

ANALYST MEETING FY2012 AUDITED

PT.BANK PEMBANGUNAN DAERAH JAWA TIMUR, TBK

RITZ CARLTON PASIFIC PLACE JAKARTA
MARCH 5TH 2013

	Page		Page
Table Of Content	2		
Agenda	3		
Section 1 : Macro Economy Outlook	4-8	Section 4 : Strength	40-45
- Macro Economy Outlook	5-6	- BPR APEX	41
- Macro Economy Indicator (GDP) of East Java 2012	7	- Jatim Electronic Transfer System	42
- The Economic Potential of East Java towards Bank Jatim	8	- Experienced Managements	43-44
		- Awards & Achievements	45
Section 2 : Prospect of Banking Industry	9-16		
- National Banking Sector Performance 2012	10	Section 5 : Financial of Highlight	46-51
- Banking Sector Indicator of East Java 2012	11	- Tremendous Improvement Gross Profit	47
- Bank Jatim Position of East Java Market Share	12	- Balance Sheet	48
- The Comparison with Regional Banks in Indonesia (per 31 Dec 2012)	13	- Profit & Loss	49
- The Comparison with East Java's Based (Unaudited per Dec 2012)	14	- Highlight of Financial Ratio	50
- Banking Industry Comparison	15-16	- Contact Person	51
Section 3 : Overview & Investment Highlights	17-39		
- Ownership Structure Post IPO	18		
- Third Fund Party	19		
- Third Party Fund Customer	20		
- Third Party Fund – Ticket Size	21		
- Product Plan & New Activities In 2013	22		
- Customer Deposit Analyst	23		
- Loan & NPL Composition	24		
- Loan Total Customer	25-26		
- Loan Interest Rate	27		
- Exclusive of Multipurpose Loan	28-29		
- Update Multipurpose Agreements	30		
- SME Strategy	31		
- Top Ten Loan By Industry Concentration	32		
- Strategy Reducing NPL & Recovery 2012	33-34		
- Human Resources	35		
- Information Technology	36-37		
- Company Transformation	38		
- Wide Network Of Service Points	39		

1 Economic Outlook

2 Prospect of Banking Industry

3 Overview & Investment Highlights

4 Strenghts

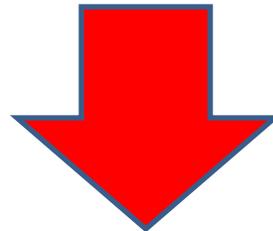
5 Financial Highlights

SECTION 1

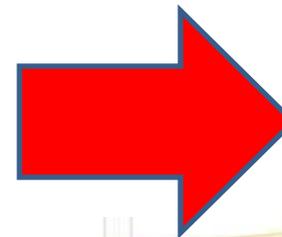
ECONOMIC OUTLOOK

MACRO ECONOMY OUTLOOK

Economic growth in 2012 is 6,23%
For 4Q12 reaches 6,11%
It is supported by consumption and investment which grew stronger than quarter before



Inflation stable at 4,30% in 4Q12
Bank Indonesia Rate also stable at 5,75%

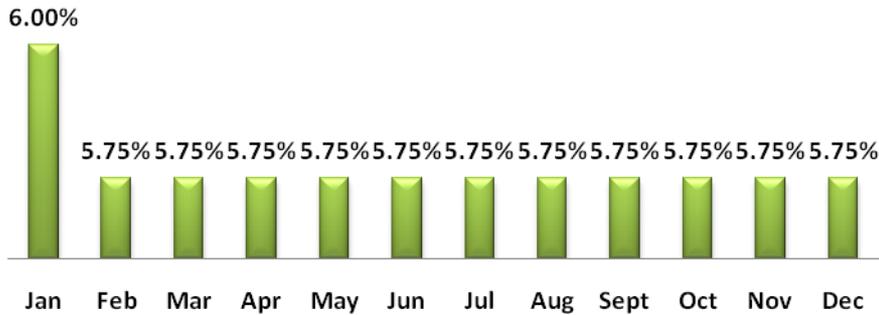


Optimistic in 2013

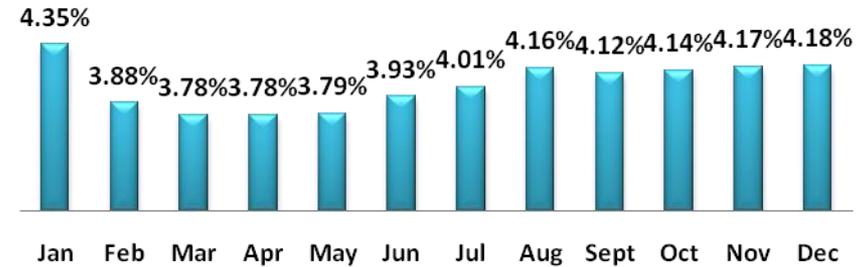
- Export & Import reach 6,2% in 1Q13**
- Reserves \$108,78 Billion**

MACRO ECONOMY OUTLOOK

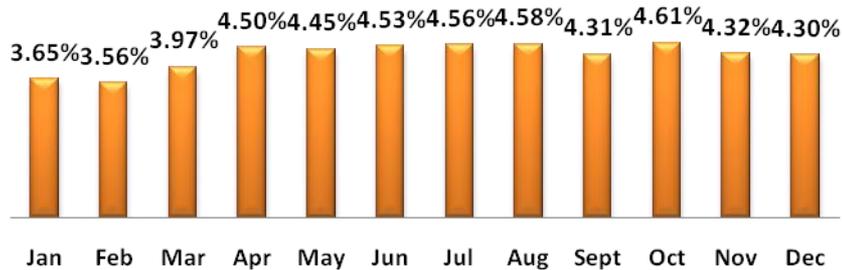
Bank Indonesia Rate 2012



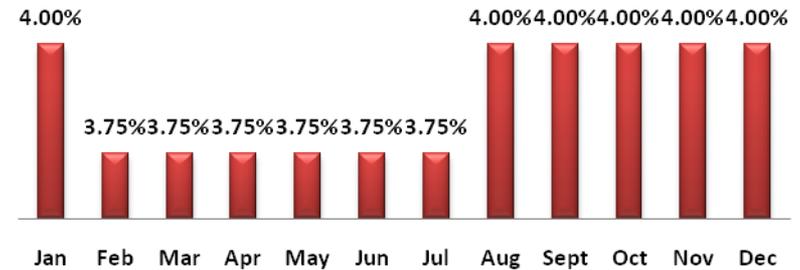
JIBOR 2012 (% Average)



INFLATION 2012



FASBI 2012



Source: Bank Indonesia

MACRO ECONOMY INDICATOR (GDP) of EAST JAVA 2012

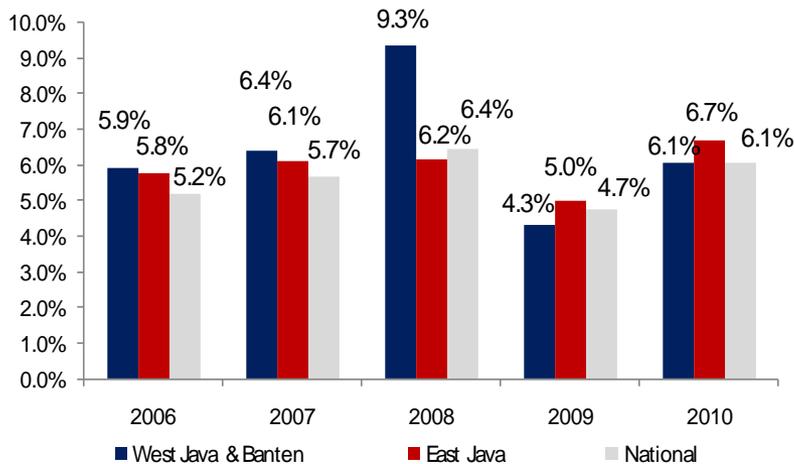
INDICATOR	2012								
	3M12	YoY	1H12	YoY	9M12	YoY	FY12	YoY	
Agriculture	15.982.668	2,25	14.177.715	3,04	13.591.281	2,24	10.712.279	2,24	3
Mining & Quarrying	1.893.917	5,09	2.120.466	1,66	2.160.927	1,32	2.225.952	1,32	
Processing Industry	23.409.626	6,27	23.871.800	6,71	24.936.426	6,47	25.799.205	6,47	2
Electricity, Gas & Clean Water	1.257.835	8,08	1.320.473	6,86	1.310.535	6,91	1.349.589	6,91	
Building	2.893.702	10,18	3.224.522	5,58	3.314.209	4,75	3.408.133	4,75	1
Trade, Hotel & Restaurant	30.081.571	9,69	31.799.848	10,54	32.958.742	10,78	33.535.338	10,78	
Transportation & Communication	6.945.037	13,01	7.627.427	8,08	7.949.406	11,14	8.119.044	11,14	
Finance, Rental & Service	5.156.525	7,69	5.439.472	7,37	5.544.158	7,50	5.662.313	7,50	
Services	7.709.676	5,18	8.503.427	4,96	8.661.415	3,89	9.011.780	3,89	
Growth of GDP (YoY)	7,27	7,19	7,31	7,21	7,41	7,29	7,09	7,29	

Source: Bank Indonesia - Surabaya

THE ECONOMIC POTENTIAL OF EAST JAVA TOWARDS BANK JATIM

No	Description	2008	2009	2010	2011
1.	Number of population	36.972.282	37.236.149	37.476.757	37.687.622
2.	Growth rate (%)	0,72	0,71	0,64	0,56

We **have** strong macroeconomic backdrop in East Java that provides us economic opportunity to grow our bank in size and quality.



