



# Building Growth through Business Strengthening

## 2023 ANNUAL REPORT

PT Bank Pembangunan Daerah Jawa Timur Tbk.





## ▶ Building Growth through Business Strengthening

# 2023

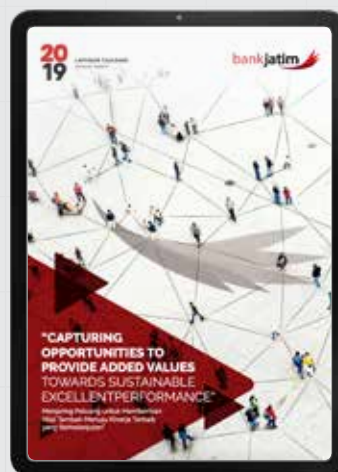
## Annual Report

In building the sustainable growth of PT Bank Pembangunan Daerah Jawa Timur Tbk. (Bank Jatim), Bank Jatim always strives to improve the capabilities of all organs in carrying out their business activities. This was implemented by increasing business growth, technological innovation, and efficiency. The Bank's focus on achieving sustainable business growth was by implementing various strategies, including changing business models, repositioning networks, changing organizational structures, improving human resource (HR) management, and increasing cyber security. Bank Jatim's transformation program has been able to produce targeted performance as demonstrated by an increase in the Bank's profits and assets.

## Theme Continuity



**2022**  
Annual Report



**2019**  
Annual Report



**2021**  
Annual Report



**2020**  
Annual Report



## 2022

### Modernizing The Service to Increase Business Growth

Innovations and investments made by PT Bank Pembangunan Daerah Jawa Timur Tbk (Bank Jatim) by developing JConnect as a Digital Banking Branding in 2021 was implemented in 2022. JConnect applications that had been developed include JConnect Sipandai, JConnect EKMG, JConnect Eloan, JConnect Mobile Banking and Jconnect Internet Banking. These various applications provided service convenience for the community which in turn had a significant positive impact on business growth in 2022.

## 2021

### Consistent Business Development through Synergy and Digital Connectivity

Changes in the marketplace and society require banks to change towards digital banking, or services that are run with the support of Information Technology. Until 2021, PT Bank Pembangunan Daerah Jawa Timur Tbk. had been innovating and investing in technology to remain competitive in the era of the industrial revolution 4.0, especially in the current situation of the COVID-19 pandemic and the new normal. This was intended to facilitate service to customers, optimize business processes and strengthen IT Security. As a form of Bank Jatim's commitment to provide banking services availability, innovation, and ease of access for customers and the public, Bank Jatim proudly presented "JConnect", a Digital Banking Branding reflecting Bank Jatim's digital transformation with the spirit of connecting all needs and easy access to services banking.

JConnect was also able to increase the effectiveness of Bank Jatim's synergy with various partners through digitalbased applications, namely with various Bank Jatim merchants used by educational institutions, local governments, social assistance and hospitals as well as with various digital ecosystems in Indonesia.

The synergies and digital connectivity encouraged the implementation of consistent business development. During the current COVID-19 pandemic, digital banking transactions experienced a significant increase. People preferred to do banking transactions through their respective gadgets, without having to come to the bank service office, and it could be done anytime and anywhere in real time online.

## 2020

### Facing Challenges, Creating Opportunities

2020 became a tough challenge for the world. The outbreak of COVID-19 affected global economic conditions as a result of outbreak control policies through restrictions on the movement of people and goods implemented by various countries. In line with the global economy, the dynamics of the national economy throughout 2020 were also affected by the COVID-19 pandemic. Banking industry activity throughout 2020 was classified as quite restrained due to weak demand for loan as reflected in the slower performance of loan growth in the banking sector compared to the previous year, although deposits grew significantly compared to the previous year. This led to a lower bank intermediation performance compared to the previous period.

Various global and national economic conditions as well as the banking industry had become a challenge for PT Bank Pembangunan Daerah Jawa Timur Tbk. to optimize the strength they owned. The resilience and relatively high capital adequacy of the Bank as well as the ownership of a captive market and accessibility of government spending in East Java Province was able to capture various opportunities that existed. These various opportunities included the large market share of Bank Jatim, especially civil servants, the high population of millennials as internet and e-commerce users, and the development of supporting infrastructure for economic development in East Java Province which was still the main focus. Optimizing the Company's strengths had been able to produce the targeted performance. In 2020, the Company was able to increase profits and assets amidst challenging conditions throughout 2020.

## 2019

### Capturing Opportunities to Provide Added Values Towards Sustainable Excellent Performance

After being able to maximize performance and enhance sustainable synergy towards digital transformation in 2018, Bank Jatim now has the theme "Capturing Opportunities to Provide Added Values towards Sustainable Excellent Performance". This theme is analogous to the interconnected lines which illustrate the digitalization process of the Bank in each of its operations.

Meanwhile, the red arrow-shaped block represents the commitment of Bank Jatim to achieve performance growth in a sustainable manner.

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### Corporate Governance

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## Overview of The Company



Total Assets

**Rp103,85**  
Trillion



**Established Date**  
August 17, 1961



**Business Fields**  
Finance



**Number of Office**  
1 Head Office and  
1.819 Office Network

## Products & Services



Deposit Products



Consumer Loan



Medium and Corporate Loan



## HEAD OFFICE ADDRESS

JALAN BASUKI RACHMAD 98 – 104,  
SURABAYA 60271



## Share Ownership

51,13%	Government of East Java Province
28,35%	38 Pemda District/ City Government
20,52%	Public



**Number of Employee**  
4.544 Employees



**Treasury Products**



**Business Services**



**Instituional Services**



**Sharia Financing Products**

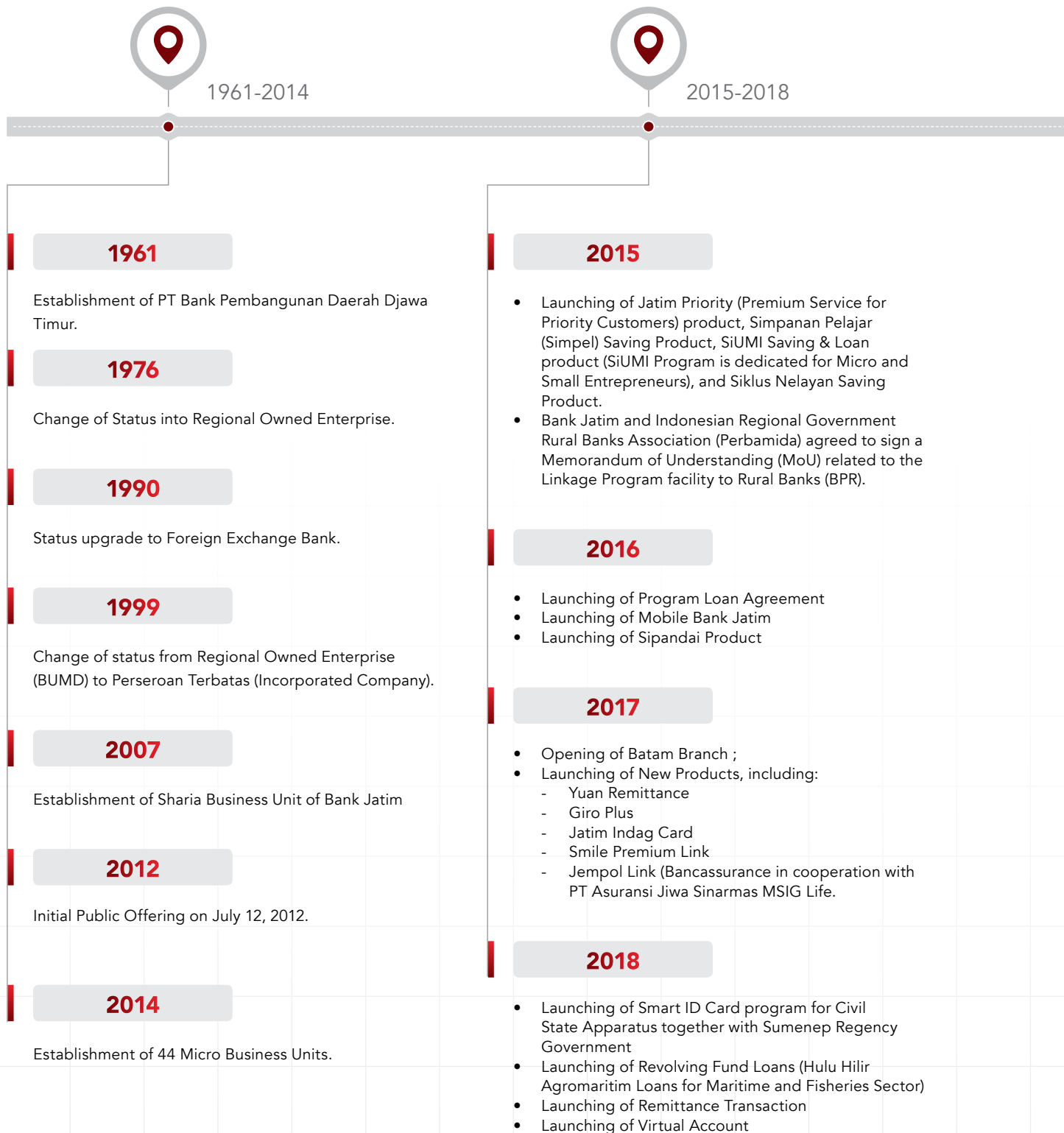


**Sharia Fund Products & Services**



**E-Channel & Other Services**

# Milestones





2019-2021



2022

### 2019

- Inauguration and launching of BJTM Connect
- Launching of jatimcode (payment feature for Bank Jatim Mobile Banking through QR Code scan)
- Launching of e-Form Loan Portal
- Bank Jatim and UINSA jointly broke a MURI record in mass academic community's activation of 5,000 securities accounts
- Cooperation with GoPay and Grab
- Female Volleyball Team achieved hat-trick and emerged Champion of Livoli of Main Division.

### 2020

- Launching of the Jatim Code QRIS (Quick Response Code Indonesian Standard) as the development of Mobile Banking payment features;
- Launching of loan products to BUMDES (Village Owned Enterprises) which is an integral part of the East Java Micro Loan;
- Bank Jatim won various awards, including Top of The Top BUMD 2020 and The Most Profitable Regional Bank.

### 2021

- Launching of Priority E-Jatim.
- Continuous digital banking development through J-Connect.



- Expansion of Tax Payment Services through the marketplace.

### 2022

- Launching of the JConnect Invest application with the initial offering of product SBR011 with a total offering of 4 retail SBN series throughout 2022.
- Launching of JConnect Remittance, a remittance transaction from Malaysia through a channel (Agent or application) belonging to Bank Jatim's partners, namely MTA – Merchantrade Asia.

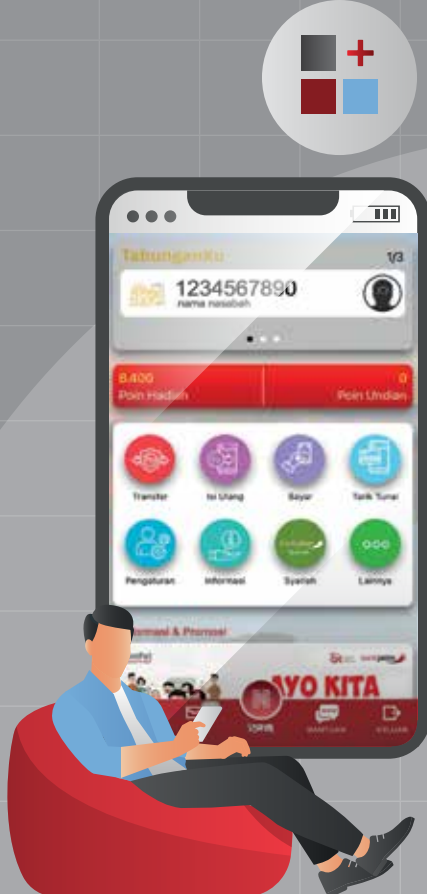
## Our Best Contribution



## Having Adequate Digital Banking Technology Infrastructure to Compete with the Industry

Amid various competitive challenges in the banking industry, such as changes in people's living patterns and increasingly diverse customer needs, the banking industry continued to compete in providing maximum service to their customers or clients. This was the case with Bank Jatim, which over time continued to maintain its existence in the banking industry in Indonesia. One of the absolute requirements to remain existing and superior in such a tight competitive climate was to improve service quality, because only with excellent service, customer satisfaction, bank image, and positive financial performance can be achieved. For this reason, Bank Jatim continued to innovate to strengthen the bank's position as one of the leading players in the national banking industry.

Bank Jatim continued to provide excellent services, especially digitalization through the JConnect service, which continued to bring additional features. In 2023, Bank Jatim launched JConnect Pro. Through JConnect Pro, people can now open a Bank Jatim account online anytime and anywhere without having to come to the bank office. Just by filling in their personal data and verifying it with video banking, customers can have a Bank Jatim account.





## Synergy with Various Parties

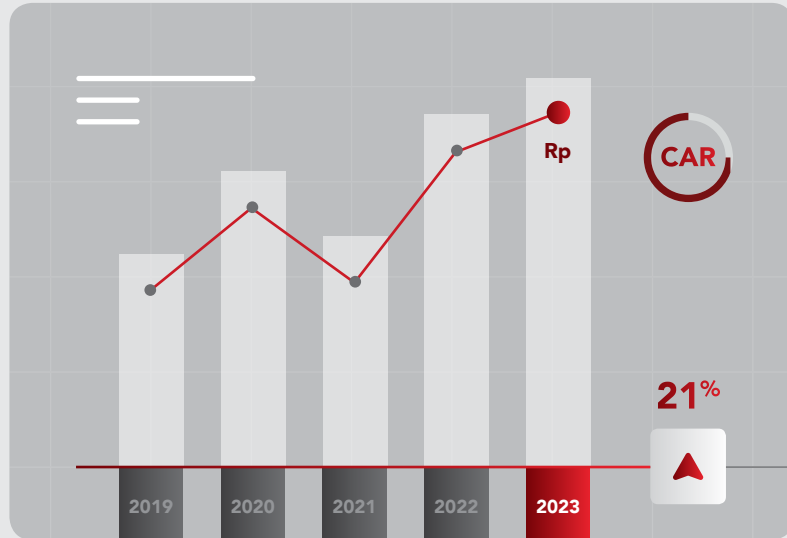
Bank Jatim contributed to regional economic development through synergy with the central and regional governments in supporting strategic programs and projects for regional economic development. Bank Jatim encouraged business performance by supporting the implementation of the East Java Provincial Government's Nawa Bhakti Satya program as well as national strategic projects in East Java Province. This was implemented through several programs including Jatim Sejahtera, Jatim Harmoni, Jatim Berdaya, Jatim Agro, Jatim Kerja, Jatim Cerdas dan Sehat, and Jatim Amanah.

Besides supporting East Java Provincial Government programs, the Bank also established an integrated business conglomerate with sister companies/East Java MSME Bank and BPR Perbamida. Bank Jatim also strengthened synergy with the East Java High Prosecutor's Office. Moreover, Bank Jatim also established synergies with various parties, including RSU Brimadika for Employee Health Services, Bank NTB Syariah for strengthening Sharia Services, Surabaya State University (UNESA) for the Business and Academic Sectors, as well as synergy with Bank Lampung.



## Relatively High Levels of Bank Capital

The Capital Adequacy Ratio (CAR) of Bank Jatim for 5 (five) consecutive years had been at a safe level, namely around 21%. The level of Bank Jatim's CAR ratio showed that the bank's capital structure could balance market risk, credit risk, and operational risk where the ratio was higher than the BI/OJK minimum adequacy ratio and the Bank's capital structure had complied with BI/OJK regulations of 14%. This shows that the Bank had managed the Bank's capital well and had sufficient capital to protect against solvency risks.



## Inauguration of Foreign Exchange Producing Village

In 2023, the Governor of East Java inaugurated the Foreign Exchange Producing Village assisted by Bank Jatim. The definition of this program is to form a village that has certain superior commodities, export quality, capable of mobilizing the village as an initiator of the creation of export activities in East Java, either independently or in collaboration with offtakers who are also in the East Java region. In determining the formation of a Foreign Exchange Producing Village there are several criteria as follows:

1. Have a superior product.
2. Villages are unique.
3. There is a community producing superior local products that are export-oriented..

Meanwhile, the objectives of Pendulum Foreign Exchange Village are:

1. Increase export activities in East Java in the context of empowering East Java, as well as improving the quality of the trade balance of East Java Province.
2. Increase the brand image with a branding system and create an ecosystem that supports export-oriented SME business processes (from upstream to downstream).

The villages selected as Foreign Exchange Pendulum Villages in 2023 are:

1. Ngindeng Village, Ponorogo (PT Enha Sentosa Indonesia).
2. Trayang Village, Nganjuk (PT Astana Shoga Asia).
3. Plosorejo Village, Blitar (Kampung Cokelat).
4. Wates Village, Kediri (PT Tropikal Jaya Sukma – P. Sumali).
5. Kedunggalar Village, Ngawi (UD Simple Wood - KUPS MJS)
6. Wonorejo Village, Malang (PT Pameling Agro Nusantara – Koperasi Konsumen Pameling Makmur Mandiri).
7. Muji Village, Pacitan (PT Indo Bumi Lavanaa - Bumdes Manunggal)
8. Tegalrejo Village, Probolinggo (CV Dua Putri Sholehah)



Table of Capital Structure

(in IDR million)

Bank Jatim Capital Adequacy Position	2023	2022	2021
Core Capital (CET 1)	11.025.184	10.346.392	9.297.192
Supplementary Capital (Tier 2)	516.010	437.563	415.071
<b>Total Core Capital and Supplementary Capital</b>	<b>11.541.194</b>	<b>10.783.955</b>	<b>9.712.263</b>
Risk Weighted Assets (RWA) for Credit Risk	40.764.771	34.567.488	32.790.641
Risk Weighted Assets (RWA) for Operational Risk	4.083.746	8.917.841	8.397.351
Risk Weighted Assets (RWA) for Market Risk	49.106	108.144	98.936
Total Risk Weighted Asset	44.897.623	43.593.473	41.286.928
<b>CAPITAL ADEQUACY RATIO (%)</b>			
CET 1 Ratio	24,56%	23,73%	22,52%
Minimum capital adequacy ratio for credit risk and operational risk	25,73%	24,80%	23,58%
Minimum capital adequacy ratio for credit risk, market risk and operational risk	25,71%	24,74%	23,52%

## FOREIGN EXCHANGE PRODUCING VILLAGE

Forming a village that has certain superior commodities, export quality, is able to mobilize as a producer the creation of export activities in East Java, both independently and in collaboration with off-takers who are also in the East Java region.



**May 2023**

There are 3 villages in the launch stage I: Ngindeng Village (Ponorogo), Trayang Village (Nganjuk), and Plosorejo Village (Blitar)



**September 2023**

There is 1 Village in Launching stage III  
Tegalrejo Village (Probolinggo)



**August 2023**

There are 4 villages in the 2nd stage of the launch, Wates Village (Kediri), Kedunggalar Village (Ngawi), Wonorejo Village (Malang), and Mujing Village (Pacitan)





# PERFORMANCE Highlights





## Important Achievements 2023



### COMMERCIAL AND CORPORATE LOAN IN 2023

**Rp7,06**

trillion

increase



**6,80%**

compared to 2022



### CONSUMER LOAN IN 2023

**Rp30,26**

trillion

increase



**9,23%**

compared to 2022



### MICRO LOAN IN 2023

**Rp7,62**

trillion

increase



**44,02%**

compared to 2022



### RETAIL AND MEDIUM LOAN IN 2023

**Rp6,64**

trillion

increase



**41,32%**

compared to 2022



### SHARIA FINANCING IN 2023

**Rp2,19**

trillion

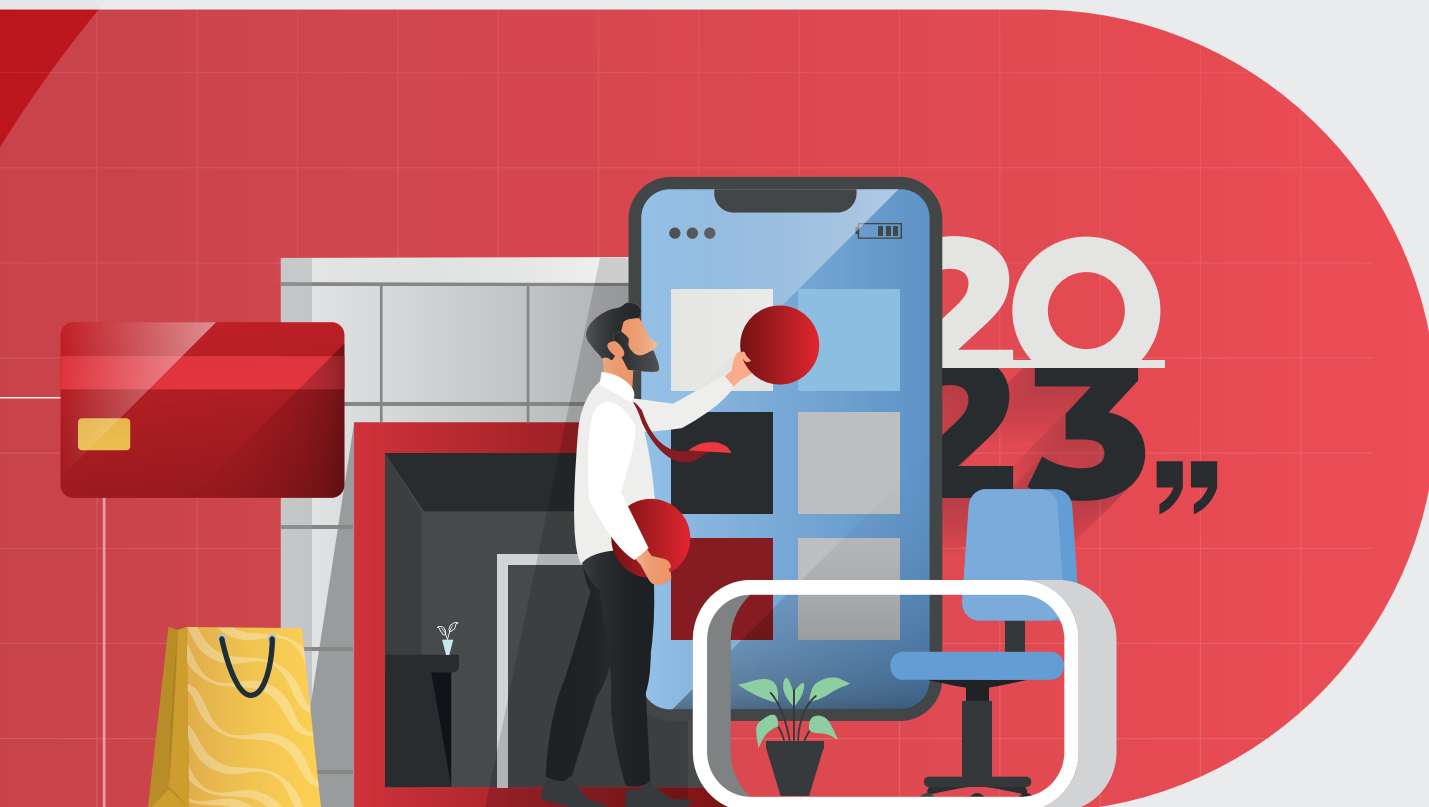
increase



**14,94%**

compared to 2022





### SHARIA INTEREST INCOME IN 2023

**Rp7,36**  
trillion

increase



**6,90%**

compared to 2022



### TOTAL ASSET IN 2023

**Rp103,85**  
trillion

increase



**0,80%**

compared to 2022



# Summary of Financial Overview

## Financial Summary and Financial Ratios

**Tabel of Financial Highlights**

(in million rupiah)

Description	2023	2022	2021	2020	2019
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>ASSET</b>					
Cash	2,652,775	1,988,262	2,023,077	2,511,548	2,729,776
Current account with Bank Indonesia	7,971,412	10,786,740	8,805,300	3,659,968	5,734,527
Current account with other banks	491,330	303,129	211,681	237,715	111,479
Allowance for impairment losses	(1,077)	(441)	(238)	(53)	(25)
Current accounts with other banks. net	490,253	302,688	211,443	237,662	111,454
Placements with Bank Indonesia and other banks	5,234,721	6,916,329	9,917,695	6,884,658	11,989,584
Allowance for impairment losses	(5,026)	(3,154)	(1,763)	(795)	(2,357)
Placements with Bank Indonesia and other banks. net	5,229,695	6,913,175	9,915,932	6,883,863	11,987,227
Receivables of spot and derivatif	-	361	-	-	-
Securities	16,323,831	23,217,671	32,388,966	14,666,737	9,568,245
Allowance for impairment losses	(511)	(400)	(5,943)	(8,118)	(5,174)
Securities, net	16,323,320	23,217,271	32,383,023	14,658,619	9,563,071
Securities sold under a repurchase agreement	8,303,663	4,095,066	-	-	1,038,432
Receivable from marketable securities purchased under resale agreement	6,247,318	7,822,847	3,420,685	12,573,044	5,837,520
Other receivables	223,138	286,147	230,019	131,932	81,265
Loans granted and sharia financing					
Related parties	184,848	134,871	182,889	285,595	320,896
Third parties	54,576,055	46,061,786	42,566,670	41,195,171	38,031,404
Number of loans granted	54,760,903	46,196,657	42,749,559	41,480,766	38,352,300
Allowance for impairment losses	(1,364,905)	(1,318,612)	(1,831,417)	(1,454,721)	(980,134)
Loans granted. net	53,395,998	44,878,045	40,918,142	40,026,045	37,372,166
Accrued interest income	685,734	646,125	793,900	555,020	416,420
Prepaid expenses	207,452	166,661	134,200	227,932	285,522
Fixed assets					
Acquisition cost	2,230,878	2,109,260	1,906,263	1,882,572	1,595,455
Accumulated depreciation	(953,165)	(825,010)	(762,052)	(676,592)	(572,026)
Net book value	1,277,713	1,284,250	1,144,211	1,205,980	1,023,429
Deferred tax asset, net	472,123	502,238	627,211	591,676	522,638
Tax receivables	777	493	412	65	-
Other assets, net	373,402	140,998	115,775	356,098	52,866
<b>TOTAL ASSETS</b>	<b>103,854,773</b>	<b>103,031,367</b>	<b>100,723,330</b>	<b>83,619,452</b>	<b>76,756,313</b>



Description	2023	2022	2021	2020	2019
<b>LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY</b>					
<b>LIABILITIES</b>					
Obligations due immediately	987,604	872,514	593,875	484,834	357,565
Deposits from customers					
Related parties	12,644,538	15,295,405	17,719,735	14,373,446	14,940,917
Third parties	63,205,317	64,630,285	63,668,950	52,412,975	45,604,955
Total deposits from customers	75,849,855	79,925,690	81,388,685	66,786,421	60,545,872
Deposits from other banks					
Related parties	56,694	141,996	360,169	238,860	137,819
Third parties	2,503,627	3,168,842	3,756,367	2,576,134	2,750,611
Amount of deposits from other banks	2,560,321	3,310,838	4,116,536	2,814,994	2,888,430
Securities liabilities sold under repurchase agreements	7,915,163	3,891,346	-	-	1,037,094
Borrowings	596,977	631,464	655,288	631,355	1,870,246
Taxes payable	143,245	90,783	165,476	93,135	63,766
Accrued expenses	504,748	520,840	478,647	484,666	433,507
Other liabilities	779,314	472,054	529,738	596,630	538,275
<b>TOTAL LIABILITIES</b>	<b>89,337,227</b>	<b>89,715,529</b>	<b>87,928,245</b>	<b>71,892,035</b>	<b>67,734,755</b>
<b>TEMPORARY SYIRKAH FUNDS</b>					
Deposits from customers					
Related parties	3,764	2,302	3,021	1,686	-
Third parties	2,343,291	1,839,390	1,810,161	1,680,173	-
Amount of deposits from customers	2,347,055	1,841,692	1,813,182	1,681,859	-
Deposits from other banks					
Third parties	19,422	28,285	71,364	40,610	-
Total deposits from other banks	19,422	28,285	71,364	40,610	-
<b>TOTAL TEMPORARY SYIRKAH FUNDS</b>	<b>2,366,477</b>	<b>1,869,977</b>	<b>1,884,546</b>	<b>1,722,469</b>	<b>-</b>
<b>EQUITY</b>					
Share capital:					
Series A: nominal value of IDR250 (full amount) per share					
Series B: nominal value of IDR250 (full amount) per share					
Authorized:					
Series A: 24,000,000,000 shares					
Series B: 12,000,000,000 shares					
Issued and fully paid:					
Series A - 11,934,147,982 shares					
Series B - 3,081,350,100 shares	3,753,875	3,753,875	3,753,875	3,753,875	3,750,593
Additional paid-in capital - net	532,734	532,734	532,734	532,734	528,753
Fixed asset revaluation surplus	788,049	789,998	749,717	754,382	748,183
Remeasurement of defined employee benefit liability - net of deferred tax	(117,777)	(100,912)	(163,811)	(197,081)	(276,061)



Description	2023	2022	2021	2020	2019
Unrealized gain financial assets measured at fair value through other comprehensive income - net of deferred tax	(63,958)	(115,048)	213,177	125,753	20
Retained earnings					
General reserve	5,788,041	5,042,390	4,301,777	3,546,323	2,893,565
Unappropriated	1,470,105	1,542,824	1,523,070	1,488,962	1,376,505
<b>TOTAL EQUITY</b>	<b>12,151,069</b>	<b>11,445,861</b>	<b>10,910,539</b>	<b>10,004,948</b>	<b>9,021,558</b>
<b>TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY</b>	<b>103,854,773</b>	<b>103,031,367</b>	<b>100,723,330</b>	<b>83,619,452</b>	<b>76,756,313</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>					
Interest and sharia income	7,357,284	6,882,651	6,655,168	6,088,742	5,839,016
Interest and sharia expenses	(2,316,184)	(1,965,595)	(1,977,487)	(2,031,472)	(1,839,415)
<b>INTEREST AND SHARIA INCOME-NET</b>	<b>5,041,100</b>	<b>4,917,056</b>	<b>4,677,681</b>	<b>4,057,270</b>	<b>3,999,601</b>
<b>OTHER OPERATING INCOME</b>					
Reversal for impairment- losses on financial assets	-	-	361,666	-	-
Current accounts, savings and deposits administration fees	193,996	184,480	172,779	162,607	155,360
Collection of loans written-off	127,264	56,653	55,003	55,055	77,973
Loan administration fees	30,880	42,511	34,055	41,357	45,993
Fees and commissions from other than loans	22,093	11,105	5,225	5,613	14,795
Others	274,187	238,820	177,629	153,239	179,859
<b>TOTAL OTHER OPERATING INCOME</b>	<b>648,420</b>	<b>533,569</b>	<b>806,357</b>	<b>417,871</b>	<b>473,980</b>
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	(1,762,643)	(1,674,698)	(1,644,897)	(1,544,532)	(1,459,394)
General and administrative	(1,182,987)	(1,229,388)	(1,078,820)	(684,216)	(683,957)
Allowance for impairment losses on financial assets	(694,136)	(404,659)	(819,201)	(567,751)	(370,265)
Unrealized losses from changes in fair value of securities, net	-	-	-	-	-
Other expenses	(194,713)	(201,054)	(150,020)	(162,365)	(163,386)
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>(3,834,479)</b>	<b>(3,509,799)</b>	<b>(3,692,938)</b>	<b>(2,958,864)</b>	<b>(2,677,002)</b>
<b>INCOME FROM OPERATIONS</b>	<b>1,855,041</b>	<b>1,940,826</b>	<b>1,791,100</b>	<b>1,516,277</b>	<b>1,796,579</b>
<b>NON-OPERATING INCOME (EXPENSES)</b>					
Tax service fees	6,444	6,084	4,684	10,063	12,796
Gain on sale of fixed assets	5,608	5,274	3,952	2,670	393
Gain on sale of securities - net	8,698	2,757	131	-	-
Gain on foreign exchange	2,390	-	3,497	2,255	2,440
Other non-operating income	33,901	158,513	404,119	16,688	58,490
Non-operating expenses	(19,339)	(83,405)	(269,509)	(40,586)	(6,565)
Unrealized gain from changes in fair value of securities, Net	-	-	-	-	-
<b>TOTAL NON OPERATING INCOME (EXPENSES)</b>	<b>37,702</b>	<b>89,223</b>	<b>146,874</b>	<b>(8,910)</b>	<b>67,554</b>
<b>INCOME BEFORE TAX EXPENSES</b>	<b>1,892,743</b>	<b>2,030,049</b>	<b>1,937,974</b>	<b>1,507,367</b>	<b>1,864,133</b>
<b>TAX EXPENSES - NET</b>	<b>(422,638)</b>	<b>(487,225)</b>	<b>(414,904)</b>	<b>(18,405)</b>	<b>(487,628)</b>
<b>CURRENT YEAR PROFIT</b>	<b>1,470,105</b>	<b>1,542,824</b>	<b>1,523,070</b>	<b>1,488,962</b>	<b>1,376,505</b>
<b>OTHER COMPREHENSIVE INCOME</b>					

Description	2023	2022	2021	2020	2019
<b>Items that will not be reclassified to profit or loss:</b>					
Revaluation surplus (deficit) of fixed assets	(1,949)	40,281	(4,665)	6,199	74,239
Remeasurement of employee benefit liability	(21,898)	100,163	41,074	100,536	(289,357)
Beginning balance adjustment	-	(19,678)	-	-	-
Related income taxes	5,033	(17,586)	(7,804)	(21,556)	57,871
<b>Items that will be reclassified subsequently to profit or loss:</b>					
Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	63,074	(400,611)	103,326	155,226	25
Beginning balance adjustment	-	(3,730)	-	-	-
Related income taxes	(11,984)	76,116	(15,902)	(29,493)	(5)
<b>OTHER COMPREHENSIVE INCOME - NET OF TAX</b>	<b>32,276</b>	<b>(225,045)</b>	<b>116,029</b>	<b>240,405</b>	<b>(157,222)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>1,502,381</b>	<b>1,317,779</b>	<b>1,639,099</b>	<b>1,729,367</b>	<b>1,219,283</b>
<b>BASIC EARNINGS PER SHARE (IN FULL AMOUNT)</b>	<b>97,91</b>	<b>102,75</b>	<b>101,43</b>	<b>99,16</b>	<b>91,80</b>
<b>STATEMENT OF CASH FLOWS</b>					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts of interest, sharia, fees and commissions	7,324,150	7,030,426	6,421,514	5,950,142	5,793,913
Receipts of other operating income	521,156	476,364	384,463	153,239	396,007
Collection of loans written-off	127,264	56,653	55,003	55,055	77,973
Receipts from non-operating income	60,386	172,136	416,380	29,007	74,120
Payment for non-operating expenses	(19,337)	(82,913)	(269,509)	(40,586)	(6,565)
Payment of interest, sharia, fees and commissions	(2,310,264)	(1,931,344)	(1,983,506)	(1,799,442)	(1,832,032)
Payment of salaries and employee benefits	(1,763,167)	(1,659,597)	(1,644,897)	(1,490,765)	(1,427,754)
Payment of general and administrative expenses	(1,283,327)	(1,296,665)	(1,211,045)	(544,941)	(777,253)
Payment of taxes	(368,455)	(389,372)	(378,098)	(378,774)	(581,512)
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>2,288,406</b>	<b>2,375,688</b>	<b>1,790,305</b>	<b>1,932,935</b>	<b>1,716,897</b>
Changes in operating assets and liabilities:					
Placements with Bank Indonesia and other banks	(1,500)	(7,000)	-	112,000	(112,000)
Tagihan spot dan derivatif	-	-	-	-	-
Loans	(9,193,797)	(4,347,656)	(1,268,793)	(3,128,466)	(5,038,885)
Marketable securities sold under repurchase agreement	(4,208,597)	(4,095,066)	-	1,038,432	(471,540)
Reverse repo bill	1,575,529	(4,402,162)	9,152,359	(6,735,524)	(5,837,520)
Other assets and other receivables	(166,678)	(117,044)	235,620	(282,585)	(53,071)
Liabilities due immediately	115,091	278,638	109,040	127,269	(146,873)
Deposits from customers	(3,570,473)	(1,434,484)	14,733,587	7,922,408	9,629,941
Deposits from other banks	(759,380)	(848,777)	1,332,296	(32,826)	2,153,322
Liabilities of marketable securities sold under repurchase agreement	4,023,817	3,891,346	-	(1,037,094)	470,394
Other liabilities	200,981	(39,476)	77,535	(146,658)	27,092
<b>Net cash flows from (used to)</b>	<b>(9,696,601)</b>	<b>(8,745,993)</b>	<b>26,161,949</b>	<b>(230,109)</b>	<b>2,337,757</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of marketable securities	6,948,323	8,846,760	(17,722,229)	(4,943,265)	(1,774,238)



Description	2023	2022	2021	2020	2019
Acquisition of fixed assets	(149,298)	(248,269)	(70,838)	(32,487)	(22,126)
Fixed asset sold	5,608	5,274	4,556	2,671	393
<b>Net cash used in investing activities</b>	<b>6,804,633</b>	<b>8,603,765</b>	<b>(17,788,511)</b>	<b>(4,973,081)</b>	<b>(1,795,971)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds (payments of) from borrowings	43,578	(23,825)	23,933	(1,238,891)	1,144,682
Penambahan Pinjaman	-	-	-	-	-
Proceeds from additional paid-up capital	-	-	-	7,263	14,209
Payment of lease liability	6,316	(21,111)	-	(886)	-
Payment of cash dividends	(797,173)	(782,457)	(733,508)	(723,747)	(683,865)
<b>Net cash is used in financing activities</b>	<b>(747,279)</b>	<b>(827,393)</b>	<b>(709,575)</b>	<b>(1,956,261)</b>	<b>475,026</b>
<b>Net increase in cash and cash equivalents</b>	<b>(3,639,247)</b>	<b>(969,621)</b>	<b>7,663,863</b>	<b>(7,159,451)</b>	<b>1,016,812</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>19,988,131</b>	<b>20,957,752</b>	<b>13,293,890</b>	<b>20,453,366</b>	<b>19,437,785</b>
Effect of foreign currencies exchange rate change	-	-	-	(25)	(1,231)
<b>Cash and cash equivalents at end of year</b>	<b>16,348,884</b>	<b>19,988,131</b>	<b>20,957,753</b>	<b>13,293,890</b>	<b>20,453,366</b>
<b>Cash and cash equivalents consist of:</b>					
Cash	2,652,775	1,988,262	2,023,077	2,511,548	2,729,776
Current accounts with Bank Indonesia	7,971,412	10,786,740	8,805,300	3,659,969	5,734,527
Current accounts with other banks	491,330	303,129	211,681	237,715	111,479
Placements with Bank Indonesia and other banks	5,233,367	6,910,000	9,917,695	6,884,658	11,877,584
<b>Total cash and cash equivalents</b>	<b>16,348,884</b>	<b>19,988,131</b>	<b>20,957,753</b>	<b>13,293,890</b>	<b>20,453,366</b>
<b>FINANCIAL RATIO (%)</b>					
Minimum Capital Adequacy Ratio (CAR)	25.71%	24.74%	23.52%	21.64%	21.23%
Earning Asset Quality	4.31%	2.55%	3.31%	3.48%	2.83%
Non-Performing Loans (NPL-Gross)	2.49%	2.83%	4.48%	4.00%	2.77%
CKPN Against Earning Assets	1.72%	1.62%	2.10%	1.93%	1.50%
Fulfillment of PPAP / CKPN	71.72%	73.04%	67.93%	59.48%	52.84%
Profit Against Income	18.32%	18.92%	20.40%	21.70%	21.76%
Liabilities to Equity	735.22%	800.16%	823.17%	735.78%	750.81%
Liabilities to Total Assets	86.02%	88.89%	89.17%	88.04%	88.25%
Net Interest Margin (NIM)	5.57%	5.11%	5.11%	5.55%	6.11%
Ratio of Fee Based Income to Total Operating Income	6.10%	6.32%	5.50%	12.37%	8.86%
Operating Costs / Operating Income (BOPO)	77.27%	76.15%	75.95%	77.76%	71.40%
Return on Asset (ROA)	1.87%	1.95%	2.05%	1.95%	2.73%
Return on Equity (ROE)	13.96%	16.24%	17.26%	18.77%	18.00%
Cost to Income Ratio (CIR)	39.56%	38.41%	38.83%	36.91%	33.52%
Net Interest Margin (NIM)	5.57%	5.11%	5.11%	5.55%	6.11%
Cost Efficiency Ratio	52.53%	50.64%	52.82%	50.93%	52.65%
Loan to Deposits Ratio (LDR)	70.03%	56.50%	51.38%	60.58%	63.34%
Legal Lending Limit (LLL)	-	-	-	-	-
Minimum Statutory Reserves (IDR)	8.85%	4.75%	5.73%	0.00%	9.63%
Minimum Statutory Reserves (Foreign Currency)	6.62%	7.39%	7.36%	8.22%	9.21%
Net Open Position (NOP)	0.43%	3.26%	0.84%	0.90%	1.37%

## Operations Highlights

**Table of Operational Highlights of Bank Jatim**

(in million Rupiah)

Description	2023	2022	2021	2020	2019
<b>CONVENTIONAL</b>					
<b>CREDIT/LOAN</b>					
Corporate and Syndicated Medium Loan*	-	10,320,231	9,691,297	9,748,903	8,711,965
Retail and Micro Loan Programs *	-	6,272,869	4,981,888	4,173,152	3,578,740
Consumer Loan	30,256,043	27,698,345	26,313,613	25,989,907	24,659,762
Micro Loan **	7,617,655	5,289,479	-	-	-
Retail and Medium Loans**	6,635,264	4,695,043	-	-	-
Commercial and Corporate Loans**	7,064,083	6,614,321	-	-	-
<b>THIRD PARTIES FUND/DEPOSITS</b>					
Current Account	20,750,151	23,477,047	25,862,874	21,039,158	23,721,437
Savings	28,016,300	23,118,307	24,264,622	22,285,619	21,669,322
Deposit	26,827,854	30,543,334	31,088,576	23,316,556	13,509,606
<b>OTHER SERVICES</b>					
Treasury	36,430,876	43,251,010	45,281,074	33,911,368	29,707,332
<b>SHARIA</b>					
Funding	2,602,606	2,065,118	1,985,795	1,826,436	1,645,508
Sharia Financing	2,187,858	1,903,471	1,762,368	1,607,359	1,401,833
Sharia Other Services	1,216,406	998,163	1,964,752	1,378,999	875,545

\* In 2023, it was adjusted to the organizational structure and became part of Micro Credit, Retail and Medium Credit as well as Commercial and Corporate Credit.

\*\* From 2019 to 2021 it was still part of Corporate and Syndicated Medium Credit as well as Retail Micro Credit and Programs.

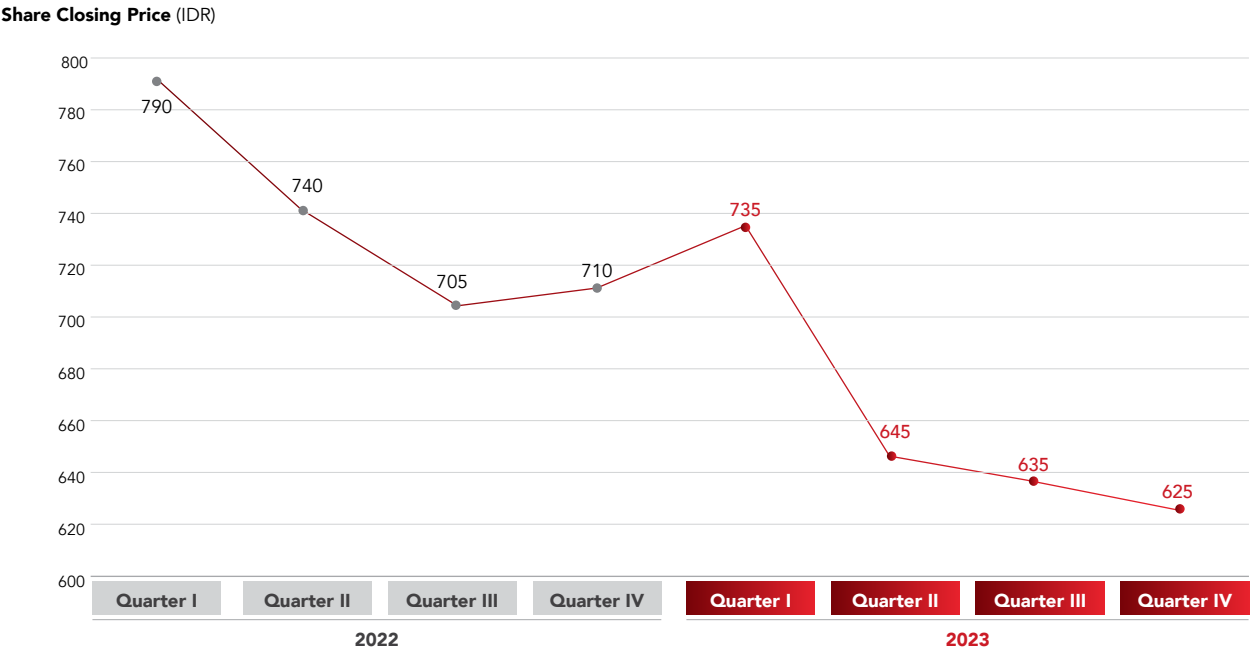
## Stock Information

**Table of Prices, Volume and Capitalization of Bank Jatim Stock 2022-2023**

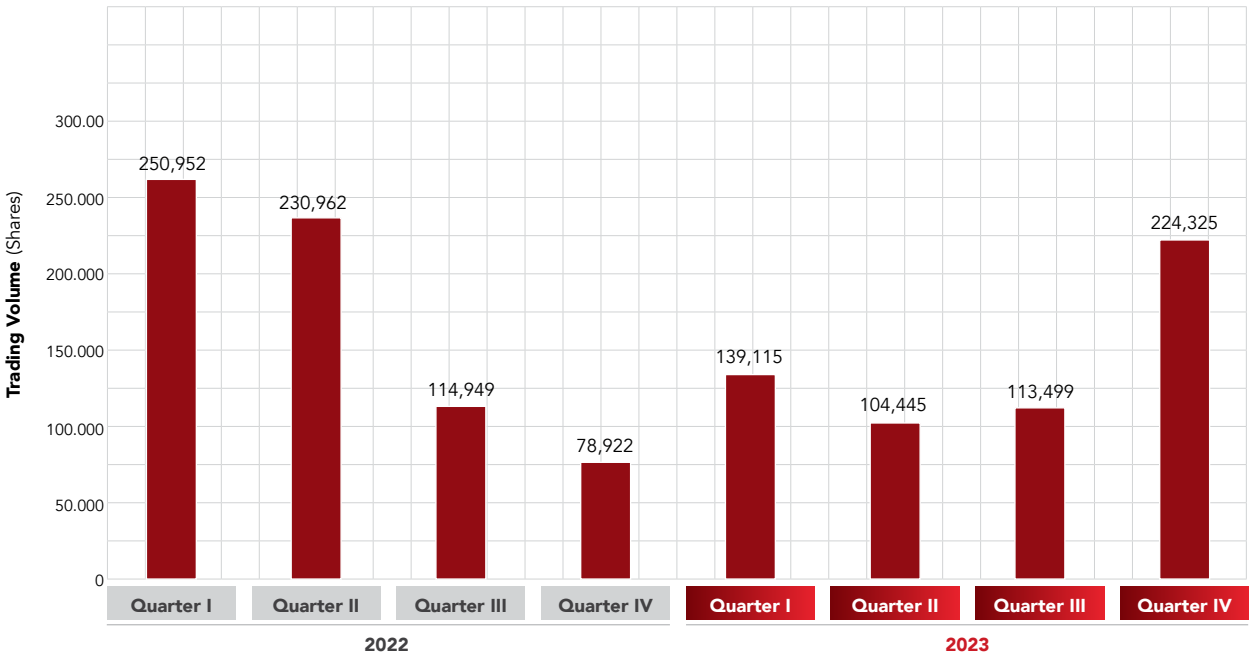
Year	Price per share				Number of shares outstanding (shares)	Trading Volume (Shares)	Market Capitalization (IDRBillion)
	Opening (IDR)	Highest (IDR)	Lowest (IDR)	Closing (IDR)			
2023							
Quarter I	710	755	685	735	15,015,498,082	139,115	11,036
Quarter II	735	745	740	645	15,015,498,082	104,445	9,684
Quarter III	650	660	635	635	15,015,498,082	113,499	9,534
Quarter IV	640	640	600	625	15,015,498,082	224,325	9,384
2022							
Quarter I	750	830	735	790	15,015,498,082	250,951	11,862
Quarter II	785	800	735	740	15,015,498,082	230,962	11,111
Quarter III	740	740	705	705	15,015,498,082	114,949	10,586
Quarter IV	710	730	675	710	15,015,498,082	78,922	10,661



Graph of Bank Jatim Stock Closing Price for 2022-2023



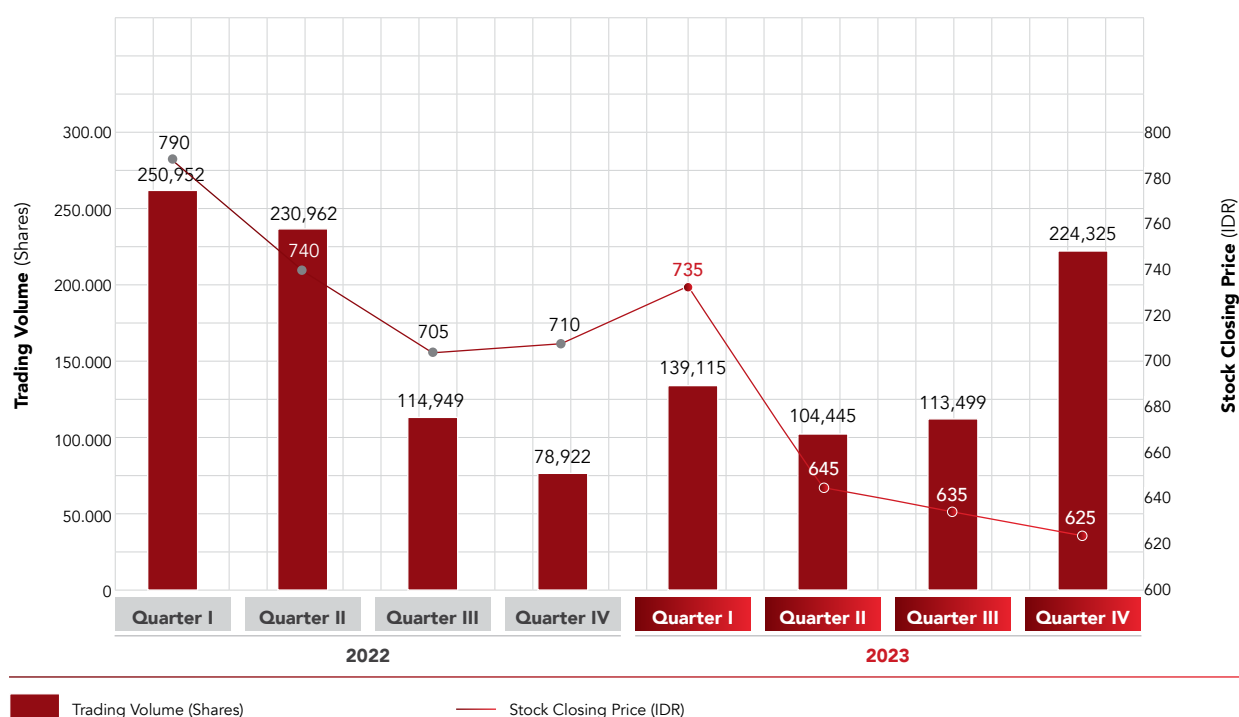
Graph of Bank Jatim Stock Trading Volume in 2022-2023







Graph of Price and Trading Volume of Bank Jatim Stock in 2022 – 2023



## Corporate Actions

In 2023 Bank Jatim did not carry out corporate actions related to activities that affect the number of outstanding stock, including stock splits, stock mergers, stock dividends, bonus stock, and changes in the nominal value of stock.

## Termination Action While Trading of Stock (Suspension) and/or Removing of Stock (Delisting)

As of December 31, 2023, Bank Jatim has never been subject to sanctions for temporarily suspending stock trading (suspension) and/or delisting stock (delisting).

## Bonds, Sukuk and/or Convertible Bonds Information

As of December 31, 2023, Bank Jatim has not issued bonds/sukuk/convertible bonds. Thus, there is no information regarding bonds/sukuk/ convertible bonds.



# Other Funding Sources Information

As of December 31, 2023, Bank Jatim has not issued other securities, so there is no information on the chronology of issuance and/or listing of other securities.

# Company Analysis Report

No	Name	Recommendation	Target Price	Date
1.	Panin Sekuritas	Neutral	-	February 20, 2023
2.	Sadif Investment	Buy	693	August 18, 2023
3.	Sinarmas Sekuritas	Buy	725	July 28, 2023
4.	BRI Danareksa	Buy	850	July 5, 2023
5.	Mandiri Sekuritas	Neutral	800	February 17, 2022
6.	RHB Research	Buy	1000	December 9, 2022
7.	Binaartha Sekuritas	Hold	740	December 23, 2022

## RESUME

As of December 2023, Bank Jatim continues to show good growth in assets which grew 0.80% yoy and productive assets which grew 18.54% yoy. For the Income Statement, Net Interest Income decreased by -1.13%. This was due to interest income results that were not in line with credit growth plus interest expenses that increased by 26.97%. Provisions rose 71.54% yoy and the Non-Performing Loan (NPL) ratio fell from 2.83% to 2.49% due to the resolution of problem loans and write-off credits.

- In terms of Third Party Funds (TPF), they experienced growth of -4,37% yoy. Decreased savings from Current Accounts which fell -11.46%, Deposits experienced a decrease of -10.49%. In terms of savings, there was an increase of 9.38%. Savings have increased because it is a reflection of the growth in users of the JConnect mobile banking application, which has been downloaded by 606 thousand, up 30% with a total transaction volume of 3.3 trillion in 2023. Bank Jatim recorded a net profit of 1.47 trillion or a decrease of -4. 71% yoy.
- The position of Bank Jatim's Loan to Deposit Ratio (LDR) in 2023 will increase from 56.50% to 70.03% because it is in line with credit growth. RoE fell to -2.28%, RoA fell to -0.08%, this was because the asset side increased without being accompanied by profit growth. Meanwhile, Net Interest Margin (NIM) increased to 5.11% from 5.57%. The BOPO ratio increased to 77.27% due to high interest expenses and the addition of new employees.
- Bank Jatim's target for 2024 is, assets grow 9.29% and DPK grows 13.02%. In order to optimize credit growth, Bank Jatim took the initiative to shift from treasury placement to credit so that credit is targeted to grow 23.66%, because it is supported by an increase in the number of Account Officers (AO). Thus, because the loan yield is higher than the treasury yield, it will have an impact on the LDR and NIM ratios increasing so that net profit before tax will be targeted to grow by 15.82% yoy.

## Important Events In 2023

19 January



Bank Jatim and RSU Brimadika collaborated on Employee Health Services.

20 January



Bank Jatim started 2023 by implementing the CSR of Bank Jatim Peduli.

01 February



Bank Jatim won the ASEAN Asset Class PLCs award for the Bank's consistency in implementing GCG.

02 February



Bank Jatim supported the Ministry of Finance Program through MSME and KUR assistance.

08 March



Bank Jatim signed a business synergy cooperation agreement with Bank NTB Syariah as a step to strengthen Sharia Services.

13 March



Bank Jatim achieved Rank A in the 2023 Sustainability Report.

17 March



Bank Jatim launched Tabungan Santri to exploit the potential of the Sharia economy.

20 March



Bank Jatim supported the East Java Provincial Government's trade mission in East Kalimantan.

07 April



Bank Jatim held the JConnect Ramadhan Festival with MSME owners to encourage digital financial literacy.



**12 April**



Bank Jatim distributed dividends of IDR797 billion, increasing Bank performance.

**25 May**



Bank Jatim enlightened Kangean Island through the CSR of PJU Solar Cell.

**23 June**



Bank Jatim proved its contribution to the country so that it received High Dividend Appreciation.

**15 May**



Bank Jatim introduced JConnect Remittance in Hong Kong to support the East Java Province trade and investment mission.

**30 May**



The Governor of East Java inaugurated the Foreign Exchange Pendulum Village assisted by Bank Jatim.

**27 June**



Bank Jatim became the first bank to implement Digital Population Identity (IKD) for Banking in Indonesia.

**17 May**



Bank Jatim and UNESA signed an MoU in the Business and Academic Sectors.

**9 June**



Bank Jatim won an award at the 2023 Indonesia Financial Top Leader Awards.

**15 July**



Bank Jatim held the 2023 Sharia Town Hall Meeting to strengthen Sharia Performance.

**21 May**



PT Enha Sentosa Indonesia successfully exported ginger to four countries after receiving full support from Bank Jatim.

**12 June**



Bank Jatim provided promotional facilities and market access for its fostered MSMEs to take part in Trade Missions.

**31 July**



Bank Jatim and the Ministry of Villages, Development of Disadvantaged Regions and Transmigration collaborated in ASEAN SOMRDP Indonesia 2023 to support village and rural progress.



**10 August**



Bank Jatim collaborates with the High Prosecutor's Office of East Java Province.

**20 September**



Bank Jatim won the 2023 ICAI Award for implementing the Five Pillars of Transformation.

**18 October**



Bank Jatim received a Certificate of Appreciation for the inauguration of Trans Jatim Corridor III.

**20 August**



Bank Jatim launched JConnect Pro in celebration of its 62<sup>nd</sup> anniversary.

**29 September**



Bank Jatim received an award from the Ministry of Home Affairs.

**18 October**



Bank Jatim received the Jatim Bangkit Awards for Bank Jatim's support in recovering from the impact of the pandemic.

**25 August**



Bank Jatim won the 2023 Infobank Award for its continued positive performance.

**06 October**



Bank Jatim launched the Dual Banking Leveraging Model to improve the performance of the Sharia Business Unit.

**06 November**



Bank Jatim Successfully achieved Gold Rank ASRRAT 2023.

**18 September**



Bank Jatim won the Top 50 Best Issuers.

**17 October**



Bank Jatim implemented CSR and branding to Pasar Induk Among Tani to commemorate the 22<sup>nd</sup> anniversary of Batu City.

**10 November**



Bank Jatim won the Road to CNBC Indonesia Awards 2023 as the Best Regional Bank for the Bank's performance.

## 21 November



Bank Jatim provided ambulance assistance and facilitated financial transactions abroad to support East Java migrant workers.

## 12 December



Bank Jatim reach the first MURI record in Indonesia with 2,312 debtors signing a mass consumer credit agreement. Bulk Consumer Credit Agreement. This mass contract event aims to inform the public regarding Bank Jatim's readiness to support economic growth in East Java through the Consumer Credit sector.

## 15 December



Bank Jatim was leading innovation by being a pioneer in Indonesia in implementing IKD and was also visited by the Directorate General of Population and Civil Registration (Ditjen Dukcapil), the Ministry of Home Affairs, and the World Bank.

## 27 November



Bank Jatim ranked first in the 2022 Annual Report Awards.

## 14 December



President Jokowi attended the inauguration of Pasar Induk Among Tani with optimal support from Bank Jatim.

## 15 December



Bank Jatim Sharia Business Unit received 3 (three) awards in the 2023 BPKH Award.

## 30 November



Bank Jatim collaborated with Bank Lampung.



# REPORT OF DIRECTORS and Board of Commissioners









# Board of Directors' Report

**BUSRUL  
IMAN**

President Director





## Respected Shareholders and other Stakeholders,

We thank God Almighty for the blessings and gifts, so Bank Jatim could go through big challenges in 2023 and recorded good performance.

Transformation Program of Bank Jatim was the main pillar in supporting Bank's target achievement and one of the efforts to achieve Bank Jatim's vision and mission, which was the 1<sup>st</sup> firm and high-competitive BPD.

In this occasion, allow us to submit the implementation report of Bank management during 2023, comprising of Bank performance, business prospect analysis, development of the implementation of corporate governance, Committee performance assessment under the Board of Directors, and the changes of the Directors' composition.

## Analysis of Bank Performance

As a company engaged in the banking sector, the aims and objectives of Bank Jatim are to carry out business in the field of financial and insurance activities, especially banking, in accordance with the provisions of the applicable laws and regulations. In accordance with the vision and mission, Bank Jatim developed competitive and professionally managed products and services in order to encourage regional economic growth. The Bank owned both conventional and sharia products and services as follows:

1. Savings products included Rupiah Current Accounts, Foreign Currency, Current Accounts, Rupiah Deposits, Foreign Currency Deposits, Simpeda Savings, Cycle Savings, Hajj Savings, My Savings, Student Savings (SIMPEL), Laku Pandai Savings (SiPandai) and Cycle Retirement Savings.
2. Consumer Loan products included Multipurpose Loans, Employee Loans & Personal Loans, Car Allowance Programs for Motor Vehicle Loans, Cash Collateral Loans, Gold Collateral Loans and Property Loans.
3. Commercial, Corporate and Syndicated Products included Transactional Contract Contractor Loans, Standby Loans, Contractor Loans, General Installment Working Capital Loans, Current Account Working Capital Loans, Investment Loans, Property Construction Loans, Syndicated Loans, Loans to Regional Public Service Agencies (BLUD),
4. Micro, Retail and Program Loan Products included East Java Retail Loans, Laguna Micro Loans, BPR Linkage Loans, People's Business Loans (KUR), Loans to Cooperatives for Members (KKPA), Loans to Cooperatives (KKOP), KUMK SU-005/ Government Investment Loans (KIP), Cattle Breeding Business Loans (KUPS), Food and Energy Security Loans (KKPE), East Java Micro Loans, Fintech Linkage Loans, SiUMI Loans, and BPR RC Loans (Current Accounts)
5. Treasury Products included General Foreign Exchange (Telegraphic Transfer), Bank Notes and Deposit on Call.
6. Trade Finance products included Export, Import and Domestic Transactions (SKBDN).
7. Business services included Bank Reference, National Clearing, Real Time Gross Settlement (RTGS), Rupiah Collection, Foreign Exchange Collection, Giralization, BPD Net Online, East Java Electronic Transfer System (JETS), Jconnect Invest, and Remittance Transaction.
8. Services, Bill Payment, Salary Payroll and Trade Transaction Services.
9. Sharia Financing Products included General financing, iB Griya Barokah KPR, Prosperous KPR, Sharia Multipurpose, iB Barokah Gold, Gold Metal Ownership, Linkage Program, Umroh iB Maqbullah, iB Barokah Property Construction Working Capital Financing, iB Barokah Land Acquisition Financing, Capital Financing of Working Pattern of iB Barokah Presidential Decree, iB Barokah Bonded Investment Collateral Financing (ITIB), iB Barokah Receivable Financing (Factoring), Syndicated Financing, Employee and Personal Financing, Bank Guarantees and Halal Industrial Area Financing.
10. Sharia funding products and services included iB Barokah Current Account, Simpel iB Savings, My iB Savings, iB Amanah Umroh Savings, Sipandai iB Barokah Savings, Santri Savings, iB Barokah Savings, Barokah Prosperous Savings, iB Amanah Hajj Savings, Barokah iB Plan Savings, Retirement Savings iB Barokah, Barokah Deposits, Virtual Accounts, Payment Points, E-Channels (SMS Banking, J-Connect Mobile and JConnect Internet Banking) and iB Barokah Endowments.

Receivable Financing Loans, Local Government Loans and Trade Finance Loans.



11. E-channels and other services included SMS Banking (3366), JConnect Internet Banking, JConnect Mobile Banking, JConnect E-Kmg, JConnect E-Loan, Laku Pandai Services (Sipandai Bank Jatim), Info Bank Jatim (14044), ATM Cards Bank Jatim Debit, Bank Jatim Flazz Card (Co-Branding), Safe Deposit Box, Electronic Civil Servant Card (KPE), Virtual Account, East Java E-Samsat, National Digital Samsat (Signal), East Java Code QRIS and BJTM Connect.

Indeed, as a banking company, Bank Jatim could not be separated from the customers or markets it served. Bank Jatim targeted all groups of age without exception, including productive ages (millennials) and non-productive ages (retirees) in all Bank working areas, including the DKI Jakarta and Batam Provinces. To serve and establish relationships with a market that was broad and diverse and had a long-term dimension, Bank Jatim created easier access for its customers. This effort was conducted by expanding the office network and expected to provide education to customers about banking products that could support their business development. As of December 2023, Bank Jatim had 1 Head Office and 1,819 office networks spread throughout East Java. Bank Jatim also had a business network in large city areas such as Jakarta and Batam.

## Effective Organizational Structure Strengthening

The implementation of the Bank's management could be seen in the organizational structure of Bank Jatim, which was divided into 6 (six) Directorates under the President Director, such as Micro, Retail and Medium Directorate, Finance, Treasury and Global Services Directorate, Risk Management Directorate, IT and Digital Directorate, Operations Directorate, and Compliance Directorate. Each Directorate was divided into several Divisions, which supported the implementation of the duties of the relevant Directors. The President Director was supported by Corporate Secretary and Internal Audit Division. Also, the President Director was supported by several SEVPs including SEVP Corporate, Syndication and Institutional, SEVP Consumer Banking, SEVP Sharia Business, SEVP Corporate Transformation, and SEVP Network and Services. The Micro, Retail and Medium Directorate was supported by Retail and Medium Credit Division and Micro Credit Division. The Finance, Treasury and Global Services Directorate was supported by Accounting and Financial Management Division, Treasury Division and International Banking Division. The Risk Management Directorate was supported by Credit Risk Analyst, Credit Risk Division, and Credit Restructuring and Settlement Division. The IT and Digital Directorate was supported by Information Technology Division, Digital Banking Division dan Security IT Unit. The Operations Directorate was supported by

Operations Division, General Division, Product Development Division and Credit Administration Unit. The Compliance Directorate was supported by Compliance & APU PPT Division, Legal Division and Policy and Procedures Division. All Divisions had contributed to the performance achievements of their respective Directorates and the Bank's overall performance.

## Human Capital and Its Management

In conducting its operational activities, Bank Jatim had 4,544 employees with details of education level, such as 342 people with non-strata education, 3,872 people with bachelor's degrees, 325 people with master's degrees, and 5 (five) people with doctoral degrees. In 2023, Bank Jatim had provided education to 4,999 employees out of 5,242 employees or conducted training to develop competency for 95.38% of employees. This could be completed with the aid of e-Learning technology and content that was easily accessible, flexibly both from place and time. In terms of composition, 60.5% of educational programs that had been implemented were supporting business competencies and 39.5% were supporting business competency. Competency development activities recorded that 1,576 employees had participated in the certification program and 4,913 people had taken part in the improvement program of the non-certification competency.

Apart from competency development, Bank Jatim also carries out career development which is implemented with the aim of preparing, developing and retaining employees so that they can display their best performance, both now and in the future. Currently the Bank has a tiered career development program or promotion program for employees from first level officials to executive officers which is implemented to meet the needs of vacant positions.

## Information Technology Innovation

Bank Jatim realized that the need for digitalization services was increasing. Bank Jatim had innovated and invested in technology to remain competitive in the development of digital banking technology. Currently, several products and services had been launched to ease services for the public, such as being the first Bank in Indonesia in implementing the Digital Population Identity (IKD), SIPD, such as an integrated SP2D application for Regional Government Expenditure, JConnect Pro, CMS, such as an application for Village Government expenditure, which made easily funds distribution to village partners, Customer Self Service, Siskeudes Link and E-Bansos.



## Economic Analysis

The overall infrastructures owned by Bank Jatim operated effectively in supporting the implementation of the Board of Directors' duties, especially in economic conditions in 2023, which were still experiencing uncertainty. In the midst of these economic conditions, the Board of Directors had been able to run the Bank's business well. Further, Bank performance was influenced by various factors, especially macro economic conditions.

In terms of the global economy, official data regarding the magnitude of world economic growth until January 2024 had not yet been definitively provided by various sources. However, in its Quarter III-2023 Monetary Policy Report, Bank Indonesia predicted economic growth in 2023 of 2.9%. The Quarter III-2023 Indonesian and World Economic Development Report by Bappenas stated that the global economic recovery tends to retard, which is reflected in the unequal speed of global economic growth in Quarter III-2023 and influenced by, such as, tight financial conditions, vulnerable trade growth, lower optimism in the business aspect and consumers, escalated geopolitical tensions after the Russia-Ukraine war, the development of the Palestine-Israel conflict, the impact of tightening monetary policy, and extreme weather. Further, the United States economy grew by 2.9% (yoy); China developed 4.9% (yoy); Japan's economy retarded 1.2% (yoy); South Korea increased 1.4% (yoy); and Singapore extended 1, 1% (yoy). Most countries' central banks inclined to maintain their interest rates, which was in accordance with relieving inflation. Energy commodity prices were on a positive trend, though they were lower than 2022. Additionally, agricultural commodity prices were still sloping, and metal base prices were varied, as well as precious metal prices were strengthening.

In most countries, central banks tended to maintain their interest rates as inflation subsides. The Federal Reserve held the rate of increase in the Fed Funds Rate (FFR) interest rate at a range of 5.25%-5.50% throughout Quarter III-2023, which was the highest level in the last 22 years. This policy was stipulated by considering the fluctuation in inflation since the Covid-19 lockdown, which had sharply declined from an annual rate of 9.1% in June 2023 to 3.7% in September 2023. However, this inflation rate was still above the Fed's target of 2% in the mid of the continued price increasing signal.

In the midst of retarding global conditions, the Indonesian economy positively improved in Quarter III-2023, though it experienced a slowdown to 4.94% (yoy), lower than the growth in Quarter II-2022, which was 5.73% (yoy). This slowdown was influenced by seasonal factors, the lack of religious holidays and the absence of holidays throughout Quarter III-2023, which could boost consumption activity.

In the midst of slowing global economic conditions, the Indonesian economy in the third quarter of 2023 grew positively even though it experienced a slowdown to 4.94% (yoy), lower

than the growth in the second quarter of 2022 which was 5.73% (yoy). This slowdown was influenced by seasonal factors, the lack of religious holidays and the absence of holidays throughout the third quarter of 2023 which could encourage consumption activity.

Also, in terms of expenditure, GDP components mostly continued to grow, but other components contracted, such as government consumption, exports, and imports. Consumption of Non-Profit Agencies Serving Households (LNPR) increased 6.2%, although slowing down compared to the previous quarter, Gross Fixed Capital Formation (PMTB) also grew 5.8%. Household consumption continuously developed at 5.1%, which was in accordance with the firmness of people's purchasing power along with controlled inflation.

Related to production, business sectors almost grew positively, excluding for Education Services and Government Administration, contracted 2.1% and 6.2%, respectively. Government administration was one of the sectors experiencing contraction in Quarter III-2023. The underperformance of this sector was affected by the lower realization of employee expenditure in the National Revenue and Expenditure (APBN), and the absorption capacity of employee expenditure in Quarter III-2023 was lower than Quarter III-2022.

Generally, national banking performance was still quite good as reflected in a number of banking performance indicators, which remained good and at a safe level. The Bank Indonesia's Board of Governors (RDG) meeting dated December 20-21, 2023 decided to maintain BI 7-Day Reverse Repo Rate (BI7DRR) at 6.00%, the deposit facility interest rate 5.25%, and the lending facility interest rate at 6.75%. This decision was consistency of monetary policy to ensure low and controlled inflation and to maintain economic recovery and exchange rate stability.

Resilience of banking liquidity was still maintained, supported by growth in Third Party Funds (DPK) of 6.54% (yoy) in September 2023. The ratio of Liquid Assets Ratio to Third Party Funds (AL/DPK) remained high, such as 25.83%. This liquidity development had a positive impact on the development of banking interest rates, and 1 (one)-month bank deposit interest rates and credit interest rates in September 2023 were maintained at 4.28% and 9.36%, respectively. Bank Indonesia's stress-test results also showed that banking resilience remains firm in dealing with global pressures. Bank Indonesia will continuously affirm synergy with the Financial System Stability Committee (KSSK) in mitigating various risks that potentially disrupt financial system stability and economic growth momentum.

## Determination of Credit, Savings and Competitive Interest Rates

Based on economic and industrial analysis and taking into account existing challenges, Bank Jatim has set a market target in the form of increasing DPK and Credit. The targets for DPK





and credit distribution in 2023 are IDR 78.20 trillion and IDR 54.76 trillion, respectively. This increase was carried out, among other things, by collaborating on Sponsorship Events in Bank Jatim's working areas, opening accounts at schools and one student account, collaborating with other banking institutions/entities/companies, as well as implementing Digital Population Identity (IKD for Banking in collaboration with Directorate General of Population and Civil Registration, Ministry of Home Affairs.

To achieve market target, Prime Lending Rate for 2023 was determined as follows:

**Table of Prime Lending Rate**

Bank Jatim Prime Lending Rate as of December 2023 Based on Business Segment				
Corporate Loan	Retail Loan	Micro Loan	Consumer Loan	
			KPR	Non KPR
7.68%	8.21%	13.40%	8.22%	9.58%

In addition, bank Jatim also set competitive and competitive interest rates for time deposits and current accounts presented as follows:

**Table of Savings Interest Rates as of December 2023**

Tier	Interest Rate
<b>SIMPEDA</b>	
0 - < IDR1 million	0.00%
IDR1 million - < IDR10 million	0.50%
IDR10 million - < IDR50 million	0.75%
IDR50 million - < IDR500 million	1.00%
≥ IDR500 million	1.50%
<b>SIKLUS</b>	
0 - < IDR1 million	0.00%
IDR1 million - < IDR10 million	0.75%
IDR10 million - < IDR50 million	1.00%
IDR50 million - < IDR500 million	1.25%
≥ IDR500 million	1.50%
<b>SIKLUS MIKRO KECIL (SIUMI)</b>	
0 – IDR500 thousand	0.00%
> IDR500 thousand	1.50%
<b>SIKLUS NELAYAN (SiNyal)</b>	
0 – IDR500 thousand	0.00%
> IDR500 thousand	0.50%
<b>HAJJ SAVING</b>	
All Nominal	1.00%
<b>TABUNGANKU</b>	
0 – IDR500 thousand	0.00%
>IDR500 thousand – IDR1 thousand	0.25%
>IDR1 thousand	1.00%

**Notes:**

Interest was calculated on a daily basis and according to the applicable tiering  
Interest was paid according to the payment period



Tier	Interest Rate
<b>SIKLUS PRIORITAS</b>	
0 - < IDR500 thousand	0.00%
IDR500 thousand - < IDR7,5 thousand	1.50%
IDR7,5 million - < IDR100 million	1.75%
IDR100 million - < Rp IDR1 billion	2.00%
≥ IDR1 billion	2.25%
<b>LAKU PANDAI SAVING</b>	
All Nominal	0.50%
<b>SIKLUS PENSIUN</b>	
0 - < Rp250 thousand	0.00%
Rp250 thousand - < Rp7,5 million	1.25%
Rp7,5 juta million - < Rp100 million	1.50%
≥ Rp100 million	1.75%
<b>SIKLUS VALAS</b>	
<b>USD</b>	
< USD100	0.00%
> USD100 - ≤ USD10.000	0.05%
> USD10.000 - ≤ USD100.000	0.15%
> USD100.000	0.25%
<b>SGD</b>	
< USD100	0.00%
> USD100 - ≤ USD10.000	0.05%
> USD10.000 - ≤ USD100.000	0.15%
> USD100.000	0.20%
<b>EUR</b>	
0 - EUR300	0.00%
> EUR300	0.10%
<b>JPY</b>	
All Nominal	0.00%
<b>HKD</b>	
All Nominal	0.00%

Table of Time Deposit Interest Rates as of December 2023

Tier	Tenor (Month)						
	1 Month	2 Months	3 Months	6 Months	12 Months	18 Months	24 Months
≥IDR2,5 million- IDR1 billion	2.70% pa	2.80% pa	2.90% pa	3.00% pa	3.10% pa	3.15% pa	3.15% pa
>IDR1 billion	2.75% pa	2.85% pa	2.95% pa	3.05% pa	3.15% pa	3.15% pa	3.15% pa



**Table of Foreign Exchange Interest Rates as of December 2023**

Tier	Tenor (Month)			
	1 Month	3 Months	6 Months	12 Months
USD				
≥ USD 1.000 - ≤ USD 100.000	0.75% pa			
> USD 100.000	1.00% pa			
SGD				
≥ SGD1.000	0.10% pa			
EUR				
≥ EUR750	Each placement had to be approved by the Division in charge			
JPY				
≥ JPY100.000	Each placement had to be approved by the Division in charge			
HKD				
≥ HKD7.500	Each placement had to be approved by the Division in charge			
AUD				
≥ AUD2.000	0.50% pa			
CNY				
≥ CNY7.000	0.70% pa			

**Notes:** Above the counter rate, the branch sought approval from the Head Office

**Table of On Call Deposit Interest Rates as of December 2023**

Tier	Interest Rate
Deposit On Call (Rupiah)	0,75% below the market interest rate of Government Banks, Regional Development Banks or Private Banks obtained from LHBU or Reuters

**Table of Current Account Interest Rates as of December 2023**

Tier	Interest Rate
<b>RUPIAH (IDR)</b>	
<b>Calculation of progressive daily giro service</b>	
IDR0 - IDR5 million	0.00%
> IDR5 million - IDR100 million	0.50%
> IDR100 million - IDR1 billion	0.75%
> IDR1 billion - IDR500 billion	0.90%
> IDR500 billion - IDR750 billion	1.25%
> IDR750 billion	1.75%
Escrow Account Current Account	Same as Rupiah current accounts, and had to be included in the Cooperation Agreement (PK)
<b>FOREX</b>	
USD Forex Current Account	
≤ USD1.000,00	0.00%
> USD1.000,00 - ≤ USD10.000,00	0.05%
> USD10.000,00 - ≤ USD100.000,00	0.15%
> USD100.000,00	0.25%





Tier	Interest Rate
<b>SGD FOREX CURRENT ACCOUNT</b>	
≤ SGD1.000,00	0.00%
> SGD1.000,00 - ≤ SGD10.000,00	0.05%
> SGD10.000,00 - ≤ SGD100.000,00	0.15%
> SGD100.000,00	0.20%
<b>EUR FOREX CURRENT ACCOUNT</b>	
EUR	0.10%
JPY Forex Current Account	
<b>JPY</b>	<b>0.00%</b>
AUD Forex Current Account	
AUD 15.000 - < AUD 150.000	0.20%
≥ AUD 150.000	0.50%
<b>HKD FOREX CURRENT ACCOUNT</b>	
HKD 78.000 - < HKD 780.000	0.20%
≥ HKD 780.000	0.50%
<b>CNY FOREX CURRENT ACCOUNT</b>	
CNY 72.000 - < CNY 720.000	0.20%
≥ CNY 720.000	0.50%

Table of Profit Sharing Ratio

Product	Profit Sharing Ratio	Profit Sharing Realization
Individual Wadiah Current Account	0.00%	0.00%
Wadiah General Office/Government Current Account	0.00%	0.00%
Private General Wadiah Current Account	0.00%	0.00%
Government General Mudharabah Current Account	5.00%	0.51%
My Savings iB	0.00%	0.00%
Smart Practice Savings	0.00%	0.00%
Simple Savings	0.00%	0.00%
Student Savings	0.00%	0.00%
Amanah iB Umrah Savings	0.00%	0.00%
Amanah Hajj Savings	10.00%	1.02%
Barokah Savings	12.50%	1.27%
Prosperous Barokah Savings	4.00%	0.41%
iB Barokah Plan Savings	25.00%	2.54%
iB Barokah Pension Savings	15.00%	1.52%
Deposit 1 Month	36.00%	3.66%
Deposit 3 Months	38.00%	3.86%
Deposit 6 Month	41.00%	4.16%
Deposit 12 Month	42.50%	4.32%



## Strategic Policy and Strategy

The Board of Directors leads the formulation of the bank's strategy directly through various meetings between the Board of Directors and key management as stated in the bank's Business Plan (RBB). The Board of Directors always ensures that the strategy has been implemented effectively through various Coordination Meetings, provision of direction, and reporting mechanisms.

In line with the Bank's policy direction and taking into account the latest developments in economic conditions, the Bank focuses on implementing the following strategies:

1. Change of business model from per credit scheme to segmentation based on ceiling.
2. Network repositioning especially the Surabaya area and Class 1 Branches.
3. Changes in organizational structure are adjusted to the development of the business.
4. Increase non-organic assets by corporate action to invest in financial institutions and capital participation in bank NTB Syariah which is continued to the bank Business Group (KUB) stage.
5. Increase fee-based income by adding Bank Jatim's e-channel feature.
6. Increase the collection of Non-Local Government Funds (Pemda) by increasing the Current Account Saving Account (CASA).
7. Strengthen the monitoring and evaluation process for non-performing loan settlement, among others, evaluating the Key Performance Indicator (KPI) of the non-performing loan settlement work unit.
8. Improve the management of Human Resources (HR), among others, by conducting workload analysis and mapping HR needs, compiling talent pool mechanisms and career paths for HR by paying attention to the mission of becoming an IT-based and Digital bank, and compiling programs to improve the competence and quality of human resources by conducting training for customers by launching J-Connect as BankJatim's digital banking branding.
9. Improve cyber security among others, by managing cyber security, mandatory cyber risk assessment, mandatory testing of the Bank's information technology vulnerability, assessment of cyber maturity level, and implementation of the Bank's cyber security testing.
10. Sustainable implementation of Corporate Culture, risk culture development, compliance culture, service culture, and marketing culture.
3. Strengthen the monitoring and evaluation process for the settlement of non-performing loans, among others, by evaluating the Key Performance Indicator (KPI) of the non-performing loan settlement work unit
4. Evaluate division performance to be more effective and efficient.
5. Improved *Service Level Agreement* (SLA).
6. Evaluate the implementation of the new organizational structure.
7. Improving the quality of human resources through training activities.
8. Improvement of remuneration.
9. Evaluation and implementation of rewards and punishments.
10. Improve the new employee recruitment system.
11. Strengthening the company's work culture through change agent training.
12. Establish a work culture in KPI in 2023.
13. Roadmap for GCG improvement to be ranked 2nd in 2023.
14. Maintain the average risk profile rating at 2.
15. Improvement in the quality of service standards to be ranked 2nd among BPD throughout Indonesia in 2023.

The Bank's strategy for Sharia Business Units includes DPK and Financing strategies. DPK Syariah's strategy of increasing CASA and fee based income is carried out by implementing two strategic approaches, namely maintenance of existing customers and acquisition of new customers. Strategic financing steps are carried out by optimizing the disbursement of syndicated financing, accelerating the financing proposal process, optimizing analyst staff, approaching the MSME community, optimizing the distribution of BMT/BPRS financing and establishing cooperation with various agencies.

## Achievement of Performance Targets

Based on the strategy that has been implemented, in 2023 Bank Jatim has produced good performance in accordance with the target. From the operational side, total Micro Loan distribution in 2023 will be IDR7.62 trillion, an increase of 44.02% compared to 2022 which was IDR5.29 trillion. Total Retail and Medium Loan distribution in 2023 will be IDR6.64 trillion, an increase of 41.32% compared to the previous year which amounted to IDR4.70 trillion. Total distribution of Commercial and Corporate Loan in 2023 will amount to IDR7.06 trillion, an increase of 6.80% compared to 2022 which amounted to IDR6.61 trillion. Total Consumer Loan in 2023 will reach IDR30.26 trillion, an increase of 9.23% compared to 2022 which was IDR27.70 trillion.

In the Sharia segment, the realization of Sharia TPF in 2023 was IDR2.60 trillion, an increase of IDR537.49 billion or 26.03% compared to 2022 of IDR2.07 trillion. The increase in Sharia TPF mainly came from growth in Deposito Barokah amounting to IDR381.34 billion. Apart from TPF, in the sharia segment there has also been an increase in sharia financing. Total financing realized in 2023 was IDR2.18 trillion, an increase of IDR284.39 billion or 14.94% compared to 2022 of IDR1.90 trillion.

To support the focus of this strategy, Bank Jatim also formulates strategic policies as follows :

1. Network repositioning, especially in the Surabaya area and Class 1 Branches.
2. Changes in organizational structure are adjusted to the development of the business.

Good achievements can also be seen from the financial side. In 2023, Bank Jatim's net interest and sharia income was recorded at IDR7,357,284 million, an increase of 6.90% from last year's IDR6,882,651 million. For the financial year ending December 31, 2023, Bank Jatim's total assets amounted to IDR103,854,773 million, an increase of 0.80% from last year's IDR103,031,367 million. Equity in 2022 reach IDR12,151,069 million, an increase of 6.16% compared to the previous year which reached IDR11,445,861 million.

In general, Bank Jatim has met the expectations of its Stakeholders. Various targets that have been set have been realized in 2023. Credit provided reached 100.04% with a realization of IDR 54.76 trillion in 2023. In terms of income, the achievement of interest income was 104.44% with a realization in 2023 of IDR 7.36 trillion. The CAR ratio in 2023 will be 25.71%, with a target achievement of 118.26%.

In the future, Bank Jatim will continue to implement the strategies that have been determined, and is committed to being able to play an active role in the BPD transformation program which has high resilience and competitiveness while continuing to act as an agent of development in the region through inclusive and sustainable growth.

## Obstacles Faced by Banks and Efforts to Overcome Them

Despite showing good performance, the Bank also faced various obstacles. These obstacles include the digitalization of business processes that have not been optimal and the security of information technology systems that must be improved continuously. To overcome these obstacles, the Bank has a strategy, namely by improving cyber security, among others, by managing cyber security, mandatory cyber risk assessment, mandatory testing of the bank's information technology vulnerability, assessment of cyber maturity level, and implementation of the Bank's cyber security testing.

In addition, the quality of the Bank's human resources is also still inadequate. To overcome these obstacles, the Bank has improved the management of Human resources (HR). This is carried out, among others, by conducting workload analysis and mapping HR needs, compiling talent pool mechanisms and career paths for HR by paying attention to the mission of becoming an IT and Digital-based bank and compiling programs to improve the competence and quality of human resources by conducting training for customers by launching J-Connect as Bank Jatim's digital banking branding.

## Important Things to Happen in the Future and Business Prospects

According to the World Economic Outlook (IMF, October 2023), global economic growth in 2023 is expected to be at the level of 2.9%, Latin America at 2.3%, Europe at 1.2%, and Middle-East Africa at 3.4%. meanwhile, economic growth in developing countries in Asia is projected to grow 4.8% in 2024. The solid economic outlook for Asia is shown by, among others, Indonesia rising again to become an upper-middle income country, which shows the large potential for consumption and investment. The high commitment in structural reforms shown by several Asian countries such as India, Indonesia, Thailand, and the Philippines is also expected to further accelerate the growth of the Asian region, and in turn the global economy. India's economic growth is expected to continue solidly in 2024, the highest among G20 countries. India, which accounts for three-quarters of South Asia's economic output, is expected by the IMF to grow by 6.1 percent this year and increase by 2024.

Indonesia's economy is showing economic resilience and a strong recovery amidst global challenges. Indonesia's economic growth projection for 2024 is expected to be maintained at 5.2%. National political stability is expected to be maintained and it encourages public and business optimism to continue economic activities and the positive trend of new job openings. In addition, improving the level of public welfare will also be a driving factor for consumption in 2024. Government consumption in 2024 is projected to grow relatively high. The holding of simultaneous elections and regional elections in 2024 is one of the pillars of the growth of government consumption in 2024.

The capacity and development of the financial services sector in 2024 will still be influenced by global and national economic sentiment. The future development of the banking industry faces some challenges and opportunities that could shape a profound transformation in the way banks operate and interact with customers. One of the main trends is the use of digital technologies that continue to grow, such as artificial intelligence (AI), data analytics, and blockchain technology. Banks are striving to improve operational efficiency and provide a more personalized and seamless customer experience by leveraging these technological innovations. A concrete example of this development can be seen in the application of artificial intelligence in credit risk analysis. Banks are using AI algorithms to evaluate customers' credit profiles more accurately and quickly, enabling them to make smarter credit decisions. This not only improves the credit approval process but also reduces risk for banks.



In addition, the development of fintech and the integration of digital finance are important factors in formulating the future of the banking industry. The adoption of digital payments, peer-to-peer lending platforms, and app-based financial services is becoming more common. Banks are striving to adapt to this trend by providing more digitally accessible banking services, including online account opening, instant money transfers, and financial management through mobile applications.

Considering those mentioned above, Bank Jatim's policies and strategies steps will focus on the following internal advantages:

1. Adequate digital banking technology infrastructure to compete with the industry.
2. Synergy with various parties, such as fintech, local governments, and other related parties.
3. Diversified financial product and service offerings for a wide variety of customer segments.
4. Having good relationships and synergies with shareholders, especially the Provincial Government and Regency/ City Governments.

By utilizing its internal advantages, Bank Jatim is optimistic that it has good prospects in the future. The opportunities for Bank Jatim in 2024 are as follows:

1. Shifting public behavior in the use of banking technology.
2. The demographic landscape of the millennial population who are active users of the internet and e-commerce, as well as the potential of the digital economy and finance.
3. The positive climate of sustainable economic growth in East Java.
4. There are still many market opportunities from local government and private ecosystems.
5. The potential market share of Bank Jatim, especially Civil Servants (PNS).
6. Regional-based economic development programs in East Java Province.
7. Utilization of Artificial Intelligence (AI) and new technologies in improving operational efficiency and customer experience.

Based on the analysis of its advantages and opportunities, the formulation of the Bank's business development strategy in 2024 is focused on the following:

1. Loan distribution/ financing activities, especially to productive and potential economic sectors balanced with the development and improvement of facilities and infrastructure supporting business activities (improvement of provisions and supporting technology) while still taking into account prudential banking principles.
2. Utilization of strategic projects, to encourage economic growth and improve business performance through productive loan distribution to strategic sectors and MSMEs, especially in East Java Province.

3. Optimization and improvement of information technology-based products and services while taking into account the principles of prudential banking and security.
4. Market expansion and deepening to improve business and achieve financial inclusion through service improvement and optimization of network roles including smart selling agents.
5. Increased profitability through increasing CASA ratio, improving credit quality, sustainable foreign exchange financial services, and developing other digital-based and customer-oriented.
6. Expansion and increase cooperation with various parties, to increase business in the field of funds and credit/ financing.
7. Maintain good relations with customers, especially shareholders by providing full support for government programs and playing an active role in strategic projects, especially in East Java Province.
8. Improving digital-based service, building ecosystems and supporting facilities both with local governments and the private sector aimed at accelerating Bank Jatim's performance.

## Corporate Governance

The implementation of Corporate Governance at Bank Jatim always refers to applicable regulations. The implementation of good corporate governance (GCG) can encourage good performance in the Bank's business activities. To improve the implementation of Bank Jatim's governance sustainably, Bank Jatim always applies the five principles of GCG, namely transparency, accountability, responsibility, independence, and fairness. These five principles are implemented through fulfilling the interests of shareholders and giving equal treatment to all shareholders; sustainability and durability; implementing disclosure and transparency; and carrying out the duties and responsibilities of the Board of Commissioners in carrying out the function of supervision and providing advice to the Board of Directors.

In fulfilling the interests of shareholders, the Bank has adhered to shareholder rights, including the fair and timely payment of dividends. New shareholders originating from this Public Offering will acquire the same and equivalent rights as existing shareholders of the Company, including the right to receive dividends. The amount of dividends to be distributed is linked to the Bank's profits for the respective financial year, considering the Company's profit level, and without diminishing the rights of the General Meeting of Shareholders of the Bank to determine otherwise in accordance with the Bank's Articles of Association. In addition to dividend distribution, the Bank has also fulfilled the following shareholder rights:



1. Series A shares confer special rights to their holders in terms of quorum attendance and approval at the General Meeting of Shareholders (GMS) for:
  - a. Attending and approving the appointment, dismissal, and approval of resignations of the Board of Directors and Board of Commissioners.
  - b. Attending and approving changes to the Articles of Association involving the issuance of equity securities or changes in the subscribed and paid-up capital.
  - c. Attending and approving the contribution of shares in the form of assets other than cash, whether tangible or intangible.
  - d. Attending and approving mergers, consolidations, acquisitions, separations, and filing for bankruptcy and the dissolution of the Bank.
2. Except for the special rights as mentioned above, shareholders of series B have the same rights.

The Bank has conducted the Annual General Meeting (AGM) in a timely manner. The Annual General Meeting for the 2022 Fiscal Year was held on April 12, 2023. The Annual General Meeting was carried out successfully, adhering to the predetermined agenda.

Bank Jatim has treated all shareholders equally. Unless otherwise specified in the Articles of Association, holders of Series A and Series B shares have equal rights, and each share carries one voting right. All shareholders have equal rights to obtain information related to the Bank. Bank Jatim provides equal treatment to all shareholders in providing information required by investors or shareholders to avoid inside information that is known only to the Majority Shareholders.

In ensuring sustainability and resilience, Bank Jatim has measured sustainability performance and reported it in the Sustainability Report annually. The Bank consistently engages stakeholders in determining material sustainability issues faced by the Bank, communicating them to the Board of Commissioners. Stakeholders are defined as entities or individuals influenced by the company's activities, products, and services. Conversely, their existence also influences the Bank in achieving the success of implementing strategies and goals.

Stakeholder engagement is directed towards the Bank's business interests while considering corporate social responsibility, environmental concerns, and prioritizing communication with various strategic partners. The stakeholder engagement process includes Bank Jatim's efforts to meet the expectations of each stakeholder using available resources in a

proper, accountable manner, and in accordance with applicable legal regulations.

One of the continuous expectations of customers that Bank Jatim consistently realizes is the provision of equal services for all, without discriminating based on background, ethnicity, race, gender, religion, political views, and so on. Furthermore, equality is also extended to customers falling into the category of special needs, including those with disabilities, such as those experiencing physical, intellectual, mental, and/or sensory limitations. Bank Jatim's commitment to providing the best products and services, including equal treatment, is driven by the awareness that customers have these rights.

Bank Jatim collaborates with suppliers/vendors/business partners to fulfill the goods and services needed in its operations. This policy is adopted because the Bank cannot meet all its needs for goods and services independently. To obtain goods and services with the best quality and in line with the required criteria and specifications, all suppliers affiliated with Bank Jatim must meet prerequisites and general policies as stipulated in the Board of Directors Decree No. 060/03/34/DIR/UMM/KEP, dated October 4, 2021, regarding the Standard Operating Procedure (SOP) for Procurement of Goods/Services at PT Bank Pembangunan Daerah Jawa Timur Tbk. Specifically, the SOP governs electronic procurement, including the management of provider data through the Vendor Management System (VMS).

The presence of Bank Jatim directly benefits the community by providing various banking products and services throughout the regions of districts/cities in East Java. In addition to direct benefits in the form of banking services, the presence of Bank Jatim also provides several indirect benefits to the community. These benefits are realized through the implementation of Corporate Social Responsibility and Environmental Responsibility (CSR & ER) programs. CSR & ER represent Bank Jatim's commitment to participating in sustainable economic development to improve the quality of life and the environment, benefiting the bank itself, the local community, and society at large.

The operational activities of the banking industry do not have a direct impact on environmental sustainability. Nevertheless, as a credit provider, banks have a significant role and responsibility in promoting environmental sustainability by carefully assessing projects financed by their debtors. In this regard, banks must ensure that the projects undertaken by debtors do not have the potential, let alone factual, negative impacts on the environment.



BankJatim is committed to supporting sustainable development, which aims to guarantee the integrity of the environment, as well as the safety, capacity, well-being, and quality of life for both the current and future generations. This goal can only be achieved through development processes that prioritize the harmony between economic, social, and environmental aspects. Harmony is crucial because development efforts solely targeting economic growth can lead to social disparities and a decline in the quality of the environment with all its implications.

The implementation of sustainable finance and sustainable development is realized by Bank Jatim by referring to various applicable regulations. One such regulation is the Sustainable Finance OJK Regulation, which mandates banks to develop a Sustainable Finance Action Plan (RKAB) since the regulation came into effect on January 1, 2019. Following this, based on the Technical Guidelines for Banks Related to the Implementation of OJK Regulation No.51/POJK/03/2017 regarding the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies issued by the Financial Services Authority (OJK), Bank Jatim continues to extend credit to sectors that adhere to the Sustainable Business Activity Criteria (KKUB), prioritizing efforts towards sustainable use of natural resources.

In addition to having financing policies aligned with the Sustainable Business Activity Criteria (KKUB), Bank Jatim's contribution to environmental sustainability is also manifested through environmentally friendly office operations, adhering to the 3R principle (Reduce, Reuse, and Recycle). This principle is realized through effective management related to the use of raw materials/paper, energy (oil and electricity), and water.

Bank Jatim respects and upholds the differences among individuals, whether in terms of gender, class, ethnicity, religion, race, social status, political views, physical condition, and more. Diversity is considered a certainty and contributes to making social life more colorful. In line with this principle, Bank Jatim is committed to treating all employees equally in terms of work opportunities, performance evaluations, including career advancement, competency development, remuneration, and more. Based on this commitment, the Bank provides equal opportunities for employment and filling positions based on the capacity and competence of employees. Equal employment opportunities are also maintained by Bank Jatim in the employee recruitment process.

The Bank has provided contact details through its website or Annual Report, allowing stakeholders to use them to convey complaints, suggestions, or possible violations of their rights. In enhancing the implementation of Good Corporate Governance (GCG) at Bank Jatim, the management is committed to running the company professionally based on behavior that aligns with the code of ethics. Therefore, if there are violations of the code

of ethics, the management has established a transparent and fair reporting mechanism through the Whistleblowing System.

Regarding the Bank's resilience, the Board of Commissioners emphasizes the effectiveness of risk management and internal control systems. Through the Risk Monitoring Committee and the Audit Committee, the Board of Commissioners ensures that risk management and internal control systems operate effectively.

Bank Jatim consistently applies the necessary information disclosure for stakeholders. Regarding share ownership, the Bank has disclosed information such as shareholders with 5% or more ownership, direct and indirect ownership of major shareholders and/or large shareholders, and the ownership of shares by the Directors and Board of Commissioners, both direct and indirect. The Bank also discloses information through its annual report, which includes the company's vision, mission, objectives, financial and non-financial performance, dividend policies, detailed biographies of all Directors and Board of Commissioners, attendance details of each Director and Board of Commissioners in all meetings held throughout the year, remuneration amounts for each member of the Board of Directors and Board of Commissioners, related party transactions, and details of the Public Accountant's office along with audit and non-audit fees.

In addition to the annual report, the Bank also provides corporate information through quarterly reports, financial statements available on the Bank's website. The public can access all financial and non-financial reports submitted by Bank Jatim transparently through various available channels, in a timely, complete, and accurate manner.

The Bank's information disclosure is carried out through internal and external communication. Bank Jatim maintains internal communication networks between the Bank's management and employees and ensures the effective implementation of communication within the organization. Considering this, Bank Jatim has developed several communication channels, including the Bank Jatim Magazine, the human resources intranet portal, and internal information media providing information to all Bank Jatim employees about various company activities and information needed in daily operations.

Bank Jatim uses various communication channels both internally and externally to build the company's image through print media, electronic media, broadcast media, display media, and others. To facilitate the public in obtaining the latest information about the company, Bank Jatim has a corporate website accessible through [www.bankjatim.co.id](http://www.bankjatim.co.id), which also serves as a service portal. On the Bank Jatim website, detailed information about Bank Jatim, ranging from history,

organizational structure, vision and mission, management, network, achievements, fund products, credit products, and Bank Jatim services, both conventional and sharia, can be found. Additionally, the website also includes information on CSR disbursements and the latest information/news about Bank Jatim.

To maintain the trust of shareholders and stakeholders, the Bank Jatim Investor Relations team directly engages with investors, analysts, and shareholders to present the Bank's performance. Bank Jatim is committed to always being transparent in providing reports, both periodic and incidental reports, to regulators in accordance with regulations in a timely manner.

Regarding the responsibilities of the Board of Commissioners, the Board of Commissioners is the Bank's governance body responsible for general and/or specific oversight as stipulated in the Articles of Association, providing advice to the Board of Directors, and ensuring that the Bank adheres to good corporate governance principles. The Board of Commissioners is accountable to the General Meeting of Shareholders in overseeing the Board of Directors' policies on the Bank's overall operations, which refer to the approved business plan, and ensuring compliance with all applicable regulations. Throughout 2023, the Board of Commissioners has provided recommendations and fulfilled its duties and responsibilities through forums such as Internal Board of Commissioners Meetings and Board of Commissioners Meetings with the Board of Directors.

Regarding the composition of the Board of Commissioners, the Bank currently has 75% Independent Commissioners out of the total number of Commissioners in the bank. The composition of Independent Commissioners as of December 31, 2023, amounts to 3 (three) out of 4 (four) positions in the Board of Commissioners.

To enhance the role of the Board of Commissioners in performing supervisory functions, the Board of Commissioners is assisted by three committees: the Audit Committee, Remuneration and Nomination Committee, and Risk Monitoring Committee.

Regarding the development of corporate governance implementation in 2023, the Bank carried out periodic GCG assessments according to the provisions of OJK Regulation 13/SEOJK.03/2017 dated March 17, 2017, concerning the Implementation of Governance for Commercial Banks. In 2023, the Bank conducted an assessment in the first semester, resulting in a score of 2,14. The assessment results were followed up to improve the effectiveness of the implementation of good corporate governance continuously.

## Performance Assessment of Committees under The Board of Directors

Throughout the year 2023, the Board of Directors assessed that the committees under its purview had fulfilled their duties and responsibilities effectively.

### ASSET LIABILITY COMMITTEE (ALCO)

ALCO is a decision-making committee for managing assets and liabilities in line with defined objectives. In order to reduce and eliminate risks, especially Liquidity Risk, Interest Rate Risk, and Exchange Rate Risk in banking, active cooperation and participation from various decision-makers on both the asset and liabilities sides are essential. Successful collaboration relies on each decision-maker understanding their role and the impact of their decisions on overall business profitability. In the course of 2023, ALCO held 15 (fifteen) meetings

### RISK MANAGEMENT COMMITTEE

The Risk Management Committee is established to maintain risk exposure within acceptable and beneficial limits, ensuring that the Bank's business activities remain controlled and adhere to the principle of prudence. Throughout the year 2023, the Risk Management Committee held 5 (five) meetings.

### HUMAN RESOURCES MANAGEMENT COMMITTEE

The Human Resources Management Committee is formed to achieve optimal results in deciding critical matters related to Human Capital, both strategically, in terms of policies, and in alignment with the Human Capital management system following the Bank's Business Plan. Throughout the year 2023, the Human Resources Management Committee held 20 (twenty) meetings.

### INFORMATION TECHNOLOGY COMMITTEE

The Information Technology Committee is part of the IT governance structure, providing recommendations while considering efficiency factors to minimize risks associated with IT usage and to safeguard the interests of the Bank and its customers. As a manifestation of the IT governance structure to minimize risks associated with IT usage and protect the interests, the IT Steering Committee (ITSC) is formed as an embodiment of the commitment of the Board of Directors and Bank Jatim's management in actively overseeing IT management. As regulated in POJK MRTI, the ITSC plays a role in assisting the Board of Directors in establishing the Information Technology Strategic Plan and the Bank's policies related to IT usage. During the year 2023, the IT Committee held 2 (two) meetings."





## CREDIT OR FINANCING POLICY COMMITTEE

The Credit or Financing Policy Committee is a committee formed by the Board of Directors in the context of managing credit policy which aims to support healthy credit provision and contains elements of internal control starting from the initial stage of the credit activity process up to the credit monitoring stage by paying attention to the precautionary principle. During 2023, the Credit or Financing Policy Committee has held 1 (one) meeting.

## CREDIT COMMITTEE

### Conventional Credit Committee

The Credit Committee is an operational committee formed by the Board of Directors to evaluate and/or provide credit decisions for the amount and type of credit determined by the Board of Directors by taking into account business development without neglecting the principle of prudence including credit restructuring and settlement.

### Financing Committee

Operational committee formed by the Board of Directors to evaluate and/or provide financing decisions for the amount and type of financing determined by the Board of Directors by taking into account business development without abandoning the principle of prudence including restructuring and financing settlement.

- Credit Implementation Committee  
During 2023, the Credit Implementation Committee held 24 (twenty-four) meetings.
- Credit Restructuring Committee  
During 2023, the Credit Restructuring Committee held 6 (six) meetings.
- Term Loan Facility (TLF) Committee  
During 2023, the Credit Settlement Committee held 1 (one) meeting.
- Financing Implementation Committee  
During 2023, the Financing Implementation Committee held 5 (five) meetings.
- Financing Restructuring Committee  
During 2023, the Financing Restructuring Committee held 1 (one) meeting
- Committee Delete Financing  
During 2023, the Committee Delete Financing held 2 (two) meetings.

## PRODUCT AND NETWORK COMMITTEE

### Product Committee

The Product Committee is a committee formed by the Board of Directors to discuss, determine and evaluate business strategies through product development, both digital and non-digital and both conventional and sharia, including the development of products that have not existed before and the development of follow-up products, including conducting product evaluations (continued products, developed, discontinued, closed). Throughout 2023, there were no product committee meetings held and the process of updating internal provisions regarding changes to the grand design Organizational Structure. Updating of the Product Committee SOP has been carried out and the Product Committee SOP has been issued with a Decree from the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 062/03/80/DIR/PGP/KEP Date 29 December 2023.

### Network Committee

The Network Committee plays a role in preparing the implementation of development, status changes and/or closure of the network as well as determining branch and sub-branch classes in network classification. The Network Committee functions as a forum for managing policies and monitoring the effectiveness of the Bank's network to ensure success in creating optimal profits. During 2023, the Network Sector Committee held 3 (three) meetings.

## Changes in the Composition of Members of The Board of Directors

During 2023, there were changes in the composition of members of the Board of Directors. Changes in the composition of members of the Board of Directors were carried out based on the Bank's needs. Changes in the composition of members of the Board of Directors are as follows:





## Composition of The Board of Directors before the Annual GMS for Financial Year 2022

The composition of the Board of Directors of Bank Jatim before the 2022 Annual GMS is 6 (six) people consisting of 1 (one) President Director and 5 (five) Directors as follows:

<b>Busrul Iman</b>	: President Director
<b>Tonny Prasetyo *)</b>	: Director of Operations
<b>Edi Masrianto</b>	: Director of Finance, Treasury & Global Services
<b>R. Arief Wicaksono</b>	: Director of Micro, Retail, and Medium
<b>Zulhelfi Abidin **)</b>	: Director of IT & Digital
<b>Eko Susetyono</b>	: Director of Risk Management

\*) appointed as a temporary replacement for the Director of Compliance, so that the position of Director of Operations is temporarily released to fulfill aspects of independence.

\*\*) appointed to concurrently serve as Director of Operations. This is in accordance with the Decree of the Board of Commissioners No.061/10/DKM/KEP dated December 13, 2022

## Composition of The Board of Directors after the Annual GMS for Financial Year 2022

On April 12, 2023, the 2022 Annual GMS approved and appointed Tonny Prasetyo as Compliance Director and Arif Suhirman as Operations Director. So, the composition of the Board of Directors of Bank Jatim after the 2022 Annual GMS is 7 (seven) people consisting of 1 (one) President Director and 6 (six) Directors as follows:

<b>Busrul Iman</b>	: President Director
<b>Tonny Prasetyo *)</b>	: Director of Compliance
<b>Edi Masrianto</b>	: Director of Finance, Treasury & Global Services
<b>R. Arief Wicaksono</b>	: Director of Micro, Retail & Medium
<b>Zulhelfi Abidin</b>	: Director of IT & Digital
<b>Eko Susetyono</b>	: Director of Risk Management
<b>Arif Suhirman **)</b>	: Director of Operations

\*) Effectively passed the fit and proper test by the Financial Services Authority as stated in the Decision of Members of the Board of Commissioners of the Financial Services Authority Number KEPR-38/D.03/2023 dated 26 May 2023.

\*\*) Effectively pass the fit and proper test by the Financial Services Authority as per the Decree of the Members of the Board of Commissioners of the Financial Services Authority Number KEPR-132/D.03/2023 dated 11 October 2023.

## Closing

The Board of Directors would like to express their gratitude to the Board of Commissioners for being an important part of Bank Jatim's business activities in the 2023 Financial Year. The supervision and advice provided by the Board of Commissioners gave direction for the policies taken by management. The Board of Directors also expressed its thanks to stakeholders and shareholders.

Bank Jatim continues to make improvements on all fronts as a commitment to increase its contribution to building the regional economy, which will ultimately impact the national economy. Going forward, Bank Jatim will always carry out the implementation of the strategies that have been determined, and is committed to being able to play an active role in the BPD transformation program that has high resilience and competitiveness while continuing to act as an agent of development in the region through inclusive and sustainable growth.

Surabaya, January 2024  
On behalf of the Board of Directors



**Busrul Iman**  
President Director

# Board of Commissioners' Report





## Dear Shareholders and Stakeholders,

Praise to the presence of Allah SWT, for the blessings of the mercy and grace, Bank Jatim can record good performance in 2023.

The Board of Commissioners expresses its appreciation to the Board of Directors for being able to maintain and provide good performance amidst conditions of incomplete post-pandemic economic recovery and global uncertainty due to geopolitical dynamics.

