAM - WESTERN AND CENTRAL JAVA
(WESTERN AND CENTRAL JAVA - RESULT BASED LENDING PROGRAM)
SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND
EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2021**

**PERUSAHAAN PERSEROAN (PERSERO)
PT PERUSAHAAN LISTRIK NEGARA**

We state that:

1. We are responsible for the preparation and presentation of the Special-Purpose Statements of Program Receipts and Expenditures of the Asian Development Bank ("ADB") Loan 4161-INO: Sustainable and Reliable Energy Access Program - Western and Central Java (Western and Central Java - Result Based Lending Program) (the "Special-Purpose Statements") of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (the "Company").
2. The Special-Purpose Statements have been prepared and presented in accordance with Note 2a to the Special-Purpose Statements.
3. All information contained in the Special-Purpose Statements is complete and correct.
4. The Special-Purpose Statements do not contain misleading material information or facts and do not omit material information and facts.
5. We are responsible for the Company's internal control system.

For and on behalf of the Board of Directors,



SINTHYA ROESLY
Director of Finance and Risk Management

Jakarta, June 30 2022





INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA

We have audited the Special-Purpose Statements of Program Receipts and Expenditures of the Asian Development Bank ("ADB") Loan 4164-INO: Sustainable and Reliable Energy Access Program – Western and Central Java (Western and Central Java – Result Based Lending Program) (the "Special-Purpose Statements") of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (the "Company"), which comprise the actual program receipts and expenditures for the year ended 31 December 2021, and the cumulative actual program receipts and expenditure as at 31 December 2021 and a summary of significant accounting policies and other explanatory information. The Special-Purpose Statements have been prepared by management of the Company in accordance with the financial reporting provisions of the ADB 4164-INO Loan Agreement dated 31 December 2021 between the ADB and the Company, as disclosed in Note 2 to the Special-Purpose Statements.

Management's responsibility for the Special-Purpose Statements

Management is responsible for the preparation and the fair presentation of these Special-Purpose Statements in accordance with the financial reporting provisions disclosed in Note 2 to the Special-Purpose Statements, and for such internal control as management determines is necessary to enable the preparation of Special-Purpose Statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the Special-Purpose Statements present fairly, in all material respects, the actual program receipts and expenditures of ADB Loan 4164-INO for the year ended 31 December 2021, and the cumulative actual program receipts and expenditures as at 31 December 2021 in accordance with the financial reporting provisions as disclosed in Note 2 to these Special-Purpose Statements.

Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan

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Basis of accounting and restriction of distribution and use

Without modifying our opinion, we draw attention to Note 2 to the Special-Purpose Statements, which describes the basis of accounting. The Special-Purpose Statements are prepared to assist the Company to comply with the financial reporting provisions of ADB 4164-INO Loan Agreement referred to above. As a result, the Special-Purpose Statements may not be suitable for another purpose. Our report is intended solely for the Company and ADB and should not be distributed to or used by parties other than the Company and ADB.

JAKARTA,
June 30, 2022

A handwritten signature in blue ink, appearing to be "Yanto", written over a horizontal line.

Yanto, S.E., Ak., M.Ak., CPA
License of Public Accountant No. AP.0241

PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
ADB LOAN 4164-INO: SUSTAINABLE AND RELIABLE ENERGY ACCESS PROGRAM – WESTERN AND CENTRAL JAVA
(WESTERN AND CENTRAL JAVA - RESULTS BASED LENDING PROGRAM)
STATEMENTS OF ACTUAL PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

2021										
Description	Notes	Plan Receipts/Expenditures			Actual Receipts/Expenditures			Actual/Plan		
		ADB Rp	PLN Rp	TOTAL Rp	ADB Rp	PLN Rp	TOTAL Rp	ADB %	PLN %	TOTAL %
RECEIPTS		-	4,607,282	4,607,282	-	4,533,287	4,533,287	-	98.39	98.39
EXPENDITURES										
Distributions										
a. Capacity Expansion										
- Additional Asset related to energy access	4.1.a	-	2,835,425	2,835,425	-	2,820,262	2,820,262	-	99.47	99.47
- Rural Electrification	4.1.b	-	42,511	42,511	-	42,377	42,377	-	99.69	99.69
- Supporting Equipment	4.1.c	-	2,290	2,290	-	2,290	2,290	-	100.00	100.00
Subtotal		-	2,880,225	2,880,225	-	2,864,929	2,864,929	-	99.47	99.47
b. Capacity Strengthening										
- Network Reliability Enhancement	4.2.a	-	1,060,874	1,060,874	-	992,953	992,953	-	93.60	93.60
- Efficiency	4.2.b	-	666,183	666,183	-	675,405	675,405	-	101.38	101.38
Subtotal		-	1,727,057	1,727,057	-	1,668,358	1,668,358	-	96.60	96.60
TOTAL EXPENDITURES		-	4,607,282	4,607,282	-	4,533,287	4,533,287	-	98.39	98.39

PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
ADB LOAN 4164-INO: SUSTAINABLE AND RELIABLE ENERGY ACCESS PROGRAM – WESTERN AND CENTRAL JAVA
(WESTERN AND CENTRAL JAVA – RESULTS BASED LENDING PROGRAM)
STATEMENT OF CUMULATIVE ACTUAL PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

Cumulative as of December 31, 2021										
Description	Notes	Plan Receipts/Expenditures			Actual Receipts/Expenditures			Actual/Plan		
		ADB Rp	PLN Rp	TOTAL Rp	ADB Rp	PLN Rp	TOTAL Rp	ADB %	PLN %	TOTAL %
RECEIPTS		-	4,607,282	4,607,282	-	4,533,287	4,533,287	-	98.39	98.39
EXPENDITURES										
Distributions										
a. Capacity Expansion										
- Additional Asset related to energy access	4.1.a	-	2,835,425	2,835,425	-	2,820,262	2,820,262	-	99.47	99.47
- Rural Electrification	4.1.b	-	42,511	42,511	-	42,377	42,377	-	99.69	99.69
- Supporting Equipment	4.1.c	-	2,290	2,290	-	2,290	2,290	-	100.00	100.00
Subtotal		-	2,880,225	2,880,225	-	2,864,929	2,864,929	-	99.47	99.47
b. Capacity Strengthening										
- Network Reliability Enhancement	4.2.a	-	1,060,874	1,060,874	-	992,953	992,953	-	93.60	93.60
- Efficiency	4.2.b	-	666,183	666,183	-	675,405	675,405	-	101.38	101.38
Subtotal		-	1,727,057	1,727,057	-	1,668,358	1,668,358	-	96.60	96.60
TOTAL EXPENDITURES		-	4,607,282	4,607,282	-	4,533,287	4,533,287	-	98.39	98.39

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NOTES TO SPECIAL - PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL

Indonesia is a large, lower-middle-income country with a domestically driven economy and strong growth potential, with the nominal gross domestic product (“GDP”) surpassing \$1.1 trillion. From 2015 to 2019, Indonesia’s output growth averaged 5.0%, supported by low inflation and a credible fiscal framework. Java dominates Indonesia’s economy, contributing 59% of the national GDP in 2020. It hosts most manufacturing hubs and 62% of the country’s micro and small enterprises. Java has achieved the national goal of universal electricity access; however, power quality issues, frequent interruptions, and electricity losses undermine its economic growth. Grid strengthening could have prevented the major blackouts in Western and Central Java, including Jakarta, in 2019 and again in 2020. To achieve sustained and higher economic growth, Java will require 259 terawatt-hours of electricity by 2030 or 66.4% of the country’s total projected demand. Meeting this demand requires strengthening Java’s power grid.

Perusahaan Perseroan (Persero) Perusahaan Listrik Negara (“PLN”) is the sole state-owned power utility in Indonesia and, together with its subsidiaries, PLN is responsible for the generation, transmission, distribution, and retail sale of electricity. The Asian Development Bank (“ADB”) was their first development partner in Indonesia to support energy programs through the results-based lending (“RBL”) modality, which has enabled close collaboration both with PLN and key development partners. ADB supported multiple phases of the RBL program. The program is aligned with ADB’s Strategy 2030 and contributes to six operational priorities. It is also aligned with ADB’s country partnership strategy for Indonesia, 2020-2024, which emphasises economic recovery through sustainable and resilient energy infrastructure, and is included in ADB’s country operations business plan, 2021-2023. The program contributes to achieving Sustainable Development Goal 7 (affordable, reliable, sustainable, and modern energy for all) and Sustainable Goal 13 (climate action).