3 Dominant Sector:

1. Trade, Hotel & Restaurant
2. Processing Industry
3. Agriculture

- ✓ **Second-largest contributor towards Indonesian economy. Approximately 15% of the national GDP comes from East Java;**
- ✓ **In 2012, East Java's economy grew at 7.3%, faster than national economic growth at 6.5% and aim 7.5% in 2013.**
- ✓ **As of 4th quarter 2012, placed as second largest GDP in Java Island , accounting for 14.9% of Java island's economy;**
- ✓ **The relatively high loans-to-deposits ratio, and low levels of non-performing loans.**

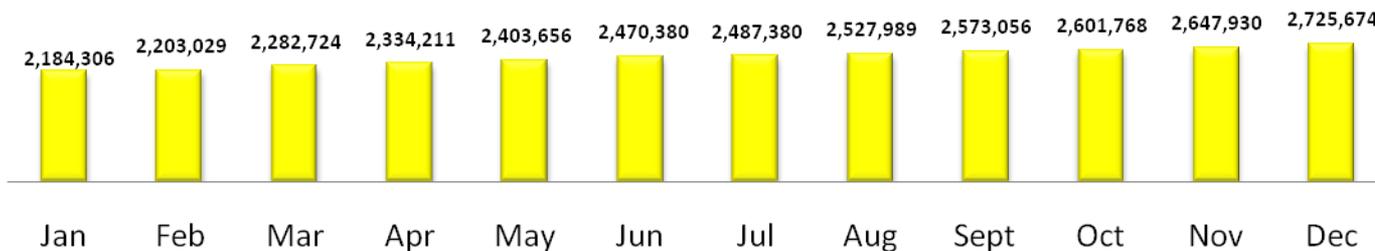
Economic structure dominated with secondary sector (THR & Processing Industry), supported by primary sector (Agriculture) → able to absorb up to 75 % manpower

SECTION 2

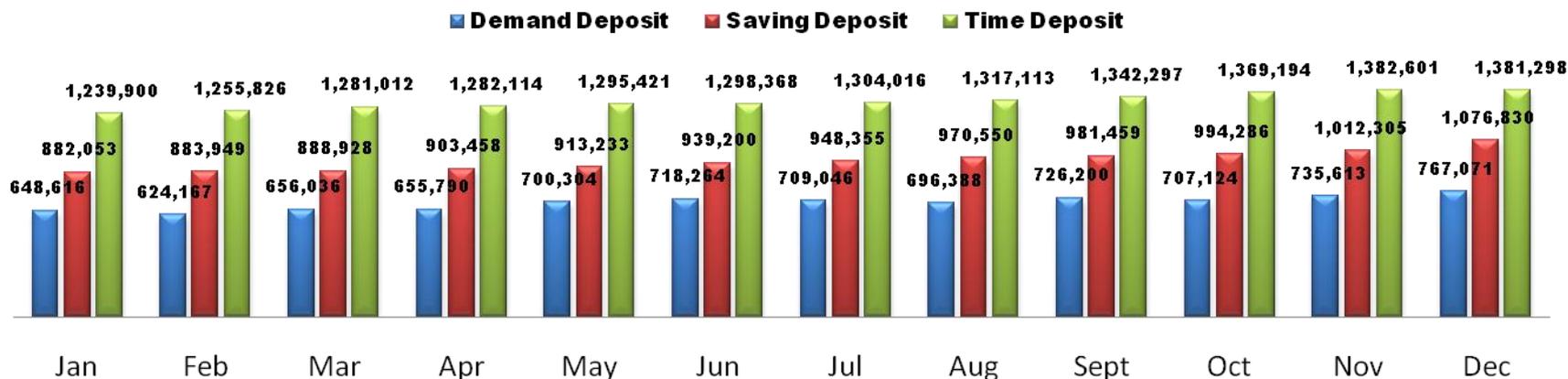
PROSPECT OF BANKING INDUSTRY

NATIONAL BANKING SECTOR PERFORMANCE 2012

Loan (in Billion Rp.)



Deposits (in Billion Rp.)



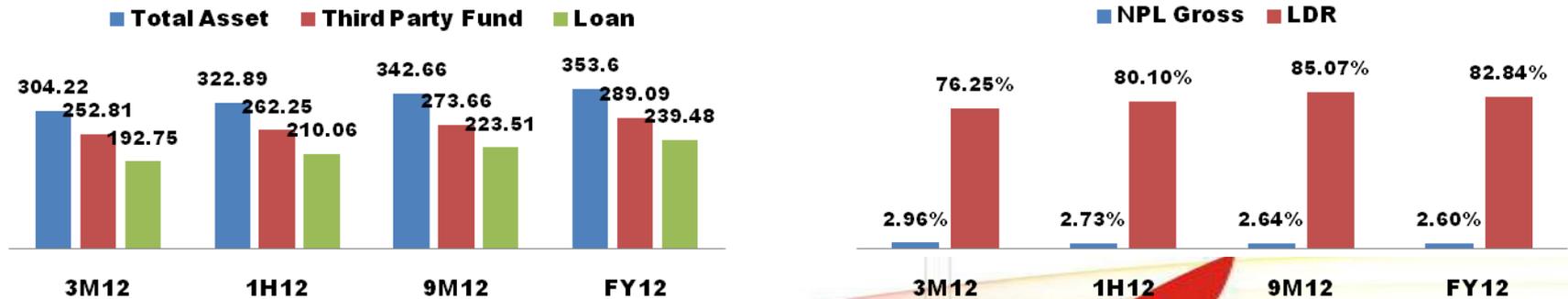
Source: Bank Indonesia

BANKING SECTOR INDICATOR of EAST JAVA 2012

In Trillion Rp.

INDICATOR	2012			
	3M12	1H12	9M12	FY12
Total Asset	304,22	322,89	342,66	353,60
Third Party Fund	252,81	262,25	273,66	289,09
- Demand Deposit	42,85	43,54	46,07	47,67
- Saving Account	109,95	116,20	122,89	134,22
- Time Deposit	100,00	102,50	104,70	107,20
Loan – Reporting Bank	192,75	210,06	223,51	239,48
NPL Gross	2,96%	2,73%	2,64%	2,60%
LDR (%)	76,25%	80,10%	85,07%	82,84%

Source: Bank Indonesia - Surabaya



BANK JATIM POSITION of EAST JAVA MARKET SHARE

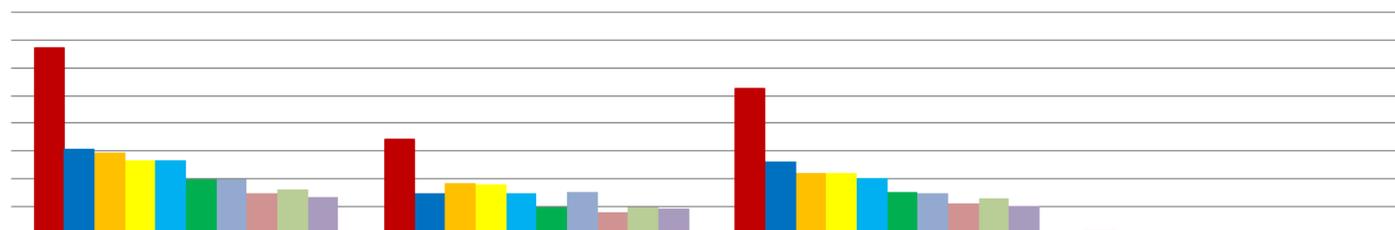
In Trillion Rp.

