

# **COMPANY PERFORMANCE AUGUST 2013**

**PT. Bank Pembangunan Daerah Jawa Timur, Tbk**

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# AGENDA

**1 Economic Outlook**

**2 Financial Highlights**

**3 Prospect of Banking Industry**

**4 Overview & Investments Highlights**

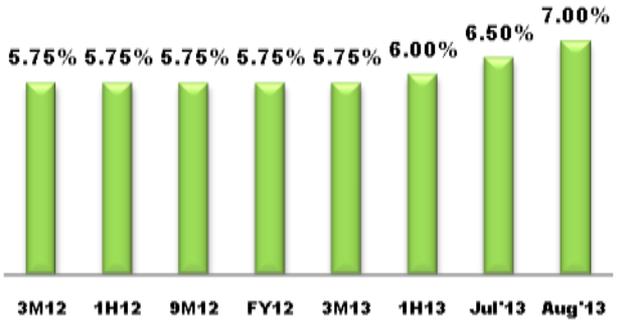
**5 Strenghts**

## SECTION 1

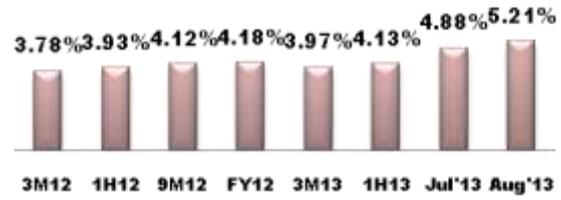
# ECONOMIC OUTLOOK

# MACRO ECONOMY OUTLOOK

## BANK INDONESIA RATE



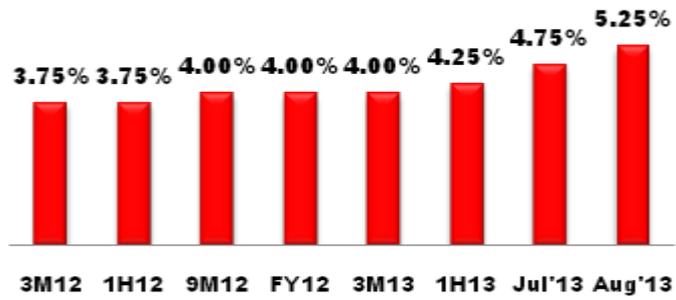
## JIBOR ( % Average )



## INFLATION



## DEPOSIT FACILITY



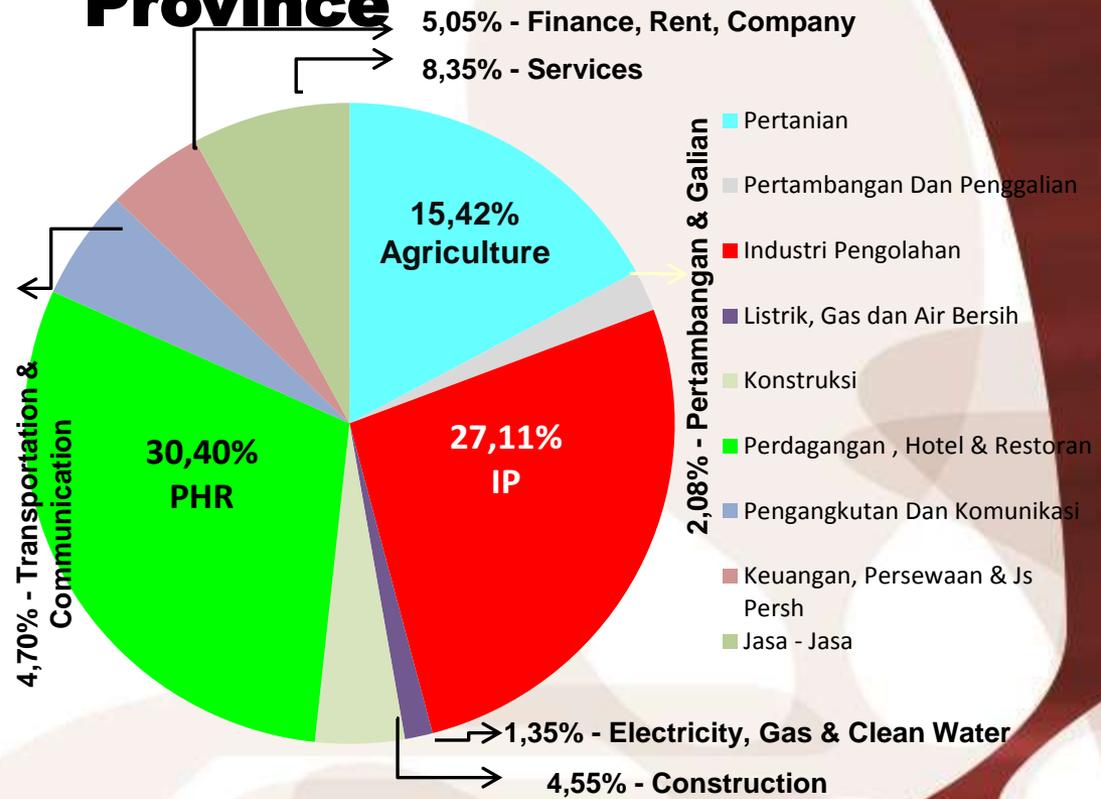
Economic Forecast	2012	2013F	2014F
GDP Growth (%)	6,23	6,04	6,44
GDP per Capita (US\$)	3.562	4.148	4.611
Inflation (%)	4,30	8,20	4,50
BI Rate (%)	5,75	6,25	5,75
Current Account/GDP (%)	- 2,70	- 2,10	- 1,90

Source: Bank Indonesia ([www.bi.go.id](http://www.bi.go.id))

# EAST JAVA AT GLANCE

ECONOMY STRUCTURE		
NO	DESCRIPTION	%
1.	Agriculture	15,42
2.	Mining & Quarrying	2,08
3.	Processing Industry	27,11
4.	Electricity, Gas, & Clean Water	1,35
5.	Construction	4,55
6.	PHR	30,40
7.	Transportation & Communication	4,70
8.	Finance, Rent & Company Service	5,05
9.	Services	8,35
PDRB		100,0

## East Java Become Industry & Service Agro Based Province



Source: BPS Jatim, BRS February 2013

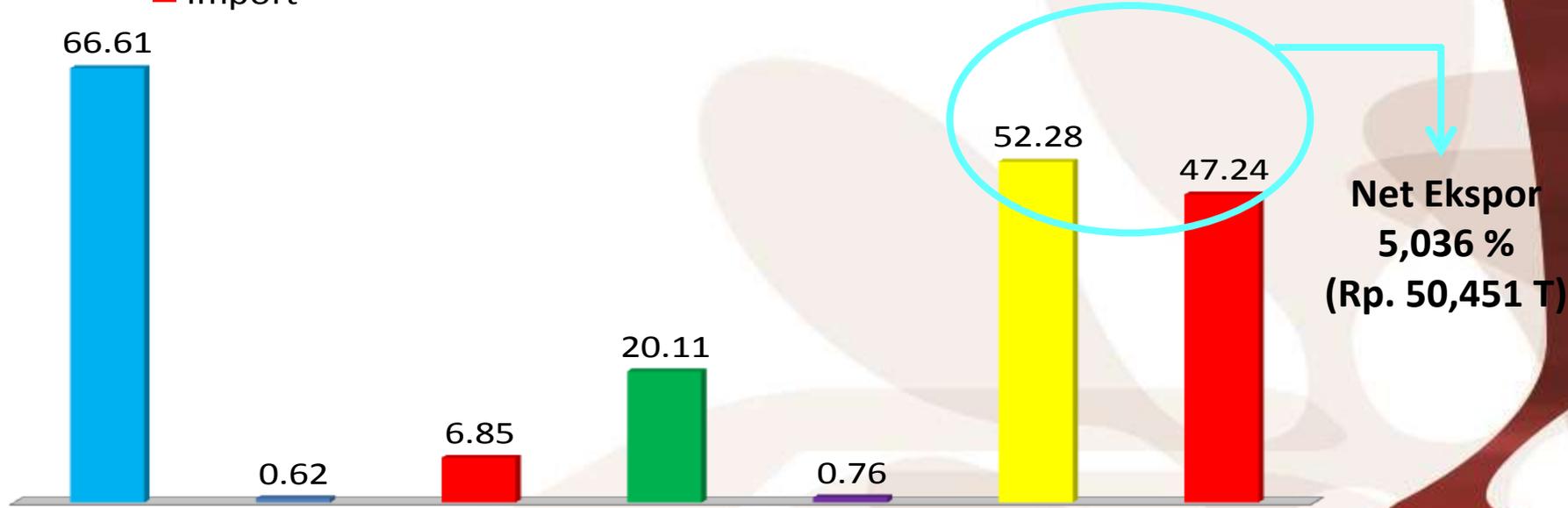
Economy Structure dominated by Secondary sector (PHR & Processing Industry), Supported by Primary Sector (Agriculture)  
 → absorb 75 % employee and  
 → ILOR : 0,02 – 0,04.

# EAST JAVA AT GLANCE

## EAST JAVA PDRB PERCENTAGE ACCORDING BY USERS 2012 \*

### Semester I

- House Hold Consumption
- Government Consumption
- Inventory Changes
- Import
- Nirlaba Consumption
- Gross Fixed Capital Formation
- Export



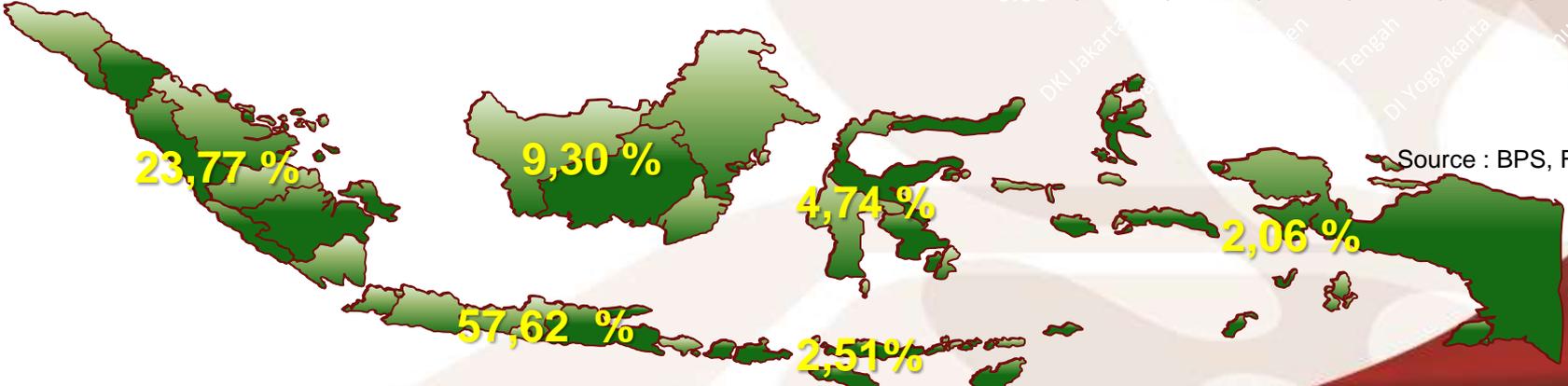
**CONSUMPTION / GOVERNMENT FUND ONLY 6,85% AND PRIVATE 93,15%**

# EAST JAVA AT GLANCE

## SHARE EAST JAVA PDRB TO NATIONAL PDB

No	Province	Economic Growth		Contribution to PDB 2011
		2011	2012	
1.	DKI Jakarta	6,71	6,53 ↓	16,32 ↑
2.	East Java	7,22	7,27 ↑	14,68 ↑
3.	West Java	6,48	6,21 ↓	13,91 ↓
4.	Central Java	6,01	6,34 ↑	8,28 ↓
5.	Banten	6,43	6,15 ↓	3,19 ↓
6.	DI Y	5,16	5,32 ↑	0,86 ↓

Contribution Java island PDRB in Total National PDB 2012



Source : BPS, Feb 2013

❖ Compare to another province, East Java deconomy growth is the highest in Java with second biggest share after DKI Jakarta.