On this occasion, the Board of Commissioners carries out the company's mandate to submit supervisory reports and provide advice to the Board of Directors throughout 2023. In this report, we present an assessment of the performance of the Board of Directors, views on business prospects prepared by the Board of Directors, views on the implementation of Bank governance, as well as composition and changes composition of members of the Board of Commissioners. In the following, we submit a report on the supervision and provision of advice from the Board of Commissioners to the Bank's management for the 2023 financial year.

### Performance Assessment of Board of Directors

Before conveying the Board of Commissioners' views on the performance achievements of the Board of Directors, the Board of Commissioners will convey the frequency and method of providing advice to the Board of Directors as well as the Board of Commissioners' supervision of the formulation of alternatives and implementation of strategies. Providing advice from the Board of Commissioners to the Board of Directors is carried out formally and informally in various means, both through online and offline meetings, as well as in writing. Formal advice is provided through Joint Meetings of the Board of Commissioners together with the Board of Directors. Meanwhile, informal advice is provided through on-site visits and sharing sessions. During 2023, the Board of Commissioners has held 20 (twenty) joint meetings with the Board of Directors.

The Board of Commissioners provided recommendations and carried out the duties and responsibilities of the Board of Commissioners. During 2023, the Board of Commissioners

issued 15 (fifteen) letters of approval which were the authority of the Board of Commissioners as regulated in the Articles of Association and applicable regulations. Some of these agreements are conveyed as follows.

1. Audit Plan for the Internal Audit Division for the 2023 Period;
2. Implementation of the Annual General Meeting of Shareholders for the 2022 Financial Year of PT Bank Pembangunan Daerah Jawa Timur Tbk;
3. Adjustment of the Bank Jatim Business Plan for 2023;
4. Submission of Key Performance Indicator (KPI) Data for Bank Jatim Management in 2022;
5. Procurement of a Public Accounting Firm (KAP) in the context of Auditing Bank Jatim's Financial Reports as part of the Bank Business Group (KUB) Due Diligence Process with Bank NTB Syariah;
6. Revised Bank Jatim Bank Business Plan for 2023;
7. Replacement of the Vice President of Internal Audit;
8. Sharia Supervisory Board (PDPS) training for Sharia Supervisory Board Candidates
9. Sharia Supervisory Board (DPS) certification;
10. Changes in Credit or Financing Product and Activity Policies (KPA PAP);
11. Appointment of a Public Accountant and Public Accounting Firm to audit the Financial Report of PT Bank Pembangunan Daerah Jawa Timur Tbk for the 2023 Financial Year;
12. Process of Providing Credit to Related Parties;
13. Bank Jatim Business Plan for 2024;
14. Proposed Company Handbook (BPP) Policies & Procedures for Capital Participation Activities; And
15. Anti-Bribery Management System Policy (SMAP).

The Board of Commissioners always carries out its duties, obligations and responsibilities in order to supervise the formulation of alternatives, determination and implementation of the Bank's strategy in accordance with applicable laws and regulations and the Bank's Articles of Association. Supervision of the formulation of the Bank's strategy is carried out by supervising the preparation of the Bank's Business Plan (RBB) and providing approval for the Corporate Plan and Business



Plan. Meanwhile, supervision of strategy implementation is carried out through monitoring and providing advice and direction to the Board of Directors in carrying out the Bank's business activities.

In providing an assessment of the performance of the Board of Directors, the Board of Commissioners considers several aspects as a basis for the assessment. These aspects include economic conditions, operational performance achievements, and the company's health level. An assessment of the performance of the Board of Directors can be conveyed as follows.

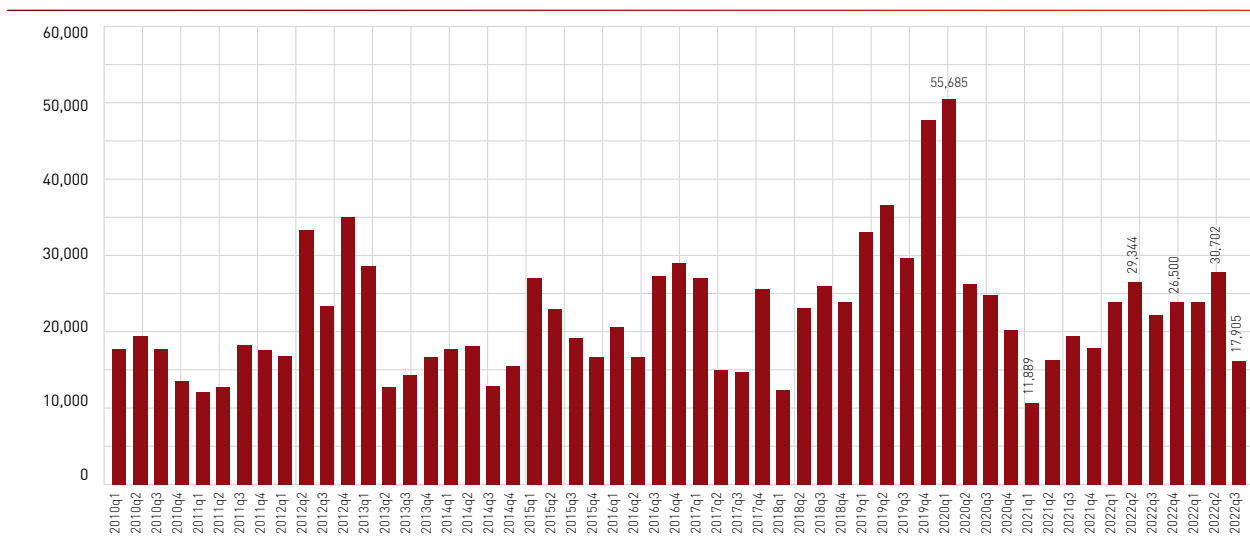
## Economic Conditions

Global economic conditions are identified by major shifts that are shaking our world which can be felt now after the Covid-19 pandemic. These include, increasing income inequality, technology driving changes in employment, increasing protectionism, increasing migration, and the increasing influence of social media and a post-truth world. In turn, it

creates the top 10 (ten) global challenges that can be identified in the form of, 1) energy and environmental security, 2) conflict and poverty, 3) competing in the new era of globalization, 4) global imbalance, 5) the emergence of new powers, 6) exclusion economy in the middle east, 7) global companies, global impact, 8) global health crisis, 9) global governance impasse, and 10) global poverty.

Based on IMF projections in the World Economic Outlook Update January 2023 and previous editions, it projects that recovery Gross Domestic Product (GDP) growth will form a V curve after the COVID-19 pandemic. World GDP growth reached 2.8% in 2019, -3.1% in 2020, increasing to 6.2% in 2021, decreasing to 3.5% in 2022, falling again to 3.0% in 2023, and is projected to fall again to 2.9% in 2024. Meanwhile, Indonesia's V curve appears flatter, where in 2019 it grew 5.0%, in 2020 it decreased to -2.1%, in 2021 it grew again 3, 7%, in 2022 it increased to 5.3%, in 2023 it decreased to 5%, meanwhile in 2024 it is projected to reach 5%.

The World Uncertainty Index before the Gaza war on October 7 2023 appears in the following diagram:

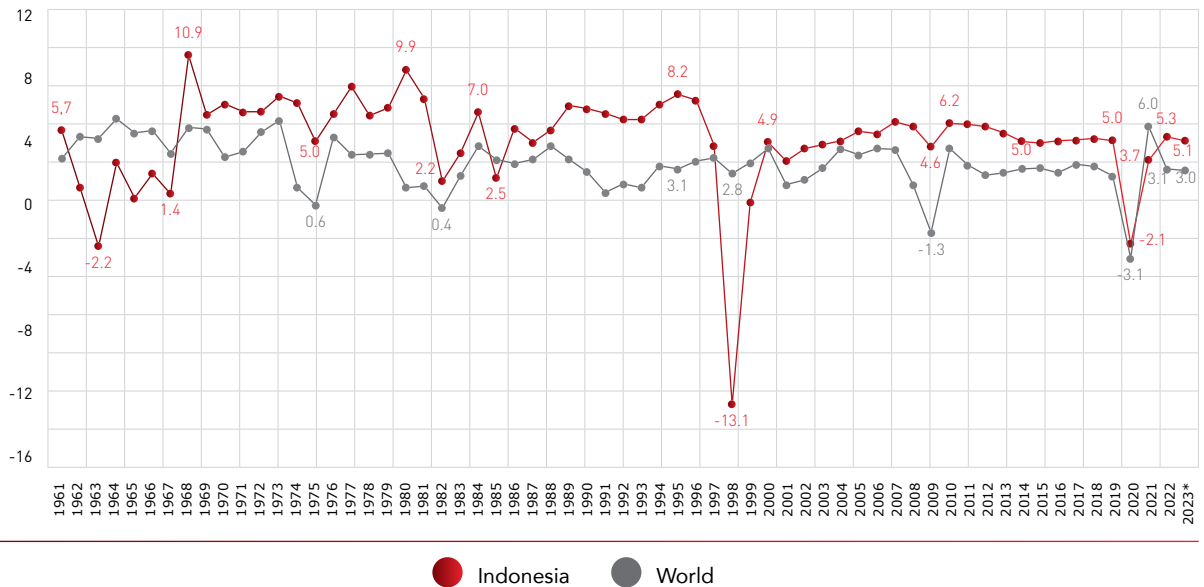


Source: <https://worlduncertaintyindex.com> | World Uncertainty Index-221229

On the national economic side, Indonesia's challenges from external factors include US monetary policy (taper tantrum) to control inflation, the Ukraine-Russia war, in the form of rising oil prices and agricultural/food commodities as well as increasing logistics costs, Israel's indiscriminate attacks on Gaza, US-China conflict, and China's economic slowdown. Meanwhile,

challenges from domestic factors include increasing subsidies (pertilite, diesel, Pertamina, biodiesel, LPG), direct cash assistance and other social assistance, increasing political tensions, as well as social tensions, high youth unemployment, recovery is slow, growth is still slow. around 5% until 2024, as well as weakening political and economic institutions.

The ups and downs of the Indonesian economy compared to the world economy in terms of GDP growth shows that the average of Indonesian economic growth is above world economic growth. When the world economy declines sharply or experiences a recession, Indonesia's economic growth only slows down slightly, but when the world economy recovers, the Indonesian economy takes longer to recover. The economic crisis occurred in Indonesia was mostly caused by internal factors, as shown in the following diagram:



\* Q1-Q3.

Sources : World Bank; and BPS-Statistics Indonesia | GDP\_GROWTH\_INA\_WORLD-1961-2023-230808

From the side of banking industry, digital transformation is the use of information technology that began in the mid-21st century, in the form of information systems enabling easy access to resource components such as servers, applications and databases via internet networks, the internet of things and artificial intelligence. All of them are employed to encourage gradual functional improvements in business processes throughout the organization's value chain. Digital transformation enables organizations to increase business flexibility and resilience, lower costs, increase profitability, reduce environmental impact, increase customer satisfaction, and deliver greater economic and social value to stakeholders. Thus, digital transformation refers to the application of digital technology to transform services or businesses. This is achieved by replacing manual (non-digital) processes with digital processes or replacing outdated digital technology with more up-to-date digital technology.

## Performance Achievements

In the midst of these economic conditions, the Board of Directors was able to face the challenges and opportunities that occurred by recording good performance in 2023. From the operational side, Total distribution of Commercial and Corporate Credit in 2023 will amount to IDR7.06 trillion, an increase of 6.80% compared to 2022 which amounted to IDR6.61 trillion. Total Consumer Credit in 2023 will reach IDR30.26 trillion, an increase of 9.27% compared to 2022 which was IDR27.69 trillion. From Micro, Retail and Program Credit, in 2023 credit will be distributed amounting to IDR14.25 trillion, an increase of IDR7.98 trillion or 127.32% compared to 2022 of IDR6.27 trillion.



In the Sharia segment, the realization of Sharia DPK in 2023 was IDR 2.60 trillion, an increase of IDR 537 billion or 20.65% compared to 2022 of IDR 2.06 trillion. The number of Bank Jatim UUS DPK customers in 2023 was 297,498 customers, an increase of 32,828 customers or 12.40% compared to 2022. The amount of Sharia Financing in 2023 was IDR 2.18 trillion, an increase of IDR 284 billion or 14.94% compared to 2022 of IDR 1.90 trillion. Good achievements can also be seen from the financial side. In 2023, Bank Jatim's net interest and sharia income was recorded at IDR 140,126 million, an increase of 16.04% from 2022 which amounted to IDR 120,756 million.

Profit for the current year in 2023 reached IDR1,470,105 million, a decrease of -4.71% compared to 2022 which reached IDR1,542,824 million. The decrease in profit for the year has no effect on the increase in total assets and total equity. In 2023, Bank Jatim's total assets will amount to IDR103,854,773 million, an increase of 0.80% from 2022 which amounted to IDR103,031,367 million. Equity in 2023 will reach IDR12,151,069 million, an increase of 6.16% compared to the previous year which reached IDR11,445,861 million.

## The Bank Health Level

In addition to operational and financial performance, the Bank's Health Level is a consideration for the Board of Commissioners in evaluating the performance of the Directors. The bank conducts a self-assessment of the Bank Health Level using a Risk-based approach, guided by the Financial Services Authority Regulation No. 4/POJK.03/2016 regarding the Assessment of General Bank Health Level. The assessment covers risk and bank performance, which can be seen from the final rating assessment (composite rating). The Bank Health Level assessment employs a risk-based bank rating approach, considering 4 risk factors: Risk Profile, Good Corporate Governance (GCG), Earnings, and Capital.

The individual self-assessment results for Bank Health Level in East Java as of December 31, 2023, position it at a composite rating of 2 (Healthy), reflecting the overall health of the bank, capable of facing significant negative influences from changes in business conditions and other external factors. Weaknesses, if any, are generally considered less significant.

## Outlook on Business Prospects as Prepared by The Board Of Directors

Global economic challenges are marked by concerns about the world economic slowdown, increasing debt burdens, inflation threats, and geopolitical tensions. The International Monetary Fund (IMF) identifies 7 factors weakening global growth, including the war in Ukraine, inflation, recession, debt difficulties, China, social instability, and fragmentation. The World Economic Forum (WEF) identifies a turbulent global context, including ongoing COVID-19 pandemic impacts, risks to economic recovery, economic divergence, social cohesion erosion, geopolitical tensions, climate action failure risks, and secure digitization.

World GDP growth projections for 2024 post-COVID-19 recovery show a decline from 3.0% in 2023 to 2.9% in 2024 globally, with the U.S. projected to decrease from 2.1% to 1.5%, China from 5.0% to 4.2%, while Indonesia is projected to remain relatively flat at 5.0% in both 2023 and 2024. The release from <https://worlduncertaintyindex.com> indicates that the World Uncertainty Index was 26.50 in Q4 2022. Subsequently, before the Gaza conflict on October 7, 2023, it experienced a decrease, reaching 17.90 in Q3 2023. On the other hand, domestic economic challenges in Indonesia include increasing subsidies (pertalite, solar, pertamax, biodiesel, LPG), direct cash assistance, and other social aid. Political tensions are on the rise, as are social tensions. High youth unemployment, slow economic recovery, and a growth rate expected to remain around 5% until 2024 are additional challenges. Additionally, political and economic institutions are weakening.

The development direction of banking digitization is expected to accelerate with the issuance of Financial Services Authority Regulation (POJK) No. 12/POJK.3/2021 on Commercial Banks accommodating Digital Banks. Globally, the dynamics of the digital financial and banking industry respond to the emergence of Digital Bank.

Considering the economic conditions, the Board of Commissioners is confident that the business prospects prepared by the Board are appropriate. They believe Bank Jatim will capitalize on opportunities, such as changes in consumer behavior due to technological disruption, supported by the active use of the internet and e-commerce by the millennial and Generation Z populations in East Java. Collaboration with various parties, including the government, financial/non-financial industries, and the large market potential of Bank Jatim, such as Civil Servants (PNS) and growing SMEs, are seen as opportunities.



## View on Bank Governance Application

The implementation of good governance principles plays a crucial role in gaining the trust of investors and stakeholders, reducing capital costs, strengthening the capital market and financial services sector, expanding employment opportunities, and promoting economic growth in line with sustainable development principles. By implementing good governance, it is expected that Bank Jatim can enhance its competitiveness in the banking industry and contribute positively to the preservation of the environment and social welfare.

Good Governance implementation can be driven by ethics and regulations. Ethical-driven initiatives stem from the awareness of Bank Jatim's individuals, both executives and employees, to prioritize the Bank's long-term survival, stakeholder interests, and avoid short-term profit-seeking practices. Regulatory-driven initiatives mandate compliance with governance practices required by prevailing laws and regulations. Both approaches complement each other in creating a healthier business environment.

The Board of Commissioners actively oversees the Bank's management to ensure compliance with prevailing laws and regulations, providing necessary advice/opinions on strategic actions to achieve the Bank's objectives. The Board believes that GCG implementation in the company has been effective. This can be observed in the following GCG components.

### Risk Management

In risk management implementation, Bank Jatim consistently complies with applicable regulations and laws. The Bank's risk management is governed by a Product and Activity Policy (KPA) and Risk Management Standard Operating Procedures (SOP), following the Financial Services Authority Regulation (POJK) and Basel provisions, and banking best practices. The Bank reviews these policies regularly to anticipate changes in business conditions, regulations, and internal bank conditions. Bank Jatim has also developed a Recovery Plan and Recovery Options to prevent, recover, and improve the financial condition and business continuity of the Bank in case of financial stress, as regulated in OJK Regulation No.14/POJK.03/2017 on action plans for systemic banks.

The risk management framework at Bank Jatim involves the Board of Commissioners overseeing risk through the Audit Committee and Risk Monitoring Committee, the Board overseeing risk policies through related committees, and operational levels having the Risk Management Work Unit (SKMR) working with business units and the Compliance Work Unit (SKK) performing risk identification, measurement, mitigation, and control functions. The duties, responsibilities, and authority of the Board of Commissioners related to active supervision in risk management activities include, among others, evaluating and approving risk management policies, assessing the accountability of the Board of Directors in implementing risk management policies, and evaluating as well as deciding on Director requests related to transactions requiring the approval of the Board of Commissioners.

The Board of Commissioners assesses that Bank Jatim has actively engaged in the identification, measurement, monitoring, and control (self-assessment) processes, with the following elaboration:

1. The Bank Health Level uses a Risk-Based Bank Rating (RBBR) approach that includes an assessment of risk profile, governance, profitability, and capital. Throughout 2023, the Bank has timely reported its Health Level during the first and second semesters of 2023 to the regulator.
2. Risk Profile that involves the management of 8 types of risks - credit risk, market risk, liquidity risk, operational risk, legal risk, reputational risk, strategic risk, and compliance risk. In 2023, Bank Jatim reported the results of the self-assessment of risk profiles for the first, second, third, and fourth quarters of 2023 to the regulator on time.
3. Consolidated Risk Profile of Sharia Business Unit that encompasses the management of 10 types of risks. During 2023, Bank Jatim reported the consolidated risk profile for the Sharia Business Unit for the first, second, third, and fourth quarters of 2023 to the regulator on time.

Risk Management Implementation is carried out within the framework of Enterprise Risk Management (ERM), providing the basis for proactive and forward-looking risk management processes. ERM aims to achieve healthy and sustainable business growth while comprehensively managing capital. ERM integrates risk through aligning risk appetite with business strategy. The main goal of implementing Enterprise Risk Management (ERM) is to enable the Bank to achieve its



business targets and plans while adhering to the principles of caution, maintaining good financial performance, and ensuring compliance with applicable regulations. This is realized through the establishment of a strong risk culture that serves as the foundation for control mechanisms within the ERM framework. Additionally, the bank prepares risk mitigation measures to align risk exposure with the predetermined risk appetite.

The Enterprise Risk Management (ERM) framework refers to and aligns with the risk management scope established by the Financial Services Authority (Otoritas Jasa Keuangan), which includes, among others:

1. Active supervision by the Board of Commissioners and Directors;
2. Adequacy of policies, procedures, and limit determinations;
3. Adequacy of the risk identification, measurement, monitoring, and control processes, as well as the risk management information system; and
4. Comprehensive internal control system

According to the Financial Services Authority regulations, there are 8 (eight) types of risks, which include Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk. According to the regulation of OJK No. 18/POJK.03/2016 on the Implementation of Risk Management for Commercial Banks, Article 23 stipulates the obligation for the Bank to submit its Risk Profile Report to the OJK every three months (quarterly) to various management levels, including the Board of Commissioners and the Financial Services Authority.

Furthermore, the Bank discusses the findings of audits as a basis for risk evaluation and minimizing occurring risks. The self-assessment of the Bank's risk profile as of December 2023 is rated as 2 (PK-2) with a low to moderate inherent risk rating and a Quality of Risk Management Implementation (KPMR) rating of Satisfactory. The Board of Commissioners, through the Risk Monitoring Committee, evaluates that the adequacy of risk management is effective and sufficient, reflected in:

1. Adequacy of risk management policies and procedures, as well as effective risk limit determinations, including the establishment of methods for measuring and managing risk information systems, determining and setting risk limits, risk rating assessments, contingency planning in worst-case scenarios, and the establishment of internal control systems in risk management implementation.
2. Adequacy of risk identification, measurement, monitoring, and control processes, and an adequate Risk Management Information System.

## Internal Control System

The Internal Control System (SPI) is a supervisory mechanism continuously established by Bank Jatim's management. An effective SPI is a crucial component in management and serves as the foundation for the Bank's healthy and secure operational activities. The effective implementation of an internal control system can help the Bank's management safeguard its assets, enhance the Bank's compliance with applicable laws and regulations, and reduce losses, deviations, and violations of prudential aspects.

The establishment of a reliable and effective internal control system in the Bank is the responsibility of all risk-taking units, supporting units, and the Internal Audit Unit. The internal control system for risk refers to the overall internal control system covering:

1. The Bank implements the internal control system effectively in the application of Risk Management, referring to established policies and procedures. The implementation of the principle of segregation of duties (four eyes principle) has been adequate and consistently executed.
2. A comprehensive internal control system in the application of risk management.
3. Implementation of a review of the application of risk management.
4. The results of the reassessment by the Risk Management Unit are presented to the Board of Commissioners, Internal Audit Unit, Risk Management Director, Audit Committee, and other relevant Directors as input for the improvement of the risk management framework.
5. Corrections to the findings of internal and external audits monitored by the Internal Audit Unit. Audit findings that have not been addressed are communicated by the Internal Audit Unit to the Board of Directors for necessary actions.
6. Responsiveness to weaknesses and/or deviations occurring by applicable internal and external regulations.

The implementation of a reliable and effective internal control system was the responsibility of all parties involved in the Bank organization, including the following:

1. The Board of Directors was responsible for creating and maintaining an effective internal control system and ensuring that the system ran safely and reliably in accordance with the internal control objectives set by the Bank. Meanwhile, the Director in charge of compliance and risk management functions had to play an active role in preventing irregularities by establishing policies related to the principle of prudence and disseminating information to all employees.





2. The Board of Commissioners of the Bank was responsible for supervising the implementation of internal control in general, including the Board of Directors' policies that stipulate such internal control.
3. The Internal Audit Work Unit evaluated and played an active role continuously for improving the effectiveness of the Internal Control System in relation to the implementation of Bank operations which had the potential to cause losses in achieving targets set by bank management. In addition, Banks needed to pay attention to the implementation of independent internal audits through adequate reporting channels, and the expertise of internal auditors, especially regarding the practice and application of risk assessments.
4. Every bank officer and employee had to understand and implement the internal control system established by bank management. Effective internal control increased the responsibilities of bank officers and employees, promote an adequate risk culture and compliance culture, and accelerate the identification process of unhealthy banking practices and to the organization through an efficient early detection system.
5. Bank external parties included the Financial Services Authority, Bank Indonesia, external auditors and bank customers who had an interest in the implementation of reliable and effective bank SPI.

The Board of Directors periodically reviewed Branch operational performance reports (Branch Leaders), in this case evaluating performance results and examining audit results such as problems with weaknesses in the Internal Control System, errors in Financial Reporting or other irregularities (fraud). The Board of Commissioners and Directors provided direction on the results of the audit report on the adequacy of the internal control system that was carried out by the Internal Audit Work Unit by holding regular coordination meetings related to issues that were obstacles in the Bank's operations and the achievement of the bank's performance including discussions regarding the results of the Internal Audit findings in a certain period. The Board of Commissioners assessed that the internal control system was effective and adequate.

## Whistleblowing System

The success of implementing a comprehensive anti-fraud strategy was highly dependent on the commitment and enthusiasm of the Board of Commissioners and Directors to foster an anti-fraud culture and awareness at all levels of the Bank's organization. One of them was by making a written commitment called an Anti-Fraud Declaration signed by the Board of Commissioners, Directors and all employees at the Bank's organizational level. Regarding the implementation of the Whistleblowing System (WBS), the Board of Commissioners had a role in reviewing the results of special audit reports from the WBS report.

Actions for prevention and detection as well as identification of potential risk vulnerabilities constituted an early warning system (EWS) for the operational processes. Identification of findings that indicated fraud was implied in whistleblowing policies and mechanisms. Through this mechanism, it was expected that a violation could be detected early and there would be an increase of the level of participation of employees, customers and other stakeholders in reporting a violation. Also, they could use it as an early warning for the possible violation. As a form of Bank Jatim's commitment to implementing anti-fraud strategies and violation complaint mechanisms and ensuring protection for whistleblowers who have good faith, the Bank is obliged to:

1. Banks are obliged to protect whistleblowers.
2. The protection provided by banks to whistleblowers is intended to encourage the courage of whistleblowers to report fraud complaints clearly, in detail and transparently.
3. Whistleblower protection includes protection of the whistleblower's identity and the contents of the report.
4. The bank is committed to protecting whistleblowers who have good intentions and the bank will comply with all relevant laws and regulations as well as applicable best practices in providing protection to whistleblowers.
5. All fraud complaint reports will be guaranteed confidentiality and security by the Bank and whistleblowers can obtain information regarding the progress of their complaints.
6. The bank provides protection to internal bank employee whistleblowers from dismissal, demotion, discrimination, intimidation and other protections in accordance with applicable laws.



Bank Jatim continues to strive to increase the understanding and awareness of employees and other parties to report violations through whistleblower facilities expecting that they will be able to create a clean work environment with integrity. In this regard, the following steps have been taken:

1. Carrying out an Anti Fraud Strategy (SAF) program, including surprise audits (Operational and Credit).
2. Conducting socialization regarding the implementation of anti-fraud strategies and whistleblowing systems during exit meetings regarding audit results and employees, including new employees.
3. Providing material related to the implementation of anti-fraud strategies and whistleblowing systems in the employee promotion program education schedule.
4. Developing the SAF system.

The Board of Commissioners viewed that the management of the Whistleblowing System at Bank Jatim had been running well. In 2023, there were 777 reports through whistleblower facilities. Of the 777 reports, 776 of them had not been resolved further, because the reports were not included in fraud/meet the elements of fraud, in the category of customer service complaints and related to bank operational questions. There was 1 (one) report through the whistleblower facility which had been followed up and had the status "Completed".

## Sustainability Governance

What is no less important, the implementation of GCG in accordance with applicable provisions and legislation, as well as referring to best practice standards from leading corporations, will enable Bank Jatim to respond to challenges and demands from stakeholders and shareholders. Armed with all this, the Bank is optimistic that it will be able to record the best performance on an ongoing basis.

As part of the Financial Services Institution in Indonesia, Bank Jatim implements GCG by referring to the governance guidelines issued by Bank Indonesia and the Financial Services Authority (OJK), both in the form of Financial Services Authority Regulations and Financial Services Authority Circular Letters. In addition, the Bank also adopted the ASEAN Corporate Governance Scorecard published by the ASEAN Capital Markets Forum.

Bank Jatim's governance structure refers to Law no. 40 of 2007 concerning Limited Liability Companies, which states that the Company's organs consist of the General Meeting of Shareholders (GMS), Directors and Board of Commissioners. In line with this, the Bank's management system adopts a 2 (two) body model (two tier system), namely the Board of Commissioners as a company organ that carries out supervision (supervisory organ) and the Board of Directors as a company

organ that carries out company management (management organ), each of which Each has clear authority and responsibility. To optimize the implementation of its duties and obligations, the Board of Commissioners is assisted by supporting organs in the form of three committees, namely the Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee.

In accordance with the principles of sustainable finance, Bank Jatim gives equal attention to economic, environmental and social aspects or topics in running its business. Discussion of these topics is conveyed through the Bank Business Plan (RBB) and Sustainable Financial Action Plan (RAKB), both of which contain short-term and long-term plans and strategies for Bank Jatim. To get the best plan and strategy, Bank Jatim, which is in the OJK Regional Office IV Surabaya area, needs to consult to get direction and approval from the OJK as the regulator.

## Performance Assessment of Committees Under the Board of Commissioners

In supervising the company, the Board of Commissioners is assisted by 3 (three) Committees under the Board of Commissioners. The three committees are the Audit Committee, Remuneration and Nomination Committee, and Risk Monitoring Committee. Since 2021, Bank Jatim has refined and published the Committee Charter under the Board of Commissioners as follows:

1. Audit Committee Charter through Board of Commissioners Decree No. 061/04/DKM/KEP dated 28 June 2022;
2. Risk Monitoring Committee Charter through Board of Commissioners Decree No. 061/05/DKM/KEP dated 28 June 2022.

In general, for all the work programs of the three Committees under the Board of Commissioners as stated in the Annual Work Plan of the three Committees for 2023, the Board of Commissioners assesses that they have carried out their respective functions and have been well realized. Apart from that, all studies, opinions and recommendations from each Committee have also been accepted by the Board of Commissioners and are taken into consideration in the decision-making process on proposals submitted by the Board of Directors. Likewise, in terms of communication and working relations, the three Committees during 2023 have been well established and intense and complement each other to discuss issues at Bank Jatim and monitor the progress of follow-up settlements carried out by the Board of Directors.



## Audit Committee

The Audit Committee is directly responsible to the Board of Commissioners, whose main function is to assist the Board of Commissioners in carrying out its supervisory responsibilities over the financial reporting process, internal audit process, internal control system, implementation of risk management, and compliance system with internal regulations and laws and regulations, which is enforced. The activities of the Audit Committee during 2023 are as follows:

1. Holding 8 (eight) Audit Committee meetings;
2. Carrying out 5 (five) working visits in the context of active supervision to the Bojonegoro, Lamongan, Blitar, Kepanjen and Sumenep branch office networks which have a moderate to lower composite level credit and operational risk profile;
3. Carrying out 24 (twenty four) work visits in the context of active supervision to work units at the head office that have a moderate to low risk profile and a significant contribution to the achievement of the Bank's Business Plan for 2023;
4. Carrying out 96 (ninety six) internal discussions with related work units, as well as joint discussions with the Risk Monitoring Committee;
5. Review financial reports and information, both in-house/ unaudited and audited, that will be published;
6. Prepared 3 (three) quarterly reports on Committee activities and submitted them to the Board of Commissioners;
7. Prepare a report on the results of the evaluation of the implementation of the provision of audit services on Bank Jatim's annual historical financial information for the 2022 financial year by KAP PKF (Paul Hadiwinata, Hidayat, Arsono, Retno, Pailangan & Partners);
8. Prepare the Audit Committee's Annual Work Plan and performance indicators (KPI) for 2024; And
9. All Committee members have participated in at least one competency development activity related to banking/ auditing.

## Remuneration and Nomination Committee

The Remuneration and Nomination Committee is directly responsible to the Board of Commissioners, whose main function is to assist the Board of Commissioners in carrying out responsibilities related to nominating candidates for members of the Board of Commissioners and members of the Board of Directors, as well as determining remuneration policies for the Board of Commissioners and Directors. The activities of the Remuneration and Nomination Committee during 2023 are as follows:

1. Hold 6 (six) Remuneration and Nomination Committee meetings;
2. Review the remuneration policy for members of the Board of Directors and/or members of the Board of Commissioners;

3. Assist the Board of Commissioners in conducting performance assessments in accordance with the remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners;
4. Review, provide opinions and recommendations regarding proposals for providing variable remuneration for Management from the Board of Directors to the Board of Commissioners as well as provide recommendations regarding salary/remuneration systems, provision of allowances and facilities for employees;
5. Assist the Board of Commissioners in assessing the performance of members of the Board of Directors and/or members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material;
6. Provide recommendations to the Board of Commissioners regarding the policies and criteria required in the nomination process; And
7. All Committee members have participated in at least one competency development activity related to banking/ auditing.

## Risk Monitoring Committee

The Risk Monitoring Committee was formed by the Board of Commissioners in order to assist the Board of Commissioners in carrying out their duties and responsibilities in supervising and providing advice to the Board of Directors. With the aim of obtaining adequate confidence, that the second line in the three lines of defense has carried out its functions in implementing risk management, internal control systems and compliance systems in integrated governance practices and implemented effectively and efficiently.

Apart from that, it also ensures that the implementation of bank risk management continues to meet the elements of adequate risk management procedures and methodologies, so that bank business activities at all levels of the organization remain controlled within acceptable limits and can minimize potential losses and benefit the bank. The activities of the Risk Monitoring Committee during 2023 are as follows:

1. Holding 8 (eight) Risk Monitoring Committee meetings;
2. Carrying out 6 (six) working visits in the context of active supervision to the Ponorogo, Bojonegoro, Lamongan, Blitar and Kepanjen and Sumenep Branch Office networks which have a credit, operational and legal risk profile with a moderate to lower composite level;
3. Carrying out 18 (eighteen) work visits in the context of active supervision to work units at the head office that have a moderate to low risk profile and a significant contribution to the achievement of the Bank's Business Plan for 2023;



4. Carrying out 96 (Ninety six) internal discussions with related work units, as well as joint discussions with the Audit Committee;
5. Reviewed 3 (three) drafts of the creation and/or updating of the Company's Guidebook (BPP) proposed by the Board of Directors which mandatory required written approval from the Board of Commissioners and prepared recommendations, including:
  - a. BPP Product and Activity Policy (KPA) Credit or Financing;
  - b. BPP Product and Activity Policies (KPA) and Standard Operating Procedures (SOP) for Capital Involvement; And
  - c. Company management Integrity Pact regarding Anti-Bribery Management System (SMAP);
6. Review quarterly reports on Compliance Directorate activities and quarterly risk profiles to be reported to the Board of Commissioners;
7. Prepare a work program complete with a time line, including preparing the Risk Monitoring Committee's key performance indicators (KPI) for the 2024 period;
8. All Committee members have participated in at least one competency development activity related to banking, governance or risk management.

## Changes in the Composition of The Board of Commissioners

During 2023, there was a change in the composition of the members of the Board of Commissioners. Changes in the composition of the members of the Board of Commissioners were made based on the needs of the Bank. Changes in the composition of the members of the Board of Commissioners were as follows:

## Composition of The Board of Commissioners before the Annual GMS for Financial Year 2022

The composition of the Board of Commissioners prior to the 2022 Annual GMS was 5 (five) people consisting of 1 (one) President Commissioner, 3 (three) Independent Commissioners and 1 (one) Commissioner as follows:

<b>Suprajarto</b>	:	President Commissioner
<b>Candra Fajri Ananda</b>	:	Independent Commissioner
<b>Muhammad Mas'ud</b>	:	Independent Commissioner
<b>Heru Tjahjono</b>	:	Commissioner
<b>Sumaryono</b>	:	Independent Commissioner

## Composition of The Board of Commissioners after the Annual GMS for Financial Year 2022

On April 12, 2023, the 2022 Annual GMS agreed to dismiss Heru Tjahjono as Commissioner and appointed Muhammad Mas'ud as Independent Commissioner and Adhy Karyono as Commissioner. So, the composition of the Board of Commissioners after the 2022 Annual GMS was 5 (five) people consisting of 1 (one) President Commissioner, 3 (three) Independent Commissioners and 1 (one) Commissioner as follows:

<b>Suprajarto*</b>	:	President Commissioner
<b>Adhy Karyono**</b>	:	Commissioner
<b>Candra Fajri Ananda</b>	:	Independent Commissioner
<b>Muhammad Mas'ud</b>	:	Independent Commissioner
<b>Sumaryono</b>	:	Independent Commissioner

\* Resigned from office on December 19, 2023 (died)

\*\* effectively passed the fit and proper test by the Financial Services Authority based on Decision of Members of the Board of Commissioners of the Financial Services Authority Number KEPR-151/D.03/2023 dated November 24, 2023.

## Closing

On this occasion, the Board of Commissioners would like to thank and express appreciation to the Directors, management and all employees. The Board of Commissioners addressed its highest appreciation for the performance that had been achieved in the 2022 Fiscal Year. The Board of Commissioners was also grateful for the trust given by shareholders to be an important part of Bank Jatim's business journey. To other stakeholders, the Board of Commissioners would like to thank them for the cooperation that had been going on so far. Going forward, the Board of Commissioners really expects that all levels of the Bank can continue to formulate the right strategy and be able to lead the Bank towards better growth.

Surabaya, January 2024  
On behalf of the Board of Commissioners



**Adhy Karyono**  
Commissioner



**Candra Fajri Ananda**  
Independent Commissioner



**Muhammad Mas'ud**  
Independent Commissioner



**Sumaryono**  
Independent Commissioner

## Responsibility of 2023 Annual Report

We, the undersigned, state that all information in the 2023 Annual Report of PT Bank Pembangunan Daerah Jawa Timur Tbk. has been published in complete version, and we are fully responsible for the accuracy of the contents of this report.


This statement was made with actual facts.

Surabaya, January 16, 2024

### Board of Directors



**Busrul Iman**  
President Director



**Tonny Prasetyo**  
Director of Compliance




**Edi Masrianto**  
Director of Finance, Treasury  
& Global Services



**R. Arief Wicaksono**  
Director of Micro, Retail & Medium



**Zulhelfi Abidin**  
Director of IT & Digital



**Eko Susetyono**  
Director of Risk Management



**Arif Suhirman**  
Director of Operations

**Board of Commissioners**



**Adhy Karyono**  
Commissioner



**Candra Fajri Ananda**  
Independent Commissioner



**Muhammad Mas'ud**  
Independent Commissioner



**Sumaryono**  
Independent Commissioner





# COMPANY Profile







# Corporate Identity



**Company Name**  
PT Bank Pembangunan  
Daerah Jawa Timur Tbk.

## Contact Address

**Call Center** : 14044

## SMS

**Banking** : 3366

**Telp** : (031) 5310090-5310099

**Faks.** : (031) 5310838

**Email** : info@bankjatim.co.id

**SWeb** : www.bankjatim.co.id,  
www.bankjatim.id



## Office Network Data

- 1 Head Office
- 48 Branch Office
- 173 Sub-branch Office
- 216 Functional Offices
- 199 Payment Point
- 854 ATM
- 94 CRM
- 39 Car Cash ATM
- 196 Sharia Service Office



## Business Fields

Finance



## Date of Establishment

August 17, 1961



## Stock Code

BJTM



## Authorized Capital

**Rp9.000.000.000.000**



## Issued and Fully Deposited Capital

A total of 15,015,498,082 shares with a par value of IDR3,753,874,520,500



## SMS Banking

3366



## Situs Web

www.bankjatim.co.id  
www.bankjatim.id



## Number of Employees

As of December 2023 as many as 4,544 people (including Outsourced Personnel)



## Ownership

East Java Provincial Government **(51,13%)**  
38 District/City Government **(28,35%)**  
Society **(20,52%)**



## Nick Name

Bank Jatim



## Legal Basis of Establishment

Notarial Deed Anwar Mahajudin No. 91 dated August 17, 1961 and strengthened by the Decree of the Minister of FOwnershipinance Number BUM.9-4-5 dated August 15, 1961.



## Listing on The Indonesia Stock Exchange

July 12, 2012



## Call Center

14044



## Company's Address

### Head Office

Jalan Basuki Rachmad  
98 – 104, Surabaya 60271



### Corporate Secretary

Wioga Adhiarma Aji  
Corporate Secretary  
Kantor Pusat Bank Jatim  
Jl. Basuki Rachmat  
no. 98-104 Surabaya  
Email: corsec@bankjatim.co.id



### Investor Relation

Derry Widya Ariyanta  
Corporate Secretary  
Kantor Pusat Bank Jatim  
Jl. Basuki Rachmat  
no. 98-104 Surabaya  
Email: iru@bankjatim.co.id



@bankjatim



bankjatim



@bank\_jatim



bank jatim



## Name and Address of Branch Office and Sharia Branch Offices

BRANCH OFFICE				
NAME	ADDRESS	PHONE	FAX	EMAIL AND WEB
Surabaya a Main Branch	Jl. Basuki Rakhmad 98-104, Surabaya	(031) 5310090-99	(031) 5470159	Bankjatim.cabut@gmail.com www.bankjatim.co.id
Banyuwangi Branch	Jl. Basuki Rahmat no. 156 Banyuwangi	(0333) 421755/ 426755	(0333) 421555	umumsdbanyuwangi@gmail.com www.bankjatim.co.id
Jember Branch	Jl. A. Yani no. 3A RT 01 RW 03 Patrang Jember 68137	(0331) 484605-07	(0331) 428376/ 481502	akuntansi.bpdjember@gmail.com www.bankjatim.co.id
Malang Branch	Jl. Jaksu Agung Suprpto 26-28 Malang	(0341) 321961	(0341) 325085/ 365212	bankjatim_malang@yahoo.com www.bankjatim.co.id
Madiun Branch	Jl. Jawa No. 43 Madiun	(0351) 464432/ 459202/476328/ 476315	(0351) 463665/ 491499	bankjatim_madiun@yahoo.com www.bankjatim.co.id
Kediri Branch	Jl. P. Kusuma Bangsa No. 122 Kediri	(0354) 680270	(0354) 682924	bankjatimkediri@gmail.com umum.bjkediri@gmail.com www.bankjatim.co.id
Pamekasan Branch	Jl. Panglima Sudirman No. 5 Pamekasan	(0324) 322451/ 322923	(0324) 322932	bankjatim.pamekasan@gmail.com www.bankjatim.co.id
Bojonegoro Branch	Jl. Mastrip 70 Bojonegoro	(0353) 882137/ 889753	(0353) 881028/ 891772	bankjatim_bojonegoro2004@yahoo.com www.bankjatim.co.id
Lumajang Branch	Jl. Alun-alun Barat 4 Lumajang	(0334) 881683/ 882111	(0334) 882830	bankjatimlmj@gmail.com www.bankjatim.co.id
Ngawi Branch	Jl. Yos Sudarso 32 Kel. Margomulyo Kec. Ngawi Kab. Ngawi	(0321) 862217	(0321) 861952	bankjatim.ngawi@gmail.com umum.bankjatimngawi@gmail.com www.bankjatim.co.id
Jombang Branch	Jl. K.H. Wakhid Hasyim 36, Kec. Jombang, Kab. Jombang	(0321) 862217	(0321) 861952	bankjatim.jombang@gmail.com www.bankjatim.co.id
Kraksaan Branch	Jl. Raya PB. Sudirman 144, Kraksaan	(0335) 841382/ 843184	(0335) 841124/ 842451	bankjatim_kraksaan@yahoo.com www.bankjatim.co.id
Probolinggo Branch	Jl. Soekarno-Hatta 311 Kel. Tisnonegaran Kec. Kanigaran Kota Probolinggo	(0335) 422552/ 421879	(0335) 422314	bjprob@gmail.com www.bankjatim.co.id
Blitar Branch	Jl. HOS Cokroaminoto 36-38, Blitar	(0342) 801462/ 806089/807333	(0342) 802262/ 801353	bankjatimblitar@gmail.com www.bankjatim.co.id
Tulungagung Branch	Jl. I Gusti Ngurah Rai 1, Tulungagung	(0355) 321105/ 321106/327581	(0355) 321104/ 320407	bankjatim.tulungagung@gmail.com www.bankjatim.co.id
Tuban Branch	Jl. Basuki Rakhmad 13 Tuban	(0356) 322725	(0356) 321169	bankjatimtuban017@gmail.com www.bankjatim.co.id
Mojokerto Branch	Jl. A. Yani No. 20, Mojokerto	(0321) 321261/ 323002	(0321) 396112/ 395950/ 395501	umum.mojokerto@gmail.com www.bankjatim.co.id
Sumenep Branch	Jl. Trunojoyo 49 Sumenep	(0328) 662557/ 662487	(0328) 665780	bjsumenep018@gmail.com www.bankjatim.co.id
Sampang Branch	Jl. K.H. Wakhid Hasyim 111, Sampang	(0323) 321226/ 323400/325004	(0323) 321493/ 325006	bankjatim_sampang@yahoo.com bjtmsampang@gmail.com www.bankjatim.co.id
Bangkalan Branch	Jl. K.H. Moh. Kholil 38 Demangan Bangkalan	(031) 3095502/ 3093416/3099085	(031) 3095722	bankjatim_bangkalan@yahoo.com www.bankjatim.co.id
Pasuruan Branch	Jl. Pahlawan No. 18 Pasuruan	(0343)421061/ 411609/426086/ 431957	(0343) 426085/ 432797	bankjatim_pasuruan@yahoo.com www.bankjatim.co.id
Nganjuk Branch	Jl. Gatot Subroto 8 Nganjuk	(0358) 325100/ 325101/323910	(0358) 324420	bankjatim_nganjuk@yahoo.com www.bankjatim.co.id



BRANCH OFFICE				
Trenggalek Branch	Jl. Panglima Sudirman No. 145 Trenggalek	(0355) 791676/ 791675	(0355) 792945	bankjatim_trenggalek@yahoo.com www.bankjatim.co.id
Ponorogo Branch	Jl. Diponegoro No. 42-44 Ponorogo	(0352) 461157/ 461158/ 484222	(0352) 484260/ 485485	bankjatim020@gmail.com www.bankjatim.co.id
Pacitan Branch	Jl. A. Yani No. 82 Pacitan	(0357) 881320/ 881321	(0357) 882889/ 886456	cabang_pacitan@bankjatim.co.id www.bankjatim.co.id
Gresik Branch	Jl. Dr. Sutomo 181, Gresik	(031) 3982311/3982313/ 3980580	(031) 3973976/ 3990937	bankjatim_gresik@yahoo.com bankjatim.gresik@gmail.com www.bankjatim.co.id
Sidoarjo Branch	Jl. Jend. A. Yani 29 Sidoarjo	(031) 8956108/ 8956109	(031) 8921631	bankjatim_sidoarjo@yahoo.com www.bankjatim.co.id
Lamongan Branch	Ruko Permata Lamongan Jl. PB Sudirman No 72 Lamongan	(0322) 321810/ 322769/311633/ 318508	(0322) 321494	bankjatimlamongan28@gmail.com www.bankjatim.co.id
Situbondo Branch	Jl. Basuki Rahmat 235 Situbondo	(0338) 674982/ 672123/ 674983	(0338) 672017	bankjatim_situbondo@yahoo.com www.bankjatim.co.id
Bondowoso Branch	Jl. Letnan Karsono No.1 Bondowoso	(0332) 427456/ 427447	(0332) 423524	bankjatim_bondowoso@yahoo.com www.bankjatim.co.id
Magetan Branch	Jl. Pahlawan No. 2 Magetan	(0351) 895378/ 891441/ 895333	(0351) 894715/ 895384	bankjatim.magetan@gmail.com www.bankjatim.co.id
Dr. Soetomo Surabaya Branch	Jl. Airlangga No. 1-9 Surabaya	(031) 99453111/ 5012107	(031) 5020121	bj.sutomo@gmail.com www.bankjatim.co.id
Perak Surabaya Branch	Jl. Perak Timur 262-264 Surabaya	(031) 3282635-37	(031) 3282508/ 3299063	bankjatim_perak@yahoo.com www.bankjatim.co.id
Kangean Branch	Jl. Sriwijaya No. 431 Kec. Arjasa Kep. Kangean Sumenep	(0327) 312200/ 312030/ 312161	(0327) 312040	bankjatim034@yahoo.co.id www.bankjatim.co.id
Jakarta Branch	Jl. Thamrin Boulevard CT.LD1 No.1 CT.LD02 Jakarta Pusat	(021) 29625615-17	(021) 29625618	cabangjakarta.umum@gmail.com www.bankjatim.co.id
Batu Branch	Jl. Panglima Sudirman No. 88 Kel. Pesanggrahan Kec. Batu Batu	(0341) 511205/ 511206	(0341) 590522 /598550	bankjatimbatu@gmail.com umumbankjatimbatu@gmail.com www.bankjatim.co.id
Bawean Branch	Jl. Kawedanan No. 3, Sangkapura Bawean	(0325) 422470/ 422770/423801/ 421558	(0325) 422471	bpdjatim.bawean@gmail.com www.bankjatim.co.id
Pare Branch	Jl. Kusuma Bangsa No. 6 Pare	(0354) 397850/ 397851	(0354) 392799	bankjatimpare042@gmail.com www.bankjatim.co.id
HR. Muhammad Surabaya Branch	Jl. HR. Muhammad No. 29 Surabaya	(031) 99147557/ 99141887	(031) 99147868/ 99147763	bjtm.hrm@gmail.com www.bankjatim.co.id
Kepanjen Branch	Jl. Kawi No. 28, Kepanjen	(0341) 398140	(0341) 398141	bankjatim_kepanjen@yahoo.co.id www.bankjatim.co.id
Batam Branch	Jl. Pembangunan Komplek Ruko Citra Mas Penuin Blok A-05 Kel. Batu Selicin Kec. Lubuk Baja Kota Batam	(0778) 8071030	(0778) 7602059	bankjatimcabangbatam@gmail.com www.bankjatim.co.id
SHARIA BRANCH OFFICE				
Surabaya Sharia Branch	Jl. Dr. Soetomo No. 37 Surabaya	(031) 99543971	(031) 99543971	umum.kcssurabaya@gmail.com www.bankjatim.co.id
Kediri Sharia Branch	Jl. Diponegoro No. 50B Kediri	(0354) 7418278/7418279	7418277/7418424	bankjatimsyariah_kediri@yahoo.com www.bankjatim.co.id
Malang Sharia Branch	Jl. Soekarno Hatta Grand Ruko Kav. 13-14 Malang	(0341) 491333/492333	(0341) 2996502/2996503	bankjatimsyariahmalang@gmail.com www.bankjatim.co.id
Gresik Sharia Branch	Jl. R.A. Kartini No. 220 – 222 Gresik	(031) 3982011	(031) 3982027	bankjatimsyariah_gresik@yahoo.com www.bankjatim.co.id
Madiun Sharia Branch	Jl. Hos Cokroaminoto No. 128 Kota Madiun	(0351) 476677	(0351) 476666	jatimsyariahmadiun@gmail.com www.bankjatim.co.id
Jember Sharia Branch	Jl. Gajah Mada 278 Jember	(0331) 410614	(0331) 410613	bjsyariahjember@gmail.com www.bankjatim.co.id
Sidoarjo Sharia Branch	Jl. Sunanjar Priyo Sudarmo No. 138-148 Blok A-B Sidokare Sidoarjo	(031) 8924148/8925898	(031) 99704074/99704084	bankjatimsyariah.cabangsidoarjo@ gmail.com www.bankjatim.co.id

## Company Brand

### LOGO MEANING:



**5  
FEATHERS**



The inspiration for the formation of the Bank Jatim logo is the Garuda Bird's wings flapping upwards as a sign of being ready to fly. The Garuda bird is the national symbol of Indonesia. In Javanese mythology, the Garuda Bird is the "Bird of Life" or bird of life that brings glory. Wings are aerodynamic limbs and act as a counterweight when flying. This function is to be reflected in the logo of Bank Jatim with the hope that Bank Jatim can fly high towards the desired goals, and there is a balance between funds obtained from the public / government and channeled in the form of credit / financing so as to create a populist economy.

The First is the Brand Personality of Bank Jatim, which is reflected in 5 (five) Wings on the Bank Jatim logo. The Five Wings represent 3 (three) Pillars and 2 (two) main bases of banking. The three banking pillars include Agent of Development, Institutional Endurance and Services. The two pillars of banking include good corporate governance and risk management.



### 5 Spirits of Bank Jatim

PRO **F** ESIONAL  
PARTNERSH **I** P  
CA **R** E  
**S** ERVICE  
TRUS **T** WORTHY



### 3 Pillars and 2 Main Foundations of Banking

#### 3 PILLARS

- Agent of Development
- Institutional Endurance
- Services

#### 2 MAIN FOUNDATIONS OF BANKING

- Good Corporate Governance
- Risk Management





## Company Brief History



PT Bank Pembangunan Daerah Jawa Timur Tbk ("Bank") was established under the name PT Bank Pembangunan Daerah Djawa Timur on August 17, 1961 in Surabaya with the legal basis of establishment based on deeds drawn up by Notary Anwar Mahajudin, No.91 dated August 17, 1961, which equipped with an operational basis for the Decree of the Minister of Finance No. BUM. 9-4-5 dated August 15, 1961.

With the existence of Law no. 13 of 1962 concerning the Basic Provisions for Regional Development Banks, which require that Regional Development Banks be established by a Regional Government Regulation, the East Java Regional Government issued Regional Regulation No. 2 of 1976 dated July 10, 1976. Based on the regional regulation, the status of the Regional Development Bank from a Limited Liability Company was changed

to a Regional Owned Enterprise and the change in the name of PT Bank Pembangunan Daerah Djawa Timur was changed to Bank Pembangunan Daerah Jawa Timur.

Operationally and in line with its development, in 1990 the East Java Regional Development Bank upgraded its status from a Commercial Bank to a Foreign Exchange Commercial Bank, this was stipulated by the Decree of the Board of Directors of Bank Indonesia No. 23/28 / KEP / DIR dated August 2, 1990 .

To strengthen capital, on December 29, 1994, East Java Provincial Regulation No. 26/1994 was enacted concerning the First Amendment to East Java Provincial Regulation No. 9/1992 concerning the East Java Regional Development Bank, by changing the capital structure / ownership.

Based on Article 2 of the Minister of Home Affairs Regulation No. 1 of 1998 concerning the Form of a Regional Development Bank Legal Entity, then on March 20, 1999 the Regional Representative Council (DPRD) of the Province of the East Java Province ratified the Regional Regulation of the Province of East Java No. 1 of 1999 concerning Changes in the Legal Entity of the East Java Regional Development Bank from a Regional Company (PD) to a Limited Liability Company (PT) of the East Java Regional Development Bank which on August 19, 2016 has been amended according to the Regional Regulation of the Province of East Java No. 7 of 2016 concerning Amendments to the Regional Regulation of the Province of East Java Province No. 1 of 1999 concerning the Change in the Legal Entity of the East Java Regional Development Bank from a Regional



Company to a Limited Liability Company at the East Java Regional Development Bank.

This change in status of legal form was based on the notarial deed No.1 dated May 1, 1999 of R. Sonny Hidayat Julisty, S.H., which has been approved by the Minister of Justice of the Republic of Indonesia in Decision Letter No.C2.8227. HT.01.01. TH.99 dated May 5, 1999 and was published in the State Gazette of the Republic of Indonesia No.42, dated May 25, 1999 in Supplement of the Republic of Indonesia No.3008/1999, then later officially became PT Bank Pembangunan Daerah Jawa Timur.

The Sharia Operating Unit started its commercial operations on August 21, 2007 in accordance with the approval letter from Bank Indonesia No. 9/75/ DS/Sb dated April 4, 2007 for the establishment of the Bank's Sharia Unit.

In line with the economic growth and to comply with the requirement to be Regional Champion BPD, with one of the indicators is to strengthen the capital structure, an amendment of Article of Associations was taken based on Extraordinary General Meetings of Shareholders Decision Deeds No.89 dated April 25, 2012 of Fathiah Helmi, S.H., Notary in Jakarta and

granted approval from Ministry of Law and Human Rights based on decree No.AHU-22728. AH.01.02. Tahun 2012 dated April 30, 2012, registered on the Company list according to Limited Company Law with registration No.AHU0038044. AH.01.09 Tahun 2012 dated April 30, 2012, as well as by Decision Letter of the Capital Market and Financial Institutions Supervisory Agency (BAPEPAMLK) dated November 29, 2012 that declared effective registration statement to become a public company and changed its name to PT Bank Pembangunan Daerah Jawa Timur Tbk.

Bank Jatim made several amendments to the Articles of Association as approved at the 2022 Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. based on Deed No. 25 dated April 12, 2023, made before Notary Sitaresmi Puspawati Subianto SH. The amendments to the Articles of Association are stated based on the Deed of Restatement of Meeting Resolutions of PT Bank Pembangunan Daerah Jawa Timur Tbk. No 15 dated May 09, 2023, made before Sitaresmi Puspawati Subianto SH, Notary in Surabaya, who has received Notification Receipt from the Ministry of Law and Human Rights of the Republic of Indonesia Number: AHU-0026675.AH.01.02.TAHUN 2023 dated May 15, 2023.

## Description of Name Change

Following a brief history description, PT Bank Jatim has changed its name 3 (three) times since it was first established, from the name PT Bank Pembangunan Daerah Jawa Timur to Bank Pembangunan Daerah Jawa Timur in 1976 based on Regional Regulation no. 2 of 1976 dated July 10, 1976. Then it changed to PT Bank Pembangunan Daerah Jawa Timur based on the Decree of the Minister of Justice of the Republic of Indonesia Number C2- 8827.HT.01.01. Th.99 dated May 5, 1999, and the State Gazette of the Republic of Indonesia dated May 25, 1999 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 3008/1999. Finally changed to PT Bank Pembangunan Daerah Jawa Timur Tbk according to the Letter of the Minister of Law and Human Rights of the Republic of Indonesia Number AHUAH.01.10-31887 dated August 31, 2012, and became a Public Company by listing 20% shares on the Indonesia Stock Exchange with the Ticker Code or BJTM Stock Code.



## Vision, Mission & Corporate Culture



# VISION

To Become "BPD No. **1**"  
in Indonesia



# MISSION

- Accelerating performance and healthy business transformation into a digital bank with highly competitive human resources;
- Contributing to the economic growth of East Java;
- Applying sustainable finance principles.

bankjatim

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### Review of The Vision and Mission by the Board of Commissioners and the Board of Directors

In order to ensure the suitability of the Vision and Mission of Bank Jatim which has been running so far, Bank Jatim always reviews the Vision and Mission periodically. In 2023, the Vision and Mission of Bank Jatim have been discussed and approved by the Board of Commissioners and Directors during the final presentation for the preparation of the 2024-2028 Corporate Plan and it is decided that it remains relevant for the current conditions.

### Vision Explanation

To become a BPD Bank that contributes significantly to regional economic growth in a sustainable manner as well as a BPD that has a competitive advantage so that it is able to compete and even outperform other banks, especially Regional Development Banks.

### Mission Explanation

The Bank in carrying out its business activities is focused on increasing the acceleration of performance growth and the Bank continues to transform so that it remains relevant in its efforts to grow above the average banking industry. In an effort to accelerate performance growth, it is supported by Human Resources (Human Capital), which is one of the Bank's strategic resources to be continuously nurtured and developed so that it has the capacity and capability to produce superior performance in competition, especially against Regional Development Banks.

The Bank continues to innovate more diverse digital banking products and services so that the products are easily accessible and can meet the expectations of the community, especially in the East Java region.

In order to contribute to the economic growth of East Java, the Bank has a duty to continue to strive to participate in developing MSMEs and contribute to strategic government projects as well as economic activities in the context of regional development.

In applying the principles of sustainable finance, the Bank in carrying out its business activities seeks to implement financial practices that are more environmentally friendly and prioritize financial transactions for environmentally friendly business projects.

Sustainable finance is defined as the overall support of the financial services industry for sustainable growth resulting from the harmony between economic, social and environmental interests.



## CORPORATE CULTURE

### Exellence

Always provide and present everything exceeded expectations. In the other words, constantly develop and make improvements in all areas to achieve optimum added value, and the best results continuously.

Key behaviors:

#### Fast & Simplicity

Always be responsive over the dynamics of change by meeting customer needs, and presenting customer friendly products and services, behavior guidelines:

- Always consistently take initiatives to offer and provide the best quick, precise, and easy solution.
- Always provide products and services which are accurate, safe, convenient, value added, and meet the standard that exceed customer expectations.
- Always simplify the existing problems to provide the best solution, quickly and precisely to the customer.

#### Agile & Business Savvy

Working fast, nimble, agile, responsive and proactive in capturing business opportunities, which is conducted by all employees with continuous improvement, behavior guidelines:

- Always seek and seize opportunities to contribute added value to the company growth continuously.
- Always work diligently in performing the tasks and proactive in capturing the opportunities exist.
- Always keep focused and be discipline in executing the priority tasks.
- Evaluating and monitoring both to the work process and the results of performance on a regular basis, to be able to identify opportunities for improvement.
- Always be patriotic, have a winning mentality and the courage to make a breakthrough.
- Have a flexible spirit which is appropriate to business environment and customer needs.

### Professional

Performing and mastering duties and responsibilities, and commit to achieve optimal results, key behaviors:

#### Execution & Risk Taker

Carry out management decisions with the courage to take the necessary risks, behaviors guidelines:

- Accomplish the tasks completely, accurately and on time.
- Work smart, which is efficient and effective, by optimally utilizing resources to achieve maximum results.
- Manage work systematically through the process of planning, organizing, evaluating, and continuously monitoring as well.
- In an effort to provide the best results, have the courage to take necessary risks carefully, so as not to put the company interests aside.
- Have self-confidence over the opportunities and results.

#### Proactive & Accountable

Taking the initiative to carry out alternatives based on the principles and values, openly and responsibly, behaviors guidelines:

- Set a high standard as a benchmark of the performance, and to achieve the performance standard with best effort and full responsibility.
- Always maintain a high working passion and spirit.
- Foster a sense of belonging and be responsible for every action and decision made.
- Be responsible to contribute in the achievement of the vision and mission of the Bank Jatim.

## Integrity

To be consistent in thought and behavior, be honest to themselves and others based on ethical values, key behaviors:

### Honesty

Uphold honesty, sincerity, openness with regard to the principles of prudence, behaviors guidelines:

- Always speak and act on the truth, according to the fact and reality.
- Act honest, sincere, open, humble, simple, ethical, keep promises and commitments made, and to act appropriately in the right situation.
- Maintain a sincere intention and full compliance, act solely for the best interests of the Bank Jatim unconditionally, and without any ulterior motives.
- Maintain transparency in every action and decisionmaking, by providing relevant information correctly and accurately, while upholding the principles of privacy and confidentiality.
- Have the courage to recognize the limitations and mistakes, and be willing to make improvements.
- Be a role model in all circumstances, to serve, to accept criticism, and be willing to listen more.
- Comply with the rules, policies and procedures, and prevailing regulation wisely and responsibly.
- Make wise decisions in various situations by sticking to the applied rules and policies.
- Uphold the principles and stance which is believed to be right, and not easy to change, even under pressure or difficult situations.
- Work with dedication, protect the honor and interests of personal and the company, and always uphold the professional code of ethics.
- Avoid opportunities that enables the conflict of interest.
- Be a role model and benchmark for others by consistently doing what the talked.
- Use company property in a responsible manner.
- Make decisions objectively and free from pressure or influence from any party.
- Have the courage to put forward suggestions, opinions and criticism objectively and openly.

### Trust

Mutual respect and open attitude among fellow members of the company based on confidence, honesty and good faith in the execution of the work, behaviors guidelines:

- Treat co-workers, customers and all stakeholders with respect and courtesy.
- Keep an empathetic communication between coworkers so as to create mutual understanding in interpersonal relationships.
- Create and maintain a conducive and comfortable climate of working environment.
- Carry out the mandate given with full commitment and responsibility to build a sustainable trust, and put any corporate interests above personal or group interests.
- Establishing cooperation between individuals and between work units to jointly strive to achieve organizational goals.
- Provide assistance and positive support for fellow coworkers, and contributes actively to achieve shared goals.
- Respect the differences between employees, and make the differences as a starting point to create synergy.



## Synergy

Mutually beneficial cooperation undertaken with a commitment to increase the added value for both parties, key behaviors:

### Respect

Implement mutual appreciation, respect and guide sincerely to uphold the values of decency, behaviors guidelines:

- Implement mutual appreciation, respect and guide sincerely to uphold the values of decency, behaviors guidelines.
- Always be positive think to others.
- Respect and uphold honor of others.
- Avoid self-destructive Behavior.
- Appreciate the uniqueness of themselves, develop and overcome weaknesses.

### Collaboration

Together create added value to create growth and development of the company, behaviors guidelines:

- Be positive result oriented.
- Work together to achieve the shared goals and or agreements.
- Very like to discuss and maintain effectiveness.
- Have a high sense of belonging.
- Appreciate, give recognition, and have a high standard of work ethic.

## Innovation

Creativity or the ability to produce something new and make something already become better continuously according to customer needs, key behaviors:

### Eager to Learn

The behavior of employees which constantly improve their knowledge that enable the company to grow in a sustainable manner, behavior guidelines:

- Have a high curiosity, optimistic, sincere, consistent and visionary.
- Perform continuous improvement.
- Always be sensitive to customer needs, and proactively identify.
- Constantly develop competency levels in order to meet the development and progress of the profession demands.
- Have a good work ethic to become a true learner.
- Have enthusiasm to keep learning as a part of life, and carry out the process of changing Behaviour to be better.
- Like to meet new people, discuss, reflect, and make changes.

### Creativity

Always create something new and develop ideas to achieve better results, behaviors guidelines:

- Be Innovative in creating opportunities to achieve beyond expectations performance.
- Be creative, innovative, proactive and responsive in providing the best solution.
- Always focus on providing services with specific added value as customer needs.
- Always be innovative and oriented to provide solutions which meet customer needs.
- Be empathetic to customer complaints and problems, and responsive to provide the best solution for each complaint.
- Have a strong stance and be intuitive.
- Be flexible, elaborative, imaginative, initiative, and selfconfident.
- Have broad interests and never get bored.

## Business Activities

### Business Activities According to the Articles of Association

Bank Jatim conducts business in the banking sector in accordance with Article 3 Paragraph 1 in the Articles of Association based on the Deed of Restatement of Meeting Resolutions No. 15 dated May 9, 2023, made before Notary Sitaesmi Puspawati Subianto, SH., Notary in Surabaya, who has received the Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number: 0026675.AH.01.02.TAHUN 2023 Concerning Approval of Amendment of the Articles of Association of Limited Bank of PT Bank Pembangunan Daerah Jawa Timur Tbk. The purpose and objective of the Bank is to carry out business in the field of financial activities, particularly banking, in accordance with the provisions of the prevailing laws and regulations.



### Primary Business Activities

To achieve the goals and objectives of Bank Jatim, the Company carries out its main activities as follows:

- a. Collect funds from the community in the form of deposits, such as current accounts, time deposits, certificates of deposits, savings, and/or other similar forms, both conventionally and based on sharia principles;
- b. Distribute funds in the form of loan or financing based on the sharia principles;
- c. Carry out activities in field of the payment system;
- d. Invest funds in other banks, borrow funds from, or lend funds to other banks, either with a letter, means of telecommunication, money order, check, or other instruments;
- e. Issue and/or carry out Securities transactions for the benefit of the Bank and/or Customer;
- f. Provide a safe place to store goods and securities;
- g. Carry out business activities in the form of foreign exchange;
- h. Carry out receivable transfer activities;
- i. Carry out goods and securities safekeeping activities;
- j. Carry out other with approval from the Financial Services Authority;
- k. Provide financing and/or carry out other activities including those based on the sharia principles in accordance with the applicable provisions;
- l. Commence other banking business in accordance with the prevailing laws and regulations, both in domestic and overseas.





## Supporting Business Activities

To complement primary business activities, Bank Jatim also carries out the following supporting business activities:

- a. Purchase part of or all the collateral, either through an auction or outside of an auction based on voluntary handover by the collateral owner or based on the authority to sell outside of the auction from the collateral owner in which the debtor does not fulfill their obligations to the company, with a condition that the purchased collateral have to be immediately disbursed;
- b. Perform capital investments activities in financial services institutions or other companies that support the banking industry by fulfilling the provisions set by the Financial Services Authority;
- c. Perform temporary capital investments activities outside financial services institutions to overcome the consequences due to loan failures or financing failures, based on sharia principles, with the provision of withdrawing the investments;
- d. Collaborate with Financial Services Institutions and Non-Financial Institutions in providing financial services to Customers;
- e. Act as the founder of pension funds and manager of pension funds in accordance with the applicable pension fund regulations.

## On-Going Business Activities

All business activities have been carried out by the Bank in accordance with the Articles of Association.

## Products and Services

Bank Jatim's business activities include various savings products, loan products, and various conventional and sharia services which are described as follows:

### Deposit Products

#### Rupiah Current Account

Giro or current account is a deposit that can be withdrawn at any time by using check/ transfer form and other payment order facilities, or by way of transfer. Bank Jatim's current account is online at all of its branches so that withdrawals and deposits can be made at all branches while Bank Jatim's check/transfer form in Rupiah can be cleared anywhere (Intercity Clearing).

#### Foreign Currency Current Account

Current accounts are deposits which can be withdrawn at any time by using a check/ bilyet giro, other means of payment orders or by book-entry. Bank Jatim current accounts are online at all Bank Jatim branches, so withdrawals and deposits can be made at all Bank Jatim branches and Bank Jatim checks/bilyet giro can be cleared anywhere (Intercity Clearing) with foreign currency (USD).

#### Rupiah Deposits

Deposits, or often referred to as time deposits, are a bank's product similar to savings services commonly offered to the public. Funds in deposits are guaranteed by the government through the Indonesia Deposit Insurance Corporation (IDIC) under certain terms and conditions.

#### Foreign Currency Deposits

Foreign currency deposits only accept funds in foreign currencies, such as USD, in accordance with banking regulations. The interest rates offered in foreign currency deposits are generally lower than the rates of Rupiah deposits.

#### Simpeda Savings

Simpeda is a Regional Development Deposit product that has been online in all Bank Jatim's branches. This product implements a daily-calculated interest rate which provides a lot of convenience and benefits at such a low cost. The total prize of IDR12.5 billion per year is drawn three times a year, twice for the national level and once for the regional level.

## Siklus Savings

With this savings product, Bank Jatim contributes to the development of saving tradition as a means to manifest a prosperous family. This product is suitable for customers who do not want prizes but expect competitive interest.

## Micro and Small Enterprise Siklus Savings (SIUMI)

To foster the productive economic sector, specifically through the Micro, Small & Medium Enterprises, Bank Jatim launches the SiUMI (Micro and Small Enterprise Siklus Savings) Program consisting of SiUMI Savings and SiUMI Loans.

## Fishermen Siklus Savings (SINYAL)

In line with the vision of the Central Government to actuate Indonesia as the World Maritime Axis, the Ministry of Maritime Affairs & Fisheries, in collaboration with the Financial Services Authority (OJK), launched the JARING (Reach, Synergy, and Guideline) program which is expected to give positive contribution to the maritime sector. In accordance with the role of Bank Jatim in supporting the government programs, it is necessary to develop and improve existing products to manifest a specific savings for those in the maritime sectors, especially fishermen.

## Siklus Prioritas Savings

Siklus Prioritas Savings is aimed at Jatim Prioritas customers or customers who have a minimum fund of IDR250 million with relatively high interest rates. Various convenience and exclusive banking facilities are provided for the holders of Jatim Prioritas debit card, including health services, discounts at various merchants, Jatim Prioritas magazine, exclusive event invitations, and so on.

## Foreign Currency Siklus

One of the strategies pursued by Bank Jatim is to create a Foreign Currency Siklus Savings product with the applicable foreign currencies (USD and SGD). This program is expected to increase the growth of third-party funds' customers and/or outstanding third-party funds in general.

## Siklus Bunga Plus

This Siklus Savings Marketing Program provides benefits in the form of direct goods without drawing, in which the customers can still enjoy their savings interest at the end of the lockup period. Simply by placing funds of a certain nominal, customers can directly select the desired item without the drawing process. The lock-up or holding period is according to the customer's choice, starting from 1 to 60 months.

## Haji Savings

Bank Jatim's Haji Savings is a savings product in the form of deposit which aims to specifically help alleviate the Muslim community, especially those wishing to take the Hajj pilgrimage to the Holy Land of Mecca to perform the fifth pillar of Islam.

## TabunganKu

TabunganKu is a savings product for individuals with easy and simple requirements, which are jointly issued by Indonesian banks to foster the culture of saving and improve public welfare. This product is not subjected to administrative fees.

## Simpanan Pelajar (SIMPEL)

This is a special savings for students from the level of elementary school to senior high school under the name of Student Savings/ Simpanan Pelajar (SIMPEL). With a low initial and affordable follow-up deposits, SIMPEL is packaged to provide financial education and inclusion to encourage the saving culture from early age. SIMPEL is a savings product for students jointly issued by Indonesian banks with easy and simple requirements, and equipped with attractive features, to encourage saving culture from early age.

## Simpanan Laku Pandai (Sipandai)

Simpanan Laku Pandai is Bank Jatim's savings product that allows the customers to conduct financial transactions without having to go to the Bank, and simply through the SiPandai Bank Jatim agent. Therefore, it is easier for people to connect with the Bank to obtain Financial Services.

## Siklus Pension Savings

This is a savings product in the Rupiah currency aimed at customers of the pensioner segment and used as a means of receiving pension payment from pension fund disbursement companies (PT Taspen, PT Asabri, Pension Fund Companies, and other Pension Fund institutions partnering with Bank Jatim). This product can be opened at all Bank Jatim's office network, i.e. branch offices, subbranch offices, service offices, and functional Office.

## Consumer Loans Products

### Multiguna (Multipurpose) Loan

Consumptive sector loan facilities provided to members of the public who had a fixed income and other income, which could be used for all purposes as long as they did not conflict with applicable laws and regulations. The Bank provided Multipurpose loan facilities for the Board of Commissioners,



Directors and Committee Members of Bank Jatim with procedures according to regulatory provisions and interest rates above the cost of funds (COF). The features of multipurpose loan products include:

- a. Multiguna Loan – Employee
- b. Multiguna Loan – Retired
- c. Multiguna Loan - Pre Retirement Employees
- d. Multiguna Loan - Pre Retirement ENT
- e. Multiguna Loan - Contract Workers, First Aid, Honorary Workers and Village Apparatus
- f. Multiguna Loan - Retirement Widow/ Widower
- g. Multiguna Loan – Education
- h. Multiguna Loan - Employee Professional Allowance/ Performance Allowance/Remuneration
- i. Multiguna Loan - For the Board of Commissioners, Directors, and Committee Members of Bank Jatim
- j. Multiguna Loan - Retired Bank Jatim

### **Employee Loan & Personal Loan Car Allowance Program**

#### **Employee Loan**

Loan facilities provided to Bank employees for all purposes as long as they did not conflict with laws and regulations.

#### **Personal Loan Car Allowance Program (CAP)**

Loan facilities that were used to procure official vehicles for Bank employees with certain positions, were provided in accordance with the provisions of the Bank's Car Allowance Program.

#### **Motor Vehicle Loan**

Motor Vehicle Credit (KKB) is a loan facility provided to prospective borrowers or debtors, either directly or indirectly, for the purchase/ownership of new or used motorized vehicles used either for consumptive purposes or to support business operations or refinancing.

#### **Cash Collateral Credit**

Cash Collateral Credit (CCC) is a loan that is guaranteed by cash collateral in the form of Bank Deposits/Current Accounts/Savings.

### **Gold Guarantee Loan**

Gold Guarantee Loan is a loan that is guaranteed with cash collateral in the form of gold bullion, gold jewelry, gold coins and gold coins or in other forms that can be used as collateral.

### **Property Loan**

The loan facility was provided to prospective borrowers or debtors for the purchase or ownership of property, including propertybacked consumer loans (Planted Houses/ Flats/ Apartments/Shop Houses/Office Houses) for both new and used purchases from developers or non-developers. Property loan Facilities include:

- a. Purchase or ownership of property.
- b. Renovation or construction of property on own land.
- c. For other consumption, it is a cash loan facility for other consumptive needs such as purchasing a vehicle, educational expenses, and others.
- d. Take Over, Take Over plus Top Up.
- e. Purchase or ownership of Bank auction property, a loan facility for the purchase or ownership of property auction results at the Bank.
- f. Purchase or ownership of family property, a loan facility that accommodated the purchase or ownership of property dedicated to your beloved family.

### **Commercial, Corporate and Syndication Loan**

#### **Transactional Pattern Contractor Loan**

Transactional Working Capital Loans for contractors were working capital loan facilities for contractors to complete a job based on a work contract with a certain ceiling, the repayment of which came from the payment of the relevant project terms.

#### **Standby Loan Contractor Loans**

The Contractor's Working Capital Loan with the Standby Loan pattern was a working capital loan facility for a Contractor to complete a job based on a Work Contract with a certain ceiling which could be disbursed revolving per project or work contract, and the repayment of the loan was sourced from the payment of the relevant Project term.

## Installment General Working Capital Loan

Working Capital Loan Installment loan facility provided for working capital purposes where the disbursement can be done simultaneously and is non revolving in which the payment is made in installments.

## Current Account Working Capital Loan

Current account working capital loan is a working capital financing facility given to the customers to fulfill the lack of their working capital, which expires within a maximum period of 1 year.

## Investment Loan

Investment loan is a medium/long-term loan given to customers for purchasing capital goods and service for the purposes of rehabilitation and establishment of new businesses. The settlement of loans shall be sourced from the yields of business using the financed capital goods.

## Property Construction Loan

Property Construction loan is a working capital loan facility provided by the Bank to the customers, specifically Developers who are in the process or will undergo a job on property projects.

## Syndicated Loan

Syndicated Loan is a loan given to the debtors by 2 (two) or more Banks/NonBank financial institutions, with the same terms or conditions for all syndicated participants, which is agreed within a documentation and administrated by an institution called an agent.

## Loan to Regional Public Service Agencies (Badan Layanan Umum Daerah – BLUD)

This is a loan facility given to Regional Work Units or each Work Unit within the Regional Work Units in the Regional Government aimed to provide services to the community in the form of goods and/or services which are sold without prioritizing profit and instead based on the principles of efficiency and productivity.

## Receivable Financing Loan

Receivable Financing loan is a type of loan facility given to the holders of receivables/ bills whose returns are clear and can be confirmed. The receivable financing loan facility aims to provide assistance for the customers/prospective customers who are in need of working capital as their receivables/bills cannot be billed/disbursed yet at that time. The advantage of this loan is in its quick process.

## Regional Government Loan

This loan facility is provided for the Regional Government within and outside the East Java Region in the form of investment loans. The loans can be used to finance the development of facilities and infrastructure as the Regional assets that can generate revenues for the repayment of loans, as well as to provide benefits for community services and/or working capital loan to cover the lack of Regional Cash Flow in the same year budget, with certain limit that can be disbursed in accordance with the regional financing needs. The advantage of this loan is that it can significantly accelerate the development in the region.

## Trade Finance Loans

Loan facilities provided to debtors engaged in export and import with due observance of the aspects of sound lending.

## Micro, Retail dan Loan Program

### Retail Jatim Loan

Jatim Retail loan was one of the productive loan schemes owned by Bank Jatim to support prospective debtors in obtaining capital assistance, especially MSME debtors with a maximum loan limit of IDR1 billion.

### Micro Laguna Loan

A loan given to micro businesses for business development so that they can increase into small and medium enterprises directly to individuals or business groups.



### Linkage BPR Loan

A loan facility provided by Bank Jatim to micro and small entrepreneurs through the Rural Bank (BPR) Perbamida and Perbarindo, both who are already members of APEX or not yet APEX members.

### People's Business Credit (KUR)

Loan/financing for working capital and/ or investment to Micro, Small, Medium Enterprises and Cooperatives (UMKMK) in productive and feasible but not bankable business fields with a credit limit of up to IDR500 million guaranteed by the Guarantee Company and criteria for potential borrowers to receive KUR in accordance with Government regulations.

### Credit To Cooperatives For Its Members (KKPA)

A working capital loan provided by a bank to cooperatives, both primary and secondary cooperatives, to be distributed to their members. In addition, Bank Jatim is also collaborating with PTPN X and PTPN XI regarding the distribution of KKPA credit for the Sugarcane Sector.

### Credit To Cooperative (KKOP)

A working capital loan and / or investment credit provided by the Bank to cooperatives, both primary and secondary cooperatives to meet the needs of cooperatives as institutions.

### KUMK Su-005/Government Investment Credit (KIP)

Credit/financing whose source of funds is from the State Revenue and Expenditure Budget (APBN) which is used to finance activities to increase production and/or control production carried out by micro and small businesses.

### Cow Breeding Business Credit (KUPS)

A loan provided by implementing banks to Cattle Breeding Business Actors who receive interest subsidies from the Government. What is meant by Cattle Breeding Business Actors are livestock companies, cooperatives, groups/groups of breeders conducting Cattle Breeding Businesses.

### Food Security And Energy Credit (KKPE)

Investment credit and / or working capital that is provided in order to support the implementation of the Food and Energy Security Program in the fields of agriculture, plantation, livestock and marine and fisheries which receive interest subsidies from the Government.

### Micro Jatim Loan

A working capital loan and/or investment in the productive sector provided for business development to micro and small entrepreneurs.

### Fintech Linkage Loan

A working capital loan that is given to a group of micro-entrepreneurs to meet the needs of expenses that run out in one cycle of business activity.

### SiUMI Loan

A working capital and/or investment loan provided by the Bank for micro and small scale productive business actors who have a Micro, Small Business License (IUMK) and a SIKLUS ATM card with data on potential debtors.

### Credit BPR RC (Newspaper Account)

A loan facility to BPR that is given for working capital purposes where the withdrawal can be made at any time through the checking account up to a certain limit by using a check/bilyet giro.

### Treasury Products

#### General Foreign Exchange (Telegraphic Transfer)

Telegraphic transfer is a sale and purchase transaction on foreign currency in the form of general (non-cash) foreign exchange. Bank Jatim offers telegraphic transfer for USD, GBP, SGD, JPY, HKD, EUR, and CNY currencies. The types of telegraphic transfer transactions provided by the Bank are as follows:

#### Fx Today (Foreign Exchange Today)

FX Today transaction is a sale and purchase transaction on foreign currency with the time of delivery of funds conducted on the day/date of the transaction.

**Fx Tom (Foreign Exchange Tomorrow)**

FX Tom transaction is a sale and purchase transaction on foreign currency with the time of delivery of funds conducted in 1 (one) working days following the day/date of the transaction.

**Fx Spot (Foreign Exchange Spot)**

FX Spot transaction is a sale and purchase transaction on foreign currency with the time of delivery of funds conducted in 2 (two) working days following the day/date of the transaction.

**Fx Forward (Foreign Exchange Forward)**

FX Forward transaction is a sale and purchase transaction on foreign currency with the time of delivery of funds conducted in more than 2 (two) working days following the day/date of the transaction.

**Bank Notes**

Bank Notes is a sale and purchase transaction on foreign currency in the form of paper money or cash. The foreign currencies served by the Bank are:

- USD
- GBP
- EUR
- SGD
- JPY
- HKD
- CNY
- SAR
- AUD
- MYR

**Deposit On Call**

On-Call Deposits is a deposit of a certain nominal to the Bank carried out in accordance with the applicable provisions, with a period of less than 1 (one) month.

**Trade Finance Product****Export**

Bank Jatim could provide financing for customer export transactions from before delivery of goods (Pre Shipment Financing) to after delivery of goods (Post Shipment Financing).

**Bank to Customer Transaction Export**

1. Documentary Collection
  - a. D/A: namely the service of forwarding documents on orders from the Exporter/ Seller to the bank to be billed for the payment to the Importer/Buyer bank through acceptance according to a certain agreed period of time.

- b. D/P: the service of forwarding documents on orders from the Exporter/Seller to the bank to be billed for the payment to the Importer/Buyer bank on a show basis.
2. Letter of Credit (LC) Advising  
Forwarding receipt of LC Master or Amendment LC to the recipient of the Export LC/ seller.
3. Transferable Letter of Credit  
Carry out transferable LCs at the request of the Exporter of Bank Jatim customer as the first Beneficiary.
4. Takeover of Export Notes (Discount)  
Post shipment financing services provided by Bank Jatim on the basis of the export documents presented and have complied with the LC (Complete and Comply with) provisions.
5. Provide Assistance and Advisory services to the customers concerning international trade transactions conducted in a manner that guarantees the security of both customers and Bank Jatim.

**Bank To Bank Transaction Export**

1. Forfaiting  
It is export receivable sales transaction services between Bank Jatim and other banks.

**Import**

Bank Jatim provided solutions for import transactions to customers so that they could purchase goods more safely, because payment could be made after the goods arrive at the port or the billing document for the purchase of the goods is in accordance with the requirements.

**Bank to Customer Transaction Import**

1. Letter of Credit Issuing  
Issuance of the LC Master or Amendment LC for the benefit of the Importer/Buyer to the Advising Bank/Exporting Bank.
2. Shipping Guarantee  
Import services in accelerating the process of releasing goods/ cargo releases at the port so that the imported goods can be used immediately, based on a letter of guarantee issued by Bank Jatim. This could provide benefits for importers, namely reducing or reducing the burden of warehouse rental costs/ demurrages that must be borne.
3. Provide Assistance and Advisory services to the customers concerning international trade transactions conducted in a manner that guarantees the security of both customers and Bank Jatim.



### Bank to Bank Transaction Impor

#### 1. UPAS Financing

It is a transaction service for the purchase of imported debt by PT Bank Pembangunan Daerah Jawa Timur Tbk, in which Bank Jatim acts as Funding Bank for the Usance Payable at Sight transactions.

### Domestic Transactions (SKBDN)

In the transaction of trade in domestic goods and services, of course, it also requires certainty of receipt of payments or even acceleration of receipt of payments. All of the above export and import solutions could be applied to domestic transactions.

### Term Loan Facility (TLF)

Term Loan Facility (TLF) is a committed loan facility provided to commercial banks with a maximum term of 1 (one) year and as a form of product diversification effort as well as to increase Bank Jatim's potential interest income.

### Business Services

#### Bank Reference

Bank Reference is a statement issued by Bank Jatim which explains that the undersigned person/company is truthfully a customer of Bank Jatim. Bank References can be used by customers to participate in certain project auctions.

### National Clearing

National Clearing is the credit funds transfer between Banks through clearing without the obligation to make physical paper (Paperless) exchanges. The transfer can be done within all regions of Indonesia.

### Real Time Gross Settlement (RTGS)

RTGS-based fund transfer system enables the Bank to carry out various electronic transactions of fund payments/transfer instantly/online with an integrated settlement of transaction.

### Inkaso Rupiah

Is the delivery of scripts (Cheques, Billet, Giro, Wesel) to Banks interested in getting payments because they cannot be settled through clearing facilities (Banks are interested outside the clearing area) using Rupiah currency.

### Inkaso Valas

Is the delivery of scripts (Cheques, Billet, Giro, Wesel) to Banks interested in getting payments because they cannot be settled through clearing facilities (Banks are interested outside the clearing area) using forex currency (USD).

### Giralization

Giralization is a payment made by the customers that is carried out automatically by the Bank by debiting the current account/savings account of the relevant customers based on the debit order signed by the customers.

### BPD Net Online

This is a transfer facility between BPDs throughout Indonesia that is incorporated in ATM Bersama in Real Time.

### Jatim Electronic Transfer System (JETS)

Jatim Electronic Transfer Sistem (JETS) enables all transactions to be connected online; for example, transfers between BPRs or to commercial banks.

### JConnect Invest

JConnect Invest was a mobile-based online securities investment platform that could be downloaded on the Playstore and Appstore and integrated with distribution partners and the Ministry of Finance. The JConnect Invest application was registered with the Financial Services Authority and provided Retail Government Securities (SBN) investment products with offers on the primary market. Products that can be ordered through the Jconnect Invest application include:

#### 1. ORI (Obligasi Ritel Indonesia)

One of the Government Securities (SBN) instruments offered to individuals or Indonesian Citizens through Distribution Partners in the Primary Market with a predetermined minimum volume.



## 2. SBR (Saving Bond Ritel)

A type of Government Bond (SUN) or SBN specifically offered to individuals or individuals whose nature is similar to savings or bank deposits, because they cannot be traded back on the secondary market.

## 3. SR (Sukuk Ritel)

Sharia investment products offered by the Government to individual Indonesian Citizens, as a safe, easy, affordable and profitable investment option.

## 4. ST (Sukuk Tabungan)

Sharia investment products issued by the Government to individual Indonesian citizens that are safe, easy, affordable, profitable, and shariacompliant which are similar in nature to savings or bank deposits, because they cannot be resold on the secondary market.

## Transaksi Remittance

This is a service from Bank Jatim to send funds in a foreign currency at home and abroad. This service makes it easier for the Customers to make transactions with business partners and family abroad. Remittance Transactions provide convenience and smoothness that can be carried out in Bank Jatim Branch Offices and Sub-Branch Offices throughout East Java, Jakarta, and Batam. This transaction serves foreign exchange transfers in USD, EUR, GBP, SGD, JPY, HKD, AUD, and CNY.

## Institutional Services

### Tax Services

Tax is one of the services provided by Bank Jatim to its customers. Tax Service is related to the status of Bank Jatim as an Operational Bank V (BO V) or as a Perception Bank (Tax Payment Bank). The Bank's online service system has been authorized by the Directorate General of Central Taxes and its validity is recognized. The types of tax services offered are as follows:

- Property Tax
- Customs for Land and Building Rights
- Other Regional Taxes
- Vehicle Tax
- Value-Added Tax (VAT)
- Income Tax
- Non-Tax Revenue

### Bill Payment

Bill payment is one of the services provided by Bank Jatim to its customers. This payment service can be performed through

the Bank's Teller or through the entire e-Channel, and has been online throughout all Branches of the Bank. Various types of bill payments include:

- Water (PDAM) Bill Payment
- Electricity (PLN) Bill Payment
- Phone Bill Payment
- Payment for Education Fees
- Internet Bill Payment
- Subscription TV Bill Payment
- Payment for Surabaya Container Terminal (TPS)
- Multi Finance Bill Payment
- Credit Card Bill Payment
- Payment for Airline or Train Tickets
- E-Commerce Transactions Payment

### Salary Payroll

Salary payroll is a type of services provided by Bank Jatim to its customers. The mechanism of salary payroll is by transferring certain amount of salary from a holding account on behalf of an institution or a company to a salary recipient's savings account.

### Trade Transaction Services

#### Domestic Letter of Credit (SKBDN)

The domestic letter of credit (SKBDN) is an instrument issued by an issuing bank at the request of the buyer/applicant, which consists of the bank's commitment to pay a sum of money to the seller/ recipient if the issuing bank receives documents in accordance with the SKBDN requirements. SKBDN is used to support domestic trade transactions. Bank Jatim can serve the needs both from the sides of the applicant and recipient of the SKBDN.

#### Letter of Credit (L/C)

Letter of Credit is an instrument issued by a bank on behalf of one of its customers, which authorizes a person or a company as the recipient of said instrument to withdraw a money order from the bank or on one of its correspondent banks for the interest, based on the conditions/ requirements stated on the instrument.

#### Foreign Exchange Transfer (Remittance)

Bank Jatim provides Foreign Exchange Transfer Services to facilitate and simplify transactions for its customers. Foreign Exchange Transfers are unconditional payment orders sent from sending banks from within or outside the country to recipient banks in the form of Foreign Exchange at the request and for the interests of order givers, by using authenticated means (SWIFT, Tested Telex, and Tested Facsimile).



## Export/Import Tax Receipt (Edi System)

EDI System aims to provide assistance in terms of export and import documents, namely the Goods Import Notification (PIB) and Goods Export Notification (PEB) services. Customs administration is able to process customs notification in the customs service computer system that can further be transmitted electronically; hence, the same data will immediately be available at the computer system of the Directorate General of Customs and Excise without having to undergo the re-entry process.

## Sharia Financing Products

### General Financing

Investment Financing is a facility provided to finance investments or procurement of capital goods that are not consumables up in one business cycle Working Capital Financing is a facility provided to finance and fulfill the working capital needs in order to perform the business activities and usually are consumables up in one production cycle, such as for the procurement of raw materials or to finance the lack of other operational costs.

### KPR iB Griya Barokah

Consumption financing consists of:

- Financing provided by the Bank for the ownership of Landed House, including Financing for consumption backed by Landed House.
- Financing provided by the Bank for the ownership of the multi-level housing/flats, including Financing for consumption backed by the multi-level housing/flats.
- Financing provided by the Bank for the ownership of Shophouses or Home Offices, including Financing for consumption backed by the Shophouses or Home Offices.
- Purchase of building materials and other supporting materials for renovation/repair of landed houses, multi-level housing/flats, home offices or shophouses.
- Purchase of lands along with the building materials for landed houses, multi-level housing/flats, home offices, or shophouses (indent).
- Take over from other Banks or financial services institutions with additions and/or without additions (Top Up).
- Top up for property renovations or other consumption needs for existing customers.

## KPR Sejahtera

House ownership financing by the support of Housing Financing Liquidity Facility (FLPP), including KPR Sejahtera for Landed House and KPR Sejahtera for Multi-level Housing/Flats, issued by the Bank with murabahah contract.

## Multiguna Sharia

Providing financing in the consumer sector and for other purposes as long as it did not conflict with applicable legal regulations, which could be given to members of the public who had a fixed income and other income using *murabaha* and *ijarah* contracts. Features of multipurpose financing products include:

- Multipurpose Financing - Employees
- Multipurpose Financing - Pensioners
- Multipurpose Financing - Employee Pre-Retirement
- Multipurpose Financing - ENT PreRetirement
- Multipurpose Funding - Contract Labor, First Aid, Honorary Staff and Village Devices
- Multipurpose Financing - Widow/ Widower Pension
- Multipurpose Financing - Education
- Multipurpose Financing - Employee Professional Allowances/Performance Allowances/Remuneration
- Multipurpose Financing - For the Board of Commissioners, Directors and Committee Members of BankJatim
- Multipurpose Financing - Bank Jatim Retired Employees

## Emas iB Barokah

Financing for the customers with the principle of Qardh provided by the Bank to the Customer according to an agreement, which is included with Mortgage (Marhun) as collateral for all or parts of the customer's debts (Rahin) to the Bank (Murtahin).

## Gold Ownership

Financing provided for the gold ownership with murabahah principle.

## Linkage Program

BPRS is a financing facility given by the Bank to the BPRS and/or its members by implementing the akad mudharabah principle. PKPA/PKOP is a financing facility given by the Bank to a cooperative and/ or its members by implementing the akad mudharabah principle.

## Linkage Fintech Financing

Financing facilities provided to the customer via fintech companies based on sharia principles.

## Umroh iB Maqbulah

Financing provided for Multiservice Financing for Umrah with Ijarah principle.

## Working Capital Financing for iB Barokah Property Construction

Working capital financing facilities provided by the Bank to the customer (Developer) who are or will be working on property projects based on sharia principles.

## iB Barokah Land Procurement Financing

Financing facility to purchase simple residential land whose construction uses the Property Construction Financing facility based on sharia principle.

## iB Barokah Contractor Financing

Types and forms of financing:

- a. Transactional financing is a working capital financing facility for the Contractor to complete a project based on a Work Contract with a certain limit where repayment of financing comes from payment of the relevant Project terms based on the sharia principles.
- b. Line Facility is a working capital financing facility for the contractor that can be disbursed on a revolving basis per project if the customer/potential customer obtains a project based on a work contract whose source of financing payments mainly comes from the terms of the said project.

## Financing with Investment Associated with iB Barokah (ITIB)

Placement of a number of funds sourced from the owner of the bound investment funds managed by the Bank as collateral for financing provided to the Customer for a certain period based on a *mudharabah muqayyadah* contract.

## Debt Financing (Anjak Piutang) iB Barokah

Transfer service for settlement of shortterm receivables or claims from corporates / sellers (customers) to the Bank, which then collects the receivables from the debtors (Corporate Partners / Buyers) which can be accompanied by short-term financing facilities to the Corporate / Seller (Customer) designated as bailout of corporate / seller (customer) liquidity needs in the amount of receivables based on sharia principles.

## Financing Syndication

Financing provided by several banks or financial institutions to meet the needs of an object of financing from customers in the form of investment and working capital, in which this condition requires one of the syndicated participants to act as the Lead Manager (Imamus Syarik) in handling and managing the syndicated financing.

## Employee and Personal Financing

Financing facilities provided by the Bank to the Board of Commissioners, Directors, Permanent Employees, Permanent Non- Career Employees, MLE, Prospective Employees, Committee Members, Retired Employees and the Personal Loan Car Allowance Program (CAP), which are used for consumptive purposes and for other purposes as long as they do not conflict with applicable legal regulations and based on sharia principles.

## Bank Guarantee

Guarantee service provided to the guaranteed party (customer) which contains the Bank's obligation to pay to the party receiving the guarantee if the customer fails to promise based on the kafalah contract.

## Halal Industrial Area Financing

Halal industrial area financing was financing in the context of purchasing new warehouse assets or new factories for individual customers and/or MSMEs located in the Halal Industrial Area (KIH).



## Sharia People's Business Credit (KUR) Financing

A working capital financing and/or investment to individual customer/individual, business entities and/or business groups that are productive and viable but do not have additional collateral or additional collateral is not sufficient and is carried out in accordance with the sharia contracts.

## Sharia Fund Products and Services

### Giro iB Barokah

Savings products with the Wadi'ah principle and the Mudharabah principle, in which withdrawals could be made at any time by using a Check/Bilyet Giro (BG), other means of payment orders or by way of transfer. In practice, the iB Barokah Current Account was administered by Bank Jatim Syariah in an account commonly called a Current Account.

### Tabungan Simpel iB

"Simpanana Pelajar (Student Savings)" or SIMPEL became a savings product based on the Wadi'ah principle that was exchanged for students under 17 years of age and who did not yet have a ID card issued jointly by banks in Indonesia. It was easy and simple account opening requirements as well as attractive features, as an effort to educate and financial inclusion to encourage a culture of saving from an early age. The withdrawal could be made at any time and the bank was not required to provide compensation except in the form of a voluntary bonus.

### Tabunganku iB

Savings products with the Wadi'ah principle issued jointly by banks in Indonesia in which customer deposits were treated as safekeeping and withdrawals could be made at any time. As for the withdrawal, it could only be made according to certain agreed conditions, but could not be withdrawn by check, demand deposit slip, and/or other means equivalent to that.

### Umroh iB Amanah Savings

Tabungan Umroh iB Amanah or Umroh iB Amanah Savings is aimed at public in general who wish to carry out umrah pilgrimage. Withdrawal can only be made under certain requirements and cannot be done by checks, transfer forms, and/or other instruments equivalent to such mentioned before.

## Sipandai iB Barokah Savings

A savings product with the Wadi'ah principle aimed at people who don't know, use and/or get banking services and other financial services, especially in East Java.

### Student Savings

A savings product with the Wadi'ah principle aimed at students/administrators in Islamic boarding schools whose withdrawals can only be made according to certain agreed conditions, but cannot be withdrawn by check, giro, and/or other means equivalent to that.

### Barokah Savings

Savings product with the principle of Mudharabah (profit sharing) between the Bank and the Customer in accordance with the agreed ratio, which withdrawals can be made at any time but cannot be withdrawn by check, demand deposit slip, and/or other means equivalent to that.

### iB Barokah Sejahtera Savings

This is a savings program that is combined with Barokah Savings and provides benefit in the form of goods as a reward and/or souvenir for opening iB Barokah Sejahtera Savings account. The account holder will still obtain profit savings at the end of the period.

### Savings Hajj iB Amanah

Savings products with the principle of Mudharabah (profit sharing) are intended for the general public who wish to carry out the pilgrimage where withdrawals can only be made according to certain agreed conditions, but cannot be withdrawn by check, giro, and/or other means equivalent to that.

### Saving Plan iB Barokah

Savings products with the principle of Mudharabah (profit sharing) intended for the general public who wish to save their funds in order to realize all future plans and withdrawals cannot be withdrawn by check, demand deposit slip, and/or other means equivalent to that.

## iB Barokah Pension Savings

Savings products with the Mudharabah principle (profit sharing) are intended for retired customers in the IDR currency which are used as a means of receiving pension payments for pension fund channeling institutions.

## Barokah Deposits

Savings products with the Mudharabah principle (profit sharing) where withdrawals can only be made at a certain time according to the agreement between the Depositor and the Bank based on the mudharabah principle.

## Virtual Account

Virtual account is a service provided to the Bank's customers in the form of a facility to identify the receipt of payment of customer's bills to a counterparty.

## Payment Point

This is a cooperation between the Bank and a third party in order to receive bills payment through cash and non-cash deposits. The bills covered by this program are, among others, telephone bills, electricity bills, and tuition fees.

## E-Channel (SMS Banking, J-Connect Mobile dan J-Connect Internet Banking)

The e-Channel service covers banking transaction activities through mobile phone or the Internet.

## Wakaf iB Barokah

Waqf services intended for the general public who wish to make waqf through projects that have been provided by Bank Jatim Syariah Nazhir partners. This service can be accessed by customers through Android and iOS applications where waqf payments are made through a virtual account that is connected to the iB Barokah Giro account, Nazhir Bank Jatim Syariah partner.

## E-Channel & Other Services

### SMS Banking (3366)

SMS Banking is one of the innovations of e-Channel based products and services by Bank Jatim which enables the Bank to provide services to its customers through mobile phones by using both plain-text and mobile application modes.

## JConnect Internet Banking

It is an electronic channel (e-channel) service allowing the bank to provide services to the customers through internet media that can be accessed anytime and anywhere, comfortably and safely because it used dynamic PIN Token technology (always changing for every transaction).

## JConnect Mobile Banking

It is one of Bank Jatim's product and service innovations based one-channel, which allows the Bank to provide services to its customers via mobile phones using a mobile application on the Android and iOS platforms that use internet data packages for transactions.

## Jconnect e-KMG

This is one of the online multipurpose / consumer loan application service innovations for State Civil Apparatus (ASN) and employees whose payroll is at Bank Jatim. The application for multipurpose loan is done online through an application based on Android and iOS.

## JConnect e-Loan

This is one of the innovative online productive loan application services for the general public. Productive loan applications are made online through android and iOS-based applications.

## Layanan Laku Pandai (SiPandai Bank Jatim)

This particular service is a program from the Financial Services Authority (OJK) to facilitate communities that are not accessible to banks (unbanked people). Bank Jatim collaborates with SiPandai agents to serve customers/communities in areas that are not accessible by banks' service offices to conduct cash withdrawal transactions, transfers, cash deposits, and other transactions. SiPandai agents use Android based applications to serve these customers/communities.

## Info Bank Jatim (14044)

Bank Jatim Info serves as the Bank's Call Center with a phone number or shortcode of 14044. Customers can contact this number from house phones as well as from mobile phones. It provides a wide range of information related to the Bank Jatim's products, services, and other relevant information.



## Bank Jatim ATM Card and Debit Card

The Bank Jatim ATM card can be used for cash withdrawal transactions, telephone payments, water, PBB, electricity, SMS Banking registration and transfers between Bank Jatim accounts, between accounts among members of ATM Bersama and ATM Prima, as well as balance checks and can be used for shopping at merchants. -merchants bearing the GPN (National Payment Gateway) logo.

## Bank Jatim Flazz Card (Co-Branding)

Multifunctional Card Based/Chip Based Electronic Money using RFID technology so that transactions become faster and more convenient. The result of the collaboration between Bank Jatim Co-Branding and BCA.

## Safe Deposit Box

Safe Deposit Box is Bank Jatim's service in the form of tenancy of boxes specifically designed to store assets/ securities with small, medium and large sizes.

## Civil Servants Electronic Card (KPE)

Bank Jatim presents various supporting facilities to optimize the Civil Servants Electronic Card (KPE) function for banking activities. KPE can also function as a Bank Jatim ATM card with the exact same service as that of the other customers of Bank Jatim.

## Virtual Account

Bank Jatim Virtual Account is a special identification number aimed for customer business partners as a payment tool for business partners to customers. With every deposit made in Bank Jatim Virtual Account, the system will automatically record to the Main Account by including data of the Number and Name of the Virtual Account.

## E-Samsat Jatim

Annual STNK (Vehicle Registration Letter) ratification services and payment of Motor Vehicle Taxes and SWDKLLJ (Jasa Raharja) for the East Java province through the e-Channel of Bank Jatim, namely: ATMs, Tellers, PPOB, SiPANDAI Agents, JConnect Mobile and JConnect Internet Banking, as well as other collecting agent channels such as the Tokopedia marketplace, the GoJEK online transportation application, and the modern retail channel Indomaret.

## Samsat Digital Nasional (Signal)

Annual STNK (Vehicle Registration Letter) validation services and payment of Motor Vehicle Taxes and SWDKLLJ (Jasa Raharja) throughout Indonesia through the e-Channel of Bank Jatim and other banks that become the members of SIGNAL, namely: ATMs, Tellers, Mobile Banking and Internet Banking by first accessing the SIGNAL application. Android and iOS based.

## Jatim Code QRIS

The JConnect Mobile application can be used by customers to make purchases/payments by scanning QRIS installed at merchants or stores that have QRIS installed, both East Java Code QRIS and QRIS from other Payment System Service Providers (PJSP). Jatim Code QRIS can also be scanned by applications from other PJSPs such as OVO, Shopee Pay, Dana, Gopay, and others.

## BJTM Connect

Leading technology that makes it easier for customers in every banking transaction with a strategic location, long operational time and more flexibility with services on holidays.







## Operating Area

As of December 31, 2023, Bank Jatim owned 1 Head Office and 1,819 office networks consisting of Branch Offices, Sub-Branch Offices, Functional Offices, Payment Points, Cash Cars/Counters and ATMs/CRM.

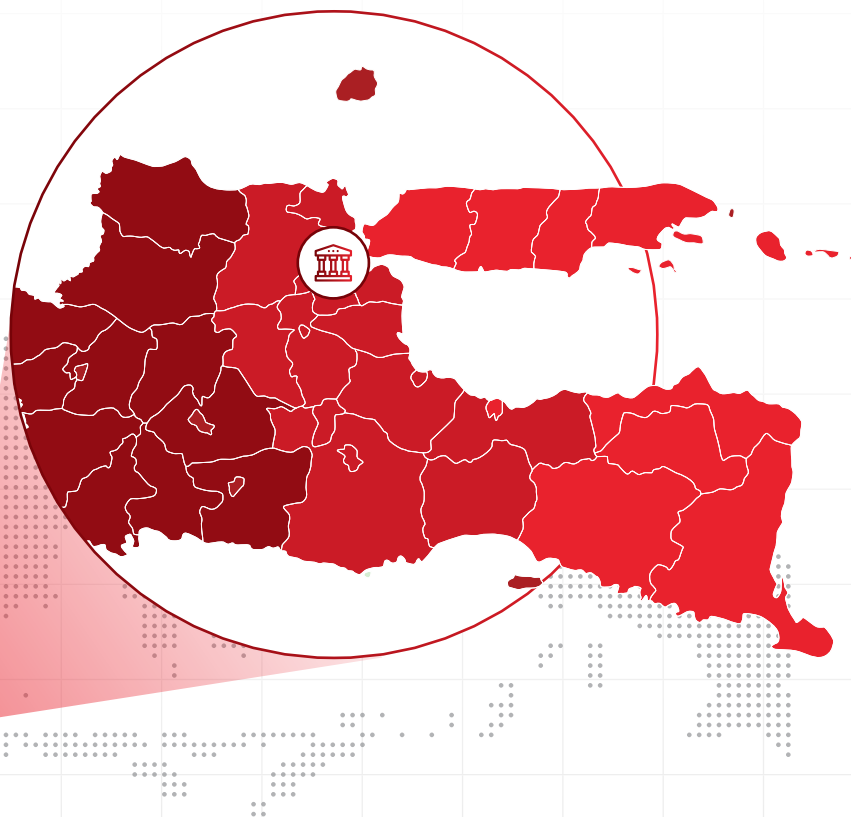


Table of Bank Jatim Offices per Region in 2023

Office Location	KC	KCP	KK	PP	KM	KCS	KCPS	KKS	KLS	PPS	KMS	ATM	ATMS	CRM	CRMS
Surabaya	4	24	28	15	2	1	3	1	28	2	1	103	5	12	2
Banyuwangi	1	6	11	4	2	-	1	-	7	-	-	28	1	4	-
Jember	1	6	6	5	-	1	-	-	7	-	1	24	1	2	1
Malang	1	5	9	14	2	1	-	1	6	1	1	30	3	2	2
Madiun	1	5	9	7	1	1	-	-	6	-	1	34	1	3	1
Kediri	1	7	9	9	2	1	-	1	8	1	1	30	2	1	2
Pamekasan	1	2	2	3	-	-	-	-	3	-	-	14	-	1	-
Bojonegoro	1	4	7	9	-	-	-	-	5	-	-	27	-	3	-
Lumajang	1	4	6	2	1	-	-	-	5	-	-	22	-	3	-
Ngawi	1	8	4	3	2	-	-	-	9	-	-	20	-	1	-
Jombang	1	3	7	7	1	-	1	-	4	-	-	18	1	3	-
Kraksaan	1	2	5	2	1	-	-	-	3	-	-	10	-	1	-
Probolinggo	1	3	3	2	2	-	1	-	4	-	-	20	1	1	-
Blitar	1	5	7	13	1	-	1	1	6	-	-	21	2	3	-
Tulungagung	1	4	5	5	1	-	-	-	5	-	-	16	-	5	-
Tuban	1	5	4	3	-	-	-	-	6	-	-	24	-	1	-
Mojokerto	1	3	4	4	1	-	1	-	4	-	-	24	1	1	-
Sumenep	1	2	4	4	-	-	-	-	3	-	-	20	-	1	-

Table of Office Network for the last 5 years

Office Type	2023	2022	2021	2020	2019
Head Office (KP)	1	1	1	1	1
Conventional Branch Offices (KC)	41	41	41	41	41
Sharia Branch Office (KCS)	7	7	7	7	7
Conventional Sub Branch Office (KCP)	163	162	182	162	162
Sharia Sub-Branch Office (KCPS)	10	10	10	10	10
Functional Office (KK)	212	212	211	209	209
Sharia Functional Office (KKS)	4	3	2	-	-
Sharia Service Office (KLS)	196	195	195	195	191
Payment Point (PP)	191	196	248	247	249
Payment Point Syaria (PPS)	8	8	8	9	10
Car Cash (KM)	32	36	97	92	92
Sharia Car Cash (KMS)	7	7	7	6	6
Automatic Teller Machine (ATM)*	828	815	780	753	742
Sharia Automatic Teller Machine (ATM)	26	26	25	24	23
Cash Recycle Machine (CRM)	84	58	51	25	-
Cash Recycle Machine (CRM) Syaria	10	7	7	2	-
Cash Deposit Machine (CDM)	-	-	-	-	2
<b>Total</b>	<b>1.820</b>	<b>1.784</b>	<b>1.852</b>	<b>1.783</b>	<b>1.745</b>

\*Bank Jatim Automated Teller Machines (ATMs) are incorporated with 81,569 ATM BERSAMA network terminals, 101,313 PRIMA ATM terminals, 695,971 Electronic Data Capture

Office Location	KC	KCP	KK	PP	KM	KCS	KCPS	KKS	KLS	PPS	KMS	ATM	ATMS	CRM	CRMS
Sampang	1	1	4	2	1	-	1	-	2	-	-	13	1	1	-
Bangkalan	1	3	4	6	-	-	-	-	4	-	-	11	-	3	-
Pasuruan	1	7	5	7	1	-	-	-	8	-	-	30	-	1	-
Nganjuk	1	4	5	14	1	-	-	-	5	-	-	19	-	2	-
Trenggalek	1	3	6	3	-	-	-	-	4	-	-	19	-	1	-
Ponorogo	1	4	6	4	1	-	-	-	5	-	-	21	-	2	-
Pacitan	1	3	2	3	1	-	-	-	4	-	-	20	-	4	-
Gresik	1	5	6	3	1	1	-	-	6	2	1	22	3	1	1
Sidoarjo	1	8	11	6	1	1	-	-	9	2	1	43	3	1	1
Lamongan	1	5	5	7	2	-	1	-	6	-	-	27	1	1	-
Situbondo	1	2	4	4	1	-	-	-	3	-	-	20	-	4	-
Bondowoso	1	3	3	2	1	-	-	-	4	-	-	17	-	4	-
Magetan	1	4	5	2	-	-	-	-	5	-	-	22	-	2	-
Kangean	1	-	1	-	-	-	-	-	1	-	-	6	-	1	-
Jakarta	1	6	-	-	-	-	-	-	-	-	-	8	-	1	-
Batu	1	1	4	1	1	-	-	-	2	-	-	11	-	2	-
Bawean	1	-	1	-	-	-	-	-	1	-	-	6	-	1	-
Pare	1	2	2	-	-	-	-	-	3	-	-	13	-	2	-



Office Location	KC	KCP	KK	PP	KM	KCS	KCPS	KKS	KLS	PPS	KMS	ATM	ATMS	CRM	CRMS
Kepanjen	1	4	8	1	1	-	-	-	5	-	-	14	-	1	-
Batam	1	-	-	-	-	-	-	-	-	-	-	1	-	1	-
Grand Total	41	163	212	191	32	7	10	4	196	8	7	828	26	84	10

As of December 31, 2023, Bank Jatim has 7,128 East Java Agents spread throughout East Java consisting of Legal Entity Agents and Individual Agents.