The RBL modality is suitable as it will (i) provide incentives for governance and efficiency reforms within the PLN’s systems; (ii) reduce high transaction costs associated with scattered small investments; (iii) increase accountability for delivering and sustaining results; (iv) consolidate gains in PLN’s institutional strengthening from previous RBL programs; (v) provide incentives for clean and renewable energy initiatives; and (vi) leverage financing and improve development partner coordination.

The program will enhance access to sustainable and reliable energy for the population in Western and Central Java regions and finance a slice of the broader program in PLN’s Electricity Power Supply Business Plan (RUPTL) 2021-2030. The program covers five provinces in the Western and Central parts of Java island: Banten, West Java, Central Java, Jakarta Special Capital Region (“DKI-Jakarta”), and Yogyakarta Special Region (“DI-Yogyakarta”), home to 41% of Indonesia’s 270 million population.

PLN and ADB have agreed on an RBL program size of \$1,411 million, of which the proposed loan will finance \$600 million. The RBL program scopes are as follows:

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NOTES TO SPECIAL – PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

Items	Broader PLN Program	Results-Based Lending Program
Outcome	Energy security enhanced	Access to sustainable and reliable energy for the population in Western and Central Java enhanced.
Key outputs	i. Power generation capacity increased. ii. Power grid rehabilitated, strengthened, and expanded. iii. Clean energy use increased. iv. Institutional capacity strengthened. v. Client interface improved.	i. Power grid rehabilitated, strengthened, and expanded. ii. Clean energy use promoted. iii. Institutional capacity strengthened.
Expenditure size	\$11,292.1 million	Total: \$1,411 million PLN: \$811 million (58%) ADB: \$600 million (42%)
Geographic coverage	Banten, DKI-Jakarta, West Java, Central Java, DI-Yogyakarta	Banten, DKI-Jakarta, West Java, Central Java, DI-Yogyakarta
Implementation period	January 2021–December 2025	January 2021–December 2025

ADB = Asian Development Bank, PLN = Perusahaan Listrik Negara (State Electricity Corporation).

Sources: ADB and PLN.

The RBL program's impact will enhance the quality of life in Indonesian society through the provision of reliable electricity. The outcome will be enhanced access to sustainable and reliable energy for the population in Western and Central Java, with four outcome-level disbursement-linked indicators (DLIs) to measure program results. Reliability will be measured by the System Average Interruption Frequency Index (SAIFI) (DLI 1) and the reduction in the average duration of recovery per medium voltage (MV) feeder line interruption (DLI 2). Clean energy use is measured by PLN energy sales at electricity charging stations (DLI3). PLN's efforts to strengthen financial sustainability will be measured by the earnings before interest, taxes, depreciation, and amortisation as a percentage of revenue margin (DLI 4). An indicator not linked to disbursement will track transmission and distribution losses. Three output level results contribute to the outcome:

- i. Power grid rehabilitated, strengthened, and expanded. This output will be tracked by DLIs that monitor (i) the reconductoring (replacing the current carrying conductors) of transmission lines and the rehabilitation or extension of MV distribution lines (DLI 5); and (ii) the enhancement of the power grid automation and other upgrades (DLI 6). DLI 6 will support upgrading the Java-Bali load dispatch centre ("UIP2B") to a modern central transmission control centre, and the installation of remote-controlled distribution switchgear. The program will also support a geographic information system ("GIS")-based, integrated distribution management system for assets, customer services, and operations and maintenance, and the expansion of an advanced electrical metering system.
- ii. Clean energy use is promoted. This output will support the development of a new business model to expand the PLN-owned solar photovoltaic systems on rooftop spaces connected to the PLN grid (DLI 7). An indicator not linked to disbursement will track the expansion of electricity supply and electric vehicle ("EV") charging stations. This output will also support training PLN staff nationwide, including female professionals, on emerging technologies, such as grid automation, EV charging, and energy storage (DLI 8), with partial support from a technical assistance grant.
- iii. Institutional capacity strengthened. This output will (i) improve asset and waste management through rehabilitating warehouses and constructing new hazardous waste storage facilities to meet improved health, safety and environmental criteria (DLI 9); (ii) strengthen PLN's procurement system by expanding and monitoring the e-procurement and systems, applications and products in data processing (enterprise resource planning software) ("SAP") integrated system (DLI 10); and (iii) support PLN to conduct consumer education on safe and productive energy use through more inclusive outreach with at least 30% female participation (DLI 11).