No	Description	2012	2012 Bank Jatim*	Percentage
1.	Total Asset	353,60	28,29	8,29%
2.	Third Party Fund	289,09	21,20	7,68%
	- Current Account	47,67	9,25	20,26%
	- Saving Account	134,22	8,16	6,09%
	- Time Deposit	107,20	3,89	4,08%
3.	Loan	239,48	17,54	7,75%
4.	NPL Gross	2,60%	2,96%	> 0,36% from Banking indicator in East Java
5.	LDR	82,84%	83,55%	> 0,71% from Banking indicator in East Java

Source Market Share : Bank Indonesia – Surabaya

* Data Bank Jatim exclude Jakarta Branch

THE COMPARISON WITH REGIONAL BANK IN INDONESIA (PER 31 DEC 2012)

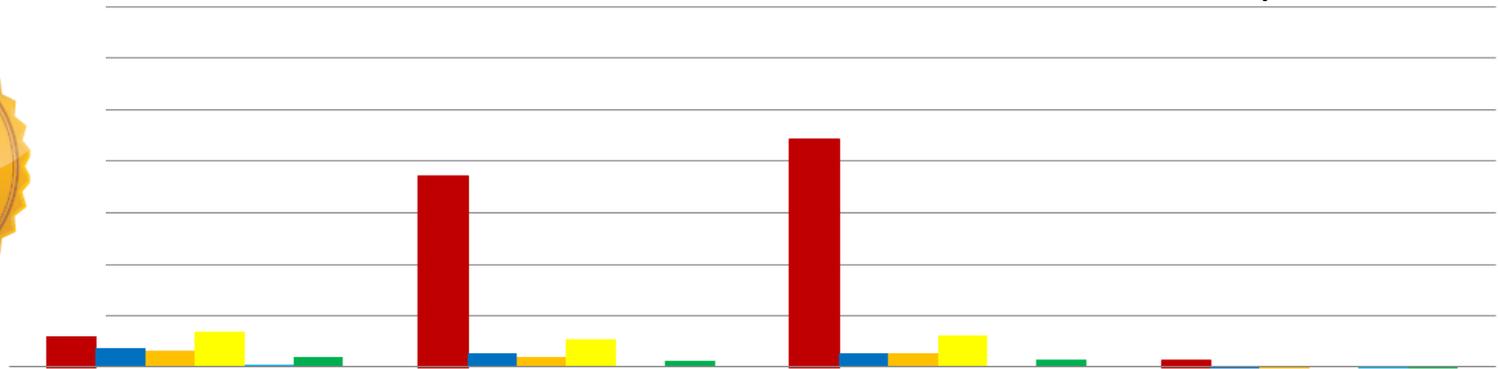


	Asset	Loan	Third Party Fund	Gross Profit
■ BJB *	67.28	34.34	52.37	1.11
■ Bank Kaltim	30.83	14.84	26.14	0.89
■ Bank Jatim	29.42	18.56	22.21	1.03
■ Bank Jateng	26.66	18.36	22.12	0.76
■ Bank DKI	26.94	14.94	20.64	0.44
■ Bank Riau	19.96	10.21	15.35	0.46
■ Bank SUMUT	19.99	15.32	15.04	0.66
■ Bank PAPUA	14.86	8.19	11.44	0.43
■ Bank SUMSEL Babel	15.96	9.81	12.91	0.21
■ Bank DI Aceh	13.59	9.59	10.66	0.49

•Per November 2012
Data unaudited from ASBANDA
In Billion Rp.

THE COMPARISON WITH EAST JAVA'S BASED (unaudited per December 2012)

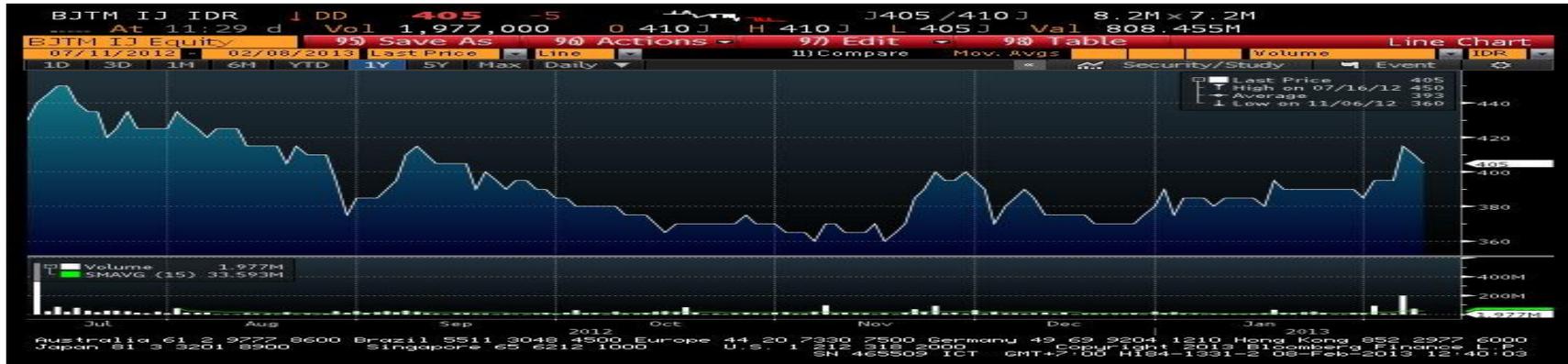
In Million Rp.



	Asset	Loan	Third Party Fund	Net Profit
■ Bank Jatim *	29,326,985	18,556,329	22,209,673	724,639
■ Prima Express	1,752,043	1,302,764	1,310,517	6,902
■ Antar Daerah	1,532,011	934,602	1,286,287	11,471
■ Maspion	3,408,135	2,691,286	3,000,103	23,730
■ Amin	159,654	38,907	46,177	(2,464)
■ CNB	898,150	617,159	716,931	13,682

* Data Audited

BANKING INDUSTRY COMPARISON



28 Dec 2012

	Bank Jatim	Bank Jabar	Bank Mandiri	BTN	BTPN	Bukopin
Share	380	1.170	8.600	1.490	5.350	650
Market Cap	5.670	113.40	200.670	15.430	31.250	5.180
PBV	1.02	1.96	2.86	1.69	4.34	1.09
PER	7.68	10.11	14.14	9.51	16.16	5.66
Dividen Yield	10.46%	5.27%	1,22%	1.63%	0%	4.28%

2013 F

	Bank Jatim	Bank Jabar	Bank Mandiri	BTN	BTPN	Bukopin
Share Price	410	1.220	9.100	1.610	4.725	700
Market Cap	6	12	212	17	28	6
PBV	1,0	1,7	2,4	1,4	2,7	1,0
PER	5,9	8,3	12,0	9,8	11,2	5,7
Deviden Yield	10%	5.9%	1.6%	2.1%	2.0%	4.3%

BANKING INDUSTRY COMPARISON

Banks' Branch Breakdown 9M12

	Full Branch	Sub Branch	Cash Outlet	Others	Total
BBCA	127	813	76	0	1.016
BMRI	133	431	288	2.164	3.914
BBRI	465	545	914	7.128	9.052
BBNI	182	912	367	89	1.550
BDMN	79	453	0	1.266	1.798
BTPN	65	346	31	711	1.153
BBTN	67	223	415	50	755
BJBR	66	304	140	427	937
BJTM	41	67	167	244	519
BBKP	36	107	136	140	419

Source : Companies, Bahana Estimates *As per FY2012

Banks' Office Breakdown by Capital 9M12

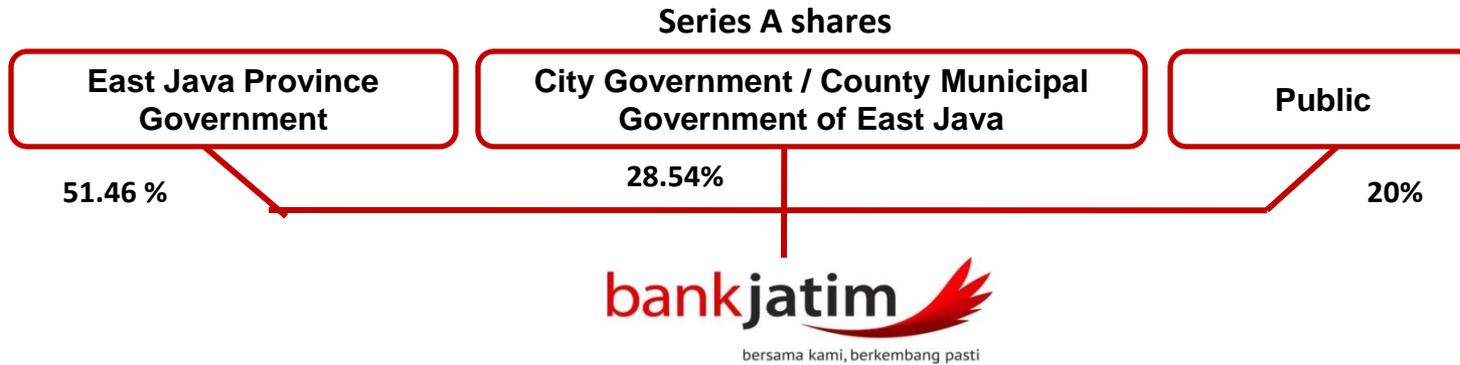
	TIER 1 Capital	Required Capital	Remaining Capital
BBCA	39.9	19.7	20.2
BMRI	53.1	49.0	4.0
BBRI*	51.6	31.6	19.9
BBNI	34.3	23.7	10.6
BDMN	19.2	10.1	9.0
BTPN	6.3	7.5	(1.2)
BBTN	7.2	9.9	(2.7)
BJBR	4.7	8.9	(4.1)
BJTM	4.6	4.0	0.6
BBKP	4.2	4.1	0.0

Source : Companies, Bahana Estimates *As per FY2012

SECTION 3

OVERVIEW & INVESTMENT HIGHLIGHTS

OWNERSHIP STRUCTURE POST IPO



The following is the current Bank Jatim ownership and shareholders structure :