**Table of Conventional East Java Agent Networks for the last 3 years**

Branch Name	2023	2022	2021
Bangkalan Branch	166	90	13
Banyuwangi Branch	224	31	23
Batu Branch	57	24	18
Bawean Branch	55	17	7
Blitar Branch	289	143	19
Bojonegoro Branch	166	55	24
Bondowoso Branch	254	160	33
Dr. Soetomo Branch	201	25	4
Gresik Branch	157	73	27
HR Muhammad Branch	195	32	7
Cabang Jember Branch	195	61	10
Jombang Branch	103	46	20
Kangean Branch	42	6	2
Cabang Kediri Branch	362	97	17
Kepanjen Branch	98	31	13
Kraksaan Branch	111	70	21
Lamongan Branch	228	99	20
Lumajang Branch	118	69	38
Madiun Branch	352	159	37
Magetan Branch	243	95	15
Malang Branch	133	49	33
Mojokerto Branch	132	101	22
Nganjuk Branch	195	90	32
Ngawi Branch	447	301	216
Pacitan Branch	181	98	27
Pamekasan Branch	46	40	16
Pare Branch	73	22	8
Pasuruan Branch	165	111	47
Perak Branch	165	51	23
Ponorogo Branch	192	38	15
Probolinggo Branch	123	29	12
Sampang Branch	86	34	24
Sidoarjo Branch	292	112	12
Situbondo Branch	99	19	11

Branch Name	2023	2022	2021
Sumenep Branch	58	42	12
Trenggalek Branch	183	41	15
Tuban Branch	379	141	16
Tulungagung Branch	254	118	35
Main Branch	128	92	34
<b>Grand Total</b>	<b>6.948</b>	<b>2912</b>	<b>978</b>

**Table of East Java Sharia Agent Network for 2023**

Sharia Branch	Total Agent
Surabaya Sharia Branch	44
Kediri Sharia Branch	24
Madiun Sharia Branch	10
Jember Sharia Branch	6
Malang Sharia Branch	39
Sidoarjo Sharia Branch	12
Gresik Sharia Branch	51
<b>Total</b>	<b>186</b>

## Association Membership List

As a financial services institution, Bank Jatim joined and was active in various associations or institutions that are relevant to the Bank's main business. Thus, the Bank can follow the latest developments, issues, or newest topics, as well as exchange information and provide suggestions/inputs for mutual progress. During 2023, Bank Jatim joined the following associations/institutions as follows:

Association Name	Year Joined	Membership Status
Asosiasi Bank Pembangunan Daerah (Asbanda)/ Association of Regional Development Banks	1993	Member
Forum Komunikasi Dewan Komisaris BPD Se-Indonesia (FKDK-BPDSI)/ Indonesian BPD Board of Commissioners Communication Forum	2002	Member
Asosiasi Emiten Indonesia (AEI)/ the Indonesian Issuers Association	2012	Member
FCSR Social Ministry	2016	Member
Forum Komunikasi Lembaga Jasa Keuangan Daerah (FK-LJKD)/ Regional Financial Services Institution Communication Forum	2016	Member
Indonesian Corporate Secretary Association (ICSA)	2019	Member

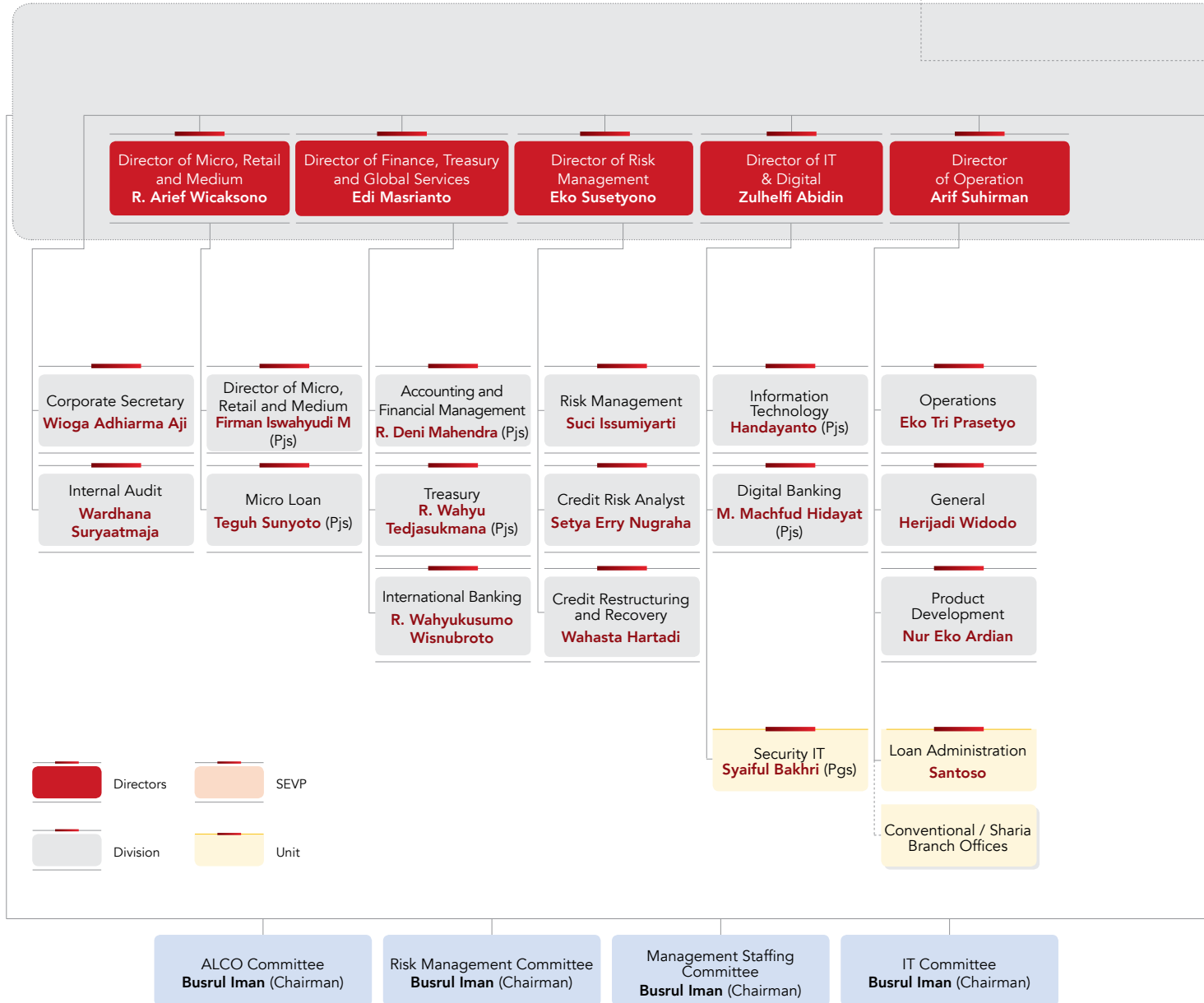
Bank Jatim's membership in organizations/associations had a strategic meaning. The Bank aligned with the latest developments in the banking world and contributed knowledge and experience to members of organizations/associations. Bank Jatim did not contribute financially beyond regular membership fees, including not contributing to politics or politicians.

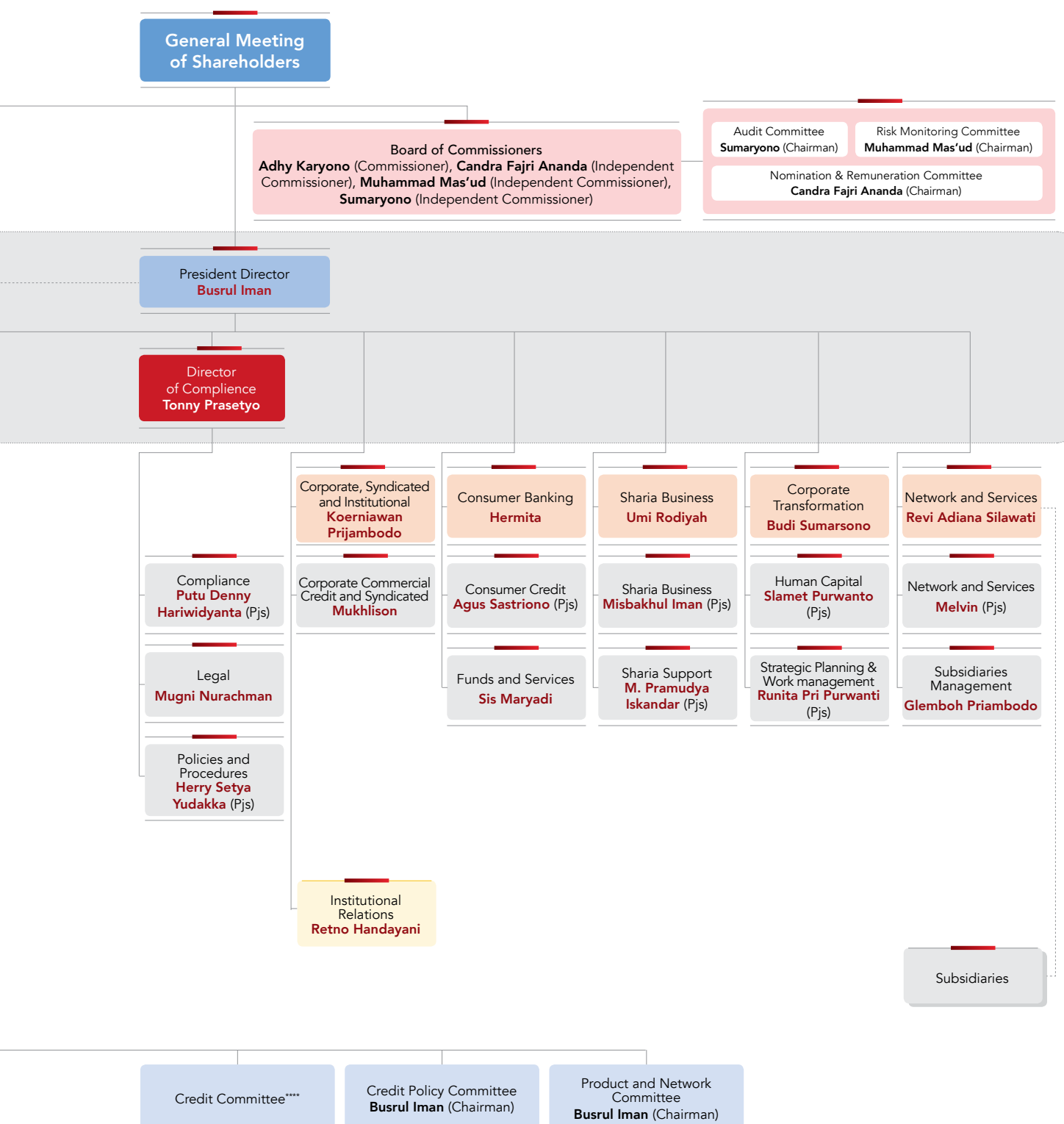


# Organizational Structure

Along with the development of the Bank's business, the Organizational Structure of Bank Jatim has undergone several changes. Based on Board of Directors Decree No. 061/218/DIR/PRS/KEP dated December 7, 2022 and Directors Circular No. 062/003/DIR/PRS/SE dated February 24, 2023, the following is the organizational structure of Bank Jatim as of December 31, 2023.

**Sharia Supervisory Board**  
**Drs. KH. Afifuddin Muhajir, M.Ag**  
 (Chairman), **Dr. M. Saad IH, MA**  
**(Dr. dr. Sukadiono, MM)** (Member)\*\*\*





Committee members under the Board of Commissioners as of 31 December 2023 are as follows:

1. Audit Committee: **Sumaryono** (Chairman), **Muhammad Mas'ud** (Member), **Kusnadi** (Member), dan **Moch. Arifin** (Member).
2. Remuneration and Nomination Committee: **Muhammad Mas'ud** (Chairman), **Suprajarto** (Member), **Candra Fajri Ananda** (Member), **Sumaryono** (Member), **Adhy Karyono\*** (Member) dan **Slamet Purwanto\*\*** (Member).
3. Risk Monitoring Committee: **Sumaryono** (Chairman), **Muhammad Mas'ud** (Member) dan **Sulam Andjar Rochim** (Member).

\* The term of office was effective after passing the fit and proper test by the Financial Services Authority (OJK) on November 24, 2023.

\*\* The term of office started from December 28, 2023

\*\*\* There has been no announcement of passing the fit and proper test

\*\*\*\*Names of Credit Committee can be seen in the Corporate Governance Chapter

Names of Committee Members under the Board of Directors can be seen in the Corporate Governance Chapter.






# Profile of The Board of Directors

## Busrul Iman

President Director



	<b>Citizenship</b>	: Indonesian citizens
	<b>Place and Date of Birth/Age</b>	: Born in Surabaya in 1964, 59 years old as of December 2023
	<b>Domicile</b>	: Surabaya

### Educational Background

- Bachelor of Economics in Accounting from STIE Indonesia (1986).
- Master in Strategic Management from Diponegoro University, Semarang (2005).
- Professional Accountant from the University of Jendral Sudirman, Purwokerto (2007).

### Certification

- Level 1 Risk Management Certification by the Risk Management Certification Agency (2006).
- Level 2 Risk Management Certification by the Risk Management Certification Agency (2008).
- Level 3 Risk Management Certification by the Risk Management Certification Agency (2012).
- Level 4 Risk Management Certification by the Professional Certification Organizing Body (2015).
- Level 5 Risk Management Certification by the Risk Management Certification Agency (2019).
- Maintenance of Level 5 Risk Management Certification by the Risk Management Certification Agency (2023).
- Training Executive Sharia Banking Certification by Muamalat Institute (2023)

### Work Experience

- Head of Meulaboh Branch, Banda Aceh Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (1995-1998).
- Head of Rantau Prapat Branch, Medan Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (1998-2001).
- Head of Tuban Branch Surabaya Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (2001–2004).
- Head of Banjarnegara Branch, Yogyakarta Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (2004–2007).
- Head of Solo Branch, Yogyakarta Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (2007-2009).
- Head of Madiun Branch Malang Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (2009-2010).
- Head of Malang Kawi Branch, Malang Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (2010-2012).
- Deputy Regional Head of Operations for the Palembang Regional Office of PT Bank Rakyat Indonesia (Persero) Tbk (2012-2013).
- Deputy Regional Head of Business Division for the Palembang Regional Office of PT Bank Rakyat Indonesia (Persero) Tbk (2013-2014).
- Deputy Regional Head of Business Division for the Lampung Regional Office of PT Bank Rakyat Indonesia (Persero) Tbk (2014-2015).
- Head of Credit Restructuring & Settlement Division for Credit Risk Control at Head Office PT Bank Rakyat Indonesia (Persero) Tbk (2015-2017).
- Head of Malang Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (2017-2018).
- Head of Policy & Human Capital Development Division Head Office PT Bank Rakyat Indonesia (Persero) Tbk (2018-2019).
- Head of Surabaya Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (2019).
- Commercial and Corporate Director of PT Bank Pembangunan Daerah Jawa Timur Tbk (2019 - 2020).
- President Director of PT Bank Pembangunan Daerah Jawa Timur Tbk (2020-present).

### Legal Basis of Appointment

Appointed as Commercial and Corporate Director for the first time at the EGMS of PT Bank Pembangunan Daerah Jawa Timur Tbk on June 19, 2019. Passed the Fit and Proper Test and was approved by the Financial Services Authority (OJK) as Commercial and Corporate Director based on a copy of the decision of the members of the Board of Commissioners of the Service Authority Finance (OJK) No. KEP-191/D.03/2019 October 11, 2019.

Appointed as President Director at the EGMS of PT Bank Pembangunan Daerah Jawa Timur Tbk on July 23, 2020. Passed the Fit and Proper Test and was approved by the Financial Services Authority as President Director based on a copy of the Decision of the Board of Commissioners of the Financial Services Authority No. Kep-44/D.03/2020 April 30, 2020.

Appointed as PGS Director of Commercial and Corporation of PT Bank Pembangunan East Java Tbk since the issuance of a Decree on August 3, 2020 based on a Decree of the Board of Commissioners Member No. 059/008/DK/KEP/2020

### Period of Office

- 2019 Until the closing of the Annual GMS for Fiscal Year 2020 (First Period).
- 2020 Until the closing of the Annual GMS for Fiscal Year 2024 (Second Period).

### Double Function

- Chairman of the Asset Liabilities Committee (ALCO) Bank Jatim
- Chairman of the Bank Jatim Risk Management Committee
- Chairman of the Information Technology Steering Committee (ITSC) Bank Jatim
- Chair of the Bank Jatim Credit Policy Committee
- Chairman of the Bank Jatim Product Committee
- Chair of the Bank Jatim Network Committee
- Chairman of the Bank Jatim Personnel Management Committee
- Risk Function Groups on the Credit Committee except Credit Lines to Corporations (as a Business Function Group) Bank Jatim

### Bank Jatim Share Ownership

2.958.900 shares



## Tonny Prasetyo

Director of Compliance



**Citizenship** : Indonesian citizens



**Place and Date of Birth/Age** : Born in Malang in 1969,  
54 years as of December 2023.



**Domicile** : Mojokerto



### Educational Background

- Bachelor of Agriculture from Darul Ulum University, Jombang (1995).
- Master in Management from Dr. Soetomo, Surabaya (2019)

### Certification

- Level 1 Risk Management Certification by the Risk Management Certification Agency (2007).
- Level 2 Risk Management Certification by the Risk Management Certification Agency (2009).
- Level 3 Risk Management Certification by the Risk Management Certification Agency (2011).
- Level 4 Risk Management Certification by the Risk Management Certification Agency (2017).
- General Banking Level 3 by the Banking Professional Certification Institute (2018).
- Level 5 Risk Management Certification by the Risk Management Certification Agency (2019).
- General Banking Level 3 by the Banking Professional Certification Institute (2022).
- Refreshment of General Banking Level III by the Indonesian Banking Development Institute (2022).

### Work Experience

- Situbondo Branch Manager of PT Bank Pembangunan Daerah Jawa Timur Tbk (2012).
- Situbondo Branch Manager of PT Bank Pembangunan Daerah Jawa Timur Tbk (2013).
- Head of Blitar Branch of PT Bank Pembangunan Daerah Jawa Timur Tbk (2013–2014).
- Head of the Kediri Branch of PT Bank Pembangunan Daerah Jawa Timur Tbk (2014).
- Head of Loans at Main Branch PT Bank Pembangunan Daerah Jawa Timur Tbk (2014–2015).
- Head of Sharia Business Division at PT Bank Pembangunan Daerah Jawa Timur Tbk (2015).
- Head of General Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2015–2016).
- Director of IT and Operations at PT Bank Pembangunan Daerah Jawa Timur Tbk (2019 – 2022).
- Director of Operations PT Bank Pembangunan Daerah Jawa Timur Tbk (2022)
- Acting Compliance Director of PT Bank Pembangunan Daerah Jawa Timur Tbk (2022 – 2023).
- Director of Compliance of PT Bank Pembangunan Daerah Jawa Timur (2023 – present).

### Legal Basis of Appointment

Appointed as Director of IT and Operations for the first time at the General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on June 19, 2019, Passed the Fit and Proper Test and was declared effective by the Financial Services Authority (OJK) as Director of Information Technology and Operations based on the Decree of Members of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-190/D.03/2019 October 11, 2019. Then he was appointed Director of Operations based on the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on December 7 2022. Based on the Decree of the Board of Commissioners No. 061/10/DKM/KEP dated December 13, 2022, he was appointed as temporary replacement for Compliance Director. Based on the Annual General Meeting of Shareholders for the 2022 Fiscal Year dated April 12, 2023, he was appointed as Director of Compliance, and based on the Decree of the Board of Commissioners Number 062/02/DKM/KEP dated April 12, 2023, concerning the Appointment of a Temporary Replacement and Division of Duties of the Directors of PT Bank Pembangunan Daerah East Java Tbk, he was appointed as a temporary replacement for the Compliance Director. He served as Compliance Director effective since passing the fit and proper test by the Financial Services Authority on May 26, 2023.

### Period of Office

2019 – Until the closing of the Annual GMS for Fiscal Year 2023 (First Period).

### Double Function

- Non-Permanent Member of the Asset Liabilities Committee (ALCO) Bank Jatim
- Permanent Member of the Information Technology Steering Committee (ITSC) Bank Jatim
- Permanent Members of Bank Jatim Risk Management Committee
- Members of Bank Jatim Personnel Management Committee
- Non -permanent Members of Bank Jatim Credit Policy Committee
- Permanent Members of the Bank Jatim Product Committee

### Bank Jatim Share Ownership




1.067.400 shares



## Edi Masrianto

Director of Finance, Treasury & Global Services



	<b>Citizenship</b>	: Indonesian citizens
	<b>Place and Date of Birth/Age</b>	: Born in Lumajang in 1964, 59 years old as of December 2023
	<b>Domicile</b>	: Surabaya

### Educational Background

- Bachelor of Management Economics from Jember University (1989).
- Master in Agribusiness Management from Gadjah Mada University (2004).

### Certification

- Advance Methods for Managing Interest Rate & Liquidity Risk oleh Euromoney Training (2004).
- Level 1 Risk Management Certification by the Risk Management Certification Agency (2006).
- Level 2 Risk Management Certification by the Risk Management Certification Agency (2009).
- Level 3 Risk Management Certification by the Banking Professional Certification Institute (2013).
- Risk Management Assessor Certification by BARA (2014).
- Funding Basic Certification by SPPI (2015).
- Treasury Advance Certification by the Banking Professional Certification Institute (2017).
- Level 4 Risk Management Certification by the Banking Professional Certification Institute (2020).
- Level 5 Risk Management Certification by Garp (Global Association of Risk Professionals) Jakarta (2021 ).
- Treasury Dealer Certification by BNSP (2022).
- Risk Management Certification Refreshment Program by Strategic Risk Management for Banking (SDG) (2023).

### Work Experience

- Head of Trade Finance Product Development & Marketing - International Division PT Bank Rakyat Indonesia (Persero) Tbk (2008-2010).
- Head of Treasury Division (Chief Global Market) PT Bank Rakyat Indonesia (Persero) Tbk (2010-2012).
- Deputy Head of Treasury Division PT Bank Rakyat Indonesia (Persero) Tbk (2013-2014).
- Head of International Business Division PT Bank Rakyat Indonesia (Persero) Tbk (2014-2015).
- Head of Treasury Business Division PT Bank Rakyat Indonesia (Persero) Tbk (2015-2018).
- Chairman of the Workers Welfare Foundation PT Bank Rakyat Indonesia (Persero) Tbk (2018-2020).
- Director of Finance and HR of PT Garam Persero (2020-2021).
- Director of Finance, HR & Risk Management of PT Garam Persero (2021-2022).
- Acting President Director of PT Garam Persero (2021-2022).
- Commercial and Corporate Director of PT Bank Pembangunan Daerah Jawa Timur Tbk (2022).
- Director of Finance, Treasury & Global Services PT Bank Rakyat Indonesia (Persero) Tbk (2022 – Present).

### Legal Basis of Appointment

Appointed as Commercial and Corporate Director for the first time at the General Meeting of Shareholders (GMS) on March 17, 2022, Passed the Fit and Proper Test by the Financial Services Authority as Commercial and Corporate Director based on a copy of the Decree of Members of the Service Authority's Board of Commissioners Finance (OJK) No. KEP-4/D.03/2022 Dated January 19, 2022. Based on Deed no. 23 dated December 7, 2022 concerning the Minutes of the 2022 Extraordinary General Meeting of Shareholders (GMS), there was a change in the nomenclature of the Directors' positions from Commercial and Corporate Director to Finance, Treasury & Global Services Director.

### Period of Office

2022 – Until the closing of the Annual GMS for Fiscal Year 2026 (First Period).

### Double Function

- Alternate Chair of the Bank Jatim ALCO Committee
- Permanent Member of the Bank Jatim Risk Management Committee
- Member of the Bank Jatim Personnel Management Committee
- Permanent Member of the Bank Jatim IT Committee
- Bank Jatim Credit Committee Business Function Group
- Permanent Member of the Bank Jatim Credit Policy Committee
- Permanent Member of the Bank Jatim Product Committee

### Bank Jatim Share Ownership

327.600 shares



## R. Arief Wicaksono

Director of Micro, Retail & Medium



**Citizenship** : Indonesian citizens



**Place and Date of Birth/Age** : Born in Banyuwangi in 1970, 53 years old as of December 2023.



**Domicile** : Surabaya



### Educational Background

- Bachelor of Electrical Engineering from the 10 November Institute of Technology (ITS) Surabaya (1996).
- Master of Management from Dr Sutomo University (Unitomo) Surabaya (2020).

### Certification

- Level 1 Risk Management Certification by the Risk Management Certification Agency (2010).
- Level 2 Risk Management Certification by the Risk Management Certification Agency (2010).
- Level 3 Risk Management Certification by the Risk Management Certification Agency (2012).
- Level 4 Risk Management Certification by the Risk Management Certification Agency (2017).
- Level 5 Risk Management Certification by the Risk Management Certification Agency (2021).
- Treasury Dealer Competency Certification (Basic) by Association Cambiste International ACI FMA (2018)
- Treasury Dealer Competency Certification (Intermediate) by Association Cambiste International ACI FMA (2018)
- Treasury Dealer Competency Certification (Advance) by Association Cambiste International ACI FMA (2018)

### Work Experience

- Head of Bank Jatim Bondowoso Branch (2015 - 2017).
- Head of Bank Jatim Banyuwangi Branch (2017 - 2018).
- Head of Bank Jatim Treasury Division (2018 - 2018).
- Head of Bank Jatim Information Technology Division (2018 - 2021).
- Head of Bank Jatim Sharia Business Division (2021 - 2022).
- Director of Consumer, Retail and Sharia Business at PT Bank Pembangunan Daerah Jawa Timur Tbk (2022).
- Director of Micro, Retail and Medium Enterprises PT Bank Pembangunan Daerah Jawa Timur Tbk (2022 - present)

### Legal Basis of Appointment

Appointed as Director of Consumer, Retail and Sharia Business for the first time at the General Meeting of Shareholders (GMS) on March 17, 2022, Passed the Fit and Proper Test by the Financial Services Authority as Director of Consumer, Retail and Sharia Business based on a copy Decree of Members of the Board of Commissioners of the Financial Services Authority No. KEP-3/D.03/2022 Dated January 19, 2022. Based on Deed no. 23 dated December 7, 2022 concerning Minutes of the 2022 Extraordinary General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk, there was a change in the nomenclature of the Directors' positions from Director of Consumer, Retail, and Sharia Business to Director of Micro, Retail, and Medium.

### Period of Office

2022 – Until the closing of the Annual GMS for Fiscal Year 2026 (First Period)

### Double Function

- Permanent Member of the ALCO Bank Jatim Committee
- Permanent Member of the Bank Jatim Risk Management Committee
- Member of the Bank Jatim Personnel Management Committee
- Permanent Member of the Bank Jatim IT Committee
- Bank Jatim Credit Committee Business Function Group
- Alternate Chair of the Bank Jatim Credit Policy Committee
- Permanent Member of the Bank Jatim Product Committee

### Bank Jatim Share Ownership

728.200 lembar shares



## Eko Susetyono

Director of Risk Management



	<b>Citizenship</b>	: Indonesian citizens
	<b>Place and Date of Birth/Age</b>	: Born in Jakarta in 1965, 58 years old as of December 2023.
	<b>Domicile</b>	: Surabaya

### Educational Background

- Bachelor in Food Technology and Nutrition from the Bogor Agricultural Institute (1985).
- Master in Corporate Finance and Investment from Washington University (2000).
- Doctor of Management and Business, Institut Pertanian Bogor (2019 - present)

### Certification

- Level II (Two) Risk Management Certification (2006).
- Level 3 Banking Risk Management Certification (2012).
- Risk Management Certification: Icaap Program (2012).
- Level 4 Banking Risk Management Certification (2014).
- Certified in Enterprise Risk Governance (CERG), ERMA Professional Provisions Program (2016).
- Intl CWM Program : In-house BRI Batch 1 (2019).
- Level 5 Banking Risk Management Certification (2022).
- Risk Management Certification Refreshment (BSMR Level 5) by Strategic Development Group (2023).

### Work Experience

- AVP Project Office Base II - Credit Risk, PT Bank Rakyat Indonesia (Persero) Tbk (2006–2009).
- AVP Operasional Risk Management Dept, PT Bank Rakyat Indonesia (Persero) Tbk (2010–2012).
- AVP Market, Liquidity and Enterprise Risks PT Bank Rakyat Indonesia (Persero) Tbk (2012–2017).
- VP Operational, Market and Liquidity Risk Management PT Bank Rakyat Indonesia (Persero) Tbk (2017–2019).
- SEVP Risk Management Directorate PT Pegadaian (Persero) (2019–2022).
- Director of Risk Management PT Bank Pembangunan Daerah Jawa Timur Tbk (2022–Present)

### Legal Basis of Appointment

Appointed as Director of Risk Management for the first time at the Extraordinary General Meeting of Shareholders (EGMS) on 7 December 2022, Passed the Fit and Proper Test and was declared effective by the Financial Services Authority (OJK) as Director of Risk Management based on a copy of the decision of the members of the Board of Commissioners of the Services Authority Finance (OJK) No. KEP-184/D.03/2022 November 30, 2022.

### Period of Office

2022 – Until the closing of the Annual GMS for Fiscal Year 2026 (First Period)

### Double Function

- Permanent Member of the Bank Jatim ALCO Committee
- Alternate Chair of the Bank Jatim Risk Management Committee
- Member of the Bank Jatim Personnel Management Committee
- Permanent Member of the Bank Jatim IT Committee
- Bank Jatim Credit Committee Risk Function Group
- Non-Permanent Member of the Bank Jatim Credit Policy Committee
- Permanent Member of the Bank Jatim Product Committee

### Bank Jatim Share Ownership

124.100 shares



## Zulhelfi Abidin

Director of IT and Digital



**Citizenship**

: Indonesian citizens



**Place and  
Date of Birth/Age**

: Born in Bukittinggi in 1962,  
61 years old as of December 2023.



**Domicile**

: Surabaya



### Educational Background

- Bachelor of Informatics Engineering from the Bandung Institute of Technology (1987).
- Master in Computer Science from University of Wollongong Australia (1996)

### Certification

- Level 1 Risk Management Certification by the Risk Management Certification Agency (2006).
- Executive Overview of Islamic Banking oleh LPPI (2011).
- Banking Risk Management Certification 4<sup>th</sup> level by LSPP (2012).
- Banking Risk Management Certification 5<sup>th</sup> level by LSPP (2015).
- Swift International Banking Operation Seminar by Swift International Banking Operation Seminar (2016).
- Executive Leadership Program by Kementrian BUMN (2017).
- Executive Education C-Level Data Analytic - Kellogg School Of Management (2019).
- Risk Management Certification Refreshment Program by Strategic Development Group (2023).

### Work Experience

- Assistant Lecturer and Researcher at the Computer Assisted Instruction Laboratory at the University of Indonesia Science Center (1987–1990).
- Head of IT Development Division at PT Bank Bukopin (1990–1992).
- System Analyst of the Indonesian Development Bank (1992–1997).
- Head of Information Technology and Information Systems Division of PT. Bank Bukopin (1997–2007).
- President Commissioner of PT Bringin Gigantara (2006 –2012).
- Head of Information Technology and Information Systems Division of PT Bank Rakyat Indonesia (2007 – 2014).
- Commissioner of BRI Syariah (2012–2015).
- Senior Executive Vice President of PT Bank Rakyat Indonesia (2014–2015).
- Director of IT & Operation of PT Bank Rakyat Indonesia (2015–2017).
- Director of Network & IT Solution of PT Telkom Indonesia (2017–2020).
- President Commissioner of PT Sigma Cipta Caraka (2018 –2019).
- President Commissioner of PT Infrastructure Telekomunikasi Indonesia (2019 –2020).
- Senior IT System Advisor PT R17 (2021–2022).
- President Commissioner of PT Digital Prima Sejahtera (2022).
- IT & Digital Director of PT Bank Pembangunan Daerah Jawa Timur Tbk (2022–Present).
- Acting Director of Operations at PT Bank Pembangunan Daerah Jawa Timur Tbk (2022-2023).

### Legal Basis of Appointment

Appointed as Director of IT & Digital for the first time at the Extraordinary General Meeting of Shareholders of PT Bank Pembangunan Daerah Jawa Timur Tbk on December 7, 2022. Passed the Fit and Proper Test by the Financial Services Authority on November 30, 2022. Based on Decree of the Board of Commissioners Number 061 /10/DKM/KEP dated December 13, 2022 and Board of Commissioners Decree No. 062/02/DKM/KEP dated April 12, 2023, concerning the Appointment of Temporary Replacements and Distribution of Duties of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk, he was appointed as temporary replacement for the Operations Director.

### Period of Office

2022 – Until the closing of the Annual GMS for Fiscal Year 2026 (First Period).

### Double Function

- Permanent member of the Bank Jatim ALCO Committee
- Permanent member of the Bank Jatim Risk Management Committee
- Member of the Bank Jatim Personnel Management Committee
- Alternate Chair of the Bank Jatim IT Committee
- Bank Jatim Credit Committee Risk Function Group
- Permanent Member of the Bank Jatim Credit Policy Committee
- Alternate Chair of the Bank Jatim Product Committee

### Bank Jatim Share Ownership

24.200 shares



## Arif Suhirman

Director of Operations



	<b>Citizenship</b>	: Indonesian citizens
	<b>Place and Date of Birth/Age</b>	: Born in Kediri in 1966, 57 years old as of December 2023
	<b>Domicile</b>	: Surabaya

### Educational Background

- Bachelor of Accounting from Brawijaya University, Malang (1991).
- Master of Management and Business from Bogor Agricultural Institute (2007).

### Certification

- Qualified Internal Audit (2000)
- Certified Wealth Manager oleh Certified Wealth Managers Association (2015).
- Qualified Risk Governance Professional (QRGP) by the Professional Certification Institute - Mitra Kalyana Sejahtera (LSP MKS) (2020).

### Work Experience

- Head of Rantau Branch, Banjarmasin Regional Office of PT Bank Rakyat Indonesia (Persero) Tbk (2007-2009).
- Head of Bandung Setiabudi Branch, Bandung Regional Office of PT Bank Rakyat Indonesia (Persero) Tbk (2009-2010).
- Head of Jakarta Cempaka Mas Branch, Jakarta Regional Office 1 of PT Bank Rakyat Indonesia (Persero) Tbk (2010-2011).
- Head of Krekot Branch for Jakarta Region of PT Bank Rakyat Indonesia (Persero) Tbk (2011-2012).
- Head of Bandung Asia Africa Branch of PT Bank Rakyat Indonesia (Persero) Tbk (2012-2013).
- Head of Jakarta Veteran Branch of PT Bank Rakyat Indonesia (Persero) Tbk (2013-2014).
- Deputy Regional Head for Funds and Operations for Jakarta Regional Office 1 of PT Bank Rakyat Indonesia (Persero) Tbk (2015-2016).
- Deputy Regional Leader for Business Sector for Jakarta Regional Office 1 of PT Bank Rakyat Indonesia (Persero) Tbk (2016-2017).
- Acting Head of Social Entrepreneurship Division at PT Bank Rakyat Indonesia (Persero) Tbk (2017-2018).
- Acting Head of Institution Division 1 at PT Bank Rakyat Indonesia (Persero) Tbk (2018-2019).
- Head of Special Branch, Special Branch Office of PT Bank Rakyat Indonesia (Persero) Tbk (2019-2020).
- Business Director of PT BRI Asuransi Indonesia (2020-2021).
- Head of Internal Audit at Jayapura Regional Office of PT Bank Rakyat Indonesia (Persero) Tbk (2021-2022).
- Operations Director of PT Bank Pembangunan Daerah Jawa Timur Tbk (2023-present).

### Legal Basis of Appointment

Appointed as Director of Operations for the first time at the 2022 Annual GMS on April 12, 2023, and was declared effective since passing the fit and proper test by the Financial Services Authority as stated in the Decree of Members of the Board of Commissioners of the Financial Services Authority Number KEPR-132/D.03/2023 dated October 11, 2023.

### Period of Office

2023 – Until the closing of the Annual GMS for Fiscal Year 2027 (First Period).

### Double Function

- Permanent member of the Bank Jatim ALCO Committee
- Permanent member of the Bank Jatim Risk Management Committee
- Member of the Bank Jatim Personnel Management Committee
- Permanent Member of the Bank Jatim IT Committee
- Bank Jatim Credit Committee Risk Function Group
- Permanent Member of the Bank Jatim Credit Policy Committee
- Alternate Chair of the Bank Jatim Product Committee
- Chairman I of the Bank Jatim Network Committee

### Bank Jatim Share Ownership

Did not have shares in Bank Jatim



## Affiliate Relations of Members of The Board Of Directors

**Table of Directors Affiliation Relations**

Financial Relations, Family and Board of Directors Management															
Name	Position	Financial Relations With						Family Relations With						Management Relations	
		Board of Commissioners		Directors		Controlling shareholders		Board of Commissioners		Directors		Controlling shareholders			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Busrul Iman	President Director		√		√		√		√		√		√		√
Tonny Prasetyo	Director of Compliance		√		√		√		√		√		√		√
Edi Masrianto	Director of Finance, Treasury and Global Services		√		√		√		√		√		√		√
R. Arief Wicaksono	Director of Micro, Retail and Medium		√		√		√		√		√		√		√
Eko Susetyono	Director of Risk Management		√		√		√		√		√		√		√
Zulhelfi Abidin	Director of IT and Digital		√		√		√		√		√		√		√
Arif Suhirman	Director of Operations		√		√		√		√		√		√		√

## Education and/or Training of The Board of Directors

The description of the education and/or training of the board of Directors Fiscal Year is presented in the Chapter of Corporate Governance.

## Changes in The Composition of The Members of The Board of Directors and The Reasons for The Changes

During 2023, there was a change in the composition of the members of the Board of Directors. Changes in the composition of members of the Board of Directors were made based on the needs of the Bank. Changes in the composition of the members of the Board of Directors are as follows:

### Composition of The Board of Directors Before The Annual GMS for Financial Year 2022

The composition of the Board of Directors of Bank Jatim prior to the 2022 Annual GMS was 6 (six) people consisting of 1 (one) Main Director and 5 (five) Directors. All Directors were domiciled in East Java Province. The composition and basis for the appointment of the Board of Directors can be seen in the table below:

**Table of Composition and Basis for Appointment of the Board of Directors before the 2023 Annual GMS**

Name	Position	Executor	Basis of Appointment	Effective date
Busrul Iman	President Director	OJK	Extraordinary GMS on July 23, 2020	July 23, 2020
Tonny Prasetyo*)	Director of Operation	OJK	Extraordinary GMS on June 19, 2019 and changes in nomenclature based on the Extraordinary GMS on December 7, 2022	October 11, 2019





Name	Position	Executor	Basis of Appointment	Effective date
Edi Masrianto	Director of Finance, Treasury and Global Services	OJK	Annual GMS March 17, 2022 and changes in nomenclature based on the Extraordinary GMS on December 7, 2022	January 19, 2022
R. Arief Wicaksono	Director of Micro, Retail and Medium	OJK	Annual GMS March 17, 2022 and changes in nomenclature based on the Extraordinary GMS on December 7, 2022	January 19, 2022
Zulhelfi Abidin**)	Director of IT and Digital	OJK	Extraordinary GMS on December 7, 2022	November 30, 2022
Eko Susetyono	Director of Risk Management	OJK	Extraordinary GMS on December 7, 2022	November 30, 2022

\*) appointed as a temporary substitute for the Director of Compliance, so that the position of Operations Director was temporarily released to fulfill the independence aspect.  
 \*\*) appointed to double as the Director of Operations. This is in accordance with the Decree of the Board of Commissioners No.061/10/DKM/KEP on December 13, 2022.

## Composition of The Board of Directors After The Annual GMS for Financial Year 2022

On April 12, 2023, the 2022 Annual GMS approved and appointed Tonny Prasetyo as Compliance Director and Arif Suhirman as Operations Director. So, the composition of the Board of Directors of Bank Jatim after the Annual GMS for the 2023 Fiscal Year was 7 (seven) people consisting of 1 (one) President Director and 6 (six) Directors. All Directors were domiciled in East Java Province. The composition and the basis of appointment of the Board of Directors can be seen in the table below:

**Table of Composition and Basis for Appointment of Directors After the Extraordinary GMS in 2022**

Name	Position	Executor	Basis of Appointment	Effective date
Busrul Iman	President Director	OJK	Extraordinary GMS on July 23, 2020	July 23, 2020
Tonny Prasetyo	Director of Compliance	OJK	Annual GMS on April 12, 2023	May 26, 2023
Edi Masrianto	Director of Finance, Treasury and Global Services	OJK	Annual GMS March 17, 2022 and changes in nomenclature based on the Extraordinary GMS on December 7, 2022	January 19, 2022
R. Arief Wicaksono	Director of Micro, Retail and Medium	OJK	Annual GMS March 17, 2022 and changes in nomenclature based on the Extraordinary GMS on December 7, 2022	January 19, 2022
Zulhelfi Abidin	Director of IT and Digital	OJK	Extraordinary GMS on December 7, 2022	November 30, 2022
Eko Susetyono	Director of Risk Management	OJK	Extraordinary GMS on December 7, 2022	November 2022
Arif Suhirman	Director of Operational	OJK	Annual GMS on April 12, 2023	October 11, 2023

# Profile

## of The Board of Commissioners

### Suprajarto\*

President Commissioner



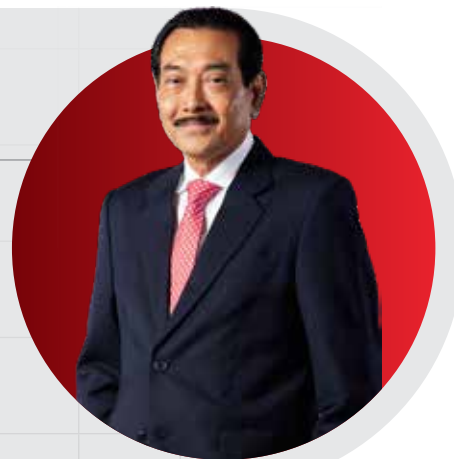
**Citizenship** : Indonesian citizens



**Place and Date of Birth/Age** : Born in Yogyakarta in 1956,  
67 years old as of December 2023.



**Domicile** : Jakarta



#### Educational Background

- Bachelor of Economics from the National Development University "Veteran" Yogyakarta (1982).
- Master in Marketing Management from Padjadjaran University (2001).
- Doctorate in Business Management from Padjadjaran University (2014)

#### Certification

Risk management certification refreshment program (2022)

#### Work Experience

- Branch Manager of Bank Rakyat Indonesia (1999-2001).
- Vice Regional of Manager PT Bank Rakyat Indonesia (Persero) Tbk (2001-2005).
- Corporate Secretary of PT Bank Rakyat Indonesia (Persero) Tbk (2005-2006).
- Regional Manager of PT Bank Rakyat Indonesia (Persero) Tbk (2006-2007).
- Network and Service Director of PT Bank Rakyat Indonesia (Persero) Tbk (2007-2015).
- Vice President Director of PT Bank Negara Indonesia (Persero) Tbk (2015-2017).
- President Director of PT Bank Rakyat Indonesia (Persero) Tbk (2017-2019).
- President Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2022-2023)

#### Legal Basis of Appointment

Appointed as President Commissioner for the first time at the annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. financial year 2021 March 17, 2022. Passed the Fit and Proper Test and was declared effective by the Financial Services Authority as President Commissioner based on a copy of the Decision of Members of the Board of Commissioners of the Financial Services Authority (OJK) Number KEP-5/D.03/2022 dated January 19, 2022.

#### Period of Office

2022 – December 19, 2023 (First Period).

#### Double Function

Member of the Remuneration & Nomination Committee (2022 – December 19, 2023).

#### Bank Jatim Share Ownership

191.000 shares

\* Mr. Suprajarto (President Commissioner) stopped serving as President Commissioner on December 19, 2023 (died). Currently, the duties and responsibilities of the President Commissioner are carried out by members of the Board of Commissioners.



## Candra Fajri Ananda

### Independent Commissioner

	<b>Citizenship</b>	: Indonesian citizens
	<b>Place and Date of Birth/Age</b>	: Born in Lumajang in 1964, 59 years old as of December 2023.
	<b>Domicile</b>	: Batu, Malang



### Educational Background

- Bachelor's degree in Economics from Brawijaya University (1988).
- Master (MSc.) Institute of Rural Development dari University of Gottingen, Jerman (1994).
- Doctor (Ph.D) Institute of Rural Development dari University of Göttingen, Jerman (1998).

### Certification

- Strengthening Preparedness for the Fit and Proper Test for Independent Commissioner candidates held by Sustainable Development Goals (2018).
- Board of Commissioners Level 2 Risk Management Certification held by the Risk Management Certification Agency on (2018).
- Risk management certification refreshment program (2022).

### Work Experience

- Public Sector Development Consultant in Post-Conflict Areas, World Bank (2003-2004).
- Regional Planning Advisory Council, East Java Province (2003-2012).
- Member of TADF (Ministry of Finance's Fiscal Decentralization Assistance Team), Ministry of Finance (2008-2014).
- Chairman of the Association of Indonesian Economic Bachelors in Malang (2010-present).
- Dean of the Faculty of Economics and Business Universitas Brawijaya (2013-2017).
- Lecturer of Master's Degree KPS, Master's Degree KPS Faculty of Economics and Business Universitas Brawijaya (1989 - present).
- Independent Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2018-present).
- Special Staff to the Minister of Finance of the Republic of Indonesia (2019-present)

### Legal Basis of Appointment

Appointed as Independent Commissioner for the first time at the Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. The fiscal Year 2017 was on February 20, 2018. Passed the Fit and Proper Test and was declared effective by the Financial Services Authority (OJK) as Independent Commissioner based on the Copy of Decision of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-153/D.03/2018 dated September 18, 2018, until the closing of the 2020 annual GMS, which will be held in 2021. Appointed for the second time at the Annual General Meeting of Shareholders (GMS) for the Fiscal Year 2020, which will be held on May 3, 2021 (Second Period).

### Period of Office

- 2018 – Until the closing of the 2020 Fiscal Year Annual GMS (First Period).
- 2021 – Until the closing of the Annual GMS for Fiscal Year 2024 (Second Period).

### Double Function

- Lecturer of Master's Degree KPS, Master's Degree KPS Faculty of Economics and Business Universitas Brawijaya (1989 - present).
- Special Staff to the Minister of Finance of the Republic of Indonesia (2019- present).
- Chairman of the Risk Monitoring Committee (2022 – closing of the 2023 annual GMS)
- Member of the Audit Committee (2022 – closing of the 2023 annual GMS)
- Member of the Remuneration and Nomination Committee (2022 - closing of the 2023 annual GMS).

### Bank Jatim Share Ownership

Do not have shares in Bank Jatim



## Muhammad Mas'ud

Independent Commissioner



**Citizenship**

: Indonesian citizens



**Place and  
Date of Birth/Age**

: Born in Sidoarjo in 1964,  
59 years old as of December 2023.



**Domicile**

: Malang



### Educational Background

- Bachelor's degree in State Administration from Brawijaya University, Malang (1989).
- Master in Management from Muhammadiyah University, Malang (1997).
- Doctor of International Politics from Flinders University, Adelaide Australia (2005)

### Certification

- Exam Level - 1 Risk Management Certification Program (2019).
- Level 1 Risk Management Certification Training (2019).
- Risk Management Certification Training Level – 2 (2019).
- Exam Level - 2 Risk Management Certification Program (2019).
- Risk management certification refreshment program (2022).

### Work Experience

- Assistant to the Presidential Special Staff for Regional Development and Regional Autonomy (2011–2014).
- Chairman of the Malang City Regional Research Council (2013-2016).
- Member of the Batu Mayor's Expert Team (2015-2016).
- Special Staff of the Minister of Social Affairs for Human Resources Development and Ministry Programs (2015–2018).
- Member of the Kediri Regency Development Acceleration and Control Team (2016-present).
- Chairman of the Regional Research Council Kab. Bojonegoro (2019 - present)
- Postgraduate Director of the Islamic University of Malang (2018-present).
- Independent Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2019-2022)

### Legal Basis of Appointment

Appointed as Independent Commissioner for the first time at the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. on June 19, 2019, Passed the Fit and Proper Test and was declared effective by the Financial Services Authority (OJK) as an Independent Commissioner based on a Copy of Decision of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-187/D.03/2019 October 11, 2019, until the closing of the 2022 annual GMS, held in 2023.

### Period of Office

- 2019 – Until the closing of the Annual GMS for Financial Year 2022 (First Period).
- 2023 – Until the closing of the annual GMS for the 2026 financial year (Second Period).

### Double Function

- Lecturer in Kopertis Wil VII, DPK Islamic University of Malang (2018 - present).
- Postgraduate Director of the Islamic University of Malang (2018-present).
- Chairman of the Remuneration and Nomination Committee (2022 – closing of the 2023 annual GMS).
- Member of the Risk Monitoring Committee (2022 – closing of the 2023 annual GMS).
- Member of the Audit Committee (2022 – closing of the 2023 annual GMS)




### Bank Jatim Share Ownership

Do not have shares in Bank Jatim



## Summaryono

### Independent Commissioner

-  **Citizenship** : Indonesian citizens
-  **Place and Date of Birth/Age** : Born in Blitar in 1960, 63 years old as of December 2023.
-  **Domicile** : Surabaya



### Educational Background

- Bachelor of Business Administration from Brawijaya University (1979)

### Certification

- Risk management certification refreshment program (2022)

### Work Experience

- Head of BRI Gunungsitoli Branch (2005-2007).
- Head of BRI Kelapa Gading Branch (2007-2009).
- Head of BRI Jakarta City Branch (2009-2012).
- BRI Branch Manager Jakarta Veteran (2012-2013).
- Deputy Regional Head of BRI Regional Office Jakarta 1 (2013-2016).
- Regional Head of BRI Pekanbaru Regional Office (2016).
- President Director of PT BSM Broker Asuransi (2018-2019).
- Independent Commissioner of PT Regional Development Bank East Java Tbk (2022-present).

### Legal Basis of Appointment

Appointed as Independent Commissioner for the first time at the annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. financial year 2021 March 17, 2022. Passed the Fit and Proper Test and was declared effective by the Financial Services Authority as President Commissioner based on a copy of the Decree of Members of the Board of Commissioners of the Financial Services Authority (OJK) Number KEP-6/D.03/2022 dated January 19, 2022.

### Period of Office

2022 – Until the closing of the Annual GMS for Financial Year 2025 (First Period).

### Double Function

- Chairman of the Audit Committee (2022 – closing of the annual GMS in 2023)
- Member of the Risk Monitoring Committee (2022 – closing of the 2023 annual GMS)
- Member of the Audit Committee (2022 – closing of the annual GMS in 2023)

### Bank Jatim Share Ownership

Do not have shares in Bank Jatim

## Adhy Karyono

Commissioner



**Citizenship** : Indonesian citizens



**Place and Date of Birth/Age** : Born in Cirebon in 1971,  
52 years old as of December 2023.



**Domicile** : Surabaya



### Educational Background

- Bachelor of Politics from Garut College of Social and Political Sciences (1996).
- Master of Public Administration from National Institute of Public Administration (LAN), Jakarta (2012).

### Certification

Risk Management Program for Prospective Commissioners, LPPI (2023).

### Work Experience

- Head of Monitoring and Evaluation Section at the Sub-Directorate for Preparedness and Mitigation of the BSKBA Directorate, Directorate General of Social Protection and Security, Ministry of Social Affairs of the Republic of Indonesia (2006-2007)
- Head of the Standardization and Technical Guidance Section at the Sub-Directorate of Preparedness and Mitigation of the BSKBA Directorate, Directorate General of Social Protection and Security, Ministry of Social Affairs of the Republic of Indonesia (2007-2008)
- Head of the Standardization and Technical Guidance Section at the Emergency Response Sub-Directorate of the BSKBA Directorate, Directorate General of Social Protection and Security, Ministry of Social Affairs of the Republic of Indonesia (2008-2009).
- Head of Sub-Directorate for Preparedness and Mitigation of the BSKBA Directorate, Directorate General of Social Protection and Security, Ministry of Social Affairs of the Republic of Indonesia (2009-2010).
- Head of Program and Information Division of the Secretariat of the Directorate General of Social Protection and Security, Ministry of Social Affairs of the Republic of Indonesia (2010-2011).
- Head of Program and Reporting Division of the Secretariat of the Directorate General of Social Protection and Security, Ministry of Social Affairs of the Republic of Indonesia (2011-2016).
- Director of Social Protection for Natural Disaster Victims (PSKBA) Directorate General of Social Protection and Security, Ministry of Social Affairs of the Republic of Indonesia (2016-2017).
- Head of Planning Bureau of the Secretariat General, Ministry of Social Affairs of the Republic of Indonesia (2017-2020)
- Expert Staff of the Minister for Change and Social Dynamics of the Republic of Indonesia (2020-2022).
- Regional Secretary, East Java Provincial Government (2022-present).
- Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2023-present).

### Legal Basis of Appointment

Appointed as Commissioner for the first time at the Annual General Meeting of Shareholders for Fiscal Year 2022 on April 12, 2023, and was declared effective after passing the fit and proper test by the Financial Services Authority as Commissioner based on Decision of Members of the Board of Commissioners of the Financial Services Authority Number KEPR-151/D. 03/2023 dated November 24, 2023.

### Period of Office

2023 – Until the closing of the annual GMS for the 2026 financial year (First Period).

### Double Function

- Regional Secretary, East Java Provincial Government (2022-present).
- Member of the Remuneration & Nomination Committee (2023 – closing of the annual GMS in 2024).

### Bank Jatim Share Ownership




Do not have shares in Bank Jatim



## Heru Tjahjono\*

Commissioner



	<b>Citizenship</b>	: Indonesian citizens
	<b>Place and Date of Birth/Age</b>	: Born in Yogyakarta in 1961, 62 years old as of December 2023.
	<b>Domicile</b>	: Malang

### Educational Background

- Bachelor of Engineering from Sebelas Maret University, Surakarta (1988).
- Master in Management from Merdeka University, Malang (1999).
- Doctor of Environment and Development from Brawijaya University, Malang (2014).

### Certification

- Level 1 Risk Management Certification Training (2019).
- Exam Level - 1 Risk Management Certification Program (2019).
- Exam Level - 2 Risk management Certification Program (2019).
- Risk Management Certification Training Level – 2 (2019).

### Work Experience

- Acting Head of Physical and Infrastructure Division of Bappeda Tulungagung Regency (1997).
- Acting Head of the Tulungagung District DPUD (1997–2001).
- Acting Head of the PPW Public Works Sub-Department of Tulungagung Regency (2001–2003).
- Regent of Tulungagung Regency (2003-2013).
- Staff of the Governor of East Java Province (2013–2014).
- Head of the Department of Fisheries and Marine Affairs of East Java Province (2014-2016).
- Head of the Department of Marine Affairs and Fisheries of East Java Province (2016–2018).
- Regional Secretary of East Java Province (2018-2021).
- Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2019-2023)

### Legal Basis of Appointment

Appointed as Commissioner for the first time at the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. on June 19, 2019, Passed the Fit and Proper Test and was declared effective by the Financial Services Authority (OJK) as Commissioner based on a Copy of Decision of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-186/D.03/2019 October 11, 2019, until the closing of the 2022 Annual GMS, held in 2023.

### Period of Office

2019 – Until the closing of the Annual GMS for Financial Year 2022 (First Period)

### Double Function

Member of the Remuneration & Nomination Committee (2022 – April 12, 2023)

### Bank Jatim Share Ownership

400.600 shares

\* Mr. Heru Tjahjono (Commissioner) stopped serving as Commissioner since April 12, 2023 (dismissed at the 2022 Annual GMS).





## Affiliate Relations of Members of The Board of Commissioners

**Table of Affiliation of the Board of Commissioners**

Financial Relations, Family and Board of Commissioners															
Name	Position	Financial Relations With						Family Relations With						Management Relation	
		Board of Commissioners		Directors		Controlling Shareholders		Board of Commissioners		Directors		Controlling Shareholders			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Suprajarto*	President Commissioner		√		√		√		√		√		√		√
Adhy Karyono	Commissioner		√		√		√		√		√		√		√
Candra Fajri Ananda	Independent Commissioner		√		√		√		√		√		√		√
Muhammad Mas'ud	Independent Commissioner		√		√		√		√		√		√		√
Sumaryono	Independent Commissioner		√		√		√		√		√		√		√

\* Stopped serving since December 19, 2023

## Education and/or Training of The Board of Commissioners

A description of the education and/or training of the Board of Commissioners Fiscal Year is presented in the Corporate Governance Chapter.

## Changes in the Composition of The Board of Commissioners and The Reasons for The Changes

During 2023, there was a change in the composition of the members of the Board of Commissioners. Changes in the composition of the members of the Board of Commissioners were made based on the needs of the Bank. Changes in the composition of the members of the Board of Commissioners are as follows:

### Composition of The Board of Commissioners Before The Annual GMS for The Fiscal Year 2022

The composition of the Board of Commissioners prior to the 2022 Annual GMS was 5 (five) people consisting of 1 (one) President Commissioners, 3 (three) Independent Commissioner and 1 (one) Commissioner. The entire Board of Commissioners was domiciled in East Java Province. The composition and basis for the appointment of the Board of Commissioners can be seen in the table below.

**Table of Composition and Basis of Appointment of the Board of Commissioners Before the Annual GMS for Fiscal Year 2022**

Name	Position	Executor	Basis of Appointment	Effective date
Suprajarto	President Commissioners	OJK	Annual GMS on March 17, 2022	January 19, 2022
Candra Fajri Ananda	Independent Commissioner	OJK	Annual GMS on February 20, 2018	September 21, 2018
Muhammad Mas'ud	Independent Commissioner	OJK	Extraordinary GMS on July 19, 2019	October 11, 2019
Heru Tjahjono	Commissioner	OJK	Extraordinary GMS on July 19, 2019	October 11, 2019
Sumaryono	Independent Commissioner	OJK	Annual GMS on March 17, 2022	January 19, 2022



# Composition of The Board of Commissioners After The Annual GMS for Fiscal Year 2022

On April 12, 2023, the 2022 Annual GMS approved and appointed Muhammad Mas'ud as an Independent Commissioner and Adhy Karyono as a Commissioner. Thus, the composition of the Board of Commissioners after the 2022 Annual GMS is 5 (five) people consisting of 1 (one) President Commissioner, 3 (three) Independent Commissioners and 1 (one) Commissioner. The entire Board of Commissioners is domiciled in East Java Province. The composition and basis for appointment of the Board of Commissioners can be seen in the table below.

**Table of Composition of The Board of Commissioners after The Annual GMS for The Fiscal Year 2022**

Name	Position	Executor	Basis of Appointment	Effective date
Suprajarto*	President Commissioners	OJK	Annual GMS on March 17, 2022	January 19, 2022
Adhy Karyono	Commissioner	OJK	Annual GMS on April 12, 2023	November 24, 2023
Candra Fajri Ananda	Independent Commissioner	OJK	Annual GMS on February 20, 2018	September 21, 2018
Muhammad Mas'ud	Independent Commissioner	OJK	- Extraordinary GMS on July 19, 2019 - Annual GMS on April 12, 2023	October 11, 2019
Summaryono	Independent Commissioner	OJK	Annual GMS on March 17, 2022	January 19, 2022

\*Resigned from office since 19 December 2023 (died)

# Profile

## of The Board of Sharia Supervisory

### Drs. KH. Afifuddin Muhajir, M.Ag

Chairman of the Sharia Supervisory Board



**Citizenship** : Indonesian citizens



**Place and Date of Birth/Age** : Born in Sampang in 1955, age 68 as of December 2023.



**Domicile** : Situbondo



#### Educational Background

- Bachelor's degree in Tafsir Hadith from Ibrahimy University (UNIB) (1980).
- Masters in Islamic Law at UNISMA Malang (2001).
- Doctor Honoris Causa (Dr HC) in the field of Fiqh/Ushul Fiqh at UIN Walisongo Semarang (2021).

#### Certification

- Training for Sharia Supervisory LKS by DSN-MUI Institute Jakarta (2019).
- LSP Sharia Supervisory Board Certification by DSN-MUI Institute Jakarta (2019)
- LSP Sharia Supervisory Board Certification by DSN-MUI Institute Jakarta (2022)

#### Work Experience

- Lecturer of the Sharia Faculty of Ibrahimy University (UNIB) (1985-present).
- Lecturer of Ma'had Islamic Boarding School Salafiyah Syafi'iyah Sukorejo Situbondo (1990-present).
- Khatib Syuriah Nahdlatul Ulama Executive Board (2010-2015).
- Chairman of the Salafiyah Syafi'iyah Islamic Boarding School Foundation Sukorejo Situbondo (2010-present).
- Naib Mudir Ma'had Aly Islamic Boarding School Salafiyah Syafi'iyah Sukorejo Situbondo (2016-2021).
- Ma'had Aly Masyayikh Council (2018-2022).
- Rais Syuriah, the Executive Board of Nahdlatul Ulama (2019-2020).
- Chairman of the Sharia Supervisory Board of PT Bank Pembangunan Daerah Jawa Timur Tbk (2019-present).
- Deputy Rais Aam Executive Board of Nahdlatul Ulama (2022 – present).

#### Legal Basis of Appointment

Appointed as the Chairman of the Sharia Supervisory Board for the first time at the Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. 2018 Financial Year on April 26, 2019. Then, he was reappointed as the Member of the Sharia Supervisory Board for the second time at the 2022 Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on April 12, 2023.

#### Period of Office

2019 – Until the closing of the Annual GMS for Fiscal Year 2023 (First Period)

#### Double Function

- Lecturer of the Sharia Faculty of Ibrahimy University (UNIB) (1985-present).
- Lecturer of Ma'had Islamic Boarding School Salafiyah Syafi'iyah Sukorejo Situbondo (1990-present).
- Chairman of the Salafiyah Syafi'iyah Islamic Boarding School Foundation Sukorejo Situbondo (2010-present)

#### Bank Jatim Share Ownership

Do not have shares in Bank Jatim



## Dr. dr. Sukadiono, MM

Member of Sharia Supervisory Board



### Citizenship

: Indonesian citizens



### Place and Date of Birth/Age

: Born in Jombang in 1968,  
age 55 as of December 2023



### Domicile

: Surabaya



### Educational Background

- Bachelor of Medicine from Airlangga University Surabaya (1995).
- Masters in Management from Narotama University Surabaya (2007).
- Doctorate in Sports Science from Surabaya State University (2012).

### Certification

-

### Work Experience

- Treasurer of East Java PWM for the period (2015-2022).
- Chairman of the East Java PWM for the period (2022-present).
- Chancellor of Muhammadiyah University Surabaya (2020-present).
- Member of the Sharia Supervisory Board of PT Bank Pembangunan Daerah Jawa Timur Tbk (2023-present).

### Legal Basis of Appointment

Appointed as Member of the Sharia Supervisory Board for the first time at the 2022 Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on April 12, 2023.

### Period of Office

2023 – Until the closing of the 2027 Annual GMS (First Period).

### Double Function

- Chancellor of Muhammadiyah University Surabaya (2020-present).
- Chairman of the East Java PWM for the period (2022-present).

### Bank Jatim Share Ownership

Do not have shares in Bank Jatim



## Dr. M. Saad IH, MA (Muhammad Sa'ad Ibrahim)\*

Member of Sharia Supervisory Board



**Citizenship** : Indonesian citizens



**Place and Date of Birth/Age** : Born in Mojokerto in 1954, age 69 as of December 2023.



**Domicile** : Malang



### Educational Background

- Bachelor's Degree in Qadla' at IAIN Sunan Ampel Surabaya (1983).
- Master of Islamic Education IAIN Syarif Hidayatullah Jakarta (1990).
- Doctoral Ulumul Qur'an IAIN Syarif Hidayatullah Jakarta (1997)

### Certification

Training for Sharia Supervisory LKS by DSN-MUI Institute Jakarta (2019).

### Work Experience

- Head of the Institute for Religious and Philosophical Studies (LKAF) (1994-1999).
- Postgraduate Lecturer at IAIN Sunan Ampel Surabaya (1998-present).
- Head of the Department of Comparison of Madzhab and Law, Faculty of Sharia Sunan Ampel Surabaya (1998-1999).
- Postgraduate Lecturer at the University of Muhammadiyah Malang (1999-present).
- Lecturer at UIN Malang (2000-present).
- Chairman of the Council for Tarjih and Development of Muhammadiyah Islamic Thought in East Java Region (2000-present).
- Head of the Arabic Language Learning Program at UIN Malang (2000-2003).
- Postgraduate Lecturer at Muhammadiyah University of Sidoarjo (2001-2003), Assistant Director I Postgraduate at UIN Malang (2003-present).
- Postgraduate Lecturer at the University of Muhammadiyah Surabaya (2004-present).
- Postgraduate Lecturer at the Islamic Institute Hasyim Asy'ari Jombang (2004-present).
- Postgraduate Director of UIN Malang (2005-2007), Vice Chancellor IV of UIN Malang (2007-2009).
- Chairman of the East Java Muhammadiyah Regional Management (2015-2020).
- Member of the Sharia Supervisory Board of PT Bank Pembangunan Daerah Jawa Timur Tbk (2019-2023).
- Muhammadiyah Central Executive (2022 – present).

### Legal Basis of Appointment

Appointed as Member of the Sharia Supervisory Board for the first time at the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. April 26, 2019.

### Period of Office

2019 – Until the closing of the Annual GMS for Fiscal Year 2022 (First Period)

### Double Function

- Postgraduate Lecturer at IAIN Sunan Ampel Surabaya (1998-present).
- Postgraduate Lecturer at the University of Muhammadiyah Malang (1999-present).
- Lecturer at UIN Malang (2000-present), Chairman of the Tarjih Council and Development of Muhammadiyah Islamic Thought in East Java Region (2000-present).
- Assistant Director I Postgraduate UIN Malang (2003-present).
- Postgraduate Lecturer at the University of Muhammadiyah Surabaya (2004-present).
- Postgraduate Lecturer at the Islamic Institute Hasyim Asy'ari Jombang (2004-present).

### Bank Jatim Share Ownership

Do not have shares in Bank Jatim

\* Resigned from office on April 12, 2023



## Sharia Supervisory Board Members Affiliate Relations

**Table of Affiliation of the Sharia Supervisory Board**

Financial Relations, Family and Management of the Sharia Supervisory Board															
Name	Position	Financial Relations With						Family Relations With						Management Relations	
		Board of Commissioners		Directors		Controlling shareholders		Board of Commissioners		Directors		Controlling shareholders			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Drs. KH. Afifuddin Muhajir, M.Ag	Chairman of the Sharia Supervisory Board		✓		✓		✓		✓		✓		✓		✓
Dr. dr. Sukadiono, MM	Member of Sharia Supervisory Board		✓		✓		✓		✓		✓		✓		✓
Dr. M. Saad IH, MA (Muhammad Sa'ad Ibrahim)*	Member of Sharia Supervisory Board		✓		✓		✓		✓		✓		✓		✓

\*Stopped serving since April 12, 2023

## Changes in Composition of the Sharia Supervisory Board and the Reasons for the Changes

The members of the Sharia Supervisory Board consist of at least 2 (two) people and a maximum of 3 (three) people, one of them is the Chairman. Members of the Sharia Supervisory Board are appointed by the GMS or recommendations from the National Sharia Council - Indonesian Ulema Council in accordance with applicable laws and regulations, without prejudice to the rights of the GMS to dismiss members of the Sharia Supervisory Board at any time in accordance with the laws and regulations. During 2023, there will be changes in the composition of members of the Sharia Supervisory Board. Changes in the composition of members of the Sharia Supervisory Board are carried out based on the Bank's needs. Changes in the composition of members of the Sharia Supervisory Board are as follows:

### The Composition of The Sharia Supervisory Board before the Annual GMS for Financial Year 2022

The composition of the Sharia Supervisory Board before the 2022 Annual GMS is 2 (two) people consisting of 1 (one) Chair of the Sharia Supervisory Board and 1 (one) member of the Sharia Supervisory Board. The entire Sharia Supervisory Board is domiciled in East Java Province. The composition and basis for the appointment of the Sharia Supervisory Board can be seen in the table below.

**Table of Composition and Basis for Appointment of the Sharia Supervisory Board before to the Annual GMS for Financial Year 2022**

Name	Position	Executor	Basis of Appointment	Effective date
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	OJK	GMS for Fiscal Year 2018 on April 26, 2019	February 28, 2020
Dr. H. M. Saad Ibrahim, MA	Member	OJK	GMS for Fiscal Year 2018 on April 26, 2019	February 28, 2020

### The Composition of The Sharia Supervisory Board after the Annual GMS for Financial Year 2022

On April 12, 2023, the 2022 Annual GMS approved and appointed KH Affifudin as the Chairman of the Sharia Supervisory Board and Sukadiono as a member of the Sharia Supervisory Board. Thus, the composition of the Sharia Supervisory Board after the 2022 Annual GMS is 2 (two) people consisting of 1 (one) Chair of the Sharia Supervisory Board and 1 (one) member of the Sharia Supervisory Board. The entire Sharia Supervisory Board is domiciled in East Java Province. The composition and basis for the appointment of the Sharia Supervisory Board can be seen in the table below.

**Table of Composition and Basis for the Appointment of the Sharia Supervisory Board after the Annual GMS for Financial Year 2022**

Name	Position	Executor	Basis of Appointment	Effective date
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	OJK	GMS for Fiscal Year 2018 on April 26, 2019	February 28, 2020
Dr. dr. Sukadiono, MM	Member	OJK	GMS for Fiscal Year 2022 on April 12, 2023	Still in the Fit and Proper Test process



# Executive Official Profile

## Profil Senior Executive Vice President (SEVP)



**Budi Sumarsono**

SEVP Corporate Transformation

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Madiun in 1966, 57 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Finance from Muhammadiyah University (1992).</li> <li>• Master of Law from Merdeka University (1999).</li> <li>• Master of Management from Widya Jayakarta University (2000).</li> </ul>
<b>Certification</b>	: <ul style="list-style-type: none"> <li>• Level 1 Risk Management Certification by the Risk Management Certification Agency (2007).</li> <li>• Level 2 Risk Management Certification by the Risk Management Certification Agency (2008).</li> <li>• Level 3 Risk Management Certification by the Risk Management Certification Agency (2011).</li> <li>• Level 4 Risk Management Certification by the Risk Management Certification Agency (2017).</li> <li>• Level 1 Compliance Certification by the Compliance Director Communication Forum (2018).</li> <li>• General Banking Level 3 Certification by the Banking Professional Certification Institute (2019).</li> <li>• Pension Fund Risk Management Certification by the Pension Fund Professional Certification Institute (2020).</li> </ul>
<b>Work Experience</b>	: <ul style="list-style-type: none"> <li>• Head of the Probolinggo Branch of PT Pembangunan Daerah Jawa Timur Tbk (2014-2015).</li> <li>• Head of the Gresik Branch of PT Pembangunan Daerah Jawa Timur Tbk (2015-2017)</li> <li>• Head of Operational Division of Surabaya Main Branch of PT Pembangunan Daerah Jawa Timur Tbk (2017-2018).</li> <li>• Pjs Head of the Compliance &amp; Governance Division of PT Pembangunan Daerah Jawa Timur Tbk (2018).</li> <li>• Head of the International Banking Division of PT Pembangunan Daerah Jawa Timur Tbk (2018-2019).</li> <li>• Head of the Human Capital Division of PT Pembangunan Daerah Jawa Timur Tbk (2019-2021).</li> <li>• Head of the Planning &amp; Strategic Division of PT Pembangunan Daerah Jawa Timur Tbk (2021-2022).</li> <li>• Head of the Corporate Secretary Division of PT Pembangunan Daerah Jawa Timur Tbk (2022-2023).</li> <li>• SEVP Corporate Transformation PT Pembangunan Daerah Jawa Timur Tbk (2023-present).</li> </ul>
<b>Legal Basis of Appointment</b>	: Appointed as SEVP Corporate Transformation of PT Bank Pembangunan Daerah Jawa Timur Tbk based on Directors' Decree No. 062/017/DIR/HCP/KEP dated February 23, 2023.
<b>Period of Office</b>	: February 23, 2023 – September 2, 2024
<b>Bank Jatim Share Ownership</b>	: 20.000 shares





## Umi Rodiyah

SEVP Sharia Business

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Probolinggo in 1966, 57 years old as of December 2023.
<b>Educational Background</b>	: Bachelor of State Administration from Brawijaya University (1991).
<b>Certification</b>	: <ul style="list-style-type: none"> <li>• Level 1 Risk Management Certification by the Risk Management Certification Agency (2006).</li> <li>• Level 2 Risk Management Certification by the Risk Management Certification Agency (2007).</li> <li>• Level 3 Risk Management Certification by the Risk Management Certification Agency (2008).</li> <li>• Level 4 Risk Management Certification by the Professional Certification Organizing Body (2017).</li> <li>• Level 5 Risk Management Certification by the Risk Management Certification Agency (2022).</li> <li>• General Banking Level 3 Certification by the Banking Professional Certification Institute (2019).</li> </ul>
<b>Work Experience</b>	: <ul style="list-style-type: none"> <li>• Branch Manager of Perak of PT Bank Pembangunan Daerah Jawa Timur Tbk (2010-2015).</li> <li>• Head of the Overseas Operations Sub Division of the Services and Foreign Funds Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2015-2016).</li> <li>• Head of Business Sector, Surabaya Main Branch, PT Bank Pembangunan Daerah Jawa Timur Tbk (2016-2017).</li> <li>• Head of Operations, Surabaya Main Branch, PT Bank Pembangunan Daerah Jawa Timur Tbk (2017).</li> <li>• Pjs Head of the Corporate Secretary Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2017).</li> <li>• Pjs Head of the Institutional and Business Relations Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2018).</li> <li>• Head of the Institutional and Business Relations Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2018-2020).</li> <li>• Head of the Services Fund Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2020-2021).</li> <li>• Head of the Corporate Secretary Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2021-2022).</li> <li>• Head of the Treasury Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2022-2023).</li> <li>• Pjs SEVP Sharia Business PT East Java Regional Development Bank Tbk (2023).</li> <li>• SEVP Sharia Business PT Bank Pembangunan Daerah Jawa Timur Tbk (2023-present).</li> </ul>
<b>Legal Basis of Appointment</b>	: Appointed as SEVP of Sharia Business PT Bank Pembangunan Daerah Jawa Timur Tbk based on Directors' Decree No. 062/041/DIR/HCP/KEP dated May 31, 2023.
<b>Period of Office</b>	: May 31, 2023 - March 02, 2024
<b>Bank Jatim Share Ownership</b>	: 226.500 shares



## Revi Adiana Silawati

### SEVP Network and Services

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Solo in 1966, 57 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Management from Wijaya Putra University (1996).</li> <li>• Master of Management from Airlangga University (1998).</li> </ul>
<b>Certification</b>	: <ul style="list-style-type: none"> <li>• Level 1 Risk Management Certification by the Risk Management Certification Agency (2006).</li> <li>• Level 2 Risk Management Certification by the Risk Management Certification Agency (2006).</li> <li>• Level 3 Risk Management Certification by the Risk Management Certification Agency (2007).</li> <li>• Level 4 Risk Management Certification by the Professional Certification Organizing Body (2011).</li> <li>• Level 5 Risk Management Certification by the Risk Management Certification Agency (2013).</li> </ul>
<b>Work Experience</b>	: <ul style="list-style-type: none"> <li>• Branch Head of Operations of DR. Soetomo (2001-2003).</li> <li>• Branch Manager of Perak (2003-2006)</li> <li>• Head of Bojonegoro Branch (2006-2009).</li> <li>• Branch Manager of Kediri (2009-2011)</li> <li>• Branch Manager of Malang (2011-2012).</li> <li>• Head of Corporate Secretary (2012-2013).</li> <li>• Head of Services and Foreign Funds Division (2013-2015).</li> <li>• Head of the Treasury Division (2015-2018).</li> <li>• Head of Strategic Planning and Performance Management Division (2018-2021).</li> <li>• Head of Human Capital Division (2021-2023).</li> <li>• SEVP Network &amp; Services PT Bank Pembangunan Daerah Jawa Timur Tbk (2023-present).</li> </ul>
<b>Legal Basis of Appointment</b>	: Appointed as SEVP Network & Services of PT Bank Pembangunan Daerah Jawa Timur based on Board of Directors Decree No. 062/017/DIR/HCP/KEP dated February 23, 2023.
<b>Period of Office</b>	: February 23, 2023 - June 01, 2024
<b>Bank Jatim Share Ownership</b>	: 800 shares



## Hermita

### SEVP Consumer Banking

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Padang in 1968, age 55 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Law from Andalas University (1992).</li> <li>• Master in Agribusiness Management of Bogor Agricultural Institute (2003).</li> </ul>
<b>Certification</b>	: <ul style="list-style-type: none"> <li>• WAPERD, BNI certification</li> <li>• Management Risk Level 4, BSMR</li> <li>• Assessment Center Assessor Certification, PPM</li> </ul>
<b>Work Experience</b>	: <ul style="list-style-type: none"> <li>• Head of the South Jakarta Regional Office of PT Bank Negara Indonesia (Persero) Tbk (2011-2014).</li> <li>• Head of the North Sulawesi Regional Office of PT Bank Negara Indonesia (Persero) Tbk (2014-2015).</li> <li>• Head of the South Jakarta Regional Office of PT Bank Negara Indonesia (Persero) Tbk (2015-2016)</li> <li>• Head of Consumer Products Division of PT Bank Negara Indonesia (Persero) Tbk (2016-2018).</li> <li>• Senior Vice President of Consumer Sales Division of PT Bank Negara Indonesia (Persero) Tbk (2018-2020).</li> <li>• Vice President of Align Corporate &amp; Consumer Businesses, Institutional Relations Division, PT Bank Negara Indonesia (Persero) Tbk (2020-2021).</li> <li>• Pgs. Head of the Regional Office of the Palembang Regional Office of PT Bank Negara Indonesia (Persero) Tbk (2022-2023).</li> <li>• Senior Vice President of Smart City, Business Optimization of PT Bank Negara Indonesia (Persero) Tbk (2021-2023).</li> <li>• SEVP Consumer Banking PT Bank Pembangunan Daerah Jawa Timur Tbk (2023-Present).</li> </ul>
<b>Legal Basis of Appointment</b>	: Appointed as SEVP Consumer Banking based on Directors' Decree No. 062/22/HCP/PK dated May 29, 2023.
<b>Period of Office</b>	: June 01, 2023 - May 31, 2025
<b>Bank Jatim Share Ownership</b>	: There are no shares



## Koerniawan Prijambodo

SEVP Corporate, Syndicated and Institutional

<b>Citizenship</b>	: Warga Negara Indonesia
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Lumajang in 1967, age 56 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor degree in Engineering Physics of Sepuluh Nopember Institute of Technology (1991).</li> <li>• Finance &amp; Banking Master in Management of Gadjah Mada University (1993).</li> </ul>
<b>Certification</b>	: BSMR Level 4 (December 2021).
<b>Work Experience</b>	: <ul style="list-style-type: none"> <li>• Engineer at PT Bukaka Teknik Utama (1991-1992).</li> <li>• PT Bank CIMB Niaga Tbk Executive Education Program (1993-1995).</li> <li>• Relationship Manager (RM) &amp; Branch Manager Commercial Banking PT Bank CIMB Niaga Tbk in Kediri and Surabaya (1995-2010).</li> <li>• Head of West Java Commercial Banking Regional Office PT Bank CIMB Niaga Tbk (2010-2012).</li> <li>• Head of Commercial Banking Regional Office East Java Bali Nusra PT Bank CIMB Niaga Tbk (2012-2019).</li> <li>• Head of Regional Office III (East Java, Bali Nusra and Eastern Indonesia) Indonesian Export Financing Institute (LPEI)/Indonesia EXIMBANK (2020-2023).</li> <li>• SEVP Corporate, Syndicated and Institutional PT Bank Pembangunan Daerah Jawa Timur Tbk (2023 – Present).</li> </ul>
<b>Legal Basis of Appointment</b>	: Appointed as SEVP Corporate, Syndicated and Institutional based on Directors Decree No. 062/23/HCP/PK dated May 29, 2023.
<b>Period of Office</b>	: July 01, 2023 - June 30, 2025
<b>Bank Jatim Share Ownership</b>	: There are no shares



## Profil Vice President (VP)



### Wioga Adhiarma Aji

Vice President Corporate Secretary

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Surabaya in 1978, 45 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Law Studies from Panca Marga University, Probolinggo (2002).</li> <li>• Master of Law from the University of 17 August 1945 Surabaya (2020).</li> </ul>
<b>Legal Basis of Appointment</b>	: Since 2023 served as Vice President of Corporate Secretary based on the Decree of the Board of Directors No. 062/057/DIR/HCP/KEP dated July 20, 2023.
<b>Work Experience</b>	: He joined Bank Jatim in 1997. Prior to occupying his current position, he had served as Head of Operations for the Bojonegoro Branch (2012), Head of the Bojonegoro Branch (2013), Head of Operations for the Main Branch (2018), Head of the Kediri Branch (2020). Acting Head of General Division (2022).



### Wardhana Suryaاتمaja

VP Audit Internal

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Surabaya in 1967, 56 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Development Studies from Wijaya Putra University (1995).</li> <li>• Master of Management from the Artha Bodhi Iswara College of Economics (1998)</li> </ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Vice President of Internal Audit based on the Decree of the Board of Directors No. 062/061/DIR/HCP/KEP August 8, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 1991. Prior to his current position, he served as Acting Head of Sharia Branch of Madiun (2015), Head of Accounting Subdivision (2015), Acting Head of Information Technology Division (2016), Head of Information Technology Division (2017), Head of Product Development and Policy Division (2018), Head of General Division (2019), Head of Corporate Risk Management Division (2022).



## Sis Maryadi

### Vice President of Funds and Services

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Boyolali in 1966. 57 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"><li>• Bachelor of Economics from the Artha Bodhi Iswara College of Economics, Surabaya (2001).</li><li>• Master of Management from the Jakarta Imni College of Management (2005).</li></ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Vice President of the Funds and Services based on the Decree of the Board of Directors No. 062/055/DIR/HCP/KEP July 5, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 1986. Before his current position, he served as Head of Gresik Branch Operations (2013), Trenggalek Branch Manager (2015), Head of Agribusiness and Retail Credit Sub Division (2017), Head of Consumer Credit Division (2018), Head of Rescue and Credit Settlement (2022).



## Mugni Nurachman

### Vice President of Legal

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Nganjuk
<b>Place and Date of Birth/Age</b>	: Born in Jakarta in 1971, 52 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"><li>• Bachelor of Law, Yogyakarta Islamic University of Indonesia (1995).</li><li>• Master of Program Management at Wijaya Putra University (2006).</li></ul>
<b>Legal Basis of Appointment</b>	: Since 2023 served as a legal vice president based on the Decree of the Board of Directors No. 062/057/DIR/HCP/KEP dated July 20, 2023.
<b>Work Experience</b>	: He joined Bank Jatim in 1997. Prior to occupying his current position, he served as Head of the Merican Sub-Branch Office, Kediri Branch (2014), Senior Analyst for Legal Group Litigation Legal Division (2016), Acting Head of Legal Litigation Sub Division, Legal Division (2018), Head of Legal Litigation Sub Division, Legal Division (2018), Head of Jombang Branch (2020), Head of Legal Litigation Sub Division, Legal Division (2021), Acting Head of Law Division (2022).



## R. Wahyukusumo Wisnubroto

### Vice President of International Banking

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Sidoarjo
<b>Place and Date of Birth/Age</b>	: Born in Yogyakarta in 1972, 51 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Civil Engineering from Bandung Institute of Technology (1998).</li> <li>• Master of Management from Gadjah Mada University (2001).</li> </ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Vice President of the International Banking based on the Decree of the Board of Directors No. 062/041/DIR/HCP/KEP May 31, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2002. Before his current position, he served as Head of Cab Operations. Ngawi (2013), Head of Bid. Cab Operations. Jakarta (2013), Branch Manager HR Muhammad (2014), Head of Dealingroom Sub Division Treasury Division (2015), Acting. International Banking Division Leader (2017), Head of Treasury Division (2018), Head of Strategic Planning and Performance Management Division(2022).



## Mukhlison

### Vice President of Commercial Credit, Corporate and Syndication

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Jombang in 1974. 49 years old as of December 2023.
<b>Educational Background</b>	: Bachelor of Economics from Wijaya Putra University, Surabaya (2001)
<b>Legal Basis of Appointment</b>	: Since 2023 served as Vice President of Commercial Credit, Corporations and Syndications based on Decree of the Board of Directors No. 062/050/DIR/HCP/KEP dated June 22, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 1995. Before his current position, he served as Head of Cab Operations. Pacitan (2012), Head of Cab. Jombang (2013), Leader of Cab. Probolinggo (2015), Sub-Division Leader in the Corporate and Syndicated Medium Credit Division (2018), Pgs. Head of Commercial, Corporate and Syndicated Credit Division (2021), Acting as Head of Corporate Commercial Credit and Sundication Division (2022).





## Suci Issumiyarti

### Vice President of Risk Management

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Semarang in 1966, 57 years old as of December 2023.
<b>Educational Background</b>	: Bachelor of French from the Semarang State Teacher Training and Education Institute (1989).
<b>Legal Basis of Appointment</b>	: Since 2023, she has served as Vice President of the Risk Management based on the Decree of the Board of Directors No. 062/148/DIR/HCP/KEP August 16, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 1994. Prior to his current position, he served as Head of Operational Division of Ngawi Branch (2011), Head of Kepanjen Branch (2012), Head of Tulungagung Branch (2014), Head of Corporate Secretary Sub Division (2015), Head of Malang Branch (2015), Head of Strategic Planning Division (2017), Head of Institutional and Business Relations Division (2017), Head of Credit Risk Division (2018), Head of Business Risk Division (2020). Head of the Enterprise Risk Management Division (2021), Head of Operation Division (2022).



## Glemboh Priambodo

### Vice President of Subsidiaries Management

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Malang in 1970, 53 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"><li>• Bachelor of Law from the University of Surabaya (1997).</li><li>• Master of Law from 17 August University Surabaya (2001).</li><li>• Master of Management from STIE ABI Surabaya (2003).</li><li>• Doctor of Law from Seventeen August University 1945 (2022).</li></ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Vice President of Subsidiaries Management based on Board of Directors Decree No. 062/055/DIR/HCP/KEP July 5, 2023.
<b>Work Experience</b>	: He joined Bank Jatim in 1997. Prior to occupying his current position, he served as Senior Analyst for External Communication Sub Division (2015), Senior Analyst for Priority Banking Sub Division (2015), Acting Branch Manager Dr. Soetomo (2016), Branch Manager Dr. Soetomo (2017), Head of Corporate Secretary (2018), Head of Bank Jatim Main Branch (2021), Head of Compliance and Governance Division (2022).



## Herijadi Widodo

Vice President of General

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Sidoarjo
<b>Place and Date of Birth/Age</b>	: Born in Surabaya in 1971, 52 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Law from University of Sunan Bonang Tuban (1999).</li> <li>• Master in Management from University of Wijaya Putra Surabaya (2008)</li> </ul>
<b>Legal Basis of Appointment</b>	: Since 2023 served as a General Vice President of Decree of the Board of Directors No. 062/057/DIR/HCP/KEP dated July 20, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 1993. Prior to his current position, he served as Head of Operations of Sampang Branch (2013), Head of Bawean Branch (2014), Head of Bangkalan Branch (2014), Head of Jombang Branch (2015), Head of Credit Division of Main Branch (2017), Head of Jakarta Branch (2020), Acting as Main Branch Leader (2022).



## Nur Eko Ardian

Vice President of Product Development

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Surabaya in 1980, 43 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of State Administration from Wijaya Putra University (2003).</li> <li>• Master of State Administration from Wijaya Putra University (2005).</li> </ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Vice President of Product Development based on the Decree of the Board of Directors No. 062/041/DIR/HCP/KEP May 31, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2006. Before his current position, he served as Senior Analyst at Corporate Secretary (2015), Head of Operational Bid for Tuban Cab (2015), Head of Kepanjen Cab (2015), Head of Compliance and Governance Division (2018 ), Head of the Human Capital Division (2018), Head of the Corporate Risk Management Division (2019), Head of Accounting and Financial Management Division (2022).



## Eko Tri Prasetyo

Vice President of Operation

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Surabaya in 1981, 42 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"><li>• Telkom College majoring in Informatics Engineering (2003).</li><li>• Master of Information Technology from the University of Indonesia (2006).</li></ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Vice President of Operations based on Board of Directors Decree No. 062/148/DIR/HCP/KEP August 6, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2012. Before his current position, he served as Sub-Division Leader in the Internal Audit Division (2012) Head of the Internal Audit Division (2018), Head of Information Technology Division (2021).



## Setya Erry Nugraha

Vice President of Credit Risk Analyst

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Serang in 1978, 45 years old as of December 2023.
<b>Educational Background</b>	: Bachelor of Management Economics from STIE IEU Yogyakarta (2001).
<b>Legal Basis of Appointment</b>	: Since 2023 served as Vice President of Credit Risk Analysts based on Decree of the Board of Directors No. 062/050/DIR/HCP/KEP dated June 22, 2023.
<b>Work Experience</b>	: He joined Bank Jatim in 2015. Prior to occupying his current position, he served as Branch Manager of Perak (2015), Head of HR Branch. Muhammad (2015), Head of Pare Branch (2017), Head of Sub Division of Medium Credit for Syndicated Corporations (2019), Head of Credit for Main Branch (2020), Acting Head of Business Risk Division (2022).



## Slamet Purwanto

Acting as Vice President Human Capital

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Surabaya in 1979, 44 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Computer from STIKOM Surabaya (2004).</li> <li>• Master in Management from UPN Veteran Jatim (2016).</li> </ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Vice President of Human Capital based on the Decree of the Board of Directors No. 062/055/DIR/HCP/KEP July 5, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2006. Prior to his current position, he served as Head of Investor Relations Corporate Secretary Subdivision (2015), Head of Human Capital Division Development Subdivision (2020), Head of Learning Center Subdivision (2021).



## Firman Iswahyudi M

Acting as Vice President of Retail and Medium Credit

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Sidoarjo
<b>Place and Date of Birth/Age</b>	: Born in Purworejo in 1968, 55 years old as of 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Economics from Putra Bangsa University Surabaya (1996).</li> <li>• Master of Management from STIESIA University Surabaya (2002).</li> <li>• Doctor of Economics – Strategic Management from STIESIA University Surabaya (2018).</li> </ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Vice President of Retail and Medium Loans based on Decree of Board of Directors No. 062/041/DIR/HCP/KEP May 31, 2023.
<b>Work Experience</b>	: He joined Bank Jatim in 1991. Prior to occupying his current position, he served as Acting. Head of Medium & Corporate Credit Sub Division Corporate Credit Division (2014), Head of Medium & Corporate Credit Sub Division Corporate Credit Division (2015), Head of Trinisat Sub Division (2015), Head of Property Credit Sub Division Consumer Credit Division (2017), Branch Head HR Muhammad (2019), Pamekasan Branch Manager (2020), Gresik Branch Manager (2021), Acting Head of Microcredit, Retail and Program Division (2022).



## Wahasta Hartadi

TKK Vice President Credit Restructuring and Recovery

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Madiun in 1967, 56 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>Bachelor of Economics from UNPAD Bandung (1991).</li> <li>Master in Management from UNHAS Makassar (2003).</li> </ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as TKK Vice President of Credit Restructuring and Recovery based on Bank Jatim Work Agreement No. 062/29/HCP/PK July 24, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2023. Prior to his current position, he served as Head of Remedial & Recovery BNI Makasar Regional Office (2012), Head of Remedial & Recovery BNI Padang Regional Office (2016), Head of Remedial & Recovery BNI Bandung Regional Office (2017), Sub Project Management Planning Division BNI Jakarta (2019).



## Putu Denny Hariwidyanta

Acting as Vice President of Compliance and AML CFT

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Denpasar in 1977, 46 years old as of December 2023.
<b>Educational Background</b>	: Bachelor of Information Engineering from Surabaya College of Engineering (2001)
<b>Legal Basis of Appointment</b>	: Since 2023 he has served as Acting Vice President of Compliance & APU PPT based on Directors' Decree No. 062/055/DIR/HCP/KEP dated July 05, 2023
<b>Work Experience</b>	: Joined Bank Jatim in 2023. Prior to his position, he served as Head of Sub-Division in Product Development & Service Fund Policy Division (2018), Head of Main Branch Operations (2022).



## Agus Sastriono

Acting as Vice President of Consumer Credit

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Surabaya in 1971, 52 years old as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Accounting from Surabaya State IKIP University (1990).</li> <li>• Master of Management from STIE-ABI University Surabaya (2000).</li> </ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Vice President of Consumer Credit based on the Decree of the Board of Directors No. 062/148/DIR/HCP/KEP August 16, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 1997. Prior to his current position, he served as Head of Sumenep Branch Operations (2013), Head of Bawean Branch (2013), Head of Mojokerto Branch (2014), Head of Jember Branch (2019), Head of Business Division of Surabaya Main Branch (2019), Head of Jember Branch (2019), Head of Banyuwangi Branch (2020), Head of Jakarta Branch (2022), Head of Credit Division of Main Branch (2023).



## R. Deni Mahendra

Acting as Vice President of Accounting and Financial Management

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Sidoarjo
<b>Place and Date of Birth/Age</b>	: Born in Situbondo in 1973, 50 years old as of December 2023.
<b>Educational Background</b>	: Bachelor of Economics from Universitas Brawijaya (1998).
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Vice President of accounting & Financial Management based on the Decree of the Board of Directors No. 062/055/DIR/HCP/KEP July 5, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2002. Prior to his current position, he served as Head of Operations of the Accounting Division (2015), Acting Head of the Accounting Subdivision (2016), Head of the Accounting Subdivision (2017), Head of the Accounting & Budget Subdivision (2017), Head of the Financial & Taxation Control Subdivision (2018), Head of Tuban Branch (2020), Head of Mojokerto Branch (2022).



## Teguh Sunyoto

Acting as Vice President Micro

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Madiun in 1966, 57 years as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Economics and Development from Universitas Wijaya Putra Surabaya (1999).</li> <li>• Master in Management from Universitas Gajayana Malang (2004).</li> </ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Vice President of Microcredit based on the Decree of the Board of Directors No. 062/041/DIR/HCP/KEP May 31, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 1991. Prior to his current position, he served as Head of Lamongan Branch (2015), Head of Performance Management Subdivision (2017), Head of Nganjuk Branch (2021), Head of Kediri Branch (2022).



## Runita Pri Purwanti

Acting as Vice President of Strategic Planning and Performance

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Malang in 1967, 56 years as of December 2023.
<b>Educational Background</b>	: Bachelor of Economics and Development Studies from Universitas Brawijaya (1991).
<b>Legal Basis of Appointment</b>	: Since 2023, she has served as Acting Vice President of Strategic Planning and Performance Management based on the Decree of the Board Directors No. 062/041/DIR/HCP/KEP May 31, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 1991. Prior to her current position, she served as Head of Gresik Branch (2017), Head of Fund & Priority Banking Main Branch (2021), Head of Sidoarjo Branch (2022).





## Handayanto

Acting as Vice President of Information Technology

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Surabaya in 1975, 48 years as of December 2023.
<b>Educational Background</b>	: Bachelor of Computer from Sepuluh Nopember Technology Institute (ITS) (2000).
<b>Legal Basis of Appointment</b>	: Since 2023, she has served as Acting Vice President of Information technology based on the Decree of the Board Directors No No. 062/148/DIR/HCP/KEP August 16, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2001. Prior to his current position, he served as Head of IT Development Subdivision of Information technology Division (2015), Head of Support & Operations Subdivision of Information Technology Division (2016), Head of Procurement Subdivision of General Division (2020).



## R. Wahyu Tedjasukmana

Acting as Vice President of Treasury

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Banyuwangi in 1972, 51 years as of December 2023.
<b>Educational Background</b>	: Bachelor of Engineering from ITS Surabaya (2000).
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Vice President of Treasury based on the Decree of the Board of Directors No. 062/041/DIR/HCP/KEP May 31, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2001. Prior to his current position, he served as Head of Sharia Branch of Kediri (2019), Head of Shria Branch of Jember (2016), Senior Dealer in Treasury Division (2014).



## Herry Setya Yudakka

Acting as Vice President of Policies & Procedures

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Gresik in 1977, 46 years as of December 2023.
<b>Educational Background</b>	: Bachelor of Industrial Engineering from University of Veteran Surabaya, Jawa Timur (1995).
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Vice President of Policies and Procedures based on the Decree of the Board of Directors No. 062/041/DIR/HCP/KEP May 31, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2002. Prior to his current position, he served as Acting Head of Trenggalek Branch Operations (2012), Head of Lumajang Branch Operations (2014), Head of Lumajang Branch (2014), Head of Jombang Branch (2017), Head of Malang Branch (2020), Head of Credit Division of Main Branch (2022), Acting Head of Product Development Division (2023).



## M. Machfud Hidayat

Acting as Vice President Digital Banking

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Surabaya in 1969, 54 years as of December 2023.
<b>Educational Background</b>	: Bachelor of Economics from University of Wijaya Putra Surabaya (2001).
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Vice President of Digital Banking based on the Decree of the Board of Directors No. 062/041/DIR/HCP/KEP May 31, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 1991. Prior to his current position, he served as Head of Operations in DJL Division (2014), Head of Taxation Subdivision (2015), Head of Financial & Taxation Control Subdivision (2017), Head of Digital Development Sub Unit (2022).



## Melvin

Acting as Vice President of Network and Service Management

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Padang in 1976, 47 years as of December 2023.
<b>Educational Background</b>	: Bachelor of Informatics Engineering Indonesia Institute of Technology (1999).
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Vice President of Network & Service Management based on the Decree of the Board of Directors No. 062/055/DIR/HCP/KEP July 5, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2010. Prior to his current position, he served as Acting Head of Operations placed in the Information Technology Division (2014), Acting Head of Information Technology Development Subdivision (2016), Head of Accounting and Financial Reporting Subdivision (2018).



## Misbakhul Iman

Acting as Vice President of Sharia Business

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Sidoarjo in 1969, 54 years as of December 2023.
<b>Educational Background</b>	: Bachelor of Economics from University of Brawijaya Malang (1998).
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Vice President of Sharia Business based on the Decree of the Board Directors No. 062/041/DIR/HCP/KEP May 1, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2012. Prior to his current position, he served as Head of Operations Division of Sharia Surabaya (2012), Head of Sharia Branch Kediri (2014), Head of Sharia Branch Surabaya (2019).



## M. Pramudya Iskandar

Acting as Vice President Sharia Business Support

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Sukabumi in 1968, 55 years as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"><li>• Bachelor of Economics and Development Studies from Padjadjaran University (UNPAD) Bandung (1992).</li><li>• Master of Management from Gajah Mada University (UGM) Yogyakarta (1999).</li></ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Vice President of Sharia Business Support based on the Decree of the Board of Directors No. 062/041/DIR/HCP/KEP May 31, 2023.
<b>Work Experience</b>	: He joined Bank Jatim in 2009. Prior to occupying his current position, he served as Branch Leader of Sharia Surabaya (2009) and Head of Sub Division of Sharia Business Unit Financing (2016), Acting Compliance Head of Sharia Business Division (2022).



## Syaiful Bakhri

Acting as Compliance Head of Security Unit

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Bojonegoro in 1978, 45 years as of December 2023.
<b>Educational Background</b>	: Bachelor of Computer from Budi Luhur College of Information and Computer Management (2001).
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Compliance Head of IT Security Unit based on Appointment Letter No. 062/2002/HCP/HOHC/SRT October 18, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2001. Prior to his current position, he served as Head of IT Governance & Security Subdivision of Information Technology Division (2018), AVP of Infrastructure & Operations of Information Technology Division (2023).



## Santoso

### Head of Credit Administration Unit

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Jember in 1970, 53 years as of December 2023.
<b>Educational Background</b>	: Bachelor of Law from Univeristy of Panca Marga Probolinggo (2001).
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Head of Credit Administration Unit based on Appointment Letter No. 062/218/HCP/KPH/KEP December 30, 2022.
<b>Work Experience</b>	: Joined Bank Jatim in 1995. Prior to his current position, he served as Head of Maron Sub Branch (2017), Head of Micro Credit Subdivision of Micro Credit & Program Division (2021), Head of Credit Operations Subdivision of Operations (2022).



## Retno Handayani

### Compliance Head of Institutional Relations Unit

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Jakarta in 1974, 49 years as of December 2023.
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>Bachelor of Economics from University of Wiraswasta Indonesia (2002).</li> <li>Master in Management from University of Trisakti (2013).</li> </ul>
<b>Legal Basis of Appointment</b>	: Since 2023, he has served as Acting Compliance Head of Institutional Relations Unit based of Appointmnet Letter No. 062/041/DIR/HCP/KEP May 31, 2023.
<b>Work Experience</b>	: Joined Bank Jatim in 2016. Prior to his current position, he served as Head of Operations of Jakarta Branch (2017), Head of Business of Jakarta Branch (2020), Head of Subdivision of of Institution Service Fund and Corporate Fund and Services Division (2021).

# Employee Profile

## Number of Employees by Gender

Table of Number of Employees by Gender

(in person)

Gender	2023	2022
Male	2.512	2.436
Female	2.032	1.932
Total	4.544	4.368

## Number of Employees by Position Level

Table of Number of Employees by Position Level

(in person)

Position Level	2023			2022		
	Male	Female	Total	Male	Female	Total
NO	244	-	244	260	3	263
S, C & T	1.507	1.420	2.927	1.491	1.332	2.823
Pll, Pngl, PK, Au, ARM and An	491	435	926	445	433	878
PBO, PCP, S.Au & RM	176	139	315	150	128	278
AVP, PC & PB	64	33	97	74	32	106
VP & PCU	28	2	30	16	4	20
SEVP	2	3	5	-	-	-
Total	2.512	2.032	4.544	2.370	1.896	4.368

**Description:**

<b>NO</b>	Non Administration	<b>PCP</b>	Sub-Branch Leader
<b>S, C, &amp; T</b>	Staff, Prospective Employees and Employment Contract Workers	<b>S.Au</b>	Senior Auditor
<b>Pll</b>	Supervisor	<b>RM</b>	Relationship Manager
<b>PK</b>	Head of Functional Office	<b>AVP</b>	Assistance Vice President
<b>Au</b>	Auditor	<b>PC</b>	Head of Branch
<b>ARM</b>	Assistant Relation Manager	<b>PB</b>	Head of Field
<b>An</b>	Analyst	<b>VP</b>	Vice President
<b>PBO</b>	Head of Operations	<b>PCU</b>	Head of Main Branch
<b>Pngl</b>	Manager	<b>SEVP</b>	Senior Executive Vice President

## Number of Employees by Range of Age

Table of Number of Employees by Range of Age

(in person)

Range of Age	2023			2022		
	Male	Female	Total	Male	Female	Total
< 30 Years Old	248	331	579	215	300	515
30-54 Years Old	2.162	1.637	3.799	2.119	1.578	3.697
> 54 Years Old	102	64	166	102	54	156
Total	2.512	2.032	4.544	2.436	1.932	4.368



## Number of Employees by Education Level

Table of Number of Employees by Education Level (in person)

Education Level	2023			2022		
	Male	Female	Total	Male	Female	Total
Non Strata	233	109	342	266	144	410
S1	2.076	1.796	3.872	1.984	1.672	3.656
S2	198	127	325	183	116	299
S3	5	-	5	3	-	3
<b>Total</b>	<b>2.512</b>	<b>2.032</b>	<b>4.544</b>	<b>2.436</b>	<b>1.932</b>	<b>4.368</b>

## Number of Employees by Employment Status

Table of Number of Employees by Employment Status (in person)

Employment Status	2023			2022		
	Male	Female	Total	Male	Female	Total
Permanent employees	2.347	1.878	4.225	2.370	1.896	4.266
Temporary employees	165	154	319	66	36	102
Outsourcing	1.765	256	2.021	1.815	380	2.195
<b>Total</b>	<b>4.277</b>	<b>2.288</b>	<b>6.565</b>	<b>4.251</b>	<b>2.312</b>	<b>6.563</b>

# Shareholders

## Composition

Table of Bank Jatim Shareholder Composition as of January 1, 2023

Shareholders	Share Ownership Structure		
	Number of Shares	Value (IDR)	Ownership
SERIES A SHARES			
Government of East Java Province	7.676.913.648	1.919.228.412.000	51,13%
Surabaya City	319.243.457	79.810.864.250	2,13%
Malang City	108.635.999	27.158.999.750	0,72%
Madiun City	134.064.427	33.516.106.750	0,89%
Mojokerto	72.091.751	18.022.937.750	0,48%
Kediri City	14.208.273	3.552.068.250	0,09%
Probolinggo City	17.397.927	4.349.481.750	0,12%
Blitar City	16.987.084	4.246.771.000	0,11%
Pasuruan City	100.075.767	25.018.941.750	0,67%
Batu City	38.236.741	9.559.185.250	0,25%
Gresik Regency	220.213.170	55.053.292.500	1,47%
Malang Regency	253.635.445	63.408.861.250	1,69%
Mojokerto Regency	78.373.801	19.593.450.250	0,52%
Madiun Regency	32.660.478	8.165.119.500	0,22%
Kediri Regency	144.925.510	36.231.377.500	0,97%
Probolinggo Regency	125.931.454	31.482.863.500	0,84%
Blitar Regency	39.496.395	9.874.098.750	0,26%
Pasuruan Regency	44.610.500	11.152.625.000	0,30%
Bojonegoro Regency	300.288.632	75.072.158.000	2,00%
Magetan Regency	19.594.792	4.898.698.000	0,13%
Tulungagung Regency	70.697.975	17.674.493.750	0,47%
Trenggalek Regency	84.640.532	21.160.133.000	0,56%
Pacitan Regency	53.520.271	13.380.067.750	0,36%
Lamongan Regency	101.318.315	25.329.578.750	0,67%
Ponorogo Regency	23.555.596	5.888.899.000	0,16%
Banyuwangi Regency	270.036.117	67.509.029.250	1,80%
Tuban Regency	217.418.404	54.354.601.000	1,45%
Jember Regency	111.866.875	27.966.718.750	0,75%
Ngawi Regency	215.763.995	53.940.998.750	1,44%
Jombang Regency	26.792.899	6.698.224.750	0,18%
Bondowoso Regency	87.207.357	21.801.839.250	0,58%
Lumajang Regency	67.206.045	16.801.511.250	0,45%
Sidoarjo Regency	370.155.850	92.538.962.500	2,47%
Situbondo Regency	76.374.593	19.093.648.250	0,51%
Nganjuk Regency	77.217.854	19.304.463.500	0,51%





Shareholders	Share Ownership Structure		
	Number of Shares	Value (IDR)	Ownership
Pamekasan Regency	40.592.928	10.148.232.000	0,27%
Sumenep Regency	144.228.431	36.057.107.750	0,96%
Bangkalan Regency	36.793.459	9.198.364.750	0,25%
Sampang Regency	101.175.235	25.293.808.750	0,67%
<b>SAHAM SERI B</b>			
Public	3.081.350.100	770.337.525.000	20,52%
<b>TOTAL</b>	<b>15.015.498.082</b>	<b>3.753.874.520.500</b>	<b>100%</b>

The composition of shareholders as of December 31, 2023 has not changed with the same composition as of January 1, 2023.