## SECTION 2

# FINANCIAL HIGHLIGHTS

In Million Rp.

Information	1H12	1H13	YoY	2Q12	1Q13	2Q13	YoY	QoQ
<b>Total Asset</b>	<b>30.109.680</b>	<b>33.852.087</b>	<b>12,43%</b>	<b>769.189</b>	<b>3.465.592</b>	<b>1.274.303</b>	<b>65,7%</b>	<b>-63,2%</b>
<b>Placement BI &amp; SBI</b>	<b>2.717.243</b>	<b>2.140.820</b>	<b>- 21,21%</b>	<b>812.826</b>	<b>(198.922)</b>	<b>236.403</b>	<b>-70,9%</b>	<b>218,8%</b>
<b>Placement Other Bank</b>	<b>6.140.918</b>	<b>6.802.364</b>	<b>10,77%</b>	<b>2.483.534</b>	<b>3.602.072</b>	<b>(1.841.352)</b>	<b>-25,9%</b>	<b>151,1%</b>
<b>Loan</b>	<b>18.058.553</b>	<b>20.431.116</b>	<b>13,14%</b>	<b>1.496.479</b>	<b>248.197</b>	<b>1.626.590</b>	<b>8,6%</b>	<b>555,3%</b>
<b>Impairment Losses</b>	<b>(285.019)</b>	<b>(312.201)</b>	<b>9,53%</b>	<b>133.965</b>	<b>(16.521)</b>	<b>73.506</b>	<b>-45,1%</b>	<b>544,9%</b>
<b>Third Party Fund</b>	<b>25.287.805</b>	<b>27.415.981</b>	<b>8,42%</b>	<b>894.273</b>	<b>3.055.242</b>	<b>1.986.889</b>	<b>122,1%</b>	<b>-35%</b>
<b>- Current Account</b>	<b>10.732.565</b>	<b>12.083.098</b>	<b>12,58%</b>	<b>(1.425.527)</b>	<b>2.439.583</b>	<b>(18.350)</b>	<b>98,7%</b>	<b>-100,7%</b>
<b>- Saving Account</b>	<b>6.475.228</b>	<b>7.064.130</b>	<b>9,09%</b>	<b>519.483</b>	<b>(1.416.550)</b>	<b>306.703</b>	<b>-40,9%</b>	<b>121,7%</b>
<b>- Time Deposit</b>	<b>8.080.012</b>	<b>8.268.753</b>	<b>2,34%</b>	<b>1.800.317</b>	<b>2.406.783</b>	<b>1.488.139</b>	<b>-17,3%</b>	<b>-38,2%</b>
<b>Equity</b>	<b>3.841.710</b>	<b>5.322.929</b>	<b>38,56%</b>	<b>116.440</b>	<b>(374.574)</b>	<b>210.397</b>	<b>80,7%</b>	<b>156,1%</b>

In Million Rp.

Information	July'12	July'13	YoY	August'12	August'13	YoY
<b>Total Asset</b>	<b>31.292.343</b>	<b>33.469.633</b>	<b>6,96%</b>	<b>30.082.801</b>	<b>33.119.331</b>	<b>10,09%</b>
<b>Placement BI &amp; SBI</b>	<b>3.412.229</b>	<b>2.122.060</b>	<b>- 37,81%</b>	<b>2.092.679</b>	<b>2.053.422</b>	<b>- 1,88%</b>
<b>Placement Other Bank</b>	<b>6.152.543</b>	<b>5.593.916</b>	<b>- 9,08%</b>	<b>5.871.171</b>	<b>5.292.402</b>	<b>- 9,86%</b>
<b>Loan</b>	<b>18.407.032</b>	<b>20.932.690</b>	<b>13,73%</b>	<b>18.380.674</b>	<b>21.075.433</b>	<b>14,66%</b>
<b>Impairment Losses</b>	<b>307.824</b>	<b>323.427</b>	<b>5,07%</b>	<b>315.918</b>	<b>337.324</b>	<b>6,77%</b>
<b>Third Party Fund</b>	<b>24.989.919</b>	<b>27.021.585</b>	<b>8,13%</b>	<b>23.516.502</b>	<b>26.476.482</b>	<b>12,58%</b>
<b>- Current Account</b>	<b>10.003.253</b>	<b>10.877.856</b>	<b>8,75%</b>	<b>9.114.439</b>	<b>10.369.915</b>	<b>13,77%</b>
<b>- Saving Account</b>	<b>6.959.641</b>	<b>7.898.675</b>	<b>13,50%</b>	<b>6.650.760</b>	<b>7.701.964</b>	<b>15,80%</b>
<b>- Time Deposit</b>	<b>8.027.026</b>	<b>8.245.054</b>	<b>2,72%</b>	<b>7.751.302</b>	<b>8.404.603</b>	<b>8,42%</b>
<b>Equity</b>	<b>5.207.045</b>	<b>5.383.728</b>	<b>3,40%</b>	<b>5.261.385</b>	<b>5.490.664</b>	<b>4,35%</b>

In Million Rp.

Information	1H12	1H13	YoY	2Q12	1Q13	2Q13	YoY	QoQ
<b>Interest Income</b>	<b>1.306.807</b>	<b>1.505.703</b>	<b>15,22%</b>	<b>640.414</b>	<b>720.112</b>	<b>785.590</b>	<b>22, 7%</b>	<b>9,1%</b>
<b>Interest Expense</b>	<b>(417.457)</b>	<b>(399.226)</b>	<b>- 4,37%</b>	<b>220.574</b>	<b>172.181</b>	<b>227.045</b>	<b>2,9%</b>	<b>31,9%</b>
<b>Nett Interest Income</b>	<b>889.350</b>	<b>1.106.477</b>	<b>24,41%</b>	<b>419.840</b>	<b>547.931</b>	<b>558.545</b>	<b>33 %</b>	<b>1,9%</b>
<b>Non Interest Operational Income</b>	<b>172.400</b>	<b>242.380</b>	<b>40,59%</b>	<b>99.830</b>	<b>111.270</b>	<b>131.109</b>	<b>31,3%</b>	<b>17,8%</b>
<b>Non Interest Operational Expense</b>	<b>(599.486)</b>	<b>(755.394)</b>	<b>26,01%</b>	<b>344.511</b>	<b>360.427</b>	<b>394.966</b>	<b>14,7%</b>	<b>9,6%</b>
<b>Impairment Losses Expense</b>	<b>(183.587)</b>	<b>(217.478)</b>	<b>18,46%</b>	<b>123.520</b>	<b>(83.442)</b>	<b>(134.037)</b>	<b>8,5%</b>	<b>60,1%</b>
<b>Nett Non Interest Operational Income (Expense)</b>	<b>(427.086)</b>	<b>(513.014)</b>	<b>20,12%</b>	<b>244.681</b>	<b>(249.157)</b>	<b>(263.857)</b>	<b>7,8 %</b>	<b>5,9%</b>
<b>Operational Profit</b>	<b>462.264</b>	<b>593.463</b>	<b>28,38%</b>	<b>175.159</b>	<b>298.774</b>	<b>294.688</b>	<b>68,2 %</b>	<b>-1,3%</b>
<b>Non Operational Profit</b>	<b>2.575</b>	<b>560</b>	<b>- 78,25%</b>	<b>(1060)</b>	<b>2.158</b>	<b>1.598</b>	<b>250.75%</b>	<b>-25,9</b>
<b>Pre Tax Profit</b>	<b>464.840</b>	<b>592.902</b>	<b>27,55%</b>	<b>174.369</b>	<b>300.932</b>	<b>291.970</b>	<b>67,4%</b>	<b>-2,9%</b>
<b>Taxes</b>	<b>(130.344)</b>	<b>(164.324)</b>	<b>26,07%</b>	<b>57.659</b>	<b>(82.751)</b>	<b>(81.575)</b>	<b>41,5%</b>	<b>-1,4%</b>
<b>Nett profit</b>	<b>334.495</b>	<b>428.578</b>	<b>28,13%</b>	<b>116.440</b>	<b>218.181</b>	<b>210.395</b>	<b>80,7%</b>	<b>-3,5%</b>

In Million Rp.

Information	July'12	July'13	YoY	August'12	August'13	YoY
<b>Interest Income</b>	<b>1.636.039</b>	<b>1.792.958</b>	<b>9,60%</b>	<b>1.865.630</b>	<b>2.095.051</b>	<b>12,29%</b>
<b>Interest Expense</b>	<b>(494.828)</b>	<b>(474.171)</b>	<b>- 4,17%</b>	<b>(561.526)</b>	<b>(546.969)</b>	<b>- 2,60%</b>
<b>Nett Interest Income</b>	<b>1.141.211</b>	<b>1.318.787</b>	<b>15,56%</b>	<b>1.304.104</b>	<b>1.548.082</b>	<b>18,70%</b>
<b>Non Interest Operational Income</b>	<b>204.052</b>	<b>276.000</b>	<b>35,26%</b>	<b>232.354</b>	<b>297.085</b>	<b>27,85%</b>
<b>Non Interest Operational Expense</b>	<b>(763.169)</b>	<b>(910.835)</b>	<b>19,35%</b>	<b>(880.918)</b>	<b>(1.020.625)</b>	<b>15,85%</b>
<b>Impairment Losses Expense</b>	<b>(249.359)</b>	<b>(246.749)</b>	<b>- 1,04%</b>	<b>(257.668)</b>	<b>(268.939)</b>	<b>4,37%</b>
<b>Nett Non Interest Operational Income (Expense)</b>	<b>(559.117)</b>	<b>(634.835)</b>	<b>13,55%</b>	<b>(648.564)</b>	<b>(723.540)</b>	<b>11,56%</b>
<b>Operational Profit</b>	<b>582.093</b>	<b>683.952</b>	<b>17,50%</b>	<b>655.540</b>	<b>824.542</b>	<b>25,78%</b>
<b>Non Operational Profit</b>	<b>3.119</b>	<b>1.889</b>	<b>- 39,43%</b>	<b>4.000</b>	<b>6.796</b>	<b>69,90%</b>
<b>Pre Tax Profit</b>	<b>585.212</b>	<b>685.841</b>	<b>17,20%</b>	<b>659.540</b>	<b>831.127</b>	<b>26,01%</b>
<b>Taxes</b>	<b>(146.303)</b>	<b>(196.465)</b>	<b>34,29%</b>	<b>(164.869)</b>	<b>(234.814)</b>	<b>42,42%</b>
<b>Nett profit</b>	<b>438.909</b>	<b>489.376</b>	<b>11,50%</b>	<b>494.671</b>	<b>596.313</b>	<b>20,54%</b>