Remark	Nominal value Rp250 per share		
	Amount of Shares	Total Nominal Value (Rp)	(%)
Share capital			
Total Share Capital	36,000,000,000	9,000,000,000,000	
Issued and fully paid capital			
- East Java Province Government	7,676,913,648	1,919,228,412,000	51.46
- City Government / County Municipal Government of East Java	4,257,234,334	1,064,308,583,500	28.54
- Public	2,983,537,000	745,884,250,000	20.00
Total issued and fully paid capital	14,917,684,982	3,729,421,245,500	100.00
Shares in Portfolio			
- Series A	12,065,852,018	3,016,463,004,500	
- Series B	9,016,463,000	2,254,115,750,000	
Total Shares in Portfolio	21,082,315,018	5,270,578,754,500	

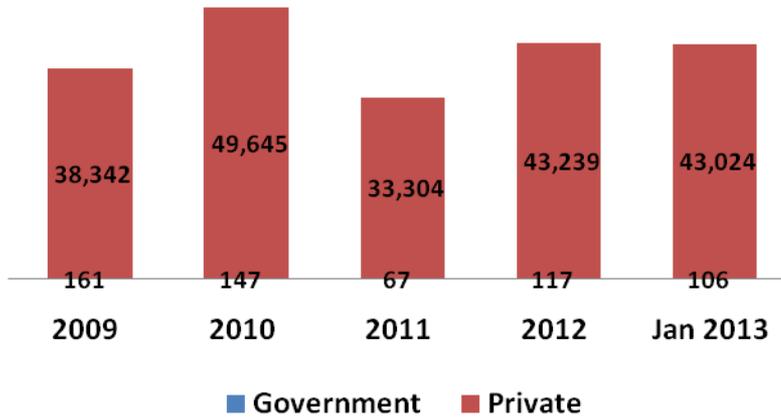
THIRD PARTY FUND

In Million Rp.

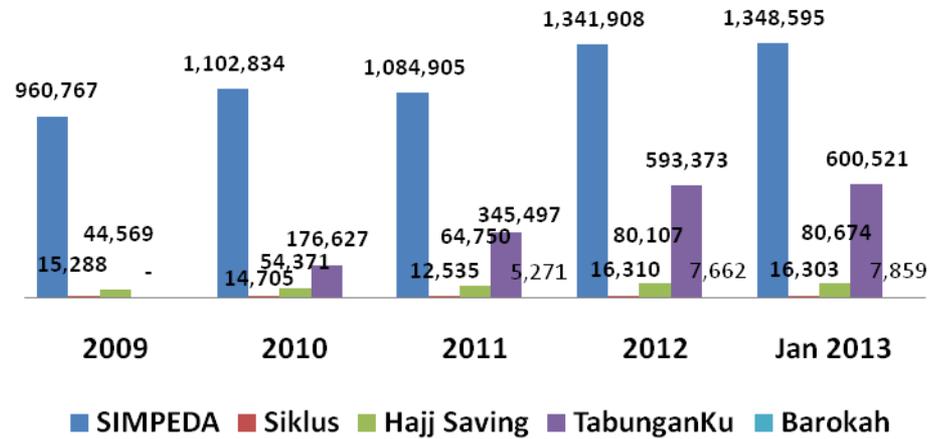
Description	Dec 2011	Dec 2012	YoY	Jan 2012	Jan 2013	YoY
Government Current Account	3.844.580	4.241.099	10,31%	6.612.603	7.520.960	13,74%
General Current Account	4.332.146	5.407.535	24,82%	2.808.146	2.947.138	4,95%
Total Current Account	8.176.726	9.648.634	18,00%	9.420.749	10.468.098	11,12%
Simpeda Saving	6.449.614	7.237.951	12,22%	5.808.808	6.680.084	14,99%
Siklus Saving	193.551	235.949	21,90%	167.900	165.834	- 1,23%
Hajj Saving	137.866	171.777	24,59%	144.656	168.511	16,49%
TabunganKu	292.645	417.286	42,59%	263.682	391.707	48,55%
Barokah Saving	45.767	50.335	9,98%	39.154	49.107	25,42%
Total Saving Account	7.081.487	8.113.298	15,55%	6.424.200	7.455.243	16,05%
Time Deposit 1 Month	3.974.039	3.399.945	-14,44%	4.268.344	4.438.119	3,98%
Time Deposit 3 Months	376.745	256.847	-32,82%	441.447	261.810	- 40,69%
Time Deposit 6 Months	69.618	67.789	2,63%	65.350	68.794	5,27%
Time Deposit 12 Months	256.328	494.772	93,02%	455.273	240.276	- 47,22%
Time Deposit 24 Months	-	-	-	9	-	-100%
Total Time Deposit	4.676.730	4.219.353	-9,78%	5.230.423	5.008.999	- 4,23%

THIRD PARTY FUND CUSTOMER

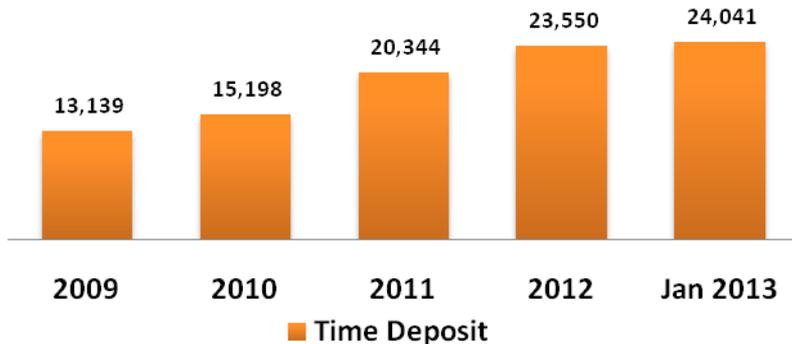
CURRENT ACCOUNT



SAVING ACCOUNT



TIME DEPOSIT



THIRD PARTY FUND – TICKET SIZE

In Million Rp.

Description	Dec 2011	Ticket Size	Dec 2012	Ticket Size	Jan 2012	Ticket Size	Jan 2013	Ticket Size
Government Current Account	3.844.580	57381,79	4.241.099	36248,71	6.612.603	93135,25	7.520.960	70952,45
General Current Account	4.332.000	130,07	5.407.535	125,37	2.808.146	82,27	2.947.138	68,18
Total Current Account	8.176.726	2425,60	9.648.634	409,70	9.420.749	275,44	10.468.098	241,59
Simpeda Saving	6.449.614	5,94	7.237.951	5,39	5.808.808	5,25	6.680.084	4,95
Siklus Saving	193.551	15,44	235.949	14,47	167.900	13,07	165.834	10,17
Hajj Saving	137.866	2,13	171.777	2,14	144.656	2,19	168.511	2,09
TabunganKu	292.645	0,85	417.286	0,70	263.682	1,39	391.707	0,65
Barokah Saving	45.767	8,68	50.335	6,57	39.154	7,09	49.107	6,25
Total Saving Account	7.081.487	4,68	8.113.298	3,97	6.424.200	4,13	7.455.243	3,66
Time Deposit 1 Month	3.974.039	-	3.399.945	-	4.268.344	-	4.438.119	-
Time Deposit 3 Months	376.745	-	256.847	-	441.447	-	261.810	-
Time Deposit 6 Months	69.618	-	67.789	-	65.350	-	68.794	-
Time Deposit 12 Months	256.328	-	494.772	-	455.273	-	240.276	-
Time Deposit 24 Months	-	-	-	-	9	-	-	-
Total Time Deposit	4.676.730	229,88	4.219.353	179,16	5.230.423	253,88	5.008.999	208,35

PRODUCT PLAN & NEW ACTIVITIES 2013

SMS BANKING – Provider Increase

- ▶ Transaction of buying Mobile Phone prepaid & payment of Mobile Phone postpaid
- ▶ Transaction via SMS Banking & ATM
- ▶ Customer must have account in Bank Jatim & register to Customer Service or ATM
- ▶ Payment transaction deducted from customer's account automatically

INTERNET BANKING

- ▶ Banking transaction via web/internet
- ▶ Transaction features such as balance information, interbank transfer, transfer between Bank Jatim account, payment of TELKOM, PLN, etc
- ▶ Customers must have account in Bank Jatim & register to Customer Service
- ▶ Access of Internet Banking will be applied by different user & passwords for each customer

H2H MULTI BILLER

- ▶ Used for payment transaction such as vehicle loans installment, train & plane tickets, school/college, hospital, water, etc
- ▶ Can be used for customers & non customers
- ▶ Bank Jatim as place of payment receipt
- ▶ Transaction can be made across Bank Jatim's network offices by Online System
- ▶ Payment can be made in cash in Teller & Bank Jatim's ATMs

