PT. BANK RAKYAT INDONESIA (PERSERO) TBK., TAIPEI BRANCH

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021 AND

INDEPENDENT AUDITOR'S REPORT

PT. BANK RAKYAT INDONESIA (PERSERO) TBK., TAIPEI BRANCH

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Independent Auditor's Report

To：PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch

Opinion

We have audited the financial statements of PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch (the "Branch "), which comprise the balance sheet as of December 31, 2021, the statement of comprehensive income, statement of changes in head office account, and statement of cash flows from January 18, 2021 (date of registration) to December 31, 2021, and notes to the financial statements (including summary of significant accounting policies).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Branch as of December 31, 2021, its financial performance and its cash flows from January 18, 2021 (date of registration) to December 31, 2021 in accordance with the International Financial Reporting Standards, International Accounting Standards, and the related interpretations recognized by the Financial Supervisory Commission (together "IFRSs").

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Branch in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Branch 's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit 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 Branch's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in Our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future

events or conditions may cause the Branch to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements (including the related disclosures) and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

This engagement partner on the audit resulting in this independent auditor's report is Chiu, Chi-Sheng.

Crowe (TW) CPAs
Taipei, Taiwan
Republic of China

March 31, 2022

<u>*Notice to Readers*</u>

The accompanying Financial Statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such Statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditor's report and the accompanying Financial Statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditor's report and Financial Statements shall prevail.

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch

Balance Sheet

December 31, 2021

Unit： NTD

	December 31, 2021	
Assets	Amount	%
Cash and cash equivalents (Note 6(1))	$ 228,444,590	74
Due from the Central Bank and interbank lending (Note 6(2))	100,000	-
Property and equipment, net (Note 6(3))	1,003,725	-
Right-of-use assets, net (Note 6(4))	74,188,254	25
Intangible assets, net (Note 6(5))	56,630	-
Other assets, net (Note 6(6))	4,002,088	1
Total assets	$ 307,795,287	100
Liabilities and Head Office Account		
Payables (Note 6(7))	$ 11	-
Deposits and remittances (Note 6(8))	745,660	-
Lease liabilities (Note 6(4))	74,342,208	24
Other liabilities	1,078	-
Total liabilities	75,088,957	24
Head office account		
Head office contribution	251,000,000	82
Accumulated earnings (losses)	(18,293,670)	(6)
Total head office account	232,706,330	76
Total liabilities and head office account	$ 307,795,287	100

(The accompanying notes form an integral part of the financial statements)

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch

Statement of Comprehensive Income

From January 18, 2021 (Date of Registration) to December 31, 2021

Unit： NTD

Item	2021/01/18~2021/12/31	
	Amount	%
Interest income	$ 101,189	115
Interest expense	(21)	-
Net interest income (Note 6(9))	101,168	115
Non-interest income (loss), net		
Net service fee loss (Note 6(10))	(12,931)	(15)
Total net revenue	88,237	100
Operating expenses		
Employee benefits (Note 6(11))	(4,892,812)	(5,545)
Depreciation and amortization expense (Note 6(12))	(4,889,395)	(5,541)
Other business and administrative expenses (Note 6(13))	(8,599,700)	(9,746)
LOSS BEFORE INCOME TAX	(18,293,670)	(20,732)
Income tax expense (Note 6(14))	-	-
NET LOSS	(18,293,670)	(20,732)
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the year	($ 18,293,670)	(20,732)

(The accompanying notes form an integral part of the financial statements)

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch

Statement of Changes in Head Office Account

From January 18, 2021 (Date of Registration) to December 31, 2021

Unit： NTD

Item	Head Office Contribution	Accumulated Earnings Undistributed Earnings	Total Head Office Account
Fund contribution from head office	$ 251,000,000	$ -	$ 251,000,000
Net loss (2021/01/18~2021/12/31)	-	(18,293,670)	(18,293,670)
Balance on December 31, 2021	$ 251,000,000	($ 18,293,670)	$ 232,706,330