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NOTES TO SPECIAL – PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

On December 31, 2021, PLN and ADB entered into Loan Agreement No. 4164-INO under which ADB agreed to lend to the PLN from ADB's ordinary capital resources an amount of US\$600 million. The loan is to be guaranteed by the Republic of Indonesia ("Guarantor") under the terms of an even date herewith between the Guarantor and ADB. The loan agreement was declared effective on May 31, 2022. The maturity date of the ADB Loan No. 4164-INO is October 15, 2041 and the loan closing date is December 31, 2025.

PLN as the Company, is required to comply with certain covenants, as stated in the loan agreement dated December 31, 2021. Among other things, the Company has to comply with financial covenants including: (1) for the fiscal Year ending 31 December 2021 and for each succeeding fiscal year, the Company shall achieve a self-financing ratio of at least 15%, (2) its net revenues for the 12 months prior to the date of such incurrence shall be at least 1.2 times for each of its fiscal years beginning from fiscal year December 31, 2021, of its estimated maximum debt service requirements for any succeeding fiscal year on all its debt, including the debt to be incurred, and (3) the ratio of debt to equity shall not be greater than 75 to 25.

The program is expected to be completed by December 31, 2025. A summary of the program expenditures framework for the RBL program 2021 - 2025 is as follows:

Results-Based Lending Program			
Items	Amount in US\$ million	Equivalent Rp.	Share of Total (%)
Distribution			
A. Capacity expansion	235.6	3,361,776	16.7
B. Capacity Strengthening	432.1	6,165,635	30.6
Corporate social responsibility budget	175.5	2,504,210	12.4
Environmental management	372.4	5,313,776	26.4
Subtotal	1,215.5	17,345,397	86.1
Physical contingencies	121.5	1,733,684	8.6
Price contingencies	74	1,055,906	5.2
Total	1,411.0	20,134,987	100.0

Sources: ADB and PLN estimates

US\$ 1 = Rp 14,269 (Using conversion currency on December 31, 2021 as at the date of loan signing)

DLIs are the indicators outlined in the loan agreement which the borrower is required to achieve to withdraw the amount of loan proceeds allocated in the withdrawal table. The annual DLI indicators, known as the DLI matrix, based on the loan agreement are as follows:

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NOTES TO SPECIAL – PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES
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(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

DLI	Baseline and year	Prior Results (2020)	2021	2022	2023	2024	2025
DLI 1. Reliability: SAIFI reduced to less than 7.44 interruptions/customer	Baseline 2018-2019 average: SAIFI 8.06 interruptions/customer	-	SAIFI is less than 8.46 interruptions/customer	SAIFI is less than 8.12 interruptions/customer	SAIFI is less than 7.86 interruptions/customer	SAIFI is less than 7.59 interruptions/customer	SAIFI is less than 7.44 interruptions/customer
DLI 2. Reliability: Average duration of recovery per permanent interruption in MV feeders reduced to less than 51.4 minutes/interruption	Baseline 2018-2019 average: 53.8 minutes/interruptions	-	Average duration of recovery is less than 58.6 minutes/interruption	Average duration of recovery is less than 56.8 minutes/interruption	Average duration of recovery is less than 55 minutes/interruption	Average duration of recovery is less than 53.2 minutes/interruption	Average duration of recovery is less than 51.4 minutes/interruption
DLI 3. Clean energy: Energy sales at PLN electricity supply and EV charging stations increased to at least 4,500,522 kWh at SPLU; 414,661 kWh at SPKLU-POSO	2020 baseline: PLN energy sales 2,891,365 kWh at SPLU; 264,144 kWh at SPKLU-POSO	-	PLN energy sales are at least: 2,931,435 kWh at SPLU; 292,634 kWh at SPKLU-POSO	Cumulative PLN energy sales are at least: 3,187,824 kWh at SPLU; 321,546 kWh at SPKLU-POSO	Cumulative PLN energy sales are at least: 3,529,785 kWh at SPLU; 351,421 kWh at SPKLU-POSO	Cumulative PLN energy sales are at least: 3,961,155 kWh at SPLU; 382,371 kWh at SPKLU-POSO	Cumulative PLN energy sales are at least: 4,500,522 kWh at SPLU; 414,661 kWh at SPKLU-POSO
DLI 4. Financial management: EBITDA margin in the JAMALI region increased by 0.25 percentage points each year from the baseline year	2020 baseline: EBITDA margin 20% (provisional)	-	EBITDA margin in the JAMALI region increased by 0.25 percentage points from the baseline year	EBITDA margin in the JAMALI region increased by 0.5 percentage points from the baseline year	EBITDA margin in the JAMALI region increased by 0.75 percentage points from the baseline year	EBITDA margin in the JAMALI region increased by 1 percentage points from the baseline year	EBITDA margin in the JAMALI region increased by 1.25 percentage points from the baseline year
DLI 5A. Transmission distribution lines upgraded. Total transmission lines reconductoring reaches an additional 589 ckm or more	2020 baseline: 0 ckm transmission lines reconductored	-	Transmission lines reconductored by an additional 0 ckm or more	Transmission lines reconductored by an additional 171 ckm or more	Transmission lines reconductored by an additional 208 ckm or more	Transmission lines reconductored by an additional 8380 ckm or more	Transmission lines reconductored by an additional 589 ckm or more
DLI 5B. Transmission distribution lines. MV distribution lines rehabilitated and/or extended by an additional 9,775 ckm or more	2020 baseline: 0 ckm distribution lines rehabilitated/extended	-	Distribution lines rehabilitated/extended by an additional 1,638 or more (cumulative)	Distribution lines rehabilitated/extended by an additional 1,638 or more (cumulative)	Distribution lines rehabilitated/extended by an additional 1,638 or more (cumulative)	Distribution lines rehabilitated/extended by an additional 1,638 or more (cumulative)	Distribution lines rehabilitated/extended by an additional 1,638 or more (cumulative)