# HIGHLIGHTS OF FINANCIAL RATIO

## ROA



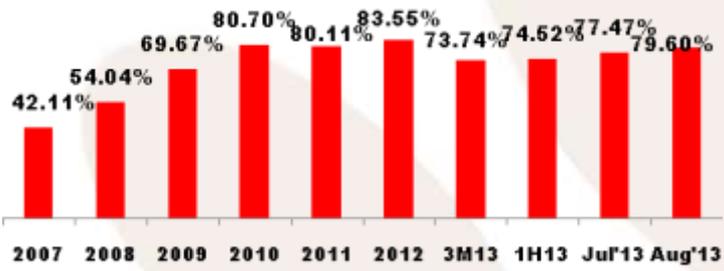
## NIM



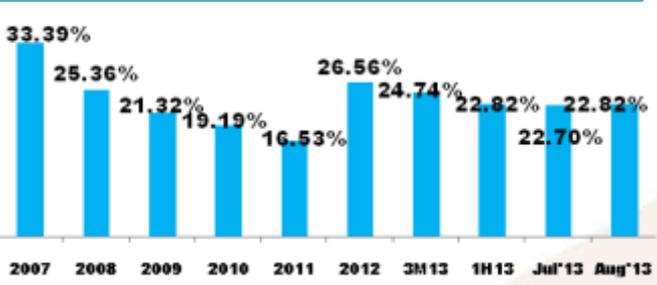
## ROE



## LDR



## CAR



## BOPO



Ratio	2012	Aug'12	Aug'13
<b>NPL Gross</b>	<b>2,95%</b>	<b>2,63%</b>	<b>3,33%</b>

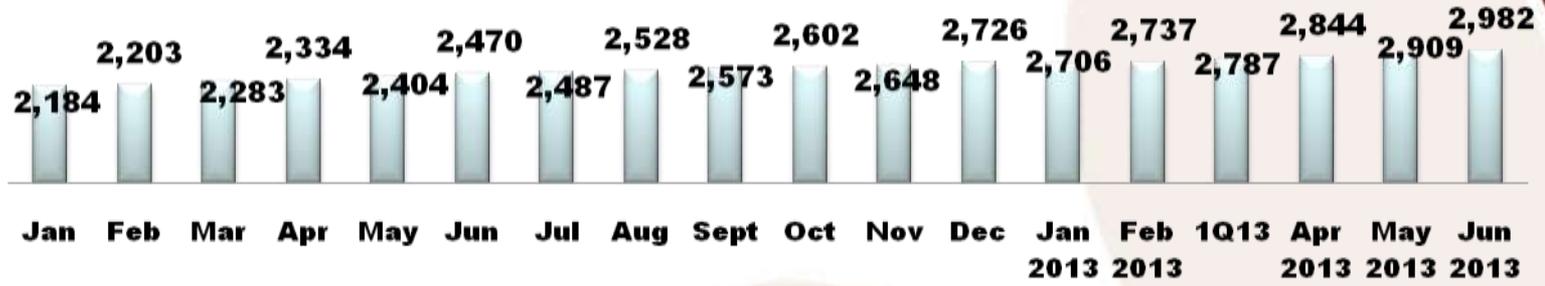
## SECTION 3

# PROSPECT OF BANKING INDUSTRY

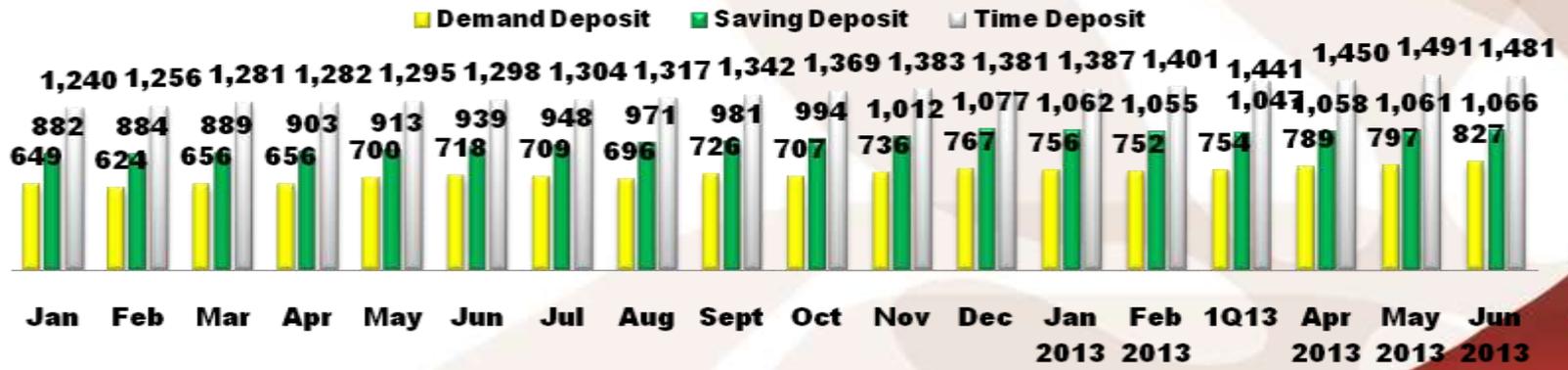
# NATIONAL BANKING SECTOR PERFORMANCE



## Loan ( in Trillion Rp.)



## Deposits ( in Trillion Rp.)



# BANK JATIM POSITION of EAST JAVA MARKET SHARE

In Trillion Rp.

No	Description	2012 East Java	2012 Bank Jatim	%	Jun 2013 East Java *	Jun 2013 Bank Jatim	%
1.	Total Asset	353,60	29,11	8,23%	379,47	33,85	8,92%
2.	Third Party Fund	289,09	22,20	7,67%	293,80	27,41	9,33%
	- Current Account	47,67	9,66	20,26%	45,98	12,08	26,28%
	- Saving Account	134,22	8,17	6,08%	133,15	7,06	5,31%
	- Time Deposit	107,20	4,37	4,07%	114,67	8,27	7,22%
3.	Loan	239,48	18,56	7,75%	265,35	20,43	7,70%

**Source : Economy Regional East Java – Bank Indonesia**

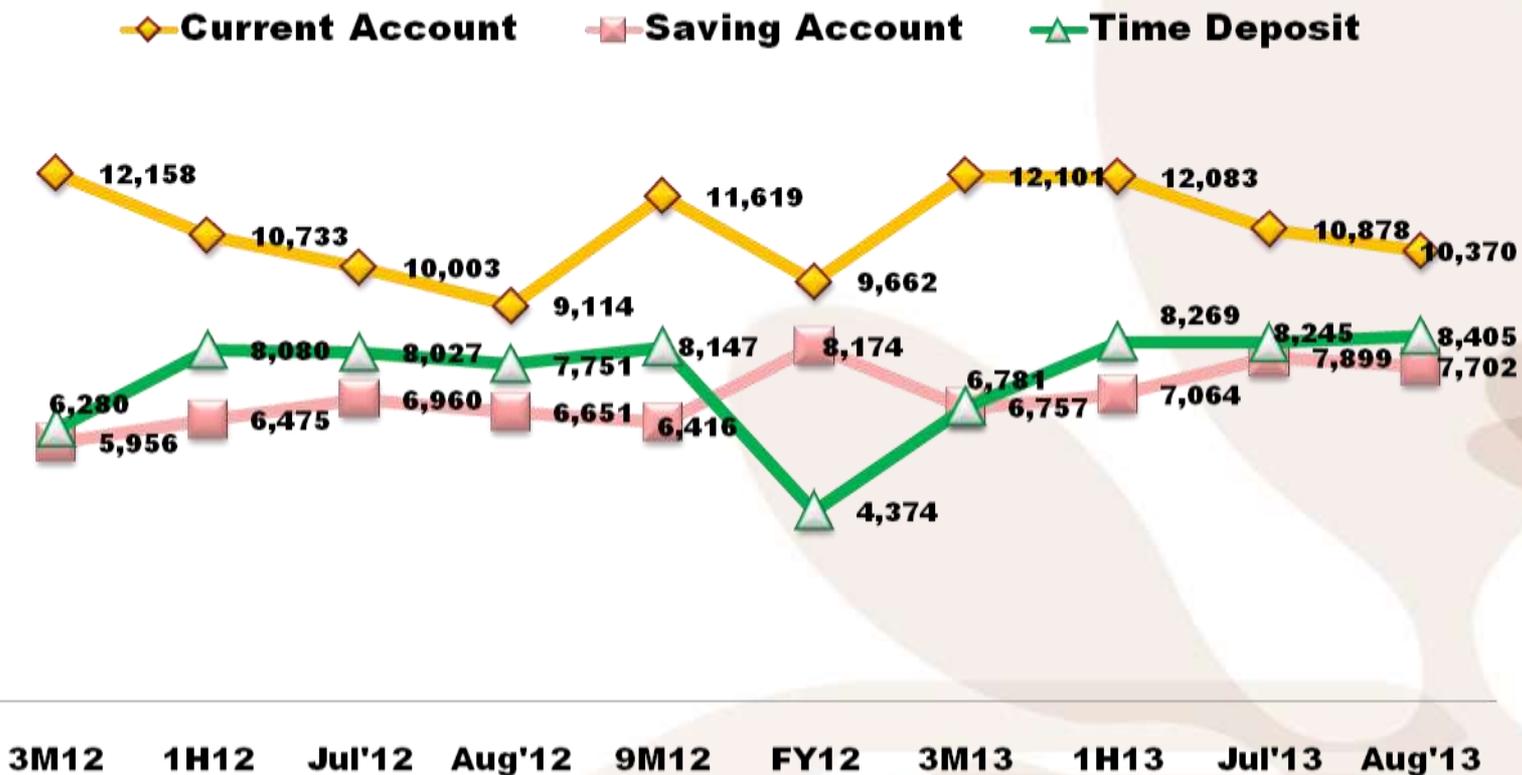
**Total Bank in East Java : 81 Banks**

## SECTION 4

# OVERVIEW & INVESTMENT HIGHLIGHTS

# THIRD PARTY FUND

In Billion Rp.



# THIRD PARTY FUND COMPOSITION

In Billion Rp.