(The accompanying notes form an integral part of the financial statements)

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch

Statement of Cash Flows

From January 18, 2021 (Date of Registration) to December 31, 2021

Unit： NTD

Item	2021/01/18~2021/12/31
CASH FLOWS FROM OPERATING ACTIVITIES：	
Loss before income tax	($ 18,293,670)
Adjustments：	
Income/gain or expense/loss items not affecting cash flows	
Depreciation and amortization expenses	4,889,395
Interest income	(101,189)
Interest expense	21
Changes in operating assets and liabilities	
Increase in deposits and remittances	745,660
Increase in other assets	(4,002,088)
Increase in other liabilities	1,078
Cash used in operations	(16,760,793)
Interest received	101,189
Interest paid	(10)
Net cash used in operating activities	(16,659,614)
CASH FLOWS FROM INVESTING ACTIVITIES：	
Acquisition of property and equipment	(1,075,182)
Acquisition of intangible assets	(58,800)
Net cash used in investing activities	(5,136,070)
CASH FLOWS FROM FINANCING ACTIVITIES：	
Repayment of the principal portion of lease liabilities	(4,661,814)
Fund contribution from head office	251,000,000
Net cash generated by financing activities	246,338,186
INCREASE IN CASH AND CASH EQUIVALENTS	228,544,590
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 228,544,590

(The accompanying notes form an integral part of the financial statements)

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch

Notes to Financial Statements

From January 18, 2021 (Date of Registration) to December 31, 2021

(Amounts Expressed in New Taiwan Dollars, Unless Specified Otherwise)

1. General Information

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch (the "Branch ") is a licensed and registered commercial bank according to The Banking Act of The Republic of China since January 2021, with its bank business license (Foreign Bank Branch Business License No. 110001) obtained in February 2021. The Branch mainly engages in financial businesses approved by the central competent authorities. As of December 31, 2021, the registered head office contribution to the Branch was $251,000,000.

The Branch's functional currency and presentation currency used in the financial statements are both in New Taiwan Dollars.

The registered business address and major operating location of the Branch is at 1F., No. 166, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City. As of December 31, 2021, the number of people employed by the Branch was 9.

2. The Authorization of the Financial Statements

These financial statements were approved and authorized for release by the management on March 31, 2022.

3. Application of New Standards, Amendments, and Interpretations

(1) Effects from application of the International Financial Reporting Standards, International Accounting Standards, and the related interpretations recognized by the Financial Supervisory Commission ("FSC") (together "IFRSs")：

The following summarizes the newly published, amended or revised IFRSs that are recognized by FSC and effective in 2021：

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 4 " Extension of the Temporary Exemption from Applying IFRS 9"	June 25, 2020 (Effective from the issuance date)
Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform"	January 1, 2021
Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021"	April 1, 2022 (Note)

Note：FSC has allowed earlier adoption by companies effective from January 1, 2021.

After assessment, the above standards and interpretations do not have material impact on the financial position and financial performance of the Branch.

(2) Effects from not yet adopting the newly published, amended or revised IFRSs that have been endorsed and issued into effect by FSC：

The following summarizes the newly published, amended or revised IFRSs that are recognized by FSC and effective in 2022：

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 2)
Amendments to IAS 37 "Onerous Contracts–Cost of Fulfilling a Contract"	January 1, 2022 (Note 3)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 4)
Annual Improvements to IFRS Standards 2018 - 2020 Cycle	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: Companies should apply these amendments retrospectively. However, it is only applicable to the property, plant and equipment items that have reached the necessary locations and conditions after the start date (January 1, 2021) of the earliest period expressed in the financial statements to which the amendments are applied for the first time.

Note 3: This amendment applies to contracts that have not fulfilled all obligations on January 1, 2022.

Note 4: This amendment applies to business combinations whose acquisition date starts in the annual reporting period after January 1, 2022.