## Composition of 20 Largest Shareholders

**Table of Composition of the 20 Largest Shareholders of Bank Jatim as of January 1, 2023**

No.	Shareholders	Number of Shares	Status	Ownership
1	PT TASPEN (ASURANSI) - AFS	305.061.900	Limited Company	9,90%
2	PT MNC SEKURITAS	134.810.700	Individual Indonesia	4,38%
3	CITIBANK LONDON S/A MUTUAL FUND EQEMERGING DIVIDEND (UCITS)	130.000.000	Institution - Foreign	4,22%
4	PT TASPEN	109.442.800	Permanent Business Entities	3,55%
5	PT YULIE SEKURITAS INDONESIA TBK	103.283.026	Broker	3,35%
6	BBH LUXEMBOURG S/A FIDELITY FUNDS, SICAV-INDONESIA FD	73.442.300	Institution - Foreign	2,38%
7	STATE STREET BANK-GOLDMAN SACHS FUNDS	63.786.500	Institution - Foreign	2,07%
8	PT KOREA INVESTMENT AND SEKURITAS INDONESIA	57.573.900	Individual Indonesia	1,87%
9	CITIBANK NEW YORK S/A GOVERNMENT OF NORWAY - 16	49.000.000	Norway - Tax Treaty	1,59%
10	STATE STREET BANK-BERNSTEIN FUND,INC.- INTERNATIONAL SMALL CAP PORTFOLIO	47.991.500	Institution - Foreign	1,56%
11	BNYM RE ACADIAN EM MKTS SM ALL CAP EQ FD LLC- 2039925167	44.014.890	Institution - Foreign	1,43%
12	PT INDO PREMIER SEKURITAS	42.574.100	Individual Indonesia	1,38%
13	BNYM RE GOLDMAN SACHS TRUST-GS EM MAR EQ INS FD- 2039927833	39.513.600	Institution - Foreign	1,28%
14	PT MIRAE ASSET SEKURITAS	35.881.800	Individual Indonesia	1,16%
15	CITIBANK NEW YORK S/A EMERGING MARKETS CORE EQUITY PORTFOLIO OF DFA INV DIMENSIONS GRP INC.	31.858.200	United States of America - Tax Treaty	1,03%
16	STATE STREET BANK-ISHARES MSCI INDONESIA ETF	30.746.400	United States of America - Tax Treaty	1,00%
17	DZ PRIVATBANK S/A CH GALILEO ASIA FUND	28.898.900	Institution - Foreign	0,94%
18	BNYM RE ENSIGN PEAK ADV, INC.-2039925380	26.737.100	United States of America - Tax Treaty	0,87%
19	STATE STREET BANK-CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	24.239.300	United States of America - Tax Treaty	0,79%
20	CITIBANK NEW YORK S/A GEORGETOWN EMERGING MARKETS FUND SPC LIMITED-SIERRA DORADA FUND SP	23.523.900	Institution - Foreign	0,76%

**Table of Composition of the 20 Largest Shareholders of Bank Jatim as of December 31, 2023**

No.	Shareholders	Number of Shares	Status	Ownership
1	PT TASPEN (ASURANSI) - AFS	305.061.900	Limited Company	9,90%
2	CITIBANK LONDON S/A MUTUAL FUND EQ EMERGING DIVIDEND (UCITS)	130.000.000	Institution - Foreign	4,22%
3	PT MNC SEKURITAS	116.000.000	Individual Indonesia	3,76%
4	PT Taspen	109.442.800	Limited company	3,55%
5	BNYM RE ACADIAN EM MKTS SM ALL CAP EQ FD LLC-2039925167	44.014.890	Institution - Foreign	1,43%
6	STATE STREET BANK-BERNSTEIN FUND,INC.- INTERNATIONAL SMALL CAP PORTFOLIO	43.073.500	Institution - Foreign	1,40%
7	STATE STREET BANK-GOLDMAN SACHS FUNDS	38.700.300	Institution - Foreign	1,26%
8	PT INDO PREMIER SEKURITAS	35.281.800	Individual Indonesia	1,15%
9	PT MIRAE ASSET SEKURITAS INDONESIA	32.306.900	Individual Indonesia	1,05%
10	CITIBANK NEW YORK S/A EMERGING MARKETS CORE EQUITY PORTFOLIO OF DFA INV DIMENSIONS GRP INC.	31.858.200	Individual Indonesia	1,03%
11	CITIBANK NEW YORK S/A GEORGETOWN EMERGING MARKETS FUND SPC LIMITED-SIERRA DORADA FUND SP	31.386.200	Institution - Foreign	1,02%
12	PANIN SEKURITAS, PT	31.023.500	Institution - Foreign	1,01%
13	DZ PRIVATBANK S/A CH GALILEO ASIA FUND	28.898.900	Limited company	0,94%
14	CITIBANK NEW YORK S/A GOVERNMENT OF NORWAY - 16	27.000.000	Institution - Foreign	0,88%
15	BNYM RE ENSIGN PEAK ADV, INC.	26.737.100	Institution - Foreign	0,87%
16	STATE STREET BANK-ISHARES MSCI INDONESIA ETF	25.583.100	Institution - Foreign	0,83%
17	PT CEALMI KHEIQT INDONESIA	25.170.400	Institution - Foreign	0,82%
18	BNYM RE GOLDMAN SACHS TRUST-GS EM MAR EQ INS FD-2039927833	22.175.900	Limited company	0,72%
19	JPMCB NA RE - BLACKROCK INST TR CO N A INVESTMENT FDS FOR EMPLOYEE BENEFIT TRUSTS	20.382.800	Institution - Foreign	0,66%
20	PT TRIMEGAH SEKURITAS INDONESIA TBK	20.000.000	Institution - Foreign	0,65%

## Composition of Shareholders 5% or More

**Table of Shareholder Composition of 5% or More Bank Jatim as of January 1, 2023**

Shareholders	Number of Shares	Ownership
Pemerintah Daerah Tingkat I Provinsi Jawa Timur	7.676.913.648	51,13%

The composition of shareholders of 5% or more as of December 31, 2023 does not change with the same composition as on January 1, 2023.



## Composition of Public Shareholders Less than 5%

Table of Composition of Public Shareholders of Less than 5% of Bank Jatim as of January 1, 2023

Public Share Ownership	Number of Shareholders	Number of Shares	Ownership
<b>LOCAL</b>			
Individual	54.693	1.404.961.407	9,357%
Regional government	39	11.934.147.982	79,479%
Foundation	2	1.257.900	0,008%
Pension Fund	13	422.439.100	2,813%
Insurance	3	16.139.100	0,107%
Bank	1	727.500	0,005%
Limited Company	53	186.270.109	1,241%
Mutual Fund	6	16.125.996	0,107%
<b>Sub Total</b>	<b>54.810</b>	<b>13.982.069.094</b>	<b>93,118%</b>
<b>FOREIGN</b>			
Individual	14	1.051.100	0,007%
Foreign Business Entity	161	1.032.377.888	6,875%
<b>Sub Total</b>	<b>175</b>	<b>1.033.428.988</b>	<b>6,882%</b>
<b>TOTAL</b>	<b>54.985</b>	<b>15.015.498.082</b>	<b>100%</b>

Table of Composition of Public Shareholders Less than 5% of Bank Jatim as of December 31, 2023

Public Share Ownership	Number of Shareholders	Number of Shares	Ownership
<b>LOCAL</b>			
Individual	59.761	1.684613.407	11,219%
Regional government	39	11.934.147.982	79,479%
Foundation	1	1.360.500	0,009%
Pension Fund	11	7.993.200	0,053%
Insurance	3	11.987.400	0,080%
Bank	1	23.000	0%
Limited Company	56	523.468.596	3,486%
Mutual Fund	5	18.864.411	0,126%
<b>Sub Total</b>	<b>59.844</b>	<b>2.248.336.514</b>	<b>94,452%</b>
<b>FOREIGN</b>			
Individual	37	1.843.900	0,012%
Foreign Business Entity	151	831.195.686	5,535%
<b>Sub Total</b>	<b>188</b>	<b>833.039.586</b>	<b>5,547%</b>
<b>TOTAL</b>	<b>60.065</b>	<b>15.015.498.082</b>	<b>100%</b>



## Share Ownership of Directors and Board of Commissioners

Table of Share Ownership of the Directors and Board of Commissioners of Bank Jatim as of January 1, 2023

No.	Name	Position	Number of Shares	Ownership
BOARD OF DIRECTORS				
1.	Busrul Iman	President Director	1.946.500	0,0129633%
2.	Tonny Prasetyo	Director of Operations	628.500	0,0041857%
4.	Edi Masrianto	Director of Finance, Treasury & Global Services	-	-
5.	R. Arief Wicaksono	Director of Micro, Retail & Medium	126.300	0,0008411%
6.	Zulhelfi Abidin	Director of IT & Digital	-	-
7.	Eko Susetyono	Director of Risk Management	-	-
BOARD OF COMMISSIONERS				
1.	Suprajarto*	President Commissioner	-	-
2.	Muhammad Mas'ud	Independent Commissioner	-	-
3.	Candra Fajri Ananda	Independent Commissioner	-	-
4.	Sumaryono	Independent Commissioner	-	-
5.	Heru Tjahjono**	Commissioner	274.200	0,0018261%
TOTAL			2.975.500	0,0198162 %

\* Stopped serving since December 19, 2023

\*\* Stopped serving since April 12, 2023

Table of Share Ownership of the Directors and Board of Commissioners of Bank Jatim as of December 31, 2023

No.	Name	Position	Number of Shares	Ownership
BOARD OF DIRECTORS				
1.	Busrul Iman	President Director	2.958.900	0,0197056%
2.	Tonny Prasetyo	Director of Compliance	1.067.400	0,0071087%
3.	Edi Masrianto	Director of Finance, Treasury & Global Services	327.600	0,0021817%
4.	R. Arief Wicaksono	Director of Micro, Retail & Medium	728.200	0,0048497%
5.	Zulhelfi Abidin	Director of IT & Digital	24.200	0,0001612%
6.	Eko Susetyono	Director of Risk Management	124.100	0,0008265%
7.	Arif Suhirman	Director of Operations	-	-
BOARD OF COMMISSIONERS				
1.	Suprajarto*	President Commissioner	191.000	0,0012722%
2.	Muhammad Mas'ud	Independent Commissioner	-	-
3.	Candra Fajri Ananda	Independent Commissioner	-	-
4.	Sumaryono	Independent Commissioner	-	-
5.	Adhy Karyono	Commissioner	-	-
TOTAL			5.421.400	0,0361054%

\* Stopped serving since December 19, 2023

As of December 31, 2023, the Board of Commissioners and Board of Directors of Bank Jatim do not have indirect share ownership.



## Shares Ownership of the Senior Management

Until December 31 2023, Bank Jatim Senior Management does not have direct and indirect ownership of Bank shares.

## Classification of Shareholders

**Table of Classification of Bank Jatim Shareholders as of December 31, 2023**

Share Ownership	Number of Shareholders	Number of Shares (sheet)	Ownership
Local Institution	116	12.497.845.089	83,233%
Foreign Institution	151	831.195.686	5,536%
Local Individual	59.767	1.684.639.407	11,22%
Foreign Individual	32	1.817.900	0,012%
<b>Total</b>	<b>60.065</b>	<b>15.015.498.082</b>	<b>100%</b>

## Main and Controlling Shareholders

The majority share ownership of Bank Jatim is owned by the East Java Provincial Government, with 51.13%. Thus, the Main and Controlling Shareholders of Bank Jatim are the East Java Provincial Government. The main shareholder and controlling shareholder do not have indirect share ownership.

**Government of East Java Province**  
(51,13%)

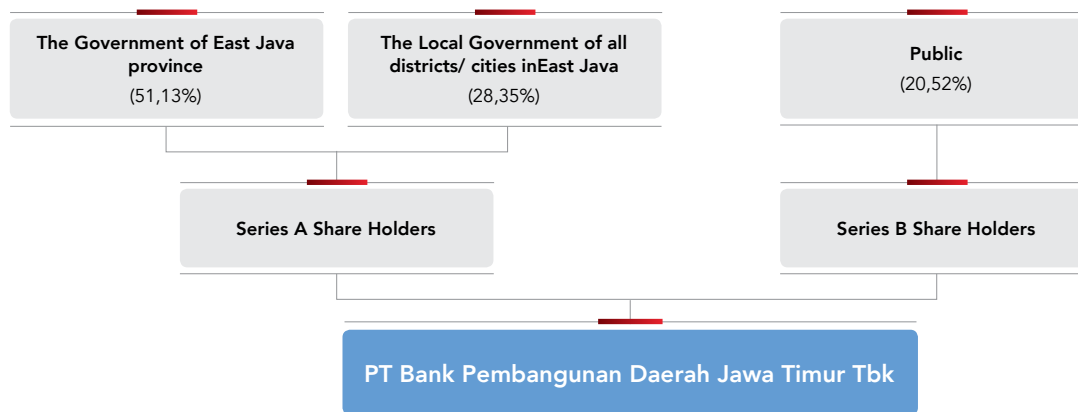
**bankjatim**

## List of Subsidiaries, Associated Entities and Joint Venture Company

As of December 31, 2023, Bank Jatim does not have any Subsidiaries, Associated Entities and joint venture companies, so that there is no information available regarding: Names of subsidiaries, associates and joint venture companies, Percentage of share ownership; Description of the line of business and information on the operating status of subsidiaries, associates and joint venture companies (already operating or not yet operating).



## Company Group Structure



As of December 31, 2023, Bank Jatim does not have any Subsidiaries, Associated Entities, Joint Ventures, and Special Purpose Vehicles (SPV).

## Information of Bank Business Group

As of December 2023, Bank Jatim has not become Bank Business Group. Therefore, there is no information on the structure of the Bank Business Group, management linkage structure in the Bank Business Group and shareholders acting on behalf of other shareholders.

## Chronology of Share Issuance

Bank Jatim issues shares consisting of Series A Shares which are owned by the East Java Provincial Government, and Series B Shares which are offered to the public.

### INITIAL PUBLIC OFFERING

On July 12, 2012, Bank Jatim conducted an Initial Public Offering (IPO) by offering new shares of 2,983,537,000 ordinary

shares (Series B) at an offering price of IDR430 per share, so that the total number of shares to be listed on the Indonesia



Stock Exchange amounted to 14,768,508,132 (fourteen billion seven hundred sixty-eight million five hundred eight million thousand one hundred thirty-two) shares or 99% (ninety-nine percent) of the total issued and fully paid-up capital after the Public Offering. Of the total shares offered, as much as 10% (ten percent) will be allocated to employees and the Company's Management through the ESA (Employee Stock Allocation) Program. Bank Jatim has implemented the MESOP (Management Employee Stock Option Plans) program from 2016 to 2020 with new shares (Series B) of 13,127,500 shares. So that the total Paidin Capital on December 31, 2020, will be IDR3,753,874,520,500 or 15,015,498.082 shares.

In connection with the initial public offering, the Bank implemented the Employee Stock Allocation (ESA) program by allocating a maximum of 10% of the shares offered and issuing as many stock options as possible for the Management and Employee Stock Option Plan (MESOP) program 0.71% of the total issued and fully paid capital after the initial public offering.

The MESOP Phase I Program was implemented from August 1, 2016 to November 13, 2016, February 1, 2017 to March 13, 2017, August 1, 2017 to November 13, 2017, February 1, 2018 to March 15, 2018, August 1, 2019 to September 11, 2019. The MESOP Phase II 2017 Program was implemented from August 1, 2017 to November 13, 2017, February 1, 2018 to March 15, 2018, February 1, 2019 to March 18, 2019, August 1, 2019 to September 11, 2019. The MESOP Phase III Program was implemented from August 1, 2018 to September 14, 2018, February 1, 2019 to March 18, 2019, August 1, 2019 to September 11, 2019.

#### NAME OF THE EXCHANGE WHERE THE COMPANY'S SHARES ARE LISTED

All shares of Bank Jatim have been listed on the Indonesia Stock Exchange.

**Table of Chronology of Bank Jatim Shares Issuance**

No.	Period	Information	Stock	Nominal Value (IDR)	Offer Price (IDR)	
1	Before IPO	-	-	-	-	
2	2012	Initial Public Offering	Series B Shares	250	430	
3	2016	MESOP Exercise II 2016	Series B Shares	250	409	
4	2017	MESOP Exercise I 2017	Series B Shares	250	450	
5		MESOP Exercise II 2017	Series B Shares	250	450	
					409	
6	2018	MESOP Exercise I 2018	Series B Shares	250	450	
					409	
7		MESOP Exercise II 2018	Series B Shares	250	409	
					599	
8	2019	MESOP Exercise I 2019	Series B Shares	250	409	
					599	
9		MESOP Exercise II 2019	Series B Shares	250	450	
					409	
					599	
10	2020	MESOP Exercise I 2020	Series B Shares	250	409	
					599	



## Chronology of Issuance and/or Listing of Bond

As of December 31, 2023, Bank Jatim has not issued bonds, so there is no information on the chronology of the issuance and/or listing of bonds.

## Chronology of Issuance and/or Listing of Other Securities

As of December 31, 2023, Bank Jatim has not issued other securities, so there is no information on the chronology of the issuance and/or recording of other securities..

	Number of Shares Issued (share)	Issued and Paid Up Capital		
		Number of shares (share)	Total value Nominal (IDR)	Total Bid Price (IDR)
-	-	-	-	-
	2.983.537.000	14.917.684.982	3.729.421.245.500	1.282.920.910.000
	27.372.600	14.945.057.582	3.736.264.395.500	11.195.393.400
	1.241.600	14.946.299.182	3.736.574.795.500	558.720.000
	1.800.500	14.974.591.382	3.743.647.845.500	810.225.000
	26.491.700			10.835.105.300
	297.700	14.975.852.582	3.743.963.145.500	133.965.000
	963.500			394.071.500
	365.400	14.978.134.982	3.744.533.745.500	149.448.600
	1.917.000			1.148.283.000
	48.500	14.993.772.982	3.748.443.245.500	19.836.500
	15.589.500			9.338.110.500
	1.062.100	15.002.370.582	3.750.592.645.500	477.945.000
	741.500			303.273.500
	6.794.000			4.069.606.000
	3.163.900	15.015.498.082	3.753.874.520.500	1.294.035.100
	9.963.600			5.968.196.400





## Information on Using the Services of Public Accounting and Public Accounting Firm

<b>Public Accountant Firm Name</b>	Kantor Akuntan Publik (KAP) Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan
<b>Association Network</b>	PKF International
<b>Public Accountant Firm Address</b>	UOB Plaza Lantai 30 dan 42 Jl. M.H. Thamrin Lot 8 -10, Jakarta Pusat Tel : (021) 29932121 (hunting) Fax : (021) 29932113 Email : jkt-office@pkfhadiwinata.com
<b>Public Accountant Name</b>	Ary Daniel Hartanto
<b>KAP Assignment Period</b>	5 <sup>th</sup> period
<b>AP Assignment Period</b>	3 <sup>rd</sup> period
<b>Audit Services</b>	Public Accountant Services for Examination of the Annual Financial Statements of PT Bank Pembangunan Daerah Jawa Timur Tbk ended on December 31, 2022, including Sharia Business Units Included General Audit of Financial Statements, Examination of Financial Statements, Examination of Financial Statements, and Review of Reports.
<b>Non - Audit Services</b>	There are non non-audit services
<b>Audit Fee</b>	Rp1.175.000.000
<b>Non-Audit Fee</b>	-

## Supporting Institutions and/or Professions

<b>SECURITIES RATING AGENCY</b>	<b>PT PEMERINGKAT EFEK INDONESIA (PEFINDO)</b> Panin Tower-Senayan City, 17 <sup>th</sup> floor Jl. Asia Afrika Lot 19 Jakarta 12170 Telp : (021) 727 82380 Fax : (021) 727 82370 Web : www.pefindo.com  Services rendered : Issuing ratings for debt securities issuance Assignment Period : Fiscal Year 2022
	<b>KJPP SUSAN WIDJOJO &amp; REKAN</b> Menara Batavia, lantai 28 Jl. KH Mas Mansyur Kav. 120, Jakarta 10220 Telp: (021) 5795 0155  Services rendered : Issuing ratings for debt securities issuance Assignment Period : Tahun Buku 2022

**SECURITIES ADMINISTRATION  
BUREAU****PT DATINDO ENTRYCOM**

Jl. Hayam Wuruk No. 28, Jakarta 10120

Telp: (021) 3508077

Fax: (021) 3508078

Services provided : Record ownership of Securities and distribution of rights related to Securities

Assignment Period : Fiscal Year 2023

**SECURITIES GUARANTEE****PT BAHANA SEKURITAS**

Graha Niaga, Lantai 19,

Jl. Jend. Sudirman Kav. 58, Jakarta 12190

Telp : (021) 250 5678

Fax : (021) 250 5087

Services provided : Guarantee the sale of securities and payment of the total value of the securities issued to the issuer

Assignment Period : Fiscal Yea 2022

**PT MANDIRI SEKURITAS**

Plaza Mandiri, Lantai 28-29

Jl. Jend. Gatot Subroto Kav. 36-38, Jakarta 12190 Indonesia

Telp : (021) 526 5678

Fax : (021) 526 505

Services provided : Guarantee the sale of securities and payment of the total value of the securities issued to the issuer

Assignment Period : Fiscal Year 2023

**CUSTODIAN****PT KUSTODIAN SENTRAL EFEK INDONESIA**

Gedung Bursa Efek Indonesia, Tower I, Lantai 5

Jl. Jendral Sudirman Kav. 52- 53, Jakarta 12190

Telp : (021) 515 2855

Fax : (021) 5299 1199

Web : www.ksei.co.id

Services provided : Collective depository of assets such as shares, bonds, as well as carrying out client administration tasks.

Assignment Period : Fiscal Year 2023

**NOTARY****SITARESMI PUSPADEWI SUBIANTO, S.H.**

Jl. Kebon rojo No. 2 CC, Surabaya 60175, Indonesia

Telp : (031) 351 1282, 352 1285, 353 2822

Fax : (031) 352 2311

Services provided : Membuat Make deed of summary of minutes of GMS and deed of minutes of GMS.

Assignment Period : Fiscal Year 2022

## Awards and Certification

### AWARDS



**Award Name:**

Rank I in the 2023 Engagement Index

**Event:**

6<sup>th</sup> Infobank MRI Satisfaction, Loyalty, Engagement and Corporate Reputation Award 2023

**Organizer:**

Infobank

**Date:**

January 25, 2023



**Award Name:**

Rank I in the 2023 Satisfaction Index

**Event:**

6<sup>th</sup> Infobank MRI Satisfaction, Loyalty, Engagement and Corporate Reputation Award 2023

**Organizer:**

Infobank

**Date:**

January 25, 2023



**Award Name:**

Rank I in the 2023 Customer Service Satisfaction Index

**Event:**

6<sup>th</sup> Infobank MRI Satisfaction, Loyalty, Engagement and Corporate Reputation Award 2023

**Organizer:**

Infobank

**Date:**

January 25, 2023



**Award Name:**

Rank I Satisfaction Index 2023 Teller

**Event:**

6<sup>th</sup> Infobank MRI Satisfaction, Loyalty, Engagement and Corporate Reputation Award 2023

**Organizer:**

Infobank

**Date:**

January 25, 2023



**Award Name:**

Rank I Satisfaction Index 2023 ATM

**Event:**

6<sup>th</sup> Infobank MRI Satisfaction, Loyalty, Engagement and Corporate Reputation Award 2023

**Organizer:**

Infobank

**Date:**

January 25, 2023



**Award Name:**

Rank I in the 2023 Mobile Banking Satisfaction Index

**Event:**

6<sup>th</sup> Infobank MRI Satisfaction, Loyalty, Engagement and Corporate Reputation Award 2023

**Organizer:**

Infobank

**Date:**

January 25, 2023



**Award Name:**  
Indonesia Best BUMD Award 2023 in  
Business Strategy to Optimizing Banking  
Services category BPD

**Event:**  
Indonesia Best BUMD Awards 2023

**Organizer:**  
Warta Ekonomi

**Date:**  
January 31, 2023



**Award Name:**  
Best Public Relation in Company  
Strategy on Improving Banking Services  
and Supporting Local Government  
Program kategori Regional Bank

**Event:**  
Indonesia Public Relation Awards (IPRA)  
2023

**Organizer:**  
Warta Ekonomi

**Date:**  
February 24, 2023



**Award Name:**  
Rank A in 2021 Sustainability Report

**Event:**  
Hasil Studi Laporan Keberlanjutan Tahun  
2021 Perusahaan Publik di Indonesia

**Organizer:**  
Foundation For International Human  
Rights Reporting Standards (FIHRRST)

**Date:**  
March 6, 2023



**Award Name:**  
PT Bank Pembangunan Daerah Jawa  
Timur Tbk Category Best Companies

**Event:**  
Obsession Awards 2023

**Organizer:**  
Obsession Media Group (OMG)

**Date:**  
March 8, 2023



**Award Name:**  
The Best Digital Transformation  
(Local Banking Industries)

**Event:**  
Digital Technology & Innovation Awards  
2023

**Organizer:**  
Itech

**Date:**  
March 29, 2023

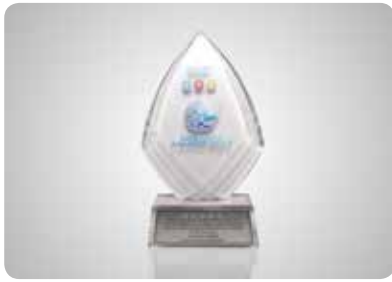


**Award Name:**  
The Best Digital Technology Project  
(Local Banking Industries)

**Event:**  
Digital Technology & Innovation Awards  
2023

**Organizer:**  
Itech

**Date:**  
March 29, 2023



**Award Name:**

The Best Chief Information & Digital  
Officer Of The Year  
(Local Banking Industries)

**Event:**

Digital Technology & Innovation Awards  
2023

**Organizer:**

Itech

**Date:**

March 29, 2023



**Award Name:**

TOP BUMD 2023 #BPD - Bintang 5

**Event:**

Top BUMD Award 2023

**Organizer:**

Top Business

**Date:**

April 5, 2023



**Award Name:**

TOP CEO BUMD 2023 - Busrul Iman -  
President director

**Event:**

Top BUMD Award 2023

**Organizer:**

Top Business

**Date:**

April 5, 2023



**Award Name:**

Export Supporting BUMD

**Event:**

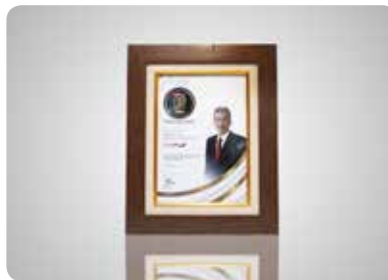
East Java International Trade Festival

**Organizer:**

Dinas Perindustrian dan Perdagangan  
Provinsi Jawa Timur

**Date:**

May 30, 2023



**Award Name:**

Best Leader for Sustainability  
Acceleration Through Synergy and  
Expansion of Regional Digitalization

**Event:**

Indonesia Financial Top Leader Awards  
2023

**Organizer:**

Warta Ekonomi

**Date:**

May 31, 2023



**Award Name:**

Emiten Kategori High Dividen

**Event:**

Launching Indeks Tempo-IDN  
Financials 52

**Organizer:**

Tempo

**Date:**

June 23, 2023



**Award Name:**  
Best Bank 2023 For the Provision of  
Facilities and Market Access for MSME's

**Event:**  
Best Bank Awards 2023

**Organizer:**  
Warta Ekonomi

**Date:**  
July 24, 2023



**Award Name:**  
The Best Financial Performance Bank in  
2022 (KBMI 2)

**Event:**  
28<sup>th</sup> Infobank Award 2023

**Organizer:**  
Infobank

**Date:**  
August 25, 2023



**Award Name:**  
Excellent Financial Performance Bank  
in 2022

**Event:**  
28<sup>th</sup> Infobank Award 2023

**Organizer:**  
Infobank

**Date:**  
August 25, 2023



**Award Name:**  
Best BUMD Digital Innovation  
"Excellent Award for Strategic Initiative  
Jconnect Pro"

**Event:**  
Indonesia Awards 2023

**Organizer:**  
Inews

**Date:**  
August 31, 2023



**Award Name:**  
The Most Comitted GRC Leader 2023  
" Busrul Iman Main Director "

**Event:**  
TOP GRC Awards 2023

**Organizer:**  
Top Business

**Date:**  
September 6, 2023



**Award Name:**  
TOP GRC Awards #star 5

**Event:**  
TOP GRC Awards 2023

**Organizer:**  
Top Business

**Date:**  
September 6, 2023



**Award Name:**

Top 50 Best Issuers with Medium Capitalization (MidCap PLCs) in the Best Financial Sector Category

**Event:**

Corporate Governance Conference Award 2023

**Organizer:**

Indonesia Institute for Corporate Directorship (IICD)

**Date:**

September 18, 2023



**Award Name:**

ICAI Bank Jatim category Product Innovation & Business Model 5 pillars of Transformation

**Event:**

IDX Channel nuerah Inovasi Indonesia (ICAI)

**Organizer:**

IDX Channel

**Date:**

September 20, 2023



**Award Name:**

Rank III BPD Large Category

**Event:**

BUMD Awards 2023

**Organizer:**

Kementerian Dalam Negeri Republik Indonesia

**Date:**

September 29, 2023



**Award Name:**

Best Chief Financial Officer (CFO) 2023

**Event:**

Orchestrating Financial Resources & Strategy to achieve top performance

**Organizer:**

SWA Media

**Date:**

October 4, 2023



**Award Name:**

Gold Rank

**Event:**

The Asia Sustainability Reporting Rating (ASRRAT)

**Organizer:**

National Center for Corporate Reporting (NCCR)

**Date:**

November 6, 2023



**Award Name:**

Most Expansive Regional Bank in Micro & SME Lending

**Event:**

Road to CNBC Indonesia Awards 2023

**Organizer:**

CNBC Awards

**Date:**

November 10, 2023



**Award Name:**  
The Best Innovation in Regional Banking

**Event:**  
CSA Awards 2023

**Organizer:**  
Asosiasi Analis Efek Indonesia (AAEI) dan  
CSA Community

**Date:**  
November 23, 2023



**Award Name:**  
1<sup>st</sup> place in the BUMD Financial  
Company category

**Event:**  
Annual Report Awards (ARA) 2022

**Organizer:**  
Bursa Efek Indonesia (BEI)

**Date:**  
November 27, 2023



**Award Name:**  
Commitment to the Best MSME  
Development

**Event:**  
Anugerah Syariah Republika 2023

**Organizer:**  
Republika Group

**Date:**  
November 30, 2023



**Award Name:**  
Top Leader on Digital Implementation  
2023 "Busrul Iman"

**Event:**  
TOP Digital Awards 2023

**Organizer:**  
Majalah IT Works

**Date:**  
December 4, 2023



**Award Name:**  
Top Digital Implementation 2023 #star5

**Event:**  
TOP Digital Awards 2023

**Organizer:**  
Majalah IT Works

**Date:**  
December 4, 2023



**Award Name:**  
Regional Bank with Simultaneous  
Consumer Credit Agreements with the  
Most Debtors

**Event:**  
Akad Massal Kredit Konsumer  
Bank Jatim

**Organizer:**  
MURI Indonesia

**Date:**  
December 12, 2023





**Award Name:**  
Umrah Reward BPKH  
kategori BPD 5<sup>th</sup> best

**Event:**  
BPKH Awards 2023

**Organizer:**  
Badan Pengelola Keuangan Haji (BPKH)

**Date:**  
December 15, 2023



**Award Name:**  
BPS BPIH 2<sup>nd</sup> best Hajj registrant in 2023

**Event:**  
BPKH Awards 2023

**Organizer:**  
Badan Pengelola Keuangan Haji (BPKH)

**Date:**  
December 15, 2023



**Award Name:**  
BPS BPIH Sustainable Finance 2023  
3<sup>rd</sup> best

**Event:**  
BPKH Awards 2023

**Organizer:**  
Badan Pengelola Keuangan Haji (BPKH)

**Date:**  
December 15, 2023

## CERTIFICATION



**Certification Type:**  
Sertifikat ISO/IEC 27001:2022  
(International Standard for Information  
Security Management Systems)

**Validation:**  
October 21, 2022 – October 20, 2025

**Certification Recipient:**  
Bank Jatim

**Issued by:**  
Lembaga Sertifikasi Bureau Veritas Indonesia



**Certification Type:**  
ISO 37001:2016  
Anti-Bribery Management System

**Validation:**  
December 18, 2023 – December 17, 2026

**Certification Recipient:**  
Bank Jatim

**Dikeluarkan Oleh:**  
PT TUV Nord Indonesia



## Information Available on the Website



The availability of information on website refers to the Regulation of OJK No. 8/ POJK.04/2015 regarding Website of Issuers or Public Companies. Thus, Bank Jatim has provided various key information on its official website, such as information on shareholders, organizational structure, financial performance analysis, as well as profiles of Board of Commissioners and Board of Directors. In addition, the Bank's website displays the following information;

### YOUR NEEDS

Contains all information on customer and community needs which include Savings, Financing, Business, Sharia, Services, Investor Relations, Corporate Governance, Bank Jatim Peduli, Interest Rates, and Information.

### PROFILE

Contains information on Bank's Profile, Management, and Awards.

### CAREER

Contains information on Career Management and Information on Recruitment.

### MSME PARTNER

Contains information on MSME Partners of Bank Jatim accessible by the public and the Bank's customers.

### INTERNET BANKING

Contains information on Bank Jatim's Internet Banking usage guide and Internet Banking Portal.

### ONLINE REGISTRATION

Contains information on MSME Partners of Bank Jatim accessible by the public and the Bank's customers.

ARA Criteria	Description
Shareholder information up to individual final owners	Available
Contents of the Code of Conduct	Available
Information on the General Meeting of Shareholders (GMS) at least includes the material for the agenda discussed in the GMS, summary of the minutes of the GMS, and important date information, namely the date of the announcement of the GMS, the date of the sum-mons for the GMS, the date of the GMS, the date of the summary of the minutes of the GMS was announced	Available
Separate annual financial statements (last 5 years)	Available
Profile of the Board of Commissioners and Directors	Available
Charter of the Board of Commissioners, Board of Directors, Committees, and the Internal Audit Unit	Available

# MANAGEMENT DISCUSSION AND ANALYSIS

## of Bank Performance







## Economic Review



### Global Economic Analysis

Until January 2024, official data regarding the extent of world economic growth has not been conclusively provided yet by various sources. However, in its Quarter III-2023 Monetary Policy Report, Bank Indonesia predicted economic growth in 2023 of 2.9%. The Quarter III-2023 Indonesian and World Economic Development Report by Bappenas stated that the global economic recovery tends to retard, which is reflected in the unequal speed of global economic growth in Quarter III-2023 and influenced by, such as, tight financial conditions, vulnerable trade growth, lower optimism in the business aspect and consumers, escalated geopolitical tensions after the Russia-Ukraine war, the development of the Palestine-Israel conflict, the impact of tightening monetary policy, and extreme weather. Further, the United States economy grew by 2.9% (yoy); China developed 4.9% (yoy); Japan's economy retarded 1.2% (yoy); South Korea increased 1.4% (yoy); and Singapore extended 1, 1% (yoy). Most countries' central banks inclined to maintain their interest rates, which was in accordance with relieving inflation.

Energy commodity prices were on a positive trend, though they were lower than 2022. Additionally, agricultural commodity prices were still sloping, and metal base prices were varied, as well as precious metal prices were strengthening.

In most countries, central banks tended to maintain their interest rates as inflation subsides. The Federal Reserve held the rate of increase in the Fed Funds Rate (FFR) interest rate at a range of 5.25%-5.50% throughout Quarter III-2023, which was the highest level in the last 22 years. This policy was stipulated by considering the fluctuation in inflation since the Covid-19 lockdown, which had sharply declined from an annual rate of 9.1% in June 2023 to 3.7% in September 2023. However, this inflation rate was still above the Fed's target of 2% in the mid of the continued price increasing signal.



The following is reference of benchmark interest rates in several BRICS, ASEAN-5 countries, and developed countries.

**Table of Benchmark Interest Rates in Several Countries**

(in %)

Country	July	August	September
<b>BRAZIL, RUSSIA, INDIA, CHINA, SOUTH AFRICA (BRICS)</b>			
Brazil	13.75	13.25	12.75
Russia	8.50	12.00	13.00
India	6.50	6.50	6.50
China/Tiongkok	3.55	3.45	3.45
South Africa	8.25	8.25	8.25
<b>ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) 5</b>			
Indonesia	5.75	5.75	5.75
Thailand	2.00	2.25	2.50
Phillipines	6.25	6.25	6.25
Malaysia	3.00	3.00	3.00
Vietnam	4.50	4.00	4.50
<b>DEVELOPING COUNTRY</b>			
United States of America	5.25-5.50	5.25-5.50	5.25-5.50
Japan	(0.1)	(0.1)	(0.1)
South Korea	3.50	3.50	3.50

Source: CEIC, People's Bank of China (PBoC)

Japan maintained its relaxed monetary policy with unchangingly negative interest rates at -0.1%, viewing the highest uncertainty over the domestic and global growth prospects. The Bank of Korea also did the same by maintaining its stable benchmark interest rates at 3.5% for attempting to limit consumer inflation and household debt, while considering increasing risks to economic growth prospects.

While, Russia aggressively raised its interest rate in Quarter III-2023. The increase in August reached 350 bps from 8.5% to 12.0%. The decision of the Russian central bank was taken to maintain the falling value of the Ruble and form monetary conditions and dynamics of domestic demand to return inflation to 4% in 2024. Furthermore, the Russian central bank raised its interest rates again by 100 bps in Quarter III-2023 to 13%.

Brazil decisively cut its Selic interest rate twice in Quarter III-2023 with deduction of 50 bps, respectively. The global environment became increasingly uncertain by the continuous process of increasingly sloping inflation, though the condition of high core inflation and the

resilience of the labor market in many countries were the reasons for Banco Central do Brasil to lower its interest rates. Brazil's interest rate was at 12.75% at the end of Quarter III-2023.

Then, China reduced its one-year interest rate to 3.45% in Quarter III-2023 in the mid of worsening constraints of property sector, though many measures of stimulus had been taken by the Chinese government. ASEAN-5 countries kept their unaffected benchmark interest rates along Quarter III-2023, excluding for Thailand. Thailand outstretched its interest rates twice by 25 bps, respectively, and was at the level of 2.50% in Quarter III-2023. The central bank addressed that current interest rates have reached a neutral level and are appropriate to support long-term sustainable growth in Southeast Asia's second largest economy country

Source:

- Monetary Policy Report Quarter III-2023, Bank Indonesia, October 2023
- World Economic Outlook, International Monetary Fund (IMF), October 2023
- Global Economic Data, Indicators, Charts and Forecasts, CEIC, 2023
- Economic Development in Indonesia and the World Quarter III-2023, Ministry of National Development Planning/National Development Planning Agency, November 2023

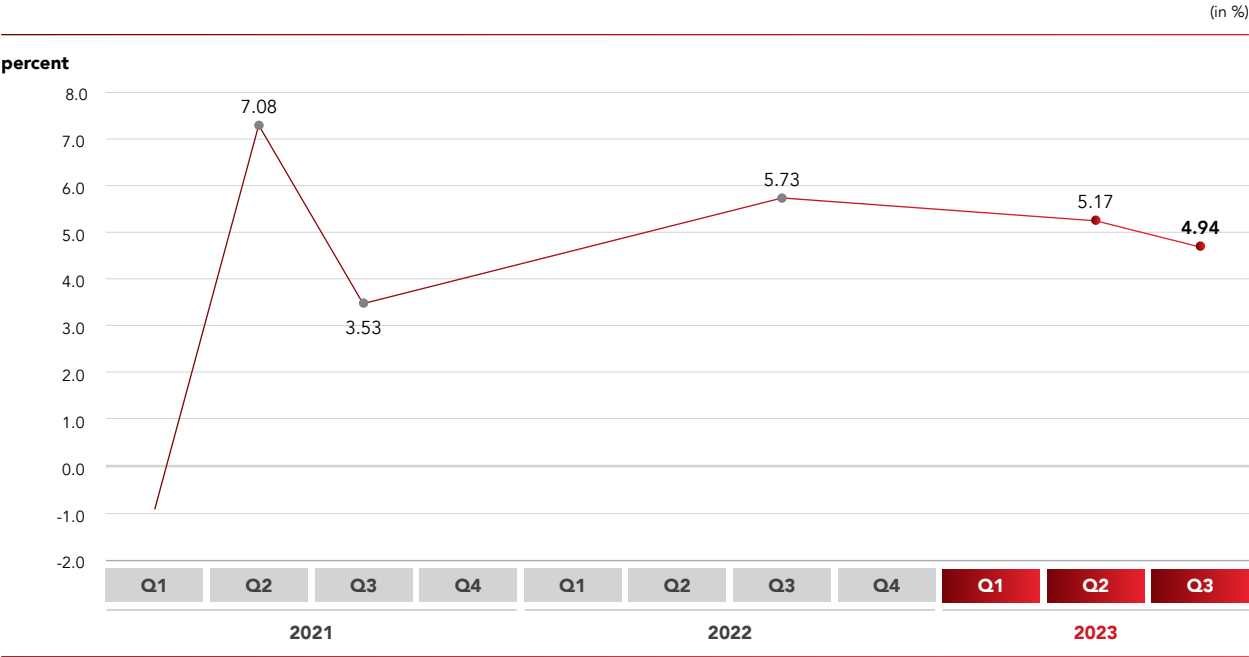




# National Economic Analysis

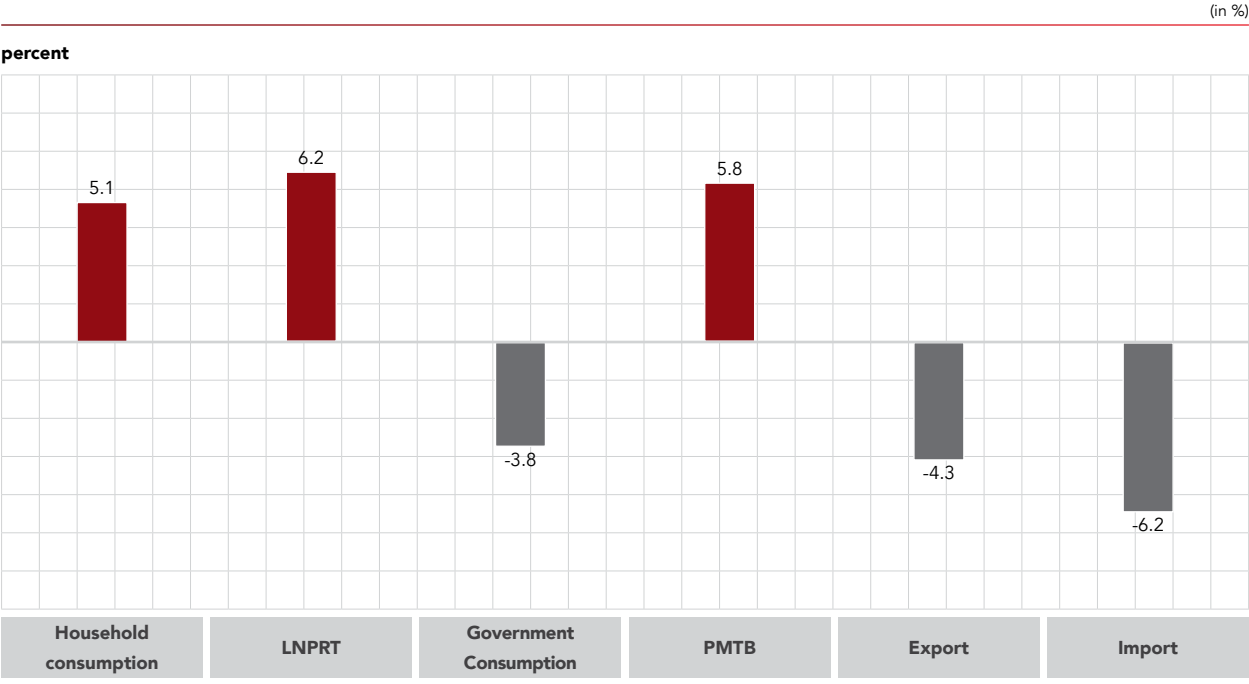
In the midst of retarding global conditions, the Indonesian economy positively improved in Quarter III-2023, though it experienced a slowdown to 4.94% (yoy), lower than the growth in Quarter II-2022, which was 5.73% (yoy). This slowdown was influenced by seasonal factors, the lack of religious holidays and the absence of holidays throughout Quarter III-2023, which could boost consumption activity.

## Picture of Indonesian Economic Growth



Source: Central Bureau of Statistics, 2023

## Picture of Growth of Gross Domestic Product (GDP) Expenditure Side Quarter III-2023 (in %)



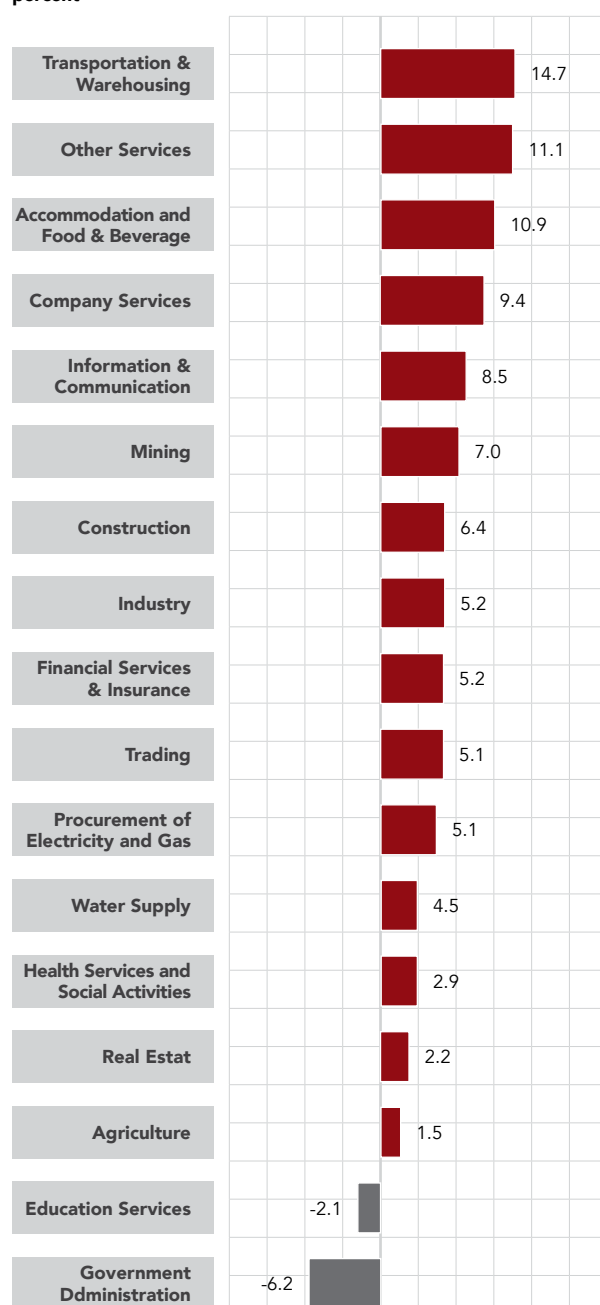
Source: Central Bureau of Statistics, November 2023



Meanwhile, in terms of expenditure, GDP components mostly continued to grow, but other components contracted, such as government consumption, exports, and imports. Consumption of Non-Profit Agencies Serving Households (LNPR) increased 6.2%, although slowing down compared to the previous quarter, Gross Fixed Capital Formation (PMTB) also grew 5.8%. Household consumption continuously developed at 5.1%, which was in accordance with the firmness of people's purchasing power along with controlled inflation.

#### Picture of Growth of Gross Domestic Product (GDP) Production Side Quarter III-2023

percent



Source: Central Bureau of Statistics, November 2023

Related to production, business sectors almost grew positively, excluding for Education Services and Government Administration, contracted 2.1% and 6.2%, respectively. Government administration was one of the sectors experiencing contraction in Quarter III-2023. The underperformance of this sector was affected by the lower realization of employee expenditure in the National Revenue and Expenditure (APBN), and the absorption capacity of employee expenditure in Quarter III-2023 was lower than Quarter III-2022.

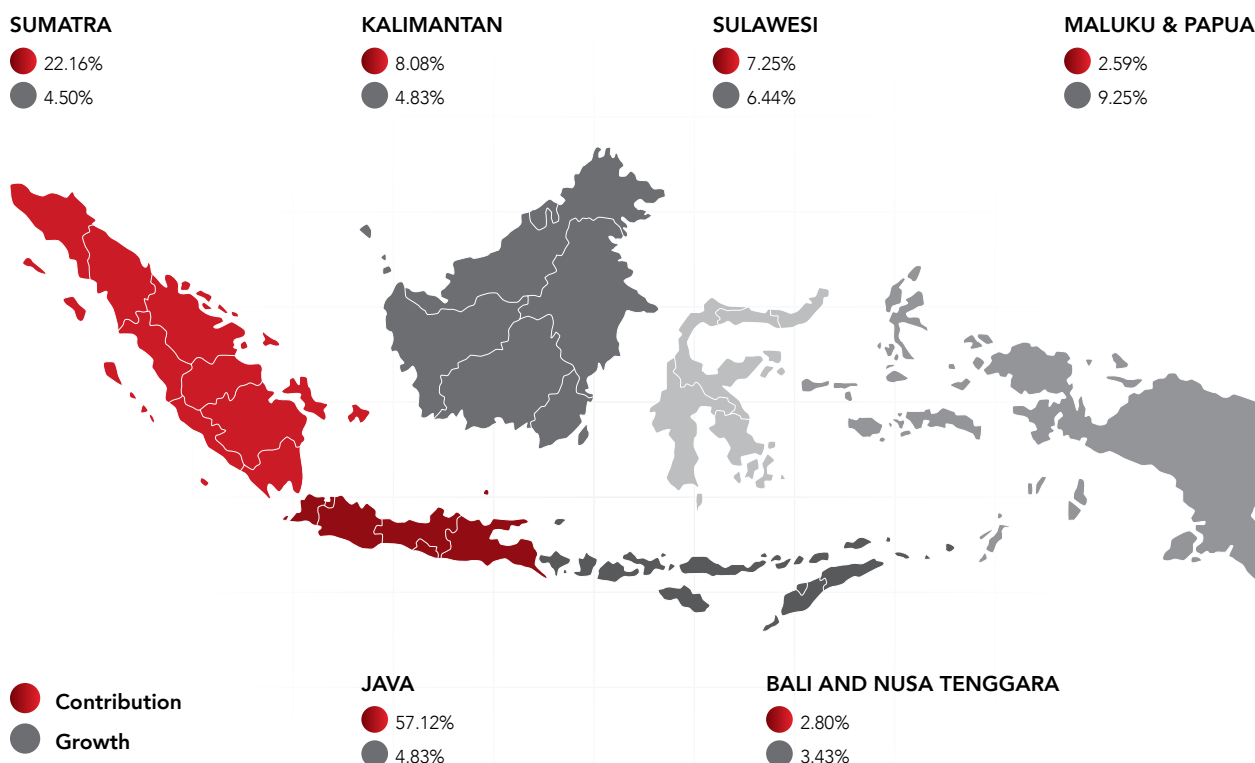
The three business sectors with the highest growth were Transportation and Warehousing at 14.7%, Other Services at 11.1%, and Accommodation and Food and Beverage at 10.9%. The highest growth sectors were Transportation and Warehousing, which were influenced by increasing community mobility along with the increasing number of visits from both foreign and domestic tourists.

Spatially, the Indonesian economic structure in Quarter III-2023 was still contributed by the group of provinces on the island of Java with a role in GDP of 57.12%, followed by Sumatra at 22.16%, Kalimantan at 8.08%, Sulawesi at 7.25%, Bali and Nusa Tenggara at 2.80%, and Maluku and Papua at 2.59%. The rate of economic growth in Quarter III-2023 against Quarter III-2022 (yoy) was slower growth in almost all regions of Indonesia; the highest growth was recorded by the group of provinces on the islands of Maluku and Papua at 9.25%, followed by Sulawesi at 6.44%, Kalimantan and Java at 4.83%, Sumatra at 4.50%; and, the lowest growth was on the Islands of Bali and Nusa Tenggara, growing at 3.43%.





## Picture of Indonesia's Spatial Economic Growth Quarter III-2023



Source: Central Bureau of Statistics, November 2023

Regardless experiencing turmoil due to highly uncertain global financial market, the Rupiah exchange rate remained stable in Quarter III-2023. The average of the Rupiah exchange rate reached IDR15,216 per USD in Quarter III-2023, failing by 1.95% compared to the average in Quarter III-2022.

In Quarter III-2023, domestic inflation experienced a plunging trend, where annual inflation (yoy) in July to September was 3.08%, 3.27% and 2.28%, respectively. Maintaining inflation within the target range could not be separated from the

consistency of monetary policy and the tight synergy of inflation control between the Government and Bank Indonesia (Central and Regional) in the Central and Regional Inflation Control Teams (TPIP and TPID), including the affirmation of the National Movement of Food Inflation Control (GNPIP) in various regions.

Source:

- Economic Development in Indonesia and the World Quarter III-2023, Ministry of National Development Planning/National Development Planning Agency, November 2023
- Central Bureau of Statistics, November 2023

## Banking Industry Analysis

In general, national banking performance is still quite good, as reflected in a number of banking performance indicators which remain good and at a safe level. National banking performance in general is as follows:

**Table of National Banking Performance**

Description	September 2023	2022	2021	2020	2019
<b>INTERMEDIATION</b>					
Banking Credit	<b>IDR6,907.5 trillion</b>	IDR6,498.6 trillion	IDR5,820.6 trillion	IDR5,547.6 trillion	IDR5,683.8 trillion
	<b>8.99% (yoy)</b>	11.6% (yoy)	4.92% (yoy)	(2.40%) (yoy)	6.08% (yoy)
Banking Third Party Fund (TPF)	<b>IDR8,147.1 trillion</b>	IDR8,153.6 trillion	IDR7,479.4 trillion	IDR6,665.4 trillion	IDR5,998.6 trillion
	<b>6.54% (yoy)</b>	9.01% (yoy)	12.21% (yoy)	11.11% (yoy)	6.54% (yoy)



Description	September 2023	2022	2021	2020	2019
<b>CAPITAL</b>					
CAR Banking	<b>27.43%</b>	25.62%	25.66%	23.89%	23.40%
<b>BANKING INTEREST RATES</b>					
BI Rate	<b>5.75%</b>	5.60%	3.50%	3.75%	5.00%
<b>FINANCIAL SERVICES INSTITUTION (FSI) RATIO</b>					
<b>Credit Risk</b>					
Banking Gross NPL	<b>2.43%</b>	2.44%	3.00%	3.06%	2.53%
<b>Liquidity Risk</b>					
LDR Banking	<b>84.00%</b>	78.98%	77.49%	82.54%	94.43%

Description and Source:

- Credit figures including non-bank third parties are sourced from Indonesian Banking Statistics, Financial Services Authority (processed)
- Sharia banking performance sourced from Indonesian Banking Statistics, Financial Services Authority (processed)
- BI Rate uses BI – 7 DRR sourced from Bank Indonesia

The meeting of the Board of Governors of Bank Indonesia (RDG) held on September 20-21, 2023 decided to maintain BI 7-Day Reverse Repo Rate (BI7DRR) at 5.75%, the deposit facility interest rate 5.00%, and the lending facility interest rate at 6.50%. This decision was consistency of monetary policy to ensure low and controlled inflation and to maintain economic recovery and exchange rate stability.

Banking intermediation continuously improved. In September 2023, bank credit grew 8.99% (yoy), supported by banks' loose appetite and increasing demand for financing in accordance with the well-growing corporate performance. In terms of sector, credit growth was primarily supported by the Business Services, Trade, and Social Services sectors. Sharia financing also continued to increase, reaching at 14.69% (yoy) in September 2023. In the MSME segment, credit growth achieved 8.34% (yoy), supported by increasing KUR distribution. Next, Bank Indonesia will continue to encourage the distribution of banking credit/financing and strengthen synergy with the government to maintain the momentum of economic growth, particularly in priority, inclusive, and green economy sectors. Resilience of financial system stability was also influenced by high capital and low credit risk. The Capital Adequacy Ratio (CAR) was recorded at a high level of 27.43% in September 2023. Meanwhile, credit risk was also under control, reflected in the low non-performing loan (NPL) ratio of 2.43% (gross) and 0.77% (net).

Resilience of banking liquidity was still maintained, supported by growth in Third Party Funds (DPK) of 6.54% (yoy) in September 2023. The ratio of Liquid Assets Ratio to Third Party Funds (AL/DPK) remained high, such as 25.83%. This liquidity development had a positive impact on the development of banking interest rates, and 1 (one)-month bank deposit interest rates and credit interest rates in September 2023

were maintained at 4.28% and 9.36%, respectively. Bank Indonesia's stress-test results also showed that banking resilience remains firm in dealing with global pressures. Bank Indonesia will continuously affirm synergy with the Financial System Stability Committee (KSSK) in mitigating various risks that potentially disrupt financial system stability and economic growth momentum.

The performance of digital economic and financial transactions remained firm, which was supported by a safe, smooth, and reliable payment system. In Quarter III-2023, the transaction value of Electronic Money (EU) increased 10.34% (yoy) to reach IDR116.54 trillion, while the transaction value of digital banking was noted at IDR15,148.71 trillion or improved by 12.83% (yoy). The QRIS nominal transactions recordingly grew at 87.90% (yoy) and reached IDR56.92 trillion, with the total of users by 41.84 million and the total of merchants by 29.04 million, which were mostly MSMEs. Moreover, Bank Indonesia persists to encourage acceleration of digitalization of payment systems and expansion of inter-countries payment system cooperation to boost financial economic inclusion and develop the digital economy and finance. Meanwhile, the transaction value of payments using ATM, debit, and credit cards achieved IDR2,041.72 trillion or declined by 4.94% (yoy). In terms of Rupiah currency management, the amount of Currency in Circulation (UYD) in Quarter III-2023 increased 6.16% (yoy) to IDR961.59 trillion. Additionally, Bank Indonesia also continues to ensure the accessibility of the maintained quality of Rupiah currency across the territory of the Republic of Indonesia through the circulation program of Rupiah currency to Outermost, Frontier, Remote (3T) areas and Mobile Cash, Deposit Cash, and Sovereign Rupiah Expedition activities

Source:

- Monetary Policy Report Quarter III-2023, Bank Indonesia, October 2023
- Monetary Policy Review, Bank Indonesia, September 2023



## Bank Jatim's Position in the Banking Industry Analysis

As a comparison of the performance of Bank Jatim against the Regional Development Bank of Indonesia (BPD SI) and the banking industry, the following is a breakdown of the Bank's growth performance and a ratio comparison of the Bank to the average BPD SI and the banking industry

**Table of Bank Jatim Growth Performance Compared to the Average KBMI Bank and Banking Industry**

(in IDR billion)

Performance	Bank Jatim			Regional Development Bank of Indonesia (BPD SI)			Banking Industry		
	September 2023	September 2022	Growth (yoy)	September 2023	September 2022	Growth (yoy)	September 2023	September 2022	Growth (yoy)
Asset	107,038	98,477	8.69%	945,728	904,090	4.61%	4,668,797	4,323,082	8.00%
Loans	51,773	45,976	12.61%	605,595	556,395	8.84%	6,907,547	6,337,684	8.99%
Third Party Fund (TPF)	84,191	82,982	1.46%	735,657	712,809	3.21%	8,147,169	7,647,334	6.54%

Source: Indonesia Banking Statistics – Financial Services Authority September 2023; Bank Jatim Internal Data

In general, Bank Jatim's main growth component for the September period (% yoy) experienced an increase in the components of assets, credit and third party funds total. A significant improvement occurred in the loans component, which grew positively by 12.61% and was higher than the growth of the banking industry and BPD SI. In addition to loans, the asset component also experienced higher growth than the

growth of the banking industry and BPD SI. Meanwhile, the total component of DPK also increased, but was still below the growth of the banking industry and BPD SI. The significant increase in loans component growth was one indicator of the improvement in the banking intermediation function that had been carried out by Bank Jatim.

**Table of Comparison of Bank Ratio to Industry Average**

(in %)

Ratio	September 2023			September 2022		
	Bank Jatim	Regional Development Bank of Indonesia (BPD SI)	Banking Industry	Bank Jatim	Regional Development Bank of Indonesia (BPD SI)	Banking Industry
Net Interest Margin (NIM)	5.38	5.46	4.96	5.17	5.80	4.86
Non Performing Loan (NPL) Gross	2.74	2.32	2.43	3.72	2.33	2.44
Return on Assets (ROA)	1.87	1.98	2.76	2.02	2.21	2.53
Capital Adequacy Ratio (CAR)	25.80	24.61	27.43	22.65	22.49	25.62
Loan to Deposit Ratio (LDR)	61.49	81.09	84.00	55.40	77.26	78.98
Operational Cost of Operating Income (BOPO)	76.23	78.64	76.34	74.24	75.19	77.18

Source: Indonesia Banking Statistics – Financial Services Authority September 2023; Bank Jatim Internal Data

The performance ratio of Bank Jatim for the September 2023 period has components that are classified as better than the ratio of the performance of the banking industry and the BPD SI group, namely the BOPO Performance of 76.23%, which shows that Bank Jatim's operational activities are classified as more efficient than Banking Industry and BPD SI. Meanwhile, the other ratio, namely NIM, was 5.38%, better than the Banking Industry which was 4.96%. Meanwhile, in terms of the capital ratio component, namely CAR for the September 2023

period, Bank Jatim is better than BPD SI where Bank Jatim's CAR ratio is 25.80% while BPD SI is 24.61%. In terms of gross NPL, compared to the Banking Industry and BPD SI groups, Bank Jatim's gross NPL for the September 2023 period was the highest at 2.74%, but lower compared to the September 2022 period which was 3.72%. Meanwhile, in line with the NPL, Bank Jatim's LDR ratio for the September 2023 period is also the lowest among BPD SI and Banking Industry, namely at 61.49%.



# Operational Review

## Bank Strategy

### Short Term Strategy

In accordance with the bank's policy direction and considering the latest developments in economic conditions, Bank Jatim's management has formulated a strategic focus implemented to achieve sustainable business growth as follows:

1. Changing in business model from per loan scheme to segmentation based on ceiling
  - a. Consumer Loans
  - b. Retail and Medium Micro Loans
  - c. Commercial and Corporate Loans
2. Network repositioning, especially in the Surabaya area and Class 1 Branches.
3. Changing in organizational structure to adjust business developments.
4. Increasing non-organic assets with corporate actions by providing capital investment to financial institutions and Bank NTB Sharia, which continues to the Bank Business Group (KUB) stage.
5. Increasing fee based income by adding Bank Jatim e-channel features
6. Increasing the collection of Non-Regional Government (Local Government) Funds by increasing the Current Account Saving Account (CASA).
7. Strengthening the process of monitoring and evaluating the settlement of problem loans, including evaluating the Key Performance Indicator (KPI) of the work unit for settlement of problem loans.
8. Improving Human Resources (HR) management, including:
  - a. Carrying out workload analysis and mapping HR needs.
  - b. Developing talent pool and career path mechanisms for HR by considering the mission of becoming an IT and digital-based bank.
  - c. Developing a program to increase the competency and quality of human resources by conducting training for customers by launching J-Connect as Bank Jatim's digital banking branding
9. Improving cyber security, including:
  - a. Cyber security management.
  - b. Cyber risk assessment obligations.
  - c. Obligation to test Bank information technology vulnerabilities.
  - d. Cyber maturity level assessment.
  - e. Implementation of Bank cyber security testing.

10. Sustainable implementation is aimed to:

- a. Corporate Culture is the bank's effort to survive amidst intense competition and have employees with integrity.
- b. Sustainable risk culture development through improving risk profiles, mainly those with minor weaknesses.
- c. Compliance Culture, through Good Corporate Governance (GCG) improvement roadmap to rank 2nd.
- d. Service Culture, through measurable programs to rank 1st (first) in the BPD category according to Marketing Research Indonesia (MRI). A service culture is aimed at exceeding customer expectations by creating superior service.
- e. Marketing Culture, where every employee is a marketer, particularly those in the front line required to always be equipped with sufficient knowledge about the product and also measurable targets.

For supporting this strategic focus, Bank Jatim also formulates the focus of the 2023 business support strategy as follows:

1. Network repositioning especially in the Surabaya area and Class 1 Branches
2. Changing in the organizational structure adapted to the development of the business
3. Strengthening the process of monitoring and evaluating the settlement of problem loans, including by evaluating the Key Performance Indicator (KPI) of the work unit for settlement of problem loans.
4. Evaluation of divisional performance to make it more effective and efficient.
5. Improving Service Level Agreement (SLA).
6. Evaluation of the implementation of the new organizational structure.
7. Improving the quality of human resources through training activities.
8. Improving remuneration.
9. Evaluation and implementation of reward and punishment.
10. Improving the new employee recruitment system.
11. Strengthening the company's work culture through change agent training.
12. Establishing a work culture in KPI in 2023.
13. GCG improvement roadmap to rank 2 in 2023.
14. Maintaining the average risk profile rating at a score of 2.
15. Improving the quality of service standards to be ranked 2nd among BPDs in Indonesia in 2023.



## Medium Term Strategy

In the medium term of 2023-2024, the road map grand strategy is in the fine turning process for the business instrument and its supporting details. This stage implements the business expansion by utilizing the increasing capability from the first year. The medium term goals cover the following points :

1. The development of business digitalization and supporting
2. The evaluation and completion process of competitive advantage and value proposition for all credit products, fund, and service.

Meanwhile the qualitative target of medium term covers :

1. The Service Standard occupies the 2nd position as Best Overall Performance Service Excellent from Marketing Research Indonesia (MRI) assesment in 2023 for Regional Development Bank
2. The medium term predicted risk profile experiences a constant trend for all kinds of risks.
3. An excellent human resource capital improvement, competitive and professional
4. Exceeding the average of Third Parties Funding in banking industry

5. Increasing affordable funding portion with Current Saving Account ration is  $\geq 59,81\%$
6. Funding products and credit digitalization
7. Enhancing collaboration with other parties
8. Reducing credit gap with BJB Bank and Jateng Bank
9. Giving a contribution towards national strategic projects in East Java Region
10. Business process repairment
11. A good management product
12. Surpassing beyond the average banking industry
13. Balancing a sustainable organic business growth strategy, and anorganic business growth through capital injection to financial instituion and West Nusa Tenggara Sharia, then continue to the Bank Association
14. Optimilizing tresury roles
15. Improving fee based income
16. Planning the Public Offering Plan with 10 triliun rupiahs value in Retail Banking Banking Business in 2023 as the alternative for long-term bank funding plan with an adjusment of market liquidity situation during 2023.





## Long Term Strategy

Bank Jatim has a strategic planning in the form of corporate plan in 2022-2026. The Corporate Plan 2022-2026 in Bank Jatim is "Becoming a number 1 Regional Development Bank in Indonesia." The main Corporate Plan Strategy 2022-2026 are :

1. Selective Competency Enhancement  
Improving capability and capacity of the resources which focuses on selected areas.
2. Selective Market Capture  
Optimizing the ability and acceleration of business acquisition and the exploitation of banking markets potential which focuses on selected area.

The main strategy is focused on the 21 strategic initiatives, enhancement and development which covers all perspectives of balanced scorecard in 8 fields and will be executed in 3 stages :

1. Capability and capacity improvement
2. Fine Tuning
3. Business Growth Acceleration and Acquisition

Selective Market Capture	 <b>Finance</b>	21. Intensification of NPL recovery and write-off credit (inorganic settlement is optional) 20. Intensification of sales of non-ASN consumer credit products (KPR, KKB), UKM1 retail) and selected corporate sectors, including participation in syndications, especially sustainable finance-based syndications (inorganic asset development/acquisition/asset buy is optional) 19. Intensification of sales of fund products and services (including retail digital payment and cash management services for regional and private governments) 18. Development of fintech/e-commerce alliances and business ecosystems based on regional governments, BUMN/BUMD and communities in the East Java region 17. Accelerate the development of branchless banking (card and gadget based/cardless) 16. Intensification of treasury trading business activities 15. Intensification of international banking/trade service product sales
	 <b>Customer</b>	14. Improving competitive advantage and value proposition (speed, convenience, security and financial benefits) including digitalization of products/services 13. Expansion and intensification of fund and credit marketing programs (below and above the line, conventional channels and digital channels) 12. Improvement of product and service standards (SME and consumer retail credit, green financing products, retail DPK with priority banking concentration) including development of green loan products
Selective Competency Enhancement	 <b>Internal Process Improvement</b>	11. Improvement of operational policies and procedures <ul style="list-style-type: none"> <li>• Business development (trading treasury, trade services, non-ASN/fixed income consumer credit)</li> <li>• Green financing products (policies, management, incentives)</li> </ul> 10. Development of business digitalization and supporting 9. Rearranging branch functions (concentration on credit centers and priority banking) 8. Improved risk management: <ul style="list-style-type: none"> <li>• Strengthening the compliance function (internal control anti-fraud)</li> <li>• Early warning system for main risks (credit, market operations)</li> </ul> 7. Improvement of ESG (sustainable finance) risk policies in ERM and credit policies 6. Improving the implementation of the performance management system (KPI effectiveness) 5. Improvement of HC policies and management and benefit compensation systems (business and credit settlement areas)
	 <b>Individual and Organizational Development</b>	4. Adjustment of organizational structure: <ul style="list-style-type: none"> <li>• Strengthening/expansion of credit rescue and settlement work units (temporary/conditional)</li> <li>• Strengthening IT unit competencies related to business digitalization and supporting</li> <li>• Establishment of Distribution Network units, CMO (temporary) and Learning Center</li> </ul> 3. Fulfillment of HC adequacy: <ul style="list-style-type: none"> <li>• Experienced specialist (Treasury, Trade Service, Sales, Credit Recovery)</li> <li>• Credit and funding officer (RM/AO/PBO)</li> </ul> 2. Increased individual competence: <ul style="list-style-type: none"> <li>• Credit analyst (commercial, SME retail, including green financing)</li> <li>• Trade service officer</li> <li>• Sales credit and funding (RM/AO)</li> </ul> 1. Intensify the internalization of corporate culture and its derivatives (sales, credit, risk and compliance, digital and performance based culture)

1) Without changing the capacity and capacity of the fixed income-based consumer credit business

2) Review of NPL credit settlement and anorganic write-off (asset sale, securitization) and its execution is part of the PPK Division layer strategy initiative for expansion. Included in bankwide strategic initiatives in corporate plan adjustments (optional).



# Marketing Aspect

## Marketing Strategy In 2023

In line with Bank business development and Government programs , Bank Jatim continued to improve its marketing strategy by conducting promos. Which follows and adjusts National Day's themes, and support Government's Programs by implementing educative activities and comprehensive financial literacy to certain customers or certain groups.

As one of the Regional Development Bank which also manage The Third Paty Funding and Number of Account in a big amount, Bank Jatim also appreciates its customer by organizing price draw events in "SIKLUS and SIMPEDA" accounts.

Bank Jatim is also consistant in a sponsorship activity which collaborate with government or private institutions, do a promotion through an open space medium such as videtron and billboard which aims for building corporate image, product image, and customer awareness for the growth of Third Funding Parties and Bank Jatim's Number of Accounts.

BankJatim also doing collaboration with corporate institutions such as in ministry, province, and city levels in order to provide financial service for Civil Servants and non Civil Servants. Besides that, developing product and digital services as the form of Bank Jatim support toward the economic development in East Java. Those collaborations accelerate non-cash transaction activities, especially the utilization of Cash Management System (CMS) by Budget Implementation Work Unit for The State Budget, Dashboard Development VA, online Letter of Fund Disbursement Authorization in the Government Internal Control System application. Bank Jatim has become a pioneer in the implementation of Digital Population Identity in Indonesia. The other strategy is done by enhancing mobile banking feature and corporate internet banking, especially for payment transaction. The other digitalization development is interconnected by utilizing API (Open Banking) for information and technology, increasing ecosystem energy to collaborate with banks / fintech in order to lift up collaboration amounts with the Institutional Partners.

## Market Share

Bank Jatim as a Conventional Bank, in particular, faced competition with all Regional Development Bank of Indonesia and the banking industry in Indonesia in determining market share. This business competition could be seen based on the number of assets owned, the amount of third-party funds that had been successfully raised, and the amount of loan extended by the Bank.

**Table of Bank Jatim Market Share Compared to BPD SI**

(in IDR billion)

Description	Information	September 2023	September 2022	Increase/Decrease
Total Asset	BPD SI	945.728	904.090	41.638
	Bank Jatim	107.038	98.477	8.561
	Market Share (%)	11,32%	10,89%	0,43%
Total Third Party Fund	BPD SI	735.657	712.809	22.848
	Bank Jatim	84.191	82.982	1.209
	Market Share (%)	11,44%	11,64%	(0,20%)
Total Loan	BPD SI	605.595	556.395	49.200
	Bank Jatim	51.773	45.976	5.797
	Market Share	8,55%	8,26%	0,29%

Source: Indonesia Banking Statistics – Financial Services Authority September 2023; Bank Jatim Internal Data





Bank Jatim's market share compared to BPD SI for the September 2023 period, both in terms of assets and loan distribution, increased by 0.43% and 0.29% respectively. The aforementioned improvement is caused by the increasing number in credit distribution. The credit distribution in Bank Jatim experienced a significant raise compared to last year

period with 12.61%. The third-party funding's market share in September 2023 saw a decline from 0.20% to 11.44%. It is influenced by the decrease of checks. That is caused by the operational needs of Local Governments and Local Departments, fund interest rate from competitors and withdrawal savings by customers.

Diagram of Bank Jatim Market Share Compared to BPD Throughout Indonesia September 2022

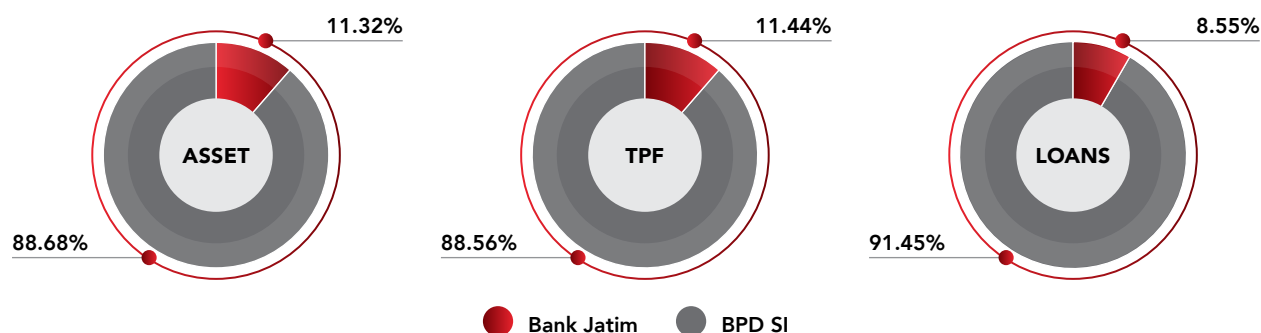
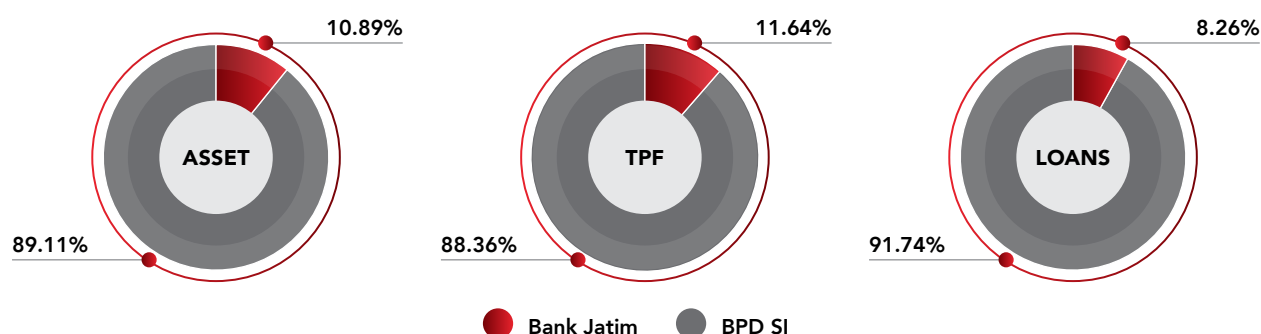
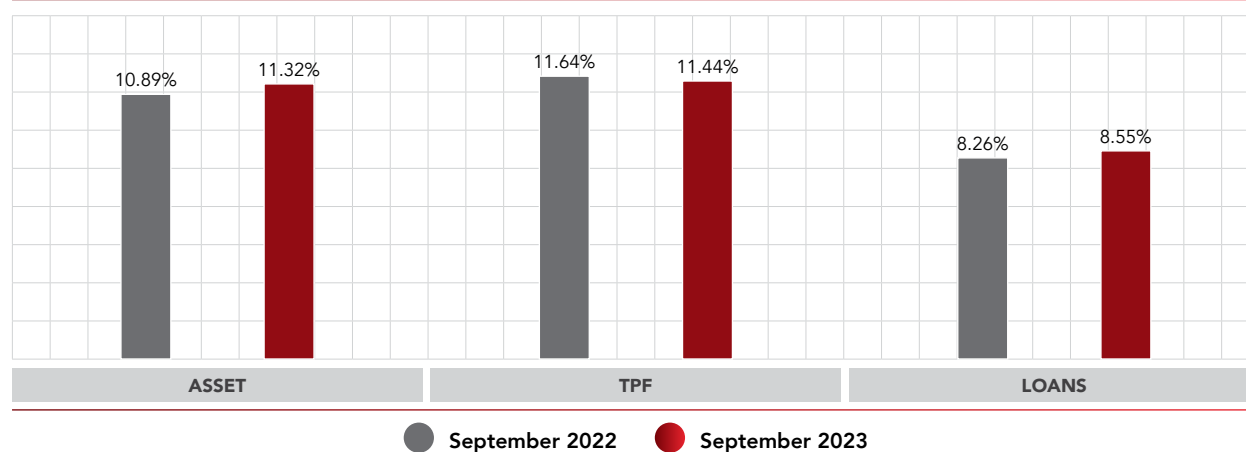


Diagram of Bank Jatim Market Share Compared to BPD Throughout Indonesia September 2022



Graph of Bank Jatim Market Share Compared to BPD Throughout Indonesia in 2022-2023







**Table of Market Share Bank Jatim dibandingkan dengan Banking Industry Indonesia.**

(in IDR billion)

Description	Information	September 2023	September 2022	Increase/Decrease
Total Asset	Banking Industry	4.668.797	4.323.082	345.714
	Bank Jatim	107.038	98.477	8.561
	Market Share (%)	2,29%	2,28%	0,01%
Total Third Party Fund	Banking Industry	8.147.169	7.647.334	499.835
	Bank Jatim	84.191	82.982	1.209
	Market Share (%)	1,03%	1,09%	(0,06%)
Total Loan	Banking Industry	6.907.547	6.337.684	569.863
	Bank Jatim	51.773	45.976	5.797
	Market Share (%)	0,75%	0,73%	0,02%

Source: Indonesia Banking Statistics – Financial Services Authority September 2023; Bank Jatim Internal Data

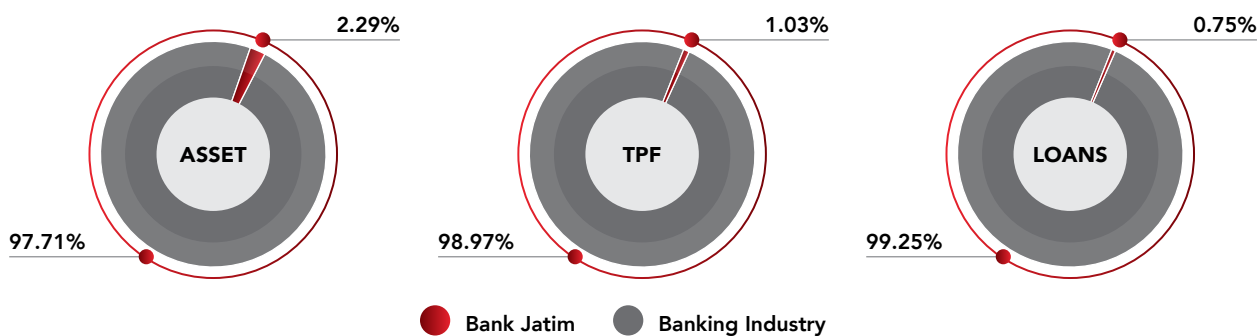
In line with the BPD SI Market Share, Bank Jatim's Market Share compared to the Indonesian Banking Industry for the September 2023 period in terms of Assets and Loan distribution experienced an increase in market share.

Based on the market share period in September 2023 achieved 2.29% and the number of credit with 0.75%. The improvement indicates that the growth of those two components exceeded the growth in performance of the entire banking industry in Indonesia. The positive trend of

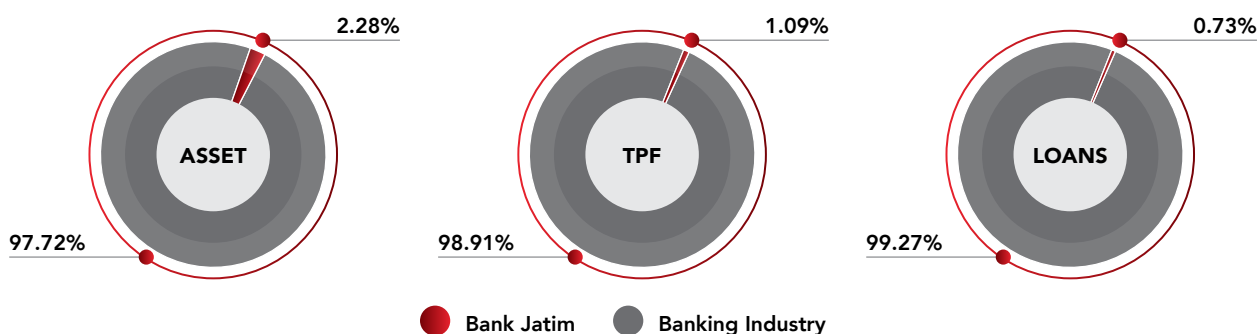
national economy and regional becomes one of the factors of increasing market share. It can be a good support for Bank Jatim to create a better performance in 2024.

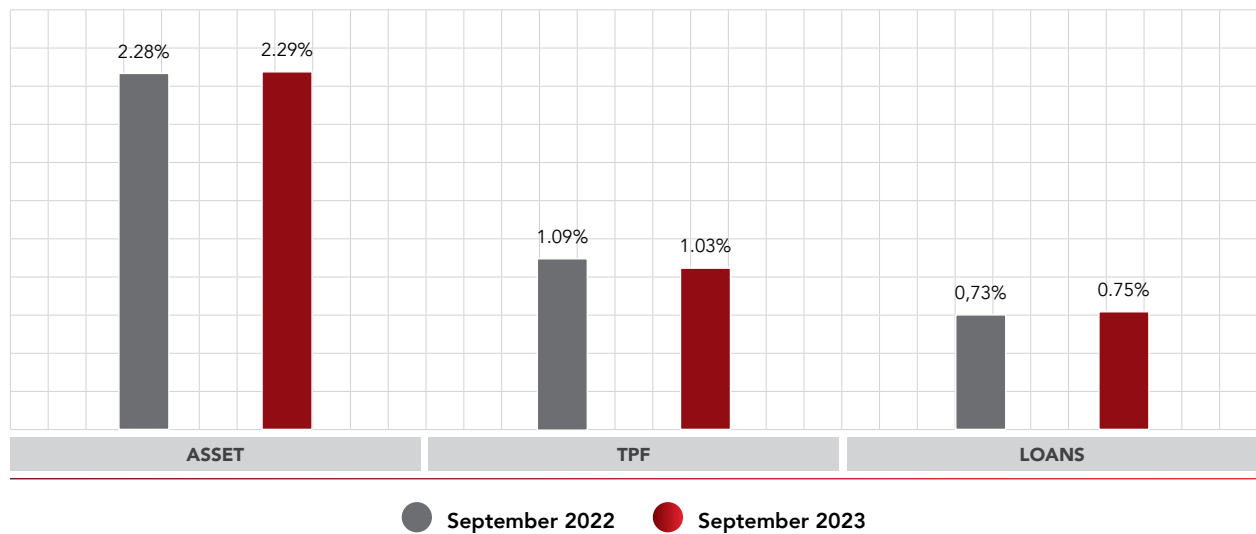
On the other side, the market share amount based on the third funding party saw a slight decline to 0,06% from 1.09% in September 2022, it becomes 1.03% in September 2023. It is affected by the decreasing number of checks because of operational needs of Local Governments and Departments, competitive fund interest, and savings withdrawals by customers.

**Diagram of Bank Jatim Market Share Compared to Indonesia Banking Industry September 2023**



**Diagram of Bank Jatim Market Share Compared to Indonesia Banking Industry September 2022**



**Graph of Bank Jatim Market Share Compared to Indonesia Banking Industry September 2022-2023**

## Operation Review Per Business Segment

The Business Sectors of Bank Jatim consists of Operation Segment and Geography Segment. Operation Segment covers Conventional Segments (Credits, Third Funding Parties, and other services) and Sharia financial segment (Third Party Fundings, Sharia Fundings and other services).

### Operating Segment

The Bank determines and presents operating segments based on the information that is internally provided by accounting department to the operating decision maker.

The Bank defines an operating segment as a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- Whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- For which discrete financial information is available.

Bank discloses its operating segments based on business segments that consist of banking conventional and sharia.

### Conventional Segment

Bank Jatim conventional segment consisted of credit/loan products, third party funds/deposits and services.

### Description and Productivity of Conventional Segments

A description of the explanation and productivity of the conventional segment of Bank Jatim is presented as follows.

#### CREDIT/LOAN

Loans Bank Jatim terdiri atas Micro Credits, Retail and Medium Credits, Commercial Credits and Corporation, and Consumer Credits. The further explanation of each credit products are provided in the Profile of Sub Product Unit and Service in this Annual Report.

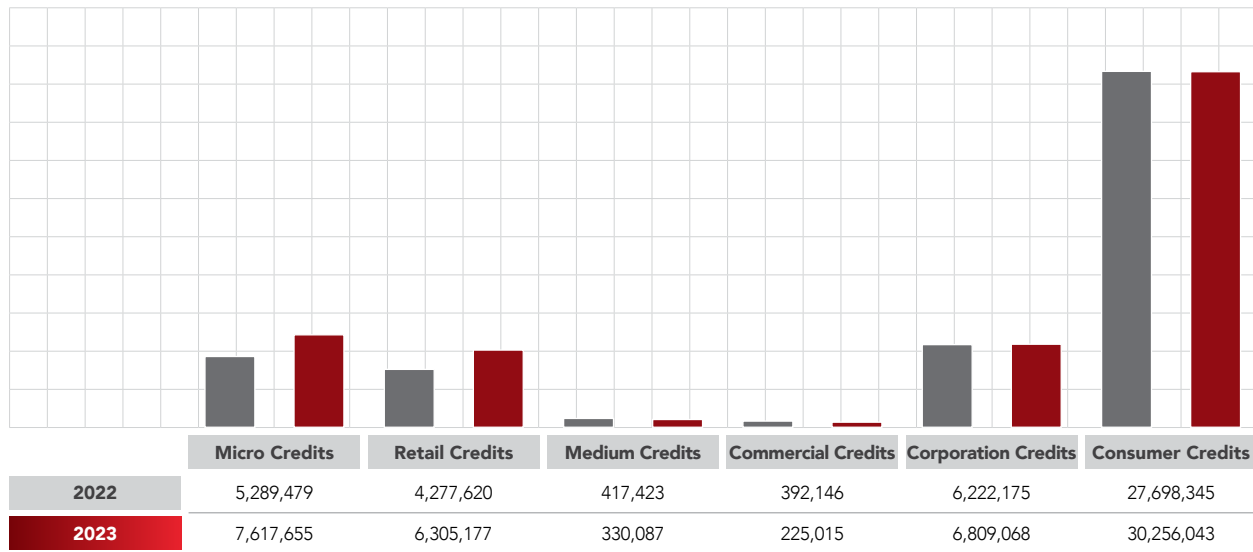
In 2023 there is a policy shifting about management of productive credit debtors that initially based on credit skim becomes plafond facility. The segmentation allocation based on plafond facility as follows :

- Micro segment : up to 500 million rupiahs
- Retail segment : more than 500 million rupiahs  
up to 10 billion rupiahs
- Medium segment : more than 10 billion  
up to 25 billion rupiahs
- Commercial segment : more than 25 billion  
up to 50 billion rupiahs
- Corporate segment : more than 50 billion rupiahs



## Graph of Loan Productivity

(in IDR million)



## Micro Loans

Bank Jatim's Micro Loans is a credit given to small enterprneur to fund productive business needs either for investment or working capital needs with maximum plafond is 500 million rupiahs.

the productivity of Micro Credit is explained below:

## Table of Micro Loans Productivity

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Kepres	47,571	59,382	(11,811)	(19.89%)
Loans Financial Technology (Amartha)	687,209	469,889	217,320	46.25%
General Investment Loans	11,498	16,225	(4,727)	(29.13%)
Jatim Micro Loans	2,059,514	749,308	1,310,206	174.86%
Jatim Retail Loans	734,348	1,239,238	(504,890)	(40.74%)
Loans to Cooperatives	5,011	5,624	(613)	(10.90%)
Restructuring Loans	16,970	6,143	10,827	176.25%
Loans SiUMI (Siklus Small Micro)	29,445	76,840	(47,395)	(61.68%)
People's Business Loans	3,836,075	2,384,043	1,452,032	60.91%
KUMK SU-005/ Government Investment Loans (KIP)	556	1,585	(1,029)	(64.92%)
Cattle Breeding Business Loans(KUPS)	641	641	0	0.00%
Laguna Loan	118	399	(281)	(70.43%)
General Working Capital (PRK )	186,594	277,786	(91,192)	(32.83%)
Standby Loan	1,105	2,059	(954)	(46.33%)
Warehouse Receipt Subsidy (S-SRG)	1,000	0	1,000	100.00%
Food and Energy Security Loans (KKPE)	0	317	(317)	(100.00%)
<b>Total Micro Loans Distribution</b>	<b>7,617,655</b>	<b>5,289,479</b>	<b>2,328,176</b>	<b>44.02%</b>



The total of Micro Credit distribution in 2023 is 7.62 trillion rupiahs, it raises 44.02% compared to 2022 with 5.29 trillion rupiahs. That improvement comes from the growth of People's Business Credit with 1.45 trillion rupiahs, Jatim Micro Credits with 1.31 trillion rupiahs, and Financial Credit Technology (Amartha) with 217,32 billion rupiahs.

The skim growth of People's Business Credit and Micro Jatim is influenced by internal and external factors. Internal factors

consist of application development of micro credit processing, quality account officer upgrade, performance monitoring and evaluation, reward and punishment based on performance, micro product segment completion and refocusing target market. Meanwhile, external factors are related to the condition of Micro, Small, and Medium Enterprises, off take collaboration, synergy with government institution, distribution to micro enterprise cluster.

**Table of Total Micro Loans NoA**

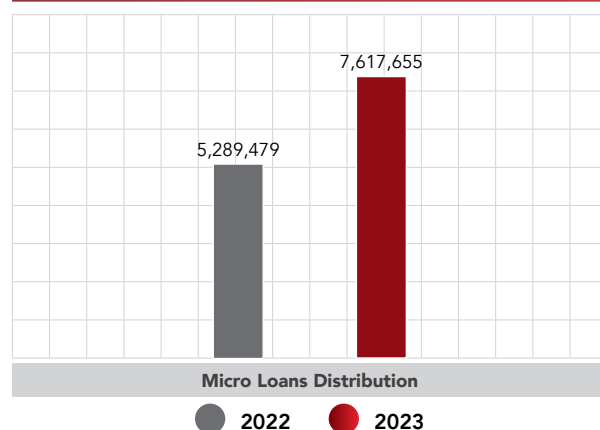
(In NoA)

Description (1)	2023 (2)	2022 (3)	Growth	
			NoA (4) = (2)-(3)	% (5) = (4)/(3)
Kepres	235	1,043	(808)	(77.47%)
Loans Financial Technology (Amartha)	195,102	125,440	69,662	55.53%
General Investment Loans	61	72	(11)	(15.28%)
Jatim Micro Loans	18,281	8,637	9,644	111.66%
Jatim Retail Loans	10,324	17,318	(6,994)	(40.39%)
Loans to Cooperatives	189	225	(36)	(16.00%)
Restructuring Loans	108	54	54	100.00%
SiUMI Loans	548	1,050	(502)	(47.81%)
People's Business Loans	39,381	23,122	16,259	70.32%
KUMK SU-005/ Government Investment Loans (KIP)	4	17	(13)	(76.47%)
Cattle Breeding Business Loans (KUPS)	2	2	0	0.00%
Laguna Loan	11	108	(97)	(89.81%)
General Working Capital (PRK )	583	875	(292)	(33.37%)
Standby Loan	14	34	(20)	(58.82%)
Warehouse Receipt Subsidy (S-SRG)	2	0	2	100.00%
Food and Energy Security Loans (KKPE)	0	59	(59)	(100.00%)
<b>Total NoA Micro Loans</b>	<b>264,845</b>	<b>178,056</b>	<b>86,789</b>	<b>48.74%</b>

The total number of Micro Loan Account in 2023 are 264.854. The saw a significant progress 48,74% compared to 2022 with 178,056 NoA. This improvement is from the NoA growth of Credit Financial Technology (Amartha) with the total of 69,662 NoA, People's Business Credit with 16,258 NoA and Jatim Micro Credit with 9,644 NoA.

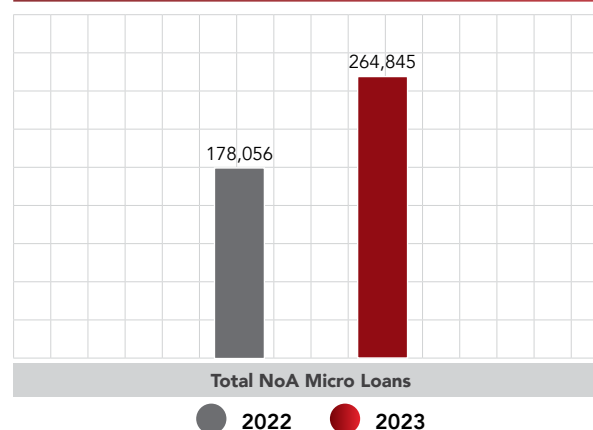
**Graph of Micro Loans Distribution**

(in IDR million)



**Graph of NoA Micro Loans**

(In NoA)





### Micro Loans Strategy in 2023

The description of the Micro Loans strategy implemented in 2023 is as follows:

1. Optimization of People's Business Credit
2. Optimization Fintech collaboration
3. Reward for account officer
4. Digitalize the credit process
5. Weekeng banking
6. Reward referral

### Micro Loans Competitive Advantage and Innovation

Competitive Advantage and Innovation Micro Loans are as follows:

1. Fast process
2. Easy requirements
3. Competitive interest rate
4. Paperless
5. Digitalization of the credit process

### Micro Loans Business Prospect in 2024

Based on the data from Cooperatives, Small, and Medium Enterprises Office of East Java Province, there are 9 millions industries approximately. Bank Jatim market share for industries funding is around 0.7% or around 69,743 debiturs that are funded by Micro Credit. Hence, it is expected that the business prospect for Micro Credit from Bank Jatim will improve further.

### Micro Loans Strategy in 2024

Description of the Micro Loans strategy that will be implemented in 2024 is presented as follows:

1. Diversification of target market
2. Optimization of People's Business Credit distribution
3. Digitalization of credit process
4. Collaboration with off taker in agriculture sector, fisheries, and livestock
5. Synergy with government institution
6. Referral rewards

### Retail and Medium Loans

Retail and Medium Loans from Bank Jatim is a productive credit with plafond more than 500 million rupiahs up to 10 billion rupiahs for Retail Segment and above 10 billion up to 25 billion for Medium Segment. The Retail and Medium Credits are managed by Retail Credit and Medium Division.

Retail and Medium Loans productivity is presented as follows.

**Table of Retail and Medium Loans Productivity**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Retail Segment	6,305,177	4,277,620	2,027,557	47.40%
Medium Segment	330,087	417,423	(87,336)	(20.92%)
<b>Total Retail and Medium Loans Distribution</b>	<b>6,635,264</b>	<b>4,695,043</b>	<b>1,940,221</b>	<b>41.32%</b>

The total Retail and Medium Credit distribution in 2023 is 6.64 trillion rupiahs, increasing 41.32% compared to previous amount with 4.70 trillion. The improvement comes from the growth Retail Credit distribution with 47.40% or 2.03 trillion.

Retail Credit Segment experienced a raising number in 2023 with IDR6.305.177 million, which has an addition percentage 47.40% compared to cut off position segmented in 2022 with

4.28 trillion rupiahs. The enhancement comes from Jatim Credits realization with 2.23 trillion or significantly increased 518.44% from the previous Jatim Credit Retail.

Medium Credit Segment in 2023 is 330.09 billion, experiencing a 20.92% decline compared to cut off position in 2022 with 417.42 billion rupiahs. The reduction comes from the realization of Public Credit Investment with the tital 1.87 billion or decreasing 50.98% from the previous Public Credit Investment.



## Table of Retail and Medium Loans NoA

(in NoA)

Description	2023	2022	Growth	
			NoA	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Retail Segment	13,483	11,315	2,168	19.16%
Medium Segment	3,719	5,481	(1,762)	(32.15%)
<b>Total NoA Retail and Medium Loans</b>	<b>17,202</b>	<b>16,796</b>	<b>406</b>	<b>2.42%</b>

The total number of account for Retail and Medium Credits in 2023 are 17,202 NoA, increases 2.42% compared to 2022 with 16,796 NoA. It comes from Retail Segment with 19.16% or 2,168 NoA.

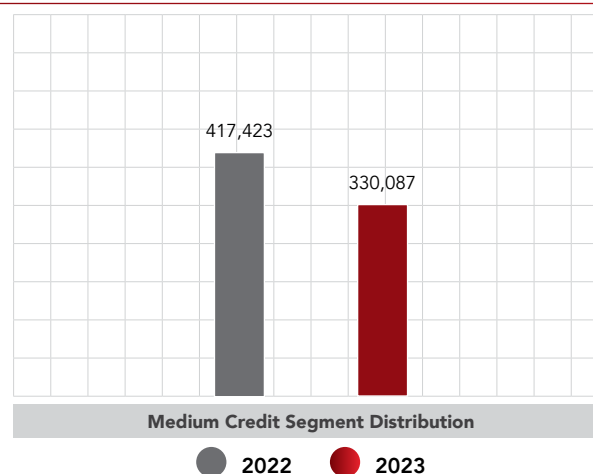
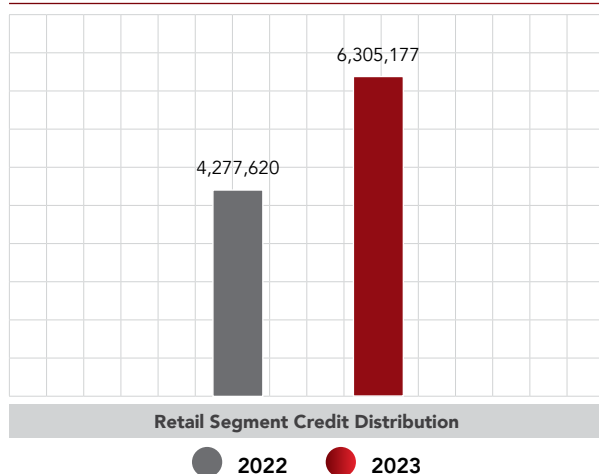
The number of Accounts for Retail Segment in 2023 are 13,483 NoA, experiencing an improvement 19.16% compared to 2022 with 11,315 NoA. The improvement comes from Retail Jatim

Credit realization with 2,704 or increasing 232,60% from the previous Jatim Retail Credit.

Medium Segment Loan NoA in 2023 was 3,719 NoA, a decrease of 32.15% compared to 2022 which was 5,481 NoA. This decrease came from the Keppres Loan NoA realization of 2 NoA or a decrease of 81.82% from the previous year's NoA of Presidential Credit.

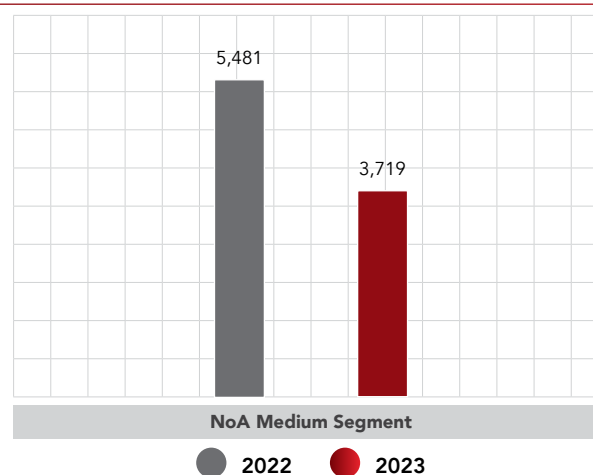
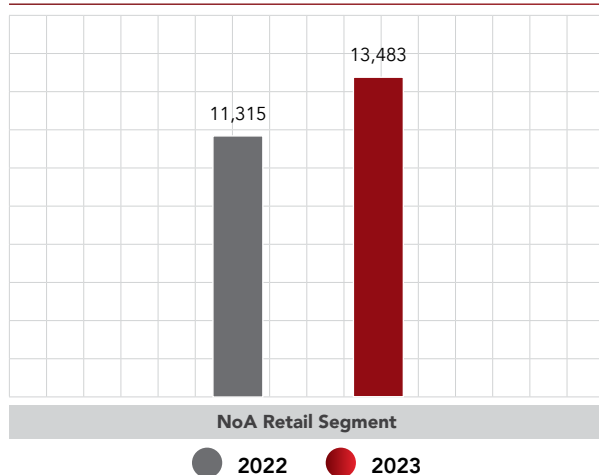
## Graph of Retail and Medium Loans Distribution

(in IDR million)



## Graph of Retail and Medium Loans NoA

(In NoA)





### Retail and Medium Loans Strategy in 2023

description of the Retail and Medium Loans strategy carried out in 2023 is presented as follows:

1. Improve monitoring of the implementation of loan expansion to ensure smooth loan collectability.
2. Doing market penetration to optimize credit distribution for Small and Medium Enterprises
3. Developing the Jconnect E-Loan and Jatim Kilat mobile applications as a way to speed up the loan application process for prospective MSME debtors.
4. Improve regulations (SOP) to support the achievement of targets for the Retail and Medium Loans Division.
5. Expand the MSME target market by collaborating with associations and increasing cooperation with all BUMDES in East Java.
6. Expanding financing and funding cooperation with BPR Perbamide and Perbarindo.
7. Providing promotions for Loan products through print/electronic/social media and making product videos.
8. Improve brand image by participating in various promotional activities or exhibitions held by the Bank, local government, or in collaboration with various related agencies.

### Retail and Medium Loans Competitive Advantage and Innovation

Retail and Medium Loans Competitive Advantage and Innovation are as follows:

1. For the Loans to Cooperatives scheme for its members (KKPA), the loan term can be up to 15 years.
2. For the BPR linkage scheme, the loan term can be up to 15 years.
3. Accelerating the loan process through application development.
4. Competitive interest rates with competitor banks.
5. Loan installment schemes can be adjusted to suit the debtor's needs.

### Retail and Medium Loans Business Prospect in 2024

Credit Retail and Medium focuses to maximize the potential of every credit skim under the Retail and Medium Segment in 2024. One of them is contractor funding through credit skim especially for State Funding Project (APBD/APBN). On the other side, without neglecting the provision of credit to MSME players through Jatim Retail and Medium Credit Scheme.

### Retail and Medium Loans Strategy in 2024

description of the Retail and Medium Loans strategy that will be implemented in 2024 is presented as follows:

1. Doing an agreement to collaborate with both State Owned (BUMN) and private sugar factories
2. Doing an agreement to collaborate with the association of micro, small, and medium enterprises in East Java
3. Doing an exhibition of micro, small, and medium enterprises with ministries, Regional Offices, and other institutions
4. Doing a training and financial literacy with ministries, Regional Offices, and other institutions to micro, small, and medium enterprises
5. Implementing business matching event of micro, small, and medium enterprises products together with ministries, Regional Offices, and other institutions
6. Enrolling micro, small, and medium enterprises into East Java Province Trade Mission Program
7. Creating a micro, small, and medium enterprises program
8. Creating a company branding with micro, small, and medium enterprises
9. Doing a gathering with housing developer association
10. Doing a gathering with other business associations
11. Doing credit performance distribution
12. Promoting online credit application (jconnect E-loan)
13. Promoting credit products through small, and medium enterprises exhibition
14. Promoting credit products to Bank social media
15. Promoting credit marketing workshop, credit analysis, and credit monitoring
16. Doing a training of credit application utilization
17. Doing a trade finance training
18. Doing a credit law aspect training
19. Doing a pricing evaluation (rate and cost)
20. Evaluating Credit Procedure
21. Evaluating credit analysis application E-Loan

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### Commercial and Corporate Loans

Bank Jatim Commercial and Corporate Credits are productive credits with more than 25 billion rupiahs plafond up to 50 billion rupiahs for Commercial Segment and more than 50 billion rupiahs for Corporate Segment. Bank Jatim Commercial and Corporate Credits are managed by Commercial and Syndication, and Corporate Division.



Commercial and Corporate Loans productivity is presented as follows.

**Table of Commercial and Corporate Loans Productivity**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Commercial Segment	255,015	392,146	(137,131)	(34.97%)
Corporate Segment *)	6,809,068	6,222,175	586,893	9.43%
<b>Total Commercial and Corporate Loans Distribution</b>	<b>7,064,083</b>	<b>6,614,321</b>	<b>449,762</b>	<b>6.80%</b>

\*) include Syndication Loans

The total of Commercial and Corporate Credits distribution in 2023 are 7.06 trillion rupiahs, it increases 6.80% compared to 2022 with 6.61 trillion. It is caused by the credit growth distribution in investment which grows into 2%, working capital loan installment with 96.01% and syndication credit with the percentage of 12.43%

Commercial Credit Segment in 2023 is 255.02 billion rupiahs, it experiences a decline number 34.97% compared to the cut off position in 2022 segmentation with 392.15 billion. This

decrease was due to several debtors mutating in the middle segment and several debtors being repaid in 2023.

Corporate Credit Segment achieves 6.81 trillion rupiahs in 2023. It increases 9.43% compared to cut off position segmentation in 2022 with 6.22 trillion. It is affected by the distribution of general investments, working loan installment and syndication.

**Table of Commercial and Corporate Loans NoA**

(In NoA)

Description (1)	2023 (2)	2022 (3)	Growth	
			NoA (4) = (2)-(3)	% (5) = (4)/(3)
Commercial Segment	1,234	1,538	(304)	(19.77%)
Corporate Segment *)	594	768	(174)	(22.66%)
<b>Total NoA Commercial and Corporate Loans</b>	<b>1,828</b>	<b>2,306</b>	<b>(478)</b>	<b>(20.73%)</b>

\*) include Syndication Loans

The number of Commercial Credit and Corporate Accounts are 1,828 NoA. In 2023, it decreases 20.73% compared to 2022 with 2,306 NoA. It is caused by the reduction of Number of Accounts in Commercial Segment with 304 NoA.