CUSTOMER DEPOSIT ANALYSIS

	2007	2008	2009	2010	2011	2012	2013F	2014F
CASA Ratio	76.3%	71.3%	76.3%	79.0%	76.1%	80.3%	72.7%	75.6%
Total Customer Deposit (Rp bn)	2007	2008	2009	2010	2011	2012	2013F	2014F
Demand Deposit	6,868	6,358	6,973	6,996	8,204	9,662	11,404	12,228
Saving Deposit	3,176	3,440	4,121	5,823	7,133	8,174	8,448	11,532
Term Deposit	3,117	3,938	3,437	3,399	4,806	4,373	7,470	7,650
Total	13,161	13,736	14,531	16,219	20,142	22,209	27,332	31,410

Interest Expense from Deposit (Rp bn)	2007	2008	2009	2010	2011	2012	2013F	2014F
Demand Deposit	236	231	241	230	247	229	305	359
Saving Deposit	113	108	102	113	141	158	263	335
Term Deposit	291	329	330	312	364	424	333	375
Total	639	668	673	655	752	811	901	1,070

Average Cost of Deposit	2007	2008	2009	2010	2011	2012	2013F	2014F
Demand Deposit		3.5%	3.6%	3.3%	3.2%	3.0%	2.9%	2.8%
Saving Deposit		3.3%	2.7%	2.3%	2.2%	2.2%	3.1%	3.1%
Term Deposit		9.3%	8.9%	9.1%	8.9%	6.0%	5.6%	5.5%
Total		5.0%	4.8%	4.3%	4.1%	3.3%	3.2%	3.0%

LOAN & NPL COMPOSITION

Description	Dec 2011	Dec 2012	% of Total Loan	YoY	NPL 2011	NPL 2012	Jan 2012	Jan 2013	YoY	NPL Jan 2013
Consumer Loan	10.377.718	11.885.851	64,05%	14,53%	0,09%	0,26%	10.428.566	12.000.624	15,07%	0,27%
Multipurpose	9.626.668	10.738.702	57,87%	11,55%	0,05%	0,17%	9.649.443	10.823.543	12,17%	0,17%
Mortgage	333.503	653.118	3,52%	95,83%	1,39%	2,11%	355.238	677.894	90,83%	2,06%
Others	417.547	494.031	2,66%	18,32%	0,09%	0,09%	423.885	499.187	17,76%	0,11%
Commercial Loan	2.911.967	3.238.564	17,45%	11,21%	1,53%	3,66%	2.493.192	2.930.279	17,53%	6,56%
Standby Loan	622.119	745.109	4,01%	19,77%	0,76%	0,43%	509.515	547.551	7,46%	0,59%
Keppres	534.780	612.120	3,29%	14,46%	0,68%	14,02%	306.495	376.957	22,99%	23,01%
R/C	758.551	1,185,068	6,39%	56,23%	4,76%	2,5%	781.224	1.197.638	53,30%	2,31%
Syndicate	996.517	696,267	3,75%	-30,13%	0%	0%	895.958	808.133	- 9,80%	0,00%
SME	2.845.488	3.431.914	18,49%	20,61%	4,56%	6,40%	2.973.241	3.391.477	14,07%	7,36%
KUR	1.738.766	1.763.389	9,50%	1,42%	4,64%	10,87%	1.749.393	1.698.042	- 2,93%	13,77%
Pundi Kencana	145.937	234.339	1,26%	60,57%	7,09%	4,02%	152.822	245.316	60,52%	4,37%
Kredit Laguna	106.096	104.174	0,56%	-1,81%	0,95%	5,53%	116.516	103.187	11,44%	5,26%
Others	854.689	1.330.012	7,17%	55,61%	1,42%	5,88%	954.510	1.344.932	40,90%	6,58%
TOTAL	16,135,173	18.556.329	100,00%	15,01%	0,97%	2,95%	15.894.999	18.322.380	15,27%	3,25%

For NPL Keppres January 2013, increase because loan disburse is lower than December 2012 (Jan 2013 at 370.697 and Dec 2012 at 602.968)

LOAN TOTAL CUSTOMER

In Million Rp.

Description	Dec 2011	Total Customer Dec 2011	Ticket Size	Dec 2012	Total Customer Dec 2012	Ticket Size
Consumer Loan	10.377.718	260.098	39,89	11.885.851	263.293	45,14
Multipurpose	9.626.668	247.304	38,93	10.738.702	245.824	43,68
Mortgage	333.503	2.740	121,72	653.118	4.507	144,91
Others	417.547	10.054	41,53	494.031	12.962	38,11
Commercial Loan	2.911.967	5.604	519,62	3.238.564	6.283	514,45
Standby Loan	622.119	1.191	522,35	745.109	1.343	554,81
Keppres	534.780	2.419	221,07	612.120	2.522	242,71
Overdraft	758.551	1.980	383,11	1,185,068	2.401	493,57
Syndicate	996.517	14	71179,78	696,267	17	40956,88
SME	2.845.480	33.158	85,82	3.431.914	39.376	87,16
KUR	1.738.766	19.794	87,84	1.763.389	24.976	70,60
Pundi Kencana	145.937	4.184	34,88	234.339	4.724	49,61
Laguna	106.096	5.814	18,25	104.174	6.485	16,06
Others	854.689	3.366	253,92	1.330.012	3.191	416,80
TOTAL	16,135,173	298.860	53,99	18.556.329	308.952	60,06

LOAN TOTAL CUSTOMER

In Million Rp.

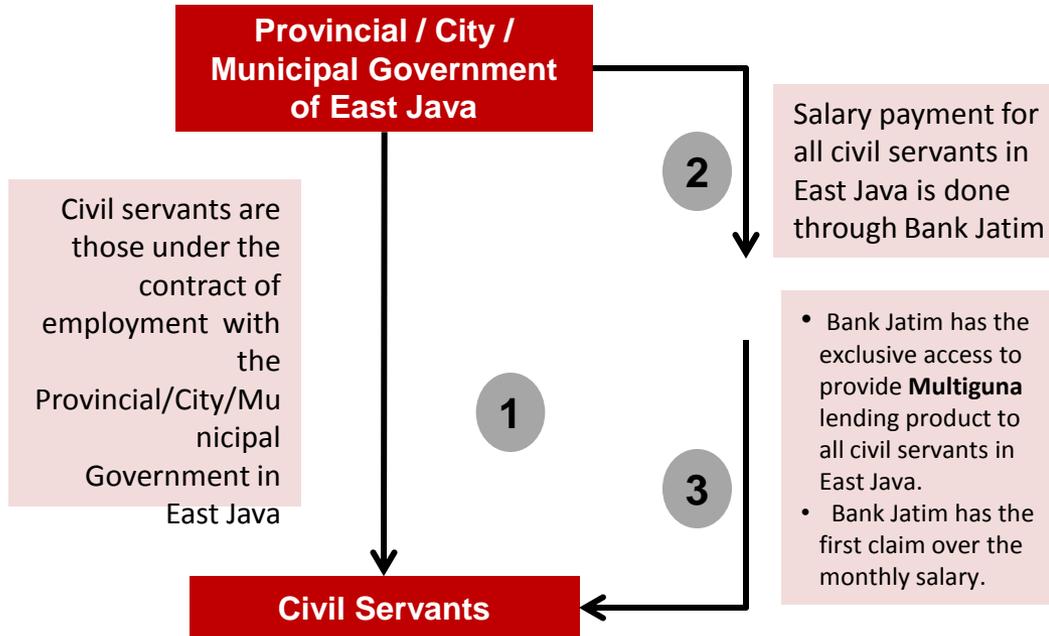
Description	Jan 2012	Total Customer Jan 2012	Ticket Size	Jan 2013	Total Customer Jan 2013	Ticket Size
Consumer Loan	10.428.566	261.218	39,92	12.000.624	259.000	46,33
Multipurpose	9.649.443	248.038	38,90	10.823.543	241.699	44,78
Mortgage	355.238	2.823	125,84	677.894	4.600	147,37
Others	423.885	10.357	40,93	499.187	12.701	39,30
Commercial Loan	2.493.192	4.441	561,40	2.930.279	4.608	635,91
Standby Loan	509.515	843	604,41	547.551	767	713,89
Keppres	306.495	1.564	195,97	376.957	1.355	278,19
Overdraft	781.224	2.020	386,74	1.197.638	2.471	484,68
Syndicate	895.958	14	63997	808.133	15	53875,53
SME	2.973.241	34.029	87,37	3.391.477	38.144	88,91
KUR	1.749.393	20.338	86,01	1.698.042	24.799	68,47
Pundi Kencana	152.822	4.189	36,48	245.316	4.860	50,48
Laguna	116.516	6.048	19,26	103.187	6.436	16,03
Others	954.510	3.454	276,35	1.344.932	2.049	656,38
TOTAL	15.894.999	299.688	53,04	18.322.380	301.752	60,72

LOAN INTEREST RATE

Description	ALCO NO.051/008/ALCO
Consumer Loan	
Multipurpose	10.25% - 11.25% p.a Flat 16.00% - 18.00% p.a Anuitas
Mortgage	9.75% p.a Efective Fixed Rate first year next Floating
Others	7.00% p.a Efective Fixed Rate
Commercial Loan	
Standby Loan	12.25% p.a Efective Floating Rate
Keppres	12.25% p.a Efective Floating Rate
Overdraft	12.25% p.a Efective Floating Rate
Syndicate	7.75% - 10.25%
SME	
KUR	12% - 22% p.a Efective
Pundi Kencana	13.25% - 15.25%
Laguna	14% - 16% Annuity/Year
Others	12.25% p.a Efective Floating Rate

EXCLUSIVE OF MULTIPURPOSE LOAN

Bank Jatim, as the payment bank of the East Java Province, has the sole and exclusive access to extend **Multiguna**, the consumer loan product, to civil servants in East Java.