Note 5: The amendments to IFRS 9 are applicable to swap or modification of terms of financial liabilities incurred during the annual reporting period beginning on January 1, 2022. The amendment to IAS 41 is applicable to fair value measurement during the annual reporting period beginning after January 1, 2022. The amendments to IFRS 1 are retrospectively applied to the annual reporting period beginning after January 1, 2022.

A. Amendment to IFRS 16 "Property, Plant and Equipment The Price before Reaching the Intended Use State"

The amendment stipulates that the sales price of the project produced in order to make property, plant and equipment reach the necessary location and state that can meet the expected operation mode of the management is not suitable as a cost reduction of the asset. The aforementioned items should be measured in accordance with IAS 2 "Inventory", and the sales price and cost should be recognized in profit and loss in accordance with the applicable standards. In addition, the amendment also clarifies that "the cost of testing whether or not assets operate normally" refers to expenditures for assessing whether or not the techniques and physical properties of the assets can be used in production or provision of merchandise or services, leased to others or for administrative purposes.

This amendment is applicable to property, plant and equipment that reach the necessary locations and conditions for the management's expected operation mode after January 1, 2021 (the beginning of the earliest expression period). When the Branch initially applies the amendments, it will recognize the cumulative effect of the amendments applied initially as an adjustment to the opening balance of the retained earnings (or other components of equity, as appropriate) at the beginning of the earliest expression period and re-edit the information during the comparison period.

B. Amendment to IAS 37 "Onerous Contract—the Cost of Executory Contract"

The amendment stipulates that when assessing whether the contract is onerous, "the Cost of Executory Contract" should include the incremental cost of executory contract (for example, direct labor and raw materials) and the allocation of other costs directly related to executory contract (for example, the depreciation allocation of property, plant and equipment items used in executory contract). The Branch will recognize the cumulative effect on the retained earnings on the first application date when the amendment is first applied.

C. Amendment to IFRS 3 "Reference to the Conceptual Framework"

The amendment is to update the index of the conceptual framework and add the requirement that the acquirer shall apply IFRIC 21 "Levies" to determine whether there is an obligation to pay levies on the acquisition date.

D. Annual Improvements to IFRS 2018-2020 Cycle

The annual improvement in the 2018-2020 cycles includes amendments to certain standards. Among them, the amendment of IFRS 9 is to assess whether there is a significant difference between the swap of financial liabilities or the modification of terms, when comparing cash flow projections of the new and old contract terms (including the net amount of fees charged for signing a new contract or modifying the contract), whether there is a 10% difference, the aforesaid fees collected should only include the payment between the borrower and the lender paid for.

The Branch has evaluated the aforementioned standards and interpretations, and there's no significant effect to the Branch's financial position and performance.

(3) The IFRS issued by IASB but not yet endorsed and issued into effect by FSC

The following summarizes IFRS issued by International Accounting Standards Board ("IASB") new, revised or amended standards and interpretations but not yet endorsed and issued into effect by the FSC：

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 " Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Noncurrent"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

As of the date of issuing the financial statements, the Branch continues in evaluating the impact on its financial position and financial performance from the adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Branch completes its evaluation.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

(1) Statement of Compliance

The financial statements have been prepared in accordance with the IFRSs that have been endorsed and issued into effect by FSC.

(2) Basis of Preparation

Except for the following items, the financial statements have been prepared under the historical cost convention:

A. Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

B. Financial assets and liabilities at fair value through other comprehensive income financial assets measured at fair value.

C. Liabilities on cash-settled share-based payment arrangements measured at fair value.

D. Defined benefit liabilities recognized at the net value of pension fund assets less the present value of defined benefit obligations.

The preparation of financial statements in conformity with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

3. Transaction in foreign currencies

The Branch's transactions in foreign currencies are recorded in its functional currency translated at the exchange rates on the transaction date. By the end of each reporting period, the foreign-currency items are translated at the exchange rates on the reporting date ; Non-monetary foreign-currency items measured at fair value are translated at the exchange rates on the reporting date for determining fair value ; Non-monetary foreign-currency items measured at historical costs are translated at the exchange rates on the original transaction date.