The number of Commercial Credit are 1,234 NoA in 2023, it experiences a decline with 19.77% compared to 2022 with 1,538 NoA. This declining number is caused by some of NoA

are distributed for their repayment completion, hence the NoA of Commercial segment is significantly declined.

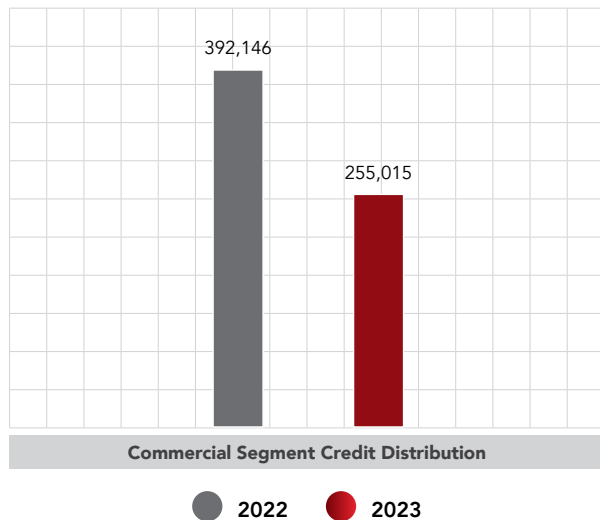
The number of Corporate Credits are 594 NoA in 2023, it experiences a decline with 26.22% compared to 2022 with 768 NoA. This declining number is caused by some of NoA are distributed for their repayment completion, hence the NoA of Commercial segment is significantly declined.



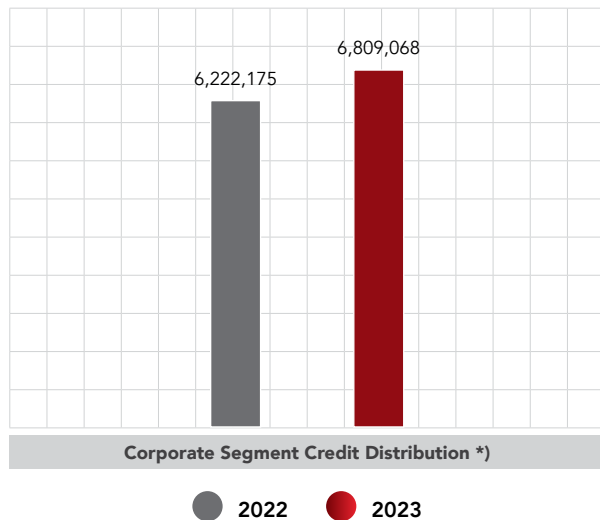


### Graph of Commercial and Corporate Loans Distribution

(in IDR million)

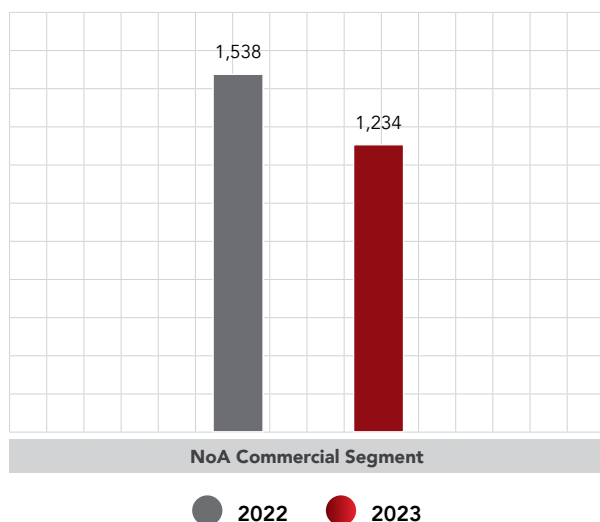


\*) include Syndication Loans

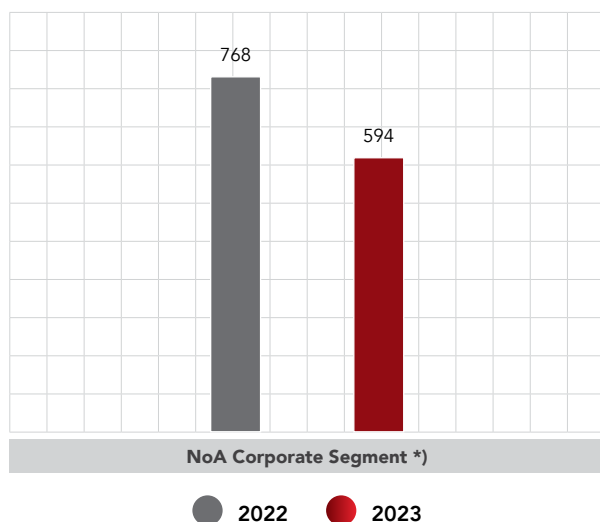


### Graph of NoA Commercial and Corporate Loans

(In NoA)



\*) include Syndication Loans



### Commercial and Corporate Loans Strategy in 2023

The description of the Commercial, Corporate and Syndicated Loan strategies to be carried out in 2023 is presented as follows:

1. Building an organized and visualized sales pipeline.
2. Provision of loan restructuring stimulus and debtor monitoring of debtors whose business cycle was disrupted.
3. Collaborating with other banks to provide syndicated financing for Government projects and prospective private businesses.
4. Participating in green financing (environmentally friendly based)
5. Increasing the prospect of Number of Accounts (NoA) of potential sectors by:
  - a. Mapping potential sectors with sector characteristics where there is potential and current.
  - b. Approaching the debtor to enter the debtor's business association and obtain a list of prospective debtors.
  - c. Offers to SOEs/ROEs and private companies.
6. Conducting socialization on updating the PSC Division's SOP and conducting training to improve the capacity of the officers in charge



### Commercial and Corporate Loans Competitive Advantage and Innovation

Divisi Loans Komersial, Korporasi dan Sindikasi membuka kerjasama sebagai berikut:

1. Collaborate with relevant companies for receivable credit through The Supply Chain Finance (SCF) mechanism to vendors or suppliers.
2. Collaborate with other financial agencies to facilitate credits for export commodity companies.

### Commercial and Corporate Loans Business Prospect in 2024

Commercial Credit Divisions, Corporate, and Syndication do a prospecting for State and Regional Owned companies in 2024 for East Java Region related to their well build pipeline for funding distribution either billateral or syndication.

### Commercial and Corporate Loans Strategy in 2024

description of the strategy that will be implemented in 2024 by the Commercial, Corporate and Syndicated Loans Division is presented as follows:

1. Build a sales pipeline in an organized and visualized manner.
2. Providing stimulus for loan restructuring and debtor monitoring of debtors whose business turnover is disrupted.
3. Collaborate with other banks to provide syndicated financing for government projects and prospective private businesses.
4. Take part in green financing (environmentally friendly)
5. Increase the prospect of Number of Accounts (NoA) for potential sectors by:
  - a. Mapping potential sectors with the characteristics of sectors where there is potential and progress.
  - b. Approach debtors to enter debtor business associations and obtain a list of potential debtors.
6. State and Regional Owned Companies Offering to private companies

### Consumer Loans

Consumer Loans consisted of Multipurpose Loans, Employee Loans, Cash Collateral Credit (CCC), Motor Vehicle Loans, Property Loans and Gold Backed Loans. A description of each Consumer Loan product is presented in the Profiles section of the Products and Services Sub-Chapter in this Annual Report.

Consumer Loan productivity is described as follows:

**Table of Consumer Loans Productivity**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Multipurpose Loans	25,193,188	23,801,592	1,391,596	5.85%
Employee Loans	2,023,504	2,077,126	(53,622)	(2.58%)
Cash Collateral Credit (CCC)	773,812	75,728	698,084	921.83%
Motor Vehicle Loans	330,692	64,774	265,918	410.53%
Gold Backed Loan	6,828	8,857	(2,029)	(22.91%)
Property Loans	1,928,019	1,666,269	261,750	15.71%
<b>Total Consumer Loans Distribution</b>	<b>30,256,043</b>	<b>27,694,345</b>	<b>2,561,698</b>	<b>9.25%</b>

Total Consumer Loans in 2023 will reach IDR30.26 trillion, an increase of 9.25% compared to 2022 which was IDR27.70 trillion. This increase mainly came from Growth Multipurpose Loans amounting to 5.85% or IDR1.39 trillion.

From the growth percentage, the cash collateral credit shows the highest growth which reach 921.83% because of cash collateral application from the corporates. The second highest growth is from Vehicles Loan with 410.53% followed by Property Credits with 15.71% and Multifunctional Credits with 5.85%. Meanwhile Employee Credits declined to 2.58% and Gold Credit Assurance also decline into 22.91%



**Table of Number of Consumer Loan Debtors**

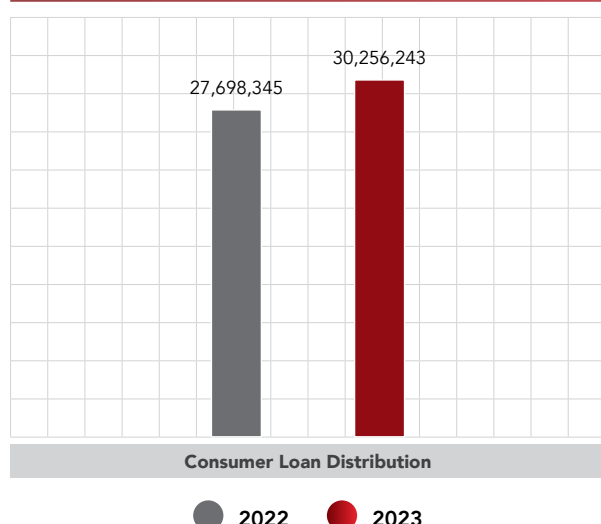
(in person)

Description	2023	2022	Growth	
			Debitur	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Multipurpose Loans	269,038	245,870	23,168	9.42%
Employee Loans	6,931	5,653	1,278	22.61%
Cash Collateral Credit (CCC)	1,166	274	892	325.55%
Motor Vehicle Loans	2,784	991	1,793	180.93%
Gold Backed Loan	202	279	(77)	(27.60%)
Property Loans	8,713	8,373	340	4.06%
<b>Total Consumer Loans Debtors</b>	<b>288,834</b>	<b>261,441</b>	<b>27,393</b>	<b>10.48%</b>

Similar to the growth of Consumer Credits, the number of Consumer Credits Debtors from Bank Jatim in 2023 are 288,834. It increases 27,393 debtors or 10.48% compared to 2022 with 261,441 debtors. The number improvement is caused by the growth of Multifunctional Credits with 23,168 debtors.

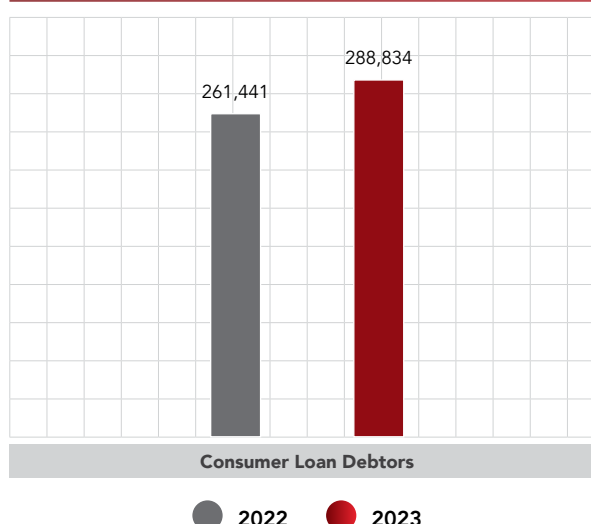
**Graph of Consumer Loans Distribution**

(in IDR million)



**Graph of Consumer Loans Debtors**

(in person)



The descriptions of each consumer loan productivity are described as follows:

- **Multipurpose Loans**

Multipurpose Loans in 2023 amounted to IDR25.19 trillion, an increase of IDR1.39 trillion or 5.85% compared to 2022 of IDR23.80 billion. The number of Multipurpose Loans debtors has increased by 9.42% from 245,870 debtors in 2022 to 269,038 debtors in 2023

- **Employee Loans**

Employee Loans in 2023 amounted to IDR2.02 trillion, a decrease of IDR53 billion or 2.58% compared to 2022 of IDR2.08 trillion. The outstanding decline is caused by inexistence of stimulant for interest rate declining since 2020, considering that skim is naturally facilitating the employees

who are not profit oriented. The number of Employee Loans debtors increased by 1,278 debtors or 22.61% from 5,653 debtors in 2022 to 6,931 debtors in 2023.

- **Cash Collateral Credit (CCC)**

Cash collateral credit in 2023 is IDR773.81 billion, an increase of IDR698.08 billion or 921.83% compared to 2022 of IDR75.73 billion. The number of cash collateral credit debtors increased by 892 debtors or 325.55% from 274 debtors in 2022 to 1,166 debtors in 2023.

- **Motor Vehicle Loans**

Motor Vehicle Loans in 2023 amounted to IDR330.69 billion, an increase of IDR265.92 billion or 410.53% compared to



2022 of IDR64.77 billion. The number of Motor Vehicle Loan debtors increased by 1,793 debtors or 180.93% from 991 debtors in 2022 to 2,784 debtors in 2023.

- **Gold Backed Loan**

Gold Backed Loan reached 6.83% in 2023, experiences a 2.03 billion decline or 22.91% compared to 2022 with 8.86 billion. The number of Gold Assurance debtors experienced a 77 debtors decline or 27.60% from 279 debtors in 2022 and becomes 202 debtors in 2023. The skim can be implemented in all working areas of Bank Jatim, in fact, the skim only has two market shares area in Kangean and Bawean branches. It affects in the outstanding decline for Gold Assurance Credits.

- **Property Loans**

Property Credits is 1.93 trillion in 2023, experiences an improvement with 261.75 billion or 15.71% compared to 2022 with 1.67 trillion. The number of property credits experiences a surging number with 340 debtors or 4.06% from 8,373 debtors in 2022 becomes 8,713 debtors in 2023.

### Consumer Loans Strategy in 2023

A description of the business prospects and strategy for each consumer loan product in 2023 is presented as follows:

1. Mapping and processing of potential customer data  
Conducting potential data mapping based on internal and external data as a database for the Account Officer (AO) to market credit along with improving the Marketing Application (MAP) application as a marketing performance monitoring tool.
2. Referral Program for Member Get Member It is an incentive program for customers who can refer prospective borrowers at the Bank.
3. Improvement of the E-KMG Version 2 application and the Marketing Application (MAP) for AO Consumer and Property Loans
4. Multipurpose Credit Promotion Promotional program of interest rates or fees for distribution of KMG Pre-retirement, Retirement, take over, addition of new NoA and top up (loyal debtor segment)
5. Collaboration PTN/PTS The Bank collaborates with State Universities (PTN)/Private Universities (PTS) in distributing educational multipurpose loans.
6. Distribution of Local Government Credit Cards (KKPD) Development of the Virtual KKPD which has become the target of Bank Indonesia to maximize regional government budget and spending transactions.
7. Marketing Optimization of Motor Vehicle Loans (KKB) Carry out marketing through KKB Expo in all branches
8. Optimizing the marketing of Cash Collateral Credit Joint Marketing carried out by all branches for cash collateral credit by targeting Depositors/savers > IDR500 million.

9. Marketing Optimization of Gold Guaranteed Credit Joint marketing carried out by all branches for Gold Guaranteed Credit.

### Consumer Loans Competitive Advantage and Innovation

The advantages of Consumer Loan products included the following:

1. Multipurpose Loans
  - a. The broad market share included individuals with a fixed income.
  - b. Competitive interest rates, interest rates up to a single rate.
  - c. Easy, simple requirements.
  - d. The majority of loan payroll recipients were at Bank Jatim.
  - e. The process was fast and precise according to the needs of prospective borrowers
  - f. Diversification of KMG schemes to accommodate various types of debtor installment sources.
  - g. KMG combo scheme so that debtors get a large ceiling.
2. Motor Vehicle Loans
  - a. Broad market share included individuals with fixed and variable income as well as non-individuals (business entities and legal entities).
  - b. Down payment from 0%.
  - c. Low interest rates, attractive, competitive.
  - d. Cheap loan fees, free of charge for two-wheeled motorized vehicles.
  - e. Easy requirements.
  - f. The process was fast and precise in meeting the vehicle needs of prospective debtors.
  - g. Cooperation with many dealers.
  - h. There is an on loan feature, the cost of credit realization is included in the plafond.
  - i. There is an SB KKB relief incentive specifically for environmentally sound vehicles of 0.25%-0.50%.
  - j. Giving rewards to referrals from 4 (four) wheeled vehicles.
  - k. The vehicle can be held in the name of another person within the family.
3. Home Ownership Loans (KPR)
  - a. Market share luas meliputi perorangan dengan penghasilan tetap dan tidak tetap serta non perorangan (badan usaha dan badan usaha berbadan hukum).
  - b. Uang muka mulai 5%.
  - c. Suku bunga bervariasi sesuai kebutuhan calon debitur.
  - d. Persyaratan mudah dan kompetitif.
  - e. Kerjasama dengan banyak developer.
  - f. There is a fee for the financial manager.
  - g. Loans could be repaid before maturity or partial repayment.



4. Property Backed Consumption Loans (KKBP)
  - a. Broad market share included individuals with fixed and variable income as well as non-individuals (business entities and legal entities).
  - b. Down payment from 5%.
  - c. Interest rates varied according to the needs of prospective borrowers.
  - d. Easy and competitive terms.
  - e. Cooperation with many developers
  - f. Loans could be repaid before maturity or partial repayment.
5. Cash Collateral Credit (CCC)
  - a. Broad market share included individuals with fixed and variable income as well as non-individuals (business entities and legal entities).
  - b. Great credit score.
  - c. Cheap and competitive interest rates.
  - d. Simple requirements.
  - e. Fast process.
  - f. Low cost.
  - g. Cash collateral in rupiah and foreign currencies
  - h. Collateral can use collateral in the name of another person.
6. KPR Sejahtera with the support of the Housing Finance Liquidity Facility Fund (FLPP)
  - a. Loan recipients could have a dream house with very cheap interest rates and were fixed during the loan period.

- b. Recipients could apply for down payment subsidies.
- c. Minimum down payment of 1%.
- d. Easy requirements.
- e. Fast loan process.
- f. Low cost.

The consumer loan innovations carried out in 2024 were as follows:

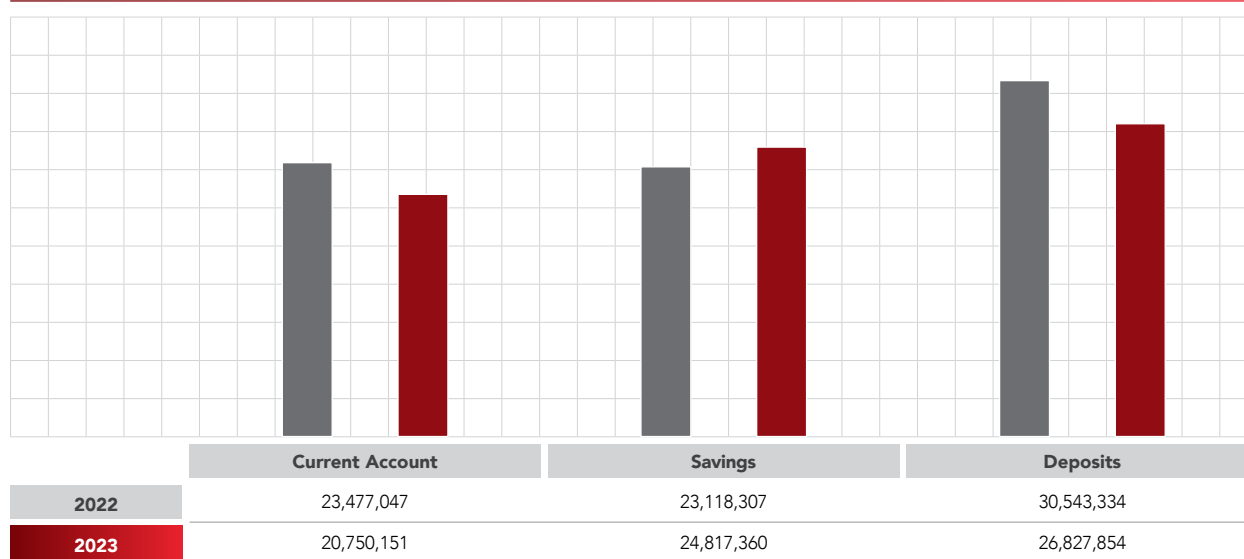
1. Gatherings, evaluation and monitoring with Employee Insurance Savings (Taspen) and the Regional Personnel Agency (BKD).
2. Gatherings, evaluation and monitoring of Branches.
3. KMG optimization stimulus program in the form of an external marketing program.
4. Insurance premium subsidy program.
5. Have coffee together with developers, property agents and property associations.
6. Sponsorship by establishing communication and creating opportunities with related parties.
7. Expo Jatim through all Bank Jatim products.
8. Promotion through branch image of property credit products.
9. Rewards by providing stimulus/for property account officers.
10. Property credit referral fee by providing stimulus for developers, marketing, property agents and the community.
11. Monitoring and visits to branches with maintenance debtors and developers.

### THIRD PARTY FUND/SAVINGS

Third party funds in the conventional segment of Bank Jatim consisted of current accounts, savings and deposits.

**Graph of Third Party Fund Productivity**

(in IDR million)





### Current Account

Giro or current account is a deposit that can be withdrawn at any time by using check/transfer form and other payment order facilities, or by way of transfer. Bank Jatim's current account is online at all of its branches so that withdrawals and deposits can be made at all branches while Bank Jatim's check/ transfer form can be cleared anywhere (Intercity

Clearing); Bank Jatim Current Account could also be opened in Rupiah and foreign currency (EUR, JPY, SGD, and USD). Bank Jatim Current Account was available for the public (individuals and companies), as well as for local governments.

Bank Jatim Current Account productivity is described as follows:

**Table of Current Account Productivity**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Local Government Current Account	11,971,999	17,766,614	(5,794,615)	(32.62%)
General Current Account	8,778,152	5,710,433	3,067,719	53.72%
<b>Total</b>	<b>20,750,151</b>	<b>23,477,047</b>	<b>(2,726,896)</b>	<b>(11.62%)</b>

Current accounts in 2023 reached IDR20.75 trillion, down 11.62% compared to 2022 which reached IDR23.48 trillion. This decrease mainly came from Regional Government Current Accounts amounting to IDR5.79 trillion. Regional Government Current Accounts were current accounts belonging to level I and

level II Regional Governments. Regional Government Current Accounts in 2023 amounted to IDR11.97 trillion, a decrease of 32.62% compared to 2022 which amounted to IDR17.77 trillion. Meanwhile, General Current Accounts increased by 53.72%, from IDR5.71 trillion in 2022 to IDR8.77 trillion in 2023.

### Savings

Bank Jatim savings consisted of Simpeda Savings, Hajj Savings, Siklus Savings, TabunganKu (My Saving), Student Savings (SIMPEL), Smart Savings (SiPandai) Siklus Nelayan (Sinyal).

Bank Jatim Savings productivity is described as follows:

**Table of Savings Productivity**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Simpeda	16,537,443	16,468,555	68,888	0.42%
Siklus	3,919,452	2,655,680	1,263,772	47.59%
Hajj Savings	17,161	18,428	(1,267)	(6.88%)
TabunganKu	4,240,335	3,904,028	336,307	8.61%
Simple Savings	102,555	71,322	31,233	43.79%
Sinyal Savings	414	294	120	40.82%
<b>TOTAL</b>	<b>24,817,360</b>	<b>23,118,307</b>	<b>1,699,053</b>	<b>7.35%</b>

Total savings in 2023 reached IDR24.82 trillion, an increase of 7.35% compared to 2022 which reached IDR23.12 trillion. This increase mainly came from increased growth in Cycle Savings which reached IDR1.26 trillion.



The description of savings performance is presented as follows:

- Simpeda**  
 In 2023, the amount of Savings Simpeda will be IDR16.53 trillion, an increase of IDR68.88 billion or 0.42% compared to 2022 of IDR16.46 trillion. This is in line with the increase in the number of Savings Simpeda customers which also experienced an increase of 2.86% due to growth in financial literacy in regional environments.
- Siklus**  
 The amount of funds raised from Siklus Savings in 2023 will be IDR3.92 trillion, an increase of IDR1.26 trillion or 47.59% compared to 2022 of IDR2.66 trillion. This decline is in line with the decline in the number of Siklus Savings customers considering the decline in public financial activity amidst the Covid-19 pandemic. This decrease is in line with the decline in the number of Siklus Savings customers considering the decline in public financial activity amidst the Covid-19 pandemic.
- Hajj Savings**  
 The amount of Hajj Savings in 2023 will be IDR17.16 billion, down IDR1.26 billion or 6.88% compared to 2022 of IDR18.43 billion. Furthermore, the number of Hajj Savings customers has decreased due to the reduction in the Hajj quota in 2022.
- TabunganKu**  
 Total funds collected from TabunganKu products in 2023 amounted to IDR4.24 trillion, an increase of IDR336.31 billion or 8.61% compared to 2022 of IDR3.90 trillion. This increase is in line with the number of customers of TabunganKu products due to the large number of financial literacy enthusiasts in the school environment.
- Simpanan Pelajar (Simpel)**  
 Total Student Savings (SIMPEL) in 2023 will be IDR102.56 billion, an increase of IDR31.23 billion or 43.79% compared to 2022 of IDR71.32 billion. This is in line with the increase in the number of Student Savings (SIMPEL) customers due to the increase in promotional programs in the student environment.
- Simpanan Nelayan (Sinyal)**  
 Total Fisherman Savings (Sinyal) in 2023 will be IDR414 million, an increase of IDR120 million or 40.82% compared to 2022 of IDR294 million. This is in line with the decline in the number of Sinyal Savings customers considering that the fishing population is smaller and people are more interested in Savings Simpeda due to the prize and lottery promo programs.

## Deposits

Time deposits are the best choice for individuals and companies who want to invest their funds in a safe and reliable place. Funds are guaranteed by the Government through the Deposit Insurance Corporation (LPS) with certain conditions. Time Deposits can be opened in Indonesia Rupiah and Foreign Currency (USD and SGD).

Bank Jatim Deposits productivity is described as follows:

**Table of Deposits Productivity**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Deposits	26,827,854	30,543,334	(3,715,480)	(12.16%)

Bank Jatim deposits can be used as collateral for loans with competitive interest rates and can be negotiated. Deposits in 2023 will reach IDR26.83 trillion, a decrease of 12.16% compared to 2022 which reached IDR30.54 trillion. This is in line with the decline in customers because in 2023 many customers will use these funds for Regional Government projects.

## Third Party Fund Strategy in 2023

The description of the third party fund strategy carried out in 2022 was as follows:

- Distribution of Assistance Programs with Non-Cash Systems.
- Collaboration with the East Java Provincial Education Office in order to open a savings account for every student in East Java (KEJAR).
- Optimizing QRIS implementation through the 0% MDR Promo program and free initial deposit for opening a new QRIS, QRIS merchant branding, transaction promos at QRIS merchants and event sponsorship.
- DPK Promo Programs such as Gen 1 Like Cycle, Gen 2 Like Cycle, Cash Pro, Love Cycle, Ramadhan Cycle, Yes Fresh Fund Promo and Top Up.



5. Simpeda Savings Lottery Program and Cycle Savings Lottery.
6. Participation in OJK Financial Inclusion Month activities.
7. Participation in event sponsorship in the Bank Jatim working area.
8. Branch assistance in approaching corporate customers.
9. Optimizing support for branches by playing an active role in accelerating the process of submitting deposit negotiation requests.
10. Promo program for Corporate Current Account (Go-Speed).
11. Optimizing cooperation with institutional customers for funding collaboration opportunities such as payment of membership fees, payment of claims, distribution of TNI/Polri and ASN pension salaries.
12. Gathering with prospective customers in the private sector with the East Java CEO community.

#### Third Party Fund Competitive Advantage and Innovation

The competitive advantages and innovations that third party funds have are as follows:

1. Financial education and literacy services within the scope of East Java education.
2. Transaction promo program at QRIS Bank Jatim merchants.
3. Providing added value to customers by providing raffles and promos to all types of customers.
4. Collaboration with branches in the approach to closing and maintenance of corporate customers.
5. Increasing bonding between customers and Bank Jatim so that it will provide heart-to-heart service to customers.

#### Third Party Fund Business Prospect in 2024

A description of the third party fund business prospects which are as follows:

1. Thematic promotional program.
2. KEJAR (One Student Account).
3. Optimizing QRIS implementation.
4. Savings Lottery Program.
5. New cooperation approaches and maintenance of existing cooperation between retail and individual customers.
6. Promo Program for Special Giro (Go-Speed)
7. Optimizing corporate customers who have become customers by expanding coverage from upstream to downstream of the customer ecosystem.

#### Third Party Fund Strategy in 2024

The description of the third party fund strategy that will be carried out in 2024 is as follows:

1. Collaboration in Financial Services in the retail and individual segments through QRIS.
2. Implementing the Joint Commitment between the Governor of East Java, OJK and Bank Jatim regarding the KEJAR (One Student Account) program.
3. Opening savings accounts for students in East Java with initial deposit stimulation targeting approximately 50,000 accounts.
4. Simple Day activities, financial literacy and inclusion, collaboration with government and OJK programs, collaboration with school programs including Bank Mini.
5. QRIS merchant acquisition program, targeting modern market traders, malls and traditional traders.
6. Bank Jatim QRIS merchant branding and promo program.
7. Thematic DPK promo program (Current Accounts, Savings and Deposits)
8. Participation in OJK Financial Inclusion Month activities.
9. Participation in event sponsorship in the Bank Jatim working area.
10. Bank Jatim Savings Lottery Program.
11. Approaching various relations, associations and potential markets to explore the potential of DPK, especially in corporations.
12. Service development by collaborating with several Ministries, Departments at both the Provincial and Regency/City levels in order to provide financial services, as well as a form of Bank Jatim support for the development of the East Java economy.
13. Collaboration with business/non-business divisions and branches regarding mapping of potential corporate customers.
14. Development and utilization of the payment ecosystem on the e-commerce platform of Bank Jatim partners (Kompas Gramedia Group, Blibli.Com, JatimBejo).
15. Development of web-based Regional Financial Electronification as a monitoring effort for all regional apparatus and Bank Jatim in particular.
16. Initiated the centralization of regional business service agency (BLUD) fund management agreements, with Bank Jatim's financial service facilities (both in the form of offline services and Bank Jatim's digitalization program).

#### OTHER SERVICES

Other services consist of Treasury, International Banking and Bank Jatim Custodian.

##### Treasury

In line with Treasury's role as one of the pillars of Bank Jatim's profit growth supported by professional and reliable staff, the Treasury Division continued to improve Treasury business activities. The main role of the Treasury in banking was to maintain adequate bank liquidity and be responsible for managing the bank's assets and liabilities as well as making

an optimal contribution to Bank Jatim's profits in the form of interest and non-interest income (fee base income). In its management, banks faced global and domestic markets which moved very dynamically so that they had to always go hand in hand with the latest market developments, especially from a regulatory and business perspective.





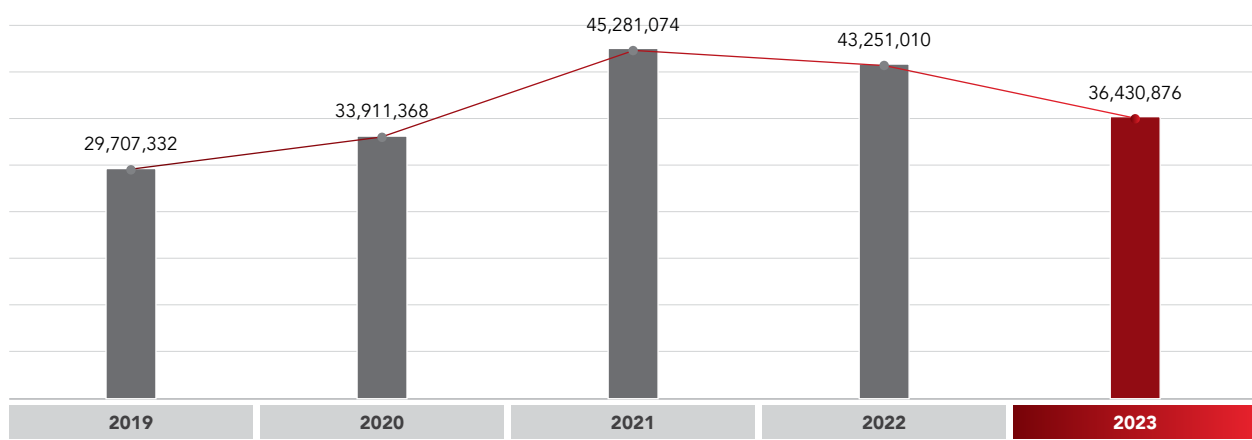
Treasury business basically became a complement and balancing the main business of the bank in the field of fundraising and lending as an intermediary institution. Treasury functioned to optimize access to existing funds in various Treasury instruments both in the money market and capital market with yield enhancement motives. Conversely, if funds were needed other than third party funds; the Treasury's role was to seek funds in the market either through interbank loans, repos or issuance of debentures. Bank Jatim Treasury business included money market transactions (money market), securities transactions (fixed income) and

foreign exchange transactions (foreign exchange) which are carried out by dealing room units under the Treasury Division. These transactions are interbank conducted with Bank and non-Bank counterparties (securities).

Bank Jatim's Treasury business consisted of portfolio management for placements with Bank Indonesia, placements with other banks, securities and reverse repo. As of December 2023, yoy there was a decrease in portfolio management by 15.77% from IDR43,281 billion in 2022 to IDR36,431 billion in 2023.

### Graph of Total Treasury Asset Management

(in IDR million)



### Table of Total Treasury Asset Management Position as of December 2022-2023

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Total Treasury Asset Management	36,430,876	43,251,010	(6,820,134)	(15.77%)

The decrease in the amount managed by Treasury resulted in a yoy decrease in interest income from the investment returns of all portfolios managed by Treasury in 2023 when compared to 2022. The trend of increasing interest rates that occurred during 2023, was still utilized well even though Treasury managed funds experienced a decline. Due to this decline, the bank still recorded quite good performance in

its Treasury business with interest income of IDR2,160 billion in 2023. This income was also supplemented by fee based income originating from foreign exchange transactions amounting to IDR18.33 billion, up 132% from last 2022 amounting to IDR13.85 billion, so the total revenue recorded by Treasury was IDR2,179.27 billion.

### Table of Treasury Productivity 2022-2023

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Placement with Bank Indonesia	16,392	64,104	(47,712)	(74.43%)
Placement with Other Bank	184,249	87,834	96,414	109.77%



Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Securities	1,547,907	1,693,451	(145,544)	(8.59%)
Reverse Repo Receivables	412,391	459,760	(47,369)	(10.30%)
<b>Total</b>	<b>2,160,938</b>	<b>2,305,149</b>	<b>(144,211)</b>	<b>(6.25%)</b>

Economic turmoil, which is still influenced by geopolitical conflicts which cause global inflationary pressures and the State's response by increasing interest rates, is the main challenge faced by the Treasury Division. Throughout 2023, Bank Indonesia has increased the BI 7-Day Reverse Repo Rate (BI7DRR) interest rate by 50 bps from 5.50% to 6.00%. Most Treasury activities were directly affected by changes in trends that occurred in several economic indicators, both global and domestic. The annual decline in Treasury income was due to a decrease in total Treasury assets under management, which in 2023 would be diverted to lending which produced higher yields compared to Treasury yields. Apart from that, managing market risk on Treasury managed portfolios would also be the main focus of activity in 2023 in line with the trend of increasing interest rates which greatly influenced the level of yields and prices of securities. Facing this, the Bank took steps to reprofiling its portfolio while still paying attention to risk management aspects.

Bank Jatim's liquidity condition during 2023 experienced a slight decline from the previous year but was considered still quite fair, because credit growth and bank financing grew quite significantly. In order to optimize income from idle funds, banks would still provide the largest portion for managing Securities in the capital market in 2023, considering that this portfolio provided quite high returns when compared to other instruments. The purchase of Securities was primarily intended to fulfill the Macroprudential Liquidity Buffer (PLM) ratio, the Macroprudential Intermediation Ratio (RIM) was also used as an investment instrument that could increase interest income for the bank.

Bank Jatim was also able to manage liquidity efficiently by continuing to apply the principle of compliance with Indonesian Bank regulations regarding Minimum Statutory Reserves and Net Open Position (PDN) throughout 2023. Realization of Rupiah GWM on December 31 2023 was 8.85% which included incentives GWM was 2.80%. The Bank Indonesia Rupiah GWM provisions were 9%. Meanwhile, the realization of GWM in foreign exchange on December 31 2023 was 6.62% above Bank Indonesia's regulation of 4%. For Bank PDN, the realization on December 31, 2023 was 0.44%, still within the Bank Indonesia regulatory limit of 20%.

### Treasury Competitive Advantage and Innovation

As the business sector continues to grow from large, medium to MSMEs scale. It has helped to encourage the economic recovery after the Covid-19 pandemic. It has also had a positive impact to the Treasury business, especially for the retail segment. The competition in the digital services landscape within the banking industry requires ongoing innovation from each bank, compelling them to deliver the best services to every customer. In order to increase productivity and provide a sustainable contribution to the Bank's performance in general, during 2023, Treasury expanded foreign exchange transactions, both telegraphic transfers and banknotes with a concrete strategy by adjusting policies regarding minimum transactions so that customers can negotiate for foreign exchange buying and selling transactions (special rates). Treasury, together with the branch offices, carried out joint marketing/canvassing to the potential customer and continued a series of development processes for the foreign exchange conversion feature on the Bank's mobile banking application which entered the user acceptance stage. In addition, Treasury collaborated with International Banking division and carried out business collaborations with Money Transfer Operator company located in Malaysia to provide easy services in terms of remittance for the Indonesian migrant workers so that it can facilitate money transfer activities to their family and relative in Indonesia via the JConnect Remittance service. This business practice proved to be contributing a significant contribution to both parties, both for the Bank and the Money Transfer Operator company.

### Treasury Business Prospect dan Strategi Bisnis for 2024

In 2024, Bank Jatim will still face a challenging year for the Treasury business due to uncertainty caused by increasing recession risks in various countries as well as the global pressure because of geopolitical crisis. Treasury will continue to strive to improve its role in optimizing bank business growth in terms of managing liquidity, raising funds, increasing profits, and increasing transactions in accordance with Treasury's commitment to increase positive contributions to Bank Jatim. In the idle fund management, Treasury will still optimize it through investment by prioritizing the principle of prudence in instruments that generate high yields for the Bank, especially by maintaining the size of the existing securities portfolio. In addition, there will be increased synergies and partnerships with counterparties in developing the Treasury business while still prioritizing the principle of prudence.



In order to increase transactions and obtain fee-based income and expand bank market share, improving client flow through optimizing Treasury's products and services will be the main focus of Bank Jatim's Treasury business which is expected to grow a sustainable business. Marketing to the foreign exchange loans and savings customer and those who need foreign exchange for export-import transactions throughout Indonesia in general and the East Java region in particular will be the main focus of strategy to increase foreign exchange transactions in the retail segment. Treasury, together with the International Banking Division as leader and

related units will increase business collaboration with Money Transfer Operator companies abroad. This is related to JConnect Remittance which aims to provide the easy money transfer services from abroad for Indonesian workers spread across various parts of the world to send funds to families in Indonesia in real time at affordable costs. The recorded transaction volume in 2023 reached IDR2.2 trillion, creating several opportunities such as additional third party funds and a significant increase in fee-based income obtained from every transaction carried out by migrant workers.

### International Banking

International Banking products include remittance transactions, export-import transactions, and domestic L/C transactions. An explanation of each product has been presented in the Products and Services Sub-Chapter Profile section in this Annual Report.

International Banking is managed by International Banking Division. International Banking Division was formed in July 2023 in accordance with the Decree Number: 061/218/DIR/PRS/KEP dated December 7, 2022 concerning the Organizational Structure and Work Procedure. The International Banking Division has duties and responsibilities to business management in the form of remittance, trade finance, and bank to bank business. For Remittance and Trade Finance business, The International Banking Division has responsibility for managing the end to process, from marketing to operational processes. To contribute to the company revenue and principle of Corporate Governance, as follows:

Vision : 1. To make Bank Jatim as the first and leading Regional Development Bank (BPD) through the efforts to develop trade finance products (product re-engineering) and comprehensive marketing strategies.

2. To create a comprehensive Bank Jatim Remittance service to meet customer needs by paying attention to the speed, accuracy, and security of transactions.

Mission : 1. To create, develop, and maintain Bank Jatim's trade finance and remittance products and services in order to get a comparative and competitive advantage and market acceptance.

2. To build a marketing system capable to drive Trade Finance marketing activities and all Bank Jatim work units as an effort to increase the Bank Jatim's trade finance and remittance business transactions.

3. To provide adequate service in making payments to and from abroad quickly, safely, and at competitive costs.

4. To provide the best remittance service supported by a trusted system.

International Banking productivity is described as follows:

**Table of International Banking Productivity**

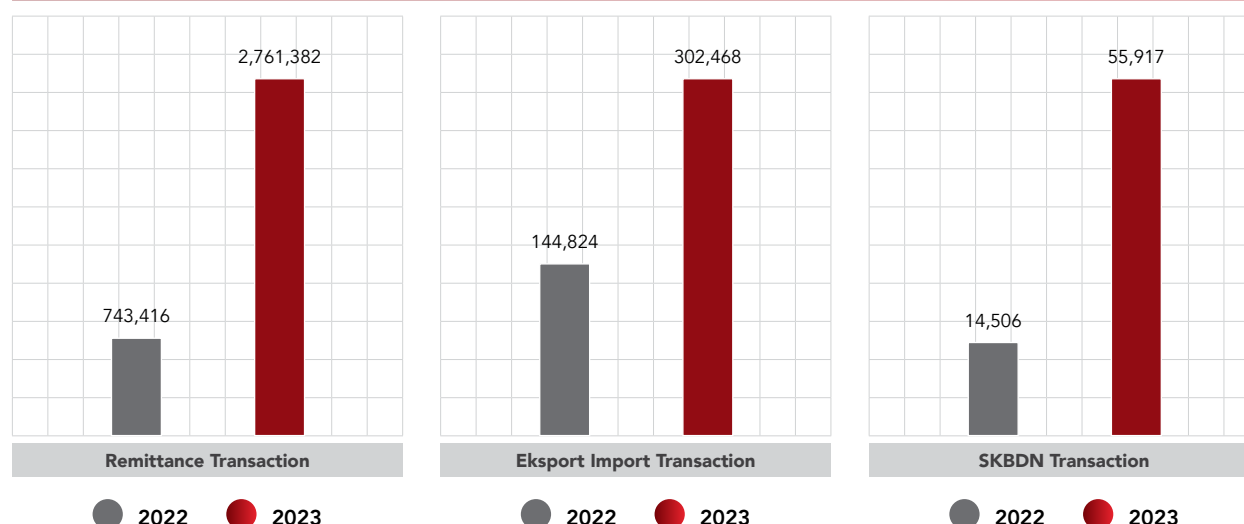
(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Remittance Transaction	2,761,382	743,416	2,017,966	271.45%
Import Export Transactions	302,468	144,824	157,644	108.85%
Domestic L/C Transaction (SKBDN)	55,917	14,506	41,411	285.47%



## Graph of International Banking Productivity

(in IDR million)



In 2023, the performance of trade finance and remittance products at Bank Jatim experienced a significant increase (>200%). It reflected Bank Jatim's progress as foreign exchange Bank in the domestic and international markets amidst the economic conditions that started to improve after the global pandemic. Bank Jatim's programs in preparing human resources and strategies to respond to this has resulted in a good result, proved by the results of performance achievements in 2023. The following is the detailed analysis of the increase in performance of trade finance and remittance product in Bank Jatim.

#### - Remittance Transactions

Bank Jatim's remittance transactions in 2023 amounted to IDR2.76 trillion, an increase of 271.45% compared to 2022 which amounted to IDR743,42 million. The development of collaborative remittance products carried out by Bank Jatim is one that makes significant contributions to the performance of Remittance transactions. The strategy of opening the corridors and collaborating with the new remittance counterparts resulted in an increase in Bank Jatim's Remittance transactions. In addition, marketers from Branches, Sub-Branches as well as the Head Office Business Division had contributed to the marketing efforts of Bank Jatim's foreign exchange products. Moreover, the Treasury Division of Bank Jatim played a pivotal role in offering competitive rates, facilitating the acquisition of numerous customers in 2023.

#### - Export-Import Transactions

Bank Jatim's export-import transactions In 2023 amounted to IDR302.47 million, an increase of 108.85% compared to 2022 which amounted to IDR144.83 million. The human resources in Bank Jatim, both the marketing and operational unit were ready and competent in marketing and executing the export-import transaction, both under the letter of credit and non letter of credit. Marketers who adopted a customer-centric approach were capable of providing precise advice to the existing and potential customers. This approach ensured that customers felt supported, so the customer maintenance

and acquisition process were relatively easier to carry out. Moreover, the Treasury Division of Bank Jatim played a pivotal role in offering competitive rates, facilitating the acquisition of numerous customers in 2023.

#### - Domestic L/C Transactions

Bank Jatim's domestic L/C transactions in 2023 amounted to IDR55.92 million, an increase of 285.47% compared to 2022 which amounted to IDR14.51 million. The human resources in Bank Jatim, both the marketing and operational unit were ready and competent in marketing and executing the domestic L/C transactions. Marketers who adopted a customer-centric approach were capable of providing precise advice to the existing and potential customers. This approach ensured that customers felt supported, so the customer maintenance and acquisition process were relatively easier to carry out.

### International Banking Strategy in 2023

The strategy carried out by International Banking Division as one of Bank Jatim's business divisions is as follows:

#### 1. Market Intelligence

By developing business processes through benchmarking at other banks and conducting customer satisfaction surveys.

#### 2. Product and Services Development Proposal

Carrying out product innovations, updating internal regulations, and penetrating foreign markets (opening new corridors and collaborating with new remittance counterparts).

#### 3. Third Parties Reciprocal Relation

Collaborating with third parties including Remittance Counterparts/Money Transfer Operator (MTO), synergizing with the Department of Manpower, Indonesian Migrant Worker Placement Companies, synergizing with export-import associations or communities such as GPEI, ECS, ICC, and other Export-Import Associations.



#### 4. Marketing Action

Carrying out appropriate marketing communications to increase brand awareness, either through certain marketing tools or promotional programs and event sponsorship, actively carrying out internal and external marketing (to business units at the Head Office, Branches, Sub-branches or potential customers), holding gatherings with stakeholders (in this case, with Government Services, the Indonesian Migrant Worker community, MTO, and MSMEs that have foreign exchange transaction activities.

#### International Banking Competitive Advantage and Innovation

In line with the vision and mission of BPD Jatim, the International Banking Division seeks to make breakthroughs, namely through Foreign Exchange Pendulum Village and J-Export and Trade Assistance (JXTA) programs, as well as collaboration with Remittance Counterparts/Money Transfer Operator (MTO) as a way to develop MSMEs in East Java and provide assistance for Indonesian Migrant Workers abroad with transactions to send/

receive funds from/to Indonesia. It is hoped that in the coming year there will be an increase in foreign exchange transactions through Bank Jatim.

#### International Banking Business Prospect for 2024

Until the end of December 2023, the total volume of foreign exchange transactions at Bank Jatim reached the equivalent of IDR3.12 trillion (remittance transactions, letter of credit and domestic L/C) or reached  $\pm 175.28\%$  of the transaction volume target set for 2023. This achievement provided an overview of the opportunities for revenue from the foreign exchange transactions, one of which was by developing MSMEs in the East Java region to become foreign exchange pendulum villages and by becoming foreign exchange pendulum villages, MSMEs can export the results of their business abroad so that it is hoped that they can also improve the welfare of the people in that region. Then, it will increase the number of collaborations with Remittance Counterparts/Money Transfer Operator (MTO) to open new remittance transaction corridors abroad as form of Bank Jatim revenue in the form of foreign exchange.

#### Bank Jatim Custodian

Treasury Business PrBank Jatim obtained an operating permit for custodian services from the Otoritas Jasa Keuangan (OJK) under the letter No. S4/ PM.2/2019 dated January 29, 2019. Bank Jatim Custodian is part of the Funds and Services Division, Retail and Individual Funds and Services Sub-Division, the services provided include:

1. Safekeeping and administration of Securities (corporate bonds, medium term notes, negotiable certificates of deposit, sukuk, etc.) in script or scriptless form.
2. Settlement of sale-purchase transactions of Securities.

3. Management of customer's rights over ownership of securities held so that the rights are effective in the customer's account (corporate action).
4. Proxy at the General Meeting of Shareholders and General Meeting of Bondholders.
5. Sub-Registry to serve investors conducting Securities transactions and investments
6. Submission of reports and information related to securities and/or valuable documents belonging to customers, which are stored and administered by Bank Jatim Custodian.

Bank Jatim Custodian productivity is described as follows:

**Table of Bank Jatim Custodian Productivity**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
ASSET UNDER CUSTODY				
January	1,891,700	1,877,900	13,800	0.73%
February	2,128,700	1,737,900	390,800	22.49%
March	2,063,700	1,815,900	247,800	13.65%
April	2,030,700	1,805,900	224,800	12.45%
May	1,873,144	1,761,400	111,744	6.34%
June	1,918,089	1,730,100	187,989	10.87%
July	2,065,102	1,821,600	243,502	13.37%

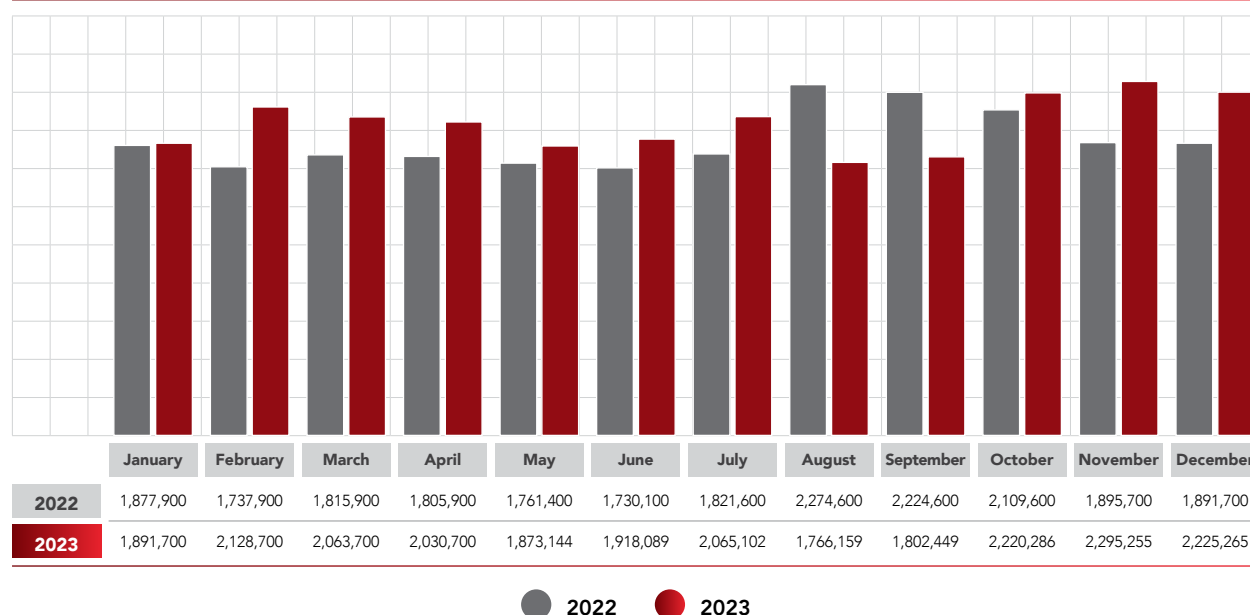


Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
August	1,766,159	2,274,600	(508,441)	(22.35%)
September	1,802,449	2,224,600	(422,151)	(18.98%)
October	2,220,286	2,109,600	110,686	5.25%
November	2,295,255	1,895,700	399,555	21.08%
December	2,225,265	1,891,700	333,565	17.63%
Mature Effect	878,000	1,291,900	(413,900)	(32.04%)
Settled Market Securities	20,000	0	20,000	-

Total assets under custody in 2023 reached IDR2.22 trillion, an increase of 17.63 % compared to 2022 which reached IDR1.89 trillion. The increase was due to the increasing number of custodian customers and managed securities.

#### Graph of Bank Jatim Custodian Securities Managed Fund

(in IDR million)



Custodian service customers consist of Bank Jatim internal and external customers. Internal customers do not directly provide income and profit, but there are cost efficiencies for securities previously held by the Treasury Division at other custodian banks.

#### Bank Jatim Custodian in 2023

The strategies that had been carried out by the Custodian Bank Jatim throughout 2023 are presented as follows:

1. Cooperating with Custodian Services with the Pension Fund Foundation in East Java.
2. Collaborating with Custodian Services with the Regency and City Regional Financial and Asset Management Agencies (BPKAD) in the East Java region.
3. Marketing custodial services to fellow Regional Development Banks (BPD) with more competitive storage costs.

#### Bank Jatim Custodian Competitive Advantage and Innovation

Bank Jatim Custodian competitive advantage and innovations include:

1. Competitive safe keeping costs.
2. Provide additional services related to reporting for free.



### Bank Jatim Custodian Business Prospect for 2024

The business prospects of Bank Jatim Custodian in 2023 are as follows:

1. Collaboration of Custodian Services with Pension Fund Foundations in the East Java region.
2. Collaboration of Custodian Services with Regional-Owned Enterprises and Private Companies in the East Java region.
3. Cooperation of Custodian Services with BPD in Indonesia.

### Bank Jatim Custodian Strategy for 2024

The strategy to be carried out by the Bank Jatim Custodian for 2024 is as follows:

1. Updating the core custodial system that can accommodate reconciliation, electronic proxy delivery and adjustments to C-Best Next G.
2. Development of a core custodian system related to menu inquiry facilities for custodian customer portfolios.
3. Marketing custodial services to fellow BPD Banks with more competitive deposit fees.
4. Marketing custodial services to Pension Fund Foundation in the East Java region with more competitive storage costs.

## Conventional Segment Income and Profitability

Conventional segment operating income in 2023 reached IDR5,458,757 million, a decrease of 8.64% compared to the previous year which reached IDR5,975,236 million. The decrease came from a decrease in interest income other operations.

Conventional segment operating profit in 2023 reached IDR1,821,231 million, a decrease of 4.25% compared to the previous year which reached IDR1,902,035 million. This decrease came from an increase in CKPN credit formation decline in operating profit and other operating income.

**Table of Conventional Segment Income and Profitability**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Asset	100,234.184	99,959,909	274,275	0.27%
Liability	88,117,360	88,554,718	(437,358)	(0.49%)
Operating Income	5,458,757	5,975,236	(516,480)	(8.64%)
Operating Profit	1,821,231	1,902,035	(80,805)	(4.25%)

## Sharia Segmen

Bank Jatim sharia segment consisted of third-party funds/ deposits, financing and services. Network expansion is a supporting factor for the development of the Sharia Business Unit (UUS) of Bank Jatim. Customers can perform banking transactions easily through the UUS network which included 7 (seven) Sharia Branch Offices, 10 (ten) Sharia Sub-Branch Offices, 4 (four) Cash Offices, 8 (eight) Sharia Payment Points, 217 Agents of Laku Pandai Sharia, 196 Sharia Service Offices (KLS), 26 (twenty six) ATM machines, 10 (ten) CRM ATM Machine and 7 Mobile Cash Cars.

## Sharia Segment Explanation and Productivity

### THIRD PARTY FUND SHARIA

Sharia third party funds consist of iB Barokah Current Account (Wadi'ah), iB Barokah Current Account (Mudharabah), Simpel iB Savings, TabunganKu iB, Umroh iB Amanah Savings, SiPandai iB Barokah Savings, Santri (Student) Savings, Barokah Savings, iB Barokah Sejahtera Savings, Hajj iB Amanah Savings, Haji iB Amanah Savings, iB Barokah Pension and Barokah Deposits. An explanation of each Sharia Funding product has been presented in the Profiles section of the Products and Services Sub-Chapter in this Annual Report.



The description amount of Sharia Funding Segment is presented as follows:

**Table of Sharia TPF Productivity**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Current Account iB Barokah (Wadiah)	174,426	156,090	18,336	11.75%
Current Account iB Barokah (Mudharabah)	1,786	1,636	150	9.17%
Simple Savings iB	10,255	7,083	3,172	44.78%
TabunganKu iB	63,673	56,222	7,451	13.25%
Umroh iB Amanah Savings	5,304	4,004	1,300	32.47%
SiPandai iB Barokah Savings	16	15	1	6.67%
Santri (Student) Savings	1,877	13	1,864	14,338.46%
Barokah Savings	354,156	297,416	56,740	19.08%
Barokah Sejahtera Savings	7,917	7,374	543	7.36%
Haji iB Amanah Savings	354,921	288,567	66,354	22.99%
IB Barokah Savings Plan	1,440	1,217	223	18.32%
IB Barokah Pension Savings	37	23	14	60.87%
Barokah Deposits	1,626,798	1,245,458	381,340	30.62%
<b>Total</b>	<b>2,602,606</b>	<b>2,065,118</b>	<b>537,488</b>	<b>26.03%</b>

In 2023, the realization of Sharia DPK amounted to IDR2.60 trillion, reflecting a significant increase of IDR537.49 billion or 26.03% compared to the IDR2.07 trillion recorded in 2022. The growth in Sharia DPK primarily originated from the expansion of Barokah Deposits, contributing an increase of IDR381.34 billion. Concurrently, CASA witnessed an uptick of IDR156.15 billion or 19.05% compared to the 2022 figure of IDR819.66 billion, driven by the growth in iB Amanah Haji Savings.

Based on the DPK achievement in 2023, there are three products that have experienced a significant increase compared to the composition of DPK in 2022, namely Barokah Deposits amounting to IDR381.34 billion, Haji iB Amanah Savings amounting to IDR66.35 billion and Barokah Savings amounting to IDR56.74 billion.

The description amount of Sharia Funding Segment customers is presented as follows:

**Table of Funding Sharia Customers**

(in number of customers)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Current Account iB Barokah (Wadiah)	1,689	1,467	222	15.13%
Current Account iB Barokah (Mudharabah)	8	6	2	33.33%
Simple Savings iB	53,480	45,989	7,491	16.29%
TabunganKu iB	41,567	36,918	4,649	12.59%
Umroh iB Amanah Savings	2,076	1,693	383	22.62%
SiPandai iB Barokah Savings	403	388	15	3.87%
Santri (Student) Savings	14,997	1,338	13,659	1,020.85%
Barokah Savings	50,478	46,057	4,421	9.60%





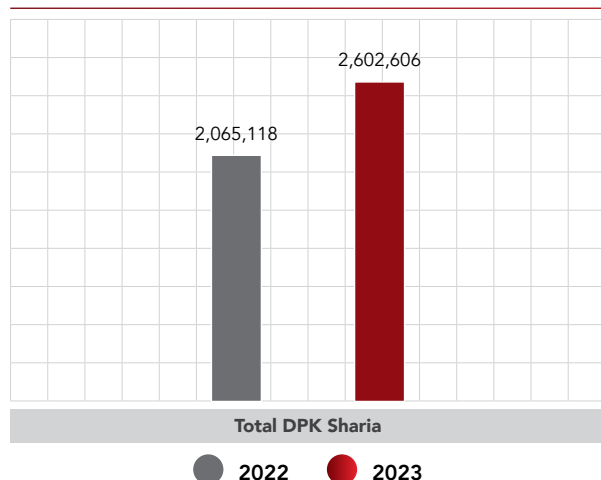
Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Barokah Sejahtera Savings	69	77	(8)	(10.39%)
Hajj iB Amanah Savings	129,284	127,671	1,613	1.26%
iB Barokah Savings Plan	355	305	50	16.39%
iB Barokah Pension Savings	115	9	106	1,177.78%
Barokah Deposits	2,977	2,752	225	8.18%
<b>Total</b>	<b>297,498</b>	<b>264,670</b>	<b>32,828</b>	<b>12.40%</b>

The growth in the number of deposits was followed by an increase in the number of customers. In 2023, the number of Bank Jatim UUS DPK customers will be 297,498 customers, an increase of 32,828 customers or 12.40% compared to 2022. The growth primarily stemmed from an increase in the customers of the Santri (Student) Savings savings account.

In general, the number of customers in some Bank Jatim UUS DPK products has increased compared to 2022, but only one product has decreased, namely Barokah Sejahtera Savings, amounting to 8 customers or 10.39%

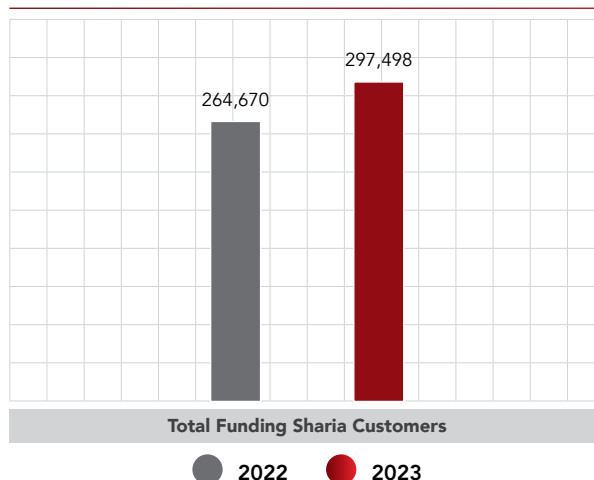
**Graph of Growth TPF Sharia**

(in IDR million)



**Graph of Growth Funding Sharia Customers**

(in Customer)



The description of the performance of each funding product is presented as follows:

- **Current Account iB Barokah (Wadiah)**

The iB Barokah (Wadiah) Current Account saw an increase of IDR18.34 billion or 11.75%, rising from IDR156.09 billion to IDR174.43 billion in 2023. In terms of the number of customers, the iB Barokah (Wadiah) Current Account experienced a growth of 222 account holders, representing a 15.13% increase compared to the year 2022.

- **Current Account iB Barokah (Mudharabah)**

The iB Barokah (Mudharabah) Current Account experienced an increase of IDR150 million or 9.17%, rising from IDR1.64 billion to IDR1.79 billion in 2023. In terms of the number of customers, the iB Barokah (Mudharabah) Current Account witnessed an increase of 2 account holders, representing a 33.33% growth compared to the year 2022

- **Simple Savings iB**

The iB Simple Savings saw an increase of IDR3.17 billion or 44.78%, rising from IDR7.08 billion to IDR10.26 billion in 2023. In terms of the number of customers, the iB

Simple Savings experienced a growth of 7,491 account holders, representing a 16.29% increase compared to the year 2022.

- **TabunganKu iB**

The iB TabunganKu Savings experienced an increase of IDR7.451 billion or 13.25%, growing from IDR56.222 billion to IDR63.673 billion in 2023. In terms of the number of customers, the iB TabunganKu witnessed an increase of 4,649 account holders, reflecting a 12.59% growth compared to the year 2022.

- **Umroh iB Amanah Savings**

The iB Amanah Umroh Savings experienced an increase of IDR1.30 billion or 32.47%, growing from IDR4.00 billion to IDR5.30 billion in 2023. In terms of the number of customers, the iB Amanah Umroh Savings witnessed an increase of 383 account holders, representing a 22.62% growth compared to the year 2022.



- **SiPandai iB Barokah Savings**

SiPandai iB Barokah Savings saw an increase of IDR1 million or 6.67%, growing from IDR15 million to IDR16 million in 2023. In terms of the number of customers, SiPandai iB Barokah Savings experienced an increase of 15 account holders, representing a 3.87% growth compared to the year 2022.

- **Santri (Student) Savings**

The Santri Savings experienced an increase of IDR1.86 billion or 14,338.46%, growing from IDR13 billion to IDR1.88 billion in 2023. In terms of the number of customers, the Santri Savings witnessed an increase of 13,659 account holders, representing a growth of 1,020.85% compared to the year 2022.

- **Barokah Savings**

The Barokah Savings witnessed an increase of IDR56.74 billion or 19.08%, rising from IDR297.42 billion to IDR354.16 billion in 2023. In terms of the number of customers, the Barokah Savings experienced an increment of 4,421 account holders, reflecting a growth of 9.60% compared to the year 2022.

- **Barokah Sejahtera Savings**

The Barokah Sejahtera Savings experienced an increase of IDR543 million or 7.36%, growing from IDR7.37 billion to IDR7.92 billion in 2023. In terms of the number of customers, the Barokah Sejahtera Savings saw a decrease of 8 account holders or (10.39%) compared to the year 2022.

- **Haji iB Amanah Savings**

The iB Amanah Hajj Savings recorded an increase of IDR66.35 billion or 22.99%, reaching IDR354.92 billion from IDR288.57 billion in 2023. In terms of the number of customers, there was an increase of 1,613 account holders, representing a growth of 1.26% compared to the year 2022.

- **iB Barokah Savings Plan**

The iB Barokah Planned Savings experienced an increase of IDR223 million or 18.32%, growing from IDR1.22 billion to IDR1.44 billion in 2023. In terms of the number of customers, the iB Barokah Planned Savings saw an increase of 50 account holders, representing a growth of 16.39% compared to the year 2022.

- **iB Barokah Pension Savings**

The iB Barokah Pension Savings experienced an increase of IDR14 million or 60.87%, rising from IDR23 million to IDR37 million in 2023. In terms of the number of customers, the iB Barokah Pension Savings witnessed an increase of 106 account holders, reflecting a growth of 1,177.78% compared to the year 2022.

- **Barokah Deposits**

The Barokah Deposit witnessed an increase of IDR381.34 billion or 30.62%, rising from IDR1.25 trillion to IDR1.63 trillion in 2023. In terms of the number of customers, the Barokah Deposit experienced an increase of 225 account holders, representing an 8.18% growth compared to the year 2022.

## SHARIA FINANCING

Sharia Financing consisted of Consumer, Retail and Commercial Financing, Consumer Financing included iB Barokah Gold, KPR iB Griya Barokah, KPR Sejahtera, Employee Financing, Multipurpose iB Barokah, Ownership of iB Barokah Gold Metal, Umroh iB Maqbullah, Hajj Al Maburr Bailout Loan. Micro Financing includes People's Business Credit (KUR) and Micro

Small Financing. Retail Financing includes the Linkage Program and Commercial Financing includes General Financing and Presidential Decree/Contractor Working Capital Financing. Description of each Sharia Financing product is presented in the Profiles section of the Products and Services SubChapter in this Annual Report.

The description amount of Sharia Financing is presented as follows:

**Table of Sharia Financing Productivity**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
CONSUMER FINANCING				
iB Barokah Gold Mortgage	24,304	22,568	1,736	7.69%
Home Ownership Loans (KPR) Griya Barokah	735,342	726,913	8,429	1.16%
Commercial KPR	265,936	269,441	(3,505)	(1.30%)
Housing Finance Liquidity Facility KPR (FLPP)	469,406	457,473	11,933	2.61%
Employee Financing	141,989	144,281	(2,292)	(1.59%)
Multipurpose iB Barokah	47,338	65,248	(17,910)	(27.45%)
Gold Ownership (KLE) iB Barokah	1,412	1,443	(31)	(2.15%)
Umroh Bailout Loan iB Maqbullah	239	276	(37)	(13.41%)



Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Hajj Al Mabruur Bailout Loan	45	90	(45)	(50.00%)
<b>Sub Total Consumer</b>	<b>950,669</b>	<b>960,819</b>	<b>(10,150)</b>	<b>(1.06%)</b>
<b>MICRO, RETAIL AND COMMERCIAL FINANCING</b>				
<b>Linkage</b>	<b>69,754</b>	69,233	521	0.75%
a. Cooperative Financing (PKOP)/ Cooperative Financing for Members (PKPA)	61,692	49,796	11,896	23.89%
b. Sharia Rural Bank (BPRS)	8,062	19,437	(11,375)	(58.52%)
<b>General</b>	<b>1,053,351</b>	794,949	258,402	32.51%
a. Investment	715,899	484,098	231,801	47.88%
b. Working Capital	312,739	297,087	15,652	5.27%
c. Factoring	24,713	13,765	10,948	79.54%
Keppres/Contractor	102,279	78,470	23,809	30.34%
People's Business Loans	11,805	0	11,805	100.00%
Small Micro	0	0	0	0
<b>Sub Total Micro, Retail and Commercial</b>	<b>1,237,189</b>	<b>942,652</b>	<b>294,537</b>	<b>31.25%</b>
<b>Total</b>	<b>2,187,858</b>	<b>1,903,471</b>	<b>284,387</b>	<b>14.94%</b>

The total financing in 2023 was realized at IDR2.18 trillion, an increase of IDR284.39 billion or 14.94% compared to 2022's IDR1.90 trillion. This includes various financing schemes such as Gadai Emas iB Barokah (Gold Pawn), KPR iB Griya Barokah (Home Ownership Financing), KPR Sejahtera, Employee Financing, Multipurpose iB Barokah, Kepemilikan Logam Emas (KLE - Gold Ownership), Hajj Al Mabruur Bailout Loan, Umroh iB Maqbula, Linkage Program Financing, General Financing, and Presidential/Contractor Financing (KEPPRES). The increase was attributed to the rise in several financing schemes, including a 2.61% increase in KPR Fasilitas Likuiditas Pembiayaan Perumahan (FLPP) amounting to IDR11.93 billion, a 0.75% increase in Linkage Program Financing totaling IDR521 million, a 47.88% increase in Investment Financing amounting to IDR231.80 billion, a 5.27% increase in Working Capital Financing totaling IDR15.65 billion, a significant 79.54% increase in Receivables Factoring amounting to IDR10.95 billion, and a 30.34% increase in Presidential Financing totaling IDR23.81 billion.

The financing composition in 2023 was primarily led by general investment financing. Bank Jatim Sharia actively participated in syndicated financing for projects such as PT Pembangunan Perumahan Semarang Demak, PT Cimanggis Cibitung Tollways, and other toll road developments. The second-largest contributor to financing was the Prosperous Home Ownership Financing (FLPP), which continued to be a primary focus for channeling funds to Low-Income Communities (MBR). Bank Jatim is actively supporting the government's housing subsidy program. In 2023, the achievements in this sector were highly satisfactory. The outstanding amount for FLPP saw an increase of IDR11.9 billion in 2023, representing a growth percentage of 2.61% compared to 2022. The composition of FLPP within the total outstanding home financing stood at 21.46%

The description Sharia Financing numbers of customers is presented as follows:

**Table of Sharia Financing Customers**

(in number of customers)

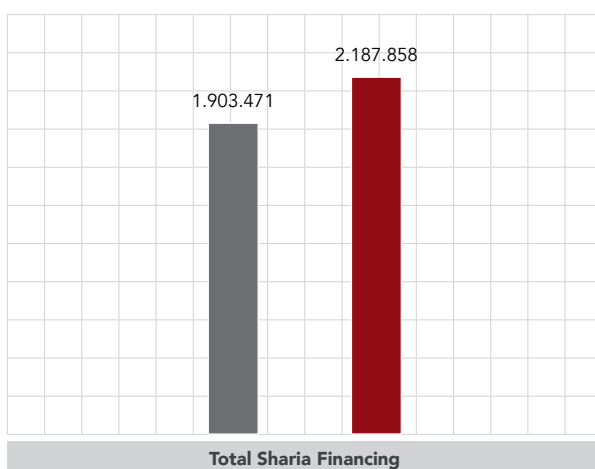
Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
CONSUMER FINANCING				
iB Barokah Gold Mortgage	1,379	1,195	184	15.40%
Home Ownership Loans (KPR) Griya Barokah	5,314	5,135	179	3.49%



Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Commercial KPR	1,250	1,346	(96)	(7.13%)
Housing Finance Liquidity Facility KPR (FLPP)	4,064	3,789	275	7.26%
Employee Financing	513	406	107	26.35%
Multipurpose iB Barokah	667	858	(191)	(22.26%)
Gold Ownership (KLE) iB Barokah	146	113	33	29.20%
Umroh Bailout Loan iB Maqbullah	9	7	2	28.57%
Haji Al Mabruur Bailout Loan	2	4	(2)	(50.00%)
<b>Sub Total Konsumer</b>	<b>8,030</b>	<b>7,718</b>	<b>312</b>	<b>4.04%</b>
<b>MICRO, RETAIL AND COMMERCIAL FINANCING</b>				
<b>Linkage</b>	<b>185</b>	<b>223</b>	<b>(38)</b>	<b>(17.04%)</b>
a. Cooperative Financing (PKOP)/ Cooperative Financing for Members (PKPA)	182	216	(34)	(15.74%)
b. Sharia Rural Bank (BPRS)	3	7	(4)	(57.14%)
<b>General</b>	<b>750</b>	<b>504</b>	<b>246</b>	<b>48.81%</b>
a. Investment	287	183	104	56.83%
b. Working Capital	448	312	136	43.59%
c. Factoring	15	9	6	66.67%
Keppres/Contractor	109	63	46	73.02%
People's Business Loans	97	0	97	100.00%
Small Micro	0	0	0	0.00%
<b>Sub Total Micro, Retail and Commercial</b>	<b>1,141</b>	<b>790</b>	<b>351</b>	<b>44.43%</b>
<b>Total</b>	<b>9,171</b>	<b>8,508</b>	<b>663</b>	<b>7.79%</b>

Graph of Growth Sharia Financing

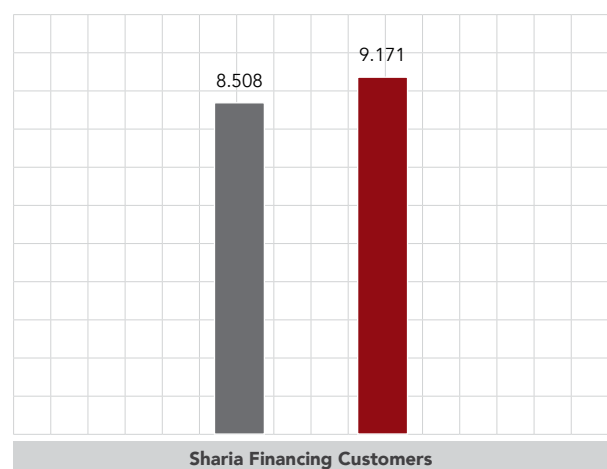
in IDR million



● 2022 ● 2023

Graph of Growth Sharia Financing Customers

in Customer



● 2022 ● 2023



The description of the performance of each sharia financing product is presented as follows:

## 1. Consumer Segment

### a. IB Barokah Gold (Pawn)

During 2023, there was an increase in financing distribution through Emas iB Barokah reaching IDR1.74 billion or 7.69% from IDR22.57 billion in 2022 to IDR24.30 billion in 2023. Meanwhile, Pawn Financing customers experienced an increase of 184 customers from 1,195 customers in 2022 to 1,379 customers in 2023.

### b. KPR iB Griya Barokah

The composition of Bank Jatim UUS KPR is Commercial KPR and FLPP KPR. The total outstanding KPR Griya Barokah in 2023 is IDR735.34 billion, an increase of 1.16% from financing in 2022 of IDR726.91 million. In 2023, disbursement of Commercial Mortgage Loans (KPR Komersil) experienced a decrease of 1.30%, amounting to IDR3.51 billion compared to 2022. However, disbursement of Government-subsidized Home Ownership Financing (KPR FLPP) increased by 2.61%, totaling IDR11.93 billion compared to 2022. In terms of customer numbers, there was an increase in the disbursement for Griya Barokah Home Financing by 179 customers and a rise of 275 customers for FLPP Home Financing. Conversely, Commercial Mortgage Loans saw a decrease with 96 fewer customers.

### c. Multipurpose iB Barokah

During 2023, UUS Bank Jatim recorded a decrease in the distribution of Multipurpose iB Barokah financing by IDR17.91 billion or 27.45%, declining from the nominal amount of IDR65.25 billion in 2022 to IDR47.34 billion in 2023. Additionally, the number of customers availing Multiguna Financing also experienced a decrease of 191 customers. In 2022, there were 858 customers, and by 2023, the count decreased to 667 customers.

### d. Ownership of iB Barokah Gold Metal

During 2023, there will be a decrease in financing distribution through Ownership of Gold Metal (KLE) by IDR31 million or 2.15%, declining from the nominal amount of IDR1.43 billion in 2022 to IDR1.41 billion in 2023. The number of customers availing Gold Ownership Financing iB Barokah, however, increased by 33 customers. In 2022, there were 113 customers, and by 2023, the count increased to 146 customers.

### e. Umroh iB Maqbullah

The distribution of Umrah Bailout Loan iB Maqbullah products decreased by 13.41%, equivalent to IDR37 million, from the nominal amount of IDR276 million in 2022 to IDR239 million in 2023. In terms of the number of customers, the disbursement of Umroh Financing iB Maqbullah increased by 2 customers in 2023.

### f. Talangan Haji (Haji Bailout Loan)

Haji Bailout Loan (Haji Bailout Loan) product distribution will experience a decline in 2023 by 50.00%, from the nominal amount of IDR90 million in 2022 to IDR45 million in 2023. Specifically for Haji Financing, there was no expansion of financing due to government regulations. As a result, there was no increase in the disbursement of financing in 2023.

## 2. Micro Segment

### a. KUR Financing

Throughout 2023, UUS Bank Jatim launched a new product, Sharia Microbusiness Loan (KUR Sharia), and achieved a disbursement of IDR11.81 billion for this product. The number of customers availing KUR Sharia in 2023 was 97.

## 3. Retail Segment

### a. Linkage Program

During 2023, UUS Bank Jatim has recorded an increase in financing distribution using the Linkage Program pattern reaching IDR521 million or 0.75%, rising from IDR69.233 billion in 2022 to IDR69.754 billion in 2023.

In terms of the number of customers, the disbursement of Linkage Program financing experienced a decrease of 38 customers. In 2022, there were 216 customers, and by 2023, the count decreased to 185 customers.

## 4. Commercial Segment

### a. General Financing

General Financing is financing for businesses, both individuals and legal entities, to meet Working Capital and/or investment needs. During 2023, UUS Bank Jatim has recorded General Financing Growth of IDR258.40 billion or 32.51%, rising from IDR794.95 billion in 2022 to IDR1.05 trillion in 2023. The growth in the disbursement of general financing, in terms of the number of customers, experienced an increase of 246 customers. This increase was attributed to a rise in customers availing investment financing by 104 customers, working capital financing by 136 customers and factoring for 6 customers.

### b. Keppres/Contractor Working Capital Financing

During 2023, UUS Bank Jatim experienced an increase in the distribution of Working Capital Financing Presidential Decree reaching IDR23.81 billion or 30.34%. This figure rose from IDR78.47 billion in 2022 to IDR102.30 billion in 2023. In terms of the number of customers, there was an increase of 46 customers availing Working Capital Financing for Presidential Decree. In 2022, there were 63 customers, and by 2023, the count increased to 109 customers.



## OTHER SERVICES - SHARIA

The Sharia Treasury business includes money market and securities transactions carried out by the Sharia Treasury Group under the Sharia Business Division. The Sharia Treasury Portfolio facility includes Sharia Bank Indonesia Deposit Facilities

(FASBIS), Bank Indonesia Sukuk Interbank Deposits (SukBI), Sharia Interbank Mudharabah Investment Certificates (SIMA), Sharia Participation Mutual Funds Limited Liability Securities (RDSPT) and State Sharia Securities (SBSN).

Description Sharia Treasury Productivity is presented as follows:

**Table of Sharia Treasury Productivity**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Sharia Bank Indonesia Deposit Facilities (FASBIS)	150,000	145,000	5,000	3.45%
Bank Indonesia Sukuk Interbank Deposits (SukBI)	450,000	400,000	50,000	12.50%
Sharia Interbank Mudharabah Investment Certificates (SIMA),	450,000	325,000	125,000	38.46%
Sharia Participation Mutual Funds Limited Liability Securities (RDSPT)	25,000	25,000	0	0.00%
State Sharia Securities (SBSN)	141,406	102,935	38,471	37.37%
<b>Total</b>	<b>1,216,406</b>	<b>998,163</b>	<b>218,243</b>	<b>21.86%</b>

Fasilitas Simpanan Bank Indonesia or Bank Indonesia Sharia Deposit Facility (FASBIS) is a Sharia Monetary Operation instrument through standing facilities where the Bank places rupiah funds at Bank Indonesia for the purpose of absorbing the Bank's liquidity. In 2022, FASBIS Bank Jatim Business Unit was recorded at IDR150 billion, an increase of IDR5 billion or 3.45% from December 2022. The increase was due to lack of absorption in the money market, resulting in the remaining idle funds being placed in Bank Indonesia's Open Market Operation (OPT) Absorption instrument.

Bank Indonesia Sukuk Interbank Deposits (SukBI) is another Bank Indonesia Sharia Monetary Operation instrument which functions as a contraction tool to absorb excess liquidity (absorb). This instrument has a tenor option of 7 (seven) days to 12 (twelve) months. During 2023, the Bank Jatim Sharia Business Unit will be active in participating in the SUKBI auction and will be an alternative placement to maintain short-term liquidity position (under 1 year). In December 2023, Bank Jatim's Sharia Business Unit SUKBI was recorded at IDR450 billion, an increase of IDR50 billion compared to December 2022. This was due to the consideration of a strategy to increase liquidity ratios, which needs to increase the portfolio of High Quality Liquid Assets (HQLA).

Sharia Interbank Mudharabah Investment Certificates (SIMA), is a certificate issued by Bank General Sharia or Sharia Business Unit which is used as a short-term investment vehicle in PUAS with a mudharabah agreement. The SIMA placement position

of Bank Jatim Sharia Business Unit as of 31 December 2023 is IDR450 billion, an increase of IDR125 billion or 38.46% compared to December 2022. The increase in this instrument is the result of a strategy to optimize revenue while maintaining short-term liquidity.

The Sharia Participation Mutual Funds Limited Liability Securities (RDSPT) Certificate owned by the Bank Jatim Sharia Business Unit in December 2023 is IDR25 billion. The nominal portfolio remained the same compared to December 2022.

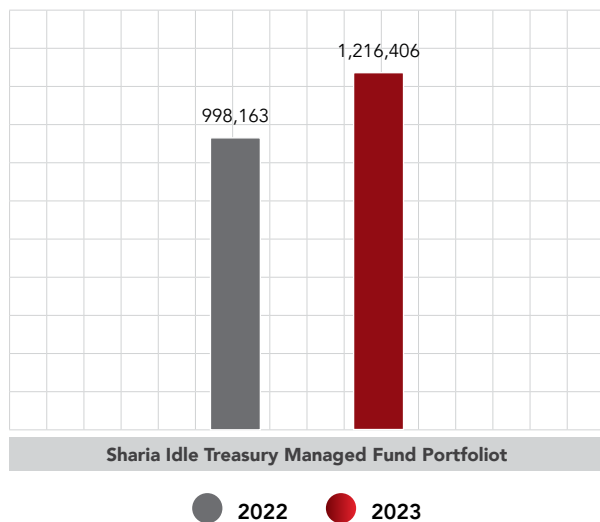
State Sharia Securities (SBSN) are Securities issued by the Government as part of investments in assets with Sharia principles which are commonly traded in the capital market and money market. As of December 2023, the types of SBSN owned by the Sharia Bank Jatim Business Unit are Retail Sukuk with an Ijarah Asset to be Leased contract and Project Based Sukuk with the same contract. Overall, SBSN owned by the Bank Jatim Sharia Business Unit experienced an increase of IDR38 billion or 36.89% from IDR103 billion in 2020 to IDR141 billion. The increase was due to the Sharia Treasury portfolio diversification strategy, revenue optimization and efforts to increase the HQLA portfolio.

Overall, in December 2023, Sharia Treasury's managed funds will reach IDR1,216 billion, an increase of 21.84% from December 2022. Of these achievements, 86.32% were short-term placements, and only 13.68% were long-term placements.



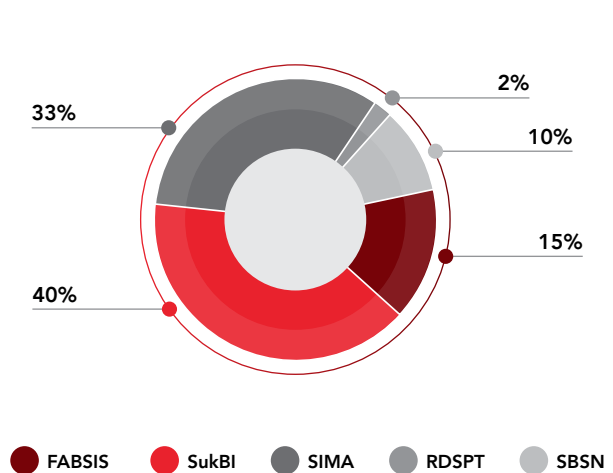
**Graph of Sharia Idle Treasury  
Managed Fund Portfolio**

(in IDR million)



**Graph of Sharia Idle Treasury  
Managed Fund**

(in %)



The 3 (three) largest compositions are 36.99% placement in SUKBI with a portfolio of IDR450 billion, 36.99% in SIMA investment with a portfolio of IDR450 billion, and 12.33% FASBIS with a portfolio of IDR150 billion.

### Sharia Segment Strategy in 2023

The funding and financing strategies for the sharia segment to be implemented in 2023 are presented as follows:

- **Sharia Funding Strategy in 2023**

The sharia funding strategy for the Sharia segment was through increasing CASA and fee-based income which can be described as follows

1. **Maintenance of Existing Customers**

- a. **Recall Dormant/Inactive Customers (Current Account/Savings/Deposits)**

Additional activities for marketing officers to contact customers who were no longer active in transactions but still had balances are an attempt by Bank Jatim Syariah to increase TPF balances. This was easier to do because previously dormant customers were familiar with Bank Jatim Syariah so it was hoped that this activity could generate customer interest in using Bank Jatim Syariah products and services.

- b. **Implementation of the Barokah Spreading Program Period 1 of 2023**

This Barokah Spread Program aims to enable customers who hold Barokah Savings accounts to increase the balance in their accounts. Prizes are given through a points redeem system where customers who are entitled to get points are customers with an average balance at the end of the month of 1 (one) million rupiah. Meanwhile, those entitled to redeem points are customers who have earned 500 points.

- c. **Regular Gathering with partners and potential customers**

Gatherings will be held periodically with Bank Jatim Sharia partners and customers in order to improve and maintain service to customers so that it will increase the number of customer transactions at Bank Jatim Sharia. One of the gatherings that will be held in the first quarter of 2023 is a young hajj campaign for all Islamic boarding schools that are members of One Islamic Boarding School One Product (OPOP) East Java together with the Hajj Financial Management Agency (BPKH) and OPOP East Java which is expected to increase the number of customers and the nominal value of Hajj iB Amanah Savings.

2. **New Customer Acquisition**

- a. **Implementation of the Barokah Hajj Program**

The Hajj Barokah program is conducted in the first quarter of 2023, starting from January to March 2023. Prizes are given to customers who open a Hajj iB Amanah Savings account and simultaneously register for the Hajj portion. The prizes given to customers are in the form of gold metal weighing 0.05 grams and other attractive prizes (cluth/sajadah/tumbler).

- b. **The Barokah Sejahtera Savings Program (TBS) Batch 6**

The TBS Batch 6 program is a program that is expected to increase Barokah Savings customers where customers will be able to receive prizes



directly by depositing their balance within a certain period of time. This program is valid from September 1, 2022 to March 1, 2023 and will continue to Batch 7 which is valid from March 2 to September 2, 2023. This program can also be implemented at the Sharia Services Office.

**c. Collaborate with the Hajj Financial Management Agency (BPKH) in increasing Hajj registration**

As an effort to increase Hajj registrants through Hajj iB Amanah Savings, Bank Jatim Sharia is collaborating with BPKH to provide a referral fee of IDR100 thousand for the Hajj Guidance Group (KBIH) who bring their congregation to open a Hajj iB Amanah Savings account as well as registering the initial Hajj deposit. at Bank Jatim Sharia. The referral mechanism uses a reimbursement mechanism to BPKH.

**d. Collaborating with the Indonesian Waqf Board (BWI) and the Indonesian Waqf Movement (GWI) in increasing the number of Nazirs and Wakif**

To increase the collection of funds in the iB Barokah Current Account through the iB Barokah Waqf service, Bank Jatim Sharia collaborated with BWI and GWI to conduct outreach to Nazirs in East Java regarding the development of productive cash waqf. This activity is carried out every quarter in several areas with large waqf potential.

**e. Implementation of Virtual Santri Sholawat Competition and Adhan Competition**

Collaborating with the East Java NU Alms House, Bank Jatim Sharia held a virtual Santri prayer competition as well as an adhan competition. The participants came from Islamic boarding schools in the East Java region. This activity aims to increase the number of customers and the nominal amount of Santri (Student) Savings where competition participants are required to open a Santri (Student) Savings account as an administrative requirement and display Bank Jatim Sharia products or services in videos sent to the competition committee. The winner will be given coaching money which will be transferred to the Santri (Student) Savings account.

**f. Providing Sponsorship in the East Java NU Alms House Podcast**

It is hoped that the collaboration with Rumah Al Sedekah NU East Java in the podcast program will increase the chances of obtaining Barokah Deposits because most of the podcast speakers held by Rumah Alms NU East Java come from entrepreneurs in East Java.

• **Sharia Financing Strategy in 2023**

Strategic financing steps which became priority agendas to be pursued in the 2023 period, include:

1. **Optimizing plans to disburse syndicated financing and other approved financing that have not been realized in 2022.**
2. Acceleration of the process for financing proposals that have entered the process at the UUS Bank Jatim Head Office.
3. Focusing on financing distribution at Sharia Branch Offices based on financing segmentation, namely: micro segment, retail segment, middle segment, as well as consumer and property segments. The corporate segment is managed by the Head Office.
4. Analyst Optimization
  - a. The gross financing expansion target of each analyst in each branch is IDR2 billion for the micro and retail segments, while the consumer and property segments is IDR3 billion every month.
  - b. Giving rewards/incentives is based on the achievement of the performance of each analyst.
5. Collaboration with PT Makmur Bercash Amanda (MBA) in making the Sidoarjo Halal Industrial Park (HIPS) program a success, as a program by the East Java Provincial Government to create a Rising East Java in 2021, which was a potential financing to customers for purchasing warehouses for investment.
6. Approach to Developers
  - a. The target of closing KPR financing was at least 3 (three) users per month for each developer who has PKS with sharia branches.
  - b. Collaboration with developer communities such as Himpera, Apersi, Apernas, REI, and others
7. Planning to collaborate with the Government to obtain a KUR financing distribution quota and support Bank Jatim's work program in 2023 as a bank with an MSME-based financing background.
8. Approach with the UMKM Community
  - a. Cooperation with Muslimat NU throughout East Java for the distribution of microfinance.
  - b. Collaboration with Kopontren throughout East Java in the One Product Islamic Boarding School Program (OPOP).
9. Optimizing the Distribution of BMT/BPRS Linkage Finance
  - a. Distribution to local government-owned or private BPRS that had high credibility and credibility.
  - b. Reactivate the distribution of financing to cooperatives, both distribution with Executing Patterns and Channeling Patterns.





### Sharia Segment Competitive Advantage and Innovation

Competitive advantage was obtained through sharia contracts that provide choices for the public to transact in sharia and avoid ribawi transactions. However, innovation needed to be created to maintain the convenience of customers who chose sharia transactions, including sharia digital innovation. Through different products and contracts, sharia products could be an alternative for customers in order to increase equitable investment with attractive profit sharing through profit sharing contracts or murabahah contracts with purchase of precious metals as well as being able to help relieve the customer's liquidity burden temporarily through the iB Barokah Gold product (gawn gold). It was hoped that with these advantages and innovations, the sharia segment could increase Bank Jatim's market share as a whole and was an entry barrier for other Islamic bank competitors.

### Sharia Segment Prospect and Strategy for 2024

Sharia's funding strategy is to increase CASA and fee based income using two strategic approaches, namely maintenance of existing customers and acquisition of new customers which are described as follows:

- **Sharia Funding Prospect and Strategy for 2024**

- 1. **Maintenance of Existing Customers**

- a. **Recall of Dormant/Inactive Customers (Current Account/Savings/Deposits)**

Activities that must be carried out by funding officers to communicate again with customers who are no longer active in transactions but still have balances. This was done as an effort to increase DPK balances as well as cross-selling.

- b. **Implementation of the 2024 Tebar Barokah Program**

This Barokah Spread Program aims to enable customers who hold Barokah Savings accounts to increase the balance in their accounts. Prizes are given through a points redeem system where customers who are entitled to get points are customers with an average balance at the end of the month of 1 (one) million rupiah. Meanwhile, those entitled to redeem points are customers who have earned 500 points.

- c. **Regular Gathering with partners and potential customers**

Gatherings will be held periodically with Bank Jatim Sharia partners and customers in order to improve and maintain service to customers so that it will increase the number of customer transactions at Bank Jatim Sharia.

- 2. **Acquisition of New Customers**

- a. **Implementation of Hajj Barokah Program**

Giving rewards to the customers who register for the Hajj portion in the form of special prizes and

giving rewards to Sharia Service offices having customers registered for the highest portion of Hajj in each semester in 2024.

- b. **The Barokah Sejahtera Savings Program (TBS)**

The TBS program is a program that is expected to increase Barokah Savings customers where they will be able to receive prizes directly by depositing balance within a certain period of time. The ongoing program is TBS Batch 8 which starts from October 1, 2023 to March 30, 2024 and will continue to Batch 9.

- c. **Barokah Madani Festival (BaniFest) 2024 Program**

As an effort to increase Hajj iB Amanah Savings, Bank Jatim Sharia collaborates with the Hajj Financial Management Agency (BPKH) to hold a joint program related to the Young Hajj campaign. In addition to the student segment, the Young Hajj Savings 2024 can also be intended for the Civil Servants and Government Employees with Work Agreement (PPPK) segmentation.

- d. **Love Waqf Program**

To increase the fund raising in the iB Barokah Current Account through the iB Barokah Waqf service, Bank Jatim Sharia collaborated with the Indonesian Waqf Board (BWI) to socialize to nazhirs in East Java regarding the development of productive money endowments. These activities are carried out quarterly to several areas with large waqf potential.

- e. **BJS Vaganza 2024 Program**

Collaborating with Masjid Raya Islamic Center and Masjid Al Akbar Surabaya to hold Banjari Competition, Tahfidz Competition, A call to prayer Competition and Sharia Financial Literacy on Islamic holidays. The winners will be granted coaching money which will be transferred to the Santri Saving account.

### Sharia Financing Business Prospect and Strategy for 2024

Description of the Business Prospect and Sharia Financing strategy that will be implemented in 2024 are as follows:

1. Improving the acceleration of the Service level Agreement (SLA) process for financing proposals processed at Branch Offices and Head Office.
2. Focusing on financing distribution to the education/ Islamic boarding school sector, health, MSME businesses, cooperatives that will become Customer Based in mastering the market ecosystem at USS Bank Jatim.
3. Participating to succeed the government's program in accelerating the construction of 1 million houses by contributing to the distribution of subsidized KPR (KPR FLPP) financing.



4. Supporting infrastructure development as part of the Government's National Strategic Program includes participating in syndicated financing for toll road construction and other syndicated financing. In addition, for this syndicated financing, we can optimize the plan to disburse the remaining syndicated financing attraction facilities and other financing that has been approved.
5. Optimizing KUR Sharia financing disbursement in 2024.
6. Proposing margin adjustment according to the prevailing rate and can compete in the market.
7. Diversing financing products by disbursing Cash Collateral Financing (CCF) by 2024.

### Sharia Segment Income and Profitability

Operating Income Sharia Segment in 2023 amounted to IDR230,764 million, an increase of 17.21% compared to the previous year which reached IDR196,878 million. The increase came from the Increase in Interest Income.

Operating Profit Sharia Segment in 2023 reached IDR33,812 million, a decrease of 12.83% compared to the previous year which reached IDR38,791 million. This is influenced by an increase in labor costs.

**Table of Sharia Segment Income and Profitability**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Asset	3,620,590	3,071,458	549,132	17.88%
Liability	3,586,345	3,030,788	555,557	18.33%
Operating Income	230,764	196,878	33,887	17.21%
Operating Profit	33,812	38,791	(4,978)	(12.83%)

## Geographic Segments

Apart from the operating segment, in carrying out its activities, Bank Jatim can be viewed from a geographical segment.

### Geographic Segment Explanation

A geographical segment is engaged in providing services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The Bank's geographical segments are East Java and other than East Java.

### Geographic Productivity

Information regarding the productivity of the geographical segment of East Java and Java other than East Java has been presented in the conventional segment explanation and productivity section.

### Geographic Segment Revenue and Profitability

Operational income for the East Java geographic segment in 2023 reached IDR4,567,696 million, a decrease of 13.70% compared to the previous year which reached IDR5,292,622 million. Operational profit for the East Java geographic segment in 2023 reached IDR1,913,098 million, a decrease of 2.21% compared to the previous year which reached IDR1,956,365 million. This decrease came from a decrease in other operating income.

Meanwhile, operational income for the Java geographical segment other than East Java in 2023 reached IDR1,121,825 million, an increase of 27.55% compared to the previous year which reached IDR879,492 million. Operational loss for the Java geographical segment other than East Java in 2023 reached IDR58,055 million, a decrease of 273.61% compared to the previous year which reached IDR15,539 million. This decrease came from a decrease in operating profit and other operating income.

## Table of Revenue and Profitability of Geographic Segments

(in IDR million)

Description	East Java	Java Apart from East Java	Elimination	Total
<b>2023</b>				
Asset	85,572,614	18,809,015	526,855	103,854,774
Liability	73,363,489	18,867,071	526,855	91,703,705
Operating Income	4,567,696	1,121,825	-	5,689,521
Operating Profit	1,913,098	(58,055)	-	1,855,043
<b>2022</b>				
Asset	81,433,044	22,109,020	510,697	103,031,367
Liability	69,971,644	22,124,559	510,697	91,585,506
Operating Income	5,292,622	879,492	-	6,172,114
Operating Profit	1,956,365	(15,539)	-	1,940,826
<b>Growth 2022-2023 (%)</b>				
Asset	5.08%	(14.93%)	3.16%	0.80%
Liability	4.85%	(14.72%)	3.16%	0.13%
Operating Income	(13.70%)	27.55%	-	(7.82%)
Operating Profit	(2.21%)	273.61%	-	(4.42%)





# Financial Review

The financial review described below refers to the Financial Statements for the years ended December 31, 2022 and 2021 presented in this Annual Report. The financial statements have been audited by the Public Accounting Firm (KAP) Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan and

received an opinion that they present fairly, in all material respects, the financial position of PT Bank Pembangunan Daerah Jawa Timur Tbk as of December 31, 2023, as well as financial performance and cash flows on year ended mentioned according to Financial Accounting Standards.

## Financial Performance

Bank Jatim's financial performance consisted of the performance of the Statement of Financial Position, Statement of Profit and Loss and Other Comprehensive Income as well as the Cash Flow Statement as follows.

## Financial Position Report

**Table of Financial Position Report**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
ASSET				
Cash	2,652,775	1,988,262	664,513	33.42%
Current accounts with Bank Indonesia	7,971,412	10,786,740	(2,815,328)	(26.10%)
Current accounts with other banks	491,330	303,129	188,201	62.09%
Allowance for impairment losses	(1,077)	(441)	(636)	144.22%
Current accounts with other banks- Net	490,253	302,688	187,565	61.97%
Placements with Bank Indonesia and other banks	5,234,721	6,916,329	(1,681,608)	(24.31%)
Allowance for impairment losses	(5,026)	(3,154)	(1,872)	59.35%
Placements with Bank Indonesia and other banks - Net	5,229,695	6,913,175	(1,683,480)	(24.35%)
Spot and derivatives receivables	-	361	(361)	(100.00%)
Securities	16,323,831	23,217,671	(6,893,840)	(29.69%)
Allowance for impairment losses	(511)	(400)	(111)	27.75%
Marketable-Securities - Net	16,323,320	23,217,271	(6,893,951)	(29.69%)
Marketable securities sold under repurchase agreement	8,303,663	4,095,066	4,208,597	102.77%
Receivables from Securities purchased under agreements to resell	6,247,318	7,822,847	(1,575,529)	(20.14%)
Other receivables	223,138	286,147	(63,009)	(22.02%)
Loans and sharia financing				
- Related Parties	184,848	134,871	49,977	37.06%
- Third parties	54,576,055	46,061,786	8,514,269	18.48%
Total Loan	54,760,903	46,196,657	8,564,246	18.54%



Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Allowance for impairment losses	(1,364,905)	(1,318,612)	(46,293)	3.51%
<b>Loans- Net</b>	<b>53,395,998</b>	<b>44,878,045</b>	<b>8,517,953</b>	<b>18.98%</b>
Accrued interest income	685,734	646,125	39,609	6.13%
Prepaid expenses	207,452	166,661	40,791	24.48%
Fixed asset				
Cost	2,230,878	2,109,260	121,618	5.77%
Accumulated depreciation	(953,165)	(825,010)	(128,155)	15.53%
<b>Book value</b>	<b>1,277,713</b>	<b>1,284,250</b>	<b>(6,537)</b>	<b>(0.51%)</b>
Deferred tax assets, Net	472,123	502,238	(30,115)	(6.00%)
Tax receivables	777	493	284	57.61%
Other assets, Net	373,402	140,998	232,404	164.83%
<b>TOTAL ASSET</b>	<b>103,854,773</b>	<b>103,031,367</b>	<b>823,406</b>	<b>0.80%</b>

#### LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY

##### LIABILITY

Immediate liabilities	987,604	872,514	115,090	13.19%
Deposits from customers				
- Related Parties	12,644,538	15,295,405	(2,650,867)	(17.33%)
- Third parties	63,205,317	64,630,285	(1,424,968)	(2.20%)
<b>Total Deposits from customers</b>	<b>75,849,855</b>	<b>79,925,690</b>	<b>(4,075,835)</b>	<b>(5.10%)</b>
Deposits from other bank				
- Related Parties	56,694	141,996	(85,302)	(60.07%)
- Third parties	2,503,627	3,168,842	(665,215)	(20.99%)
<b>Total Deposits from other bank</b>	<b>2,560,321</b>	<b>3,310,838</b>	<b>(750,517)</b>	<b>(22.67%)</b>
Spot dan derivatif liabilities	-	-	-	0.00%
Liabilities of marketable securities sold under repurchase agreement	7,915,163	3,891,346	4,023,817	103.40%
Borrowings	596,977	631,464	(34,487)	(5.46%)
Tax payable	143,245	90,783	52,462	57.79%
Accrued expenses	504,748	520,840	(16,092)	(3.09%)
Other liabilities	779,314	472,054	307,260	65.09%
<b>TOTAL LIABILITIES</b>	<b>89,337,227</b>	<b>89,715,529</b>	<b>(378,302)</b>	<b>(0.42%)</b>

##### TEMPORARY SYIRKAH FUNDS

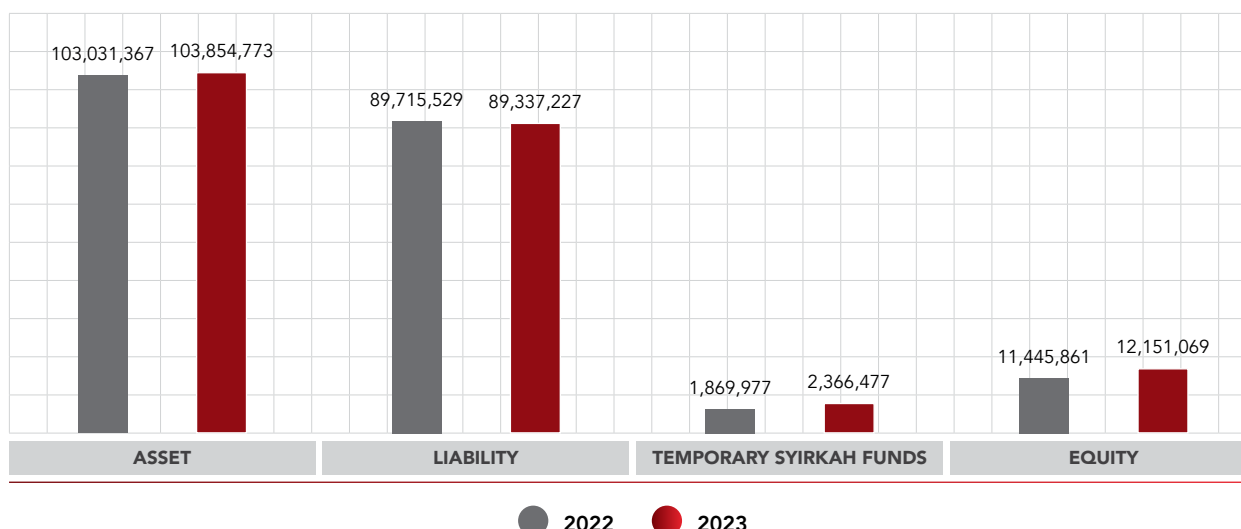
Deposits from customers				
- Related Parties	3,764	2,302	1,462	63.51%
- Third parties	2,343,291	1,839,390	503,901	27.40%
<b>Total Deposits from customers</b>	<b>2,347,055</b>	<b>1,841,692</b>	<b>505,363</b>	<b>27.44%</b>
Deposits from other bank				
- Related Parties	-	-	-	0.00%
- Third parties	19,422	28,285	(8,863)	(31.33%)



Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Total Deposits from other bank	19,422	28,285	(8,863)	(31.33%)
<b>TOTAL TEMPORARY SYIRKAH FUNDS</b>	<b>2,366,477</b>	<b>1,869,977</b>	<b>496,500</b>	<b>26.55%</b>
<b>EQUITY</b>				
Share capital:				
- Series A : IDR250 (full Rupiah) par value per share				
- Series B : IDR250 (full Rupiah) par value per share				
Authorized:				
- Series A: 24.000.000.000 shares				
- Series B: 12.000.000.000 shares				
Issued and fully paid::				
- Series A - 11.934.147.982 shares				
- Series B - 3.081.350.100 shares	3,753,875	3,753,875	-	0.00%
Paid-in capital – Net	532,734	532,734	-	0.00%
Revaluation surplus of fixed assets	788,049	789,998	(1,949)	(0.25%)
Remeasurement of defined employee benefit liability - net of deferred tax	(117,777)	(100,912)	(16,865)	16.71%
Unrealized gain (loss) financial assets measured at fair value through other comprehensive income – net deferred tax	(63,958)	(115,048)	51,090	(44.41%)
Retained earnings				
General reserve	5,788,041	5,042,390	745,651	14.79%
Unappropriated	1,470,105	1,542,824	(72,719)	(4.71%)
<b>TOTAL EQUITY</b>	<b>12,151,069</b>	<b>11,445,861</b>	<b>705,208</b>	<b>6.16%</b>
<b>TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY</b>	<b>103,854,773</b>	<b>103,031,367</b>	<b>823,406</b>	<b>0.80%</b>

## Graph of Financial Position Report

(in IDR million)





## Asset

For the financial year ending December 31, 2023, Bank Jatim's total assets amounted to IDR103,854,773 million, an increase of 0.80% from last year's IDR103,031,367 million. This increase

in assets was influenced by an increase in current accounts with other banks - net, loans granted - net, securities sold with agreements to repurchase (reverse repo) and other assets - net.

**Table of Asset**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Cash	2,652,775	1,988,262	664,513	33.42%
Current accounts with Bank Indonesia	7,971,412	10,786,740	(2,815,328)	(26.10%)
Current accounts with other banks	491,330	303,129	188,201	62.09%
Allowance for impairment losses	(1,077)	(441)	(636)	144.22%
<b>Current accounts with other banks- Net</b>	<b>490,253</b>	<b>302,688</b>	<b>187,565</b>	<b>61.97%</b>
Placements with Bank Indonesia and other banks	5,234,721	6,916,329	(1,681,608)	(24.31%)
Allowance for impairment losses	(5,026)	(3,154)	(1,872)	59.35%
<b>Placements with Bank Indonesia and other banks - Net</b>	<b>5,229,695</b>	<b>6,913,175</b>	<b>(1,683,480)</b>	<b>(24.35%)</b>
Spot and derivatives receivables	-	361	(361)	(100.00%)
Securities	16,323,831	23,217,671	(6,893,840)	(29.69%)
Allowance for impairment losses	(511)	(400)	(111)	27.75%
<b>Marketable Securities- Net</b>	<b>16,323,320</b>	<b>23,217,271</b>	<b>(6,893,951)</b>	<b>(29.69%)</b>
Marketable securities sold under repurchase agreement	8,303,663	4,095,066	4,208,597	102.77%
Receivables from Securities purchased under agreements to resell	6,247,318	7,822,847	(1,575,529)	(20.14%)
Other receivables	223,138	286,147	(63,009)	(22.02%)
Loans and sharia financing				
- Related Parties	184,848	134,871	49,977	37.06%
- Third parties	54,576,055	46,061,786	8,514,269	18.48%
<b>Total Loan</b>	<b>54,760,903</b>	<b>46,196,657</b>	<b>8,564,246</b>	<b>18.54%</b>
Allowance for impairment losses	(1,364,905)	(1,318,612)	(46,293)	3.51%
<b>Loans- Net</b>	<b>53,395,998</b>	<b>44,878,045</b>	<b>8,517,953</b>	<b>18.98%</b>
Accrued interest income	685,734	646,125	39,609	6.13%
Prepaid expenses	207,452	166,661	40,791	24.48%
Fixed asset				
Cost	2,230,878	2,109,260	121,618	5.77%
Accumulated depreciation	(953,165)	(825,010)	(128,155)	15.53%
<b>Book value Net</b>	<b>1,277,713</b>	<b>1,284,250</b>	<b>(6,537)</b>	<b>(0.51%)</b>
Deferred tax assets, Net	472,123	502,238	(30,115)	(6.00%)
Tax receivables	777	493	284	57.61%
Other assets, Net	373,402	140,998	232,404	164.83%
<b>TOTAL ASSET</b>	<b>103,854,773</b>	<b>103,031,367</b>	<b>823,406</b>	<b>0.80%</b>



## Cash

Cash recorded in 2023 reached IDR2,652,775 million, an increase of 33.42% compared to the previous year which reached IDR1,988,262 million. This increase came from the amount of cash denominated in rupiah which increased significantly and the amount of cash denominated in foreign currency also increased.