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FOR THE YEAR ENDED DECEMBER 31, 2021
(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

DLI	Baseline and year	Prior Results (2020)	2021	2022	2023	2024	2025
DLI 6A. Power Grid Automation: UIP2B upgraded to a modernised central transmission control centre	2020 baseline: UIP2B not modernised	(i) Feasibility study finalised (ii) Bidding documents for consultancy firm completed	(i) Consultancy firm for control centre buildings and advanced SCADA/EMS is contracted. (ii) Basic designs of control centre buildings and advanced SCADA/EMS master stations are completed. (iii) A firm is contracted for the construction of the main and disaster recovery control buildings.	(i) Construction of main and disaster recovery control centre buildings is 30% completed (ii) Contract for advanced SCADA/EMS is signed	(i) Construction of main and disaster recovery control centre buildings is 100% completed (ii) Supporting functions of main and disaster recovery control centre buildings are commissioned	(i) Advanced SCADA/EMS is installed (ii) Advanced SCADA/EMS Master Station is commissioned	(i) Migration to new SCADA and Telecommunication system is completed (ii) Migration of LFC/AGC is completed (iii) Advanced centralised control centre UIP2B fully operational
DLI 6B. Power Grid Automation: Remotely-controlled distribution switch gear increased by an additional 3,406 units, or more	2020 baseline: 0 remotely-controlled distribution switch gear installed by the program	-	Remotely-controlled distribution switch gear increased by 479 units or more	Remotely-controlled distribution switch gear increased by 1052 units or more	Remotely-controlled distribution switch gear increased by 1799 units or more	Remotely-controlled distribution switch gear increased by 2580 units or more	Remotely-controlled distribution switch gear increased by 3406 units or more
DLI 7. Solar Energy: New PLN-owned business model for rooftop solar PV systems established, including the cumulative electricity produced from solar PV installation on rooftops	2020 baseline: No new business model for PLN owned rooftop PV system	New rooftop PV decree approved	(i) Regulations and technical/commercial guidelines for new rooftop PV project officially issued (ii) Completed business plan approved for implementation	(i) Socialisation conducted by EVP Marketing and Customer Service to Account Executives at PLN Units, Subsidiaries and Priority Account Executives (ii) New SOP's integrated into PLN system (AP2T) (iii) First customer installation completed (media event)	Solar PV installed with a cumulative energy output of 1.2 GWh delivered to customers or to the grid in the program area	Solar PV installed with a cumulative energy output of 5.1 GWh delivered to customers or to the grid in the program area	Solar PV installed with a cumulative energy output of 11.5 GWh delivered to customers or to the grid in the program area
DLI 8. Staff capacity: at least 11,038 PLN staff (at least 23% women) trained nationwide demonstrate improved understanding and application of emerging technologies	2020 baseline: 0 trained by the program	-	(i) Guidelines and manuals developed for new emerging technologies such as EV charging, rooftop solar PV, and distribution management systems. (ii) 2,226 PLN staff trained, including at least 20.5% women (iii) improved understanding and application/use of emerging technologies validated via staff outreach activities (e.g. surveys, FGDs)	4,436 PLN staff trained (cumulative), including at least 21% women	4,436 PLN staff trained (cumulative), including at least 21.5% women	4,436 PLN staff trained (cumulative), including at least 22% women	4,436 PLN staff trained (cumulative), including at least 23% women