Except for the following items, the generated exchange differences from settling or translating monetary items are recorded as profit or loss in the period occurred :

(1) Regarding foreign-currency borrowings assumed for obtaining assets meeting certain criteria, if the generated foreign exchanges are deemed as adjustments to interest costs and as part of the borrowing costs, then they are capitalized as part of the assets obtained.

(2) For foreign-currency items under IFRS 9 "Financial Instruments", they are treated according to the accounting policies for financial instruments.

(3) For monetary items that constitute part of net investments in foreign operations by reporting entities, the generated exchange differences are initially recorded other comprehensive income or loss, then reclassified from equity to profit or loss upon disposal of the net investments.

When the gains or losses of the non-monetary items are recorded as other comprehensive income or loss, any exchange component related to the gains or losses is recorded on other comprehensive income or loss. When the gains or losses of the non-monetary items are recorded in profit or loss, any exchange component related to the gains or losses is recorded in profit or loss.

4. Cash and cash equivalents

Cash and cash equivalents are cash on hand, cash in banks, due from other banks, short-term time deposits and short-term financial instruments that are readily convertible to a known amount of cash with insignificant risk of change in value. For the statement of cash flows, cash and cash equivalents are cash and cash equivalents in the balance sheet, due from the Central Bank and interbank lending meeting the definition of "cash and cash equivalents" under the IAS 7 as recognized by the FSC, and investments in notes and bonds with resell agreements.

5. Financial instruments

Financial assets and financial liabilities are recognized when the Branch becomes a party to the contractual provisions of the instrument.

Upon initial recognition of financial assets and financial liabilities, if the financial assets and financial liabilities are not measured at fair value through profit or loss, they are measured at fair value, plus the transaction costs that can be directly attributable to obtaining or issuing the financial assets and financial liabilities.

(1) Financial assets

Transaction date accounting is adopted for recording customary transactions of financial assets.

A. Measurement type

The financial assets held by the Branch are classified as financial assets measured at amortized cost.

(A) Financial assets measured at amortized cost

If the invested financial assets by the Branch meet both of the following two criteria, those assets are classified as Financial assets measured at amortized cost：

a. The purpose of holding the financial assets is to receive contractual cash flows；and

b. The contractual provisions of the investments generate cash flows on specified date(s), and such cash flows are fully for payment of the principals and the interests from the outstanding principals.

After initial recognition of the various financial assets measured at cost (including cash and cash equivalents, due from the Central Bank and interbank lending, receivables, lending, etc.), they are subsequently measured at amortized cost computed based on the total book value determined by effective interest method, less of any impairment loss. Any foreign exchange gain or loss is recorded in profit or loss.

Except for the following two conditions, interest income is computed using the total book value of the financial assets, multiplied by the effective interest rate：

a. For purchased or originated credit-impaired financial asset, interest income is computed using the amortized cost of the financial assets, multiplied by the credit-adjusted effective interest rate.

b. For financial assets that are not purchased or originated credit-impaired but later become credit-impaired, interest income is computed using the amortized cost of the financial assets, multiplied by the effective interest rate.

B. Impairment of financial assets

On each balance sheet date, after considering all reasonable and supported information (including forecasting information), the Branch uses the amount of expected 12-month credit losses to measure the loss allowances for items including lending, receivables, investments in debt instruments measured at FVTOCI, investments in debt instruments measured at amortized cost, lending commitments and financial guarantee contracts；Regarding items whose credit risks have been significantly increased or are credit-impaired, their loss allowances are measured using the expected credit losses amount during the existing period.

The Branch has reflected the expected credit losses using the following methods for measuring financial instruments：

(A) The un-biased and probability-weighted amount determined by assessing various possible outcomes；

(B) Time value of money；

(C) Reasonable and supported information (available on the reporting date without requiring excessive costs or spending) related to past events, current conditions and projected future economic conditions

Regarding confirmed un-collectible credit rights, the Branch would report to the board of directors and write off the accounts after approval by the board of directors.