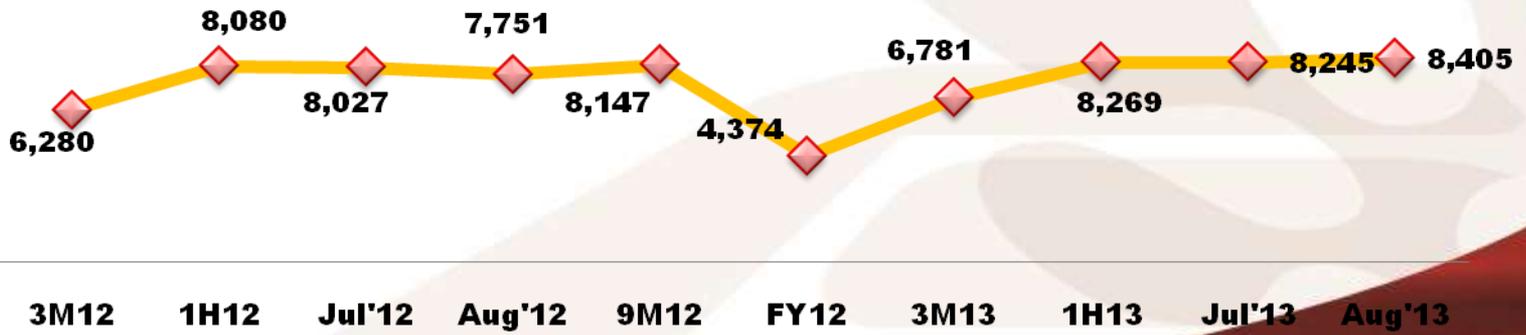
## Current Account

◆ Government    ■ Private



## Time Deposit

◆ Time Deposit

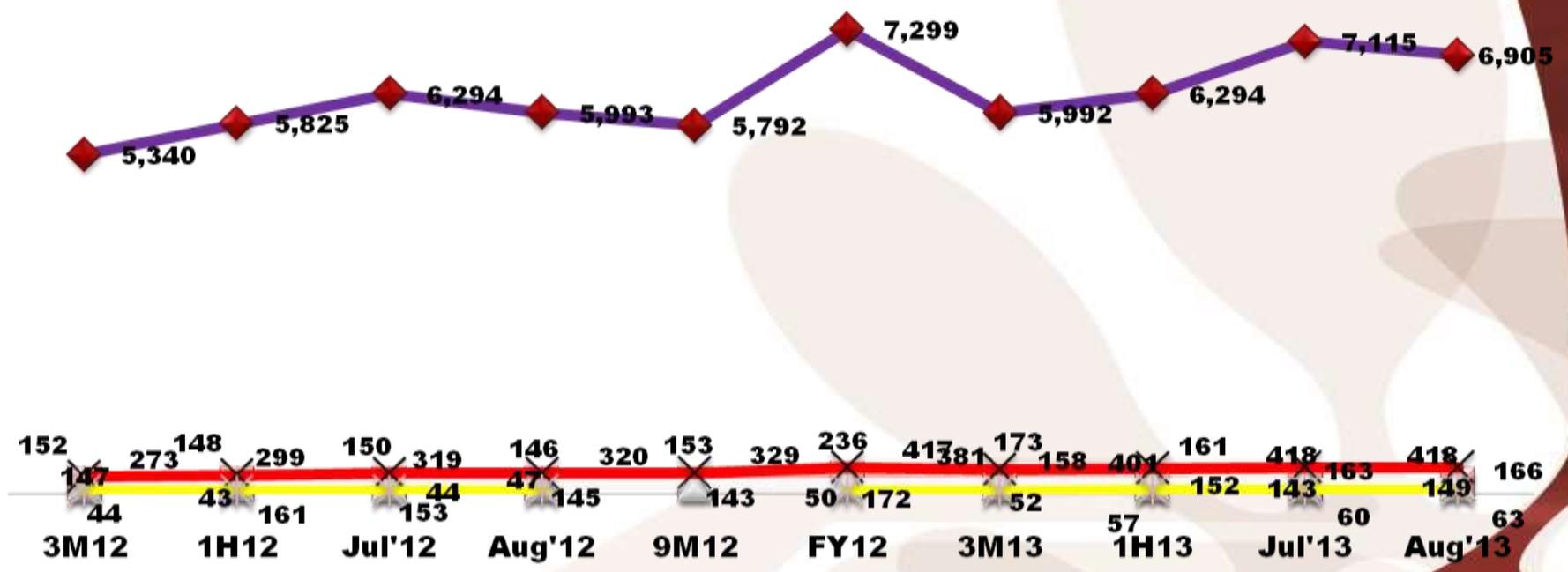


# THIRD PARTY FUND COMPOSITION

In Billion Rp.

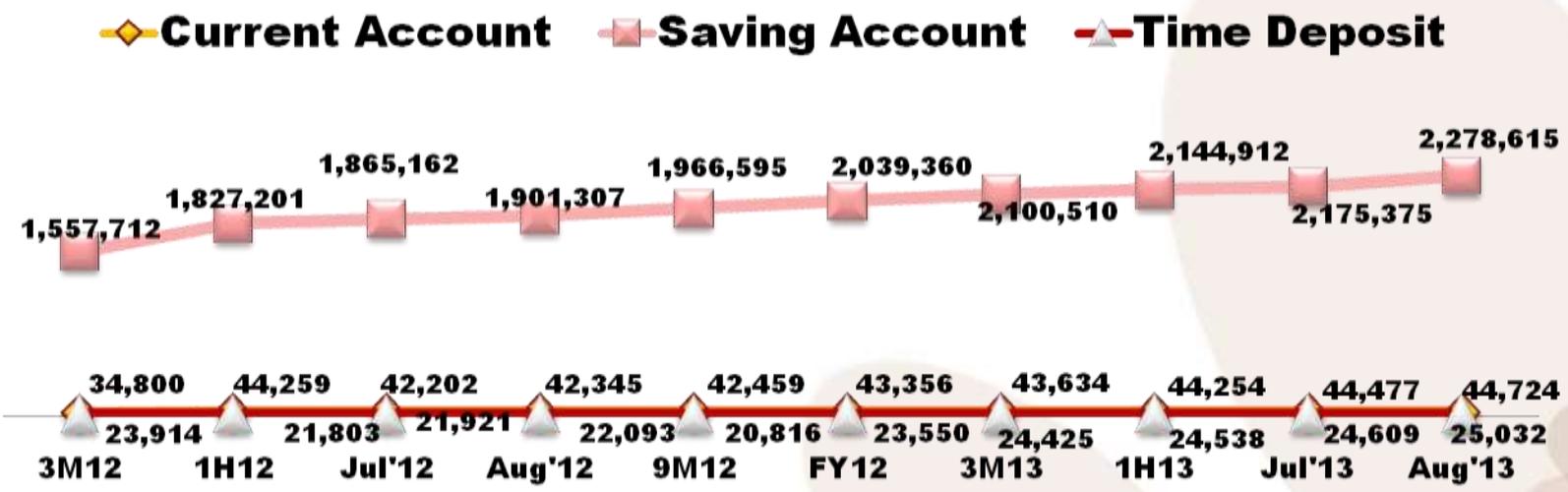
## Saving Account

◆ SIMPEDA   
 ■ SIKLUS   
 ▲ Hajj Saving   
 ✕ TabunganKu   
 ✱ Barokah Saving



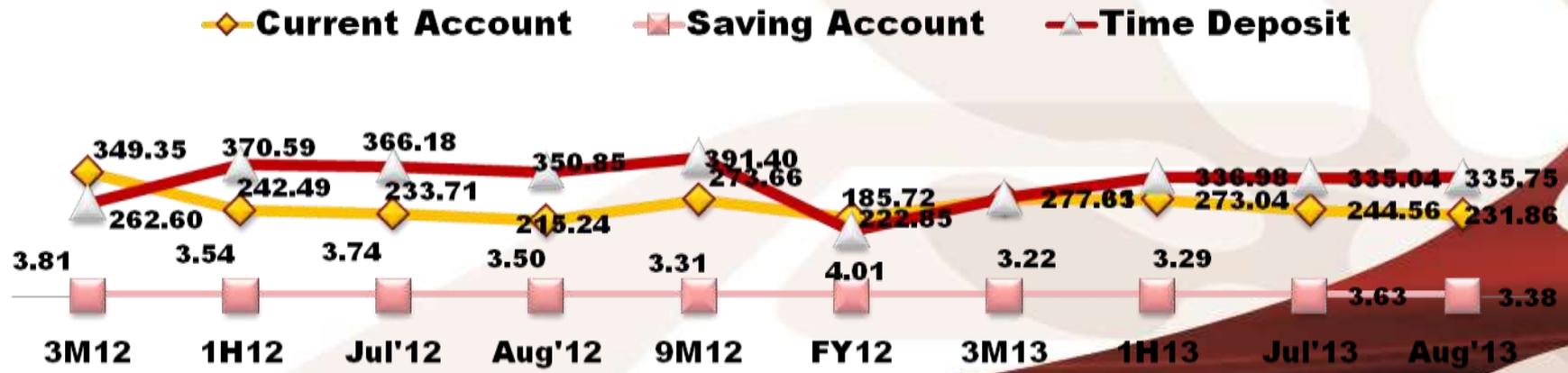
# THIRD PARTY FUND CUSTOMER & TICKET SIZE

## Total Customer



In Million Rp.

## Ticket Size



# CASA RATIO PER JUNE-JULY 2013

BANK	CASA RATIO (June 2013)	CASA RATIO (July 2013)
<b>Bank Jatim</b>	<b>73,9%</b> 	<b>69,8%</b> 
<b>Bank Jabar Banten</b>	<b>48,5%</b>	<b>44,3%</b>
<b>Bank Mandiri</b>	<b>64,9%</b>	<b>65,1%</b>
<b>BTN</b>	<b>49,2%</b>	<b>50,3%</b>
<b>BTPN</b>	<b>16,4%</b>	<b>17,3%</b>
<b>BRI</b>	<b>58,6%</b>	<b>58,2%</b>
<b>BCA</b>	<b>80,8%</b>	<b>80,9%</b>
<b>Bank Danamon</b>	<b>44,6%</b>	<b>46,3%</b>
<b>BNI</b>	<b>67,9%</b>	<b>68,2%</b>
<b>Bank Panin</b>	<b>60,1%</b>	<b>60,1%</b>

# PRODUCT PLAN & NEW ACTIVITIES 2013



# COST OF FUND

Description	January 2012	January 2013	February 2012	February 2013	March 2012	March 2013
<b>Include Local Government</b>	<b>4,66%</b>	<b>3,05%</b>	<b>4,66%</b>	<b>3,15%</b>	<b>4,48%</b>	<b>3,28%</b>
<b>Exclude Local Government</b>	<b>4,99%</b>	<b>2,93%</b>	<b>5,00%</b>	<b>3,04%</b>	<b>4,92%</b>	<b>3,37%</b>

Description	April 2012	April 2013	May 2012	May 2013	June 2012	June 2013
<b>Include Local Government</b>	<b>4,57%</b>	<b>3,14%</b>	<b>4,53%</b>	<b>3,25%</b>	<b>3,82%</b>	<b>3,18%</b>
<b>Exclude Local Government</b>	<b>5,01%</b>	<b>3,24%</b>	<b>4,99%</b>	<b>3,61%</b>	<b>4,23%</b>	<b>3,28%</b>