**Table of Cash**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesian Rupiah	2,593,983	1,946,513	647,470	33.26%
Foreign Country	58,792	41,749	17,043	40.82%
<b>Total Cash</b>	<b>2,652,775</b>	<b>1,988,262</b>	<b>664,513</b>	<b>33.42%</b>

## Current accounts with Bank Indonesia

Current accounts with Bank Indonesia in 2023 reached IDR7,971,412 million, a decrease of 26.10% compared to the previous year which reached IDR10,786,740 million. This decrease comes from the number of current accounts with Bank Indonesia in the Indonesia Rupiah sector experiencing a large decline.

**Table of Current accounts with Bank Indonesia**

(in IDR million)

Uraian	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah	7,940,618	10,774,286	(2,833,668)	(26.30%)
US Dollar	30,794	12,454	18,340	147.26%
<b>Total Current accounts with Bank Indonesia</b>	<b>7,971,412</b>	<b>10,786,740</b>	<b>(2,815,328)</b>	<b>(26.10%)</b>

## Current Accounts with Other Banks - Net

Current accounts with other banks in 2023 reach IDR490,253 million, an increase of 61.97% compared to the previous year which reached IDR302,688 million. The increase came from an increase in the number of current accounts with other banks and an increase in foreign currency current accounts with other banks.

**Table of Current Accounts with Other Banks - Net**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah	336,488	190,457	146,031	76.67%
Foreign Country	154,842	112,672	42,170	37.43%
<b>Total</b>	<b>491,330</b>	<b>303,129</b>	<b>188,201</b>	<b>62.09%</b>
Allowance for impairment losses	(1,077)	(441)	(636)	144.22%
<b>Net</b>	<b>490,253</b>	<b>302,688</b>	<b>187,565</b>	<b>61.97%</b>





## Placements With Bank Indonesia and Other Banks - Net

Placements with Bank Indonesia and other banks in 2023 reach IDR5,229,695 million, a decrease of 24.35% compared to the previous year which reached IDR6,913,175 million. This decrease was caused by a decrease in placements with both Bank Indonesia and other banks in the interbank call money type.

**Table of Placements with Bank Indonesia and Other Banks - Net**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
<b>Rupiah: IDR</b>				
Time deposit:	1,500	7,000	(5,500)	(78.57%)
Interbank call money:	4,083,367	4,165,000	(81,633)	(1.96%)
Bank Indonesia Deposit Facility (FASBI) Term Deposit Less: Unamortized discount	1,149,854	2,744,329	(1,594,475)	(58.10%)
<b>Total</b>	<b>5,234,721</b>	<b>6,916,329</b>	<b>(1,681,608)</b>	<b>(24.31%)</b>
Allowance for impairment losses	(5,026)	(3,154)	(1,872)	59.35%
<b>Net</b>	<b>5,229,695</b>	<b>6,913,175</b>	<b>(1,683,480)</b>	<b>(24.35%)</b>

## Marketable Securities - Net

Marketable Securities owned by Bank Jatim in 2023 reached IDR16,323,320 million, a decrease of 29.69% compared to the previous year which reached IDR23,217,271 million. This decrease was due to purchases of 1-5 year securities which decreased from the previous year.

**Table of Marketable Securities Based on Term and Interest Rate**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Less than 1 year	11,668,277	986,769	10,681,508	1,082.47%
1 - 5 year	4,655,554	22,230,902	(17,575,348)	(79.06%)
Less: Allowance for impairment losses	(511)	(400)	(111)	27.75%
<b>Total Marketable Securities</b>	<b>16,323,320</b>	<b>23,217,271</b>	<b>(6,893,951)</b>	<b>(29.69%)</b>

## Marketable Securities Sold With A Repurchase Agreement (Reverse Repo)

Marketable securities sold with a repurchased agreement (reverse repo) based on the net value owned by Bank Jatim in 2023 amounted to IDR6,247,318 million, a decrease of 20.14% compared to the previous year which reached IDR7,822,847 million. This decline was caused by a lack of repurchase of securities.



Table of Marketable Securities Sold with a Repurchase Agreement (Reverse Repo) Based on Net Value

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Government Bonds				
FR0088	-	42,540	(42,540)	(100.00%)
FR0065	-	116,204	(116,204)	(100.00%)
VR0078	-	286,561	(286,561)	(100.00%)
VR0037	-	139,793	(139,793)	(100.00%)
FR0096	-	28,674	(28,674)	(100.00%)
VR0053	-	116,820	(116,820)	(100.00%)
VR0037	-	931,787	(931,787)	(100.00%)
VR0046	-	192,171	(192,171)	(100.00%)
VR0050	-	1,004,871	(1,004,871)	(100.00%)
VR0062	-	906,872	(906,872)	(100.00%)
VR0075	-	234,413	(234,413)	(100.00%)
VR0045	-	924,708	(924,708)	(100.00%)
VR0034	-	382,733	(382,733)	(100.00%)
VR0036	-	574,107	(574,107)	(100.00%)
VR0065	-	370,747	(370,747)	(100.00%)
FR0091	418,067	-	418,067	0.00%
FR0084	347,529	99,964	247,565	247.65%
FR0068	108,098	-	108,098	0.00%
VR0068	24,823	381,593	(356,770)	(93.49%)
VR0073	71,732	-	71,732	0.00%
VR0070	25,358	-	25,358	0.00%
VR0083	49,706	-	49,706	0.00%
VR0063	380,789	-	380,789	0.00%
VR0044	290,042	189,961	100,080	52.68%
VR0045	48,340	-	48,340	0.00%
VR0093	48,295	-	48,295	0.00%
VR0072	75,325	46,900	28,425	60.61%
FR0059	584,743	-	584,743	0.00%
FR0082	483,626	-	483,626	0.00%
FR0087	946,562	368,983	577,579	156.53%
FR0076	592,686	-	592,686	0.00%
FR0080	495,055	-	495,055	0.00%
FR0083	201,649	192,726	8,924	4.63%
FR0085	200,538	-	200,538	0.00%
FR0098	194,769	-	194,769	0.00%
FR0081	286,191	149,068	137,122	91.99%
FR0090	185,319	-	185,319	0.00%
VR0077	188,074	140,651	47,423	33.72%
<b>Total</b>	<b>6,247,318</b>	<b>7,822,847</b>	<b>(1,575,529)</b>	<b>(20.14%)</b>



## Other Receivables

Other bills in 2023 will reach IDR223,138 million, a decrease of 22.02% compared to the previous year which reached IDR286,147 million. This decrease was caused by a decrease in transfer and ATM bills.

**Table of Other Receivables**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Transfer receivables and ATM	122,780	194,150	(71,370)	(36.76%)
Other	100,358	91,997	8,361	9.09%
<b>Total Other receivables - Net</b>	<b>223,138</b>	<b>286,147</b>	<b>(63,009)</b>	<b>(22.02%)</b>

## Loans- Net

Loans in 2023 reached IDR53,395,998 million, an increase of 18.98% compared to the previous year which reached ID 44,878,045 million. This increase was dominated by an increase in third party credit.

**Table of Loans- Net**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Loans				
Related Parties (notes 40)	184,848	134,871	49,977	37.06%
Third parties	54,576,055	46,061,786	8,514,269	18.48%
<b>Total Loan</b>	<b>54,760,903</b>	<b>46,196,657</b>	<b>8,564,246</b>	<b>18.54%</b>
Allowance for impairment losses	(1,364,905)	(1,318,612)	(46,293)	3.51%
<b>Loans- Net</b>	<b>53,395,998</b>	<b>44,878,045</b>	<b>8,517,953</b>	<b>18.98%</b>

## Accrued Interest Income

The interest income that will still be received in 2023 will reach IDR 685,734 million, an increase of 6.13% compared to the previous year which reached IDR 646,125 million. The increase comes from interest income that will still be received from loans provided in other sectors.

**Table of Accrued Interest Income**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Indonesia Rupiah:				
Loans	377,219	340,021	37,198	10.94%
Others	308,346	306,091	2,255	0.74%



Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Foreign currency:				
US Dollar	169	13	156	1,200.00%
<b>Total Accrued interest income</b>	<b>685,734</b>	<b>646,125</b>	<b>39,609</b>	<b>6.13%</b>

### Prepaid Expenses

Prepaid expenses in 2023 reached IDR207,452 million, an increase of 24.48% compared to the previous year which reached IDR166,661 million. This increase came from mutual aid pension insurance, other insurance, prepaid rent and others.

**Table of Prepaid Expenses**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Mutual aid pension insurance	97,840	88,765	9,075	10.22%
Prepaid rent	50,048	37,924	12,124	31.97%
Other insurance	22,372	6,216	16,156	259.91%
Other	37,192	33,756	3,436	10.18%
<b>Total Prepaid expenses</b>	<b>207,452</b>	<b>166,661</b>	<b>40,791</b>	<b>24.48%</b>

### Fixed Asset

Fixed assets in 2023 reached IDR1,277,713 million, a decrease of 0.51% compared to the previous year which reached IDR1,284,250 million. The largest decrease came from acquisition cost of land.

**Table of Fixed Asset**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
<b>Cost</b>				
Land	943,060	945,010	(1,950)	(0.21%)
Buildings	203,722	203,402	320	0.16%
Office equipment	736,757	678,419	58,338	8.60%
Motor vehicle	51,710	50,516	1,194	2.36%
	<b>1,935,249</b>	<b>1,877,347</b>	<b>57,902</b>	<b>3.08%</b>
Construction in progress	796	681	115	16.89%
Right of use assets	294,833	231,232	63,601	27.51%
<b>Total Cost</b>	<b>2,230,878</b>	<b>2,109,260</b>	<b>121,618</b>	<b>5.77%</b>



Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Accumulated depreciation				
Buildings	125,475	116,296	9,179	7.89%
Office equipment	642,566	574,638	67,928	11.82%
Motor vehicle	19,490	24,616	(5,126)	(20.82%)
Right of use assets	165,634	109,460	56,174	51.32%
<b>Total Accumulated depreciation</b>	<b>953,165</b>	<b>825,010</b>	<b>128,155</b>	<b>15.53%</b>
<b>Book value Net</b>	<b>1,277,713</b>	<b>1,284,250</b>	<b>(6,537)</b>	<b>(0.51%)</b>

## Deferred Tax Assets

Deferred tax assets in 2023 reached IDR472,123 million, a decrease of 6.00% compared to the previous year which reached IDR502,238 million. The average decreased came from Provision for employee bonuses, Allowance for loss of earnings assets, other reserves, and Unrealized gain on financial assets at fair value through other comprehensive income.

Table of Deferred Tax Assets

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Provision for employee bonuses	69,830	73,284	(3,454)	(4.71%)
Allowance for loss of earnings assets	328,215	340,736	(12,521)	(3.67%)
Unrealized gain on financial assets at fair value through other comprehensive income	15,002	26,986	(11,984)	(44.41%)
Other reserves	7,758	13,381	(5,623)	(42.02%)
Lease	(995)	(1,014)	19	(1.78%)
Provision for employee benefits	52,313	48,865	3,448	7.06%
<b>Deferred tax assets</b>	<b>472,123</b>	<b>502,238</b>	<b>(30,115)</b>	<b>(6.00%)</b>

## Other Assets - Net

Other assets in 2023 reached IDR373,402 million, an increase of 164.83% compared to the previous year which reached IDR140,998 million. The increase came from an increase in deferred expenses, inventories of office stationery and printed supplies and other assets, net.

Table of Other Assets - Net

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Deferred expenses	126,337	110,112	16,225	14.73%
Office stationery and printed supplies	22,263	19,812	2,451	12.37%



Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Overpaid tax assessment letter	-	-	-	0.00%
Other, Net	283,458	54,486	228,972	420.24%
Allowance for impairment in net realizable value	(58,656)	(43,412)	(15,244)	35.11%
<b>Total Other assets - Net</b>	<b>373,402</b>	<b>140,998</b>	<b>232,404</b>	<b>164.83%</b>

## Liability

Liabilities in 2023 reached IDR89,337,227 million, a decrease of 0.42% compared to the previous year which reached IDR89,715,529. The decrease came from deposits from customers and deposits from other banks.

### Table of Liability

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Immediate liabilities	987,604	872,514	115,090	13.19%
Deposits from customers				
Related Parties	12,644,538	15,295,405	(2,650,867)	(17.33%)
Third parties	63,205,317	64,630,285	(1,424,968)	(2.20%)
<b>Total Deposits from customers</b>	<b>75,849,855</b>	<b>79,925,690</b>	<b>(4,075,835)</b>	<b>(5.10%)</b>
Deposits from other bank				
Related Parties	56,694	141,996	(85,302)	(60.07%)
Third parties	2,503,627	3,168,842	(665,215)	(20.99%)
<b>Total Deposits from other bank</b>	<b>2,560,321</b>	<b>3,310,838</b>	<b>(750,517)</b>	<b>(22.67%)</b>
Spot dan derivatif liabilities	-	-	-	0.00%
Liabilities of marketable securities sold under repurchase agreement	7,915,163	3,891,346	4,023,817	103.40%
Borrowings	596,977	631,464	(34,487)	(5.46%)
Tax payable	143,245	90,783	52,462	57.79%
Accrued expenses	504,748	520,840	(16,092)	(3.09%)
Other liabilities	779,314	472,054	307,260	65.09%
<b>TOTAL LIABILITIES</b>	<b>89,337,227</b>	<b>89,715,529</b>	<b>(378,302)</b>	<b>(0.42%)</b>

### Immediate Liabilities

Immediate liabilities in 2023 reached IDR987,604 million, an increase of 13.19% compared to the previous year which reached IDR872,514 million. The average increase comes from acceptance pending settlement, ATM Bersama and others.



## Table of Immediate Liabilities

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Transfer, cheques pending collection, and clearing	308,136	319,871	(11,735)	(3.67%)
Acceptance pending settlement	150,838	122,431	28,407	23.20%
Amount involving expenses payable	73,803	91,760	(17,957)	(19.57%)
ATM Bersama	21,013	12,779	8,234	64.43%
Others	433,814	325,673	108,141	33.21%
Immediate liabilities	987,604	872,514	115,090	13.19%

## Deposits From Customers

Deposits from customers in 2023 reached IDR75,849,855 million, a decrease of 5.10% compared to the previous year which reached IDR79,925,690 million. The decrease came from deposits from related party customers and deposits from third party customers.

### Table of Deposits from Customers

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Related Parties	12,644,538	15,295,405	(2,650,867)	(17.33%)
Third parties	63,205,317	64,630,285	(1,424,968)	(2.20%)
Total Deposits from customers	75,849,855	79,925,690	(4,075,835)	(5.10%)

## Deposits From Other Bank

Deposits from other banks in 2023 reached IDR2,560,321 million, a decrease of 22.67% compared to the previous year which reached IDR3,310,838 million. The decrease came from Deposits from other banks, third parties and related parties.

### Table of Deposits from Other Bank

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Related Parties	56,694	141,996	(85,302)	(60.07%)
Third parties	2,503,627	3,168,842	(665,215)	(20.99%)
Total Deposits from other bank	2,560,321	3,310,838	(750,517)	(22.67%)

## Borrowings

Borrowings in 2023 reached IDR596,977 million, a decrease of 5.46% compared to the previous year which reached IDR631,464 million. This decrease came from a decrease in loans received from the Revolving Fund Management Agency for Cooperatives, Micro, Small and Medium Enterprises (LPDB-KUMKM), the Government of East Java Province (related parties) and PT Sarana Multigriya Financial.



### Table of Borrowings

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Ministry of Public Works and Housing (PUPR) of the Republic of Indonesia	490,810	481,532	9,278	1.93%
Revolving Fund Management Agency for Cooperatives, Micro, Small and Medium Enterprises (LPDB-KUMKM)	39,253	76,698	(37,445)	(48.82%)
PT Sarana Multigriya Financial	66,821	71,867	(5,046)	(7.02%)
Government of East Java Province (Related parties)	93	1,367	(1,274)	(93.20%)
<b>Total Borrowings</b>	<b>596,977</b>	<b>631,464</b>	<b>(34,487)</b>	<b>(5.46%)</b>

### Tax Payable

Tax payable in 2023 reached IDR143,245 million, an increase of 57.79% compared to the previous year which reached IDR90,783 million. The increase came from income tax article 21, income tax article 25, income tax article 29 (note 22f) and income tax article 23/4 (2).

### Table of Tax Payable

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Corporate Income Tax article 25	59,450	43,577	15,873	36.43%
Corporate Income Tax 21	48,108	30,453	17,655	57.97%
Corporate Income Tax 23/4 (2)	14,321	10,489	3,832	36.53%
Corporate Income Tax 29 (Note 22f)	20,951	5,803	15,148	261.04%
Others	415	461	(46)	(9.98%)
<b>Tax payable</b>	<b>143,245</b>	<b>90,783</b>	<b>52,462</b>	<b>57.79%</b>

### Accrued Expenses

Expenses still to be paid in 2023 reached IDR504,748 million, a decrease of 3.09% compared to the previous year which reached IDR520,840 million. The decrease came from provision for employee bonuses.

### Table of Accrued Expenses

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Employee bonuses	367,526	385,706	(18,180)	(4.71%)
Interest	137,222	135,134	2,088	1.55%
<b>Total Accrued expenses</b>	<b>504,748</b>	<b>520,840</b>	<b>(16,092)</b>	<b>(3.09%)</b>





## Other Liabilities

Other liabilities in 2023 reached IDR779,314 million, an increase of 65.09% compared to the previous year which reached IDR472,054 million. The average increase came from Provision of employee benefit, lease liabilities, principal – channeling loans received, provision and credit administration and others.

**Table of Other Liabilities Based on Rupiah Equivalents**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
INDONESIA RUPIAH				
Provision of employee benefit	275,328	257,184	18,144	7.05%
Security deposits	119,135	132,236	(13,101)	(9.91%)
Lease liabilities	29,538	23,322	6,216	26.65%
Principal – channeling loans received	8,303	7,683	620	8.07%
Interest – channeling loans received	3,582	3,592	(10)	(0.28%)
Provision and credit administriton	15	-	15	0.00%
Estimated losses on commitments and contingencies	3,450	3,020	430	14.24%
Other	2,173	1,390	783	56.33%
	441,524	428,427	13,097	3.06%
FOREIGN CURRENCY				
Other				
US Dollar	274,271	39,325	234,946	597.45%
Singapore Dollar	62,209	3,538	58,671	1,658.31%
Hong Kong Dollar	-	20	(20)	(100.00%)
Japan Yen	1,310	-	1,310	0.00%
Euro	-	744	(744)	(100.00%)
Total Other liabilities	337,790	43,627	294,163	674.27%
Total	779,314	472,054	307,260	65.09%

## Temporary Syirkah Funds

Temporary syirkah funds in 2023 reached IDR2,366,477 million, an increase of 26.55% compared to the previous year which reached IDR1,869,977. The increase came from deposits from related party customers and third parties.

**Table of Temporary Syirkah Fund**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Deposits from customer				
Related parties	3,764	2,302	1,462	63.51%
Third parties	2,343,291	1,839,390	503,901	27.40%
<b>Total deposits from customers</b>	<b>2,347,055</b>	<b>1,841,692</b>	<b>505,363</b>	<b>27.44%</b>



Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Deposits from othr banks				
Related parties	-	-	-	0.00%
Third parties	19,422	28,285	(8,863)	(31.33%)
<b>Total deposits from other bank</b>	<b>19,422</b>	<b>28,285</b>	<b>(8,863)</b>	<b>(31.33%)</b>
<b>Total Temporary Syirkah Fund</b>	<b>2,366,477</b>	<b>1,869,977</b>	<b>496,500</b>	<b>26.55%</b>

## Equity

Equity in 2023 reached IDR12,151,069 million, an increase of 6.16% compared to the previous year which reached IDR11,445,861 million. The increase comes from general reserves.

### Table of Equity

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Share capital				
Series A: IDR250 (full Rupiah) – (par value per share				
Series B: IDR250 (full Rupiah) – (par value per share				
Authorized:				
Series A: 24.000.000.000 shares				
Series B: 12.000.00.000 shares				
Issued and fully paid:				
Series A - 11.934.147.982 shares				
Series B - 3.081.350.100 shares	3,753,875	3,753,875	-	0.00%
Other Paid-In Capital	532,734	532,734	-	0.00%
Revaluation surplus of fixed assets	788,049	789,998	(1,949)	(0.25%)
Remeasurement of defined employee benefit liability – net of deferred tax	(117,777)	(100,912)	(16,865)	16.71%
Unrealized gain (loss) financial assets measured at fair value through other comprehensive income	(63,958)	(115,048)	51,090	(44.41%)
Retained earnings				
General reserve	5,788,041	5,042,390	745,651	14.79%
Unappropriated	1,470,105	1,542,824	(72,719)	(4.71%)
<b>Total Equity</b>	<b>12,151,069</b>	<b>11,445,861</b>	<b>705,208</b>	<b>6.16%</b>

## Share Capital

Share capital in 2023 reached IDR3,753,875 million, stable at 0% compared to the previous year which reached IDR3,753,875 million. There is no change, because it comes from series B shares.



## Additional Paid in Capital - Net

Additional paid-in capital in 2023 reached IDR532,734 million, stable at 0.00% compared to the previous year which reached IDR532,734 million. There are no changes due to stock options for the Management and Employee Stock Option Plan (MESOP) program.

**Table of Additional Paid in Capital - Net**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Share premium from the Initial Public Offering (IPO)	509,369	509,369	-	0.00%
Stock option for the Management and Employee Stock Option Plan (MESOP)	23,365	23,365	-	0.00%
<b>Total</b>	<b>532,734</b>	<b>532,734</b>	<b>-</b>	<b>0.00%</b>

## Revaluation Surplus of Fixed Assets

The revaluation surplus of fixed assets in 2023 reached IDR788,049 million, a decrease of 0.25% compared to the previous year which reached IDR789,998 million. This decrease came from the revaluation of fixed assets.

## Remeasurement of Defined Employee Benefit Liability – Net of Deferred Tax

Remeasurement of defined employee benefit liability – net of deferred tax in 2023 reached IDR117,777 million, an increase of 16.71% compared to the previous year which reached IDR100,912 million.

## Unrealized Gain (Loss) Financial Assets Measured at Fair Value Through Other Comprehensive Income

Unrealized loss on financial assets measured at fair value through other comprehensive income – net of deferred tax in 2023 reached IDR63,958 million, a decrease of 44.41% compared to the previous year which reached IDR115,048 million.

## Retained Earnings

Retained earnings in 2023 reached IDR1,470,105 million, a decrease of 4.71% compared to the previous year which reached IDR1,542,824 million. The increase came from loan interest income and unappropriated.

**Table of Retained Earnings**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Unappropriated	1.470.105	1.542.824	(72.719)	(4,71%)
<b>Retained Earnings</b>	<b>1.470.105</b>	<b>1.542.824</b>	<b>(72.719)</b>	<b>(4,71%)</b>



## Statement of Profit and Loss and Other Comprehensive Income

Table of Statement of Profit and Loss and Other Comprehensive Income

(in IDR million)

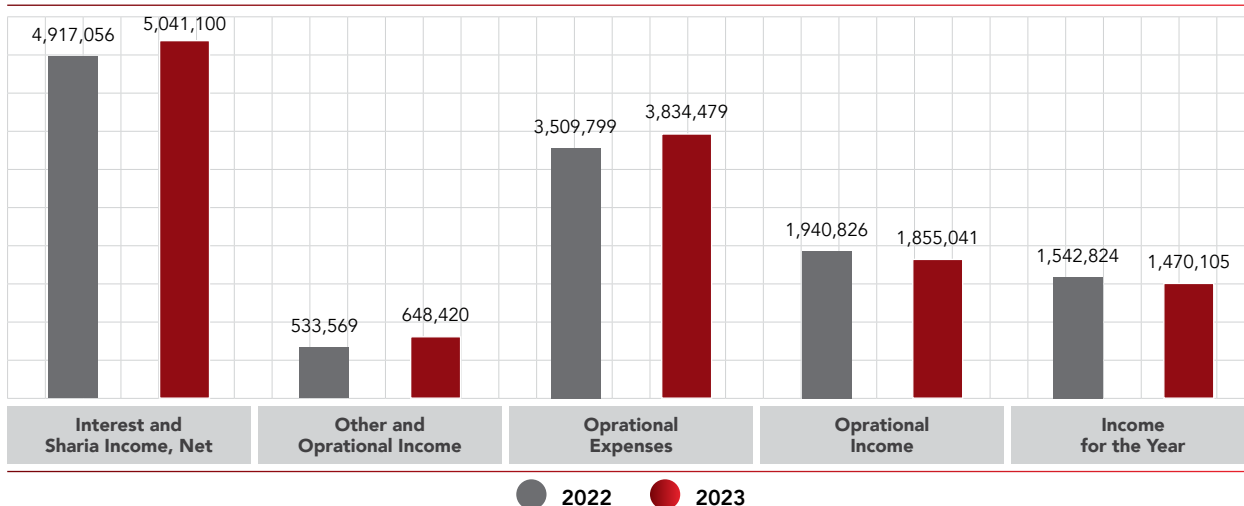
Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Interest and Sharia Income	7,357,284	6,882,651	474,633	6.90%
Interest and Sharia Expenses	(2,316,184)	(1,965,595)	(350,589)	17.84%
INTEREST AND SHARIA INCOME, NET	5,041,100	4,917,056	124,044	2.52%
OTHER OPERATIONAL INCOME				
Reversal for impairment losses on financial assets	-	-	-	0.00%
Current, savings and time deposit administration	193,996	184,480	9,516	5.16%
Receipt of white-off loans	127,264	56,653	70,611	124.64%
Loan administration	30,880	42,511	(11,631)	(27.36%)
Fees and commission other than loan given	22,093	11,105	10,988	98.95%
Other	274,187	238,820	35,367	14.81%
TOTAL OTHER OPERATIONAL INCOME	648,420	533,569	114,851	21.53%
OTHER OPERATIONAL EXPENSES				
Labor and employee benefits	(1,762,643)	(1,674,698)	(87,945)	5.25%
General and administration	(1,182,987)	(1,229,388)	46,401	(3.77%)
Allowance for impairment losses on financial assets	(694,136)	(404,659)	(289,477)	71.54%
Other expenses	(194,713)	(201,054)	6,341	(3.15%)
TOTAL OTHER OPERATIONAL EXPENSES	(3,834,479)	(3,509,799)	(324,680)	9.25%
OPERATIONAL INCOME	1,855,041	1,940,826	(85,785)	(4.42%)
NON- OPERATIONAL REVENUE (EXPENSE)				
Tax service fee	6,444	6,084	360	5.92%
Gain on sale of fixed assets	5,608	5,274	334	6.33%
Gain on sale of securities net	8,698	2,757	5,941	215.49%
Gain (loss) on foreign exchange	2,390	-	2,390	0.00%
Others non-operating income	33,901	158,513	(124,612)	(78.61%)
Non-operating expenses	(19,339)	(83,405)	64,066	(76.81%)
TOTAL NON-OPERATING INCOME (EXPENSES)	37,702	89,223	(51,521)	(57.74%)
INCOME BEFORE TAX EXPENSE	1,892,743	2,030,049	(137,306)	(6.76%)
TAX EXPENSES - NET	(422,638)	(487,225)	64,587	(13.26%)
INCOME FOR THE YEAR	1,470,105	1,542,824	(72,719)	(4.71%)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss: subsequently to profit or loss:				
Revaluation surplus (deficit) of fixed assets	(1,949)	40,281	(42,230)	(104.84%)
Remeasurement of employee benefit liability	(21,898)	100,163	(122,061)	(121.86%)
Beginning balance adjustment	-	(19,678)	19,678	(100.00%)
Related income taxes	5,033	(17,586)	22,619	(128.62%)
	(18,814)	103,180	(121,994)	(118.23%)



Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
<b>Items that will be classified subsequently to profit or loss:</b>				
Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	63,074	(400,611)	463,685	(115.74%)
Beginning balance adjustment	-	(3,730)	3,730	(100.00%)
Related income taxes	(11,984)	76,116	(88,100)	(115.74%)
	51,090	(328,225)	379,315	(115.57%)
<b>OTHER COMPREHENSIVE INCOME – NET OF TAX</b>	<b>32,276</b>	<b>(225,045)</b>	<b>257,321</b>	<b>(114.34%)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>1,502,381</b>	<b>1,317,779</b>	<b>184,602</b>	<b>14.01%</b>
<b>BASIC EARNINGS PER SHARE (IN FULL AMOUNT)</b>	<b>97.91</b>	<b>102.75</b>	<b>(4.84)</b>	<b>(4.71%)</b>

### Graph of Profit and Loss and Other Comprehensive Income Report

(in IDR million)



### Interest and Sharia Income

In 2023, Bank Jatim's net interest and sharia income was recorded at IDR7,357,284 million, an increase of 6.90% from last year's with IDR6,882,651 million. This increase was mainly influenced by the increase in related income, income from third

parties, namely placements with Bank Indonesia and other banks, margin securities and profit sharing income and Bank Indonesia certificate.

### Table of Interest and Sharia Income

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
<b>Related parties (note 40)</b>				
Loans	13,961	7,926	6,035	76.14%
Margin and revenue sharing	7	126	(119)	(94.44%)
<b>Third parties</b>				
Loans	4,837,915	4,261,412	576,503	13.53%
Placement with Bank Indonesia and other banks	1,806,519	932,818	873,701	93.66%



Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Securities				
Amortized cost	423,992	1,392,992	(969,000)	(69.56%)
Margin and revenue sharing	157,455	135,829	21,626	15.92%
Provision	90,157	110,971	(20,814)	(18.76%)
Bank Indonesia Certificate	23,226	17,442	5,784	33.16%
Others	4,052	23,135	(19,083)	(82.49%)
<b>Total Interest Income and Sharia</b>	<b>7,357,284</b>	<b>6,882,651</b>	<b>474,633</b>	<b>6.90%</b>

### Interest and Sharia Expenses

Interest and sharia expenses in 2023 reached IDR2,316,184 million, an increase of 17.84% compared to the previous year which reached IDR1,965,595 million. The increase came from time deposits, savings, repo, and deposits from other banks.

Table of interest and sharia expenses

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Time deposit	1,669,282	1,432,248	237,034	16.55%
Saving	280,153	264,782	15,371	5.81%
Current account	200,924	221,779	(20,855)	(9.40%)
Repo	117,839	30,291	87,548	289.02%
Borrowings	8,543	10,357	(1,814)	(17.51%)
Mudharabah profit-sharing expense	-	-	-	0.00%
Loan interest expense	763	1,549	(786)	(50.74%)
Deposits from other bank	38,680	4,589	34,091	742.89%
Premium on other insurance	-	-	-	0.00%
Premium on marketable securities	-	-	-	0.00%
<b>Total Interest and Sharia Expenses</b>	<b>2,316,184</b>	<b>1,965,595</b>	<b>350,589</b>	<b>17.84%</b>

### Interest and Sharia Income - Net

Net interest and sharia income in 2023 will reach IDR5,041,100 million, an increase of 2.52% compared to the previous year which reached IDR4,917,056 million. This increase was mainly influenced by an increase in sharia interest income.

Table of Interest and Sharia Income - Net

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Interest and sharia income	7,357,284	6,882,651	474,633	6.90%
Interest and sharia expenses	(2,316,184)	(1,965,595)	(350,589)	17.84%
<b>Interest and sharia income - Net</b>	<b>5,041,100</b>	<b>4,917,056</b>	<b>124,044</b>	<b>2.52%</b>



## Other Operational Income

Other operating income in 2023 reached IDR648,420 million, an increase of 21.53% compared to the previous year which reached IDR533,569 million. This increase was due to several influencing factors, namely current accounts, savings, and time deposit administration, receipt of white-off loans, fees and commission other than loan given and others.

**Table of Other Operational Income**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Reversal for impairment losses on financial assets	-	-	-	0.00%
Current, savings and time deposit administration	193,996	184,480	9,516	5.16%
Receipt of white-off loans	127,264	56,653	70,611	124.64%
Loan administration	30,880	42,511	(11,631)	(27.36%)
Fees and commission other than loan given	22,093	11,105	10,988	98.95%
Others	274,187	238,820	35,367	14.81%
<b>Total Other Operational Income</b>	<b>648,420</b>	<b>533,569</b>	<b>114,851</b>	<b>21.53%</b>

## Operating Expenses

Operational expenses in 2023 reached IDR3,834,479 million, an increase of 9.25% compared to the previous year which reached IDR3,509,799 million. This increase was mainly due to an increase in the allowance for impairment losses on financial assets, and labor and employee benefits.

**Table of Operating Expenses**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Labor and employee benefits	(1,762,643)	(1,674,698)	(87,945)	5.25%
General and administration	(1,182,987)	(1,229,388)	46,401	(3.77%)
Allowance for impairment losses on financial assets	(694,136)	(404,659)	(289,477)	71.54%
Other expenses	(194,713)	(201,054)	6,341	(3.15%)
<b>Total Operating Expenses</b>	<b>(3,834,479)</b>	<b>(3,509,799)</b>	<b>(324,680)</b>	<b>9.25%</b>

## Operational Income

Operational income in 2023 reached Rp1,855,041 million, a decrease of 4.42% compared to the previous year which reached IDR1,940,826 million. This is influenced by the increase in operational expenses.

**Table of Operational Income**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Interest and sharia income - Net	5,041,100	4,917,056	124,044	2.52%
Total other operational income	648,420	533,569	114,851	21.53%
Total operating expenses	(3,834,479)	(3,509,799)	(324,680)	9.25%
<b>Laba operasional</b>	<b>1,855,041</b>	<b>1,940,826</b>	<b>(85,785)</b>	<b>(4.42%)</b>



## Non-Operational Revenue (Expense)

Operational income (expenses) in 2023 reached IDR37,702 million, a decrease of 57.74% compared to the previous year which reached IDR89,223 million. This decrease was caused by a decrease in other non-operational income.

**Table of Non-Operational Revenue (Expense)**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Tax service fee	6,444	6,084	360	5.92%
Gain on sale of fixed assets	5,608	5,274	334	6.33%
Gain on sale of securities net	8,698	2,757	5,941	215.49%
Gain (loss) on foreign exchange	2,390	-	2,390	0.00%
Other non-operational income	33,901	158,513	(124,612)	(78.61%)
Non-operational expenses	(19,339)	(83,405)	64,066	(76.81%)
<b>Total non-operational revenue (expense)</b>	<b>37,702</b>	<b>89,223</b>	<b>(51,521)</b>	<b>(57.74%)</b>

## Income Before Tax Expense

Income before tax expense in 2023 reached IDR1,892,743 million, a decrease of 6.76% compared to the previous year which reached IDR2,030,049 million. This decrease was caused by a decrease in operating income.

**Table of Income Before Tax Expense**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Operational income	1,855,041	1,940,826	(85,785)	(4.42%)
Total non-operational income – net	37,702	89,223	(51,521)	(57.74%)
<b>Total income before tax expense</b>	<b>1,892,743</b>	<b>2,030,049</b>	<b>(137,306)</b>	<b>(6.76%)</b>

## Tax Expense – Net

The Tax expense - net in 2023 reached IDR422,638 million, a decrease of 13.26% compared to the previous year which reached IDR487,225 million. The decrease in tax expense - net was influenced by decrease income.

**Table of Tax Expense - Net**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Tax expense - Net	(422,638)	(487,225)	64,587	(13.26%)





## Income of the Year

Income of the year in 2023 reached IDR1,470,105 million, a decrease of 4.71% compared to the previous year which reached IDR1,542,824 million. This decrease was caused by a decrease in income before tax expense.

**Table of Income of the Year**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Income before tax expense	1,892,743	2,030,049	(137,306)	(6.76%)
Tax expense - Net	(422,638)	(487,225)	64,587	(13.26%)
<b>Total income for the year</b>	<b>1,470,105</b>	<b>1,542,824</b>	<b>(72,719)</b>	<b>(4.71%)</b>

## Other Comprehensive Income Net After Tax

Other comprehensive income in 2023 reached IDR32,276 million, an increase of 114.34% compared to the previous year which reached IDR225,045 million. This increase came from unrealized gains (losses) on financial assets measured at fair value through other comprehensive income.

**Table of Other Comprehensive Income Net After Tax**

(in IDR million)

Uraian	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
<b>Items that will not be reclassified to profit or loss:</b>				
Fixed assets revaluation surplus	(1,949)	40,281	(42,230)	(104.84%)
Remeasurement of defined benefit plans	(21,898)	100,163	(122,061)	(121.86%)
Beginning balance adjustment	-	(19,678)	19,678	(100.00%)
Related income taxes	5,033	(17,586)	22,619	(128.62%)
	(18,814)	103,180	(121,994)	(118.23%)
<b>Item that will be reclassified to profit or loss:</b>				
Unrealized gain (loss) on financial asset measured at fair value through other comprehensive income	63,074	(400,611)	463,685	(115.74%)
Beginning balance adjustment	-	(3,730)	3,730	(100.00%)
Related income taxes	(11,984)	76,116	(88,100)	(115.74%)
	51,090	(328,225)	379,315	(115.57%)
<b>OTHER COMPREHENSIVE INCOME NET AFTER TAX</b>	<b>32,276</b>	<b>(225,045)</b>	<b>257,321</b>	<b>(114.34%)</b>

## Comprehensive Income of the Year

Comprehensive income of the year in 2023 reached IDR1,502,381 million, an increase of 14.01% compared to the previous year which reached IDR1,317,779 million. This increase was triggered by an increase in other comprehensive income.

**Table of Comprehensive Income of the Year**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Income for the year	1,470,105	1,542,824	(72,719)	(4.71%)
Other comprehensive income net after tax	32,276	(225,045)	257,321	(114.34%)
<b>Comprehensive income of the year</b>	<b>1,502,381</b>	<b>1,317,779</b>	<b>184,602</b>	<b>14.01%</b>

**Basic Earnings Per Share**

Basic earnings per share in 2023 reach basic earnings per share of IDR97.91, a decrease of 4.71% compared to the previous year which reached basic earnings per share of IDR102.75. This decrease was triggered by a decrease in profits for calculating basic earnings per share.

**Table of Basic Earnings Per Share**

(in IDR million)

Description (1)	2023 (2)	2022 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Earnings for the calculation of basic earnings per share (in IDR million)	1,470,105	1,542,824	(72,719)	(4.71%)
Number of weighted average share outstanding	15,015,498,082	15,015,498,082	-	0.00%
Basic earning per share (in full IDR)	97.91	102.75	(4.84)	(4.71%)

**Cash Flow Report****Table of cash flow report**

(in IDR million)

Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipt of interest, sharia, fees, and commissions	7,324,150	7,030,426	293,724	4.18%
Payment of interest, sharia, fees, and commissions	(2,310,264)	(1,931,344)	(378,920)	19.62%
Receipt of other operational income	521,156	476,364	44,792	9.40%
Collection of loans-written off	127,264	56,653	70,611	124.64%
Receipt from non-operating income	60,386	172,136	(111,750)	(64.92%)
Payment for non-operating income	(19,337)	(82,913)	63,576	(76.68%)
Payment for salaries and employee benefits	(1,763,167)	(1,659,597)	(103,570)	6.24%
Payment of general and administrative expenses	(1,283,327)	(1,296,665)	13,338	(1.03%)
Payment of taxes	(368,455)	(389,372)	20,917	(5.37%)
Cash flow from operating activities before changes in operating assets and liabilities	2,288,406	2,375,688	(87,282)	(3.67%)

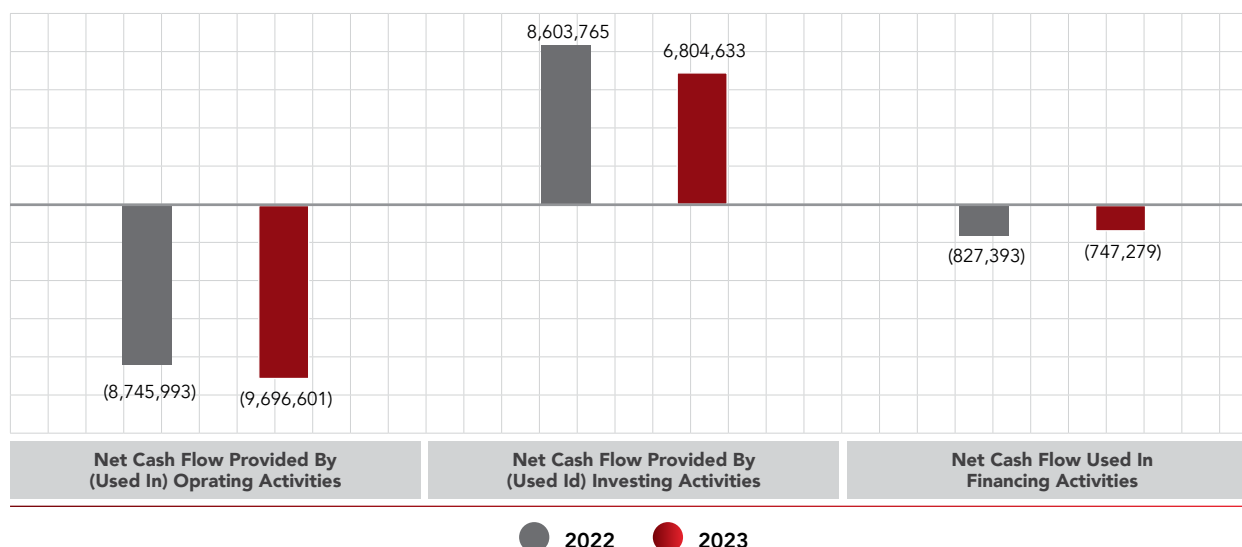


Description	2023	2022	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Changes in operating assets and liabilities				
Placements with bank Indonesia and other bank	(1,500)	(7,000)	5,500	-78.57%
Spot and derivatif receivables	-	-	-	-
Loans	(9,193,797)	(4,347,656)	(4,846,141)	111.47%
Marketable securities sold under repurchased agreement	(4,208,597)	(4,095,066)	(113,531)	2.77%
Marketable securities sold under repurchase agreement	1,575,529	(4,402,162)	5,977,691	(135.79%)
Other assets and other receivables	(166,678)	(117,044)	(49,634)	42.41%
Immediate liabilities	115,091	278,638	(163,547)	(58.70%)
Deposits from customers	(3,570,473)	(1,434,484)	(2,135,989)	148.90%
Deposits from other banks	(759,380)	(848,777)	89,397	(10.53%)
Liabilities marketable securities sold under repurchased agreement	4,023,817	3,891,346	132,471	3.40%
Other liabilities	200,981	(39,476)	240,457	(609.12%)
<b>Net cash flow provided by (used in) operating activities</b>	<b>(9,696,601)</b>	<b>(8,745,993)</b>	<b>(950,608)</b>	<b>10.87%</b>
<b>Cash flow from investing activities</b>				
Proceed (payment of) from borrowings	6,948,323	8,846,760	(1,898,437)	(21.46%)
Acquisition of fixed assets	(149,298)	(248,269)	98,971	(39.86%)
Fixed asset sold	5,608	5,274	334	6.33%
<b>Net cash flow provided by (used in) investing activities</b>	<b>6,804,633</b>	<b>8,603,765</b>	<b>(1,799,132)</b>	<b>(20.91%)</b>
<b>Cash flows from financing activities</b>				
Proceed (payment of) from borrowings	43,578	(23,825)	67,403	(282.91%)
Additional borrowings	-	-	-	0.00%
Payment of cash dividend	(797,173)	(782,457)	(14,716)	1.88%
Payment of lease liabilities	6,316	(21,111)	27,427	(129.92%)
<b>Net cash flows used in financing activities</b>	<b>(747,279)</b>	<b>(827,393)</b>	<b>12,712</b>	<b>(1.54%)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,639,247)</b>	<b>(969,621)</b>	<b>(2,669,626)</b>	<b>275.33%</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>19,988,131</b>	<b>20,957,752</b>	<b>(969,621)</b>	<b>(4.63%)</b>
Effect of foreign currencies exchange rate changes	-	-	-	0.00%
<b>Cash and cash equivalents at year end</b>	<b>16,348,884</b>	<b>19,988,131</b>	<b>(3,639,247)</b>	<b>(18.21%)</b>
Cash and cash equivalents consist of:				
Cash	2,652,775	1,988,262	664,513	33.42%
Current accounts with bank Inonesia	7,971,412	10,786,740	(2,815,328)	(26.10%)
Current accounts with other bank	491,330	303,129	188,201	62.09%
Placement with bank Indonesia and other bank (maturity within three months or less since the acquisition date)	5,233,367	6,910,000	(1,676,633,00)	(24.26%)
<b>Total cash and cash equivalents</b>	<b>16,348,884</b>	<b>19,988,131</b>	<b>(3,639,247)</b>	<b>(18.21%)</b>



## Graph of Cash Flow Report

(in IDR million)



At the end of 2023, Bank Jatim posted a final cash and cash equivalents balance of IDR16,348,884 million, a decrease of 18.21% compared to 2022 which amounted to IDR19,988,131 million. This decrease in cash balances was mainly due to a decrease in placements with Bank Indonesia and other banks and net cash obtained from operating activities.

## Cash Flows From Operating Activities

Net cash flow used for operating activities in 2023, amounted to IDR9,696,601 million, an increase of 10.87% compared to 2022 which amounted to IDR8,745,993 million. Net cash flow is the reduction between cash inflow and cash outflow. The highest cash inflow came from, among other things, an increase in interest, investment and sharia income, premium income, other operational income, non-operational income, an increase in customer deposits, and an increase in deposits from other banks. The highest cash outflows came from lending, interest payments and other operational expenses. This means that Bank Jatim is able to carry out good business processes by utilizing its operational resources such as loans, customer deposits, and tax payments into cash that has been recognized and obtained.

## Cash Flows From Investment Activities

Net cash flow obtained from operating activities in 2023, amounted to IDR6,804,633 million, a decrease of 20.91% compared to 2022 which amounted to IDR8,603,765 million. Net cash flow is the reduction between cash inflow and cash outflow. The highest cash inflow came from, among other things, an increase in interest, investment and sharia income, premium income, other operational income, non-operational income, an increase in customer deposits, and an increase in deposits from other banks. The highest cash outflows came from loan disbursement, interest payments and other operational expenses. This means that Bank Jatim is able to carry out good business processes by utilizing its operational

resources such as credit provided, customer deposits, and tax payments into cash that has been recognized and obtained.

## Cash Flows From Funding Activities

Net cash used for financing activities in 2023 amounted to IDR747,279 million, a decrease of 1.54% compared to 2022 which amounted to IDR827,393 million. This is mainly influenced by the loan payments received. The highest cash inflow came from, among other things, an increase in loans received. The highest cash outflows came from dividend payments and decreases in securities issued. This means that Bank Jatim is still able to obtain cash in the form of funding from loans received which is able to cover cash outflows in the form of dividends and others.

## Ability To Pay Debt and Receivable Collectability

## Ability to Pay Debt

The ability of Bank Jatim to pay debts is measured by several ratios, including liquidity ratios, solvency ratios and profitability ratios. These ratios will become benchmarks for banks in measuring possible risks that may arise in bank operational activities.

Bank Jatim has a policy regarding fulfilling creditors' rights which is used as a guideline in making loans to creditors. The aim of the policy in question is to maintain the fulfillment of rights



and maintain creditors' trust in Bank Jatim. This policy includes considerations in entering into agreements, as well as follow-up actions in fulfilling obligations to creditors. Bank Jatim explains the creditor's rights in the Credit Agreement (PK), including;

- 1 The bank ensures that the creditor receives the principal and interest on the loan according to the agreed schedule.
- 2 The bank ensures that the creditor receives the loan usage report.
- 3 The bank ensures that creditors receive fines for payments that exceed the 4 agreed schedule.
- 4 The bank ensures that principal and interest payments on loans are not subject to penalties if the payment schedule falls on a holiday and is paid on the following working day.

## Ability To Pay Short-Term Debt (Bank Liquidity)

The liquidity ratio is measured by comparing the amount of loan granted to the amount of customer deposits (Loan to Deposit Ratio/LDR) to determine the Bank's ability to repay obligations to customers who have deposited their funds with loan and financing provided to debtors as a source of liquidity. LDR in 2023 is 70.03%, an increase of 13.53% compared to 2022 which was 56.50%. This means that Bank Jatim's liquidity has improved and is in good condition so that it is able to meet its short-term obligations.

**Table of Liquidity Ratio**

(in %)

Description	2023	2022	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
Loan to Deposit Ratio (LDR)	70.03%	56.50%	13.53%

## Ability to Pay Short-Term Debt (Bank Solvability)

The Capital Adequacy Ratio (CAR) in 2023 is at a safe level of 25.71%, a slight increase of 0.97% compared to 2022 which was recorded at a level of 24.74%. The level of Bank Jatim's CAR ratio shows that the bank's capital structure has the capability to balance market risk, credit risk and operational risk

where the ratio is higher than the BI/FSA minimum adequacy ratio and the Bank's capital structure has complied with BI/OJK regulations of 14%. This shows that the Bank has managed the Bank's capital well and has sufficient capital to protect against solvency risks.

**Table of Solvability Ratio**

(in %)

Description	2023	2022	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
CAR-TIER I	24.56%	23.73%	0.82%
CAR-TIER II	1.15%	1.00%	0.15%
CAR (Credit, market, and operational risks)	25.71%	24.74%	0.97%

## Other Financial Ratio

Bank Jatim's other financial ratios include profitability ratios, efficiency ratios and compliance ratios as follows.

**Table of Other Financial Ratio**

(in %)

Description	2023	2022	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
<b>RENTABILITY RATIO</b>			
Return on Assets (ROA)	1.87%	1.95%	(0.08%)
Return on Equity (ROE)	13.96%	16.24%	(2.28%)



Description	2023	2022	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
Net Interest Margin (NIM)	5.57%	5.11%	0.45%
<b>EFFICIENCY RATIO</b>			
Operating expenses to operating income (BOPO)	77.27%	76.15%	1.12%
<b>COMPLIANCE RATIO</b>			
Statutory reverses in rupiah	8.85%	4.75%	4.10%
Statutory reverses in foreign exchange	6.62%	7.39%	(0.77%)

### Return on Assets (ROA)

ROA in 2023 will be 1.87% or a decrease of 0.08% compared to 2022 of 1.95%. This decrease was partly due to an increase in total assets.

### Return on Equity (ROE)

ROE in 2023 is 13.96% or a decrease of 2.28% compared to 2022 of 16.24%. This decrease is mainly influenced by an decrease in profit.

### Net Interest Margin (NIM)

NIM increased by 0.45% from 5.11% in 2022 to 5.57% at the end of 2023. This was mainly influenced by the growth in credit and financing distribution in 2023.

### Operating Expenses To Operating Income (BOPO)

The BOPO ratio increased by 1.12% from 76.15% in 2022, increasing to 77.27% in 2023. This increase was mainly influenced by the increase in fund interest expenses that occurred in 2023.

### Statutory Reverse Requirement (GWM)

Bank Jatim's Rupiah GWM in 2023 will be 8.85% and Foreign Currency GWM will be 6.62%. This liquidity position is in accordance with Bank Indonesia Regulation No.19/6/PBI/2017 dated April 17, 2017 concerning the 5th amendment to Bank Indonesia Regulation No.15/15/PBI/2013 dated December 24, 2013 concerning Minimum Statutory Reserves in Rupiah and Foreign Exchange for Conventional Commercial Banks.

## Receiveable Collectibility

The collectability level of the Bank's receivables can be seen from the value of the Non-Performing Loan (NPL) ratio. The NPL ratio is a benchmark to see how much loan is problematic or bad of all loans given by banks to customers.

The smaller the NPL value, the better the Bank's performance in the collectibility of accounts receivable and shows good loan quality.

### Table of Non Performing Loan Ratio

(in %)

Description	2023	2022	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
Non Performing Loan (NPL) Gross	2.49%	2.83%	(0.34%)
Non Performing Loan (NPL) Nett	1.21%	1.01%	0.20%

Gross NPL in 2023 is 2.49% or a decrease of 0.34% compared to 2022 which was 2.83%. Meanwhile, net NPL in 2023 will be 1.21% or an increase of 0.20% compared to 2022 of 1.01%. The increase of net NPL value due to problematic credit throughout 2023.



Bank loan quality is divided based on the level of collectability, namely into the current, special mention, substandard, doubtful, and loss groups. Meanwhile, the purpose of loan classification is so that the Bank can routinely monitor the loans that have been distthousandted

**Table of Loans by Type and Collectability**

(in IDR million)

Description	Total	Current	Special Mention	Sub-Standard	Doubtful	Loss
<b>2023</b>						
Working capital	15,550,351	13,946,393	924,261	59,999	88,048	531,650
Investment	8,002,279	6,786,068	1,060,393	6,918	13,921	134,979
Consumption	31,208,273	30,301,188	378,777	30,496	36,134	461,678
Total	54,760,903	51,033,649	2,363,431	97,413	138,103	1,128,307
Less: Allowance for impairment losses	(1,364,905)	(427,551)	(236,983)	(27,840)	(49,043)	(623,488)
Total Loans - net	53,395,998	50,606,098	2,126,448	69,573	89,060	504,819
<b>2022</b>						
Working capital	10,968,010	9,802,144	457,228	20,906	37,479	650,253
Investment	6,570,658	6,296,351	151,931	3,855	3,343	115,178
Consumption	28,657,989	27,883,864	295,970	26,323	37,043	414,789
Total	46,196,657	43,982,359	905,129	51,084	77,865	1,180,220
Less: Allowance for impairment losses	(1,318,612)	(395,953)	(78,550)	(18,979)	(28,495)	(796,635)
Total Loans - net	44,878,045	43,586,406	826,579	32,105	49,370	383,585
<b>Growth 2022-2023 (IDR)</b>						
Working capital	4,582,341	4,144,249	467,033	39,093	50,569	(118,603)
Investment	1,431,621	489,717	908,462	3,063	10,578	19,801
Consumption	2,550,284	2,417,324	82,807	4,173	(909)	46,889
Total	8,564,246	7,051,290	1,458,302	46,329	60,238	(51,913)
Less: Allowance for impairment losses	(46,293)	(31,598)	(158,433)	(8,861)	(20,548)	173,147
Total Loans - net	8,517,953	7,019,692	1,299,869	37,468	39,690	121,234

Net loans in 2023 is IDR53,395,998 million, an increase of 18.98% compared to 2022 which was IDR44,878,045 million with a current credit classification in 2023 of IDR50,606,098 million, with special attention amounting to IDR2,126,448 million, substandard amounting to IDR69,573 million, doubtful amounting to IDR89,060 million and loss amounting to IDR504,819 million.



## Fund Interest Rate

Information on competitive and competitive interest rates for savings, time deposits and current accounts of Bank Jatim is presented as follows:

**Table of Savings Interest Rate Per December 2023**

Tier	Interest Rate
<b>SIMPEDA</b>	
0 - < IDR1 million	0.00%
IDR1 million - < IDR10 million	0.50%
IDR10 million - < IDR50 million	0.75%
IDR50 million - < IDR500 million	1.00%
≥ IDR500 million	1.50%
<b>SIKLUS</b>	
0 - < IDR1 million	0.00%
IDR1 million - < IDR10 million	0.75%
IDR10 million - < IDR50 million	1.00%
IDR50 million - < IDR500 million	1.25%
≥ IDR500 million	1.50%
<b>SIKLUS SMALL MICRO (SiUMI)</b>	
0 - IDR500 thousand	0.00%
> IDR500 thousand	1.50%
<b>SIKLUS NELAYAN (SiNyal)</b>	
0 - IDR500 thousand	0.00%
> IDR500 thousand	0.50%
<b>HAJI</b>	
All nominal	1.00%
<b>TABUNGANKU</b>	
0 - IDR500 thousand	0.00%
> IDR500 thousand - IDR1 million	0.25%
> IDR1 million	1.00%
	Notes: • Interest is calculated daily and in accordance with the applicable tiering • interest is paid according to the payment period
<b>SIKLUS PRIORITAS</b>	
0 - < IDR500 thousand	0.00%
IDR500 thousand - < IDR7.5 million	1.50%
IDR7.5 million - < IDR100 million	1.75%
IDR100 million - < IDR1 billion	2.00%
≥ IDR1 billion	2.25%

Tier	Interest Rate
<b>SIMPANAN LAKU PANDAI</b>	
All nominal	0.50%
<b>SIKLUS PENSIUN</b>	
0 - < IDR250 thousand	0.00%
IDR250 thousand - < IDR7.5 million	1.25%
IDR7.5 million - < IDR100 million	1.50%
≥ IDR100 million	1.75%
<b>SIKLUS VALAS</b>	
<b>USD</b>	
< USD 100	0.00%
> USD100.00 - ≤ USD10,000.00	0.05%
> USD10,000.00 - ≤ USD100,000.00	0.15%
> USD100,000.00	0.25%
<b>SGD</b>	
< USD100	0.00%
> USD100.00 - ≤ USD10,000.00	0.05%
> USD10,000.00 - ≤ USD100,000.00	0.15%
> USD100,000.00	0.20%
<b>EUR</b>	
0 - EUR300	0.00%
> EUR300	0.10%
<b>JPY</b>	
All nominal	0.00%
<b>HKD</b>	
All nominal	0.00%





**Table of Time Deposit Interest Rates Per December 2023**

Tier	Tenor (month)						
	1 Month	2 Month	3 Month	6 Month	12 Month	18 Month	24 Month
≥ IDR2,5 million - IDR1 billion	2.70% pa	2.80% pa	2.90% pa	3.00% pa	3.10% pa	3.15% pa	3.15% pa
> IDR1 billion	2.75% pa	2.85% pa	2.95% pa	3.05% pa	3.15% pa	3.15% pa	3.15% pa

**Table of Foreign Exchange Interest Rates Per December 2023**

Tier	Tenor (Month)			
	1 Month	3 Month	6 Month	12 Month
USD				
≥ USD1,000 - ≤ USD100,000	0.75% pa			
> USD100,000	1.00% pa			
SGD				
≥ SGD1,000	0.10% pa			
EUR				
≥ EUR750	Each placement is subject to approval by the authorized division			
JPY				
≥ JPY100,000	Each placement is subject to approval by the authorized division			
HKD				
≥ HKD7,500	Each placement is subject to approval by the authorized division			
AUD				
≥ AUD2,000	0.50% pa			
CNY				
≥ CNY7,000	0.70% pa			

\*) above the counter rate, the branch request head office approval

**Table of Interest Rates for On Call Deposits of December 2023**

Tier	Interest Rate
On Call Deposits (Rupiah)	0.75% below the market interest rate of Government Banks, BPD or PrivateBanks obtained from LHBV or Reuters

**Table of Interest Rate Current Account Per December 2023**

Tier	Interest Rate
<b>RUPIAH</b>	
<b>Progressive daily current account service calculation</b>	
IDR0 - IDR5 million	0.00%
> IDR5 million - IDR100 million	0.50%
> IDR100 million - IDR1 billion	0.75%
> IDR1 billion - IDR500 billion	0.90%
> IDR500 billion - IDR750 billion	1.25%
> IDR750 billion	1.75%



Tier	Interest Rate
<b>Current account Escrow Account</b>	Same as current account Rupiah. and must be included in the Cooperation Agreement (PK)
<b>FOREIGN EXCHANGE</b>	
<b>USD FOREIGN CURRENCY CURRENT ACCOUNT</b>	
≤ USD1,000.00	0.00%
> USD1,000.00 - ≤ USD10,000.00	0.05%
> USD10,000.00 - ≤ USD100,000.00	0.15%
> USD100,000.00	0.25%
<b>SGD FOREIGN CURRENCY CURRENT ACCOUNT</b>	
≤ SGD1,000.00	0.00%
> SGD1,000.00 - ≤ SGD10,000.00	0.05%
> SGD10,000.00 - ≤ SGD100,000.00	0.15%
> SGD100,000.00	0.20%
<b>EUR FOREIGN CURRENCY CURRENT ACCOUNT</b>	
EUR	0.10%
<b>JPY FOREIGN CURRENCY CURRENT ACCOUNT</b>	
JPY	0.00%
<b>AUD FOREIGN CURRENCY CURRENT ACCOUNT</b>	
AUD 15,000 - < AUD 150,000	0.20%
≥ AUD 150,000	0.50%
<b>HKD FOREIGN CURRENCY CURRENT ACCOUNT</b>	
HKD 78,000 - < HKD 780,000	0.20%
≥ HKD 780,000	0.50%
<b>CNY FOREIGN CURRENCY CURRENT ACCOUNT</b>	
CNY 72,000 - < CNY 720,000	0.20%
≥ CNY 720,000	0.50%

**Table of Profit Sharing Ratio**

Product	Profit sharing ratio	Realization of Sharing Ratio
Individual Wadiah Current Account	0.00%	0.00%
General Wadiah Current Account for Service/Government	0.00%	0.00%
Public Private Wadiah Current Account	0.00%	0.00%
Government General Mudharabah Current Account	0.00%	0.51%
TabunganKu iB	0.00%	0.00%
Laku Pandai Savings	0.00%	0.00%
Simpel Savings	0.00%	0.00%
Santri Savings	0.00%	0.00%



Product	Profit sharing ratio	Realization of Sharing Ratio
Umroh iB Amanah Savings	0.00%	0.00%
Haji Amanah Savings	10.00%	1.02%
Barokah Savings	12.50%	1.27%
iB Barokah Sejahtera Savings	4.00%	0.41%
iB Barokah Plan Savings	25.00%	2.54%
iB Barokah Pension Savings	15.00%	1.52%
1 Month Deposit	36.00%	3.66%
3 Months Deposit	38.00%	3.86%
6 Months Deposit	41.00%	4.16%
12 Months Deposit	42.50%	4.32%

## Quality Analysis of Productive Assets

Productive assets in 2023 amounted to IDR98,580,598 million, an increase of 4.69% compared to 2022 with IDR94,164,611 million. The quality of productive assets in 2023 in the current category is IDR93,737,202 million, special attention is IDR3,369,357 million, substandard is IDR116,199 million, doubtful is IDR140,542 million and loss is IDR1,217,298 million.

**Table of productive assets quality**

(in IDR million)

No	POSTS	INDIVIDUAL						
		December 31, 2023						
		Current	Special mention	Sub- standard	Doubtful	Loss	Total	
I RELATED PARTIES								
1	Placement with other banks	-	-	-	-	-	-	
	a. Rupiah	-	-	-	-	-	-	
	b. Foreign exchange							
2	Spot and derivatives/forward receivables	-	-	-	-	-	-	
	a. Rupiah	-	-	-	-	-	-	
	b. Foreign exchange							
3	Securities owned	-	-	-	-	-	-	
	a. Rupiah	-	-	-	-	-	-	
	b. Foreign exchange							





No	POSTS	INDIVIDUAL						
		December 31, 2023						
		Current	Special mention	Sub- standard	Doubtful	Loss	Total	
4	Securities sold under repurchased agreement (Repo)							
	a.   Rupiah	-	-	-	-	-	-	
	b.   Foreign exchange	-	-	-	-	-	-	
5	Claims on securities purchased under agreement to resell (Reserve Repo)							
	a.   Rupiah	-	-	-	-	-	-	
	b.   Foreign exchange	-	-	-	-	-	-	
6	Acceptance Bill	-	-	-	-	-	-	
7	Loans and financing provided							
	a. <b>Micro, Small, and Medium Enterprises (MSME) Debtors</b>							
	i. Rupiah	1,263	-	-	41	-	1,304	
	ii. Foreign exchange	-	-	-	-	-	-	
	b. <b>Non-MSME debtor</b>						-	
	i. Rupiah	106,108	77,134	-	302	-	183,544	
	ii. Foreign exchange	-	-	-	-	-	-	
	c. <b>Restructured loan **)</b>							
	i. Rupiah	-	-	-	-	-	-	
	ii. Foreign exchange	-	-	-	-	-	-	
8	Equity instrument	-	-	-	-	-	-	
9	Equity capital	-	-	-	-	-	-	
10	Other receivables	-	-	-	-	-	-	
11	Commitment and contingencies							
	a.   Rupiah	-	-	-	-	-	-	
	b.   Foreign exchange	-	-	-	-	-	-	
12	Reposessed assets	-	-	-	-	-	-	
	<b>TOTAL</b>	<b>107,371</b>	<b>77,134</b>	<b>-</b>	<b>343</b>	<b>-</b>	<b>184,848</b>	



	INDIVIDUAL					
	December 31, 2022					
	Current	Special mention	Sub-standard	Doubtful	Loss	Total
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	9,755	-	-	-	-	9,755
	-	-	-	-	-	-
	122,270	2,846	-	-	-	125,116
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	132,025	2,846	-	-	-	134,871



No	POSTS	INDIVIDUAL						
		December 31, 2023						
		Current	Special mention	Sub- standard	Doubtful	Loss	Total	
II NON-RELATED PARTIES								
1	Placement with other banks							
a.	Rupiah	4,251,988	-	-	-	-	4,251,988	
b.	Foreign exchange	324,209	-	-	-	-	324,209	
2	Spot and deritatives/forward receivables							
a.	Rupiah	-	-	-	-	-	-	
b.	Foreign exchange	-	-	-	-	-	-	
3	Securities owned							
a.	Rupiah	16,323,719	-	-	-	-	16,323,719	
b.	Foreign exchange	112	-	-	-	-	112	
4	Securities sold under repurchased agreement (Repo)							
a.	Rupiah	8,303,663	-	-	-	-	8,303,663	
b.	Foreign exchange	-	-	-	-	-	-	
5	Claims on securities purchased under agreement to resell (Reserve Repo)							
a.	Rupiah	6,247,318	-	-	-	-	6,247,318	
b.	Foreign exchange	-	-	-	-	-	-	
6	Acceptance Bill							
7	Loans and financing provided							
a.	Micro, Small, and Medium Enterprises (MSME) Debtors							
i.	Rupiah	13,056,992	1,013,811	54,947	100,919	552,665	14,779,334	
ii.	Foreign exchange	-	-	-	-	-	-	
b.	Non-MSME debtor							
i.	Rupiah	37,869,286	1,272,486	42,466	36,841	575,642	39,796,721	
ii.	Foreign exchange	-	-	-	-	-	-	
c.	Restructured loan **)							
i.	Rupiah	2,782,704	1,005,926	18,786	2,439	88,991	3,898,846	
ii.	Foreign exchange	-	-	-	-	-	-	
lii	property loan	-	-	-	-	-	-	
8	Equity instrument	-	-	-	-	-	-	



	INDIVIDUAL					
	December 31, 2022					
	Current	Special mention	Sub-standard	Doubtful	Loss	Total
	4,362,457	-	-	-	-	4,362,457
	112,672	-	-	-	-	112,672
	361	-	-	-	-	361
	-	-	-	-	-	-
	23,217,308	-	-	-	-	23,217,308
	362	-	-	-	-	362
	4,095,066	-	-	-	-	4,095,066
	-	-	-	-	-	-
	-	-	-	-	-	-
	7,822,847	-	-	-	-	7,822,847
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	9,368,818	547,740	27,078	42,062	600,253	10,585,951
	-	-	-	-	-	-
	34,481,516	354,543	24,006	35,803	579,967	35,475,835
	-	-	-	-	-	-
	3,877,798	7,956	324	74	51,450	3,937,602
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-





No	POSTS	INDIVIDUAL						
		December 31, 2023						
		Current	Special mention	Sub-standard	Doubtful	Loss	Total	
9	Temporary Equity capital	-	-	-	-	-	-	
10	Other receivables	-	-	-	-	-	-	
11	Commitment and contingencies							
a.	Rupiah	4,423,649	-	-	-	-	4,423,649	
b.	Foreign exchange	46,191	-	-	-	-	46,191	
12	Reposessed assets	-	-	-	-	-	-	
TOTAL		93,629,831	3,292,223	116,199	140,199	1,217,298	98,395,750	
		93,737,202	3,369,357	116,199	140,542	1,217,298	98,580,598	
III OTHER INFORMATION								
1	Total pledged bank assets							
a.	At Bank Indonesia	-	-	-	-	-	-	
b.	On the other hand	-	-	-	-	-	-	
2	Total CKPN on financial assets on productive assets	-	-	-	-	-	1,430,174	
3	Total PPA that must be formed for assets	-	-	-	-	-	1,994,025	
4	Percentage of credit to MSMEs to total credit	-	-	-	-	-	26,99%	
5	Percentage of credit to Small Micro Enterprises (UMK) to total credit	-	-	-	-	-	20,37%	
6	Percentage of total MSME debtors to total debtors	-	-	-	-	-	50,97%	
7	Percentage of total debtors of Micro Small Enterprises (UMK) to total debtors	-	-	-	-	-	49,00%	
8	Others							
a.	Channeling loans	-	-	-	-	-	640,415	
b.	Distribution of Mudharabah Muqayyadah funds	-	-	-	-	-	-	
c.	Write-off productive assets	-	-	-	-	-	4,292,820	
d.	Written off productive asset that were recovered/ successfully billed	-	-	-	-	-	1,228,552	
e.	Productive assets that are written off	-	-	-	-	-	-	



	INDIVIDUAL					
	December 31, 2022					
	Current	Special mention	Sub-standard	Doubtful	Loss	Total
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,372,576	-	-	-	-	-	4,372,576
46,703	-	-	-	-	-	46,703
-	-	-	-	-	-	-
91,758,484	910,239	51,408	77,939	1,231,670	94,029,740	
91,890,509	913,085	51,408	77,939	1,231,670	94,164,611	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,366,019
-	-	-	-	-	-	1,870,191
-	-	-	-	-	-	2,63%
-	-	-	-	-	-	17,61%
-	-	-	-	-	-	43,49%
-	-	-	-	-	-	40,90%
-	-	-	-	-	-	648,319
-	-	-	-	-	-	-
-	-	-	-	-	-	3,728,649
-	-	-	-	-	-	1,059,644
-	-	-	-	-	-	-



## Bank Capital Structure

### Management Policy and Basis of Management Policy Selection On Capital Structure

The capital management policy is used as a guide to identify sources of capital, both internal and external. In addition, capital policies are implemented to meet the capital adequacy provisions set by the regulator and ensure that the Bank's capital structure is efficient. Banks in calculating Minimum Capital Adequacy Ratio (CAR) refer to Financial Services Authority Regulation No. 27 of 2022 concerning the Second Amendment to Financial Services Authority Regulation Number 11/POJK.03/2016 concerning Minimum Capital Requirements for Commercial Banks. To fulfill these requirements. The bank has a policy to maintain a capital structure that is able to anticipate all major risks that occur in bank management. namely market risk. credit risk. and operational risks. The Bank's capital management policy is reviewed by the Board of Directors and Board of Commissioners, aimed at maintaining a strong capital structure to support future business growth.

The main objective of the Bank's capital management is to ensure that the Bank maintains a healthy capital ratio in order to support the business and maximize shareholder value. Companies are required to meet the Minimum Capital Requirement (KPMR) ratio as determined by Bank Indonesia.

Management uses regulatory capital ratios to monitor capital adequacy in accordance with industry standards. Bank Indonesia's approach to capital measurement is primarily based on monitoring required capital requirements against available capital. Throughout 2023, Bank Jatim has fulfilled all required capital requirements.

### Capital Structure Details

In accordance with Financial Services Authority Regulation no. 27 of 2022 concerning the Second Amendment to Financial Services Authority Regulation Number 11/POJK.03/2016 concerning Minimum Capital Requirements for Commercial Banks. Bank capital consists of Core Capital (Tier-1) and Supplementary Capital (Tier-2).

#### Table of Capital Structure

(in IDR million)

Bank Jatim Capital Adequacy Position	2023	2022	Growth 2022-2023	
			Nominal	%
Core capital	11,025,184	10,346,392	678,792	6.56%
supplementary capital	516,010	437,563	78,447	17.93%
Total Core Capital and Supplementary Capital	11,541,194	10,783,955	757,239	7.02%

#### 1. Core Capital

Core Capital is bank capital which consists of Main Core Capital (Common Equity Tier 1- CET 1) and Additional Core Capital (Additional Tier 1). Main core capital includes paid-in capital and additional capital reserves (disclosed reserved). Additional capital reserves consist of additional factors (over-translation of financial statements, potential profits from increasing the fair value of financial assets in the available-for-sale group, fixed asset revaluation surplus balance, agio, general reserves, previous years' profits, current year's profits, funds capital contributions and other additional capital reserves) and deduction factors (over-translation of financial statements, potential losses from increases in the fair value of financial assets in the available-for-sale group, disagio, previous years' losses, current year losses, under-differences between the Allowance for Asset Losses (PPA) and reserves for impairment losses on productive assets, the difference in the amount of the fair value adjustment of financial instruments in the trading book, the Allowance for Asset Losses (PPA) on non-productive assets that must be calculated and other additional capital reserves). Bank Jatim's core capital in 2023 will reach IDR11,025,184 million, an increase of 6.56% or IDR678,792 million compared to 2022 which was IDR10,346,392 million due to additional capital from the retained earnings component.

#### 2. Supplementary Capital (Maximum 100% of Core Capital)

Supplementary Capital (maximum 100% of core capital) includes capital instruments in the form of shares or in other forms that meet the requirements, agio or disagio originating from the issuance of capital instruments that are classified as supplementary capital and general PPA reserves for productive assets which must be calculated in the amount maximum 1.25% of Risk Weighted Assets (RWA) Credit Risk and Purpose Reserves. Bank Jatim's total supplementary capital in 2023 is IDR516,010 million, an increase of 17.93% or IDR78,447 million compared to 2022 which was IDR437,563 million.



Bank Jatim Capital Adequacy Position	2023	2022	Growth 2022-2023	
			Nominal	%
Risk Weighted Assets (RWA) for Credit Risk	40,764,771	34,567,488	6,197,283	17.93%
Risk Weighted Assets (RWA) for Operational Risk	4,083,746	8,917,841	(4,834,095)	(54.21%)
Risk Weighted Assets (RWA) for Market Risk	49,106	108,144	(59,038)	(54.59%)
Total Risk Weighted Asset	44,897,623	43,593,473	1,304,150	2.99%
<b>CAPITAL ADEQUACY RATIO (%)</b>				
CET 1 Ratio	24.56%	23.73%	0.82%	0.83%
Minimum capital adequacy ratio for credit risk and operational risk	25.73%	24.80%	0.93%	0.93%
Minimum capital adequacy ratio for credit risk, market risk and operational risk	25.71%	24.74%	0.97%	0.97%

## Information on Capital and Risk Exposure

In accordance with the complexity of its business, the Bank manages 8 (eight) types of risk, namely credit risk, liquidity risk, market risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk. However, this section only describes risk management practices for credit risk, market risk and liquidity risk. Meanwhile, explanations related to other types of risk are presented in the Risk Profile and Management section on Corporate Governance in this Annual Report.

## Disclosure of Quantitative Risk Exposure

Based on the Financial Services Authority Regulation (POJK) Number 37/POJK.03/2019 and OJK Circular Letter Number 9/SEOJK.03/2020 Concerning Transparency and Publication of Bank Reports and POJK Number 18/POJK.03/2016 concerning Implementation of Risk Management.

## Credit Risk

Credit risk is the risk due to default by the debtor and/or counterparty in fulfilling liabilities to the Bank. Regarding specific credit risk exposures such as individual credit, interbank facilities and so on, the Bank evaluates it separately using factors that may differ, according to the specific characteristics of each type of exposure. In managing credit risk, the Bank has credit policies and guidelines that are periodically refined. While still being based on the principle of independent risk management in accordance with Bank Indonesia regulations and other external regulations.

The Bank's maximum exposure to credit risk for financial instruments on the statement of financial position and administrative accounts, is assessed without taking into account collateral held or other credit protection. As of December 31, 2023 and 2022, the maximum credit risk disclosures based on concentration before taking into account collateral held and master netting agreements are as follows:

## Credit Risk Concentration by Geographic

Table of Credit Risk Concentration by Geographic Year 2023

(in IDR million)

Description	December 31, 2023					
	East Java	Java other than East Java	Sumatera	Borneo	Others	Total
<b>FINANCIAL POSITION</b>						
Currents account with Bank Indonesia	-	7,971,412	-	-	-	7,971,412
Currents account with other banks	-	490,253	-	-	-	490,253
Placement with Bank Indonesia and other bank	842,093	2,281,988	1,000,000	290,000	815,614	5,229,695



Description	December 31, 2023					
	East Java	Java other than East Java	Sumatera	Borneo	Others	Total
Securities	-	-	-	-	-	-
Amortized cost	-	8,560,761	-	-	-	8,560,761
Fair value through other comprehensive income	-	7,762,560	-	-	-	7,762,560
Securities sold under agreements to repurchased	-	8,560,761	-	-	-	8,560,761
Securities sold under agreements to resell	-	6,247,318	-	-	-	6,247,318
Other bill	223,138	-	-	-	-	223,138
Loan given	-	-	-	-	-	-
Working capital	11,440,125	2,842,481	604,895	-	2,973	14,890,474
Investment	4,236,832	2,670,923	282,259	472,895	-	7,662,909
Consumption	30,059,320	734,680	48,538	-	77	30,842,615
Interest receivables	665,717	16,610	2,458	730	219	685,734
<b>Total</b>	<b>47,467,225</b>	<b>47,882,649</b>	<b>1,938,150</b>	<b>763,625</b>	<b>818,883</b>	<b>98,870,532</b>
<b>ADMINISTRATIVE ACCOUNT</b>						
Credit facilities to customers who have not been used	2,875,686	872,815	6,195	15,569	-	3,770,265
Issued bank guarantee	699,574	-	-	-	-	699,574
<b>Total</b>	<b>3,575,260</b>	<b>872,815</b>	<b>6,195</b>	<b>15,569</b>	<b>-</b>	<b>4,469,839</b>

**Table of Credit Risk Concentration by Geographic Year 2022**

(in IDR million)

Description	December 31, 2022					
	East Java	Java other than East Java	Sumatera	Borneo	Others	Total
<b>FINANCIAL POSITION</b>						
Currents account with Bank Indonesia	-	10,786,740	-	-	-	10,786,740
Currents account with other banks	-	302,688	-	-	-	302,688
Placement with Bank Indonesia and other bank	1,152,000	2,702,379	538,000	449,000	2,071,796	6,913,175
Spot and derivative bills	361	-	-	-	-	361
Securities						
Amortized cost	-	14,740,662	-	-	-	14,740,662
Fair value through other comprehensive income	-	8,476,609	-	-	-	8,476,609
Securities sold under agreements to repurchased	-	4,095,066	-	-	-	4,095,066
Securities sold under agreements to resell	-	7,822,847	-	-	-	7,822,847
Other bill	286,147	-	-	-	-	286,147
Loan given						
Working capital	8,483,137	1,014,245	677,316	-	-	10,174,698
Investment	3,359,791	2,161,406	370,368	479,607	-	6,371,172
Consumption	28,151,362	143,306	37,289	70	148	28,332,175



Description	December 31, 2022					
	East Java	Java other than East Java	Sumatera	Borneo	Others	Total
Interest receivables	629,389	13,694	2,288	752	2	646,125
<b>Total</b>	<b>42,062,187</b>	<b>52,259,642</b>	<b>1,625,261</b>	<b>929,429</b>	<b>2,071,946</b>	<b>98,948,465</b>
<b>ADMINISTRATIVE ACCOUNT</b>						
Credit facilities to customers who have not been used	2,412,262	971,071	610	15,569	-	3,399,512
Issued bank guarantee	1,019,766	-	-	-	-	1,019,766
<b>Total</b>	<b>3,432,028</b>	<b>971,071</b>	<b>610</b>	<b>15,569</b>	<b>-</b>	<b>4,419,278</b>

### Credit Risk Concentration Based On Industry Sector

Table of Credit Risk Concentration Based on Industrial Sector in 2023

(in IDR million)

Description	December 31, 2023					
	Government and Bank Indonesia	Bank	Non-bank Financial Institution	Other Company	Individual	Total
<b>FINANCIAL POSITION</b>						
Currents account with Bank Indonesia	7,971,412	-	-	-	-	7,971,412
Currents account with other banks	-	490,253	-	-	-	490,253
Placement with Bank Indonesia and other bank	5,229,695	-	-	-	-	5,229,695
Spot and derivative bills	-	-	-	-	-	-
Securities	-	-	-	-	-	-
Amortized cost	5,890,446	463,025	2,207,290	-	-	8,560,761
Fair value through other comprehensive income	7,762,560	-	-	-	-	7,762,560
Securities sold under agreements to repurchased	8,303,663	-	-	-	-	8,303,663
Securities sold under agreements to resell	-	6,247,318	-	-	-	6,247,318
Other bill	-	-	-	-	223,138	223,138
Loan given	-	-	-	-	-	-
Working capital	105,418	1,219,950	351,676	3,516,283	9,697,147	14,890,474
Investment	1,111	-	6,137	5,088,634	2,567,027	7,662,909
Consumption	-	7,376	2,671	608,137	30,224,431	30,842,615
Interest receivables	275	2,281	2,389	33,110	647,679	685,734
<b>Total</b>	<b>35,264,580</b>	<b>8,430,203</b>	<b>362,873</b>	<b>11,453,454</b>	<b>43,359,422</b>	<b>98,870,532</b>
<b>ADMINISTRATIVE ACCOUNT</b>						
Credit facilities to customers who have not been used	-	65,971	-	-	3,704,294	3,770,265
Issued bank guarantee	-	-	-	-	699,574	699,574
<b>Total</b>	<b>-</b>	<b>65,971</b>	<b>-</b>	<b>-</b>	<b>4,403,868</b>	<b>4,469,839</b>



**Table of Credit Risk Concentration Based on Industrial Sector in 2022**

(dalam jutaan Rupiah)

Description	December 31, 2022					
	Government and Bank Indonesia	Bank	Non-bank Financial Institution	Other Company	Individual	Total
<b>FINANCIAL POSITION</b>						
Currents account with Bank Indonesia	10,786,740	-	-	-	-	10,786,740
Currents account with other banks	-	-	302,688	-	-	302,688
Placement with Bank Indonesia and other bank	6,913,175	-	-	-	-	6,913,175
Spot and derivative bills	-	-	361	-	-	361
Securities	-	-	-	-	-	-
Amortized cost	12,425,335	-	327,018	1,988,309	-	14,740,662
Fair value through other comprehensive income	8,476,609	-	-	-	-	8,476,609
Securities sold under agreements to repurchased	4,095,066	-	-	-	-	4,095,066
Securities sold under agreements to resell	-	-	7,822,847	-	-	7,822,847
Other bill	-	-	-	-	286,147	286,147
Loan given	-	-	-	-	-	-
Working capital	177,813	327,211	315,826	2,937,209	6,416,639	10,174,698
Investment	5,662	1,436	-	4,828,916	1,535,158	6,371,172
Consumption	-	1,000	3,897	14,773	28,312,505	28,332,175
Interest receivables	433	2,025	535	41,024	602,108	646,125
<b>Total</b>	<b>42,880,833</b>	<b>331,672</b>	<b>8,773,172</b>	<b>9,810,231</b>	<b>37,152,557</b>	<b>98,948,465</b>
<b>ADMINISTRATIVE ACCOUNT</b>						
Credit facilities to customers who have not been used	-	-	132,932	-	3,266,580	3,399,512
Issued bank guarantee	-	-	-	-	1,019,766	1,019,766
<b>Total</b>	<b>-</b>	<b>-</b>	<b>132,932</b>	<b>-</b>	<b>4,286,346</b>	<b>4,419,278</b>

## Credit Risk Measurement

The estimation of credit exposure for risk management purposes is complex. It requires the use of models because exposures vary with changes in market conditions, expected cash flows, and the passage of time. Assessment of the credit risk of a portfolio of assets requires further estimation of the probability of default, the ratio of associated losses, and the correlation of default between counterparties. Banks measure credit risk using the Probability of Default (PD), Exposure at

Default (EAD), and Loss Given Default (LGD). This is the same as the approach used for the purpose of measuring Expected Credit Losses (ECL) based on PSAK 71.

### Impairment Evaluation

The following is the risk of financial assets based on the classification of evaluation of impairment as of December 31, 2023 dan 2022:

**Table of Impairment Evaluation of Current Accounts with Other Banks**

(in IDR million)

Description	December 31, 2023				December 31, 2022			
	Stage 1	Stage 2	Stage 3	Stage	Stage 1	Stage 2	Stage 3	Total
Indonesia Rupiah	336,488	-	-	336,488	190,456	-	-	190,456
Foreign exchange	154,842	-	-	154,842	112,673	-	-	112,673



Description	December 31, 2023				December 31, 2022			
	Stage 1	Stage 2	Stage 3	Stage	Stage 1	Stage 2	Stage 3	Total
Total	491,330	-	-	491,330	303,129	-	-	303,129
Allowance for impairment losses	(1,077)	-	-	(1,077)	(441)	-	-	(441)
<b>Net</b>	<b>490,253</b>	<b>-</b>	<b>-</b>	<b>490,253</b>	<b>302,688</b>	<b>-</b>	<b>-</b>	<b>302,688</b>

Table of Impairment Evaluation of Current Accounts with Bank Indoensia and Other Banks

(in IDR million)

Description	December 31, 2023				December 31, 2022			
	Stage 1	Stage 2	Stage 3	Stage	Stage 1	Stage 2	Stage 3	Total
IDR:								
Placement in bank Indonesia	1,149,854	-	-	1,149,854	2,744,329	-	-	2,744,329
Interbank call money	4,083,367	-	-	4,083,367	4,165,000	-	-	4,165,000
Time Deposit	1,500	-	-	1,500	7,000	-	-	7,000
Total	5,234,721	-	-	5,234,721	6,916,329	-	-	6,916,329
Allowance for impairment losses	(5,026)	-	-	(5,026)	(3,154)	-	-	(3,154)
<b>Net</b>	<b>5,229,695</b>	<b>-</b>	<b>-</b>	<b>5,229,695</b>	<b>6,913,175</b>	<b>-</b>	<b>-</b>	<b>6,913,175</b>

Table of Evaluasi Decrease Decrease Nilai Securities

(in IDR million)

Description	December 31, 2023				December 31, 2022			
	Stage 1	Stage 2	Stage 3	Stage	Stage 1	Stage 2	Stage 3	Total
IDR:								
Government Bonds	12,610,606	-	-	12,610,606	20,501,941	-	-	20,501,941
Bonds	2,089,300	-	-	2,089,300	1,851,074	-	-	1,851,074
Sukuk Bank Indonesia	-	-	-	-	400,000	-	-	400,000
Interbank Mudharabah Investment Certificate (SIMA)	450,000	-	-	450,000	325,000	-	-	325,000
Reksadana	450,000	-	-	450,000	90,000	-	-	90,000
Negotiable Certificate of Deposit	450,000	-	-	450,000	47,237	-	-	47,237
Domestic Documentary Letter of Credit	90,000	-	-	90,000	-	-	-	-
Medium Term Securities	28,500	-	-	28,500	2,056	-	-	2,056
Foreign Exchange	12,913	-	-	12,913	-	-	-	-
Bill	112	-	-	112	362	-	-	362
Total	16,323,831	-	-	16,323,831	23,217,671	-	-	23,217,671
Provision for impairment losses on financial assets	(511)	-	-	(511)	(400)	-	-	(400)
<b>Net</b>	<b>16,323,320</b>	<b>-</b>	<b>-</b>	<b>16,323,320</b>	<b>23,217,271</b>	<b>-</b>	<b>-</b>	<b>23,217,271</b>

Table of Evaluation of Impairment of Credit Distributed

(in IDR million)

Description	December 31, 2023				December 31, 2022			
	Stage 1	Stage 2	Stage 3	Stage	Stage 1	Stage 2	Stage 3	Total
Multipurpose loan	24,949,921	48,361	192,741	25,191,023	23,578,636	37,542	181,718	23,797,896
Working capital loan	3,178,492	121,848	177,899	3,478,239	2,400,068	104,398	293,573	2,798,039





Description	December 31, 2023				December 31, 2022			
	Stage 1	Stage 2	Stage 3	Stage	Stage 1	Stage 2	Stage 3	Total
Covid-19 Restructurisation	-	-	-	-	3,160,896	33,974	337,404	3,532,274
Wholesale and retail	2,729,943	148,116	437,951	3,316,010	1,654,813	91,337	200,612	1,946,762
Employee loans	2,005,146	2,612	15,745	2,023,503	2,050,789	3,144	23,193	2,077,126
Mining, quarrying, electricity, and transportation	2,723,010	25,530	558,974	3,307,514	1,220,386	11,991	119,168	1,351,545
Mortgage	1,496,088	125,008	231,420	852,516	1,222,011	116,132	241,184	1,579,327
Public, social culture, entertainment, and other individual services	1,719,947	15,764	48,080	1,783,791	747,574	8,375	25,022	780,971
Agriculture, hunting and forestry	1,510,630	42,059	203,509	1,756,198	748,259	117,445	67,375	933,079
Processing industry	2,343,498	22,053	103,913	2,469,464	1,614,145	20,003	51,057	1,685,205
People's business credit	3,709,273	90,788	54,695	3,854,756	2,393,551	29,099	12,857	2,435,507
Financial intermediaries	1,631,661	10,586	32,259	1,674,506	604,442	18,758	24,849	648,049
Linkage program	173,634	-	-	173,634	216,994	-	-	216,994
Accommodation, food and beverages	185,464	5,604	48,670	239,738	129,987	4,617	8,080	142,684
Other business and households	1,231,176	9,719	63,579	1,304,474	147,980	914	328	149,222
Real estate, business rental and services	36,424	1,649	15,294	53,367	18,096	635	10,566	29,297
Cattle Breeding Business Loan	-	-	641	641	-	-	2,142	2,142
Individual service which serve households	15,744	263	528	16,535	8,773	294	499	9,566
Energy and Food Stability Loan	-	-	-	-	-	-	317	317
Limit activities that are not yet clear	-	-	-	-	2,989	-	-	2,989
Others	77,134	-	-	77,134	174,194	-	-	174,194
	49,717,185	669,960	2,185,898	52,573,043	42,094,583	598,658	1,599,944	44,293,185
Allowance for impairment losses	(367,710)	(74,071)	(869,732)	(1,311,513)	(263,059)	(61,303)	(911,041)	(1,235,403)
<b>Conventional - Net</b>	<b>49,349,475</b>	<b>595,889</b>	<b>1,316,166</b>	<b>51,261,530</b>	<b>41,831,524</b>	<b>537,355</b>	<b>688,903</b>	<b>43,057,782</b>

Description	December 31, 2023				December 31, 2022			
	Not Impaired	Impaired		Total	Not Impaired	Impaired		Total
		Individual	Collective			Individual	Collective	
Sharia	1,986,968	200,892	-	2,187,860	1,802,438	101,034	-	1,903,472
Allowance for impairment losses	(17,395)	(35,997)	-	(53,392)	(33,308)	(49,901)	-	(83,209)
<b>Sharia - Net</b>	<b>1,969,573</b>	<b>164,895</b>	<b>-</b>	<b>2,134,468</b>	<b>1,769,130</b>	<b>51,133</b>	<b>-</b>	<b>1,820,263</b>
<b>Total - Net</b>	<b>51,319,048</b>	<b>760,784</b>	<b>1,316,167</b>	<b>53,395,998</b>	<b>43,600,654</b>	<b>588,488</b>	<b>688,903</b>	<b>44,878,045</b>

**Table of Movements in Allowance for Impairment Losses Based on Type of Loans Extended**

(in IDR million)

Description	December 31, 2023				December 31, 2022			
	Working capital	Investment	Consumption	Total	Working capital	Investment	Consumption	Total
Balance at beginning of year	793,315	199,485	325,812	1,318,612	1,192,221	257,879	381,317	1,831,417
Provision during the year	349,480	144,856	181,587	675,923	267,676	52,363	67,715	387,754



Description	December 31, 2023				December 31, 2022			
	Working capital	Investment	Consumption	Total	Working capital	Investment	Consumption	Total
Written-off during the year	(482,918)	(4,969)	(141,743)	(629,630)	(666,582)	(110,757)	(123,220)	(900,559)
Balance at December 31	659,877	339,372	365,656	1,364,905	793,315	199,485	325,812	1,318,612
Individual impairment	411,873	90,939	230,012	732,824	570,537	92,889	203,467	866,893
Collective impairment for non-impaired loans	248,004	248,43	135,644	632,081	222,778	106,596	122,345	451,719
<b>Balance at December 31</b>	<b>659,877</b>	<b>339,372</b>	<b>365,656</b>	<b>1,364,905</b>	<b>793,315</b>	<b>199,485</b>	<b>325,812</b>	<b>1,318,612</b>

The table below shows the credit quality per type of financial instrument that has not yet matured and Not-Impaired (excluding allowance for impairment losses):

**Table of Credit Quality per Type of Financial Instruments That Have Not Matured and Not-Impaired in 2023**

(in IDR million)

Description	December 31, 2023				
	Not Matured and Not Impaired		Past-due but not impaired	Impaired	Total
	High Grade	Standard grade			
AMORTIZED COST					
Government's bonds	5,440,446	-	-	-	5,440,446
Mutual Funds	2,089,300	-	-	-	2,089,300
Bonds	450,000	-	-	-	450,000
Sukuk of Bank Indonesia	450,000	-	-	-	450,000
Negotiable Certificate of Deposit	28,500	-	-	-	28,500
Investment Cerificate	90,000	-	-	-	90,000
Domestic Documentary Letter of Credit	12,913	-	-	-	12,913
Bill	112	-	-	-	112
	8,561,271	-	-	-	8,561,271
FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Government's bonds	7,762,560	-	-	-	7,762,560
AMORTIZED COST					
Currents account with Bank Indonesia	7,971,412	-	-	-	7,971,412
Currents account with other banks	491,330	-	-	-	491,330
Placement with Bank Indonesia and other banks	5,234,721	-	-	-	5,234,721
Spot and derivative receivables	6,247,318	-	-	-	6,247,318
Reverse repo receivables	223,138	-	-	-	223,138
Other receivables					
Working capital	-	14,870,654	-	679,697	15,550,351
Investment	-	7,846,461	-	155,818	8,002,279
Consumption	-	30,679,965	-	528,308	31,208,273



Description	December 31, 2023				
	Not Matured and Not Impaired		Past-due but not impaired	Impaired	Total
	High Grade	Standard grade			
Interest receivables	-	685,734	-	-	685,734
<b>Total</b>	<b>36,491,750</b>	<b>54,082,814</b>	<b>-</b>	<b>1,363,823</b>	<b>91,938,387</b>
Allowances for impairment losses	-	(697,350)	-	(674,168)	(1,371,518)
<b>Nrto</b>	<b>36,491,750</b>	<b>53,385,464</b>	<b>-</b>	<b>689,655</b>	<b>90,566,869</b>

**Table of Kualitas Kredit Per Jenis Instrumen Keuangan Yang Belum Jatuh Tempo dan Tidak Mengalami Decrease Nilai Tahun 2022**

(in IDR million)

Description	December 31, 2022				
	Not Matured and Not Impaired		Past-due but not impaired	Impaired	Total
	High Grade	Standard grade			
AMORTIZED COST					
Government's Bonds	12,025,332	-	-	-	12,025,332
Mutual Funds	90,000	-	-	-	90,000
Bonds	1,851,074	-	-	-	1,851,074
Bank Indonesia Deposit Certificate	400,000	-	-	-	400,000
Negotiable Certificate of Deposit	47,237	-	-	-	47,237
Interbank Mudharabah Investment Certificate (SIMA)	325,000	-	-	-	325,000
Bill	2,418	-	-	-	2,418
	14,741,062	-	-	-	14,741,062
FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Government's Bonds	8,476,609	-	-	-	8,476,609
AMORTIZED COST					
Currents account with Bank Indonesia	10,786,740	-	-	-	10,786,740
Currents account with other banks	303,129	-	-	-	303,129
Placement with Bank Indonesia and other banks	6,916,329	-	-	-	6,916,329
Spot and derivative receivables	361	-	-	-	361
Reverse repo receivables	7,822,847	-	-	-	7,822,847
Other receivables	286,147	-	-	-	286,147
Loan and Sharia financing					
Working capital	-	10,259,372	-	708,638	10,968,010
Investment	-	6,448,282	-	122,376	6,570,658
Consumption	-	28,179,834	-	478,155	28,657,989
Interest receivables	-	646,125	-	-	646,125
Total	49,333,224	45,533,613	-	1,309,169	96,176,006
Allowances for impairment losses	-	(499,126)	-	(823,481)	(1,322,607)
Net	49,333,224	45,034,487	-	485,688	94,853,399



## Market Risk

Market risk is the risk that occurs in the statements of financial position and administrative accounts due to changes in market variables, such as interest rates and exchange rates. Market risk is almost inherent in all operational activities of the Bank, both in the banking book and trading book.

Market risk management is carried out in accordance with the Bank's policies and procedures related to products and services as well as treasury activities and the risks inherent in the business. Interest rate risk arises from changes in financial instrument prices from trading book positions or from changes

in the economic value of banking book positions, due to changes in interest rates. In managing interest rate risk, it is carried out on banking book exposure, taking into account the position of gaps in the Bank's assets and liabilities which are sensitive to movements in interest rates that affect the stability of the Bank's profitability level.

The table below represents the average annual contractual interest rates for significant financial assets and liabilities as of December 31, 2023 dan 2022:

**Table of Average Annual Contractual Interest Rates for Significant Financial Assets and Liabilities**

(in %)

Description	December 31, 2023		December 31, 2022	
	IDR	USD	IDR	USD
<b>ASSETS</b>				
Current accounts with Bank Indonesia	0.00%	0.00%	0.00%	0.00%
Current accounts with other banks	0.00%	0.00%	0.02%	0.04%
Placements with Bank Indonesia and other banks	6.06%	0.00%	1.33%	0.47%
Marketable securities	5.63%	0.00%	7.99%	0.00%
Marketable securities sold under repurchased agreement	6.46%	0.00%	5.38%	0.00%
Marketable securities purchased under resale agreement	6.32%	0.00%	5.80%	0.00%
Loans and sharia financing	10.50%-12.75%	0.00%	10.50%-12.75%	0.00%
<b>LIABILITIES</b>				
Deposits from customers	0.00% - 3.51%	0.00% - 1.65%	0.00% - 2.74%	0.00% - 0.16%
Deposits from other banks	0.00% - 3.43%	-	0.00% - 2.27%	-

The following table summarizes the Bank's exposure to interest rate risk (gross) which may have an impact on future cash flows as of December 31, 2023 dan 2022:

**Table of Bank Exposure to Interest Rate Risk (Gross) in 2023**

(in IDR million)

Description	December 31, 2023					
	Floating interest rate					
	Not more than 3 months	3 Months but less than 1 year	1 year and up	Fixed interest rate	Non-interest bearing	Total
<b>FINANCIAL ASSETS</b>						
Cash	2,652,775	-	-	-	-	2,652,775
Current accounts with Bank Indonesia	7,971,412	-	-	-	-	7,971,412
Current accounts with other banks	490,253	-	-	-	-	490,253
Placements with Bank Indonesia and other banks	5,229,695	-	-	-	-	5,229,695



Description	December 31, 2023					
	Floating interest rate					
	Not more than 3 months	3 Months but less than 1 year	1 year and up	Fixed interest rate	Non-interest bearing	Total
Marketable securities						
Amortized cost	2,334,459	1,481,901	4,744,401	-	-	8,560,761
Fair value through other comprehensive income	7,762,560	-	-	-	-	7,762,560
Marketable securities sold under repurchased agreement	6,948,304	-	-	-	-	6,948,304
Marketable securities purchased under resale agreement	6,247,318	-	-	-	-	6,247,318
Other receivable	223,138	-	-	-	-	223,138
Loans and sharia financing						
Working capital	-	-	-	15,550,351	-	15,550,351
Investment	-	-	-	8,002,279	-	8,002,279
Consumption	-	-	-	31,208,273	-	31,208,273
Interest receivable	287,221	14,280	384,233	-	-	685,734
<b>Total financial assets</b>	<b>40,147,135</b>	<b>1,496,181</b>	<b>5,128,634</b>	<b>54,760,903</b>	<b>-</b>	<b>101,532,853</b>
<b>FINANCIAL LIABILITIES</b>						
Obligations due immediately	987,605	-	-	-	-	987,605
Deposits from customers						
Current accounts	20,926,363	-	-	-	-	20,926,363
Savings accounts	28,815,896	-	-	-	-	28,815,896
Time deposits	-	-	-	28,454,651	-	28,454,651
Deposits from other banks	2,570,985	8,260	500	-	-	2,579,745
Spot and derivative liabilities	-	-	-	-	-	-
Borrowings	-	530,156	-	-	66,821	596,977
Accrued expenses	504,748	-	-	-	-	504,748
Other liabilities	779,314	-	-	-	-	779,314
<b>Total financial liabilities</b>	<b>54,584,911</b>	<b>538,416</b>	<b>500</b>	<b>28,454,651</b>	<b>66,821</b>	<b>83,645,299</b>
<b>Net interest repricing gap</b>	<b>(14,437,776)</b>	<b>957,765</b>	<b>5,128,134</b>	<b>26,306,252</b>	<b>(66,821)</b>	<b>17,887,554</b>

**Table of Bank Exposure to Interest Rate Risk (Gross) in 2022**

(in IDR million)

Description	December 31, 2022					
	Floating interest rate					
	Not more than 3 months	3 Months but less than 1 year	1 year and up	Fixed interest rate	Non-interest bearing	Total
<b>FINANCIAL ASSETS</b>						
Cash	1,988,262	-	-	-	-	1,988,262
Current accounts with Bank Indonesia	10,786,740	-	-	-	-	10,786,740
Current accounts with other banks	302,688	-	-	-	-	302,688
Placements with Bank Indonesia and other banks	6,913,175	-	-	-	-	6,913,175



Description	December 31, 2022					
	Floating interest rate					
	Not more than 3 months	3 Months but less than 1 year	1 year and up	Fixed interest rate	Non-interest bearing	Total
Marketable securities						
Amortized cost	1,578,463	4,995,096	8,167,102	-	-	14,740,661
Fair value through other comprehensive income	-	-	8,476,609	-	-	8,476,609
Marketable securities sold under repurchased agreement	4,095,066	-	-	-	-	4,095,066
Marketable securities purchased under resale agreement	7,822,847	-	-	-	-	7,822,847
Other receivable	286,147	-	-	-	-	286,147
Loans and sharia financing						
Working capital	-	-	-	10,968,010	-	10,968,010
Investment	-	-	-	6,570,658	-	6,570,658
Consumption	-	-	-	28,657,989	-	28,657,989
Interest receivable	74,213	14,396	557,516	-	-	646,125
<b>Total financial assets</b>	<b>33,847,601</b>	<b>5,009,492</b>	<b>17,201,227</b>	<b>46,196,657</b>	<b>-</b>	<b>102,254,977</b>
Financial Liabilities						
<b>OBLIGATIONS DUE IMMEDIATELY</b>						
Deposits from customers	916,091	-	-	-	-	916,091
Current accounts						
Savings accounts	23,634,773	-	-	-	-	23,634,773
Time deposits	26,343,817	-	-	-	-	26,343,817
Deposits from other banks	-	-	-	31,788,793	-	31,788,793
Borrowings	3,334,563	4,560	-	-	-	3,339,123
Accrued expenses	-	481,532	-	-	71,867	553,399
Other liabilities	520,840	-	-	-	-	520,840
Total financial liabilities	550,119	-	-	-	-	550,119
<b>Net interest repricing gap</b>	<b>55,300,203</b>	<b>486,092</b>	<b>-</b>	<b>31,788,793</b>	<b>71,867</b>	<b>87,646,955</b>
<b>Gap repricing suku bunga - Neto</b>	<b>(21,452,602)</b>	<b>4,523,400</b>	<b>17,201,227</b>	<b>14,407,864</b>	<b>(71,867)</b>	<b>14,608,022</b>

The following table shows the sensitivity to a possible one percentage point change in reasonable interest rates, with all other variables held constant, in the Bank's statement of profit or loss and other comprehensive income. The sensitivity of the statement of comprehensive income is the impact of changes in the assumption of interest rates in the statement of profit or loss and other comprehensive income in that period. The sensitivity of total profit or loss is based on the assumption of parallel shifts in the yield curve.

**Table of Sensitivity to Possibility of Change**

(in IDR million)

Description	December 31, 2023	
	Increase	Decrease
Effect on the statement of profit or loss and other comprehensive income	62,414	(62,414)



The Bank is exposed to interest rate risk in Singapore Dollars, USD, Euros, etc. Exchange rate risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currency exchange rates. Currency risk is the possible loss of income arising from changes in foreign exchange rates. The Bank manages exposure to the effects of fluctuations in foreign currency exchange rates by maintaining foreign currency risk within existing regulatory guidelines (i.e., maintaining the Net Open Position in accordance with Bank Indonesia regulations). As of December 31, 2023, and 2022, the influence of foreign currency exchange rates is not significant to the Bank.

The ratio of net liquid assets to customer deposits is as follows:

**Table of the Ratio of Net Liquid Assets to Customer Deposits**

(in IDR million)

Description	December 31, 2023	December 31, 2022
Cash and cash equivalent	16,350,238	19,994,460
Marketable securities sold under purchased agreement	8,303,663	4,095,066
Reverse repo receivables	6,247,318	7,822,847
Deposits from other banks	2,560,321	3,339,123
<b>Total</b>	<b>33,461,540</b>	<b>35,251,496</b>
Deposits from customers	75,849,855	81,767,383
Ratio of net liquid assets to deposit from customers	44.12%	43.11%

The following maturity table presents information regarding the estimated remaining maturities of financial assets and liabilities (principal only) as of December 31, 2023 dan 2022:

**Table of Information on Estimated Remaining Maturity of Financial Assets and Liabilities (Basic Only) in 2023**

(in IDR million)

Description	December 31, 2023					
	Carrying value	Less than 1 month	1 - 3 months	3 - 6 months	6 - 12 months	More than 12 months
<b>FINANCIAL ASSETS</b>						
Cash	2,652,775	2,652,775	-	-	-	-
Current accounts with Bank Indonesia	7,971,412	7,073,597	-	-	-	897,815
Current accounts with other banks	490,253	490,253	-	-	-	-
Placements with Bank Indonesia and other banks	5,229,695	5,228,200	1,495	-	-	-
Marketable securities						
Amortized cost	8,560,761	830,243	1,504,216	783,350	698,551	4,744,401
Fair value through other comprehensive income	7,762,560	7,732,011	30,549	-	-	-



Description	December 31, 2023					
	Carrying value	Less than 1 month	1 - 3 months	3 - 6 months	6 - 12 months	More than 12 months
Marketable securities sold under repurchased agreement	6,948,304	6,948,304	-	-	-	-
Marketable securities purchased under resale agreement	6,247,318	6,197,612	49,706	-	-	-
Other receivable	223,138	223,138	-	-	-	-
Loans and sharia financing						
Working capital	14,890,474	271,543	832,593	2,530,760	2,766,875	8,488,703
Investment	7,662,909	30,414	7,589	15,135	225,659	7,384,112
Consumption	30,842,615	17,031	144,205	119,894	513,914	30,047,571
Interest receivable	685,734	251,395	35,826	8,246	6,034	384,233
<b>Total</b>	<b>100,167,948</b>	<b>37,946,516</b>	<b>2,606,179</b>	<b>3,457,385</b>	<b>4,211,033</b>	<b>51,946,835</b>
<b>FINANCIAL LIABILITIES</b>						
Obligations due immediately	987,605	987,605	-	-	-	-
Deposits from customers	78,196,910	22,457,975	5,462,113	2,436,735	7,344,737	40,495,350
Deposits from other banks	2,579,744	2,541,704	29,280	60	8,200	500
Borrowings	557,632	150,638	-	-	-	406,994
Accrued expenses	504,748	504,748	-	-	-	-
Other liabilities	779,314	779,314	-	-	-	-
<b>Total</b>	<b>83,605,953</b>	<b>27,421,984</b>	<b>5,491,393</b>	<b>2,436,795</b>	<b>7,352,937</b>	<b>40,902,844</b>
<b>Maturity gap</b>	<b>16,561,995</b>	<b>10,524,532</b>	<b>(2,885,214)</b>	<b>1,020,590</b>	<b>(3,141,904)</b>	<b>11,043,991</b>

Table of Information on Estimated Remaining Maturity of Financial Assets and Liabilities (Basic Only) in 2022

(in IDR million)

Description	December 31, 2022					
	Carrying value	Less than 1 month	1 - 3 months	3 - 6 months	6 - 12 months	More than 12 months
<b>FINANCIAL ASSETS</b>						
Cash	1,988,262	1,988,262	-	-	-	-
Current accounts with Bank Indonesia	10,786,740	230,541	-	-	-	10,556,199
Current accounts with other banks	302,688	302,688	-	-	-	-
Placements with Bank Indonesia and other banks	6,913,175	6,306,518	606,657	-	-	-
Marketable securities						
Amortized cost	14,740,661	725,515	852,948	2,367,794	2,627,302	8,167,102
Fair value through other comprehensive income	8,476,609	-	-	-	-	8,476,609
Marketable securities sold under repurchased agreement	4,095,066	4,095,066	-	-	-	-
Marketable securities purchased under resale agreement	7,822,847	7,440,160	-	-	192,726	189,961





Description	December 31, 2022					
	Carrying value	Less than 1 month	1 - 3 months	3 - 6 months	6 - 12 months	More than 12 months
Other receivable	286,147	286,147	-	-	-	-
Loans and sharia financing						
Working capital	10,174,698	474,092	591,709	1,027,046	1,904,233	6,177,618
Investment	6,371,172	35,082	2,414	7,284	32,541	6,293,851
Consumption	28,332,175	16,380	25,106	68,179	320,447	27,902,063
Interest receivable	646,125	25,795	48,418	9,901	4,495	557,516
<b>Total</b>	<b>100,936,365</b>	<b>21,926,246</b>	<b>2,127,252</b>	<b>3,480,204</b>	<b>5,081,744</b>	<b>68,320,919</b>
<b>FINANCIAL LIABILITIES</b>						
Obligations due immediately	916,091	916,091	-	-	-	-
Deposits from customers	81,767,383	11,214,472	16,200,878	1,699,788	10,878,340	41,773,905
Deposits from other banks	3,339,123	3,287,933	46,630	60	4,500	-
Borrowings	553,399	150,517	-	-	-	402,882
Accrued expenses	520,840	520,840	-	-	-	-
Other liabilities	550,119	550,119	-	-	-	-
<b>Total</b>	<b>87,646,955</b>	<b>16,639,972</b>	<b>16,247,508</b>	<b>1,699,848</b>	<b>10,882,840</b>	<b>42,176,787</b>
<b>Maturity gap</b>	<b>13,289,410</b>	<b>5,286,274</b>	<b>(14,120,256)</b>	<b>1,780,356</b>	<b>(5,801,096)</b>	<b>26,144,132</b>

## Material Commitments Related To Capital Goods Investment

During 2023, Bank Jatim will have no material commitments for investment in capital goods. Therefore, there is no information regarding the name of the contracting party, the purpose of the bond, the source of funds expected to fulfill the bonds, the currency denominated and the steps the company plans to take to hedge the risk of the relevant foreign currency position.