C. Derecognition of financial assets

The Branch only writes off financial assets whose contractual rights to the cash flows from the financial assets are terminated, or almost all of the risk and return related to the ownership of the assets have been transferred to other enterprises. If the Branch retains almost all of the risk and return related to the ownership of the financial assets, then continue to record the assets and the collected proceeds are recorded as liabilities.

(2) Financial liabilities

A. Subsequent measurement

All financial liabilities are measured at amortized costs using effective interest method

B. Derecognition of financial liabilities

The Branch derecognizes financial liabilities when, and only when the Branch 's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6. Leases

The Branch assesses whether or not a contract is a (or contains) lease on the date when the contract is formed. For contracts that contain lease component and one or more additional lease or non-lease components, based on the corresponding stand-alone price of each lease component and the summarized stand-alone prices of non-lease components, the Branch allocates the proceeds of the contract to the respective lease components.

(1) When the Branch is a lessee

Except for leases with low-value underlying assets or short-term leases with expense recognition on straight-line basis, the Branch recognizes right-of-use assets and lease liabilities for all other leases on the starting date of the leases.

Right-of-use assets：

Right-of-use assets are initially recognized at cost (including the initial measurement amount of lease liabilities, lease payments before the starting date of lease after subtracting the incentives received, the initial direct cost and estimated cost of recovering the underlying assets), then subsequently measured at the amount of costs after subtracting the accumulated depreciation and accumulated impairment losses, and then adjust the remeasurement amount of the lease liabilities.

Depreciation for right-of-use asset is recognized on straight-line basis, beginning from the starting date of the lease to either reaching the economic useful life or the lease period, whichever is earlier. But if, upon expiry of the lease period, the Branch will obtain ownership to the underlying asset, or if the cost of the right-of-use asset reflects exercising purchase for the right-of-use asset, then recognize depreciation from the starting date of the lease until reaching the economic useful life of the underlying asset.

Lease liabilities：

Lease liabilities are initially measured at the present value of lease payments (including fixed payments, substantial fixed payments, variable lease payments determined by indices or fee rates, expected amount of payment by lessee under residual-value guarantee, price of reasonably expected execution price for purchasing the right-of-use asset, and expected termination penalty from execution of option to terminate the lease by the lessee during the lease period, less the lease incentive received). If the implied interest rate of the lease can be easily determined, lease payments are discounted using the interest rate. If the interest rate cannot be easily determined, then use the incremental borrowing rate of the lessee.

If there is change in future lease payment due to change in assessment of lease period and purchase option of underlying asset, change in expected amount of payment by lessee under residual-value guarantee, or change in indices or fee rates used to determine lease payments, the Branch will re-measure the lease liabilities and adjust the right-of-use assets accordingly. But if the book value of right-of-use assets has been reduced to zero, then recognize the remaining remeasurement amount in profit or loss. Lease liabilities are listed as a standalone item in the balance sheet.

(2) When the Branch is a lessor

If almost all risks and returns attached to the underlying asset of a lease have been transferred, then classify the lease as financial lease; otherwise, classify as operating lease.

Under financial lease, lease payments include fixed payments, substantial fixed payments, variable lease payments determined by indices or rates, etc. The net lease investment amount is the total present value of receivable lease payments and un-guaranteed residual value, plus the initial direct cost, and it is expressed as Financial lease receivable. The Branch adopts systematic and reasonable basis to allocate the financial income among the lease period and to reflect the fixed rate of return earned in respective periods.

Under operating lease, lease payments after subtracting lease incentives are recorded as lease revenue using straight-line method. The original direct costs occurred due to obtaining the operating lease are included in the carrying value of the target assets and recorded as expenses during the lease period under straight-line basis.

7. Property and equipment

The Branch's property and equipment are recorded at historical costs, less the accumulated depreciation and accumulated impairment loss. Historical costs include any expenditures directly attributable to the acquisition of the assets.

If it is probable that the future economic benefits generated from subsequent expenditures on the assets will flow to the Branch and can be measured reliably, then the subsequent expenditures on the assets are included in the book value of the assets, or can be recorded as a standalone asset. The book value of the replaced item will be written off.