Multiguna is a very high yielding loan product with very low credit risk.

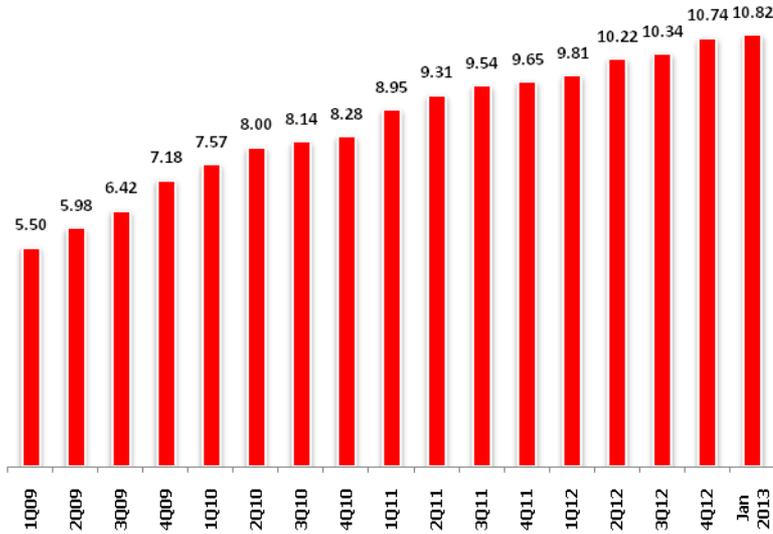
Feature	Details
Pricing	16%-18%
Maximum Tenor	10 Years (Extendable; subject to duration of employment)
Maximum Loan Limit	<ul style="list-style-type: none"> • Maximum 80% of monthly salary can be used for monthly loan repayment • Loan limit upgrade is possible after bi-annual national salary adjustment
Insurance	<ul style="list-style-type: none"> • Termination of Employment • Accident / Death
NPL	0,17 % as of Dec 31, 2012

Criteria	Debtor per Dec 2012
Civil Servants	224,063
Pension	5,509
TNI/POLRI	5,170
BUMN/BUMD	6,854
Private	4,013
Sharia - Multipurpose	215
TOTAL	245,824

EXCLUSIVE OF MULTIPURPOSE LOAN

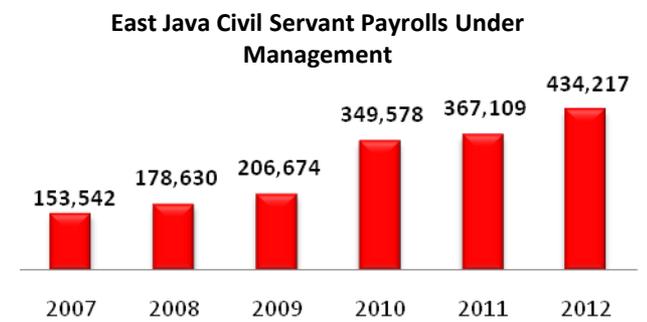
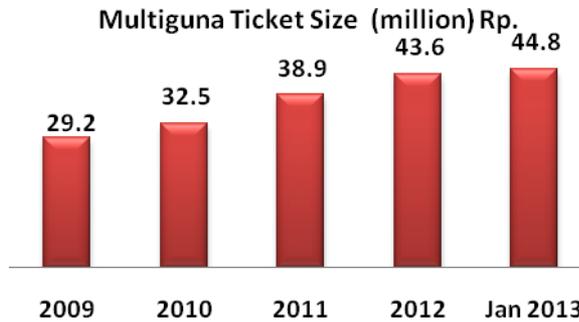
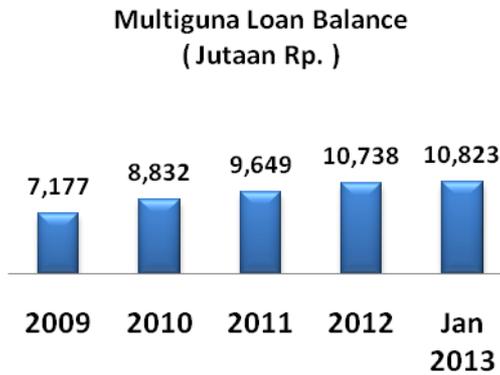
Bank Jatim is one of the biggest creditors on East Java's consumer sector with a market share of 14.73%

- Out of 471,814 civil servants in East Java, around 51,62 % 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.

Type of Customers	Total Customers (2012)	Percentage
- Multi-purpose	245.824	93,36%
- Employee loan	2.081	0,79%
- AI Mabur Plan	10,881	4,13%
- Mortgage	4,507	1,71%



** For Multipurpose customers, Data from Branches

UPDATE MULTIPURPOSE AGREEMENTS

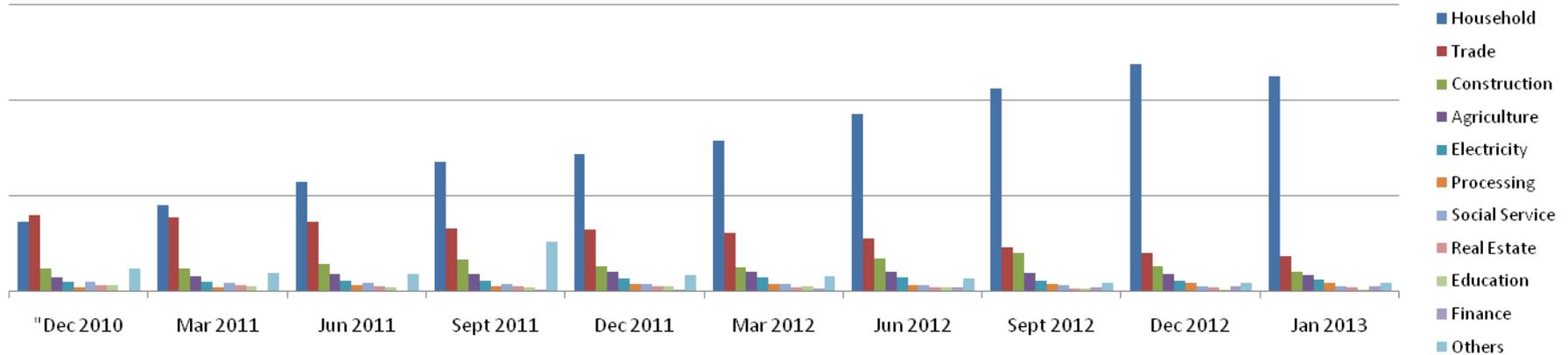
BRANCH	MULTIPURPOSE AGREEMENTS	STATUS
Banyuwangi	1. Educational Institution Ma'arif NU 2. SMK PGRI Banyuwangi	Process (waiting branch completeness)
Malang	1. Kanjuruhan University	Process (waiting branch completeness)
Lumajang	1. Semeru STIE Widyagama Lumajang 2. Husada Karya Tempeh Hospital	Process (waiting branch completeness)
Probolinggo	1. Kutai Timber	Process (waiting branch completeness)
Blitar	1. Perum Perhutani KPH Blitar	Process (waiting branch completeness)
Tulungagung	1. MTS Qoidatul Marom Kauman 2. Trisna Medika Hospital 3. LPIT Surya Melati	Process (waiting branch completeness) Process (at Board of Director)
Mojokerto	1. Islamic Hospital "Sakinah" Mojokerto	Process (at Board of Director)
Sumenep	1. PT. Pos Sumenep	Process (waiting branch completeness)
Sidoarjo	1. PDAM Delta Tirta Sidoarjo	Process (waiting branch completeness)
Situbondo	1. Kalbut Harbour	On Process
Magetan	1. BPR Mulyo Raharjo 2. PG Rejosari	Process (waiting branch completeness)
Perak	1. SMK Islam Al-Amal 2. SMP 4 Wachid Hasyim	Process (waiting branch completeness)
Jakarta	1. Sahid Jaya Foundation	Process (waiting branch completeness)
Batu	1. SMK Kucecwara	Process (at Board of Director)

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)	30	5.500.000.000	165.000.000.000
TOTAL	111	32.500.000.000	1.391.000.000.000

TOP TEN LOAN BY INDUSTRY CONCENTRATION



In Million Rp.