## Capital Expenditure Investment

Investment in the form of capital expenditure is an activity of spending funds used to buy a number of permanent assets or add fixed assets that are expected to provide future benefits.

## Types and Value of Investment Capital Goods

Types and Investment of Capital Goods are presented in the following table.

**Table of Types and Value of Investment Capital Goods**

(in IDR million)

Type	Value in 2023	Value in 2022
Land, buildings, and complementary facilities	1,124,400	1,124,105
Inventory	710,310	621,891
Vehicle	46,202	45,543
<b>Total</b>	<b>1,880,912</b>	<b>1,791,539</b>



## Capital Goods Investment Purpose

Bank Jatim's capital goods spending, among others, aims to develop service office networks and supporting bank operations. All capital goods expenditure transactions are

carried out in the IDR currency so that the bank does not have a risk of foreign exchange rates in capital goods expenditure transactions

## Commitment and Contingent

The bank has receivables and liabilities involving commitments and contingencies as follows

**Table of commitment and contingent**

(in IDR million)

Description	2023	2022
<b>COMMITMENTS</b>		
Commitments receivables		
IDR:		
Purchase of spot and derivative	-	156,070
Others	-	1,974,389
	-	2,130,459
Foreign exchange:		
Purchase of spot and derivative	-	-
	-	-
<b>COMMITMENTS LIABILITIES</b>		
IDR		
Unused loan commitments granted to debtors	3,770,265	3,399,512
<b>Total Commitment Liabilities, Net</b>	<b>3,770,265</b>	<b>1,269,053</b>
<b>CONTINGENCIES</b>		
Contingent receivable		
IDR:		
Interest income on past due account	82,966	119,108
Others	13	13
<b>Total contingent receivable</b>	<b>82,979</b>	<b>119,121</b>
<b>Contingent Liabilities</b>		
IDR:		
Bank guarantee issued	653,383	973,063
Foreign Exchange:		
Bank guarantee issued	46,191	46,703
<b>Total Contingent Liabilities</b>	<b>699,574</b>	<b>1,019,766</b>
<b>Total Contingent liabilities, net</b>	<b>616,595</b>	<b>900,645</b>
<b>Total Commitment and contingencies liabilities, net</b>	<b>4,386,860</b>	<b>2,169,698</b>

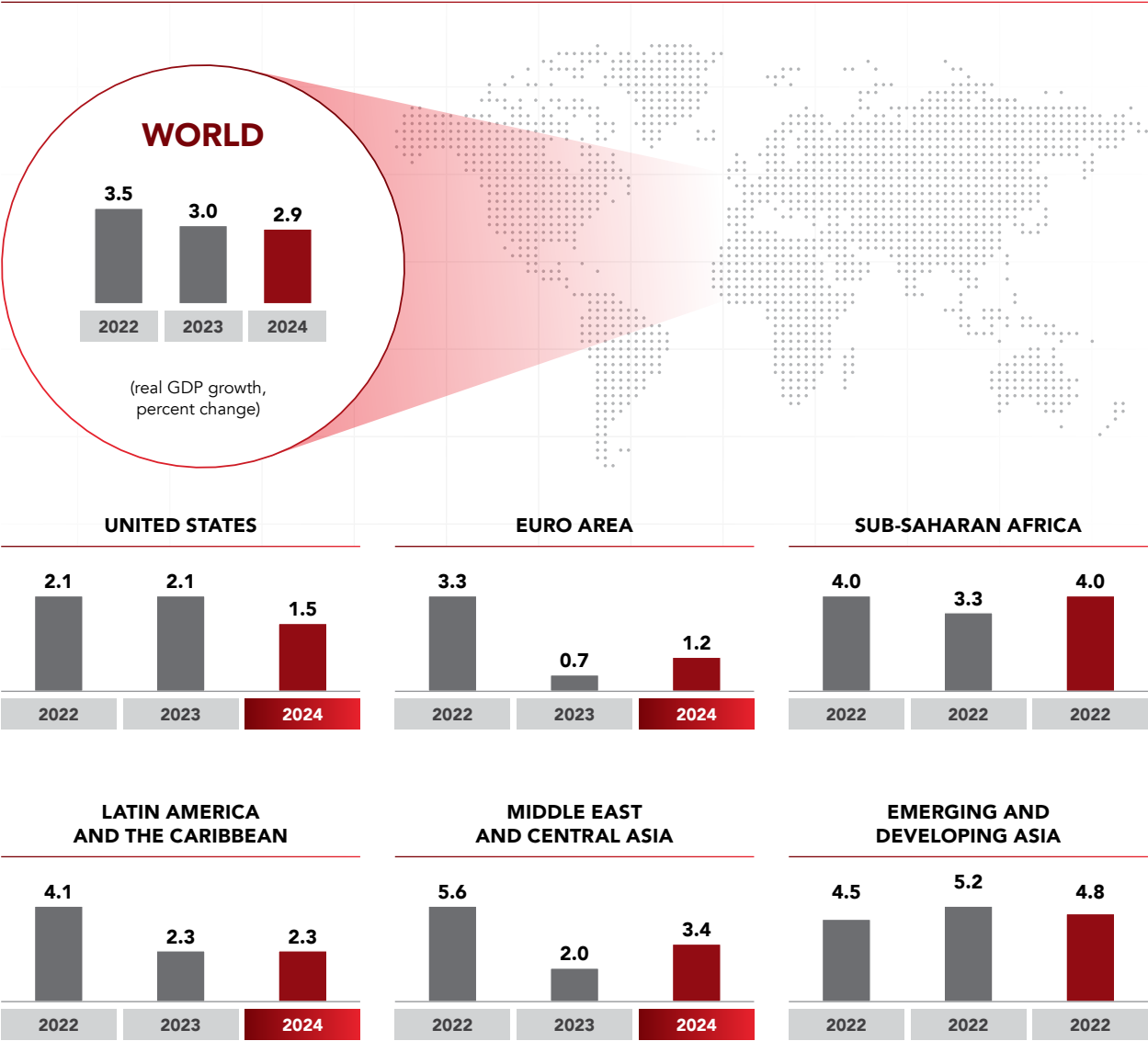


## Information and Material Facts After the Accountant's Report Date

Until the end of this annual report, there is no description of important events after the date of the accountant's report including its impact on future business performance and risk

## Business Prospects and Future Strategies in 2024

### World Economic Outlook October 2023 Growth Projection by Region



Source : IMF, World Economic Outlook, October 2023.  
Note : Order of bars for each group indicates (left to right): 2022, 2023 projections, and 2024 projections.

IMF. #WEO

According to the World Economic Outlook (IMF, October 2023), global economic growth in 2024 is expected to be at the level of 2.9%, Latin America at 2.3%, Europe at 1.2%, Middle East Africa at 3.4%. Meanwhile, economic growth in developing countries in Asia is projected to grow 4.8% in 2024. Global economic growth in 2024 is predicted to be supported by solid Asian economies. China's economic growth outlook is expected to slow, but India and a number of ASEAN countries are predicted to be stronger.



The solid economic outlook for Asia is shown by, among others, Indonesia rising again to become an upper-middle income country, which shows the large potential for consumption and investment. The high commitment to structural reforms shown by a number of Asian countries such as India, Indonesia, Thailand, and the Philippines is also expected to further accelerate the growth of the Asian region, and, in turn, the global economy. India's economic growth is expected solidly in 2024, the highest among G20 countries. India, which accounts for three-quarters of South Asia's economic output, is expected by the IMF to grow by 6.1 percent this year and increase by 2024.

Indonesia's economy is showing economic resilience and a strong recovery amidst global challenges. Indonesia's economic growth projection for 2024 is expected to be maintained at 5.2%. National stability is expected to be maintained and it encourages public and business optimism to continue economic activities and the positive trend of new job opening. In addition, improving the level of public welfare will also be a driving factor for consumption in 2024. Government consumption in 2024 is projected to grow relatively high. The holding of simultaneous elections and regional elections in 2024 is one of the pillars of the growth of government consumption in 2024. Based on this optimism, the government issued the basic medium-term macroeconomic assumptions for 2024-2027 in the 2024 State Budget which is explained in the following table.

**Table of Basic Medium Term Macroeconomic Assumptions for 2024-2027**

Indicator	2027	2026	2025	2024
Economic Growth (% yoy)	5.7-6.4	5.6-6.3	5.5-6.0	5.2
Inflation (% yoy)	1.5-3.5	1.5-3.5	1.5-3.5	2.8
Exchange rates (IDR/USD)	14.600-15.000	14,700-15,100	14,800-15,200	15,000
SBN interest rates - 10 years (%)	6.73-7.5	6.73-7.5	6.3-7.5	6.7
Indonesian crude oil prices (US\$/barrel)	70-90	70-90	70-90	80
Lifting of crude oil (thousand barrel per day)	618-756	624-731	606-684	625
Lifting of natural gas (thousand barrel per day)	1.151-1.340	1.175-1.307	1.052-1.147	1.033

Source: 2024 State Revenue and Expenditure Budget Plan (RAPBN), Ministry of Finance

The capacity and development of the financial services sector in 2024 will still be influenced by global and national economic sentiment. The estimated growth in credit performance for the financial services and banking sector in 2024 is as follows.

**Table of Credit Performance Growth Projection**

Institution	Credit Projections
Bank Indonesia	10% - 12%

Source: Statement by the Governor of Bank Indonesia dated August 22, 2023

The future development of the banking industry faces a number of challenges and opportunities that can shape a profound transformation in the way banks operate and interact with customers. One of the main trends in the use of digital technology that is continuously developing includes artificial intelligence (AI) data analytics, and blockchain technology. Banks are endeavoring to improve operational efficiency and provide a more personalized as well as convenient customer experience by utilizing these technological innovations. A concrete example of this development can be seen in the application of artificial intelligence in credit risk analysis. Banks are applying AI algorithms to evaluate customers' credit profile more accurately and quickly, enabling them to make smarter credit decisions. This not only improves the credit approval process, but also reduces risks for banks.

In addition, the development of fintech and digital financial integration become important factors in formulating the future of the banking industry. The adoption of digital payments, peer-to-peer lending platforms, and app-based financial services is getting more common. Banks are attempting to adapt to this trend by providing more digitally accessible banking services including online account opening, instant money transfers, and financial managements via mobile applications.

One of the government supports for banking transformation is through the Financial Services Authority Regulation (POJK) Number 12/PJOK/3.2021 concerning Commercial Banks that accommodate Digital Banks. Based on the POJK, Digital Banks are defined as banks that provide and carry out their



main business activities through electronic channels with limited offices or without physical offices other than the head office. One example of an existing Digital Bank is DBS Bank, based in Singapore, which has become a leader in the digital transformation of banking in Asia. They offer a variety of digital services, including online account opening, app-based banking services, and the latest security technology. DBS is also active in developing financial innovations, such as the use of blockchain technology. Additionally, Ally Bank in the United States is an example of a successful international digital bank. Ally Bank completely operates online with no physical branch offices. They offer a variety of banking products for example savings, deposits, and loans focusing on easy customer experiences, competitive interest rates, and no incremental costs.

The importance of sustainability becomes a key aspect in the development of the banking industry in the future. Banks are increasingly focusing on sustainable finance initiatives including financing environmentally friendly projects and developing financial products that promote corporate social responsibility. Overall, the future development of the banking industry reflects deep changes in business paradigms. Technology and innovation play a central role in providing more efficient, faster, and relevant services to customers while still paying attention to the aspects of sustainability and social responsibility.

Considering this, Bank Jatim conducted a competitive analysis through Strengths, Weaknesses, Opportunities, Challenges (SWOC) Analysis. Factors considered as the internal advantages of Bank Jatim are presented as follows:

1. Adequate digital banking technology infrastructure to compete with the industry.
2. Synergy with a variety of parties, such as fintech, regional government, and other related parties.
3. Diverse financial product and service offerings for various customer segments.
4. Have good relationships and synergy with shareholders, especially the Provincial Government and Regency/City Government.

By utilizing its internal advantages, Bank Jatim is optimistic that it will have good prospects in the future. The opportunities for Bank Jatim in 2024 are as follows:

1. Shifting people's behavior in using banking technology.
2. Demographic landscape of the millennial populations who are active users of the internet and e-commerce, as well as the potential for the digital economy and finance.

3. Positive climate of sustainable economic growth in East Java.
4. There are still a lot of market opportunities originating from the regional government and private ecosystems.
5. There is still a large potential for Bank Jatim's market share, especially for civil servants (PNS).
6. Regional-based economic development programs in East Java Province.
7. The utilization of artificial intelligence (AI) and new technology to improve operational efficiency and customer experience.

Not only conducting SWOC Analysis, but Bank Jatim also carries out Internal Factors Analysis Strategy (IFAS) and External Factors Analysis Strategy (EFAS) Matrix Analysis in formulating business development strategies. The description of the bank business development strategy formulation in 2024 is presented as follows:

1. Loan/financing distribution activities, especially to productive and potential economic sectors which are balanced with the development and improvement of facilities and infrastructure that support business activities (improving regulations and supporting technology) by paying attention to prudential banking principles.
2. The utilization of strategic projects in order to encourage economic growth and improve business performance through the distribution of productive loan to strategic sectors and UMKM especially in East Java Province.
3. The optimization and improvement of information technology-based products and services by paying attention to prudential banking and security principles.
4. Expanding and deepening the market in order to improve business and achieve financial inclusion through improving services and optimizing the role of the network including Laku Pandai agents.
5. Increasing profitability through leveraging the CASA ratio, improving credit quality, providing sustainable devisa financial services, and developing other digital-based and customer-oriented products.
6. Expanding and improving cooperation with various parties in order to increase business in the fields of funds and credit/financing.
7. Maintaining good relationships with customers, especially shareholders such as providing full support for government programs and playing an active role in strategic projects, particularly in East Java Province.
8. Increasing digital-based services and building an ecosystem as well as supporting facilities both with the Regional Government and the private sectors with the aim of accelerating Bank Jatim's performances.



## Achievement of Targets and Future Targets

### Target Achievement

In general, Bank Jatim's target achievement in 2023 has shown good results. Descriptions related to comparisons of financial targets and realization, capital structure, marketing and HR development are presented as follows.

### Comparison of Financial Target and Realization

Comparison of financial targets and realization in 2023 is as follows.

**Table of Comparison Bank Business Plans and Financial Realization in 2023**

(in IDR million)

Description 1	Realization 2023 2	Target 2023 3	Achievement 4=2/3
<b>FINANCIAL POSITION</b>			
Asset	103,854,773	106,827,245	97.22%
Loans	54,760,903	54,738,950	100.04%
Third-party funds	78,196,910	90,406,639	86.49%
Current Account	20,926,362	25,606,820	81.72%
Savings	28,815,896	28,460,999	101.25%
Time deposit	28,454,652	36,338,820	78.30%
<b>PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME</b>			
Interest income	7,357,284	7,044,434	104.44%
Other operating income	648,420	1,786,030	36.31%
Current year profit	1,470,105	1,648,908	89.16%
<b>FINANCIAL RATIOS (%)</b>			
Capital Adequacy Ratio (CAR)	25.71	21.74	118.26%
Non-Performing Loans (NPL) Gross	2.49	2.50	99.60%
Return on Assets (R O A)	1.87	2.19	85.39%
Return on Equity (R O E)	13.96	15.91	87.74%
Net Interest Margin (NIM)	5.57	5.74	97.04%
Operating Costs Operating Income (BOPO)	77.27	72	107.32%
Loan to Deposit Ratio (LDR)	70.03	60.55	115.66%

Total assets reached 97.22% with realization in 2023 of IDR 103.85 trillion, slightly below the target due to a decrease in deposits. The credit provided reached 100.04% with a realization of IDR 54.76 trillion in 2023. Third party funds realized IDR 78.19 trillion in 2023 with an achievement of 86.49%, this is in line with the decline in deposits. However, third party funds from savings managed to exceed the target by reaching 101.25%

In terms of income, the achievement of interest income is 104.44% with realization in 2023 of IDR 7.36 trillion. The profit achievement for the current year in 2023 is 89.16% with the realization of IDR 1.45 trillion which is below the target. This was due to an increase in interest expenses resulting from an increase in CASA.

CAR ratio in 2023 will be 25.71%, with a target achievement of 118.26%. By distributing credit that adheres to the principle of prudence (prudential banking practices) as well as strengthening risk management and implementing an NPL reduction strategy in 2023, Bank Jatim's gross NPL can be maintained at the level of 2.49% or lower than the target of 2, 50%.

In the future, Bank Jatim will continue to implement the strategies that have been determined, and is committed to being able to play an active role in the BPD transformation program which has high resilience and competitiveness while continuing to act as an agent of development in the region through inclusive and sustainable growth.



## Comparison of Target and Realization of Capital Structure

Bank Jatim's capital has resilience in facing various changes in the business environment in 2023, this is marked by the achievement of the total core capital and supplementary capital target of 106.21% with realization in 2023 amounting to IDR11.54 trillion. In order to maintain and strengthen capital,

bank capital management strategies implemented in 2023 include increasing bank capital through bank profits, increasing capital through general reserves from undivided profits, increasing capital through asset revaluation and optimizing RWA.

**Table of Comparison of Target and Realization of Capital Structure in 2023**

(in IDR million)

Description 1	Realization 2023 2	Target 2023 3	Achievement 4=2/3
Main core capital (CET 1)	11,025,184	10,361,423	106.41%
Complementary capital (Tier 2)	516,010	504,996	102.18%
Total Core Capital and Supplementary Capital	11,541,194	10,866,419	106.21%

## Comparison of Marketing Target and Realization

A description of the comparison of marketing targets and realization is presented as follows.

**Table of Comparison of Marketing Targets and Realization in 2023**

Description Target	Realization in 2023
Pursue (One Account One Student)	A total of 51,402 student accounts have been opened for SimPel and SimPel iB
Thematic DPK Promo Program.	DPK promo programs have been held such as Gen 1 Like Cycle, Gen 2 Like Cycle, Cash Pro, Love Cycle, Ramadhan Cycle, Yes Fresh Fund Promo and Top Up.
Simpeda and Cycle Savings Lottery .	The sweepstakes of cycle savings was held in August while the sweepstakes of Simpeda savings in December.
Event Sponsorship Collaboration in the Bank Jatim working area.	Several events of sponsorship collaborations have been carried out including: <ul style="list-style-type: none"> <li>- Sponsorship for Blissfull Ramadhan activities to increase Bank Jatim brand awareness.</li> <li>- Collaboration with the East Java Provincial Transportation Service for the branding of Bank Jatim on the TransJatim bus fleet (10 buses) on the Sidoarjo &gt; Gresik &gt; Surabaya route.</li> <li>- Sponsorship for Ramadhan Megilan Vol 2 2023 activities to increase Bank Jatim brand awareness.</li> <li>- Sponsorship of Silaturahmi and Golf activities with BMPD in Java to increase Bank Jatim brand awareness.</li> <li>- Sponsorship of Maddendang Cultural Festival activities to increase Bank Jatim brand awareness.</li> </ul>
The optimization of QRIS implementation.	<ul style="list-style-type: none"> <li>- Transaction Promo Program for Bank Jatim's QRIS merchants at hotels in the Surabaya area (The Alana, Kampi, and Deka Hotel) as well as the event sponsorship.</li> <li>- Culinary Branding at the Culinary Tourism Center Jl Karang Bulak/Pinghay (Next to BRI Tower).</li> </ul>
Financial Inclusion Month promo program.	The 2023 Financial Inclusion Month (BIK) activities were carried out simultaneously by the OJK in the fourth quarter, precisely in October 2023. Additionally, the promotion of the BIK program was also carried out at every Bank Jatim activity (road to BIK).
Go-Speed Current Account Promo Program.	A Current Account promo program has been carried out starting from November 2023 and funds with a total of IDR128,500 billion have been collected in the corporate sector which is kept in the form of Current Account savings for a period of 1 (one) month and 3 (three) months.
Collaborating with banking institutions/entities/ other companies.	Several MOUs and collaborations with partners/entities/other companies have been conducted in which 28 MOUs and 92 Head Office PKS and 79 Branch PKS have been resulted during 2023.



Description Target	Realization in 2023
The development of the State Revenue System for Collecting Agent (Bank Jatim) version 3.0 in relation with the implementation of CTAS.	The preparation of internal and external resources as well as system integration in the context of implementing the Core Tax Administration System (CTAS) and the mechanism for checking the status of State Revenue Module (MPN) transactions.
The integration of the Siskeudes Village Financial System with the Ministry of Home Affairs.	The implementation of Non-Cash Transactions (TNT) in several villages in East Java.
Accelerating the activation of non-cash transactions through the use of Cash Management System (CMS) facilities by the APBN Management Working Unit.	Optimizing the use of CMS and developing the VA Dashboard in order to provide easy and quick monitoring of CMS use by the PKN Directorate, DJPb Regional Office, KPPN, and the Ministry/ Agency Headquarters.
The implementation of Digital Population Identity (IKD) for Banking in collaboration with the Directorate General of Population and Civil Registration, Ministry of Home Affairs.	Bank Jatim is the first in Indonesia, the first BPD implementing the use of Digital KTPs.

### Comparison of Targets and Realization of Hr Development

The achievement of education and training (Diklat) costs was realized at 54.33%, which was below the target. However, if we look at the realization of the education and training budget in 2023, there has been a significant increase, namely an increase of 63.06% from IDR23,834 billion in 2022

to IDR38,865 billion in 2023. This increase is also reflected in the budget absorption reaching 54.33% in 2023. This is partly driven by the increasing implementation of education and training activities held both online and offline to support the Bank's business activities

**Table of Comparison of Targets and Realization of Human Resource Development in 2023**

(in Full Rupiah)

Description	Realization 2023	Target 2023	Achievement
1	2	3	4=2/3
Education and training costs (Training)	38,865,797,580	71,535,425,000	54.33%

### Future Target (Projection)

East Bank Management has prepared a Bank Business Plan for 2024 taking into account current economic conditions and economic projections for 2024, both from a macro and micro perspective.

**Table of Assumptions in Preparing Projections**

Indicator	2024
Economic Growth (% yoy)	5.2
Inflation (% yoy)	2.8
Exchange Rate (IDR/USD)	15,000
10 Year SBN Interest Rate (%)	6.7
Indonesian Crude Oil Price (US\$/barrel)	80
Lifting (thousand barrels per day)	625
Lifting (thousand barrels of oil equivalent per day)	1,033

Source: 2024 State Revenue and Expenditure Budget Plan (RAPBN), Ministry of Finance





# Financial Projections

Description of financial projections in 2024 is presented as follows:

Table of 2024 Financial Projection

(in IDR million)

Description	Projection 2024
1	2
<b>FINANCIAL POSITION</b>	
Asset	117,292,667
Loans	66,831,046
Third-party funds	100,308,905
Current account	29,431,571
Savings	33,872,755
Time deposit	37,004,578
Loans received	536,020
<b>PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME</b>	
Interest income	7,814,118
Other operating income	1,682,001
Current year profit	2,241,019
<b>FINANCIAL RATIOS (%)</b>	
Capital Adequacy Ratio (CAR)	23.54
Non-Performing Loans (NPL) Gross	2.40
Return on Assets (ROA)	1.99
Return on Equity (ROE)	14.70
Net Interest Margin (NIM)	5.79
Operating Costs Operating Income (BOPO)	75.82
Loan to Deposit Ratio (LDR)	66.63

# Capital Structure Projections

A description of the projected capital structure in 2024 is presented as follows:

Table of capital structure projection for 2024

(in IDR million)

Description	Projection 2024
1	2
Main core capital (CET 1)	11,243,084
Complementary capital ( Tier 2)	557,711
<b>Total Core Capital and Supplementary Capital</b>	<b>11,800,795</b>



## Dividend Policy Projections

Description of the projected dividend policy for the 2023 financial year which will be distributed in 2024 is presented as follows:

**Table of Dividend Policy Projection**

(in IDR million)

Description	Projection
1	2
Estimated Net Profit for 2023	1,470,105
Estimated Total Dividends distributed	816,693
Estimated Dividends obtained by the Provincial Government (Pemprov) of East Java	417,547
Dividend Payout Ratio (%)	54,39%

**\* Notes:**

For the estimated distribution of dividends for the 2023 financial year which will be distributed in 2024, after obtaining approval from the East Java Provincial Government as Controlling Shareholder (PSP).

## Marketing Projections

In 2024 Banks prepared marketing projections as follows:

1. Event Promo Program (Jatim Prioritas Community, Anniversary).
2. Like-Like Cycle.
3. Collaboration in Financial Services in the Retail and Individual Segments through QRIS.
4. Implementing the Joint Commitment among the Governor of East Java, OJK and Bank Jatim regarding the KEJAR (one student, one account) program.
5. Opening of Savings Accounts for students in East Java with initial deposit stimulation targeting approximately 50,000 accounts.
6. Simple Day activities, financial literacy and inclusion, collaboration with government and OJK programs, and collaboration with school programs including Bank Mini.
7. QRIS merchant acquisition program, targeting modern market traders, malls, and traditional traders.
8. Bank Jatim QRIS merchant branding and promo program.
9. Thematic DPK promo program.
10. The participation in OJK Financial Inclusion Month activities.
11. The participation in event sponsorship in the Bank Jatim working area.
12. Bank Jatim Savings Sweepstakes Program.

13. The development and utilization of the payment ecosystem.
14. The development of web-based Regional Financial Electronification.
15. The initiation of centralization of Regional Public Service Agencies (BLUD) fund management agreements, with Bank Jatim's financial service facilities (both in the form of offline services and Bank Jatim's digitalization program).

## HR Development Projections

An HR development strategy is a plan regarding how the quality of human resources can develop in a better direction and increase their work capabilities. An HR development strategy can run well if it is accompanied by a carefully planned HR development program. So it is hoped that it will be able to help achieve the goal of producing quality human resources. One of the HR development programs is holding training programs for employees.

Bank Jatim develops quality human resources in 2023 through education and training programs. There are several types of HR training that can be carried out, including skills training , retraining or retraining, team training , creativity training and others. In 2024, the projected human resource development for all employees is 5,242 people.

**Table of HR Development Projection for 2024**

(in People)

Description	2024 Projections
1	2
Training for organic employees	5,242



## Policies, Announcements and Payment of Dividend

### Dividend Policy

The dividend policy is prepared to ensure that all Shareholders receive their rights and equal treatment for dividends distributed by the Bank in accordance with the principles of good governance and applicable regulations while still taking into account the interests of the Bank. Based on the distribution mechanism, dividends are divided into 2 (two), namely final dividends and interim dividends. The number of dividends distributed is linked to the Bank's profit in the financial year concerned, without ignoring the Bank's profit level and reducing the rights of the Company's General Meeting of Shareholders to determine other things/aspects in accordance with the provisions of the Bank's Articles of Association. The dividend distribution plan must be included in the Bank's Business Plan submitted to the Financial Services Authority.

It is possible for banks to distribute dividends of at least 50% (fifty percent) of the current year's net profit which can be distributed in the form of cash dividends taking into account:

- The achievement of Bank financial performance.
- The Bank's Capital Adequacy Ratio (KPM) level after distribution of dividends and other investment projects that require significant capital, is not less than the ratio provisions determined by the Bank and/or regulatory provisions from time to time.

- Bank Health Level.
- Bank financial condition.
- Profit growth expectations.
- Considering the Bank's capital needs in the future.
- Bank development/growth plans and strategies.
- Bank business sustainability.
- Market conditions.
- Shareholder Interests.
- Compliance with relevant and applicable regulations.
- Banks can only distribute dividends if the Bank has a positive profit balance, after taking into account the reserves that must be established as required by the Incorporated Company (Perseroan Terbatas) Law.

In the event that the Bank experiences problems as explained in the points above and/or experiences financial performance conditions that require special treatment, the Bank may:

- Proposing to the RUPS to postpone dividend payments;
- Stopping the payment of approved dividends;
- Stopping the payment of dividends in installments or stopping the payment of dividends gradually; and/or
- Withdrawing dividend payments to Controlling Shareholders, in the event that the Bank experiences financial performance problems.

### Announcement and Payment of Dividend

Based on the AGMS Decision, PT Bank Pembangunan Daerah Jawa Timur Tbk carried out the announcement and payment of dividends as in the following table.

**Table of Dividend Announcement and Payment Table**

Description	Fiscal Year 2022	Fiscal Year 2021	2020 Fiscal Year	2019 Fiscal Year	2018 Fiscal Year
Net Profit (IDR)	1,542,824,394,640	1,523,069,838,418	1,488,961,630,120	1,376,505,140,913	1,260,308,411,500
Dividends (IDR/IDR)	797,172,793,173.38	782,457,605,053.02	733,507,081,305.70	723,747,007,552.40	683,865,985,709.02
Non-Cash Dividends *)	-	-	-	-	-
Dividend Per Share (IDR)	53.09	52.11	48.85	48.20	45.61
Non-Cash Dividend Per Share *)	-	-	-	-	-
Total Shares	15,015,498,082	15,015,498,082	15,015,498,082	15,015,498,082	14,978,134,982
Dividend Payout Ratio (%)	51.67%	51.37%	49.26%	52.58%	54.26%
Announcement Date	March 3, 2023	March 29, 2022	May 5, 2021	May 5, 2020	May 9, 2019
Payment date	May 12, 2023	April 14, 2022	May 28, 2021	May 20, 2020	May 29, 2019
Non-Cash Dividend Payment Date *)	-	-	-	-	-

\*) Bank Jatim does not have non-cash dividends



## Announcement and Payment of Dividend for Fiscal Year 2022

On April 12, 2023 Bank Jatim held an AGMS which approved and determined the use of Bank Jatim's net profit for the financial year ending December 31, 2022 amounting to IDR1,542,824,394,640.00 as follows:

1. An amount of IDR797,172,793,173.38 or 51.67% of Bank Jatim's net profit for the 2022 financial year was distributed as cash dividends to shareholders registered in the Company's Register of Shareholders as of May 2, 2023 which will be paid on May 12, 2023.
2. A total of IDR745,651,601,466.62, 48.33% of Bank Jatim's net profit for the 2022 financial year is designated as General Reserves.

## Announcement and Payment of Dividend for Fiscal Year 2021

On March 17, 2022 Bank Jatim held an AGMS which approved and determined the use of Bank Jatim's net profit for the financial year ending 31 December 2021 amounting to IDR1,523,069,838,418.00 as follows:

1. In the amount of IDR782,457,605,053.02 or 51.37 % of Bank Jatim's net profit for the 20 21 financial year distributed as cash dividends to shareholders registered in the Company's Register of Shareholders as of March 29, 2022 which will be paid on the April 14, 2022.
2. Amounting to IDR740,612,233,364.98, a total of 48.63 % of Bank Jatim's net profit for the 20-21 financial year is designated as General Reserves.

## Realization of Use of Public Offering Proceeds

The last public offering was carried out in 2012 and the use of proceeds from the public offering was in accordance with plan. So that 2023 is not a reporting period for the use of public offering proceeds, Bank Jatim has no obligation to submit a report on the realization of the use of public offering proceeds.

## Material Information Regarding Investment, Expansion, Divestment, Merger/Consolidation Businesses, Acquisitions, Debt / Capital Restructuring

Throughout 2023 , Bank Jatim did not carry out investment, expansion, divestment, business merger/consolidation, acquisition and debt/capital restructuring activities .

## Information on Material Transactions Containing Conflicts of Interest and/or Transactions With Affiliated Parties

Material Transactions are any transactions carried out by a public company or controlled company that meet the transaction value limit equal to 20% (twenty percent) or more of the Public Company's equity (Financial Services Authority Regulation Number 17/POJK.04/2020 concerning Material Transactions and Changes in Business Activities).

### Conflict of Interest Transactions

In accordance with the provisions in the Financial Services Authority Regulation Number 42/POJK.04/2020 concerning Affiliate Transactions and Conflict of Interest Transactions, a Conflict of Interest is the difference between the economic interests of a public company and the personal economic interests of members of the board of directors, members of the board of commissioners, major shareholders, or controllers who can be detrimental to the listed company in question.

One effort to avoid conflicts of interest is that all parties, both employees and company leaders, must comply with the established code of ethics and avoid activities that could cause a conflict of interest.

During 2023 there will be no transactions that meet the category of conflict of interest transactions.

### Transaksi Afiliasi

Based on the provisions of Financial Services Authority Regulation Number 42/POJK.04/2020 concerning Affiliate Transactions and Conflict of Interest Transactions, Affiliates are:

- a. Family relationships due to marriage and descent up to the second degree, both horizontally and vertically;
- b. The relationship between the party and the employee, director or commissioner of that party;
- c. Relationship between 2 (two) Companies where there are 1 (one) or more members of the same Board of Directors or Board of Commissioners;
- d. Relationship between the Company and the Party, whether directly or indirectly, controlling or controlled by the company;
- e. Relationship between 2 (two) companies controlled, either directly or indirectly, by the same party; or
- f. Relationship between the Company and Major Shareholders.



Furthermore, Affiliate transactions are any activity and/or transaction carried out by a public company or controlled company with an Affiliate of a public company or an Affiliate of a Member of the Board of Directors, Member of the Board of Commissioners, Major Shareholder or Controller, including any activity and/or transaction carried out by Public Company or Controlled Company for the benefit of Affiliates of Public Companies or Affiliates of members of the Board of Directors, Members of the Board of Commissioners, Major Shareholders, or Controllers.

Transactions with affiliated parties have potential risks, namely the risk of misuse by parties which may be detrimental to the Bank. Therefore, Bank Affiliated Parties are prohibited from using the Bank for personal, family and/or other party interests which may harm or reduce the Bank's profits.

During 2023 there were none transactions that meet the category of affiliated party transactions.

## Related Party Transactions

In the normal course of its business, the Bank enters into transactions with related parties which are defined under PSAK 7 (Revised 2015), "Related Party Disclosures". The meaning of a related party is a person or entity that is related to a reporting entity as follow:

- i. A person or a close member of that person's family is related to a reporting entity if that person:

- a) Has control or joint control over the reporting entity;
- b) Has significant influence over the reporting entity; or
- c) A member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- ii. An entity is related to the reporting entity if any of the following conditions applies:
  - a) The entity and the reporting entity are members of the same Bank and its subsidiaries (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Bank and its subsidiaries of which the other entity is a member);
  - c) Both entities are joint ventures of the same third party;
  - d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity;
  - f) The entity is controlled or jointly controlled by a person identified in (i);
  - g) A person identified in (i). (a) has a significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity); or
  - h) The entity or any members of a Bank and its subsidiaries of which it is a part, provides key management personnel service to the reporting entity or to the parent of the reporting entity

## Name of the Transacting Party and Nature of the Relationship

Description of the name of the transacting party and the nature of the relationship is presented as follows:

**Table of Names of Parties and Nature of Related Transaction Relationships**

Related Parties	Nature of Relationship	Nature of the Transaction
Government of East Java Province	Shareholder	Fund Placement
Government of Surabaya City	Shareholder	Fund Placement
Government of Malang Regency	Shareholder	Fund Placement
Government of Jember Regency	Shareholder	Fund Placement
Government of Pasuruan City	Shareholder	Fund Placement
Government of Banyuwangi Regency	Shareholder	Fund Placement
Government of Probolinggo Regency	Shareholder	Fund Placement
Government of Bondowoso Regency	Shareholder	Fund Placement
Government of Sidoarjo Regency	Shareholder	Fund Placement
Government of Tuban Regency	Shareholder	Fund Placement
Government of Situbondo Regency	Shareholder	Fund Placement



Related Parties	Nature of Relationship	Nature of the Transaction
Government of Kediri Regency	Shareholder	Fund Placement
Government of Lumajang Regency	Shareholder	Fund Placement
Government of Lamongan Regency	Shareholder	Fund Placement
Government of Nganjuk Regency	Shareholder	Fund Placement
Government of Mojokerto Regency	Shareholder	Fund Placement
Government of Sampang Regency	Shareholder	Fund Placement
Government of Malang City	Shareholder	Fund Placement
Government of Pasuruan Regency	Shareholder	Fund Placement
Government of Bangkalan Regency	Shareholder	Fund Placement
Government of Gresik Regency	Shareholder	Fund Placement
Government of Mojokerto City	Shareholder	Fund Placement
Government of Pacitan Regency	Shareholder	Fund Placement
Government of Batu City	Shareholder	Fund Placement
Government of Ngawi Regency	Shareholder	Fund Placement
Government of Jombang Regency	Shareholder	Fund Placement
Government of Madiun Regency	Shareholder	Fund Placement
Government of Pamekasan Regency	Shareholder	Fund Placement
Government of Tulungagung Regency	Shareholder	Fund Placement
Government of Blitar Regency	Shareholder	Fund Placement
Government of Ponorogo Regency	Shareholder	Fund Placement
Government of Trenggalek Regency	Shareholder	Fund Placement
Government of Magetan Regency	Shareholder	Fund Placement
Government of Bojonegoro Regency	Shareholder	Fund Placement
Government of Probolinggo City	Shareholder	Fund Placement
Government of Blitar City	Shareholder	Fund Placement
Government of Madiun City	Shareholder	Fund Placement
Government of Kediri City	Shareholder	Fund Placement
Government of Sumenep Regency	Shareholder	Fund Placement
Government of Bojonegoro Regency	Shareholder	Fund Placement
Government of Lamongan Regency	Shareholder	Fund Placement
Government of Sumenep Regency	Shareholder	Fund Placement
PT Bank Perkreditan Rakyat Jawa Timur	Owened by the same final Shareholder	Loans, Fund Placement
Dewan Komisaris, Direksi dan Pejabat Eksekutif	Key employees	Customer Savings, Expenses Labor
RKUD Kabupaten Lamongan	Owened by the same final Shareholder	Loans, Fund Placement
Pemda Kabupaten Lamongan	Owened by the same final Shareholder	Loans, Fund Placement

## Fairness and Reasons for the Transaction

In normal business activities, Bank Jatim carries out transactions with related parties due to ownership and/or management relationships. All transactions with related parties have been carried out with mutually agreed policies and conditions and comply with the arm's length principle . Related party transactions occur because of Bank Jatim's business needs.



## Realization of Related Party Transactions

Balance of productive assets, savings, loans received and commitments and contingencies from parties related are as follows:

**Table of Realization of Related Party Transactions**

(in IDR million)

Description	2023	2022
<b>ASSET</b>		
<b>loan provided and sharia financing (Note 12)</b>		
Key management loans	100,611	104,192
Rek Kas Umum Daerah Lamongan	30,914	24,851
Pemda Kab Lamongan	46,220	-
Etc	7,103	5,828
<b>Total</b>	<b>184,848</b>	<b>134,871</b>
<b>Percentage of Total assets</b>	<b>0.18%</b>	<b>0.13%</b>
<b>LIABILITIES</b>		
<b>Deposits from customers (Note 18)</b>	<b>12,644,538</b>	15,295,405
Percentage of Total liabilities	14.15%	17.05%
Deposits from other banks (Note 19)	-	-
PT BPR East Java	12,648,302	141,996
<b>Total</b>	<b>12,648,302</b>	<b>141,996</b>
<b>Percentage of Total liabilities</b>	<b>14.16%</b>	<b>0.16%</b>
<b>PROFIT &amp; LOSS AND OTHER COMPREHENSIVE INCOME</b>		
<b>Interest income (Note 30)</b>	<b>13,968</b>	<b>8,052</b>
Percentage of total interest and sharia income	0.19%	0.12%
<b>Interest and sharia expenses</b>	<b>459,124</b>	<b>471,882</b>
Percentage of total interest and sharia expenses	19.82%	24.01%
<b>COMMITMENTS AND CONTINGENCIES</b>		
There are no balances of commitments and contingencies to related parties for the years ended December 31 2023 and 2022	-	-
<b>KEY MANAGEMENT COMPENSATION</b>		
Compensation for key Bank management personnel (excluding Commissioners and Directors)		
Wages	17,656	22,995
Production service	12,009	12,053
Allowance	7,458	10,520
<b>Total</b>	<b>37,123</b>	<b>45,569</b>

Details of the names of parties related to the realization (value) of related party transactions are presented in the notes to Financial Report No. 40 attached to this Annual Report. These related transactions are business activities carried out in order to generate business income and are carried out routinely, repeatedly and/or continuously.

## Review Mechanism Policy on Transactions and Compliance With Related Regulations and Conditions

Transactions with related parties that are material or significant must first be reviewed by the Risk Monitoring Committee and obtain approval from the Board of Commissioners. All transactions have gone through a review mechanism according to the type of transaction and an analysis of the feasibility of the transaction has been carried out. Throughout 2023 there were no violations of laws and regulations related to transactions with related parties. If transactions with related parties require shareholder approval, the approval is carried out by shareholders who have no interest in the transaction.



## Changes in Legal Regulations and Its Impact on Bank

Changes to several statutory regulations throughout 2023 and their impact on Bank Jatim are described in the following table

**Table of Changes to Legislative Regulations in 2023**

No	Legislation	Setting Tree	Adjustment Information Which is conducted	Impact on Financial Reports
1.	Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector	<p>This law regulates the financial sector ecosystem which includes:</p> <ul style="list-style-type: none"> <li>a. Institutional;</li> <li>b. Banking;</li> <li>c. Capital Market, Money Market, and Exchange Market;</li> <li>d. Insurance and guarantee;</li> <li>e. Joint Business Insurance;</li> <li>f. Policy guarantee program;</li> <li>g. Financing Services Business;</li> <li>h. Bullion business activities (bullion);</li> <li>i. Pension Funds, old age security programs, and pension programs;</li> <li>j. Cooperative activities in the sector of financial services;</li> <li>k. Microfinance institutions;</li> <li>l. Financial Conglomeration;</li> <li>m. Financial Sector Technology Innovation (ITSK);</li> <li>n. The Implementation of Sustainable Finance;</li> <li>o. Financial Literacy, Financial Inclusion, and Consumer Protection;</li> <li>p. Access to financing for Micro, Small and Medium Enterprises;</li> <li>q. Human Resources;</li> <li>r. Financial System Stability;</li> <li>s. Indonesian export financing institution; and</li> <li>t. Law enforcement in the financial sector</li> </ul> <p>Specifically in the banking sector, there are provisions regulated in Law Number 7 of 1992 as amended several times, most recently by Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation, including changes to provisions related to Commercial Bank Business Activities, the application of the precautionary principle and the application of the principle of Good Governance, and Bank Confidentiality provisions.</p>	With the issuance of Law Number 4 of 2023, especially amendments to Law Number 7 of 1992 concerning Banking as it has been amended several times, most recently with the Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation and the enactment of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation to become Law through Law Number 6 of 2023, the Bank made adjustments to the Articles of Association of PT Bank Pembangunan Daerah Jawa Timur Tbk.	Does not have a significant quantitative impact on Bank Jatim Financial Report.
2.	Law Number 6 of 2023 concerning the Stipulation of Government Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation into Law	<p>This law regulates the stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation. Specifically, for the banking sector, there are changes to the provisions regulated in Law Number 7 of 1992 as has been amended several times, most recently with the Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation, including changes to provisions related to the requirements for establishing a Commercial Bank.</p>	With the issuance of Law Number 6 of 2023, especially amendments to Law Number 7 of 1992 concerning Banking as has been amended several times, most recently with Law Number 6 of 2023 concerning the Determination of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation Becoming Law, the Bank made adjustments to the Articles of Association of PT Bank Pembangunan Daerah Jawa Timur Tbk as per Deed Number 15 dated May 9, 2023.	Does not have a significant quantitative impact on Bank Jatim's Financial Report.





No	Legislation	Setting Tree	Adjustment Information Which is conducted	Impact on Financial Reports
3.	The Republic of Indonesia Financial Services Authority Regulation Number 17 of 2023 concerning the Implementation of Governance for Commercial Banks.	<p>POJK Number 17 of 2023 regulates several matters which are the main points of regulation presented as follows:</p> <p>a. Implementating the principles of Good Governance in the Bank, which at least includes openness, accountability, responsibility, independence and fairness, and at least is realized in the implementation of the duties, responsibilities and authority of the Board of Directors and Board of Commissioners, the completeness and implementation of committee duties, handling conflicts of interests, the application of the compliance function, the application of the internal audit function, the application of the external audit function, the application of risk management, the provision of remuneration, the provision of funds to related parties and the provision of large funds, the integrity of reporting and information technology systems, Bank strategic plans, shareholder aspects, implementing the strategy of anti-fraud, implementing sustainable finance, and implementing governance within the bank business group.</p> <p>b. In the POJK, apart from discussing the scope of the application of Good Governance principles in banks, it also regulates the Board of Directors, Board of Commissioners, Committees, Conflicts of Interest, the Implementation of the Compliance Function, Internal Audit Function, External Audit Function, the Implementation of Risk Management, Providing Remuneration, application of principles prudence in providing funds to related parties and providing large funds, the integrity of reporting and information technology systems, Bank strategic plans, Shareholder Aspects, the Implementation of Anti-Fraud Strategy, the Implementation of Sustainable Finance, Governance in Bank Business Groups, Governance Implementation Reports and Assessment of the Implementation of Governance, the Implementation of Good Governance in Banks for KCBLN.</p>	With the issuance of the POJK provisions, the Bank is gradually reviewing the Bank's internal regulations related to the implementation of good governance at the Bank, including the progress that has been made, one of which is reviewing the working conditions of the Board of Directors.	Does not have a significant quantitative impact on Bank Jatim's Financial Report.
4.	POJK Number 8 of 2023 concerning the Implementation of Anti-Money Laundering Programs, Prevention of Terrorism Financing, and Prevention of Funding for the Proliferation of Weapons of Mass Destruction in the Financial Services Sector.	This POJK regulates PJK's obligations in preventing funding for the proliferation of weapons of mass destruction, regulations for the imposition of effective, proportional and dissuasive sanctions, PJK's obligations in submitting periodic Individual Risk Assessments to OJK, requirements and procedures for PJK's cooperation with third parties in the context of verification (face to face) and (non-face to face) via electronic devices, improving the provisions of the compliance management function and carrying out independent internal audits, pre-employee screening procedures, PJK's obligation to submit data for supervision needs, as well as the arrangement of supporting documents for the Indonesian Diaspora. Apart from this, simple Customer Due Diligence (CDD) obligations are also regulated, CDD towards Beneficial Owners towards all types of customers including public companies/issuers and state institutions, prohibitions on outsourcing or agency relationships in Third Party CDD, increasing the scope of Reporting Parties who are supervised by the OJK, namely the Trustee, LPBBI Organizer, SCF Organizer, and IKD Organizer as well as adding Individual Companies as new entities in the Corporation.	With the issuance of the POJK provisions, the Bank is gradually reviewing the Bank's internal regulations related to AML, CFT and PPPSPM implementation policies.	Does not have a significant quantitative impact on Bank Jatim's Financial Report.

## Changes in Accounting Policies

### Reasons for Changes in Accounting Policies

The changes of Accounting policy is required to meet the Indonesian Financial Accounting Standards applied to the current year.

### Information on Changes in Accounting Policies

On January 1, 2023, there are new standards and adjustments or amendments to several standards which are still valid and effective as of that date, namely as follows:

- Amendment to PSAK 1, "Presentation of Financial Statements on the Classification of Liabilities as Short Term or Long Term", earlier application is permitted. The amendments determine the requirements for classifying liabilities as current or non-current.
- Amendment to PSAK 25, "Accounting Policies, Changes in Accounting Estimates and Errors", earlier application is permitted. Amendments to PSAK 25 provide a new definition of accounting estimates and explanations.
- Amendment to PSAK 46, "Income Taxes" concerning Deferred Taxes related to Assets and Liabilities arising from Single Transactions, earlier application is permitted.



This amendment to PSAK 46 proposes that entities recognize deferred tax assets and liabilities at the time of initial recognition, for example from lease transactions, to eliminate differences in practice in the field for these transactions and similar transactions.

### Quantitative Impact of Changes in Accounting Policies on Financial Statements

The implementation of these standards did not result in substantial changes to the Bank accounting policies and did not have a material impact on the financial statements in the current period or the previous year.

## Bank Soundness Level

The bank's soundness level is assessed based on POJK. 4/ POJK.03/2016 concerning Assessment of the Soundness Level of Commercial Banks using a risk-based bank rating approach. Bank health level assessments are carried out on bank risks and performance which can be seen from the final ranking of the assessment results.

Assessing the level of bank health using a risk approach (risk based bank rating) which includes 4 (four) risk factors, namely:

1. Risk Profile
2. Good Corporate Governance (GCG)
3. Profitability ( Earnings )
4. Capital ( Capital )

**Bank Jatim Health Level Table Position December 31, 2022-2023 (self assessment)**

Rating Factors	Rating Per December 31, 2023	Rating Per December 31, 2022
Risk Profile	Rating 2	Rating 2
Good Corporate Governance (GCG)	Rating 3	Rating 3
Profitability	Rating 2	Rating 2
Capital	Rating 2	Rating 2
Composite Rating	Rating 2 (Healthy)	Rating 2 (Healthy)

## Business Continuity Information

### Items That Have The Potential To Have a Significant Influence on Business Continuity

The high geopolitical tension has been the only uncertainty factor foreseen to remain and to increase in the medium and the long runs. The second risk is the increasing frequency of another pandemic to come likely to cause deep multidimension crises. The third risk is the climate change issue threatening citizens' health, safety, finance, and prosperity. Another major risk is the digitalized technology as a factor to encourage advancements, yet to cause disruptive risks towards the global economy. Nevertheless, competitive advantage, sustainable innovation and transformation, and adaptive strategic policy implementation has helped reduce further pandemic impacts for the Bank's business performances reflected in the growth of financial performance throughout 2023.

### Assessment of Items that Have a Significant Influence on Business Continuity

The Bank periodically evaluates matters relating to the Bank's business continuity in the future. This evaluation is reflected in the Bank Health Level (TKB) composite score which is classified as healthy even during the pandemic. Based on the evaluation results, although there are several performance components that have not been achieved optimally, with the accommodative targeted policies adopted by management, the bank can mitigate risks that have a significant impact on financial performance throughout 2023.

Bank management has assessed the Bank's ability to maintain its business continuity and believes that the Bank has the resources to maintain its business in the future. In addition, management is not aware of any material uncertainties that could raise significant doubts about the Bank's ability to maintain its business.



## Assumptions Used By Management in Conducting the Assessment

Several assumptions that are taken into consideration by the Bank when conducting an assessment of the Bank's business continuity include the following:

1. The Bank's health level includes an assessment of the risk profile, profitability/earnings performance, capitalization and implementation of Good Corporate Governance (GCG).
2. Analysis of global, national and regional economic conditions.
3. Competitiveness analysis which includes the Strength, Weakness, Opportunities and Challenges (SWOC) matrix, Segmentation, Targeting and Positioning (STP) analysis, as well as analysis of the Bank's position in facing business competition.

## Taxation Aspects

### Governance Framework, Management and Control of Taxation Aspects

As a resident taxpayer, the Bank Jatim is eligible to receive tax remission issued by the government's incentives in accordance with the Regulation of the Ministry of Finance number 40, 2023 about Report Submission Forms and Procedures and Taxpayer Lists in terms of fulfilling the requirements of Income Tax Reduction for a resident taxpayer in the form of Public Company. A resident taxpayer deserves to receive cost reductions worth 3% by meeting the requirements according to the third Article:

1. In the form of Public Company
2. The whole amount of stock is sold in the Indonesian stock exchange at lowest of 40%
3. Meeting certain requirements:
  - a. Stocks must be possessed by at least 300 parties;
    - The 300 shareholders below 5% are excluded.
    - Public Company Taxpayers repurchase their stocks, and/or
    - Those with special relations are regulated in the Constitution of Income Tax with Public Company Taxpayers
  - b. Special relations for Public Company Taxpayers include:
    - Controlling Shareholders; and/or
    - Main Shareholders as regulated in the constitutions of capital market
  - c. Each party is only allowed to possess less than 5% out of the total stocks stored and fully deposited.

- d. The abovementioned clauses must be met at least in 183 days' time over one-year tax period; and
- e. The requirement fulfilling processes are held by the Public Company Taxpayers by reporting it to the Directorate General of Taxation.

As of the above clauses, Bank Jatim can receive 3% lower fare than the original 22% applied in 2023 resulting in the 19% of tax being paid according to the Income Tax Agency.

The approach of Bank Jatim towards taxation is heavily based on the obedience of the entirely applied taxation regulations. Bank Jatim have created taxation strategies and policies approved and reviewed by the Director of Finance, Treasury and Global Services in reporting the Annual Tax Return of the Income Tax Agency which is annually observed by the Director of Finance, Treasury and Global Services.

Bank Jatim has established structured, comprehensive processes to manage and control taxes, such as:

1. Corporate Governance Agency (executive) responsible to apply taxation strategies is the Director of Finance, Treasury and Global Services.
2. Taxation approaches applied in the company are done through the availability of Standard Operating Procedure of Taxation, the development of application systems to cover the taxation processes, and the enhancement of taxation awareness via trainings and socializations.
3. Identifying, managing, and monitoring the risks of taxation are done through sustainable monitoring and reconciliation by Taxation Groups and related work units.

The main stakeholders in the taxation is the government through the tax office. Bank Jatim, therefore, has always strengthened relationships with the Taxation Authority. The Bank has stood firmly on the obedience to the whole constitution regulations issued by the Taxation Authority. Bank Jatim operates solely in Indonesia which, therefore, issue its reports for Indonesia

### Tax Payment Publication

Bank Jatim in its operational activities, it has implemented Good Corporate Governance which is carried out in a transparent and accountable manner, especially in managing its tax rights and obligations, its tax rights and obligations are carried out in accordance with applicable regulations.



Total tax payments for the period January to December 2023 and 2022 are presented as follows.

**Table of Tax Payment**

(in IDR million)

Description Tax	Year 2023	Year 2022
Income Tax Article 21	173.259	136.726
Income Tax Article 23	5.775	5.144
Income Tax Article 25/29 Corporate	368.453	494.250
Income Tax Article 26	9.611	14.195
Income Tax Article 4 Paragraph 2 Final	135.935	142.884
Value Added Tax (VAT)	1.047	2.352
Stamp Duty Tax	5.793	7.082
<b>Total</b>	<b>699.873</b>	<b>802.634</b>

## Response To Changes In Monetary Policy Direction

Throughout 2023, the global finance was filled with the high global inflations, restrictions of monetary policies, and the high tension of geopolitics. Conflicts between Russia and Ukraine are still taking place and economic sanctions were given to Russia. Uncertainty of economic fluctuations and the US debts worth USD 31 trillion reaching its limits in January causing the debt ceiling to raise forced a default threat for the US to be faced. Such fluctuations seemed even worse with the news from the collapsed Silicon Valley Bank (SVB) in March shaking the global market resulting in millions of dollars of companies' and investors' capitals to be seriously impacted, which was recorded as the biggest failures of American banking since the 2008 financial crisis and as of the second biggest one ever in the history of the US. It led to the declines of investors' certainty towards the banking sector.

Labor market tightness in the US and Europe pushed inflation higher, forcing the US central bank to tighten interest in rates in April where the Fed raised its benchmark interest rate to 5.25% and triggered the interest rate policy to change in other countries including Indonesia. Bank Indonesia's benchmark interest rate (BI rate) has reached its highest level in the last 4 to 5 years. Throughout 2023, Bank Indonesia raised its benchmark interest rate twice by 50 basis points to 6% level. It closed the year of 2023 by maintaining the benchmark interest rate at this level at Bank Indonesia Board of Governor's Meeting on December 20 and 21, 2023. Despite Indonesia's manageable inflation, the increase of the interest rate was to maintain monetary stability by keeping potential foreign capital outflows from the country at bay.

A number of risks, however, remained to watch in welcoming 2024, including the on-going geopolitical tensions, especially with the rise of the conflicts between Israel and Palestine at the end of 2023. Economic slowdown happened in a number of countries, especially in Cina, which would have an impact on Indonesia's export and import performances, Indonesia's trade balance and high monetary policy interest rates and bond yields in developed countries. Furthermore, Indonesia's economic growth conditions were still optimistic, especially supported by household consumption and investment continuing to grow in line with public confidence and the continued completion of the National Strategic Project (PSN/NSP). It was estimated that Indonesia's economic growth could still grow in the range of 4.5% to 5.3% at the end of 2023, in accordance with the inflation rate which was still undercontrol based on Bank Indonesia's target in the range of 2% to 4 % in 2023.

It is foreseeable that in 2024 The Fed will open the chance for an interest rate cut in the second half of 2024 by 50 basis points. Bank Indonesia will respond by signaling a BI rate cut in the second half of 2024 by looking at the potential for maintaining Indonesia's inflation rate followed by the decision to set the Bank Indonesia's inflation target in 2024 at an optimistic 1.5% to 3.5%.

Banking liquidity conditions in 2023 were still considered adequate and supported by the Macroprudential Liquidity (KLM / ML) incentive policy to encourage credit or financing growth. Liquidity maintenance was also supported by the existence Bank Indonesia Rupiah Securities (SRBI) which were



traded in the secondary market to increase banking flexibility in managing liquidity and support the maintenance of banking lending capacity. Other liquidity indicators such as the ratio of Liquid Tools/Non Core Deposit (AL/NCD), Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) including the fulfillment of Statutory Reserves (GWM) and Macprudential Liquidity Buffer (PLM) are maintained in an optimal range and in accordance with the limits set by the Regulator.

Bank Jatim responded to the upward trend in Bank Indonesia benchmark interest rates by adjusting deposit rates and lending rates decided in the ALCO Meeting selectively and still paid attention to the bank's performance targets 2023 and supported by optimizing the increase in credit volume, maintenance of fund composition and Cost of Fund (COF), increased revenue derived from fee-based income transactions and overall overhead cost efficiency.

Although the Base Rate Loan of Bank's Rupiah Credit raised until the fourth quarter of 2023, the Bank's Rupiah Credit rate was 7.68% for Corporate Loans, Retail Loans was 8.22% and Consumer Loans-Non-Mortgage was 9.58%, the Bank's role as an intermediary institution to the community continued to be optimized so that credit growth was higher than the previous year. Business innovation continues to be improved along with system and procedure improvements to improve the quality of the credit/financing performance business process.

In accordance with the direction of Bank Indonesia's policy mixture in 2024 regarding monetary policy which is focused on stability, especially achieving inflation targets and rupiah exchange rate stability, the Bank will also support policies related to macroprudential, payment systems, deepening money markets, forex markets, and inclusive financial economic policies that are expected to support sustainable economic growth.

## Maximum Limit For Providing Credit and Providing Large Funds

Bank Jatim as a financial intermediation institution has guidance in running its business, one of which is related to providing funds to related parties. Bank Jatim in providing funds to related parties is subject to the Regulation of the Financial Services Authority of the Republic of Indonesia Number 32/POJK.03/2018 concerning the Maximum Limit for Providing Credit (BMPK) and Provision of Large Funds for Commercial Banks. The Maximum Limit for Providing Credit, hereinafter abbreviated to BMPK, is the maximum percentage of funds provided against the Bank's capital for providing funds to related parties as well as against the core capital (tier 1) of the Bank for providing funds to other than related parties.

## Provision of Funds to Related Parties

The portion of the Portfolio Providing Funds to Related Parties with the Bank as a whole, according to OJK regulations, is set at a maximum of 10% (ten percent) of Bank Capital, where what is meant by related parties is:

1. Individuals or companies who control the Bank;
2. Legal Entity in the case where the Bank acts as controller;
3. The Company, in the case of an individual or company as intended in letter a, acts as the controller;
4. Members of the Board of Directors, members of the Board of Commissioners, and Bank Executive Officers;
5. Parties who have horizontal or vertical family relationships:
  - a. From individuals who control the Bank as intended in letter a; And
  - b. From members of the Board of Directors and/or members of the Board of Commissioners at the Bank as referred to in letter d;
6. Members of the Board of Directors and/or members of the Board of Commissioners in the company referred to in point 1, point 2, and/or point 3;
7. Companies whose members of the Board of Directors and/or members of the Board of Commissioners are members of the Board of Commissioners of the Bank;
8. Companies where 50% (fifty percent) or more of the members of the board of directors and/or members of the board of commissioners are directors and/or commissioners of the company as referred to in point 1, point 2 and point 3;
9. Companies that:
  - a. Members of the Board of Directors, members of the Board of Commissioners, and/or Bank Executive Officers as referred to in letter d act as controllers; And
  - b. Members of the Board of Directors and/or members of the Board of Commissioners from the parties as referred to in point 1, point 2, and/or point 3 act as controllers;
10. Collective Investment Contract where the Bank and/or parties as referred to in letters a to letter I own 10% (ten percent) or more shares in the investment manager of the collective investment contract;
11. Companies that have financial relationships with Banks and/or parties as referred to in points 1 to 10;
12. The borrower is an individual or non-bank company that has a financial relationship through providing guarantees to parties as intended in points 1 to 11;
13. Borrowers who have financial relationships through guarantees provided by parties as referred to in points 1 to 11;
14. Other banks that have financial relationships through providing guarantees to parties as intended in points 1 to 11 in the event that there is a counter guarantee from the Bank and/or parties as intended in points 1 to 11 to the other Bank; And



15. Other companies in which there is an interest in the form of share ownership of 10% (ten percent) or more, independently or jointly, of the parties as intended in point 5 .

In accordance with the explanation regarding related parties above, the provision of credit to Directors and Commissioners is also included in provision to Related Parties where the provision of credit to Directors and Commissioners must obtain approval from the Board of Commissioners. Funding to Related Parties has been regulated by the Financial Services Authority (OJK) and Company regulations, namely the Bank Jatim Minimum Credit Limit Policy. The provisions and procedures for granting credit to the Board of Directors and Board of Commissioners apply the same as granting credit to prospective Bank Jatim debtors in general and are given fairly and in accordance with market interest ( at arm's length basis and at market rates ) while still paying attention to the principle of prudence. Apart from that, there are also provisions regarding other parties that are regulated, namely:

1. Banks are prohibited from providing Funds to Related Parties which are contrary to general Fund Provision procedures.
2. Banks are prohibited from providing Funds to Related Parties without the approval of the Bank's Board of Commissioners.
3. Banks are prohibited from purchasing low quality assets from Related Parties.
4. In the event that the quality of Fund Provisions to Related Parties declines to become substandard, doubtful or Loss, the Bank is obliged to take remedial steps to improve it by:
  - a. Credit repayment no later than 60 (sixty) days after the decline in the quality of Fund Provisions; and/or
  - b. Carry out Credit restructuring since the quality of Fund Provisions has decreased.
5. In the event that the Bank provides Funds in the form of Capital Participation which results in the party in which the Bank makes the Capital Participation becoming a Related Party, the Bank is obliged to ensure:
  - a. The Fund Provision Plan is set at a maximum of 10% (ten percent) of Bank Capital;
  - b. Provision of Funds that will be and have been provided to parties in which the Bank makes Capital Investments after adding the entire portfolio of Provision of Funds to related parties is set at a maximum of 10% (ten percent) of the Bank's Capital; And
  - c. Fulfill the provisions as intended in points 1,2 and 3.

## Provision of Funds to Other Than Related Parties

1. Provision of Funds to 1 (one) Borrower other than a Related Party or 1 (one) Group of Borrowers other than a Related Party.

2. Banks are obliged to determine the classification of Borrowers in a group of Borrowers in the event that the Borrower has a controlling relationship with other Borrowers through ownership, management and/or financial relationships,
3. Ownership, management and/or financial relationships as referred to in paragraph (1) include the following criteria:
  - a. The Borrower is the controller of other Borrowers;
  - b. 1 (one) same party is the controller of several Borrowers;
  - c. 50% (fifty percent) of members of the Board of Directors and/or members of the Board of Commissioners of the Borrower become members of the Board of Directors and/or members of the Board of Commissioners of other Borrowers;
  - d. The Borrower has a financial relationship with another Borrower; and/or
  - e. The Borrower has a financial relationship in the form of issuing a guarantee to take over and/or pay off part or all of the other Borrower's obligations in the event that the other Borrower fails to fulfill its obligations to the Bank.
4. Borrower group classification does not apply to:
  - a. Fund Provision Facilities provided by the Bank to debtors in general Bank business activities; And
  - b. Provision of guarantees by insurance companies, guarantee companies, the Government of the Republic of Indonesia, and/or governments of other countries.
  - c. Providing credit to debtors through companies using the forwarding method;
  - d. Providing Credit using a core-plasma partnership pattern with a core company scheme guaranteeing Credit to the plasma;
  - e. Provincial Government and Regency/City Government as well as between each Regency/City Government.

The Fund Provisions that are taken into account in the LLL calculation and Large Fund Provisions are all Fund Provisions in the banking book and trading book positions. The carrying value used to calculate Provision of Funds is the carrying value of assets plus interest claims that have not been received, if any, before deducting the allowance for losses, decreasing the value of assets according to accounting standards. The provision of funds is the investment of Bank funds in the form of:

- a. Placement;
- b. derivative transactions ;
- c. Securities;
- d. Securities sold with an agreement to repurchase (repo);
- e. Receivables for securities purchased with an agreement to resell ( reverse repo);
- f. Acceptance bill;
- g. Credit;



- h. Equity capital;
- i. Temporary capital investment;
- j. administrative account transactions ; and
- k. Other forms of providing funds that can be equated with letters a to j.

Provision of Bank Funds to BUMN for development purposes is set at a maximum of 30% (thirty percent) of Bank Capital.

## Credit Risk Mitigation Techniques

Bank Jatim is obliged to apply the MRK (Credit Risk Mitigation) technique which meets certain requirements in calculating LLL in the event that Bank Jatim recognizes the existence of collateral, guarantees, guarantees or credit insurance as a MRK technique in calculating weighted assets according to standard approach credit risk. The application of the MRK Technique as referred to applies in the event that the Borrower and Guarantor or collateral issuer are other than Related Parties.

## Certain LLL Treatment

Sometimes LLL calculations can be done, including:

1. Provision of Funds to the Central Government;
2. Placement with Bank Indonesia; And
3. Purchase of Securities issued by the Government of the Republic of Indonesia and/or Bank Indonesia;
4. Provision of funds that obtain guarantees from the Government of the Republic of Indonesia;

5. Provision of export-oriented funds to financial institutions that meet certain requirements;
6. Provision of funds that obtain guarantees from financial institutions that meet certain requirements;
7. Part of the Provision of Funds which is guaranteed by certain collateral and meets certain requirements;
8. Part of Providing Funds to Borrowers who obtain guarantees from Prime Bank as long as the guarantees provided meet the requirements;
9. Provision of funds which have become a capital reduction factor as intended in the Financial Services Authority Regulation which regulates the obligation to fulfill minimum capital.

## Legal Lending Limit (LLL) Exceeding

Provision of Funds by Banks is categorized as Exceeding LLL caused by:

1. Decrease Capital or Core Capital ( tier 1) of the Bank;
2. Changes in exchange rates;
3. Changes in fair value;
4. Business mergers, changes in ownership structure and/or changes in management structure which cause changes in Related Parties and/or Borrower groups; and/or
5. Changes to the provisions for Determining Borrowers in the LLL Exceeding calculation are carried out in accordance with the provisions for calculating the Provision of Funds and are calculated based on the value recorded on the report date.

**Table of Total Provision of Funds to Related Parties and Large Debtors**

No	Provision of Funds	Total 2023		Total 2023	
		Number of Account (NoA)	Nominal (in IDR million)	Number of Account (NoA)	Nominal (in IDR million)
1	To Related Parties	198	189,479	155	107,944
2	To 50 Core Debtors				
	Individual	50	8,721,806	50	6,771,487
	Group	0	0	0	0
	<b>Total Core Debtors</b>	<b>50</b>	<b>8,721,806</b>	<b>50</b>	<b>6,771,487</b>

**Table of Total Provision of Bank Funds to Related Parties**

Description	2023	2022
	Nominal (in IDR million)	Nominal (in IDR million)
Capital at Report Date	11,451,665	10,610,256
LLL (10% of Capital) on Report Date	0	0
Outstanding Related Parties	189,479	107,944



Description	2023	2022
	Nominal (in IDR million)	Nominal (in IDR million)
LLL concessions	0	0
LLL exceedance	0	0

## Transaction Spot and Derivative Transactions

Derivative receivables are classified as Financial assets in the group measured at fair value through profit or loss, while derivative liabilities are classified as Financial liabilities in the group measured at fair value through profit or loss. Derivative instruments (including foreign exchange transactions for funding and trading purposes) are presented based on their fair value which is determined based on market prices using the Reuters

exchange rate at the reporting date or the discounted cash flow method and recorded in the consolidated statement of financial position. Derivative receivables are presented at the amount of unrealized profits from derivative contracts, after deducting the allowance for value loss. Derivative liabilities are presented at the amount of unrealized losses from derivative contracts.

**Table of Spot Transaction and Derivative Transaction Report**

(in IDR million)

No	Transaction	BANK					BANK				
		2023					2022				
		Notional Value	Objective		Receivables and Derivative Liabilities		Notional Value	Objective		Receivables and Derivative Liabilities	
			Trading	Hedging	Bill	Obligation		Trading	Hedging	Bill	Obligation
A. RELATED TO EXCHANGE RATES											
1.	Spot	-	-	-	-	-	-	-	-	-	-
2.	Forward	-	-	-	-	-	-	-	-	-	-
3.	Option a. Sell b. Buy	-	-	-	-	-	-	-	-	-	-
4.	Future	-	-	-	-	-	-	-	-	-	-
5.	Swap	-	-	-	-	-	-	-	361,029,411.80	-	-
6.	Other	-	-	-	-	-	-	-	-	-	-
B. RELATED TO INTEREST RATE											
1.	Forward	-	-	-	-	-	-	-	-	-	-
2.	Option a. Sell b. Buy	-	-	-	-	-	-	-	-	-	-
3.	Future	-	-	-	-	-	-	-	-	-	-
4.	Swap	-	-	-	-	-	-	-	-	-	-
5.	Other	-	-	-	-	-	-	-	-	-	-
C. OTHER											
	Total	-	-	-	-	-	-	-	361,029,411.80	-	-



# HUMAN Capital







## Human Capital Management Strategy

In order to realize a superior, independent, competitive, and professional human capital (HC) management strategy, the Bank prepares human capital that can view opportunities and perform so maximum returns for the Bank will be produced. In the future, HC must have criteria that are in accordance with the vision and mission as well as company culture. HC is expected to have the required competencies and support the development of digitalization so that they can execute and master their duties and responsibilities with a commitment to achieve optimal results, while maintaining company culture, ethical values and rules.

Particularly in terms of banking digitalization, accommodating management plans for implementing credit segmentation and strengthening Information Technology requires organizational development that is in line with Bank Jatim's business acceleration. In doing so, in terms of being an adaptive, globally insightful, and change inspiring HC development center, there are 4 (four) pillars of key mission of HC, as follows:

- Developing standardization of HC competency.
- Improving methods for increasing HC competency.
- Increasing supporting infrastructure for HC development.
- Advancing HC having Digital competency.

The achievement strategies contained in the 4 (four) pillars will be used to improve human capital management services in accordance with the human capital cycle with the following key strategies:

1. Satisfaction of the quantity of employees to support organizational transformation through recruitments of Jatimers Internship Program (JIP), regular, pro-hire, Officer Development Program (ODP), Jatimers Leadership Development Program (JLDP) Career Program<sup>1-4</sup>, and completion of Account Officer (AO) necessity).
2. Improvement of the quality of employees to reduce the competency gap required in supporting business process, comprising of:
  - a. Business line-focused education.
  - b. Arrangement of curriculum and education syllabus.
  - c. Mapping and certification fulfillment.
  - d. International education standard.
  - e. Graduate scholarship program.
3. Refinement of human capital policy is as follows:
  - a. Incentive and allowances for business unit.
  - b. Profile and competency dictionary.
  - c. Position requirements.
  - d. Education and training.
  - e. Performance management.
4. Digitalization to accelerate Human Capital service process.

## Human Capital Management Strategy Policy and Implementation

### Recruitment

#### Policy

In supporting the success of the bank to achieve positive performance, it is the result and hard work of all Jatimers people. Support competent resources is very important in the effort to implement a variety of company strategic policies to achieve the company's vision and mission. In order to get the best talent in an effort to improve the quality of resources in the bank, in the implementation of bank recruitment more selective in carrying out the recruitment process. The purpose of implementing recruitment

is to meet the needs of empty positions in organizational structure by through the process of planning needs properly and correctly. Recruitment sources used by Bank Jatim to get the best talents are obtained through internal and external sources. Fulfillment of labor needs, BNAK continues to consider the effectiveness and efficiency of labor, so that in 2023 the bank has implemented a policy of repositioning and recomposition of labor by prioritizing charging workers in business lines.



Type of the existing recruitments at Bank Jatim comprises of:

1. Recruitment of Regular Employee.
2. Recruitment of Experienced Employee (Pro Hire/ Multilevel Entry).
3. Crash Program.
4. Officer Development Program (ODP).
5. Recruitment of Disabled Employees.

The recruitment sources used by Bank Jatim are obtained through internal and external sources. Internal sources are individuals who have worked at the Bank, either with the status of permanent Bank employees or with the status of outsourced workers or interns. Meanwhile, external sources are those who do not or have not worked at the Bank and are obtained by recruiting employees with special achievements that will support the Bank's corporate image.

Generally, the criteria in the selection process include:

1. Undergraduate/Graduate criteria for structural position with specific expertise. Undergraduate (S1) is for administrative staff with career prospects and Senior High School/ Vocational School is for non-administrative staff.
2. Work experience supporting value added in the selection process.
3. Health condition with following criteria, such as physically and mentally health and free of drugs.

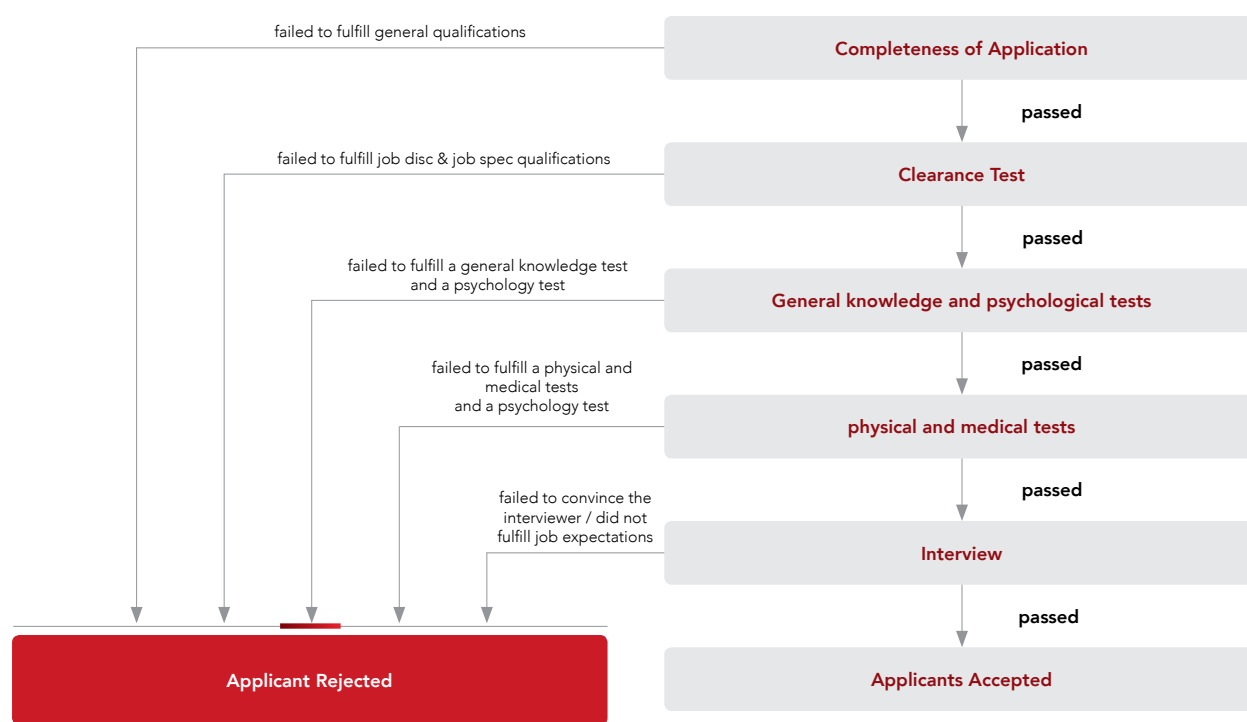
4. Personality including personal characteristics, such as age, sex, and marital status depending on the available vacancy formation.
5. Competency assessed through assessment process in accordance with the Bank's competency dictionary.

The recruitment process can be independently performed by the Bank or in collaboration with consulting services agencies/ institutions in the human capital sector or Head Hunters services, both online and offline or using employee provider media platforms. Accordingly, an open recruitment is conducted to screen incoming applications and select applicants who satisfy the required qualifications in order to be included in the selection process. Applications included in the verification process can be consulted with consulting services agencies/ institutions in the human capital sector or Head Hunters service and matched with previously determined qualifications. After verification, applicants who satisfy the qualifications are invited for selection.

The selection process of prospective employees follows the following standard consisting of several stages, as follows:

1. Clearance test.
2. Product knowledge Bank test.
3. Psycho-test assessment and/or competency-based interview.
4. User interview.
5. Medical test

The mechanism of acceptance decision-making uses a multiple hardless model approach or knockout system. In addition, admissions can also use other systems according to needs and within the authority of Vice President of Human Capital and consider the applicant's individual loan collectability status, such as:





After performing a series of selection and acceptance processes, employment is executed with an employment contract as a probation period so that the status is a specific work agreement (TKIK). The employment contract contains the rights and obligations of the Bank and the concerned employee and binding on each party until the employment contract ends or a decision on a permanent employee appointment is issued.

The authority of employment contract signatory is regulated as follows:

Entry Level Position	Signatory Officials of Employment Contract
SEVP, ESELON 1 -2	Director subordinating function of Human Capital/Director of Employment Division.
ESELON 3	SEVP subordinating Human Capital
ESELON 4 DAN PELAKSANA	Vice President of Human Capital Division

The term of the employment contract is adjusted to needs and can be extended as long as it does not violate with statutory. Any employee who has signed an employment contract is required to participate in and pass all education and training programs prepared by the Bank. Also, any employee who does not satisfy the requirements of passing the education and training program, the employment contract will be terminated. Mainly for the recruitment of experienced employees, they can be assigned directly in work units as required, while education and training programs are conducted in parallel between working hours.

For the mechanism of regular employees appointment, employees who have signed and had the TKIK status will be subsequently evaluated for performance evaluation during 6 (six) months as a condition for appointment of prospective employees. Prospective employees will also perform a performance evaluation for 6 (six) months before appointed as permanent employees. The appointment mechanism for non-regular employees is separately regulated and adjusted to the occupied position.

and ninety five) new employees with competencies in the fields of credit admin, general banking, funding officer, information technology, and Officer Development Program (ODP).

## Competency Development

### Policy

Concerning the improvement of Bank Jatim's human capital competency, the Human Capital Division has regulated Standard Operating Procedures of Education and Training. The provisions regulate the following issues, as follows:

1. Public training and education.
2. In-house training and education.
3. Overseas non-degree education and training.
4. Implementation of certification and profession certification maintenance program.
5. Archiving evaluation and procedures of education and training implementation.

Additionally, the Human Capital Division has drafted Learning Syllabus based on Training Need Analysis that will be performed within the current year.

## Implementation of Recruitment

In 2023, 42 employees will resign. Meanwhile, for recruitment, throughout 2023 Bank Jatim has recruited 295 (two hundred

## Competency Development Implementation

**Table of Competency Development for Manager Level (Level Staff) in 2023**

No.	Competency Area	Number of Participants	Objective
1.	Lending	3.090	Increasing the understanding and competence of Bank Jatim employees in credit issues.
2.	Planning	141	Improving competency section in the corporate planning sector, understanding of main tasks and sections in an organizational structure at Bank Jatim.
3.	Compliance	1.389	Developing compliance culture by refreshment of the applicable provisions, both regulations from the regulator and Bank Jatim regulations.
4.	Marketing	406	Increasing competency section in the marketing sector for Bank Jatim frontliners and account officers.
5.	Human Capital	744	Refreshment of Bank Jatim's internal regulations and improving corporate culture.

No.	Competency Area	Number of Participants	Objective
6.	Audit Intern	149	Developing competency in the auditing sector and understanding of Anti-Fraud Strategy.
7.	Funding	2.005	Increasing competency in the marketing sector for frontliners in increasing their ability to collect public funds.
8.	Information Technology	191	Improving competency in the information technology sector and providing information about IT Awareness.
9.	Legal	238	Increasing competency in the legal sector in Bank Jatim's operational activities.
10.	Treasury	583	Developing competency in the treasury sector and providing telegraphic transfer procedures to Bank Jatim frontliners.
11.	Risk Management	390	Increasing competency in the banking risk management and target market outreach sectors to Bank Jatim account officers.
12.	Corporate Secretary	135	Providing new employees with knowledge of the managerial structure and management of Bank Jatim.
13.	Credit Rescue and Settlement	234	Improving knowledge of credit rescue and settlement for echelon 3 and echelon 4 officials.
14.	Operation (Supporting)	11	Increasing competency section in the primary and section tasks in Bank operational support activities.
15.	Operation (Business)	1.007	Developing competency in the primary and section tasks in Bank operational activities.
16.	Accounting	340	Improving competency in the accounting sector and socializing e-Stamp, taxes, and other provisions to accounting officers.
17.	Business Risk	23	Increasing competency in the business risk sector for Business Risk Division officers.
18.	Sharia Business Unit	34	Increasing sharia banking competency.
19.	General	20	Developing competency in the general works in terms of procedures for determining estimated prices when conducting the goods/services procurement process.

**Table of Competency Development for Echelon 4 Level (Level Supervisor) in 2023**

No.	Competency Area	Number of Participants	Objective
1.	Human Capital	770	Improving competency section in the human capital sector, mainly regarding corporate value internalization, culture transformation, leadership and problem solving.
2.	Lending	955	Increasing competency section in the lending sector, especially analysis of credit provision in the agro-industrial sector, green portfolio to support sustainable finance, sectoral credit analysis and credit segmentation.
3.	Compliance	547	Developing competency section in the compliance sector, particularly APU-PPT, anti-gratification, and compliance culture.
4.	Marketing	260	Increasing competency section in the marketing sector, especially business model canvas, effective marketing management, strategic selling skills, marketing and selling.
5.	Audit Intern	140	Improving competency section in the audit sector, specifically critical points and anti-fraud strategies.
6.	Funding	243	Developing competency section in the funds collecting and payment systems sectors and managing Rupiah currency.
7.	Information Technology	148	Increasing competency section in the information technology sector, especially regarding machine learning, data analytics and IT awareness.
8.	Legal	287	Improving competency section in the legal sector, particularly banking and credit laws.
9.	Treasury	508	Developing competency section in the treasury sector, mainly regarding trade finance and banknotes.
10.	Risk Management	1027	Increasing competency section in the risk management sector with certification and the refreshment of banking risk management programs.
11.	Corporate Secretary	3	Improving competency section in the corporate secretary sector, mainly regarding increasing ability in integrating CSR and investor relations units.
12.	Planning	153	Increasing competency section in the planning and socialization regarding grand structural design.
13.	Credit Rescue Settlement	163	Developing competency section in the credit rescue and settlement sector, especially regarding simple lawsuits and execution of problem loans.



No.	Competency Area	Number of Participants	Objective
14.	General	15	Increasing competency section in the general works sector in terms of procedures for determining estimated prices when conducting the goods/services procurement process.
15.	Operation	170	Developing competency section in the operation sector, especially regarding service standards and credit administration.
16.	Accounting	35	Increasing competency section in the accounting sector, mainly regarding taxes, e-stamps and integration of metadata-based banking reporting.
17.	Sharia Business Unit	317	Improving competency section in the sharia business sector, especially basic education in sharia banking and pawn law.
18.	Business Risk	18	Developing competency section in the auditing sector, particularly early warning signals and processing investment business permits.
19.	Operation (Supporting)	257	Increasing competency section in the operation sector, especially regarding banknotes, ATM, EDC and EPTD.

**Table of Competency Development for Echelon 3 Level (Level Pimcapem) in 2023**

No.	Competency Area	Number of Participants	Objective
1.	Accounting	3	Developing competency section in the accounting sector, especially regarding taxes and statements of financial accounting standards.
2.	Audit Intern	8	Increasing competency section in the internal audit sector, mainly regarding internal auditor professional certification.
3.	Funding	17	Improving competency in the funding sector, especially regarding payment systems and management of Rupiah and foreign exchange.
4.	Legal	150	Developing competency section in the legal sector, mainly regarding credit and bankruptcy law.
5.	Human Capital	248	Improving competency section in the human capital sector, mainly regarding culture transformation with growth mindset, corporate value internalization and competency-based interviews.
6.	Compliance	39	Increasing competency section in the compliance sector, particularly regarding anti-money laundering and preventing terrorism financing.
7.	Lending	165	Developing competency section in the lending sector, especially regarding financial skills and credit analysis, supply chain financing and sectoral credit analysis.
8.	Risk Management	362	Improving competency section in the risk management sector, especially certification and refreshment programs for banking risk management certification.
9.	Marketing	1	Increasing competency section in the marketing sector, particularly regarding effective marketing management.
10.	Operation	2	Developing competency in the operation sector, especially regarding business administration and legal.
11.	Operation (Supporting)	1	Improving competency section in the operational support sector, mainly regarding strategy and implementation of strengthening the banking industry.
12.	Credit Settlement Rescue	1	Increasing competency section in the credit rescue and settlement sector, mainly problem loans.
13.	Planning	2	Developing competency section in the planning sector, particularly regarding workload analysis and organization development.
14.	Bussines Risk	10	Increasing competency section in the auditing sector, mainly early warning signals and processing investment business permits.
15.	Information Technology	10	Developing competency section in the information technology sector, particularly regarding enterprise resource planning, data science specialist and information technology infrastructure library.
16.	Treasury	177	Increasing competency section in the treasury sector, especially regarding banknotes, telegraphic transfers and trade finance.
17.	General	1	Improving competency section in the general affairs sector, mainly regarding preparing self-estimating prices.
18.	Sharia Business	2	Increasing competency section in the sharia business sector, especially sharia banking education.



**Table of Competency Development for Echelon 2 Level (Level Branch Leader) in 2023**

No.	Competency Area	Number of Participants	Objective
1.	Accounting	1	Improving competency section in the accounting sector, especially regarding vet A and B.
2.	Audit Intern	2	Increasing competency section in the internal audit, especially regarding audit certification level 3.
3.	Corporate Secretary	2	Developing competency section in the corporate secretary sector, especially regarding investor relations programs and integrated excellent CSR.
4.	Funding	71	Increasing competency section in the funding sector, especially regarding fund administration, payment systems and management of rupiah and foreign currency.
5.	Legal	3	Improving competency in the legal sector, especially regarding the legal aspects of land rights, corporate law and legal contract drafting.
6.	Human Capital	157	Increasing competency section in the human capital sector, specifically regarding corporate value internalization, culture transformation, branch manager programs and competency-based interviews.
7.	Lending	6	Developing competency section in the lending sector, mainly regarding credit analysis in the agribusiness sector, credit analysis in the economic sector, and international standard banking procedure 821.
8.	Risk Management	112	Advancing competency in the risk management sector, particularly regarding the implementation of Basel III, stress testing on market risk and liquidity risk, and the risk management certification maintenance program.
9.	Operation	2	Increasing competency section in the operations, mainly regarding business administration and legal issues.
10.	Operation (Business)	1	Improving competency section in the business operations, especially regarding asset liability management.
11.	Operation (Supporting)	2	Increasing competency section in the supporting operational sector, especially regarding payment systems and rupiah currency management, payment sub-sector, strategy and implementation of strengthening the banking industry.
12.	Credit Settlement Rescue	7	Improving competency section in the credit rescue and settlement, particularly regarding credit rescue and settlement programs.
13.	Business Risk	4	Developing competency section in the auditing, particularly early warning signals and processing investment business permits.
14.	Information Technology	2	Increasing competency section in the information technology sector, mainly regarding enterprise resource planning and managing ISO standard of IT services.
15.	Treasury	59	Increasing competency section in the treasury sector, especially regarding trade finance, yield curve analysis, DNDF transactions, OIS and IRS.
16.	General	1	Improving competency section in general affairs, especially regarding self-estimating prices.
17.	Sharia Business	1	Increasing competency section in the sharia business sector, mainly regarding sharia banking education.

**Table of Competency Development for Echelon 1 Level (Level VP) in 2023**

No.	Competency area	Number of Participants	Objective
1.	Accounting	2	Improving competency in accounting section, particularly taxes and statement of financial accounting standard in accordance with the newest IFRS.
2.	Audit Intern	1	Increasing competency in intern audit, specifically education program for head of intern supervisory system.
3.	Corporate Secretary	1	Developing competency in corporate secretary section, mainly education program for leader of corporate secretary.
4.	Human Capital	50	Increasing competency in human capital section, particularly culture transformation with growth mindset and corporate value internalization.
5.	Lending	1	Advancing competency in lending section, mainly agro-industrial credit.
6.	Risk Management	30	Developing competency in risk management, especially implementation of Basel III and the refreshment program of banking risk management certification.





No.	Competency area	Number of Participants	Objective
7.	Credit Settlement Rescue	1	Improving competency in credit rescue and settlement, mainly non-performing loans.
8.	Business Risk	2	Increasing audit section, mainly early warning signal and administration of investment permits.
9.	Information Technology	1	Developing competency in information technology, specifically data science and visualization.
10.	Treasury	3	Increasing treasury section, particularly asset liability management and trade finance.
11.	General	1	Improving competency in general affairs, mainly the improvement of domestic products utilization program.

**Table of Competency Development for Directors/Commissioners Level in 2023**

No.	Competency area	Number of Participants	Objective
1.	Human Capital	12	Advancing competency in human capital section, particularly culture transformation with growth mindset, corporate value internalization.
2.	Compliance	12	Increasing competency in compliance section, especially good corporate governance.
3.	Risk Management	7	Developing competency in risk management section, particularly the maintenance of risk management certification.
4.	Sharia Business	1	Improving competency in sharia business unit, mainly executive sharia banking.

## Evaluation of Competency Development Implementation

In 2023, Bank Jatim had provided education to 4,999 employees out of 5,242 employees or conducted training to develop competency for 95.38% of employees. This could be completed with the assistance of e-Learning technology and easily and flexibly accessible contents form both place and time. In terms of composition, 60.5% of educational programs that had been implemented was supporting business competencies and 39.5% was additional competency of supporting business. Competency development activities recorded that 1,576 employees had participate in the certification program and 4,913 employees had joined the non-certification competency improvement program. Based on the type of competency development activity, 468 employees had participated in public training and 4,970 employees had followed in-house training.

## Competency Development Costs

In 2023, Bank Jatim carried out competency development for employees by involving 4,999 employees. The costs incurred by Bank Jatim in 2023 in the context of competency development reached IDR38,865,797,580, an increase from the costs incurred in 2022 which reached IDR23,834,986,794.

**Table of Competency Development Costs for 2022-2023**

Description	2023	2022
Total Cost (IDR)	Rp38.865.797.580	Rp23.834.986.794

## Career Development

### Policy

The Career Development implemented by Bank Jatim aims to prepare, develop, and maintain employees so that they can display their best performance both in the present and in the future. Currently, the Bank has a tiered career development program or promotion program for employees from first level officials to executive officials, which is implemented to satisfy the needs of vacant positions. The basis for Career Development consists of two aspects, such as competency, which is measured through the assessment process

and employee performance. Competency measurements are carried out periodically to update the latest capabilities of each employee at all levels of position.

## Implementation of Career Development

The career program is opened according to the projected need for a vacant position with the formation determination that has been issued by the unit responsible for Organizational Structure and Networks. In 2023, there are 140 employees who have carried out career development programs.

## Performance Assessment

To ensure that every employee can optimally contribute to achieve Bank Performance, the Bank has an integrated performance management system. In terms of ensuring the achievement of employee performance that can support the achievement of company targets, the company targets breaks down to each work unit to the individual level, so that the company performance will be in line with individual employee performance. The Bank is currently implementing a performance management system using the Balance Scorecard method. In assessing individual employee performance, the KPI Scorecard application is used to facilitate the monitoring and reporting process of the achievements of employees' Key Performance Indicator (KPI).

## Remuneration and Long Term Compensation

The Competency-Based Remuneration System used by Bank Jatim was a Grading System where remuneration would be divided according to the grade of each position. The grading of each position was carried out in accordance with the demands of the duties and responsibilities of each position. The grading level of each position was determined by means of job evaluation based on a job profile consisting of job requirements and job descriptions. The grading of each position was also followed by the determination of the remuneration.

The Human Capital Division collaborated with external parties in determining the grade of each position, to be more independent in conducting assessments. Competency based remuneration had to consider in a balanced way between the benefits provided and the output, namely the performance generated by employees including sustainability performance. Competency-based remuneration had to consider 3 (three) factors, namely individual, position or position and performance. The grading system adopted by Bank Jatim adopted 2 (two) factors, namely individual competence known as personal grade and position / position known as job grade. The grading and remuneration system was expected to be able to improve employee performance so that the company's performance can eventually be achieved. The grading system currently in effect at Bank Jatim consisted of:

- a. Echelon Rankings
- b. Personal Grade
- c. Job Grade

The following is the structure of the grading system in Bank Jatim:

Corporate Title	Echelon	Personal Grade	Position	Job Grade
Senior Executive Vice President (SEVP)		18	SEVP	G2
				G1
Vice President (VP)	Echelon 1	17	• Vice President	F3
		16	• Main Branch Leader	F2
		15		F1
		14		
Assistance Vice President (AVP)	Echelon 2	14	• Class 1,2,3 Covenant Branch Leader	E3
		13	• Main Branch Manager	E2
		12	• Sharia Leader • Unit Leader • Assistance Vice President	E1

Corporate Title	Echelon	Personal Grade	Position	Job Grade
Manager (MGR)	Echelon 3	11	<ul style="list-style-type: none"> <li>Operations Leader</li> <li>Business Leader</li> <li>Credit Leader</li> <li>Sub Branch Manager</li> <li>Senior Auditor</li> <li>Senior Officer</li> </ul>	D3
		10		D2
		9		D1
Assistant Manager (AMGR)	Echelon 4	8	<ul style="list-style-type: none"> <li>Supervisor</li> <li>Functional Office Leader</li> <li>Auditor</li> <li>Officer</li> </ul>	C3
		7		C2
		6		C1
Corporate Title	Non Echelon	Personal Grade	Position	Job Grade
Assistant (ASST)	Executor	5	<ul style="list-style-type: none"> <li>Staff</li> <li>Junior Officer</li> <li>Junior Auditor</li> <li>Funding Officer</li> <li>Account Officer</li> <li>Non Career Employees</li> </ul>	B3
		4		B2
		3		B1
		2		
Basic Employees	Basic Employees	1	<ul style="list-style-type: none"> <li>Security guard</li> <li>Driver</li> <li>Office Boy</li> </ul>	A2
				A1

As the basis for the preparation of governance guidelines for providing good remuneration for Management, the Bank put forward the principles of Good Corporate Governance and referred to the prevailing laws and regulations, including:

1. Law Number 40 of 2007 dated August 16, 2007 concerning Limited Liability Companies;
2. Financial Services Authority Regulation Number 17/POJK.04/2022 dated September 14, 2023 concerning Implementation of Governance in Providing Remuneration for Commercial Banks;
3. Financial Services Authority Regulation Number 45/POJK.03/2015 dated December 23, 2015 concerning Implementation of Governance in Providing Remuneration for Commercial Banks;

4. Financial Services Authority Circular Letter Number 40/SEOJK.03/2016 dated September 26, 2016 concerning Implementation of Governance in Providing Remuneration for Commercial Banks.

Basically, remuneration was divided into 2 (two) fixed remunerations and variable remunerations. As an implementation of the Financial Services Authority Regulation, Bank Jatim determined the parties to be Material Risk Takers, consisting of:

- President Director
- Field Director under the President Director
- Board of Commissioners

The percentage of variable remuneration for Bank Managers that is not included in the Material Risk Taker is as follows:



## Pension Program

Bank Jatim enroll all of its employees into a pension program, both those that are mandatory by law and those that are managed by the Employee Pension Fund. In 2023, there will be 48 employees who have implemented the pension program. The pension programs provided by Bank Jatim include:

1. Pension Security from the Social Security Organizing Body (BP)  
Because it is mandatory, all employees must be registered in all BP Jamsostek programs starting from Old Age Security (JHT), Death Security (JKM), Work Accident Benefits (JKK) and Pension Security (JP). The amount of the Pension Security (JP) program contribution is calculated at 3%, consisting of 2% of company expenses and 1% of employee expenses from basic salary/personal grade.
2. Defined Benefit Pension Program (PPMP)  
This pension program is managed by the East Java Regional Development Bank Employee Pension Fund. Program participants are all employees who have been appointed as permanent employees before August 25, 2012. The employer's contribution is 21.70%, while the employee contribution is 5% of Basic Pension Income (PhDP).
3. Defined Contribution Pension Program (PPIP)  
This pension program is managed by the BRI Financial Institution Pension Fund (DPLK). All permanent employees are included in this pension program, where all Contribution will be borne by the employer amounting to 10% of the employee's basic salary/personal grade.

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## Employee Engagement Survey

In terms of refining the implementation of strategies and policies as a means of employees in addressing their aspiration, the company conducted a survey of employee engagement measurement. The survey of employee engagement was beneficial for either employees or the company. The given benefits are as follows:

### Benefits of Employee Engagement for employees

1. As a forum for employee aspirations for the company.  
Employees can provide criticism to the company by filling Employee Engagement. Then, this information will become input for the company in making policies.
2. Creating new enthusiasm for employees to go to the office.  
Employees will always think positively in doing their job and provide ideas for the development of the team and the company.
3. Creating strong relationships with each employee. This relationship will also make employees focus on the desired achievement, build solid teamwork, and do not forget to express gratitude and appreciation for the achievements between divisions.
4. Eliminating saturated and thoughts from every problem faced by employees in their lives. This approach can make employees enthusiastic again as performing work at the company.



### Benefits of Employee Engagement for the Company

1. Companies better understand the need for employee competency improvement so that the level of engagement between employees and the company increases.
2. The company will have employees with positive attitudes and behaviors. With a positive attitude, of course, it will lead to better company growth than the previous year.
3. The company will have employees with positive attitudes and behaviors. With a positive attitude, of course, it will lead to better company growth than the previous year.
4. Employee Engagement created more commitment from employees to the company. The number of absences due to sick employees was reduced, reducing the number of accidents in the work process, and increasing productivity throughout the year.
5. Employee Engagement created more commitment from employees to the company. The number of absences due to sick employees was reduced, reducing the number of accidents in the work process, and increasing productivity throughout the year.

The Engagement Index showed the level of satisfaction and commitment of Bank Jatim employees as measured by the average rating on a scale of 1-4. Meanwhile Employee Engagement is divided into 4 (four) levels, namely:

1. Actively Engaged (High Commitment and Engagemen)  
Employees, at this level, have the same vision and mission as the company, are loyal, and psychologically committed to the company. They tend to contribute consistently and productively to the company's success.

2. Potentially Engaged (High Commitment but Low Engagement)  
Employees, at this level, are among the important contributors in the organization, but they cannot find personal attachment and success within the organization. They will tend to reduce performance if they still do not get satisfaction from the organization.
3. Passively Engaged (High Engagement but Low Commitment)  
Employees, at this level, are people who feel comfortable with the company's conditions. They can be new people or get new roles. They have not contributed fully to the company's success or even hidden behind the hard work of others.
4. Dissengaged (Low Commitment and Engagement)  
Employees, at this level, are a group of people who are most disconnected from the organization, often they feel underutilized, and do not get what they need from work. They can transmit negative thoughts to other employees.

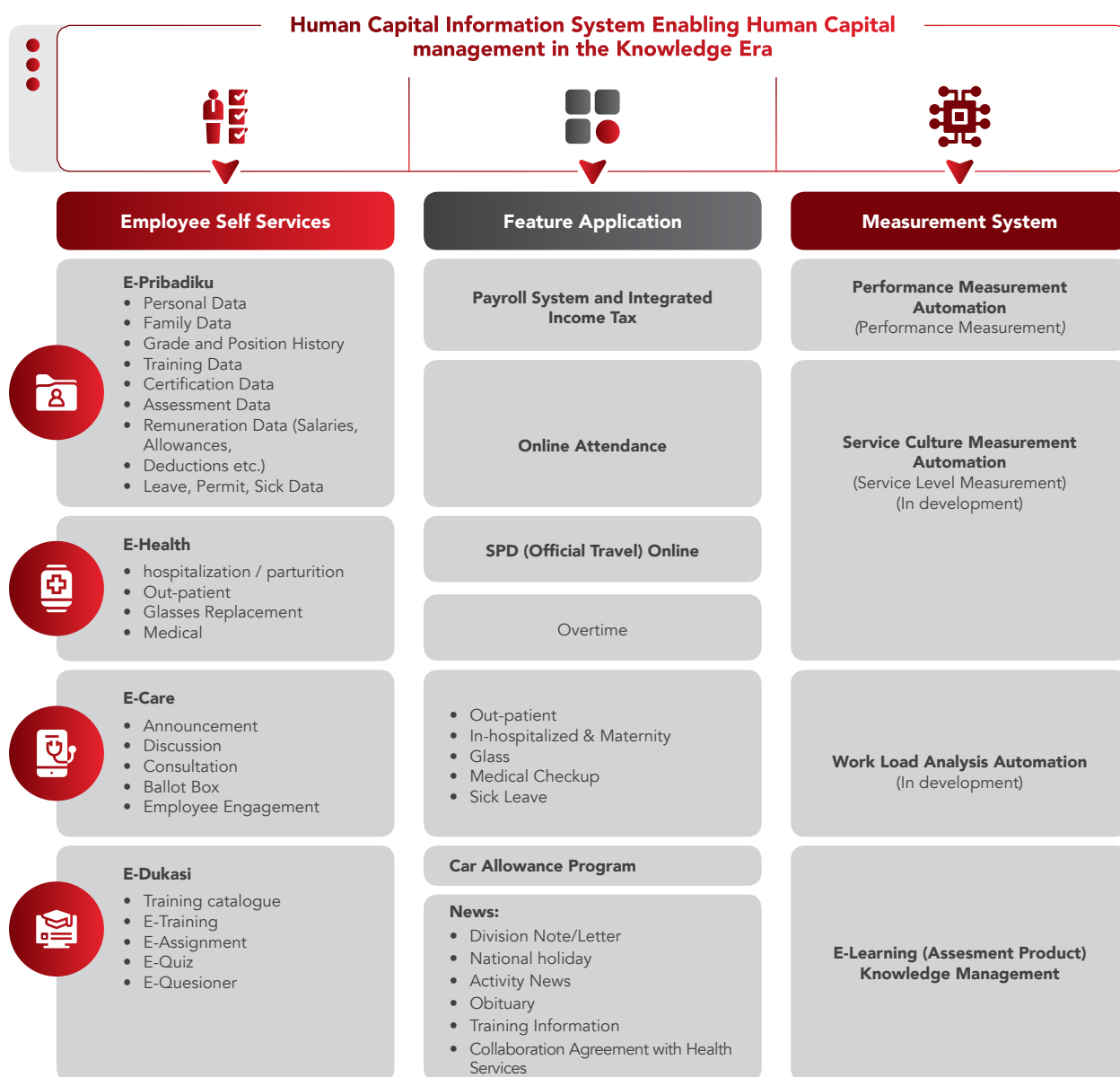
The number of participating respondents was 4,495 employees, and the percentage of engaged employees was 83,1%.

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## Human Capital Information System

Along with the times, the development of information technology can make it easier for humans to do activities, view news and search for various information circulating in cyberspace. Technological developments make it easier for all human activities in the future. The Human Capital Division has launched a Digital product, namely the Human Capital Portal. The Human Capital Portal is a website-based digital information media that is useful for ensuring communication and providing services to employees, including accommodating information, news, training agendas, activity information, polls, and gateways to other applications.

In order to ease the Human Capital Division to obtain fast, precise, effective and controlled information that is adjusted to developments and to simplify employees to achieve information, application for compensation and benefits, and accommodate employee aspirations through the suggestion box, the Human Capital Division launches a Human Capital program online-based application (web and mobile apps), referred to as E-Human Capital/e-HC. This application is a form of digitalization in supporting the Green Banking program and reducing paper use.



## E-Human Capital Mobile

The E-Human Capital Mobile application was launched in 2021, this application is intended for Bank Jatim workers which aims to make it easier for employees to obtain information, apply for compensation and benefits as well as accommodate workers' aspirations via the ballot box. In 2023, there will be additional menus including:

1. Block Leave
2. Scan Barcodes for the medication administration process at the Hospital.

This application is a form of digitalization, thereby reducing paper use and supporting the Green Banking program.



## Culture Internalization

In confirming culture and transformation, Bank Jatim has a Corporate Culture Event program, which aims to support implementation, internalization, and transformation within the scope of employees so it creates a sense of belonging to the Bank. The strengthening that can support every program performed by Corporate Culture, including:

- a. Culture Campaign is an organized program performed by all Culture Teams (Culture Leader, Culture Booster, Culture Agent) to address EXPRESI values, such as Excellence, Professional, Integrity, Synergy, Innovation to employees. This program is an internalization measure of Bank Jatim's culture and transformation program. In implementing this campaign, different materials are available monthly.
- b. In-House Training for all culture teams in Branch Offices and Head Offices aims to improve the abilities/soft skills of employees at Bank Jatim and increase engagement with the company. This is in line with the Human Capital transformation to improve the quality of employees. The material in the in-house training focuses on improving the ability of becoming the best leader in the future and cannot be separated from EXPRESI values as company culture. The implementation of this program will be conducted on a quarterly basis.
- c. Providing communication space between employees and Top Management through the Greeting and Sharing with Board of Directors (BOD) program. This space is a medium for delivering the company's work program (culture and transformation) to employees and an opportunity for employees to address ideas/suggestions for company development so it reduces barriers or gaps between employees and management. This Greeting and Sharing program will present speaker or motivator to provide a booster to the culture teams so that they are expected to continuously have the same spirit as influencer in delivering the transformation and internalization of company culture. The implementation of this program will be carried out on a quarterly basis.
- d. The annual activity for Bank Jatim's Culture Teams is the EXPRESI Festival (EXPRESTIVAL). This activity is an appreciation of the Culture Teams for their dedication as an influencer, who continuously deliver the transformation and internalization of company culture in the work unit. The implementation of this program will be performed in Quarter IV.
- e. Cultural Identity is a program to provide identity to the Culture Team having the purpose of the easily recognizable figures of agent of change. In addition, this identity is to provide an understanding of its presence and role as an

agent of change and role model for the work unit. The implementation of this program will be carried out in Quarter I-II.