When the benefits of expenditures on material improvements or repairments cover future period, those expenditures are capitalized. As to expenditures on routine maintenance or repairment, they are expensed in the period occurred.

Each year the Branch reviews and adjusts the residual value and economic useful lives of the assets.

Straight-line method is used for depreciation and amortized among the economic useful lives to the residual value. The estimated economic useful lives are as following：

Office equipment	5-10 years
Other equipment	5 years

Disposal gains or loss is the difference between the book value and disposal proceeds, and the disposal gains or loss is recorded as "Other non-interest income, net".

8. Intangible assets

The intangible assets of the Branch are purchased computer software, and the cost incurred from the purchase and use is capitalized. The estimated economic useful life of computer software is 10 years.

9. Revenue recognition

After contractual obligations are identified in a customer contract, the transaction price is allocated to the respective contractual obligations, and revenue is recognized when the respective contractual obligations are satisfied.

(1) Interest revenue

Interest revenue is recognized when the economic benefits of the financial assets is very likely to flow to the Branch, and the revenue amount can be reliably measured. All interest revenue generated from interest-bearing financial instruments are recognized by accrual basis with effective interest rates according to applicable rules.

(2) Fee income

Fee income and charges are recognized at a time when the loan is offered or other services are provided； When it is related to earned services for carrying out large tasks, then income is recognized when the large tasks are completed, such as service charge for making syndicated loans； For fee income and charges related to subsequent lending services, according to materiality, they are recorded or included in part of computing the effective interest rates of loans and receivable during the service period.

10.Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except when it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current-period income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Branch and its subsidiaries operate and generate taxable income. Management periodically evaluates the filing status of tax returns based on applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.

C. Deferred income tax is recognized using the balance sheet method, on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

11. Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund from the plan or a reduction in future contributions to the plan.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the amount accrued and the amount actually distributed is accounted for a change in accounting estimate.

5. Major Sources of Critical Accounting Judgments, Estimates and Uncertainties

The Branch considers the economic implications of COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis by management. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period ; If the revisions affect both current and future periods, then recognize in the period of revisions and future periods.

(1) Critical judgements in applying accounting policies: None

(2) Critical accounting estimates and assumptions: None

6. Description of Significant Accounts

1. Cash and cash equivalents

Item	December 31, 2021
Cash on hand	$ 747,324
Interbank lending	227,697,266
Total	$ 228,444,590

For the purpose of preparing the statement of cash flows, cash and cash equivalents comprise of the following amounts:

Item	December 31, 2021
Recorded cash and cash equivalents on the balance sheet	$ 228,444,590
Due from the Central Bank and interbank lending in accordance with cash and cash equivalents under IAS 7 recognized by FSC	100,000
Investments in notes and bonds with resale agreement in accordance with cash and cash equivalents under IAS 7 recognized by FSC	-
Recorded cash and cash equivalents on the statement of cash flows	$ 228,544,590

2. Due from the Central Bank and interbank lending

Item	December 31, 2021
Deposit in the Central Bank - Category A deposit reserve	$ 100,000

The deposit reserves deposited at the Central Bank are determined monthly at prescribed rates based on the average balances of monthly deposits. Category A deposit reserve account is non-interest bearing and deposits/withdrawals can be made any time.

3. Property and equipment, net

Item	December 31, 2021
Miscellaneous equipment	$ 74,500
Office equipment	1,000,682
Total cost	1,075,182
Less: Accumulated depreciation	(71,457)
Total	$ 1,003,725

	Miscellaneous equipment	Office equipment	Total
Cost			
Balance at January 18, 2021	$ -	$ -	$ -
Additions	74,500	1,000,682	1,075,182
Disposals	-	-	-
Balance on December 31, 2021	$ 74,500	$ 1,000,682	$ 1,075,182
Accumulated depreciation			
Balance at January 18, 2021	$ -	$ -	$ -
Depreciation	7,450	64,007	71,457
Disposals	-	-	-
Balance on December 31, 2021	$ 7,450	$ 64,007	$ 71,457

None of property and equipment is provided as collateral.