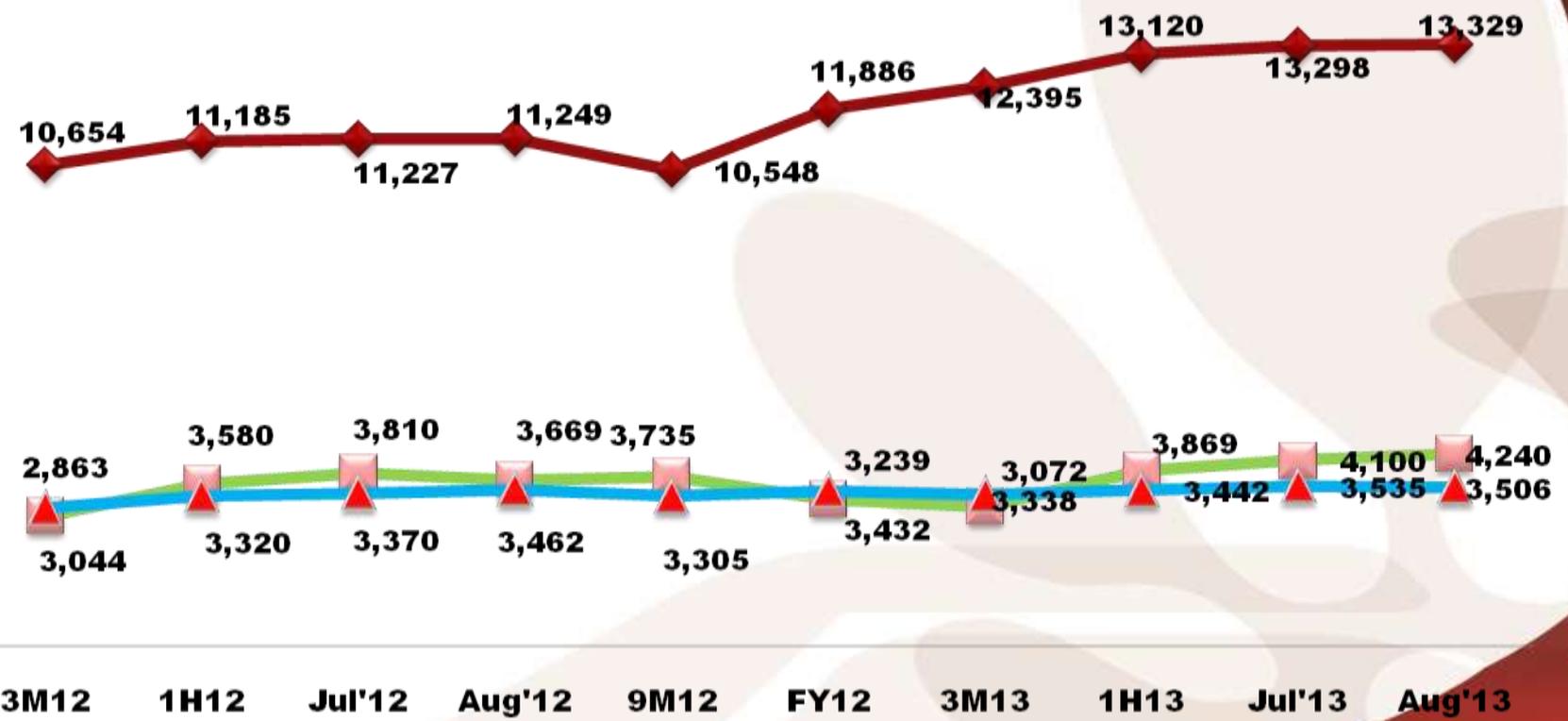
Description	July 2012	July 2013	Aug 2012	Aug 2013
<b>Include Local Government</b>	<b>3,75%</b>	<b>3,44%</b>	<b>3,48%</b>	<b>3,51%</b>
<b>Exclude Local Government</b>	<b>4,06%</b>	<b>3,52%</b>	<b>3,71%</b>	<b>3,62%</b>

Source : Tresury Division

# LOAN COMPOSITION

In Billion Rp.

◆ **Consumer**    ■ **Commercial**    ▲ **SME**

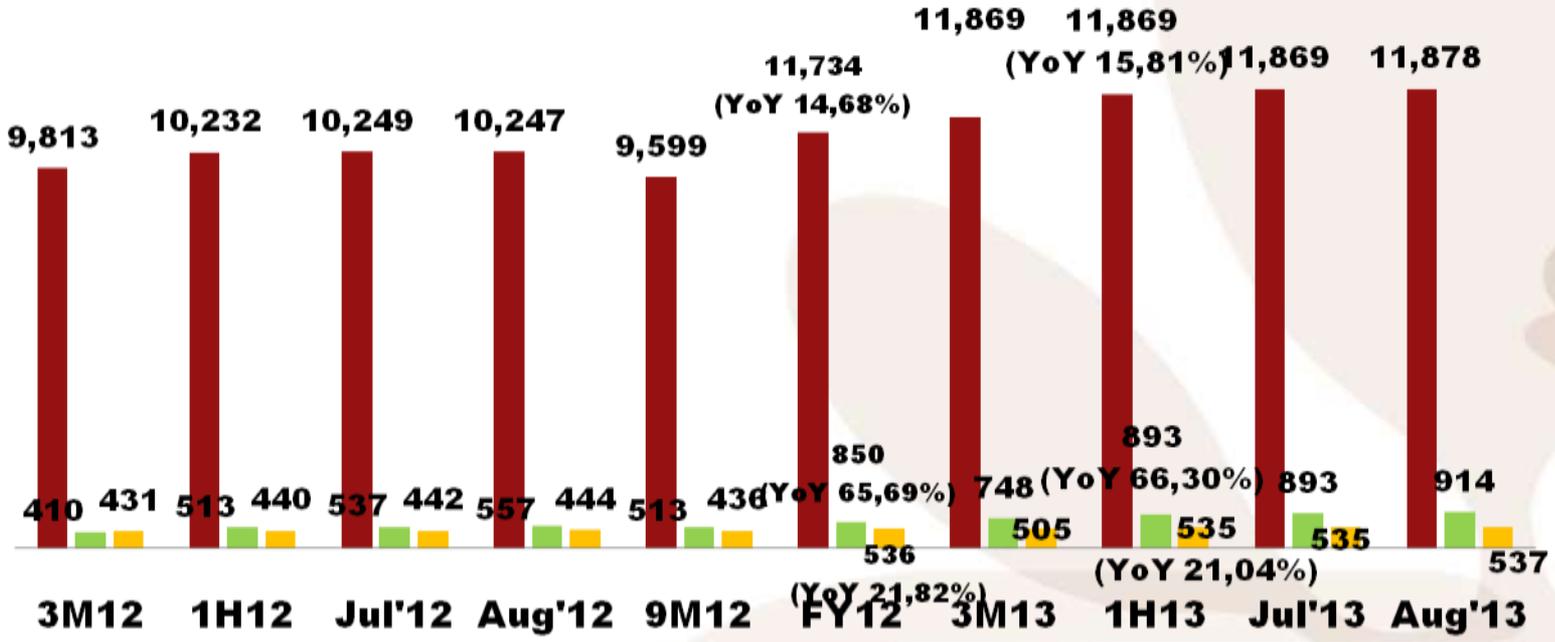


# LOAN COMPOSITION

In Billion Rp.

## Consumer Loan

■ Multipurpose ■ Mortgage ■ Others



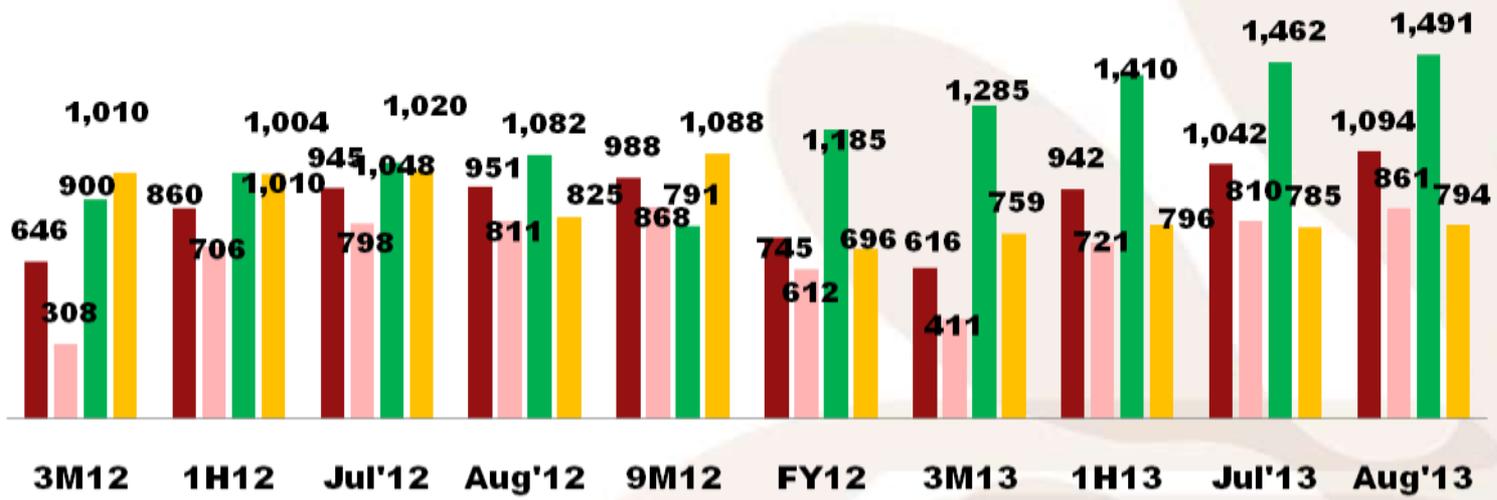
Multiguna YoY 15,91%  
 KPR YoY 64,09%  
 Others YoY 20,13%

# LOAN COMPOSITION

In Billion Rp.