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(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

DLI	Baseline and year	Prior Results (2020)	2021	2022	2023	2024	2025
DLI 9A. Waste and asset management: 29 warehouses improved	2020 baseline: 0 warehouses improved	-	At least 6 warehouses improved to meet environmental and safety criteria	At least 12 warehouses improved to meet environmental and safety criteria (cumulative)	At least 19 warehouses improved to meet environmental and safety criteria (cumulative)	At least 23 warehouses improved to meet environmental and safety criteria (cumulative)	At least 29 warehouses improved to meet environmental and safety criteria (cumulative)
DLI 9B. Waste and asset management: 19 new TPS-LB3 built to meet environmental and safety criteria	2020 baseline: 0 new TPS-LB3 built	-	At least 6 new TPS-LB3 built to meet environmental and safety criteria	At least 13 new TPS-LB3 built to meet environmental and safety criteria (cumulative)	At least 15 new TPS-LB3 built to meet environmental and safety criteria (cumulative)	At least 17 new TPS-LB3 built to meet environmental and safety criteria (cumulative)	At least 19 new TPS-LB3 built to meet environmental and safety criteria (cumulative)
DLI 10. Procurement system: Percentage of contracts in financial value that are recorded in E-Procurement + SAP integrated system reaches (i) at least 90% for UIP2B (ii) at least 85% for all other offices (UID-Jaya, UID-Banten, UIT-JBB, UID-Jabar, UID-Jateng, UIT-JBT)	2020 baseline: Percentage of the financial value recorded in E-Procurement + SAP integrated system (i) UIP2B 88% (ii) 1% for the rest UID-Jaya 0% UID-Banten 0% UIT-JBB 0% UID-Jabar 0% UID-Jateng 4% UIT-JBT 0%	-	Percentage of contracts in financial value recorded in E-Proc +SAP integrated system: (i) UIP2B 88% (ii) UID-Jaya 10% UID-Banten 10% UIT-JBB 10% UID-Jabar 10% UID-Jateng 10% UIT-JBT 5%	Percentage of contracts in financial value recorded in E-Proc +SAP integrated system: (i) UIP2B 88% (ii) UID-Jaya 30% UID-Banten 30% UIT-JBB 30% UID-Jabar 30% UID-Jateng 30% UIT-JBT 15%	Percentage of contracts in financial value recorded in E-Proc +SAP integrated system: (i) UIP2B 88% (ii) UID-Jaya 50% UID-Banten 50% UIT-JBB 50% UID-Jabar 50% UID-Jateng 50% UIT-JBT 30%	Percentage of contracts in financial value recorded in E-Proc +SAP integrated system: (i) UIP2B 90% (ii) UID-Jaya 65% UID-Banten 65% UIT-JBB 65% UID-Jabar 65% UID-Jateng 65% UIT-JBT 50%	Percentage of contracts in financial value recorded in E-Proc +SAP integrated system: (i) UIP2B 90% (ii) UID-Jaya 85% UID-Banten 85% UIT-JBB 85% UID-Jabar 85% UID-Jateng 85% UIT-JBT 85%
DLI 11. Community education: Participants in the consumer education workshops in each of PLN's 52 UP3 offices, at least 30% women, demonstrate increased knowledge on safe and productive energy use	2020 baseline: 0 consumer education workshops on safe and productive energy use	-	Training materials developed and shared with UP3 offices	One workshop in each of the 13 UP3 with minimum 30% female participation	One workshop in each of the 31 UP3 with minimum 30% female participation (cumulative)	One workshop in each of the 42 UP3 with minimum 30% female participation (cumulative)	One workshop in each of the 52 UP3 with minimum 30% female participation (cumulative)

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2. SIGNIFICANT ACCOUNTING POLICIES OF THE SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES

a. Presentation of Statements of Program Receipts and Expenditures

The special-purpose statements of program receipts and expenditures have been prepared in the format and basis agreed upon between ADB and the Company, which are not intended to be a presentation in conformity with Indonesian Financial Accounting Standards. These special-purpose statements of program receipts and expenditures were prepared for the purpose of complying with Section 4.02 of the loan agreement of ADB loan 4164-INO between ADB and the Company.