4. Lease agreements

(1) . Right-of-use assets

Item	December 31, 2021
Buildings	$ 75,567,904
Transportation equipment	3,436,118
Total cost	79,004,022
Less: Accumulated depreciation	(4,815,768)
Total	$ 74,188,254

Cost	Buildings	Transportation equipment	Total
Balance at January 18, 2021	$ -	$ -	$ -
Addition	75,567,904	3,436,118	79,004,022
Disposal	-	-	-
Balance on December 31, 2021	$ 75,567,904	$ 3,436,118	$ 79,004,022
Accumulated depreciation			
Balance at January 18, 2021	$ -	$ -	$ -
Depreciation	3,854,796	960,972	4,815,768
Disposal	-	-	-
Balance on December 31, 2021	$ 3,854,796	$ 960,972	$ 4,815,768

As of December 31, 2021, there was no sign of impairment for right-of-use assets.

(2) Lease liabilities

Item	December 31, 2021
Lease liabilities	$ 74,342,208

The range of discount rates for lease liabilities was 1.351%~1.961%.

(3) Material lease activities and terms

The Branch leases land and buildings mainly for office use, with lease term of 5 years；By the end of the lease term, the Branch has priority rights to extend the lease of the buildings.

(4) Other lease information

A. The Branch chose exemption treatment for short-term and low-value assets and did not recognize the related right-of-use assets and lease liabilities

B. The related lease expense information was as follows:

	2021/01/18~2021/12/31
Expenses attributable to short-term lease agreement	$ 4,750,417
Expenses attributable to low-value assets lease	$ 836,899
Total cash outflow for leases	$ 10,446,016

5. Intangible assets, net

Item	December 31, 2021
Computer software	$ 58,800
Less: Accumulated amortization	(2,170)
Total	$ 56,630

Changes in intangible assets:

Item	2021/01/18~2021/12/31
Cost	
Balance at January 18, 2021	$ -
Additions	58,800
Disposals	-
Balance on December 31, 2021	$ 58,800
Accumulated amortization	
Balance at January 18, 2021	$ -
Amortization	2,170
Disposals	-
Balance on December 31, 2021	$ 2,170

6. Other assets, net

Item	December 31, 2021
Refundable deposits	$ 1,178,552
Prepayments	2,599,373
Miscellaneous assets	224,163
Total	$ 4,002,088

7. Payables

Item	December 31, 2021
Interest payable	$ 11

8. Deposits and remittances

Item	December 31, 2021
Demand deposits	$ 745,660

9. Net interest income

Item	2021/01/18~2021/12/31
Interest income	
From deposits and interbank lending	$ 101,189
Interest expense	
From deposits	(21)
Net interest income	$ 101,168

10. Net fee income (loss)

Item	2021/01/18~2021/12/31
Fee income	
Deposits, remittance and other fee income	$ 500
Service fee expense	
Remittance expense	(13,431)
Net fee income (loss)	($ 12,931)

11. Employee benefits

Item	2021/01/18~2021/12/31
Salary expense	$ 3,885,646
Labor and health insurance	858,608
Pension and retirement benefits	148,558
Remuneration to directors	-
Other employee benefits	-
Total	$ 4,892,812

12. Depreciation and amortization expenses

Item	2021/01/18~2021/12/31
Depreciation expense - property and equipment	$ 71,457
Depreciation expense - right-of-use assets	4,815,768
Amortization expense - intangible assets	2,170
Total	$ 4,889,395

13. Other businesses and administrative expenses

Item	2021/01/18~2021/12/31
Rental expense	$ 5,587,316
Staff training expense	98,534
Postage	193,962
Utilities	265,923
Office supplies	196,339
Printing expenses	24,502
Professional service fees	839,371
Entertainment expenses	358,924
Insurance expenses	98,235
Others	936,594
Total	$ 8,599,700