	Household	Trade	Construction	Agriculture	Electricity	Processing	Social Service	Real Estate	Education	Finance	Others
"Dec 2010	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
Mar 2011	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
Jun 2011	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
Sept 2011	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
Dec 2011	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
Mar 2012	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
Jun 2012	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
Sept 2012	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
Dec 2012	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
Jan 2013	11,306,034	1,875,438	1,030,887	884,191	666,335	455,488	271,851	211,196	108,315	266,397	472,850

STRATEGY REDUCING NPL & RECOVERY 2012

No	Information	Realization Jan s/d August	Realization September	Realization October	Realization s/d Nop 2012	Estimastion December	Total Recovery 2012	Realization January 2013	Estimation February 2013
1	Claim of loan insurance (70% of outstanding loan-write off)	46,836,065,101	4,386,369,192	19,623,388,423	9,799,780,710	10,000,000,000	87,189,822,716	6,249,229,995	2,499,691,998
2	Result of loan collection after Jamkrindo's Subrogation Right deduction at 70%	3,785,913,501	28,143,321	59,242,162	34,244,559	1,001,149,356	4,877,729,549	1,900,000	1,850,000
3	Result of completion non performing loan from Balangan (intra & extracomptabel) minus Non Performing Loan (intra) at 75%	4,652,991,704	405,051,697	357,930,826	313,985,533	313,985,533	6,043,945,293	1,137,458,654	-
4	Result of principal interest installment of extracomptabel loan (minus 25% from Balangan)	19,670,290,694	2,277,679,690	3,431,342,620	2,521,336,472	2,521,336,472	30,421,985,949	5,214,219,767	3,915,360,856
5	Installment Loan of HR Muhammad	-	7,549,447,120	-	-	-	7,549,447,129	374,027,040	-
6	PT Mekar Rejo Asri claim	3,184,866,000	-	-	-	-	3,184,866,000	-	-
7	Installment Loan of Sumenep Branch	-	14,127,000	72,009,193	101,747,575	64,246,087	252,129,855	13,346,000	7,149,208
8	Recovery Revision	-	-	-	5.907.029.713	-	5.907.029.713	-	-
	TOTAL	78.130.127.000	14.680.818.020	23.543.913.225	18.678.124.581	13.900.717.448	145.426.956.195	12,990,181,456	6,424,052,062

STRATEGY REDUCING NPL & RECOVERY 2012

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"> •Special Mention Loan Sub Division •Branch Managers •Relationship Managers •Loan Supervisors •Staff 	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.

Vision, Mission, and Corporate Culture

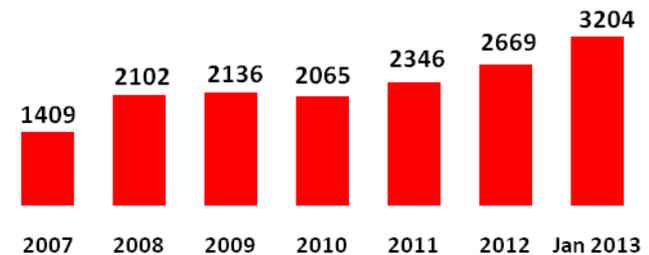


HR Development and Quality Improvement

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



Number of Employees (2007-2012)



HR Development Strategy

HR Management Policy

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

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



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

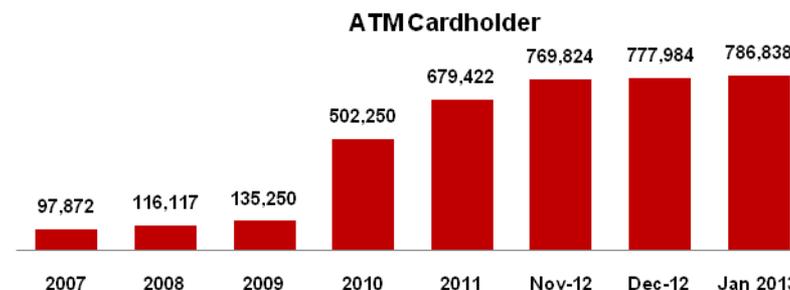
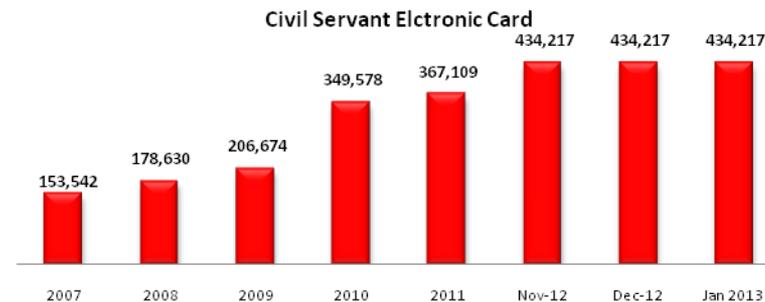
Good IT Governance

- 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

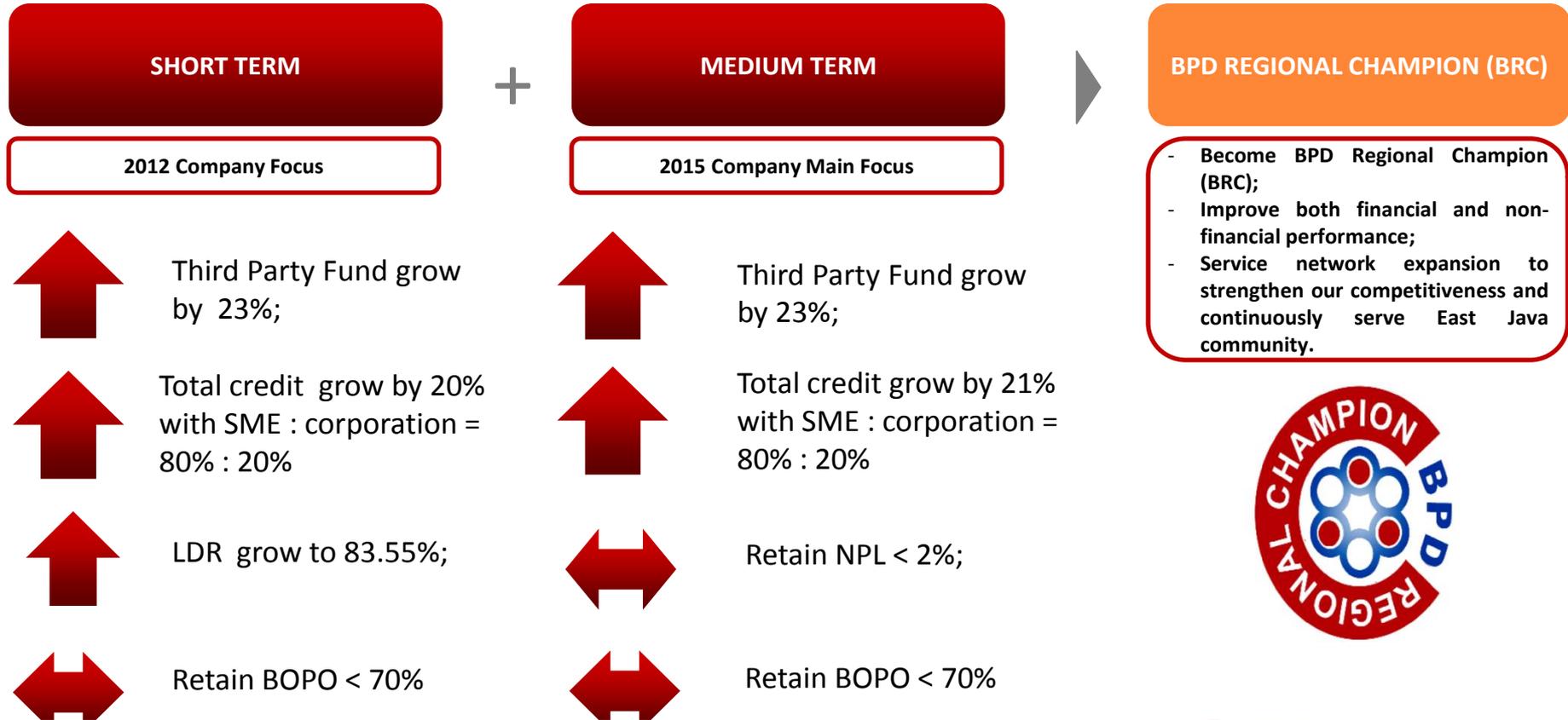
➤ **Launching Live e-payment container Cooperation with Terminal Peti Kemas Surabaya,**

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

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.



WIDE NETWORK OF SERVICE POINTS

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



Network	2009	2010	2011	2012	Jan 2013	Target 2013
Head Office	1	1	1	1	1	1
Branch Office	39	41	41	41	41	43
Sub Branch Office	26	44	67	89	89	119
Cash office	151	154	164	164	164	187
Sharia service office	37	37	47	47	47	47
Payment Point	78	88	115	138	138	181
Mobile cash	45	49	57	57	57	66
Mobile ATM	-	4	4	6	6	8
CDM	1	1	1	1	1	1
ATM	87	142	262	368	368	477
Total network	465	561	759	912	912	1.130

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.

SECTION 4

STRENGTHS

BPR APEX



- Obtains cheap funding from Apex members.
- Increases the intermediary function of Bank Jatim, therefore increasing Bank Jatim's funding portion towards MSMEs in East Java.
- Better management over credit concentration risk.