The special-purpose statements of program receipts and expenditures were compiled from an account held by the Company, which were prepared in accordance with Indonesian Generally Accepted Accounting Principles; therefore, the special-purpose statements of program receipts and expenditures only present the account that is directly related to the Sustainable and Reliable Energy Access Program - Western and Central Java.

The special-purpose statements of program receipts and expenditures are presented in Rupiah.

b. Basis for Withdrawal

- ADB

The withdrawal table sets out the amount available for withdrawal upon the borrower's achievement of the corresponding DLI targets as set out in the DLI matrix. Except as otherwise agreed by ADB, the withdrawal table shall form the basis for withdrawal from the Loan Account. The amount allocated for ADB Financing regarding the loan agreement issued on December 31, 2021 is as follows:

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (\$ million)							
DLI	Total ADB Financing Allocation	Financing for Prior Results	2021	2022	2023	2024	2025
DLI 1	90		18	18	18	18	18
DLI 2	60		12	12	12	12	12
DLI 3	30		6	6	6	6	6
DLI 4	12		2.4	2.4	2.4	2.4	2.4
DLI 5A	60		0	24	12	12	12
DLI 5B	90		18	18	18	18	18
DLI 6A	30	5	5	5	5	5	5
DLI 6B	90		18	18	18	18	18
DLI 7	18	3	3	3	3	3	3
DLI 8	12		2.4	2.4	2.4	2.4	2.4
DLI 9A	30		6	6	6	6	6
DLI 9B	30		6	6	6	6	6
DLI 10	30		6	6	6	6	6
DLI 11	18		3.6	3.6	3.6	3.6	3.6
TOTAL	600	8	106.4	130.4	118.4	118.4	118.4

- PLN

The withdrawal is performed according to the approval set by management through the issuance of Surat Kuasa Investasi ("SKI").

- Others

The withdrawal from the others account will be set and agreed upon with parties according to the respective loan agreement.

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2. SIGNIFICANT ACCOUNTING POLICIES OF THE SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES (continued)

c. Financing Disbursement

- ADB

PLN will submit a withdrawal application reporting on the achievement of the DLIs. Disbursement will be made subject to verification by an Independent Verification Agency (“IVA”) in accordance with the agreed verification protocols. If a target has not been fully achieved but partial disbursement has been agreed for that DLI, ADB will determine the amount to be disbursed based on the level of achievement. Loan proceeds will be disbursed to PLN’s general account with a commercial bank. The proceeds of the loan are to finance the expenditures of the program in accordance with the provisions of the Loan agreement.

- PLN

The disbursement is based on the payment voucher issued by the Company.

- Others

The disbursement will be set and agreed with parties according to the respective loan agreements.

d. Plan Program Expenditures

The plan program expenditures for each region in Western and Central Java are presented based on ADB and PLN estimation.

e. Actual Program Expenditures

- ADB

The aggregate amount of eligible expenditures under the program is equal to or exceeds the loan proceeds withdrawn by the borrower for the program. Such eligible expenditures are part of the expenditures incurred under the PLN’s program, but they exclude any expenditures for (a) procurement of works, goods, and services from countries which are not members of ADB; (b) procurement of works, goods, and services from persons or entities debarred or suspended by ADB; (c) procurement involving High-Value Contracts; (d) any activities which involve any significant adverse environmental or involuntary resettlement impacts, both within the meaning of the ADB’s Safeguard Policy Statement; and (e) any activities which are prohibited investment activities provided in Appendix 5 of ADB’s Safeguard Policy Statement.