14. Income tax expense

(1) Components of income tax expense:

A. Income tax expense recognized in profit or loss:

Item	2021/01/18~2021/12/31
Current tax:	
Income tax for current period	$ -
Adjustments for prior years	-
Subtotal	-
Deferred tax:	
Occurrence or reversal of temporary differences	-
Subtotal	-
Recorded income tax expense	$ -

B. Income tax expense (benefit) relating to other comprehensive income: None

(2) Reconciliation from income before income tax to recorded income tax expense:

Item	2021/01/18~2021/12/31
Loss before income tax	($ 18,293,670)
Tax calculated based on statutory tax rate	($ 3,658,734)
Adjustments:	
Tax-exempt income	-
Other income tax adjustments	76,976
Operating loss carryover	3,581,758
Recorded income tax expense	$ -

The applicable tax rate of the Branch is 20%.

(3) Unrecorded deferred tax assets:

Item	December 31, 2021
Operating loss carryover	$ 3,581,758

15. Reconciliation of liabilities arising from financing activities

Item	Lease liabilities
Balance at January 18, 2021	$ 79,004,022
Net changes in financing cash flows	(4,661,814)
Other non-cash changes	-
Balance on December 31, 2021	$ 74,342,208

7. Related Party Transactions:

1. Name and Relationship of Related Parties with the Branch

Name of Related Party	Relationship with the Branch
PT Bank Rakyat Indonesia (Persero) Tbk	Headquarter

2. Significant transactions with related parties: None

8. Pledged Assets: None

9. Significant Contingent Liabilities and Unrecognized Contract Commitments: None

10. Significant Disaster Losses: None

11. Significant Subsequent Events: None

12. Others:

1. The management considers the book value of the Branch's financial assets and financial liabilities not measured at fair value on December 31, 2021 were closed to their fair value.
2. The methods and assumptions used for estimating fair value of financial instruments：
   (1) The fair value of short-term financial instruments is estimated using the book value on the balance sheet. Therefore, such instruments have fairly short due dates and its book value should form a reasonable basis for fair value. This method is applied to cash and cash equivalents, due from the Central Bank and interbank lending, deposits of the Central Bank and bank peers, receivables (payables) and guarantee deposits paid (received), etc.

(2) Since the principals of discounting and lending, deposits and fund transfers received are interest-bearing financial instruments, whose fair value are estimated using the present value of projected future cash flows, and market interest rates are used as the discount rates, the book value is equivalent to the fair value.

3. Level of fair value level for financial instruments

(1) Definition of the three fair-value levels for the Branch's financial instruments

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 : Fair value measurement using observable inputs directly from prices or indirectly derived from prices.

Level 3 : Fair value measurement using un-observable inputs or using observable inputs after material adjustments according to parameters of un-observable inputs.

As of December 31, 2021, the Branch did not hold any Level 3 financial assets.

(2) The Branch's financial instruments on December 31, 2021 measured at fair value using repetitive basis : None.

4. Categories of financial instruments

Carrying value of the Branch's financial assets and financial liabilities on December 31, 2021 :

	December 31, 2021
Financial assets	
Financial assets measured at amortized cost	
Cash and cash equivalents	$ 228,444,590
Due from the Central Bank and interbank lending	100,000
Guarantee deposits paid (recorded as other assets)	1,178,552
Financial liabilities	
Financial liabilities measured at amortized cost	
Payables	$ 11
Deposits and remittances	745,660

5. Financial risk information

The operating activities of the Branch are subjected to various risks related to financial institutions, and rapid development of external, and internal environment of the bank also lead to increasing complicated business risks. The Branch establishes consolidated and systematic financial risk management, including credit risk, liquidity risk and market risk. According to relevant regulations, the Branch has established appropriate policies, procedures and internal controls for the abovementioned financial risk management. Important financial activities should be reviewed by the board of directors according to applicable regulations and internal control system.

The Branch was established in January 2021 and did not have material operating activities during this period. Therefore, there was no material financial risk after assessment.