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.

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

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

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

TYPE OF TRANSACTION	TOTAL TRANSACTION	TOTAL NOMINAL
Transaction Between BPR	96	Rp 5.411.578.211
Transaction BPR with Public Bank member SKNBI	520	Rp 4.970.459.781
TOTAL	616	Rp 10.382.037.992

EXPERIENCED MANAGERMENTS

ISNANTO <i>Independent Commissioner</i>	MULJANTO <i>President Commissioner</i>	CHAERUL DJAELANI <i>Commissioner</i>	WIBISONO <i>Independent Commissioner</i>
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EXPERIENCED MANAGERMENTS

DJOKO LESMONO

*Director of Medium Business
& Corporate*

PARTONO

*Director of Agrobusiness & Sharia
Business*

SUPARLAN

Director of Compliance

HADI SUKRIANTO

President Director

EKO ANTONO

Director of Operations



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

Infobank Award 2011 & 2012

“Excellent” Predicated on Bank category with asset 1 Trillion to 10 Trillion for 10 consecutive years

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

Bisnis Indonesia Daily Newspaper

The Best Of 5th BUMD of The Year

ROE Performance Achievement.

MarkPlus 2012

Best Champion Surabaya Service Excellence 2012

Conventional Banking (Asset<150 T)

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.

Investor Magazine 2011 & 2012

Best Regional Champion Bank with asset above Rp10 trillion

MRI & Info Bank

5th Best Performance Overall Regional Bank

Tempo Magazine

The Best Bank in term of asset >10 trillion

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

Indonesia Banking Award 2012

Best Regional Banking above Rp 10 trillion

SECTION 5

FINANCIAL HIGHLIGHTS

TREMENDOUS IMPROVEMENT GROSS PROFIT

Gross Profit 28th February 2013	220.738
Average / Day (Total 60 Days)	3.678,9
Gross Profit 29th February 2012	189.389
Average / Day (Total 60 Days)	3.156,5

**PROMISING
YEAR
(16,55%
YoY)
2013**

Gross Profit 31st January 2013	115.539
Average / Day	3.727
Gross Profit 31st January 2012	104.526
Average / Day	3.372

**PROMISING
YEAR
(10,54%
YoY)
2013**

BALANCE SHEET

Information	FY11	FY12	YoY	Growth Target 2013	Jan 2012	Jan 2013	YoY
Total Asset	24.846.516	29.112.193	17,17%	12,70%	26,059,534	29,968,074	14,99%
Placement BI & SBI	1.884.730	2.103.339	- 11,60%	-	3.114.822	1.797.298	- 42,29%
Placement Other Bank	3.463.075	5.041.643	45,58%	-	3.775.515	6.612.221	75,13%
Loan	16.135.173	18.556.329	15,01%	20%	15.894.999	18.322.380	15,27%
Impairment Losses	(100.730)	(255.666)	153,81%	-	(120.980)	(268.544)	121,97%
Third Party Fund	20.142.131	22.209.673	10,26%	23%	21.075.372	22.932.340	8,81%
- Current Account	8.176.726	9.648.634	18,00%	-	9.420.749	10.468.098	11,11%
- Saving Account	7.021.487	8.113.298	15,55%	-	6.424.200	7.455.243	16,05%
- Time Deposit	4.676.730	4.219.353	- 9,78%	-	5.230.423	5.008.999	- 4,23%
Equity	3.260.120	5.487.106	68,31%	-	3.679.404	5.875.372	59,68%
TIER 1	2.604.474	4.694.294	80,24%	-	3.065.482	5.074.350	65,53%
TIER 2	170.603	175.945	3,13%	-	166.525	172.253	3,44%
% MODAL INTI	93,85%	96,38%		-	94,85%	96,72%	

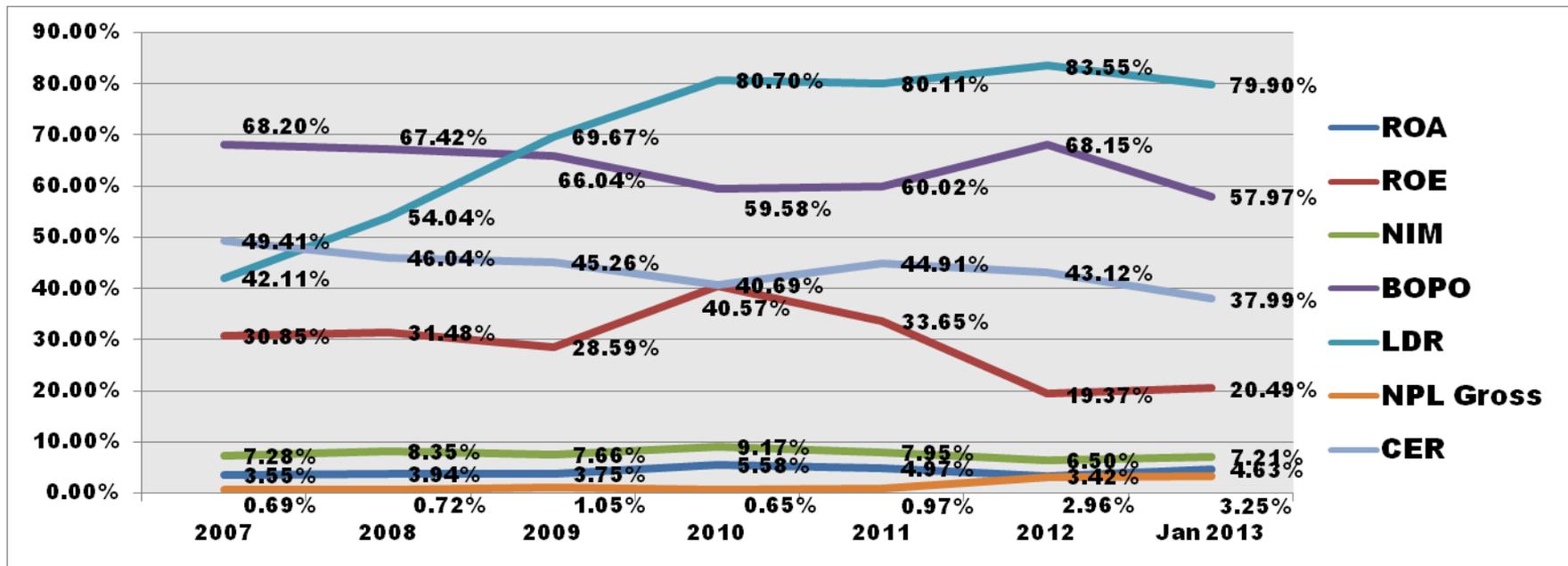
PROFIT & LOSS

Information	FY11	FY12	YoY	3Q12	4Q12	QoQ
Interest Income	2,698,675	2.810.853	4,16%	779.889	748.297	- 4,05%
Interest Expense	(774,831)	(852.363)	10,01%	(215.729)	(234.453)	8,68%
Nett Interest Income	1,923,844	1.958.490	1,80%	564.161	513.844	- 8,92%
Non Interest Operational Income	254,112	357.710	40,77%	79.091	96.920	22,54%
Non Interest Operational Expense	(997,294)	(1.330.395)	33,40%	(404.454)	(308.180)	- 23,80%
Impairment Losses Expense	(1.507)	(306.526)	20240,15 %	(88.715)	(5.301)	- 94,02%
Nett Non Interest Operational Income (Expense)	(743.182)	(972.685)	30,88%	(325.363)	(211.260)	- 35,07%
Operational Profit	1.180.662	985.805	- 16,50%	238.798	302.584	26,71%
Non Operational Profit	6.952	15.536	123,48%	656	14.799	2255,94%
Pre Tax Profit	1.187.613	1.001.341	- 15,68%	239.454	317.383	32,54%
Taxes	(327.380)	(214.756)	- 34,40%	(45.729)	(81.917)	79,13%
Nett profit	860.233	724.639	- 15,76%	193.725	235.466	21,55%

HIGHLIGHTS OF FINANCIAL RATIO

Bank Jatim has attained financial ratios well above the benchmark of the banking industry.

Ratio	2007	2008	2009	2010	2011	2012	Jan 2013	Benchmark
ROA	3,55%	3,94%	3,75%	5,58%	4,97%	3,42%	4,63%	> 1,25 %
ROE	30,85%	31,48%	28,59%	40,57%	33,65%	19,37%	20,49%	> 17,5 %
NIM	7,28%	8,35%	7,66%	9,17%	7,95%	6,50%	7,21%	< 5,5 % BRC
BOPO	68,20%	67,42%	66,04%	59,58%	60,02%	68,15%	57,97%	< 94 %
LDR	42,11%	54,04%	69,67%	80,70%	80,11%	83,55%	79,9%	78% < LDR < 94%
NPL Gross	0,69%	0,72%	1,05%	0,65%	0,97%	2,96%	3,25%	< 5 %
CER	49,41%	46,04%	45,26%	40,69%	44,91%	43,12%	37,99%	< 65 %



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