## Commercial Loan

■ Standby Loan    
 ■ Keppres    
 ■ Overdraft    
 ■ Syndicate



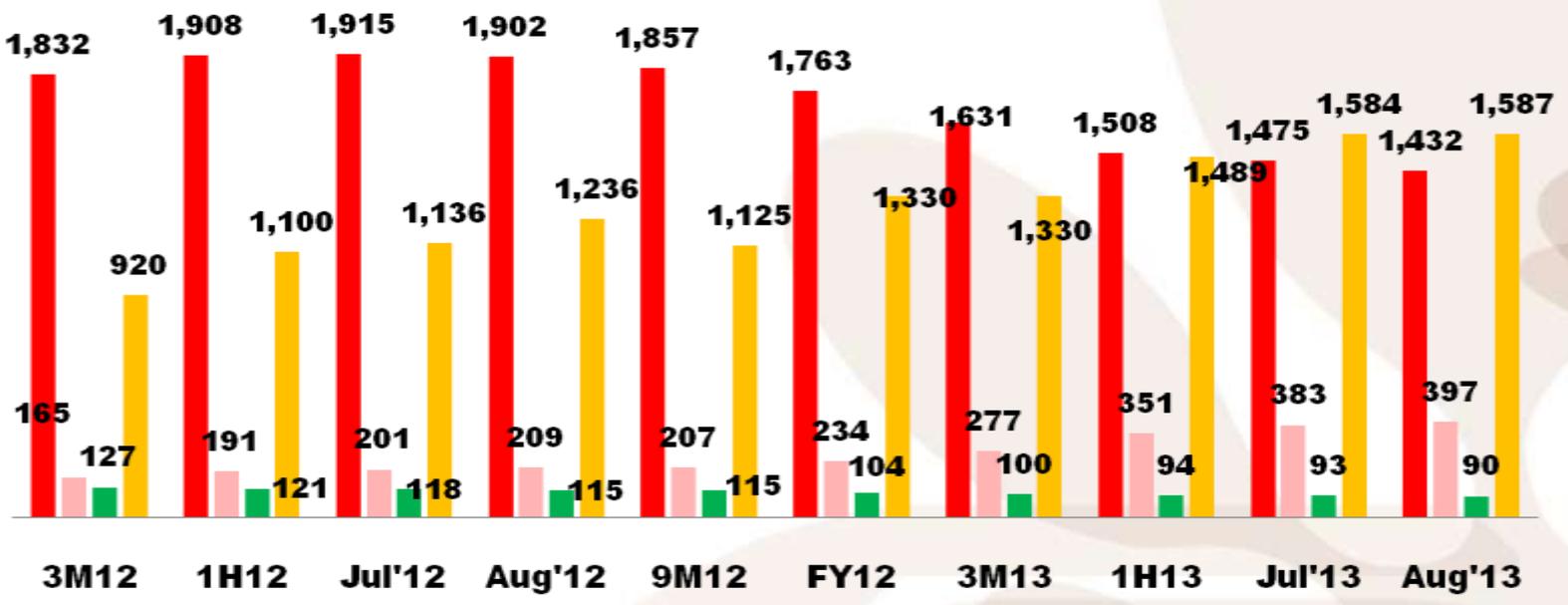
Standby Loan	YoY 15,03%
Keppres	YoY 6,16%
Overdraft	YoY 37,80%
Syndicate	YoY - 3,76%

# LOAN COMPOSITION

In Billion Rp.

## SME Loan

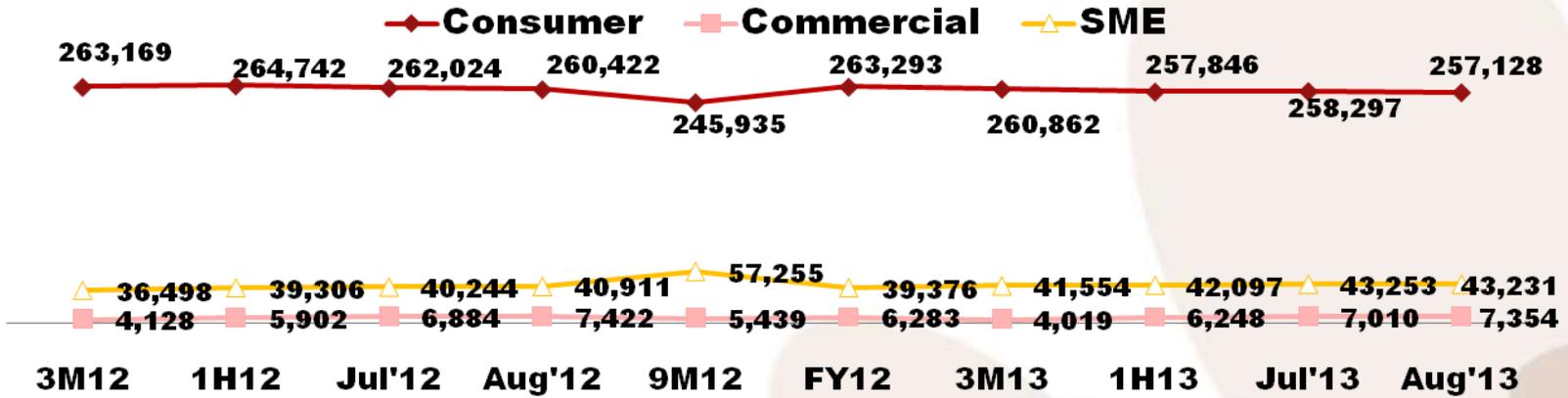
■ KUR ■ Pundi Kencana ■ Laguna ■ Others



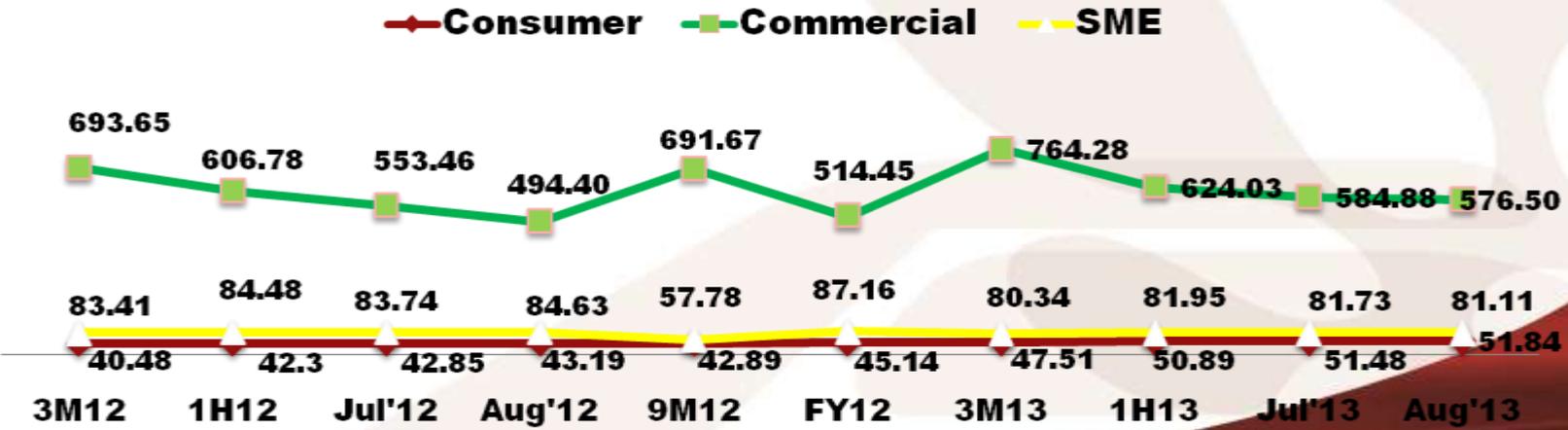
KUR	YoY -24,72%
Pundi Kencana	YoY 89,95%
Laguna	YoY - 21,74%
Others	YoY 28,39%

# LOAN TOTAL CUSTOMER & TICKET SIZE

## Total Customer



## Ticket Size

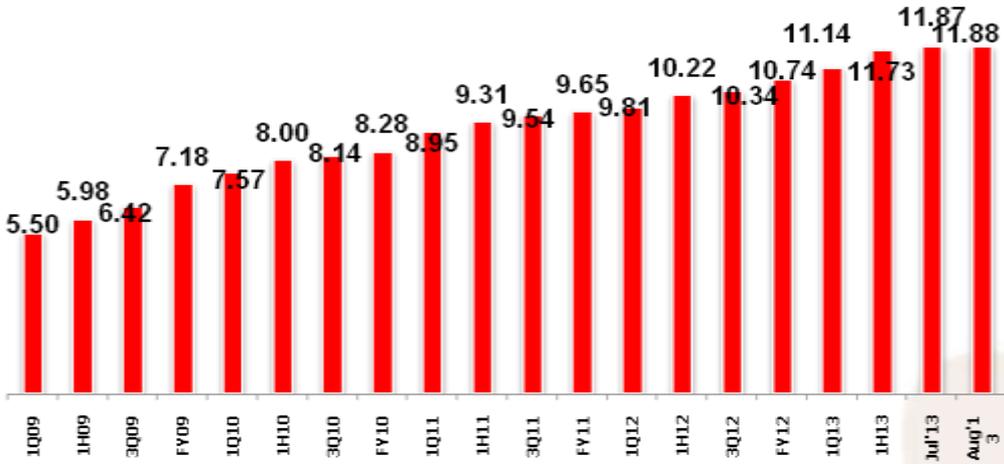


# LOAN INTEREST RATE

<b>Description</b>	<b>ALCO NO.051/008/ALCO</b>
<b>Consumer Loan</b>	
<b>Multipurpose</b>	<b>8.50% - 11% p.a Flat 15.20% - 18.00% p.a Annuity</b>
<b>Mortgage</b>	<b>9.75% p.a Efective Fixed Rate first year next Floating</b>
<b>Others</b>	<b>7.00% p.a Efective Fixed Rate</b>
<b>Commercial Loan</b>	
<b>Standby Loan</b>	<b>12.25% p.a Efective Floating Rate</b>
<b>Keppres</b>	<b>12.25% p.a Efective Floating Rate</b>
<b>Overdraft</b>	<b>12.25% p.a Efective Floating Rate</b>
<b>Syndicate</b>	<b>7.75% - 10.25%</b>
<b>SME</b>	
<b>KUR</b>	<b>12% - 22% p.a Efective</b>
<b>Pundi Kencana</b>	<b>13.25% - 15.25%</b>
<b>Laguna</b>	<b>14% - 16% Annuity/Year</b>
<b>Others</b>	<b>12.25% p.a Efective Floating Rate</b>

# EXCLUSIVE OF MULTIPURPOSE LOAN

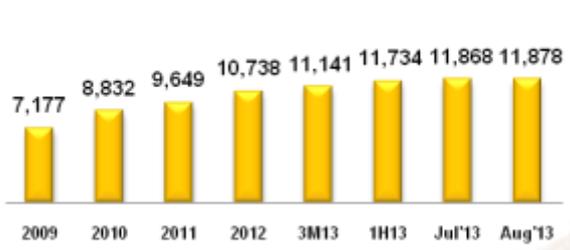
Bank Jatim is one of the biggest creditors on East Java's consumer sector with a market share of 14.73%



- Out of 471,814 civil servants in East Java, around 51,53 % has been served by Bank Jatim.
- East Java civil servants are increasing at 14% p.a in 2011 and 8% in 2012
- Loan size per borrower increases over time, in line with the increase in salary.
- Borrowers are civil servant whose salary is paid via their payroll Bank Jatim account.

Bank Jatim aims to tap retired civil servants and payroll account from private companies in East Java.

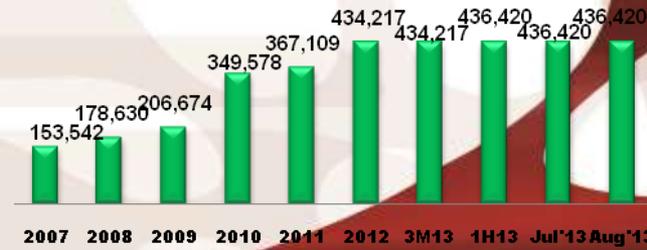
Multiguna Loan Balance ( Billion Rp. )



Multiguna Ticket Size (million) Rp.