The units within the Region of Western and Central Java paid to contractor for any transactions related to the program with the PLN budget (“APLN”). Regional Development of Jawa Madura Bali (“RJP”), which act as Project Management Units, must screen the eligible expenses for reimbursement with the ADB-RBL fund. Based on the approval from RJP, the eligible expenses will be forwarded to Treasury Division and will transfer a certain amount of money from the defined escrow account related to ADB-RBL to PLN’s account.

- PLN

Expenditures are based on the payment vouchers issued by the Company.

- Others

Expenditures incurred will be settled according to the respective loan agreements.

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2. SIGNIFICANT ACCOUNTING POLICIES OF THE SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES (continued)

f. Deposit Account

Prior to submitting the first application to ADB for withdrawal from the loan account, the Borrower shall nominate an account at a commercial bank as the deposit account for the Program to ADB into which all withdrawals from the loan account shall be deposited. The deposit account shall be managed and liquidated in accordance with terms and conditions satisfactory to ADB. Referring to paragraphs 2 and 3 of Schedule 3 to the loan agreement, PLN shall maintain separate records in respect of the deposit account in accordance with the accounting principles acceptable to ADB. Loan proceeds will be disbursed to PLN's general account with a commercial bank.

3. ALLOCATION AND WITHDRAWAL OF LOAN AND GRANT PROCEEDS

Proceeds from the loan withdrawal were used for the purposes of the project in accordance with the loan agreement. Goods and services have also been procured in accordance with the internal procurement guidelines.

Since the loan from ADB will just be declared effective on May 31, 2022, PLN finances the expenditures with its own funding amounting to Rp4,533,287 million in 2021, and, as of December 31, 2021, PLN has not withdrawn proceeds from the ADB's loan account.

4. ACTUAL PROGRAM EXPENDITURES BY CATEGORY

4.1 Capacity Expansion

Capacity expansion is in the form of additional capacity. Additional capacity includes additional assets related to energy access, rural electrifications and supporting equipment. For this investment activity, PLN conducts activities to support new instalment, power upgrading and the addition of networks to rural areas that are not yet electrified. Including the addition or replacement of distribution transformers or distribution lines because of greater demand from new and/or existing consumers.

a. Additional Assets related to Energy Access

Actual disbursement of additional asset related to energy access as of December 31, 2021, are as follows:

	ADB Financed Rp	PLN Financed Rp	Total Rp
Balance at beginning of year	-	-	-
Additions	-	2,820,262	2,820,262
Balance at end of year	-	2,820,262	2,820,262

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4. ACTUAL PROGRAM EXPENDITURES BY CATEGORY (continued)

4.1 Capacity Expansion (continued)

b. Rural Electrifications

Actual disbursement for rural electrifications as of December 31, 2021, are as follows:

	ADB Financed Rp	PLN Financed Rp	Total Rp
Balance at beginning of year	-	-	-
Additions	-	42,377	42,377
Balance at end of year	-	42,377	42,377

c. Supporting Equipment

Actual disbursement for supporting equipment as of December 31, 2021, are as follows:

	ADB Financed Rp	PLN Financed Rp	Total Rp
Balance at beginning of year	-	-	-
Additions	-	2,290	2,290
Balance at end of year	-	2,290	2,290

4.2 Capacity Strengthening

From the existing distribution network, for better served customers, the Company performs activities to upgrade its quality, network reliability enhancement and efficiency improvements, such as barrier instalment along the distribution lines to prevent tree disturbances or animals, network reconfiguration and additional insertion transformers to repair shrinkage and provision of appropriate voltage. These activities are not intended to add the distribution lines or transformers to increase the supply of power, but rather to improve network quality and capacity-related services.

a. Network Reliability Enhancement

Actual disbursement for network reliability enhancement as of December 31, 2021, are as follows:

	ADB Financed Rp	PLN Financed Rp	Total Rp
Balance at beginning of year	-	-	-
Additions	-	992,953	992,953
Balance at end of year	-	992,953	992,953

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4. ACTUAL PROGRAM EXPENDITURES BY CATEGORY (continued)

4.2 Capacity Strengthening (continued)

b. Efficiency

Actual disbursement for efficiency as of December 31, 2021, are as follows:

	<u>ADB Financed Rp</u>	<u>PLN Financed Rp</u>	<u>Total Rp</u>
Balance at beginning of year	-	-	-
Additions	-	675,405	675,405
Balance at end of year	<u><u>-</u></u>	<u><u>675,405</u></u>	<u><u>675,405</u></u>