East Java Civil Servant Payrolls Under Management



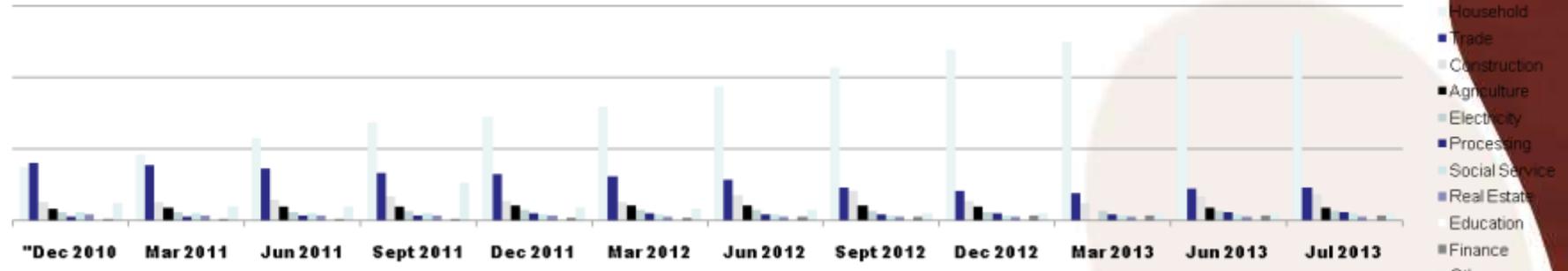
**\*\* For Multipurpose customers, Data from Branches**

# SME STRATEGY

**In 2013, Bank Jatim has SME Loan development strategy by implementing targeted lending in 111 Sub Branch Offices spread across the area of East Java with the following :**

Type of Sub Branch	Amount	Target per Year	
		Each Sub Branch	Total
Type A	67	16.000.000.000	1.072.000.000.000
Type B	14	11.000.000.000	154.000.000.000
Type B (Business Plan 2013)	60	5.500.000.000	330.000.000.000
<b>TOTAL</b>	<b>141</b>	<b>32.500.000.000</b>	<b>1.556.000.000.000</b>

# TOP TEN LOAN BY INDUSTRY CONCENTRATION



In Million Rp.

	Household	Trade	Construction	Agriculture	Electricity	Processing	Social Service	Real Estate	Education	Finance	Others
<b>Dec 2010</b>	3,676,137	4,033,097	1,245,764	766,886	526,253	209,402	518,414	373,249	327,556	67,677	1,194,571
<b>Mar 2011</b>	4,552,941	3,876,995	1,219,058	841,733	539,404	240,799	484,926	350,229	288,514	78,965	962,932
<b>Jun 2011</b>	5,769,612	3,643,285	1,438,214	911,553	579,126	351,373	444,525	316,431	252,613	83,072	932,659
<b>Sept 2011</b>	6,824,986	3,292,067	1,681,733	950,627	602,848	310,068	434,567	290,507	249,562	92,665	2,601,840
<b>Dec 2011</b>	7,229,596	3,235,324	1,357,186	1,022,613	709,758	434,657	410,805	278,762	271,562	124,858	845,993
<b>Mar 2012</b>	7,931,148	3,080,083	1,253,861	1,059,762	745,624	432,492	382,045	260,511	265,163	150,218	800,147
<b>Jun 2012</b>	9,318,530	2,803,371	1,766,585	1,056,659	736,318	372,188	372,967	261,580	255,950	226,863	687,231
<b>Sept 2012</b>	10,657,148	2,296,537	2,012,885	983,400	601,472	392,841	351,298	201,657	170,939	255,208	465,054
<b>Dec 2012</b>	11,910,568	2,017,524	1,276,657	909,567	571,069	471,894	233,349	98,611	112,704	269,697	406,615
<b>Mar 2013</b>	12.451.205	1.923.911	1.148.620	872.730	657.531	430.989	292.624	207.401	104.821	270.922	443.772
<b>Jun 2013</b>	13.056.125	2.232.949	1.659.510	858.209	625.413	531.872	387.473	217.521	102.659	312.789	446.598
<b>Jul 2013</b>	13.226.105	2.314.541	1.831.431	856.931	628.753	542.385	437.798	216.132	101.078	342.133	435.403
<b>Aug 2013</b>	13.244.149	2.364.421	1.926.476	845.530	625.022	546.330	435.188	212.621	97.314	349.590	428.792



# RECOVERY

No	Information	Total Recovery 2012	Realization Mar 2013	Realization June 2013	Realization Aug 2013	Total Jan - Jul 2013
1	Claim of loan insurance (70% of outstanding loan-write off)	94.751.054.641	38.886.986.289	11.343.226.703	6.507.873.754	120.419.641.718
2	Result of loan collection after Jamkrindo's Subrogation Right deduction at 70%	4.816.909.641	-	-	-	37.407.306
3	Result of completion non performing loan from Balangan (intra & extracomptabel) minus Non Performing Loan (intra) at 75%	6.041.560.477	3.882.361.949	6.844.438.824	1.326.859.115	23.342.307.024
4	Result of principal interest installment of extracomptabel loan (minus 25% from Balangan)	36.106.502.857	3.006.769.399	5.796.252.626	4.470.277.577	42.864.174.170
5	Installment Loan of Jakarta Branch	10.113.097.880	-	6.717.623.844	172.436.608	9.827.784.351
6	Installment Loan of HR Muhammad Branch	3,184,866,000	65.402.390	356.050	451.840	665.588.747
7	Installment Loan of Sumenep Branch	253.790.601	3.100.000	2.300.000	7.850.000	63.930.563
8	PT. Horison Komunikasi claim	2.500.000.000			-	-
	<b>TOTAL</b>	<b>157.767.782.097</b>	<b>45.844.620.027</b>	<b>30.704.198.047</b>	<b>12.485.748.894</b>	<b>197.220.833.878</b>

# STRATEGY REDUCING NPL

Action Plan	Member	PIC Branch	PIC Head Office
Monthly Meeting	Branch Manager & Loan Supervisor	Branch Manager	-Middle & Corporate Division -Special Mention Loan Sub Division
Task Force	<ul style="list-style-type: none"> <li>•Special Mention Loan Sub Division</li> <li>•Branch Managers</li> <li>•Relationship Managers</li> <li>•Loan Supervisors</li> <li>•Staff</li> </ul>	Branch Manager	-Middle & Corporate Division -Special Mention Loan Sub Division

**Agenda Monthly Meeting :**

1. Monitoring progress recovery from Debtor;
2. Monitoring process of auction from Guarantee;
3. Monitoring Insurance Claim;

**Agenda Task Force:**

1. To store non performing loan documents including the security of loan collateral
2. Prepare steps of non performing loans' rescue and completion which still have prospect or not, by :
  - Direct billing to the debtors, debtors' projects, and by phone
  - Restructuring loans to the prospect debtors
  - Disbursement of collateral outside the auction by way of redemption of the collateral by the debtor or under the arms sales to third parties
  - Disbursement of collateral by way of voluntary auctions, how to execute mortgages or mortgages with the auction office or other auction (PT.Balai Lelang Tunjungan Surabaya)
  - Claim credit insurance or credit guarantee agency has closed the insured losses
  - Compensate to borrowers' asset with problem loans
  - Monitor the implementation of the rescue measures and resolution of non performing loans
  - Monitor the activities of the debtor or credit the rescue phase completion
  - Create reports and administer the implementation of rescue and resolution of non performing loans periodically (at least once a month)

# HUMAN RESOURCES

With the support of professional human resources, Bank Jatim is committed to provide excellent service to its customers.

**HR Development Strategy**

**HR Management Policy**

**Vision, Mission, and Corporate Culture**

**Professional management and resources**

**HR Development and Quality Improvement**

Competencies based education and training program in accordance with organizational needs based on training needs analysis.



✓ HR development strategy continues to be based on HR Management Based on Competencies.

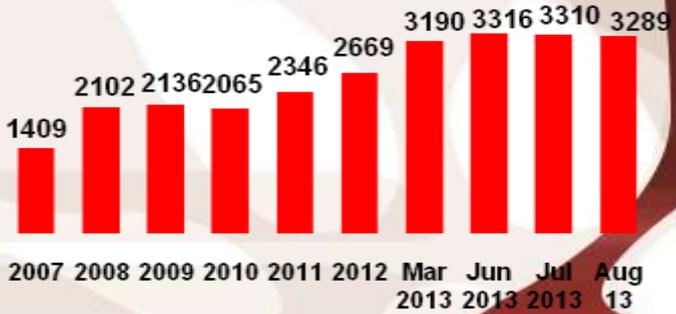


Steps to set out HR management policy:

- ◆ Build competency book and profile with experienced consultant in competency development field;
- ◆ Staff Development Program (SDP) and Executive Development Program (EDP) recruitment, training, and education;
- ◆ SDM portal development to manage HR Management Information System (MIS).

No	DATA	Jul-13
1	Board of Commisioner	4
2	Sharia Supervisory Board	3
3	Board of Director	5
4	Management 1	15
5	Management 2	71
6	Management 3	141
7	Management 4	603
8	Staff Administration	1.031
9	Staff Non Administration	364
10	Non Permanent	1.052
11	Outsourcing	1.098
	<b>Total</b>	<b>4.387</b>

**Number of Employees (2007-2013)**



# INFORMATION TECHNOLOGY

Transformation of Information Technology (IT) system to anticipate business development and intensifying competition.

## IT Development Strategy

Bank Jatim approaches its IT development strategy based on the customers needs by implementing some steps, including:

- Preparing FOS (Financing Operating System) implementation
- Preparing Virtual Account program creation
- Create MIS Dashboard to evaluate Sharia business performance
- SPP Batch System development to accommodate tuition fee on school and universities

## Good IT Governance

- Information technology principles
- Information technology architecture
- Information technology infrastructure
- Business application
- Prioritization and investment decision

## IT Plan 2013

- **Launching Live e-payment container**  
**Cooperation with Terminal Peti Kemas Surabaya, by steps :**
  1. Assurance payment by Host to Host System
  2. Assurance payment by script fund (warkat dana)
  3. Assurance payment by Running Deposit

## Bank Jatim IT Transformation



# INFORMATION TECHNOLOGY

Transformation of Information Technology (IT) system to anticipate business development and intensifying competition.

## IT Plan 2013

### ➤ **Launching Live e-payment container Cooperation with Terminal Peti Kemas Surabaya,**

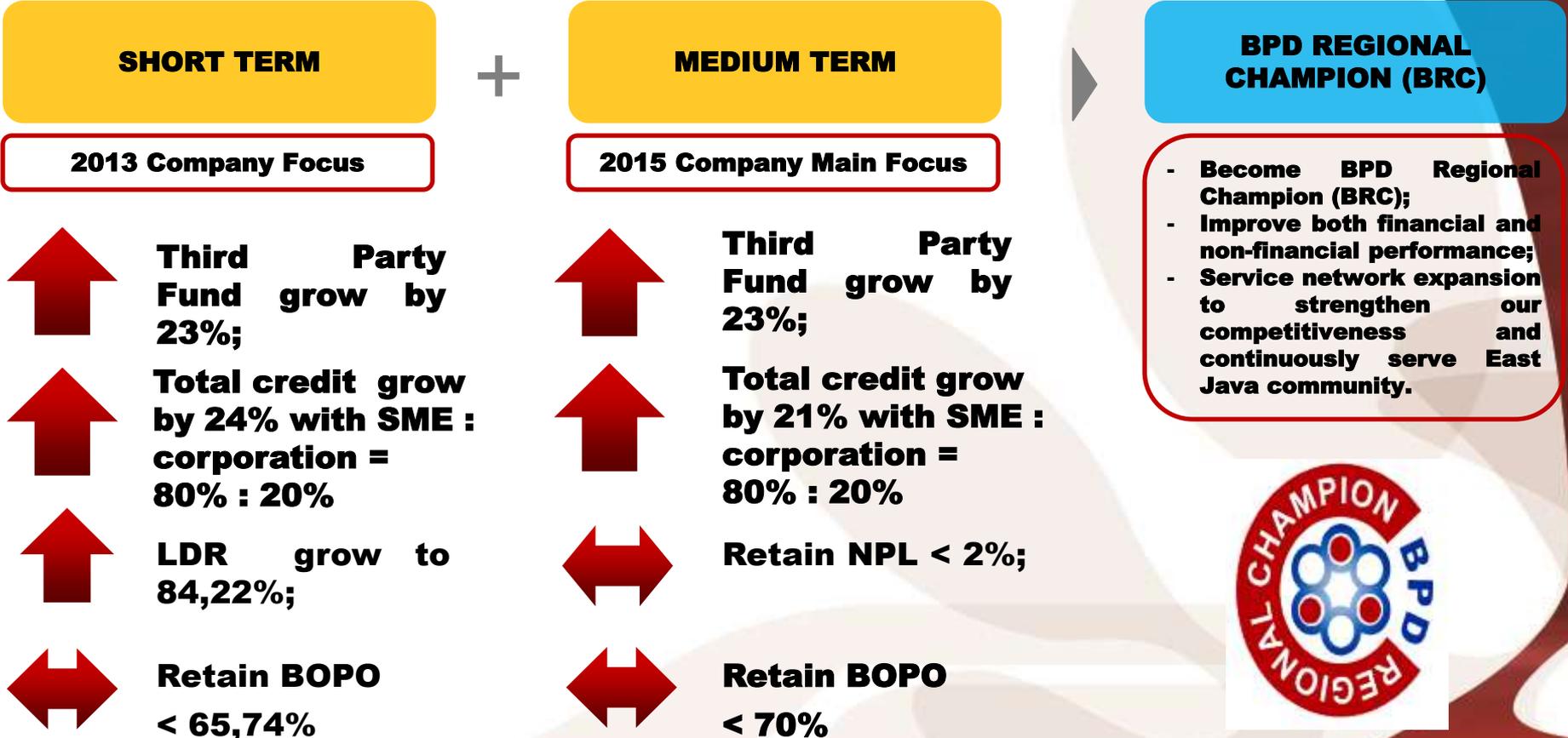
**Steps for this payments are :**

- **Assurance payment by Host to Host System**  
**Customers have to book the activities to get number of EPB (Approximate Estimate of Financing) as key of payment of Host to Host. This can be processed at Teller of Bank Jatim and also ATM**
- **Assurance payment by script fund**  
**Payment of assurance by using script fund established by Terminal Peti Kemas**
- **Assurance payment by Running Deposit**  
**payments made after unloading Completed Memorandum of PT. TPS issued without first making a payment guarantee EPB. Customers who make payment through running deposit must obtain prior approval from PT. TPS for that customer must have guarantees such as deposit pledged as collateral that can be withdrawn if the customer is not able to make payments after Completed Memorandum issued by PT. TPS**

### ➤ **Launching Intercity Current Account in April 2013**

# COMPANY TRANSFORMATION

As the East Java industrial climate improves, the competition in the banking industry intensifies since many competitors oversee the potential to do market penetration in the banking industry.



## SECTION 5

# STRENGTHS

# WIDE NETWORK OF SERVICE POINTS

Branch network and electronic channels are among Bank Jatim's competitive advantages.



Network	2009	2010	2011	2012	Mar 2013	Jun 2013	Jul 2013	Aug 2013	Target 2013 (+)
<b>Head Office</b>	1	1	1	1	1	1	1	1	1
<b>Branch Office</b>	39	41	41	41	41	41	41	41	2
<b>Sub Branch Office</b>	26	44	67	81	89	93	95	102	60
<b>Cash office</b>	151	154	164	164	162	160	159	152	49
<b>Sharia service office</b>	37	37	47	47	47	47	47	47	0
<b>Payment Point</b>	78	88	115	138	145	150	150	150	42
<b>Mobile cash</b>	45	49	57	57	57	57	58	58	9
<b>Mobile ATM</b>	-	4	4	6	6	6	6	6	2
<b>CDM</b>	1	1	1	1	1	1	1	1	0
<b>ATM</b>	87	142	262	368	376	390	400	415	130
<b>Total network</b>	<b>465</b>	<b>561</b>	<b>759</b>	<b>904</b>	<b>925</b>	<b>946</b>	<b>958</b>	<b>973</b>	<b>295</b>

Our expansion for the past few years, such as opening conventional supporting branches, payment point, and ATMs, has given our customer with easier access to our services.

As information, there is a decrease of Cash Office from July to August 2013 because of Increased status become Sub Branch Office

# WIDE NETWORK OF SERVICE POINTS

<b>Network</b>	<b>Δ 2013</b>	<b>Δ 2014</b>	<b>Δ 2015</b>	<b>Δ 2016</b>	<b>Δ 2017</b>	<b>Δ 2018</b>
<b>Conventional</b>						
- Branch	0	1	1	0	0	0
- Sub Branch	58	47	46	46	50	50
- Cash Office	49	30	30	30	30	30
- ATM	126	100	100	100	100	100
<b>Sharia</b>						
- Branch	2	2	1	1	0	0
- Sub Branch	2	3	4	4	0	0
- Office Channelling	4	5	5	5	0	0
- ATM	4	5	5	5	0	0

# NEW PRODUCT 2013 & 2014

**2013** →

- **SMS Banking 3366**
- **Internet Banking**
- **Co Branding Flazz**
- **Mobile Banking**
- **Autosave**
- **KLE**

**2014** →

- ***Priority Banking***
- **EDC For Micro**
- **Saving → Tiering ATM Card**  
**Bank Jatim : Silver, Gold, latinum**
- ***Host to Host***
- ***Dealing Room***

# BPR LINKAGE PROGRAM

In Million Rp.

Description	March 2013		June 2013		Aug 2013	
	Outstanding	Member	Outstanding	Member	Outstanding	Member
<b>Linkage Program Executing</b>	<b>208.585</b>	<b>63</b>	<b>263.615</b>	<b>68</b>	<b>327.664</b>	<b>70</b>
<b>Linkage Program KUR</b>	<b>6.076</b>	<b>2</b>	<b>4.932</b>	<b>2</b>	<b>3.887</b>	<b>2</b>
<b>Linkage BPR Non APEX</b>	<b>3.239</b>	<b>2</b>	<b>7.653</b>	<b>2</b>	<b>7.217</b>	<b>2</b>
<b>TOTAL</b>	<b>217.900</b>	<b>67</b>	<b>276.200</b>	<b>72</b>	<b>338.769</b>	<b>74</b>
<b>NPL</b>	<b>0,29%</b>		<b>0,04%</b>		<b>0,16%</b>	

## Information :

1. BPR in East Java : 332 BPR
2. Member of BPR APEX : 279 BPR
3. Linkage Program with Bank Jatim : 72 BPR
4. Linkage Non APEX : 2 BPR
5. Member PERBAMIDA : 22 BPR
6. Member PERBAMIDA, Linkage with Bank Jatim : 10 BPR

# JATIM ELECTRONIC TRANSFER SYSTEM (JETS)

**Definition**

Jets is a system service that is used in the implementation of the transfer of funds between member apex RB, participants jets and the Commercial Bank through Bank Indonesia National Clearing System (SKNBI) the calculation is completed on time in accordance cycle set.

In this case Bank Jatim acting as a bank acting as an organizer and BPR participants.

**Type Of Service JETS**

- 1. Delivery Transfers Out between BPR and BPR JETS members in real time;**
- 2. Transfers out BPR and BPR JETS members to Banks SKNBI participants;**
- 3. Transfer into BPR and BPR of fellow members and Banks JETS participants SKNBI**

**Members of JETS**

- 1. 18 BPR pilot project was done kick off meeting**
- 2. 87 BPR who engage themselves in the implementation of JETS**

**For Bank Jatim as organizer**

- 1. Create products and services with innovative between Bank Jatim and member of APEX BPR**
- 2. Improve service to members for transactions between APEX BPR members and public Bank member SKN BI directly.**
- 3. Improve corporate image as the first bank in Indonesia providing Electronic Credit Transfer System. Increase the Bank's role as an institution of APEX BPR Java and East Java strengthen Bank as Regional Champion**

**Since October 30, 2012 to August 31, 2013 may be reported holding JETS transaction as follows:**

TYPE OF TRANSACTION	TOTAL TRANSACTION	TOTAL NOMINAL
Transaction Between BPR	513	Rp 22.694.603.642
Transaction BPR with Public Bank member SKNBI	1.830	Rp 22.523.830.403
<b>TOTAL</b>	<b>2.343</b>	<b>Rp 45.218.434.045</b>

# AWARDS & ACHIEVEMENTS



**Annual Report Award 2010 Committee – State-owned Company with Bapepam, Ditjen Pajak, Bursa Efek Indonesia, Ikatan Akuntansi Indonesia and Corporate Governance National Committee)**  
**1st ranked Company Category SOE/ROE Financial Non Listed**

**Persatuan Wartawan Indonesia East Java Branch Trophy and Charter Award from Persatuan Wartawan Indonesia of East Java Branch to Bank Jatim of Financial Performance Achievement.**

**Infobank Award 2011 & 2012**  
**“Excellent” Predicated on Bank category with asset 1 Trillion to 10 Trillion for 10 consecutive years**

**Investor Magazine 2011 & 2012**  
**Best Regional Champion Bank with asset above Rp10 trillion**

**Bisnis Indonesia Daily Newspaper**  
**BPD Jatim Special Recognition for CEO In Developing Corporate Culture**  
**PT BPD Jatim Special Recognition for CEO In Developing Corporate Culture**

**MRI & Info Bank**  
**5th Best Performance Overall Regional Bank**

**Tempo Magazine**  
**The Best Bank in term of asset >10 trillion**

**Bisnis Indonesia Daily Newspaper**  
**The Best Of 5<sup>th</sup> BUMD of The Year**  
**ROE Performance Achievement.**

**Annual Report Award 2011 Committee – State-owned Company with Bapepam, Ditjen Pajak, Bursa Efek Indonesia, Ikatan Akuntansi Indonesia and Corporate Governance National Committee)**  
**2nd ranked Company Category BUMD Non Listed**

**MarkPlus 2012**  
**Best Champion Surabaya Service Excellence 2012**  
**Conventional Banking (Asset<150 T)**

**Indonesia Banking Award 2012**  
**Best Regional Banking above Rp 10 trillion**

**MarkPlus Insight**  
**The Best Indonesia Service to Care Champion 2013**

**MarkPlus Insight & Infobank**  
**Indonesian Bank Loyalty Award 2013**  
**category Saving Account : Regional Development Bank**

**MarkPlus Insight**  
**Surabaya Marketers Champion 2013**  
**Category : Financial Services Industry**



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