- f. Coaching and Mentoring Program for the Culture Team as well as monitoring and evaluation of the implementation of the Corporate Culture work program in all work units (Head Office and Branches) aim to ensure that culture implementation and transformation can be achieved in accordance with management directions. Meanwhile, in implementing this program, socialization is also performed regarding the provisions/rules and company culture work programs to the culture team. The implementation of this program will be executed out every quarter.

Further, in the Corporate Culture Event, there is a Reinforcement of Corporate Culture program that will be conducted by the Corporate Culture Group to continuously affirm the culture team in implementing corporate culture as follows:

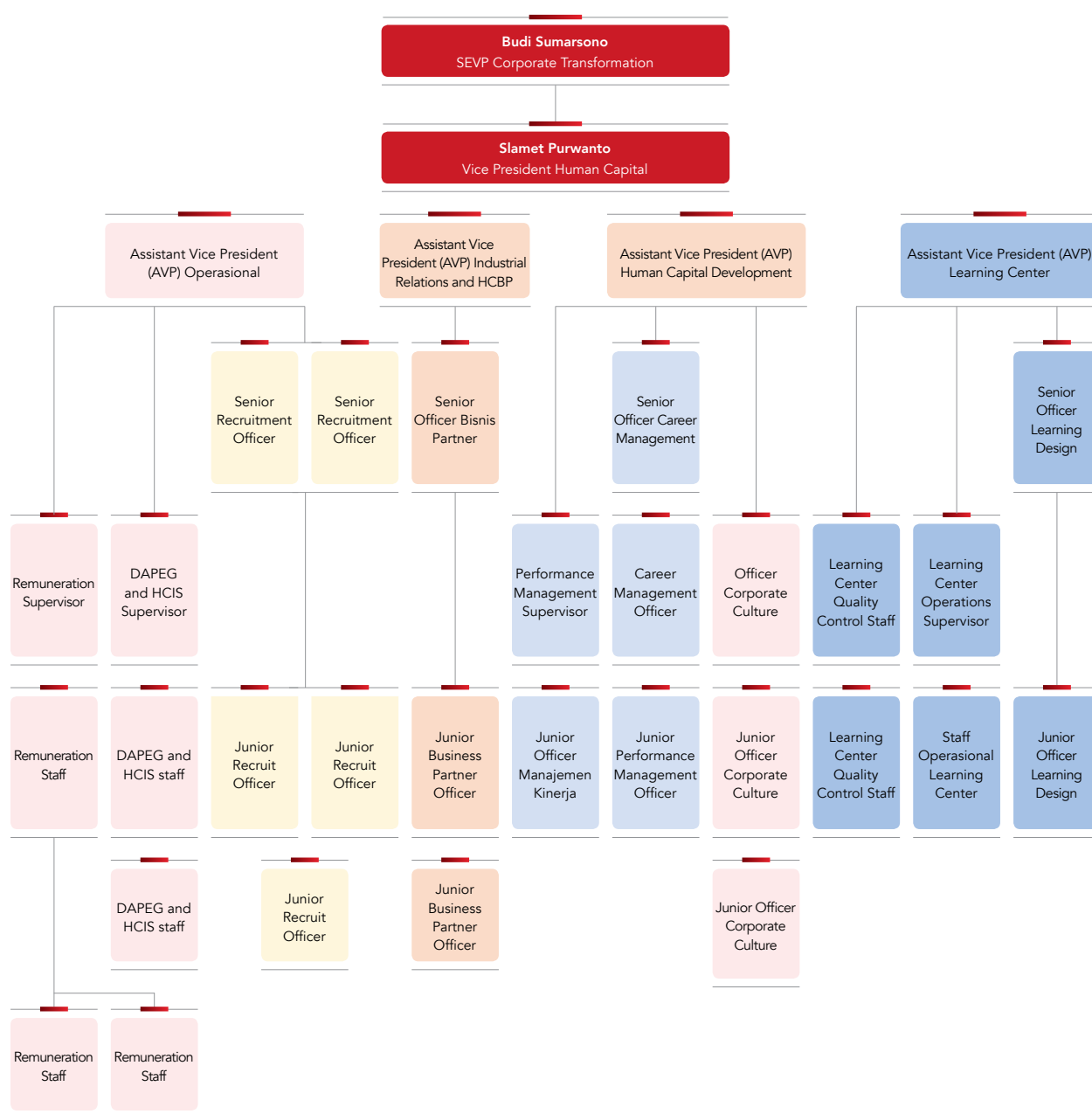
- a. Up-skilling for the Corporate Culture team includes procurement of content creator/digital marketing training aimed at delivering Bank Jatim's programs, products, and digital financial services at Bank Jatim via digital media. This strengthening is also to build and prepare a talent pool/talent management (master of ceremonies/MC), which will assist corporate activities of Bank Jatim, such as formal activities (GMS, EGMS, Position Handover (Sertijab), Bintal, and other official activities) and informal activities. Also, it will support the creation of content or publication media owned by Bank Jatim, such as Instagram, podcasts (YouTube), leaders talk programs, and other corporate activities. The implementation of this program will be performed in Quarter I-II.
- b. Benchmark program to find out, assess the implemented transformation, and compare the implementation of Bank Jatim's culture with other companies (BPDs throughout Indonesia, BUMN, Private Companies) so that evaluation and finding the right measures to improve the transformation program and internalization of corporate culture can be performed. The implementation of this program will be implemented in Quarter II.
- c. Performing On-site Monitoring to work units aims to ensure the implementation of company culture program performed by the culture team using assessment instrument, such as questionnaires, interviews and observations conducted randomly on employees.

# Human Capital

## Management Structure

A reliable, loyal and competent Human Resources is the main capital of Bank Jatim to achieve the vision, mission and business success. Bank Jatim always prioritizes development HR both individuals and teams and the development of Corporate Culture as a business strategy in order to maintain the best performance in the banking services business.

Human Capital at Bank Jatim is under the President Director and lead by Human Capital Division Head. This division consists of the Human Capital Services Sub Division and the Human Capital Development Sub Division which have roles in service operations, policy formulation and Human Capital development so that it is expected to develop employees who are competent and have high corporate cultural values.





# Human Capital

## Work Plan 2024



The Human Capital Division had a human capital development plan for 2024 as follows:

### HUMAN CAPITAL OPERATIONAL SUB DIVISION

1. Satisfaction of employees according to necessity based on the organizational structure and harmonization with the Bank's business plan, through employee recruitment, both regular, ODP and Pro Hire.
2. Development of the Jatimers Internship Program (JIP), previously intended only for the frontliner (teller and Service Assistant) and addition to the administrative section that will be implemented in Quarter I.
3. Designing a monitoring dashboard for the satisfaction of JIP personnel in Branch Offices so that JIP participant turnover can be monitored and avoid formation vacancies, which will be implemented in Quarter I.
4. Creating an organizational structure in the EHC application to ease monitoring vacant positions or employee shortages that are integrated into employee data in Quarter I.
5. Designing an application to calculate variable compensation in Quarter II.
6. Refinement of the policy of outsourced workers utilization via a contracting system, which will be implemented in Quarter I.
7. Conducting periodic behavioral and technical competency assessments every 2 (two) years for all officials from echelon 1 to echelon 4 to measure the suitability of the competencies possessed by each official with the requirements of competency determined by the Company. Also, provision of training is proposed if a lack of competency level possessed by echelon 1 to echelon 4 officials is still found.
8. Increasing Assessor competency by sending to Assessor training at certified Assessor training institutions.
9. Adjustment of job grading according to the results of job evaluation so that the received compensation is fair for employees in accordance with the employee's workload and responsibilities.
10. Development of an integrated online applications (web and mobile apps)-based e-Human Capital program focused on rapid, accurate, effective, and controlled information delivery that is adapted to developments and accessibility for the Human Capital Division of Bank Jatim to monitor services provided to Bank Jatim's employees.

11. Satisfaction of HR needs through recruiting new employees as required.
12. Optimization of benefits that are in-natura tax object through third parties so that in-natura tax costs are more efficient and will be implemented in Quarter I.
13. Improving a competitive and performance-based employee remuneration system in accordance with the Bank's capabilities, projected to be implemented in Quarter II.
14. Integration of the payroll system which will ease calculation of employee compensation and benefits including PPh21 tax calculation in Quarter III.

#### **HUMAN CAPITAL DEVELOPMENT SUB DIVISION**

1. The Career Development Program is based on performance, competency, experience, and other criteria to ensure that all employees achieve the fair opportunity to develop their careers.
2. Arrangement of career paths to post employees according to their competencies in available positions.
3. Drafting talent management policies to prepare quality talent to be future leaders, who will direct the Bank to achieve better performance.
4. Implementation of a fairer and more objective Performance Management System of employee for all work units.
5. Implementation of work life balance as a means of channeling employee talents and interests outside of work routines.

#### **INDUSTRIAL RELATIONS & HCBP SUB DIVISION**

1. Strict implementation of Reward and Punishment for all employees in accordance with the governing regulations and laws.
2. Implementation of employee engagement survey as a means to measure the level of emotional binding of employees to the company, which is completed via the e-Human Capital mobile app.
3. Application of programs that can improve the Human Capital Division's communication with all employees and channel employees' voices regarding employment, so that input and complaints are obtained from employees to be used as evaluation materials of improvement to personnel policies.
4. Providing facilities to employees regarding consultations with psychologists and/or psychiatrists if necessary, where it can anticipate and maintain employees' mental health.

#### **LEARNING CENTER SUB DIVISION**

1. Development and optimization of learning facilities.
2. Supporting quality and competency as well as distribution of education and training access for all employees.
3. Improving competency, optimization, and evaluation of the role of internal lecturers in encouraging the achievement of the Bank's vision and mission through education and training activities.
4. Development of Center Assessment methods and tools that will be employed in implementing assessments in Quarter III.

# INFORMATION Technology





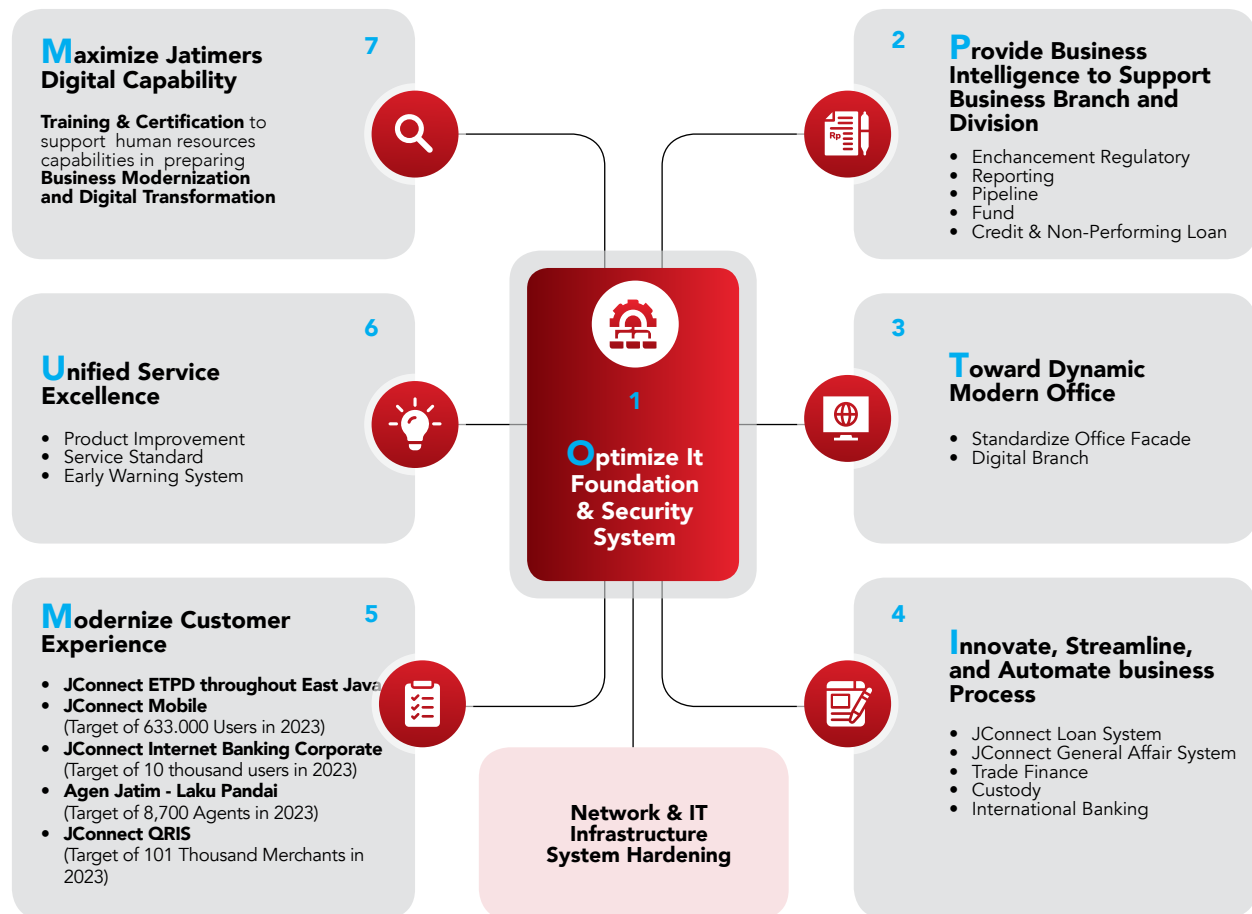


# Information Technology Strategy

Bank Jatim's Information Technology (IT) business plan is in line with the implementation and development of information technology security which is guided by Financial Services Authority (OJK) Regulation No. 11/POJK.03/2022 concerning the Implementation of Information Technology by Commercial Banks. Therefore, every commercial bank is obliged to report

its Business Plan to the regulator. The business plan is also adjusted to the strategic plan of Bank Jatim's Corporate Plan in section PILAR 4 (Digital Banking and IT). The Information Technology (IT) Corporate Plan strategy implements the OPTIMUM 2023-2024 strategy. The following is an overview of the OPTIMUM strategy.

## OPTIMUM STRATEGY 2023-2024



To support the OPTIMUM 2023 strategy, the Bank is strengthening its organization, IT policy, Core Banking, Infrastructure Management, developing business applications, and strengthening IT security.

# Information Technology Innovation

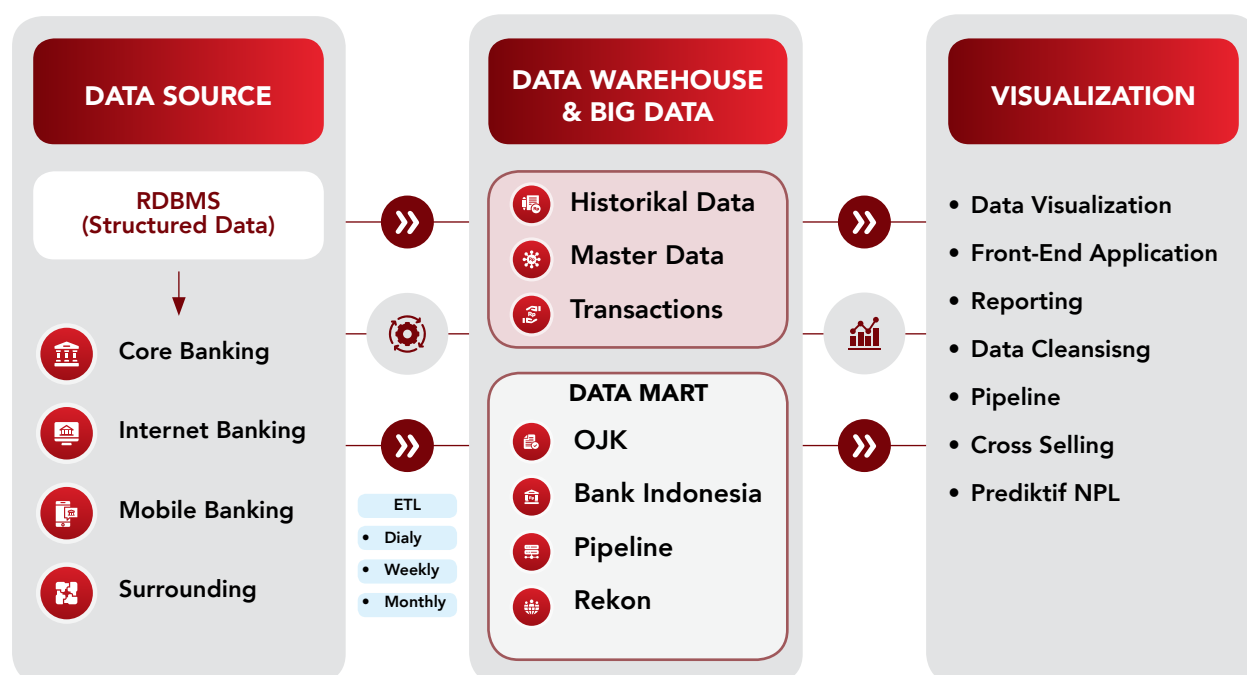
Innovation in the field of Information Technology (IT) refers to the development and application of new ideas, methods, or technologies to improve the efficiency, productivity, and performance of information systems. IT innovation can appear in various forms, ranging from the development of new software, integration of the latest technology, to the application of new concepts in data management and information security. In 2023 Information Technology would carry out several innovations such as Business Intelligence using Tableau, Enterprise Resource Planning (ERP) using Odoo, and building Datawarehouse infrastructure.

Business Intelligence is a concept that includes technologies, processes, and tools for collecting, integrating, analyzing, and presenting business information. The main goal of Business Intelligence is to provide in-depth insight to decision makers in an organization to support better decision-making processes. Information technology has developed dashboard report solutions for the Bank's internal/operational business of 229 dashboards covering 31 divisions.

Enterprise Resource Planning (ERP) is a type of software designed to help organizations manage their business processes holistically. ERP systems integrate various functions and departments within a company into one coherent and uniform system, helping to optimize resource use and increase operational efficiency. Information Technology has developed several modules required for the Bank's internal business/operations totaling 6 (six) modules, namely:

1. Contact
2. Customer Relationship Management (CRM)
3. Inventory
4. Asset Management
5. Budget
6. Vendor Management System
7. Purchase

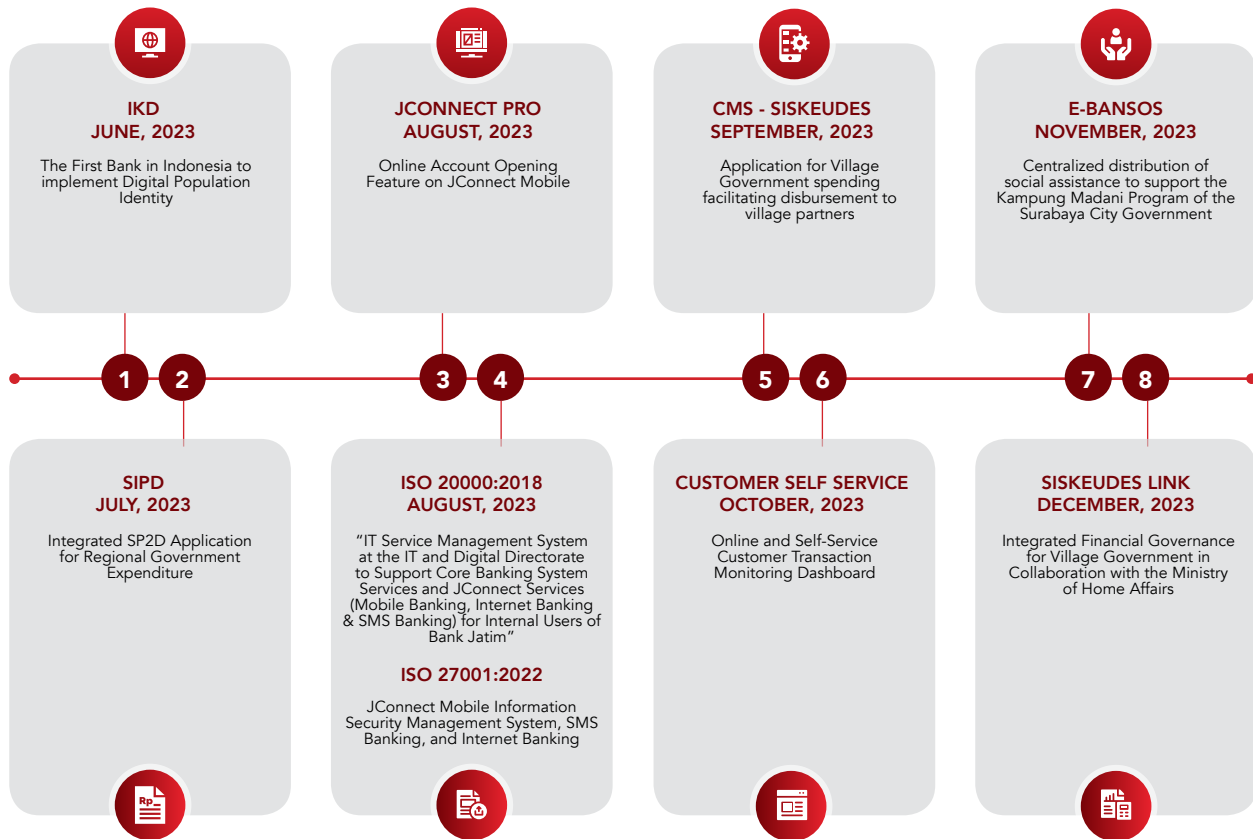
Datawarehouse is a data storage and management system designed to support the business decision making process. It is a central repository that allows the Bank to integrate data from many different sources for analysis and reporting. Data warehouses store historical and current data in formats that users can easily access and analyze.





Apart from Business Intelligence innovation using Tableau, Enterprise Resource Planning (ERP) using Odoo, and building Datawarehouse infrastructure, Bank Jatim continues to innovate and invest in technology so that it can remain competitive in the

development of digital banking technology. Currently, several products, services and certifications have been launched to make services easier for the public, namely:



## Information Technology Infrastructure

Currently, Bank Jatim has additional protection systems and devices as information security protection measures at Bank Jatim as follows.

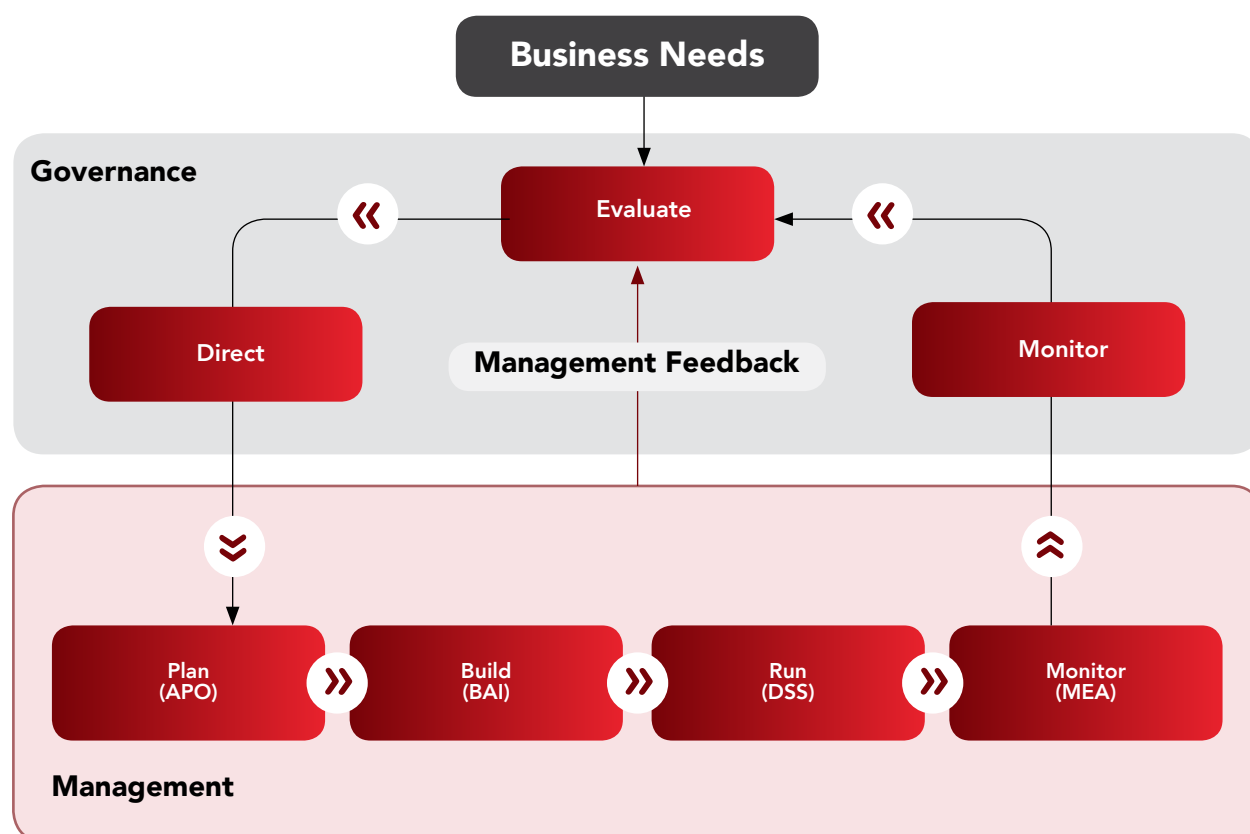
- Endpoint Management
- Endpoint Security
- Mobile Application Security
- Mail Security Gateway
- Load Balancer with WAF (Web Application Firewall)
- Application Security Testing
- Vulnerability Application Scanner



# Information Technology Governance

Information Technology (IT) Governance is the process used to monitor and control information technology capability decisions to ensure delivery and value to Bank stakeholders. Thus IT Governance is very important in supporting and

achieving company goals in aligning the organization's strategy and business goals. Good IT governance requires a balance between People, Process and Technology aspects.



The picture above is a model of Bank Jatim IT Governance. The description of the picture is as follow:

1. Evaluating the use of Information Technology in current and future conditions;
2. Carrying out direct directions regarding the preparation and implementation of plans related to the use of Information Technology and ensuring that the use of Information Technology could meet the business objectives of Bank Jatim;
3. Monitoring the conformity of Information Technology planning implementation with Information Technology policies and performance.

There are 5 (five) areas that are the focus of IT Governance, as follows:

1. Strategic Alignment, the application of IT must really support the achievement of the company's mission where the IT strategy must be aligned with the company's business strategy.
2. Value Delivery, the application of IT must be able to provide added value for the achievement of the company's mission.
3. Risk Management, IT implementation must be accompanied by identification of IT risks so that their impact can be handled.
4. Resource Management, IT implementation must be supported by adequate resources and optimal use of resources wherever possible.
5. Performance Management, IT implementation must be measured and evaluated regularly to ensure that IT performance and capacity are in line with business requirements.





The determination of IT governance characteristics consists of several aspects, as follows:

#### A. Compliances

Bank adopts regulatory compliance and best practices from regulators and the business environment as follows:

1. SEOJK Number 29/SEOJK.03/2022 dated December 27, 2022 concerning Cyber Security and Resilience for Commercial Banks. This regulation regulates the definitions of cyber security, cyber security, cyber incident reports, and early notification of cyber incidents.
2. POJK Number 11/POJK.03/2022 concerning the implementation of information technology for commercial banks. In this regulation, POJK supports digital transformation and cyber resilience of the banking industry and the banking sector for digital transformation needs to increase resilience and cyber security.
3. POJK Number 11/POJK.03/2022 concerning the implementation of information technology for commercial banks. In this regulation, the banking sector is required to have a Disaster Recovery Plan (BCP) and placement of Data Centers and Disaster Recovery Centers (DRC) in the territory of Indonesia.
4. Bank Indonesia Regulation Number 23/11/PBI/2021 concerning National Payment System Standards. In this regulation the Bank is regulated for Standardization in the implementation of the Payment System (SP) which is one of the efforts to support a healthy, competitive and innovative SP industry.
5. POJK Number 12/POJK.03/2018 concerning the Implementation of Digital Banking Services for Commercial Banks. In this regulation, banks can cooperate with third parties, both banks and non-banks, in terms of digital services to customers.
6. Regulation of Bank Indonesia Members of the Board of Governors No. 23/25/PADG/2021 concerning Implementation of Bank Indonesia- Fast payment (BIFAST). In this regulation, Bank Indonesia as the BIFAST service provider is aligned with Bank Indonesia policy directions in the monetary, macroprudential, as well as the payment system and rupiah currency management to support the creation of an integrated, interoperable and interconnected digital ecosystem.
7. POJK Number 13/POJK.03/2021 concerning Implementation of Commercial Bank Products. This regulation regulates Bank products, including new Bank products, which are grouped into Basic Products Bank and Advanced Products Bank.
8. Control Objectives for Information and related Technology (COBIT) as one of the IT Governance frameworks which has an IT Strategic Plan that is aligned with business strategy.

9. The Information Technology Information Library (ITIL) is a standard framework for IT in aligning IT support services to businesses. ITIL focuses on IT processes, procedures, tasks and service levels to support corporate strategy, provide added value, and maintain IT competency levels.
10. ISO 20000:2018 the service management system at IT & Digital directoraterovision of core banking system and JConnect (Mobile Banking, Internet Banking and SMS Banking) Services to internal Customers of Bank Jatim.
11. ISO 27001:2022 Information Security Management System for JConnect Mobile, SMS Banking and Internet Banking services.

#### B. Customer Demands

Changes in the marketplace and society require banks to change towards digital banking, or services that are run with the support of Information Technology. Some banking services are now turning into IT-based selfservice services. As a consequence of this change is the increasingly high demand for Information Technology support in running a business of future changes.

#### C. Technology Development

The dynamics of technological development which are getting higher with the industrial revolution 4.0, especially in financial services, requires that Bank Jatim always adapts to existing and ongoing changes. This aims to provide convenience, comfort and security for customers in interacting in banking services.

#### D. Banking Digital Technology Security

Increased digital transactions need to be followed by reliable banking transaction security as the threat of cybercrime increases, it needs to be considered when implementing and responding to technological developments. The Bank maintains cyber resilience supported by an adequate cyber resilience information system through a process that includes:

1. The bank has controlled IT security systems using the Nist Cybersecurity Framework Framework which includes: Identification, Detection, Protection, Response and Recovery.
2. The bank carries out security awareness to users every year.
3. The bank has optimized the security of Bank Jatim's endpoint, including through information security automation
4. The Bank periodically carries out penetration testing to test the reliability of the application to support business and service needs to make transactions easier for customers.

Bank Jatim has been certified as ISO 27001:2022 Information Security Management System for JConnect Mobile, SMS Banking and Internet Banking services.

#### E. Disaster (Disruption) Recovery Plan

The Bank has Business Continuity Information Technology Guidelines and Disaster Recovery Plan Guidelines as a basis for the availability of data centers, disaster recovery and dual data centers to measure/identify critical business processes related to application system utilization, Response Point Objectives (RPO), Response Time Objectives (RTO) and Work Recovery Time (WRT) strictly.

The Bank also has policies related to Disaster Recovery Plans that support the effectiveness of implementing Disaster Recovery Plans when needed. The emergence of disaster risk can result in disruption of business operations, resulting in increased costs, problems in providing services to users, decreased productivity in the work environment, and a worsening of the Bank's image. Bank business is highly dependent on information and the applications that process it, so it would be very worrying if a disruption occurred that could paralyze the Bank's business.

In principle, what really needs attention is the occurrence of interference factors that can affect the performance of IT operational systems. Familiarization with IT devices and infrastructure, as well as the various possible disruptions and their consequences is very important because of the risk of disasters of various intensities and with varying levels of disruption to operations. Therefore, banks must have a strategic plan to ensure business continuity when unplanned disruptions occur. This plan or strategy is formulated in the Disaster Recovery Plan.

A disaster recovery plan works to:

- a. Minimize service disruption to customers.
- b. Maintain operational continuity of information technology in the event of a disaster/adversity/disruption.
- c. Provide assurance that Bank management fulfills its responsibility to protect information sources and information documents for customers and other parties.
- d. The Bank regularly measures the performance of IT resources, applications, networks and capacity planning.

In carrying out information technology operations, the Bank collaborates with Data Center Service Providers to maintain server availability and security in accordance with the expected Service Level Agreement (SLA).

In 2023, Bank Jatim through Decree No. 062/2076/HCP/HHCD/NOTA has approved and implemented the Organizational Structure of the IT Security Unit which stands independently and separately from Information Technology Management. The Security Unit carried out several things related to the domain of organizational functions as follows.

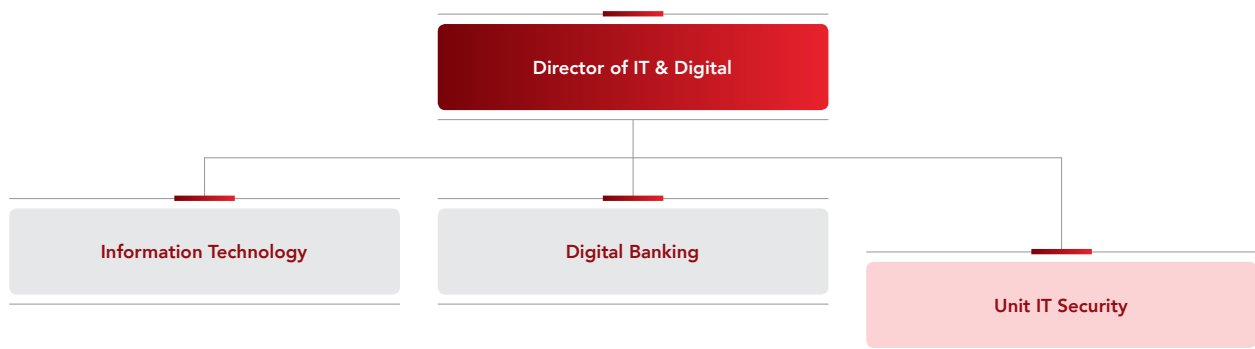
1. Self Assessment Security IT
2. Security Test
3. Cyber Resilience Test
4. IT Security Awareness
5. IT Security Monitoring
6. Information Security Standards

## Information Technology Management Structure



The Bank Jatim IT & Digital Directorate has an Organizational Structure of the Information Technology Division, Digital Banking Division and IT Security Unit which are under the responsibility of the IT & Digital Director. Information

Technology Work Unit Organizational Structure, referring to Directors Decree No. 061/218/DIR/PRS/KEP dated December 7, 2022), are as follows:



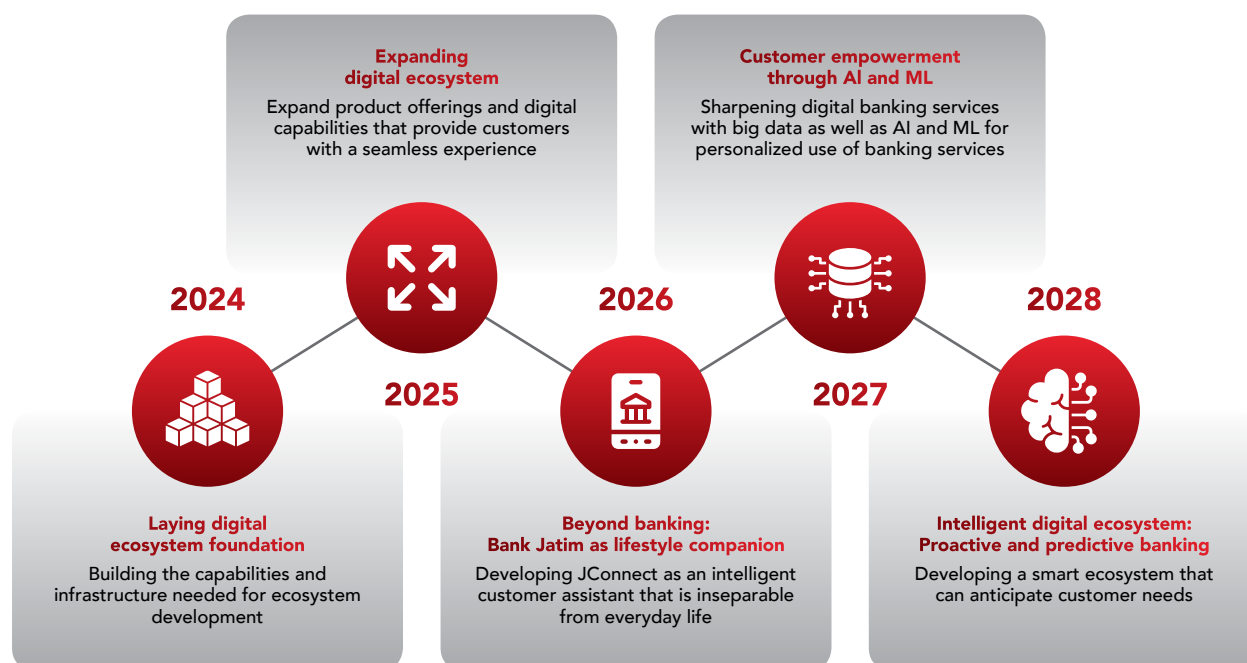
# Information Technology

## Work Plan 2024

Transformation is a process that requires many resources and thorough preparation. To achieve the desired results, consistency in implementation is very necessary to create an effective and targeted synergy. These steps will support the

achievement of the OPTIMUM 2023-2024 strategy which is focused on strengthening the organization, improving IT policies, optimizing the Core Banking system, better infrastructure management, developing innovative business applications, and increasing IT system security.

### Executive Summary of Digital Transformation Realization



By referring to the focus of the Information Technology Division's business plan, information technology development for 2024 can be described based on 5 (five) main strategies as follows:

#### 1. OPTIMIZE IT FOUNDATION AND SECURITY SYSTEM

No.	Project Name	Description
1.	Virtual Account with Balance	Development of Virtual Accounts for the purposes of Central Government Work Unit Accounts from the Ministry of Finance, transfer transactions between virtual accounts can be carried out.
2.	Digital Banking Microservices Infrastructure	Infrastructure (OS, Database, Microservices Platform) used for implementing Digital Banking applications.
3.	DC-DRC Router and Switch Rejuvenation	Rejuvenation of router and switch devices for DC-DRC.
4.	Added Nutanix HCI Node	Addition of HCI Node devices and DC/DRC Infrastructure at Head Office).



No.	Project Name	Description
5.	<b>Fraud Detection System (FDS) Advanced</b>	Advanced stage FDS development using machine learning for fraud detection where the system is useful for detecting unusual transactions that have the potential to lead to criminal acts including fraud.
6.	<b>Virtual Tape Library (VTL) Infrastructure</b>	External media for centralized backup of Non-Core Banking System (CBS) and Core Banking System (CBS) data.
7.	<b>Procurement of Infrastructure for Datawarehouse</b>	Procurement of additional storage used to support the procurement of Data Warehouse (Business Intelligence).
8.	<b>Upgrading Routers, Switches and Next Generation Firewalls for Conventional and Sharia Branches</b>	Increased branch firewall hardware and software capacity to secure traffic and early detection of network security.

## 2. PROVIDE BUSINESS INTELLIGENCE TO SUPPORT BUSINESS BRANCH AND DIVISION

No.	Project Name	Description
1.	<b>Data Analytics</b>	Make it easier for the Information Technology Division to present reporting by transforming data reporting into visualization data reporting.
2.	<b>Jconnect Branch (CBS New Experience)</b>	Centralization of funding and lending operational menus.

## 3. INNOVATE STREAMLINE AND AUTOMATE BUSINESS PROCESS

No.	Project Name	Description
1.	<b>Jconnect Loan System Enterprise</b>	Services to support processing and monitoring credit applications
2.	<b>Jconnect ERP - Automatic Office</b>	Procurement of Business Intelligence (BI) & Enterprise Resource Planning (ERP) in the context of developing BI and ERP solutions according to Bank Jatim's needs & integrating the solutions developed with the bank's current systems and/or infrastructure.
3.	<b>Streamlining Business Process (Supporting)</b>	Provide reviews of existing business processes at Bank Jatim and provide business process flows and recommendations across all divisions that benefit the Company.
4.	<b>Supporting Regional Government Credit Cards (KKPD) with Mobile</b>	Regional Government Credit Card (KKPD) is a credit card that can be used to make payments for expenditure charged to the APBD, after the card holder's payment obligations have been fulfilled by the credit card issuing bank in accordance with its obligations at the agreed time and regional work units are obliged to pay off the obligations payment at the agreed time with payment in full at once.
5.	<b>E-Credit Card (QRIS Payment)</b>	Online or non-cash payment means using a card issued by Bank Jatim, credit card management is in the consumer division.
6.	<b>Trade Finance (Supporting)</b>	Facilities provided by Bank Jatim to finance debtor trading activities related to foreign (export-import) and domestic (buying and selling) trade transactions.
7.	<b>Banking Custody (Supporting)</b>	Management of mutual fund investment funds whose job is to store securities portfolios and various other valuable certificates.
8.	<b>Improve core banking system</b>	Core Banking System assessment by independent consultant.

**4. MODERNIZE CUSTOMER EXPERIENCE**

No.	Project Name	Description
1.	BI-Fast stage 2	The second stage of development of BI-FAST is to bulk credit, direct debit, e-mandate, and request for payment features.
2.	EDC for Banking	Development of Bank Jatim's EDC to be able to accept debit card transactions from other banks or development of other features.

**5. UNIFIED SERVICE EXCELLENCE**

No.	Project Name	Description
1.	Konsultan <i>Project Management</i> dan QA	Monitoring, overseeing, and supervising and providing recommendations on Business Intelligent and JConnect GAS – ERP projects.
2.	Governance Assesment with COBIT 2019	The process of evaluating and measuring the quality and effectiveness of an organization's information technology (IT) governance using the COBIT 2019 Framework.

# CORPORATE GOVERNANCE









## Achievements in Implementing Corporate Governance



Bank Jatim received the TOP GRC (Governance, Risk, and Compliance) Awards 2023 #stars 5. Bank Jatim was assessed as having systems, infrastructure and implementation related to good corporate governance (GCG). Apart from that, risk management, compliance management and the use of digital technology within the Bank are at an extraordinary level. So this really supports the successful implementation of GRC and the sustainable improvement of the company's business performance.

## Basic for Corporate Governance Implementation



The implementation of Corporate Governance at Bank Jatim always refers to the applicable regulations. The basis for implementing Corporate Governance at Bank Jatim is as follows:

1. Law of the Republic of Indonesia Number 7 of 1992 concerning Banking as amended several times, lastly by Law of the Republic of Indonesia Number 6 of 2023
2. Law of the Republic of Indonesia Number 31 of 1999 concerning Eradication of Corruption Crimes as partially

concerning the Stipulation of Governmental Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation into Law along with its amendments.

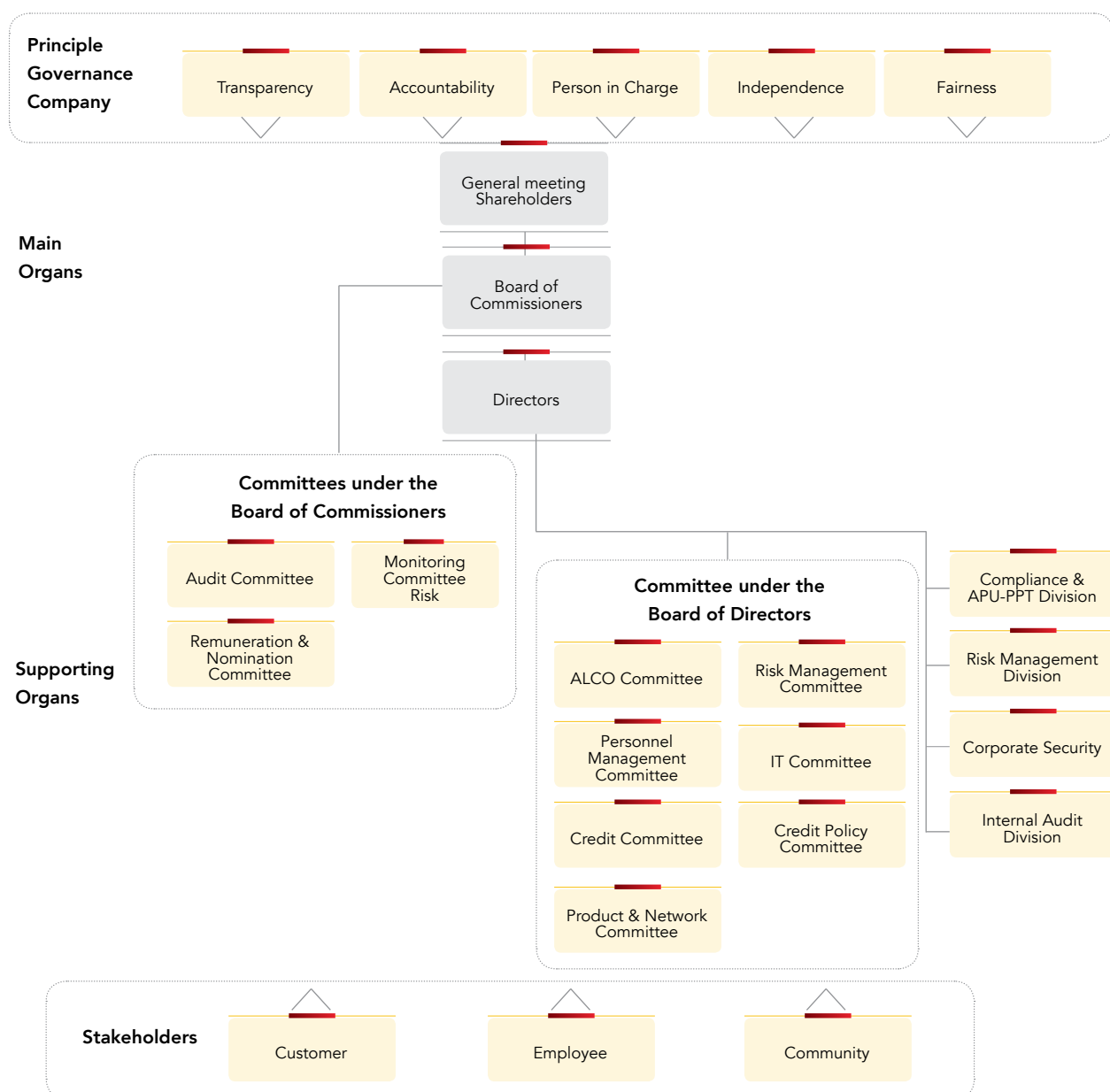
- repealed by Law of the Republic of Indonesia Number 1 of 2023 concerning Criminal Law along with its amendments.
3. Law Number 40 of 2007 concerning Limited Liability Companies as amended several times, lastly by Law of the Republic of Indonesia Number 6 of 2023 concerning the Stipulation of Governmental Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation into Law along with its amendments.
  4. Corruption Eradication Commission Regulation Number 2 of 2019 concerning Reporting of Gratification.
  5. Corruption Eradication Commission Regulation Number 07 of 2016 concerning Procedures for Registration, Announcement and Examination of the Assets of State Administrators along with its amendments.
  6. POJK Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies along with its amendments.
  7. POJK Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies along with its amendments.
  8. POJK Number 35/POJK.04/2014 concerning Corporate Secretary of Issuers or Public Companies along with its amendments.
  9. POJK Number 21/POJK.04/2015 concerning Guidelines for Implementation of Public Company Governance along with its amendments.
  10. POJK Number 45/POJK.03/2015 concerning the Implementation of Governance in Providing Remuneration for Commercial Banks along with its amendments.
  11. POJK Number 55/POJK.04/2015 concerning the Establishment and Guidelines for the Work Implementation of the Audit Committee along with its amendments.
  12. POJK Number 4/POJK.03/2016 concerning Assessment of the Soundness of Commercial Banks along with its amendments.
  13. POJK Number 5/POJK.03/2016 concerning Bank Business Plans along with its amendments.
  14. POJK Number 18/POJK.03/2016 concerning the Implementation of Risk Management for Commercial Banks along with its amendments.
  15. POJK Number 27/POJK.03/2016 concerning the Fit and Proper Test for Main Parties of Financial Services Institutions along with its amendments.
  16. POJK Number 29/POJK.04/2016 concerning Annual Reports of Issuers or Public Companies along with its amendments.
  17. POJK Number 37/POJK.03/2019 Concerning Transparency and Publication of Bank Reports along with its amendment.
  18. POJK Number 11/POJK.03/2016 concerning Obligation of Minimum Capital Requirements for Commercial Banks along with its amendment.
  19. POJK Number 17 of 2023 concerning Implementation of Governance for Commercial Banks along with its amendment.
  20. POJK Number 8 of 2023 concerning Implementation of Anti-Money Laundering Program, Prevention of Terrorism Funding, and Prevention of Mass Weapon Proliferation Funding in the Financial Services Sector along with its amendment.
  21. POJK Number 46/POJK.03/2017 tentang concerning Implementation of Compliance Function for Commercial Banks along with its amendments.
  22. POJK Number 1/POJK.03/2019 concerning Implementation of the Internal Audit Function in Commercial Banks along with its amendments.
  23. SEOJK Number 32/SEOJK.04/2015 concerning Governance Guidelines for Public Companies.
  24. SEOJK Number 39/SEOJK.03/2016 concerning the Fit and Proper Test for Candidates for Controlling Shareholders, Candidates for Members of the Board of Directors, and Candidates for Members of the Board of Commissioners of the Bank.
  25. SEOJK Number 13/SEOJK.03/2017 concerning Implementation of Governance for Commercial Banks.
  26. SEOJK Number 14/SEOJK.03/2017 concerning Assessment of the Soundness of Commercial Banks.
  27. Articles of Association of PT East Java Regional Development Bank Tbk. along with the changes.
- In addition to the required provisions of the various laws and regulations above, the Company also bases on the GCG implementation guidelines as follows:
1. Principles of Corporate Governance developed by the Organization for Economic Cooperation and Development (OECD).
  2. ASEAN Corporate Governance Scorecard.
  3. Indonesian GCG Guidelines developed by the National Committee on Governance Policy (KNKG).
  4. Indonesian Banking GCG Guidelines developed by the National Governance Policy Committee (KNKG).
  5. Principles for Enhancing Corporate Governance published by the Basel Committee on Banking Supervision.

# Structure and Mechanism of Corporate Governance

## Structure of Company Organs

Based on the Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies, the Organs of the Company consists of General Meeting of Shareholders (GMS), Board of Commissioners and Board of Directors. Its administration adopts a two tier system, namely Board of Commissioners and Board of Directors, who have specific authority and responsibility based on their respective functions as specified in the Articles of Association and the laws and regulations. Bank Jatim also had supporting organs under the Board of Commissioners and Directors in order to support the effectiveness of the duties and responsibilities of the Main Organs.

The structure of the corporate organs is presented in the chart below.





## Governance Soft Structure

In addition to the structure of the Company's Organs, Bank Jatim also has a governance soft structure which is the provisions set by the Board of Directors to implement GCG principles at all levels of the organization. In its implementation, Bank Jatim has various policies/ guidelines in carrying out its functions and duties which are called the Bank's governance infrastructure. The objectives of building the Bank's governance infrastructure are as follows.

No.	Guidelines	Guide Numbe	Validation Date
1	Articles of Association	Deed of Establishment of PT Bank Pembangunan Daerah Jawa Timur Number 1 dated May 1, 1999	May 1, 1999
		Deed of Statement of Meeting Resolutions of PT. Bank Pembangunan Daerah Jawa Timur Tbk. Number 22 dated July 13, 2017	July 13, 2017
		Deed of Decision of the Extraordinary General Meeting of Shareholders Number 92 dated July 24, 2018	July 24, 2018
		Deed of Restatement of Meeting of PT Bank Pembangunan Daerah Jawa Timur Resolutions Number 55 dated April 22, 2020	April 22, 2020
		Deed of Restatement of Meeting of PT Bank Pembangunan Daerah Jawa Timur Resolutions Number 175 dated May 20, 2020	May 20, 2020
		Deed of Restatement of Meeting of PT Bank Pembangunan Daerah Jawa Timur Resolutions Number 15 dated May 9, 2023	May 9, 2023
2.	Board of Commissioners Work Guidelines	060/01/DK/KEP	January 15, 2021
3.	Directors Work Guidelines	056/006/DIR/CSE/KEP	January 17, 2017
4.	Board of Commissioners Committee Implementation Guidelines	060/02/DK/KEP	January 15, 2021
5.	Board of Commissioners Committee Implementation Guidelines	059/222/DIR/KPT/KEP	August 18, 2020
6.	Compliance Guidelines	059/220/DIR/KPT/KEP	August 14, 2020
7.	Guidelines for Customer Compliant Settlement and Protection	059/299/DIR/SQA/KEP	November 3, 2020
8.	Bank Business Plan Guidelines	059/211/DIR/PRS/KEP	August 13, 2020
9.	Guidelines for Implementation of Anti-Fraud Strategy	060/22/DIR/AUI/KEP	January 28, 2021
10.	Guidelines for Advanced Financial Application	058/315/DIR/KPT/KEP	November 6, 2019
11.	Guidelines for Environmental and Social Responsibility	059/188.3/DIR/CSE/KEP	July 21, 2020
12.	Board of Directors Committee Guidelines	062/056/DIR/CSE/KEP	July 12, 2023
13.	Product Policy and Internal Audit Activities	060/02/04/DIR/AUI/KEP	November 30, 2021
14.	Product Policy and Risk Management Activities	060/02/01/DIR/MJR/KEP	May 4, 2023
15.	Finance or Credit Activity Product Policy (KPA PAP)	062/02/02/DIR/MJR/KEP	December 5, 2023
16.	Information Technology Activity and Product Policy (KPA)	060/02/02/DIR/TEI/KEP	August 12, 2021
17.	Standard Operating Procedures (SOP) of Bank Soundness Assessment	062/03/15/DIR/MJR/KEP	April 5, 2023
18.	Changes to Standard Operating Procedures (SOP) of Nomination and/or Replacement of Member of the Board of Commissioners and the Board of Directors	060/03/18/DK/KEP	June 28, 2021
19.	SOP of Nomination and/or Replacement of Member of Committee of the Board of Commissioners (Independent Party)	060/03/DK/KEP	January 18, 2021

No.	Guidelines	Guide Number	Validation Date
20.	Standard Operating Procedure Internal Audit Activities	061/03/60/DIR/AUI/KEP	December 27, 2022
21.	Standard Operating Procedures of Stipulation of Remuneration Governance for Management along with its Facilities	061/03/06/DKM/KEP	August 25, 2023
22.	Standard Operating Procedures (SOP) of Grading and Remuneration System	062/03/36/DIR/HCP/KEP	June 8, 2023
23.	Standard Operating Procedures (SOP) of Financial Reporting	062/03/69/DIR/AMK/KEP	December 12, 2023
24.	Standard Operating Procedures (SOP) of Investor Management	062/03/40/DIR/CSE/KEP	June 21, 2023
25.	Bank Governance Self-Assessment Technical Guidelines	062/04/29/KPT/SE	April 17, 2023
26.	Technical Procedures of Investor Management Duties	062/04/66/CSE/SE	September 26, 2023

## Corporate Governance Mechanism

### Shareholders

In the Articles of Association, Shareholders are Series A Shareholders and Series B Shareholders, unless expressly stated otherwise. The Company's shares consist of series A shares which are exclusively owned by the Provincial, City and Regency Governments in East Java and Series B shares which can be owned by Directors, Board of Commissioners, Employees, Provincial Governments, City and Regency Governments throughout East Java and the community.

### Rights of The Shareholders

By regarding the Articles of Association of the Company based on the Deed of Restatement of Meeting Resolutions of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 15 dated May 9, 2023, Article 5 paragraph (2) of the Articles of Association of the Company stipulated the rights of shareholders as follows:

1. Series A is shares which give special rights to their holders in the attendance and approval quorum as referred to in Article 14 of the Articles of Association for:
  - a. Attending and approving the appointment, dismissal and approval of the resignation of the Directors and Board of Commissioners.
  - b. Attending and approving changes in the articles of association for issuance of equity securities or changes in issued and paid up capital.
  - c. Attending and approving stock deposits in the form of objects other than money, both tangible and intangible objects.
  - d. Attending and approving the merger, consolidation, acquisition and separation and submission of an application so that the Company is declared bankrupt and the liquidation of the Company.

2. Except for the special rights as mentioned above, shareholders of series B have the same rights in accordance with Law no. 40 of 2007 concerning Limited Liability Companies (PT).

In addition, Shareholders also have the right to approve remuneration for members of the Board of Directors and Board of Commissioners and to propose agenda items for the GMS and propose holding a GMS in accordance with the ownership percentage requirements. As long as there is no other stipulation in the Articles of Association, series A shareholders & series B shareholders have the same rights and every 1 (one) share gives 1 (one) vote.

All Shareholders have the same rights in obtaining information related to the Bank. Bank Jatim provides the same treatment to all Shareholders in providing information needed by investors or Shareholders so that there is no inside information that is only known by the Majority Shareholders. The Bank also encourages the involvement of Shareholders outside the GMS through investor relations, one on one meetings and analyst meetings.

### General Meeting of Shareholders

The General Meeting of Shareholders (GMS) of the Company consisted of the Annual GMS and Extraordinary GMS. Annual GMS was held annually no later than 6 (six) months after the Company's financial year was closed. Extraordinary GMS could be held at any time based on the need to discuss and decide on the agenda of the meeting.

### Rules of GMS

1. At the implementation of the GMS, the rules of procedure for the GMS are given to the shareholders who are present.
2. The GMS agenda is read out before the GMS begins.
3. At the opening of the GMS, the chairperson of the GMS provides an explanation to the shareholders that contains at least:

- a. General condition of the Bank.
- b. Meeting agenda.
- c. Decision-making mechanism related to meeting agenda through voting method.
- d. Procedures for exercising shareholder rights to submit questions and/or opinions.

If the meeting agenda concerns the appointment of members of the Board of Directors and/or members of the Board of Commissioners, the curriculum vitae of prospective members of the Board of Directors and/or members of the Board of Commissioners to be appointed shall be submitted via the Bank Jatim website.

### The Process of Implementing a GMS and Voting

The GMS is held by making announcements and summons to the Shareholders. Announcement of the GMS shall be made no later than 14 (fourteen) days prior to the summons for the GMS, excluding the date of announcement and the date of the invitation. Summons to the GMS shall be made no later than 21 (twenty-one) days before the GMS, excluding the date of the summons and the date of the GMS.

The summons for the GMS at least contain information on the date of the GMS, the time for holding the GMS, the venue, provisions for shareholders who are entitled to attend the GMS, the agenda of the meeting including an explanation of each agenda item, and information stating that materials related to the agenda of the meeting are available to shareholders from the date of the invitation to the GMS until the GMS is held.

The GMS is chaired by a member of the Board of Commissioners who is appointed by the Board of Commissioners who is appointed by the Board of Commissioners. In the event that all members of the Board of Commissioners are absent or unable to attend due to any reason that does not need to be proven to a third party, the GMS is chaired by a member of the Board of Directors who is appointed by the Board of Directors. In the event that all members of the Board of Directors are absent or unable to attend, the GMS shall be chaired by shareholders who attend the GMS who are appointed from and by the GMS participants.

The GMS can be held if attended by shareholders or their legal proxies who represent more than ½ (one half) of the total number of valid shares and the decision is approved by more than ½ (one half) of the total shares with voting rights present. in the GMS unless otherwise stipulated in the applicable laws and regulations.

Each shareholder can be represented at the GMS by other holders or a third party with a power of attorney. The power of attorney form has been available on the Bank website since the summons for the GMS. Each share gives the owner the right to cast 1 (one) vote. Voting can be done electronically (poll). All decisions are made based on deliberation to reach consensus. In the event that a decision based on deliberation to reach a consensus is not reached, then the decision is made based on an agreed vote as determined in the articles of association of the Bank. The GMS minutes stated that shareholders were given the opportunity to submit questions/opinions.

### Implementation of Annual GMS For Fiscal Year 2022 and Its Realization

Information	Announcement	Invitation	Implementation	GMS Results
Notifying the Financial Services Authority that a meeting would be held with the letter number: 062/056/DIR/CSE/Srt date February 24, 2023	Advertising the announcement regarding the Invitation of Meeting to the Shareholders on the website of the Indonesia Stock Exchange, the website of PT Kustodian Sentral Efek Indonesia and the Company's website on February 8, 2022 the Company's website with letter number 062/091/DIR/CSE/Srt date March 3, 2023. Announcements are delivered in Indonesian and English	Mengiklankan Advertising the Invitation to Shareholders on the Indonesia Stock Exchange website, PT KSEI website, the Company's website with letter number 062/107/DIR/CSE/Srt date March 21, 2023. Calls are delivered in Indonesian and English.	Held on April 12, 2023, at the Bank Jatim Head Office	<ul style="list-style-type: none"> <li>- Submission of Summary of Minutes to Financial Services Authority number 062/149/DIR/CSE/Srt dated April 14, 2023</li> <li>- Submission of Summary of Minutes to Financial Services Authority number 062/190/DIR/CSE/Srt dated May 9, 2023</li> </ul>

### Vote Counting Independent Parties

The Company appointed independent parties, namely Notary Sitaesmi Puspawati Subianto and PT Datindo Entrycom in calculating and/or validating votes.



## Attendance Recapitulation at The Annual GMS for Fiscal Year 2022

The Board of Commissioners and Directors of Bank Jatim who attended the 2022 Annual GMS are as follows.

No.	Nama	Jabatan	Kehadiran
1.	Suprajarto	President Commissioner	Present
2.	Muhammad Mas'ud	Independent Commissioner	Present
3.	Heru Tjahjono	Commissioner	Present
4.	Candra Fajri Ananda	Independent Commissioner	Present
5.	Sumaryono	Independent Commissioner	Present
6.	Busrul Iman	President Director	Present
7.	Edi Masrianto	Director of Finance, Treasury & Global Services	Present
8.	Tony Prasetyo	Pgs. Compliance	Present
9.	R. Aried Wicaksono	Director of Micro, Retail and Medium	Present
10.	Eko Susetyono	Director of Risk Management	Present
11.	Zulhelfi Abidin	Direktur IT & Digital	Present

## Decisions and Realization of the Annual GMS for Fiscal Year 2022

First Meeting Agenda	Status
<p>Approval of the Company's Annual Report regarding the Condition and Operation of the Company during the 2022 Financial Year, including the Report on the Implementation of the Supervisory Duties of the Board of Commissioners during the 2022 Financial Year and the Ratification of the Company's Financial Statements for the 2022 Financial Year.</p> <p>The total of Shareholders submitting Questions and/or providing opinions was 3 (three) people.</p> <p>Voting Results</p> <p>In Favor : 12.638.735.377 shares (99,940%) consisting of Series A: 11.862.056.231 shares and Series B: 776.679.146 shares</p> <p>Against : 30.100 shares (0,0002%) which were all Series B Shares</p> <p>Abstain : 7.449.176 shares (0,058%) which were all Series B Shares</p> <p>Decision</p> <p>1. Approve and certify:</p> <ol style="list-style-type: none"> <li>The Company's Annual Report that has been submitted by the Board of Directors for the 2022 Fiscal Year.</li> <li>Supervisory Task Report that has been submitted by the Board of Commissioners for Fiscal Year 2022.</li> <li>Laporan The Company's Financial Statements for the financial year ended December 31, 2022 which have been audited by the Public Accounting Firm of Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan &amp; Partner in accordance with the Independent Auditor's Report dated February 13, 2023, with a Fair opinion in all material respects.</li> </ol> <p>2. With the approval and ratification of the Annual Report, Report on the Supervisory Duties of the Board of Commissioners and the Company's Financial Statements for the 2022 Financial Year, the Meeting granted full discharge and release from responsibilities (acquitt et de charge) to all members of the Board of Directors for management actions and to all members of the Board of Directors. Commissioner for supervisory actions that have been carried out during the financial year ending on December 31, 2022 to the extent of such actions reflected in the Company's Financial Statements.</p>	Realized
Second Meeting Agenda	Status
<p>Determination of the use of the Company's net profit for the financial year 2021 including the provision of bonuses for employees as well as bonuses and remuneration for the Board of Directors and the Board of Commissioners.</p> <p>The total of Shareholders submitting Questions and/or providing opinions was 2 (two) people.</p> <p>Voting Results</p> <p>In Favor : 12.463.237.845 shares (98,553%) consisting of Series A: 11.862.056.231 shares and Series B: 601.181.614 shares</p> <p>Against : 182.845.508 shares (1,445%) which were all Series B shares</p> <p>Abstain : 131.300 shares (0,001%) which were all Series B shares</p>	Realized





Second Meeting Agenda	Status
<p>Decision</p> <ol style="list-style-type: none"> <li>Approving of the use of the Company's profits for the Fiscal Year of 2022, as follows: <ol style="list-style-type: none"> <li>In the amount of IDR 797.793.173,38 (seven hundred ninety seven billion one hundred seventy two million seven hundred ninety three thousand one hundred seventy three Rupiah point thirty eight cents) or 51,667% (fifty-one point sixty-six percent) of the net profit for the Fiscal Year of 2022 is set as cash dividend for the Fiscal Year of 2022, so it amounts IDR 53,09 (fifty three point zero nine cents) per share, designated as cash dividend for the Fiscal Year of 2022 will be distributed in cash to all shareholders registered in Register of Shareholders of the Company as of May 2, 2023 and paid on May 12, 2023. Furthermore, granting power and authority to the Board of Directors to regulate the procedure for the payment of the cash.</li> <li>In the amount of IDR 745.651.466,62 (seven hundred forty five billion six hundred fifty one million six hundred one thousand four hundred sixty six rupiah point sixty two cents) or 48,33% (forty-eight point thirty-three percent) set as General Reserve.</li> </ol> </li> <li>Furthermore, in accordance with the provisions of the applicable Financial Accounting Standards Regulations, we propose to determine the distribution of employee bonuses and tantiem for the Company's Management, such as the Board of Directors and the Board of Commissioners including the Sharia Supervisory Board along with those who assist the Board of Commissioners, the duties of the Board of Commissioners, including the Sharia Supervisory Board for the Fiscal Year of 2022, an allowance of IDR 385.706.139.127,45 (three hundred eighty five billion seven hundred six million one hundred thirty nine thousand one hundred twenty seven Rupiah point forty five cents) with the same percentage distribution as the previous year, as follows: <ol style="list-style-type: none"> <li>Employee bonus of 85% (eighty-five percent).</li> <li>The Tantien of the Company's Management, such as the Board of Commissioner along with those who assist the duties of the Board of Commissioner, including Sharia Supervisory Board of 15% (fifteen percent). Of the total that will be paid in cash and in accordance with the provisions of POJK Number 45/POJK.03/2015, mainly for the Board of Commissioners and the Board of Directors, there will be the retained tantien in cash and shares through Long Term Incentive program.</li> </ol> </li> <li>Granting authority and power to the Board of Commissioners to determine the remuneration of the Company's management, such as the Board of Directors and the Board of Commissioners together with those who assist the duties of the Board of Commissioners including the Sharia Supervisory Board in 2023 by considering the proposals from the Remuneration and Nomination Committee and reporting on the Annual Report.</li> </ol>	
Third Meeting Agenda	Status
<p>Granting Power of Attorney to the Board of Commissioners to Appoint a Public Accounting Firm to Audit the Company's Financial Statements for the 2023 Financial Year.</p> <p>There were no Shareholders asking Questions and/or providing opinions</p> <p>Voting Results In Favor : 12.486.364.745 shares (98,735%) consisting of Series A: 11.862.056.231 shares and Series B: 624.308.514 shares</p> <p>Against : 159.719.108 shares (1,262%) which were all Series B shares</p> <p>Abstain : 130.800 shares (0,001%) which were all Series B shares</p> <p>Decision Approved to grant authorization to the Board of Commissioners to appoint a public accounting firm to audit the company's financial statements for the 2023 financial year.</p>	Realized
Fourth Meeting Agenda	Status
<p>Approval of the Company's Corporate Action</p> <p>The total of Shareholders submitting Questions and/or providing opinions was 1 (one) people.</p> <p>Voting Results In Favor : 12.002.342.731 shares (94,908%) consisting of Series A: 11.862.056.231 shares and Series B: 140.286.500 shares</p> <p>Against : 643.740.622 shares (5,090%) which were all Series B shares</p> <p>Abstain : 131.300 shares (0,001%) which were all Series B shares</p> <p>Decision Approving the corporate action of capital participation in Bank NTB Syariah of a maximum of 15% of the total of paid-up equity participation of shareholders of the Province, Regency and City of West Nusa Tenggara Government. The said equity participation of Bank Jatim is part of the formation process of a Bank Business Group (KUB) as referred to POJK Number 12/POJK.03/2020 concerning the consolidation of commercial banks, currently in the due diligence stage, which the implementation is carried out with due observance of the applicable statutory. This equity participation is in terms of the satisfaction of Regional Regulation of East Java Province No. 8 of 2019 concerning Regional-Owned Enterprises.</p>	Realized





Fifth Meeting Agenda	Status
Changes to Article of Association	Realized
There were no Shareholders asking Questions and/or providing opinions	
Voting Results In Favor : 12.002.543.631 share (94,910%) consisting of Series A: 11.862.056.231 shares and Series B: 140.487.400 shares	
Against : 643.540.122 shares (5,088%) which were all Series B shares	
Abstain : 130.900 shares (0,001%) which were all Series B shares	
Decision 1. Approving changes to the Company's Articles of Association, as follows: a. Changes related the adjustment to: - Law of the Republic of Indonesia Number 7 of 1992 concerning Banking as amended several times, lastly by Law of the Republic of Indonesia Number 6 of 2023 concerning the Stipulation of Governmental Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation into Law. - Regulation of Statistic Central Agency Number 2 of 2020 regarding Indonesian Business Classification Standard. In article 13 regarding purpose, objectives, and business activities. b. Supplement to the provisions related to "quorum of Decisions of GMS in case the management (the Board of Directors and the Board of Commissioners) occurs, either nomination, dismissal, or approval for resignation in Article 14 Section (4). c. Other changes in Articles of Association of PT Bank Jatim are editorial adjustment as follows: - Addition to the provision of term "Good Governance" in "Good Corporate Governance" of Article 16 section (4). - Adjustment to the provisions of Duties and Authorities of the Board of Directors in article 16 section 10.D.1. The phrase "Credit Relief" becomes "Credit Written-off". - Changes to Drafting of "Regulation of Bapepam LK Number .X.K.2" becomes "in the Capital Market Sector" Article 22 Section (6) Work Plan, Fiscal Year, and Annual Report. - Adjustment to the Mention of "Minister" becoming "Minister of Law and Human Rights" of Article 4 (Capital) section (7) and Article 14 (Quorum, Voting Rights, Decision and Code of Conduct) section (3). - Changes to the Term "Bank Indonesia" becoming "Financial Services Authority". - Adjustment to the Term "General Meeting of Shareholders" becoming "GMS." - Consistency of the Use "A" Letter (Capital Letter) in "Article" and "s" (small letter) in "section". - Adjustment to the point reference in Article of Articles of Association by referring to point in Article of Articles of Association, such as in Article 14 section (2) point a number 2 and 3. 2. Granting power and authority to the Company's Board of Directors with the right of substitution to carry out all required actions related to decision of the agenda of this Meeting, including drafting and restatement all Articles of Association in a notarial deed and, accordingly, submitting to the authorized party including regulator to obtain approval or receipt of notification of changes to Article of Association.	

Sixth Meeting Agenda	Status
Changes in the Composition of the Company's Management	Realized
The total of Shareholders submitting Questions and/or providing opinions was 1 (one) people.	
Voting Results In Favor : 11.896.417.553 shares (94,070%) consisting of Series A: 11.829.395.753 shares and Series B: 67.021.800 shares	
Against : 748.860.300 shares (5,921%) consisting of Series A: 32.660.478 shares and Series B: 716.199.822 shares	
Abstain : 936.800 shares (0,007%) which were all Series B shares	
Decision 1. Honorably discharging members of the Board of Commissioners and members of the Sharia Supervisory Board whose their term of office has ended, as follows: Independent Commissioner : Muhammad Mas'ud Commissioner : Heru Tjahjono Sharia Supervisory Board : KH Affifudin Sharia Supervisory Board : Saad Ibrahim as of the closing of this Meeting with the greatest gratitude to them. 2. Approving and nominating the Company's Management, consisting of the Board of Commissioners, the Board of Directors, and Sharia Supervisory Board, as follows: a. Independent Commissioner : Muhammad mas'ud Commissioner : Adhy Karyono* Starting from the closing of this Meeting with a term of office until the closing of the 4th (Fourth) Annual General Meeting of Shareholders since their nomination date, or after their substitute have passed compliance and performance assessment by the Financial Services Authority. *applicable since passing compliance and performance assessment by the Financial Services Authority. b. Director of Compliance : Tony Prasetyo Starting from the closing of this Meeting with a term of office until the closing of the 1st (First) Annual General Meeting of Shareholders since their nomination date, or after their substitute have passed compliance and performance assessment by the Financial Services Authority. *applicable since passing compliance and performance assessment by the Financial Services Authority.	



Sixth Meeting Agenda	Status																												
<p>c. Director of Operations : Arif Suhirman Starting from the closing of this Meeting with a term of office until the closing of the 5th (Fifth) Annual General Meeting of Shareholders since their nomination date, or after their substitute have passed compliance and performance assessment by the Financial Services Authority. *applicable since passing compliance and performance assessment by the Financial Services Authority.</p> <p>d. Sharia Supervisory Board : KH Affudin Sharia Supervisory Board : Sukadiono* Starting from the closing of this Meeting with a term of office until the closing of the 4th (Fourth) Annual General Meeting of Shareholders. *applicable after obtaining recommendations from National Sharia Supervisory Board-the Ulema Council of Indonesia and receiving approval from the Financial Services Authority.</p> <p>3. GMS grants power to the Board of Commissioners to make structural division of Head and Member of Sharia Supervisory Board. Hence, the composition of the Company's Management consists of:</p> <p><b>Board of Commissioners</b></p> <table> <tr><td>President Commissioner</td><td>: Suprajarto</td></tr> <tr><td>Independent Commissioner</td><td>: Muhammad Mas'ud</td></tr> <tr><td>Independent Commissioner</td><td>: Sumaryono</td></tr> <tr><td>Independent Commissioner</td><td>: Candra Fajri Ananda</td></tr> <tr><td>Independent Commissioner</td><td>: Adhy Karyono</td></tr> </table> <p><b>Board of Directors</b></p> <table> <tr><td>President Director</td><td>: Busrul Iman</td></tr> <tr><td>Director of Micro, Retail, and Medium</td><td>: R. Arief Wicaksono</td></tr> <tr><td>Director of Compliance</td><td>: Tonny Prasetyo</td></tr> <tr><td>Director of Finance, Treasury &amp; Global Services</td><td>: Edi Masrianto</td></tr> <tr><td>Director of Operations</td><td>: Arif Suhirman</td></tr> <tr><td>Director of IT &amp; Digital</td><td>: Zulhelfi Abidin</td></tr> <tr><td>Director of Risk Management</td><td>: Eko Susetyo</td></tr> </table> <p><b>Sharia Supervisory Board</b></p> <table> <tr><td>Sharia Supervisory Board</td><td>: KH. Affudin</td></tr> <tr><td>Sharia Supervisory Board</td><td>: Sukadiono</td></tr> </table> <p>4. Granting power to the Board of commissioners to stipulate remuneration of the Board of Directors appointed until the notification of the results of compliance and performance assessment of the Financial Services Authority by considering recommendations from Remuneration and Nomination Committee.</p> <p>5. Granting power and authority to the Board of Directors with the right of substitution to carry out all necessary process and actions, including notification of the regulations as required in the applicable laws and regulations.</p>	President Commissioner	: Suprajarto	Independent Commissioner	: Muhammad Mas'ud	Independent Commissioner	: Sumaryono	Independent Commissioner	: Candra Fajri Ananda	Independent Commissioner	: Adhy Karyono	President Director	: Busrul Iman	Director of Micro, Retail, and Medium	: R. Arief Wicaksono	Director of Compliance	: Tonny Prasetyo	Director of Finance, Treasury & Global Services	: Edi Masrianto	Director of Operations	: Arif Suhirman	Director of IT & Digital	: Zulhelfi Abidin	Director of Risk Management	: Eko Susetyo	Sharia Supervisory Board	: KH. Affudin	Sharia Supervisory Board	: Sukadiono	Realized
President Commissioner	: Suprajarto																												
Independent Commissioner	: Muhammad Mas'ud																												
Independent Commissioner	: Sumaryono																												
Independent Commissioner	: Candra Fajri Ananda																												
Independent Commissioner	: Adhy Karyono																												
President Director	: Busrul Iman																												
Director of Micro, Retail, and Medium	: R. Arief Wicaksono																												
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Director of Risk Management	: Eko Susetyo																												
Sharia Supervisory Board	: KH. Affudin																												
Sharia Supervisory Board	: Sukadiono																												

## Implementation of Annual GMS For Fiscal Year 2021 and Its Realization

Information	Announcement	Invitation	Implementation	GMS Results
Notifying the Financial Services Authority that a meeting would be held with the letter number: 061/040/DIR/CSE/SRT	Advertising announcement regarding the Invitation of the Meeting to Shareholders in Indonesian Stock Exchange website, PT. Kustodian Sentral Efek Indonesia website and Company website on February 8, 2022. Announcements are delivered in Indonesian and English	Advertising announcement regarding the Invitation of the Meeting to Shareholders in Indonesian Stock Exchange website, PT. Kustodian Sentral Efek Indonesia website and Company website on February 23, 2022. Calls are delivered in Indonesian and English.	Held on March 17, 2022, at the Bank Jatim Head Office	<ul style="list-style-type: none"> <li>- Submission of the Summary of Minutes to the Financial Services Authority number 061/072/DIR/CSE/Srt date March 21, 2022</li> <li>- Submission of Minutes to the Financial Services Authority number 061/083/DIR/CSE/Srt date April 5, 2022</li> </ul>

## Vote Counting Independent Parties

The Company appointed independent parties, namely Notary Sitaesmi Puspawati Subianto and PT Datindo Entrycom in calculating and/or validating votes.



## Attendance Recapitulation at The Annual GMS for Fiscal Year 2021

The Board of Commissioners and Directors of Bank Jatim who attended the 2021 Annual GMS are as follows.

No.	Name	Position	Attendance
1.	Muhammad Mas'ud	Independent Commissioner	Present
2.	Candra Fajri Ananda	Independent Commissioner	Present
3.	Heru Tjahjono	Commissioner	Present
4.	Busrul Iman	President Director, Pgs. Director of Commercial & Corporate	Present
5.	Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Present
6.	Tonny Prasetyo	Director of IT and Operations	Present
7.	Rizyana Mirda	Director of Business Risk	Present

## Decisions and Realization of the Annual GMS for Fiscal Year 2021

First Meeting Agenda	Status
<p>Approval of the Company's Annual Report regarding the Condition and Operation of the Company during the 2021 Financial Year, including the Report on the Implementation of the Supervisory Duties of the Board of Commissioners during the 2021 Financial Year and the Ratification of the Company's Financial Statements for the 2021 Financial Year.</p> <p>There were no Shareholders asking Questions and/or providing opinions</p> <p>Voting Result</p> <p>Setuju : 13.076.836.318 Saham (99,941%) consisting of 11.934.147.982 Series A shares and 1.142.688.336 Series B shares</p> <p>Against : 7.200 shares (0,000550%) which are all Series B Shares</p> <p>Abstain : 7.704.976 saham (0,058%) which are all Series B Shares</p> <p>Decision</p> <p>1. Approve and certify:</p> <ol style="list-style-type: none"> <li>The Company's Annual Report that has been submitted by the Board of Directors for the 2021 Fiscal Year;</li> <li>Supervisory Task Report that has been submitted by the Board of Commissioners for Fiscal Year 2021;</li> <li>Laporan The Company's Financial Statements for the financial year ended December 31, 2021 which have been audited by the Public Accounting Firm of Kanaka Puradiredja, Suhartono in accordance with the Independent Auditor's Report dated January 31 (thirty one), 2022 (two thousand twenty two), with a Fair opinion in all material respects.</li> </ol> <p>2. With the approval and ratification of the Annual Report, Report on the Supervisory Duties of the Board of Commissioners and the Company's Financial Statements for the 2021 Financial Year, the Meeting granted full discharge and release from responsibilities (acquiesce et de charge) to all members of the Board of Directors for management actions and to all members of the Board of Directors. Commissioner for supervisory actions that have been carried out during the financial year ending on December 31, 2021 to the extent of such actions reflected in the Company's Financial Statements.</p>	Realized
Second Meeting Agenda	Status
<p>Determination of the use of the Company's net profit for the financial year 2021 including the provision of bonuses for employees as well as bonuses and remuneration for the Board of Directors and the Board of Commissioners.</p> <p>There were no Shareholders who asked questions and/or gave opinions.</p> <p>Voting Results</p> <p>In Favor : 12.887.092.412 shares (98,490%) consisting of 11.934.147.982 Series A shares and 952.944.430 Series B shares.</p> <p>Against : 197.062.282 shares (1,506%) which are all Series B Shares</p> <p>Abstain : 393.800 shares (0,003%) which are all Series B Shares</p>	Realized



Second Meeting Agenda	Status
<p>Decision</p> <ol style="list-style-type: none"> <li>Approved the Allocation of Company Profits for the Fiscal Year 2020 as follows: <ol style="list-style-type: none"> <li>In the amount of IDR782.457.605.053,02 (seven hundred eighty two billion four hundred fifty seven million six hundred five thousand fifty three point zero two) or 51,37% (fifty one point thirty seven percent) of the net profit for the Fiscal Year 2021 is designated as cash dividends for the Fiscal Year 2021. Consequently, an amount of IDR52.11 (fifty two point eleven rupiah) per share is established as cash dividends for the Fiscal Year 2021, to be distributed in cash to all shareholders recorded in the Company's Shareholder Registry as of March 29, 2022, and will be paid on April 14, 2022. Furthermore, hereby empowering and authorizing the Board of Directors to arrange the procedures for the payment of such cash dividends.</li> <li>In the amount of IDR740.612.233.364,98 (seven hundred forty billion six hundred twelve million two hundred thirty three thousand three hundred sixty four point ninety eight) or 48,63% (forty eight point sixty three percent), designated as General Reserve.</li> </ol> </li> <li>Furthermore, in accordance with the provisions of the applicable Financial Accounting Standards Regulation, we propose the approval of the distribution of employee bonuses and directors' bonuses (tantien) for the Company's Management, namely the Board of Directors and the Board of Commissioners, along with those who assist the tasks of the Board of Commissioners, including the Sharia Supervisory Board for the Fiscal Year 2021, to be allocated in the amount of IDR380.767.459.605,00 (three hundred eighty billion seven hundred sixty seven million four hundred fifty nine thousand six hundred five rupiahs). The distribution percentage remains the same as the previous year and is as follows: <ol style="list-style-type: none"> <li>Employee bonus of 85% (eighty-five percent);</li> <li>The Tantien of the Company's Management, namely the Board of Directors and the Board of Commissioners along with those who assist the duties of the Board of Commissioners including the Sharia Supervisory Board, is 15% (fifteen percent). Of this amount will be paid in cash, and in accordance with the provisions of POJK Number 45/POJK.03/2015 specifically for the Board of Commissioners and the Board of Directors there are bonuses that will be suspended in the form of cash and shares through the Long Term Incentive program.</li> </ol> </li> <li>Granting authority and power to the Board of Commissioners to determine the remuneration of the Company's management, namely the Board of Directors and the Board of Commissioners together with those who assist the duties of the Board of Commissioners including the Sharia Supervisory Board in 2022 by taking into account the proposals from the Remuneration and Nomination Committee and reporting on the Annual Report.</li> </ol>	
Third Meeting Agenda	Status
<p>Granting Power of Attorney to the Board of Commissioners to Appoint a Public Accounting Firm to Audit the Company's Financial Statements for the 2022 Financial Year.</p> <p>There were no Shareholders who asked questions and/or gave opinions.</p> <p>Voting Results</p> <p>In Favor : 12.740.945.786 shares (97,373%) consisting of 11.934.147.982 Series A Shares and 806.797.804 Series B Shares</p> <p>Against: 343.215.408 shares (2,623%) which are all Series B Shares</p> <p>Abstain : 387.300 shares (0,002%) which are all Series B Shares</p> <p>Decision</p> <p>Approved to grant authorization to the Board of Commissioners to appoint a public accounting firm to audit the company's financial statements for the 2022 financial year.</p>	Realized
Fourth Meeting Agenda	Status
<p>Changes in the Composition of the Company's Management</p> <p>The number of shareholders who asked questions and/or gave opinions was 1 person.</p> <p>Voting Results</p> <p>In Favor : 12.610.256.158 Shares (96,375%) consisting of 11.893.555.054 Series A Shares and 716.701.104 Series B Shares</p> <p>Against: 401.695.608 shares (3,069%) which are all Series B Shares</p> <p>Abstain : 72.596.728 shares (0,554%) consisting of 40.592.928 Series A Shares and 32.003.800 Series B Shares</p>	Realized



Fourth Meeting Agenda	Status
<p>Decisions</p> <ol style="list-style-type: none"> <li>Approving and appointing members of the Board of Commissioners effective from the conclusion of this meeting, with their term of office ending at the close of the 4th Annual General Meeting of Shareholders following their appointment date, namely:           <ul style="list-style-type: none"> <li>President Commissioner : SUPRAJARTO;</li> <li>Independent Commissioner : SUMARYONO;</li> </ul> </li> <li>Approving and appointing members of the Board of Directors effective from the conclusion of this meeting, with their term of office ending at the close of the 5th Annual General Meeting of Shareholders following their appointment date, namely:           <ul style="list-style-type: none"> <li>Director of Commercial and Corporate : EDI MASRIANTO;</li> <li>Director of Consumer Retail and Sharia Business : R. ARIEF WICAKSONO</li> </ul> </li> <li>Honorably dismissing the members of the Board of Directors effective immediately upon the conclusion of the meeting, expressing sincere appreciation for their significant contributions of effort and ideas during their tenure as directors, namely:           <ul style="list-style-type: none"> <li>Director of Business Risk : RIZYANA MIRZA ;</li> <li>Director of Finance : FERDIAN TIMUR SATYAGRAHA</li> </ul> </li> </ol> <p>Thus, the composition of the Board of Commissioners was as follows:</p> <p><b>The Board of Commissioners</b></p> <ul style="list-style-type: none"> <li>President Commissioner : SUPRAJARTO;</li> <li>Independent Commissioner : MHAMMAD MAS'UD;</li> <li>Independent Commissioner : CANDRA FAJRI ANANDA;</li> <li>Independent Commissioner : SUMARYONO;</li> <li>Commissioner : HERU TJAHJONO;</li> </ul> <p><b>Directors</b></p> <ul style="list-style-type: none"> <li>President Director : BUSRUL IMAN;</li> <li>Director of Compliance and Risk Management : ERDIANTO SIGIT CAHYONO;</li> <li>Director of IT and Operations : TONNY PRASETYO;</li> <li>Director of Commercial and Corporate : EDI MASRIANTO</li> <li>Director of Consumer Retail and Sharia Business : R. ARIEF WICAKSONO;</li> <li>Director of Finance : -</li> <li>Director of Risk Management : -</li> </ul> <ol style="list-style-type: none"> <li>Granting authority to the Governor of East Java to conduct the selection of candidates for the Company's management whose terms have expired and/or in the event of a vacancy in a position.</li> <li>Regarding the appointment to fill the vacant position of a member of the Board of Directors, approval will be sought at the upcoming General Meeting of Shareholders to be convened by the Company, considering the current conditions. This may extend beyond the time limit stipulated in the Company's Articles of Association for the appointment of a vacant position on the Board of Directors.</li> <li>Granting authority to the Board of Commissioners to assign responsibilities to the existing Directors.</li> <li>Granting authority and power to the Board of Directors with substitution rights to carry out all processes and actions necessary, including notifications to regulatory authorities as required by applicable laws and regulations.</li> </ol>	

## Implementation of The Extraordinary GMS In 2022 and Its Realization

Information	Announcement	Invitation	Implementation	GMS Result
Notification of the meeting to be held to the Financial Services Authority with letter number: 061/315/DIR/CSE/ Srt	Advertise the announcement regarding the Invitation of Meeting to the Shareholders on the website of the Indonesia Stock Exchange, website of PT Kustodian Sentral Efek Indonesia, website of the Company on October 31, 2022. Announcements are delivered in Indonesian and English	Advertise the Invitation to the Shareholders on the Indonesia Stock Exchange website, PT KSEI website, the Company's website on November 15, 2022. Calls are delivered in Indonesian and English.	Held on December 7, 2022, at the Bank Jatim Head Office	<ul style="list-style-type: none"> <li>- Submission of the Summary of Minutes to the Financial Services Authority number 061/408/ DIR/CSE/Srt December 8, 2022</li> <li>- Submission of Minutes to the Financial Services Authority number 061/432/DIR/CSE/Srt December 27, 2022</li> </ul>

## Vote Counting Independent Parties

The Company appointed independent parties, namely Notary Sitaresmi Puspawati Subianto and PT Datindo Entrycom in calculating and/or validating votes.



## Attendance Recapitulation at The 2022 Extraordinary GMS

The Board of Commissioners and Directors of Bank Jatim presented at the 2022 Extraordinary GMS were as follows.

No.	Name	Position	Attendance
1.	Suprajarto	President Commissioner	Present
2.	Muhammad Mas'ud	Independent Commissioner	Present
3.	Candra Fajri Ananda	Independent Commissioner	Present
4.	Sumaryono	Independent Commissioner	Present
5.	Heru Tjahjono	Commissioner	Present
6.	Busrul Iman	President Director	Present
7.	Tonny Prasetyo	Director of IT and Operation	Present
8.	Edi Masrianto	Director of Commercial & Corporate	Present
9.	R. Arief Wicaksono	Director of Consumer, Retail and Sharia Business	Present

## Decision and Realization of The Extraordinary GMS In 2022

First Meeting Agenda	Status														
<p>Changes in the Composition of the Company's Management</p> <p>The number of shareholders who asked questions and/or gave opinions was 2 people.</p> <p>Voting Results</p> <p>In Favor : 12.197.602.356 Shares (96,21%) consisting of 11.651.177.942 Series A Shares and 546.424.414 Series B shares</p> <p>Against : 263.558.908 shares (2,07%) which are all Series B Shares</p> <p>Abstain : 215.795.795 shares (1,70%) consisting of 215.763.995 Series A Shares and 31.800 Series B shares</p> <p>Decision</p> <p>Changes in the Composition of the Company's Management</p> <ol style="list-style-type: none"> <li>Approve and appoint members of the Board of Directors as of the close of the Meeting with the term of office ending at the close of the 5th (fifth) Annual General Meeting of Shareholders from the date of appointment, namely: <ul style="list-style-type: none"> <li>— Mr. ZULHELFI ABIDIN as IT and Digital Director;</li> <li>— Mr. EKO SUSETYONO as Director of Risk Management;</li> </ul> </li> <li>Respectfully dismiss Mr. ERDIANTO SIGIT CAHYONO from his position as Director of Compliance and Risk Management as of the closing of the Meeting with thanks for the contribution of energy and thoughts given while serving in the Company. With the changes above, the composition of the Board of Directors was adjusted to the change in the nomenclature of the Board of Directors in the Company's Organizational Structure as follows: <p><b>Direksi</b></p> <table> <tr> <td>President Director</td><td>: BUSRUL IMAN;</td></tr> <tr> <td>Director of Micro, Retail &amp; Medium</td><td>: R. ARIEF WICAKSONO;</td></tr> <tr> <td>Compliance Director</td><td>: -</td></tr> <tr> <td>Director of Finance, Treasury &amp; Global Services</td><td>: EDI MASRIANTO;</td></tr> <tr> <td>Director of Operations</td><td>: TONNY PRASETYO;</td></tr> <tr> <td>IT &amp; Digital Director</td><td>: ZULHELFI ABIDIN;</td></tr> <tr> <td>Director of Risk Management</td><td>: EKO SUSETYONO.</td></tr> </table> </li> <li>Grant power of attorney to the Board of Commissioners to distribute the duties of vacant Directors to existing Directors.</li> <li>Grant power and authority to the Board of Directors with the right of substitution to carry out all necessary processes and actions, including notifications to the regulators as required in the applicable laws and regulations.</li> </ol>	President Director	: BUSRUL IMAN;	Director of Micro, Retail & Medium	: R. ARIEF WICAKSONO;	Compliance Director	: -	Director of Finance, Treasury & Global Services	: EDI MASRIANTO;	Director of Operations	: TONNY PRASETYO;	IT & Digital Director	: ZULHELFI ABIDIN;	Director of Risk Management	: EKO SUSETYONO.	Realized
President Director	: BUSRUL IMAN;														
Director of Micro, Retail & Medium	: R. ARIEF WICAKSONO;														
Compliance Director	: -														
Director of Finance, Treasury & Global Services	: EDI MASRIANTO;														
Director of Operations	: TONNY PRASETYO;														
IT & Digital Director	: ZULHELFI ABIDIN;														
Director of Risk Management	: EKO SUSETYONO.														



## Board of Directors

The Board of Directors is an organ of the Company which is authorized and responsible for carrying out all actions related to the management and ownership of the Bank for the interest of the Bank in accordance with the Bank's aims and objectives.

### Duties and Responsibilities of The Board of Directors

The duties and responsibilities of the Board of Directors were stipulated in the Board of Directors Work Guidelines. The duties and responsibilities of the Board of Directors are as follows:

1. The Board of Directors is in charge of running and being responsible for the management of the Company for the benefit of the Company in accordance with the aims and objectives of the Company as stipulated in the Articles of Association, including reviewing, monitoring and supervising the Company's strategy.
2. Each member of the Board of Directors must carry out their duties and responsibilities in good faith, with full responsibility and prudence.
3. Each member of the Board of Directors is jointly and severally responsible for the loss of the issuer or public company caused by errors or negligence of the members of the Board of Directors in carrying out their duties.
4. Members of the Board of Directors cannot be held liable for the loss of the issuer or company if it can prove:
  - a. The loss is not due to an error or negligence.
  - b. Has carried out management in good faith, full of responsibility and prudence for the interests and in accordance with the aims and objectives of the Company.
  - c. Has no conflict of interest, either directly or indirectly, over management actions that result in losses.
  - d. Has taken steps to prevent the loss from arising or continuing.

### Rights and Authority of The Board of Directors

The rights and authority of the Board of Directors are as follows:

1. Members of the Board of Directors are given a salary including the facilities and/or allowances. The amount of salary along with the facilities and/or allowances of members of the Board of Directors is determined based on the resolution of the GMS and the authority of the GMS is delegated to the Board of Commissioners.
2. The Board of Directors appoints and dismisses the Bank's employees based on the Bank's employment regulations and prevailing laws and regulations.
3. The Board of Directors determines the organizational structure and work procedures of the Bank by reporting to the commissioners.
4. The Board of Directors has the right to represent the company, both inside and outside the court on all matter, bind the company with other parties and vice versa, conduct

out all actions in every event, both regarding management and ownership.

5. The Board of Directors in writing may hand over the power of representing the Bank to a person or several members of the Board of Directors specifically appointed or to one or more Bank employees, either alone or together or to another person or entity.
6. The division of management tasks and authorities among the members of the Board of Directors is determined based on a decision of the GMS, in the event that the GMS does not stipulate, the distribution of duties and authority of the members of the Board of Directors is determined based on the decision of the Board of Directors.
7. The Board of Directors based on applicable legislation can do the following:
  - a. Issue bonds.
  - b. Buy, sell or otherwise obtain or release rights to inventory items belonging to the bank.
  - c. Binding the Bank as a guarantor of third party obligations.
  - d. Mortgaging Bank goods.
  - e. Equity participation in other companies insofar as they do not conflict with applicable laws and regulations.
  - f. Set up new business units.
8. The Board of Directors for certain actions has the right to appoint one or more representatives or proxies by giving him the power regulated in a power of attorney. Members of the Board of Directors are prohibited from giving general power of attorney to other parties which results in the transfer of duties and functions of the Board of Directors.
9. In terms of the Company has contrary interests to the personal interests of the Board of Directors member, then the Company will be represented by another member of the Board of Directors and in the event that the Company has an interest that is contrary to the interests of all members of the Board of Directors, in this case the Company is represented by the Commissioner.
10. The Board of Directors has the right to write off claims on interest, fines and / or other costs other than the principal amount of credit while adhering to the prevailing laws and regulations.
11. The Board of Directors had the right to receive remuneration as a reward determined and given to members of the Board of Directors, both permanent and variable, in cash or in cash in accordance with their duties, powers and responsibilities.

### Term of Office of The Board of Directors

The term of office of members of the Board of Directors is a maximum of 5 (five) years from the date specified in the GMS of appointment and ends at the close of the 5th (fifth) Annual GMS after the date of appointment or until the closing of the Annual GMS at the end of 1 (one) term of office, unless stipulated otherwise in the GMS, and may be reappointed for a second term if they have demonstrated

good performance by achieving the targets set by the General Meeting of Shareholders for each Director, without prejudice to the rights of the General Meeting of Shareholders to dismiss them at any time based on reasons specified in the Articles of Association.

## Requirements for The Board of Directors

### Structure and Membership

1. The Company is managed and led by a Board of Directors consisting of at least 3 (three) Directors, one of whom is appointed as President Director.
2. The members of the Board of Directors are appointed and dismissed by the GMS.
3. Detailed procedures for the appointment of members of the Board of Directors will be stated in a resolution of the GMS.

### General Requirement

To be appointed as a member of the Board of Directors, the following requirements are met:

1. Healthy as physically and spiritually.
2. Have expertise, integrity, leadership, experience, honesty, good behavior, and high dedication to advancing and developing the company.
3. Understand the implementation of regional government.
4. Understand the management of the company.
5. Have adequate knowledge in the field of business of the company.
6. The minimum degree is Strata I (S-1).
7. Minimum 5 (five) years of work experience in the managerial field of a legal entity company and has led a team.
8. Never been a member of the Board of Directors, member of the Supervisory Board, or member of the Board of Commissioners who was found guilty of causing the business entity to be led to be declared bankrupt.
9. Never been punished for committing a crime that was detrimental to state finances or regional finances.
10. Not currently undergoing criminal sanctions.
11. Not being an administrator of a political party, candidate for regional head or candidate for deputy regional head, and/or candidate for member of the legislature.
12. Not a member of the Indonesian National Army Forces, Indonesian National Police, and/or Civil Servant, except for Civil Servants assigned as temporary Directors as regulated in East Java Provincial Regulation Number 8 of 2019 concerning Regional Owned Enterprises.
13. Has fulfilled 3 (three) kinds of requirements, namely Formal Requirements, Material Requirements, and Other Requirements, among others:
  - a. Formal Terms
 

Indonesian Citizens who:

    - Trust in the Almighty God.

- Loyal and obedient to the state and government of the Republic of Indonesia.
  - Not involved directly or indirectly in treasonous activities to the Republic of Indonesia.
- Individuals who are capable of carrying out legal actions, unless within 5 (five) years prior to the appointment the person concerned has:
- Declared bankrupt.
  - Being a member of the Board of Directors or Board of Commissioners who is found guilty of causing a company to be declared bankrupt
- b. Material Terms
- Having competence, good moral integrity. The person concerned had never been involved in:
    - Engineering acts and deviant practices in the management of the company/institution where the person concerned worked prior to nomination (behaving dishonestly).
    - Acts of default in accordance with the commitments that had been agreed with the company/institution where the person concerned works prior to nomination.
    - Actions categorized as being able to provide unlawful benefits in the company/institution where the person concerned works prior to nomination.
    - Acts categorized as a violation of the provisions relating to the principles of healthy company management (bad behavior).
  - Having expertise in banking or financial institutions, as evidenced by a track record of at least the last 5 (five) years and attach a photocopy of a certificate from training in banking or financial institutions that the person had attended.
  - The majority of members of the Board of Directors must have at least 5 (five) years of experience in the operational field, the lowest being a bank executive officer.
  - Having a high commitment to the progress and development of the company as well as a commitment to comply with laws and regulations.
  - Did not have non-performing credit/bad credit.
  - Having a risk management competency test certificate level 5 (five), by attaching a BSMR/LSPP certificate. Candidates who had level 4 (four) certificates could register and immediately complete BSMR/LSPP level 5 (five) to get approval from the Financial Services Authority.
  - Psychologically, the person concerned had an adequate level of Intellectual, emotional, and spiritual intelligence to carry out the duties as a member of the Board of Directors.





c. Other Terms

- Willing to comply with the prevailing laws and regulations, especially in the banking sector.
- Having no family relationship up to the second degree including fellow members of the Board of Directors or members of the Board of Commissioners.
- Passing the fit and proper test in accordance with the provisions of the Financial Services Authority regarding the fit and proper test.

14. Candidates for the Board of Directors may come from Internal and/or external Bank Jatim.

a. Candidates for the Board of Directors from the Bank's internal parties must meet the following requirements:

- Active executive officers who were one level below the Board of Directors.
- Serving at least 2 (two) different executive positions.

b. For candidates for directors from external parties, the Bank must meet the following requirements:

- Having experience as a professional by serving as an Executive Officer in a Bank/Non-Bank financial institution that operates nationally and/or has assets at least equal to the assets of Bank Jatim for the last 5 (five) years.
- Having knowledge and/or expertise in the field required by the Issuer or Public Company

15. Having a good financial track record as evidenced by documents that have been issued by the authorized agency.

## Special Requirements

The members of the Board of Directors who will be appointed must meet special requirements, the details of which will be outlined in a GMS resolution. The company could develop special requirements which were details of competence and other things required for prospective members of the Board of Directors according to the needs of the company which would then be submitted and stated in the resolution of the GMS;

1. Never been a member of the Board of Directors and/or a member of the Board of Commissioners who during the tenure:
  - a. Never holding an annual GMS.
  - b. The responsibilities as a member of the Board of Directors and/or a member of the Board of Commissioners had never been accepted by the GMS or had not provided accountability as a member of the Board of Directors and/ or a member of the Board of Commissioners to the GMS.
  - c. Having caused a company obtaining a permit, approval, or registration from the financial services authority to fail fulfilling the obligation to submit an annual report and/or financial report to the Financial Services Authority.
2. Especially for candidates for Directors proposed to be candidates for President Director were officials who had one level below the President Director and were still active as Directors of National Commercial Banks and/or had assets at least equal to the assets of Bank Jatim.

## Board of Directors Guidelines and Work Procedures

The Board of Directors has a Board Charter for the Board of Directors as referred to in Decree of the Board of Directors Number 056/006/DIR/CSE/KEP dated January 17, 2017 concerning the Work Guidelines for the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk which until 2021 was last amended by Decree of the Board of Directors Number 057/206/ DIR/CSE/KEP dated February 9, 2021, 2021 concerning the Fourth Amendment to the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 056/006/ DIR/CSE/ KEP dated January 17, 2017 concerning the Work Guidelines for the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk. This guideline is evaluated periodically and updated with reference to the prevailing rules and regulations.

The Board of Directors work guidelines and procedures are binding for each member of the Board of Directors so that the Board of Directors can carry out the management of the Company efficiently, effectively, transparently, independently and accountably. The basis for the preparation of the guidelines for the work rules of the Board of Directors is the Law of the Republic of Indonesia No. 40 of 2007 concerning Limited Liability Companies, OJK Regulations relating to the Board of Directors and Board of Commissioners of Issuers or Public Companies, the Company's Articles of Association and other regulations.

The contents of the Board of Directors work code of conduct include the following:

### Governance Structure

1. Organizational Structure of the Board of Directors
2. Functions of the Board of Directors
3. Functions of the Board of Directors
4. Duties, Obligations, Authorities, Responsibilities
5. Independence and Independence of the Board of Directors

### Governance Process

1. Position Ethics for the Board of Directors
2. Description of the responsibilities of the Board of Directors
3. Directors' rights
4. Determination of the Company Management Policy for the Board of Directors
5. Delegation of Authority among the Directors of the Company
6. Division of duties of the Board of Directors
7. Procedures related to the Division of Duties of the Board of Directors
8. Board of Directors Meeting
9. Board of Directors Committee
10. Working relationship between the Board of Commissioner and the Board of Directors
11. Capabilities Orientation and Improvement Program

### Governance Outcome

1. Report
2. Document Distribution



## Duties of the Board of Directors

The Duties of the Board of Directors are as follows.

**Table of Duties of the Board of Directors**

Name	Position	Term of Office in 2023	Task field
Busrul Iman	President Director	January 1, 2023 – present	Coordinating activities implementation of: - SEVP Corporate, Syndication, and Institutional - SEVP Banking Consumer - SEVP Sharia Business Unit - SEVP Corporate Transformation - SEVP Network and Services - Corporate Secretary - Audit Internal Division
Tonny Prasetyo	Pgs. Director of Compliance	January 1, 2023 – May 26, 2023	Coordinating activities implementation of: - Compliance & AML-CFT Division - Legal Division - Policy and Procedure Division
	Director of Compliance	May 26, 2023– present	
Zulhelfi Abidin	Director of IT & Digital	January 1, 2023 – present	Coordinating activities implementation of: - IT Division - Digital Banking Division - Security IT Unit
	Pgs. Director of Operation	April 12, 2023 – October 11, 2023	Coordinating activities implementation of: - Operational Division - General Division - Product Development Division - Credit Administration Unit
Edi Masrianto	Director of Finance, Treasury and Global Services	January 1, 2023 – present	Coordinating activities implementation of: - Accounting and Financial Management Division - Treasury Division - International Banking Division
R. Arief Wicaksono	Director of Micro, Retail & Medium	January 1, 2023 – present	Coordinating activities implementation of: - Retail and Medium Credit Division - Micro Credit Division
Eko Susetyono	Director of Risk Management	January 1, 2023– present	Coordinating activities implementation of: - Risk Management Division - Credit Risk Analysis Division - Credit Recovery and Settlement Division
Arif Suhirman*	Director of Operation	October 11, 2023 – present	Coordinating activities implementation of: - Operational Division - General Division - Product Development Division - Credit Administration Unit

\*Appointed at the 2022 Annual GMS on April 12 2023, and effective from October 11 2023.

## Policy of Concurrent Position of Board of Directors

As a commercial bank, Bank Jatim was also guided by the Financial Services Authority Regulation Number 17 in 2023 concerning the Implementation of Governance for Commercial Banks, which regulated, among others:

1. Members of the Board of Directors are prohibited from holding concurrent positions:
  - a. as a member of the Board of Directors, member of the Board of Commissioners, member of the Sharia Supervisory Board, or Executive Officer at a bank, company and/or other institution.
  - b. in functional task areas in banking and/or non-banking financial institutions domiciled domestically or abroad;
  - c. in other positions that may create conflicts of interest in the execution of duties as members of the Board of Directors; and/or
  - d. in other positions in accordance with the provisions of laws and regulations.
2. It does not include concurrent positions as referred to in paragraph (1) in the event that the Board of Directors:
  - a. are responsible for supervising the Bank's investments in subsidiary companies, performing functional duties as a member of the Board of Commissioners in non-bank subsidiary companies controlled by the Bank;



- b. are responsible for supervising pension funds or performing duties as a member of the Supervisory Board of pension funds owned by the Bank;
- c. carry out duties as the acting director of the Bank; and/or
- d. occupy a position in a non-profit organization or institution

as long as it does not result in the individual neglecting their duties and responsibilities as a member of the Bank's Board of Directors.

3. The majority of members of the Board of Directors were prohibited from having family relationships to the second degree with fellow members of the Board of Directors and/or with members of the Board of Commissioners.

**Table of Concurrent Position of Board of Directors**

Name	Position	Position in Other Companies/ Others Agencies	Name of Company / Other Agencies
Busrul Iman	President Director	-	-
Tonny Prasetyo	Director of Compliance	-	-
Zulhelfi Abidin	Director of IT and Digital	-	-
Edi Masrianto	Director of Finance, Treasury & Global Services	-	-
R. Arief Wicaksono	Director of Micro, Retail and Medium	-	-
Eko Susetyono	Director of risk management	-	-
Arif Suhirman	Director of Operations	-	-

## Management of Conflicts of Interest In The Board of Director

Conflict of interest arrangements had been determined through the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 059/222/DIR/KPT/KEP dated August 18, 2020 concerning Guidelines for Implementation of Conflicts of Interest for PT Bank Pembangunan Daerah Jawa Timur Tbk. This conflict of interest regulation is intended so that the decisionmaking process and its implementation are carried out in a manner of transparency, accountability, responsibility, independence and fairness, so that the interests of the Bank and stakeholders are not harmed and can still be protected.

In the event that the Bank has a conflict of interest with the personal interest of a member of the Board of Directors, the Bank will be represented by another member of the Board of Directors and in the event that the Bank has an interest that conflicts with the interests of all members of the Board of Directors, in this case the Bank will be represented by the Board of Commissioners. In the event of a conflict of interest, Members of the Board of Directors are prohibited from taking actions that may harm the Bank or reduce the Bank's profits and must disclose the conflict of interest referred to in every decision. The Board of Directors is not involved in making decisions on the Company's operational activities, except for the provision of funds to related parties and other matters stipulated in the Company's Articles of Association or applicable laws and regulations.

## Meeting of The Board of Directors

### Meeting Policy

The policy of the Board of Directors' Meeting of PT Bank Pembangunan Daerah Jawa Timur Tbk is as follows:

1. Financial Services Authority Regulation (POJK) Number 33/ POJK.04/2014 Date December 8, 2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies;
2. Directors Decree of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 060/044/DIR/CSE/KEP dated February 9, 2021, regarding the Fourth Amendment to Directors Decree of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 056/006/DIR/CSE/KEP dated January 17, 2017, concerning the Director's Work Guidelines of PT Bank Pembangunan Daerah Jawa Timur Tbk.

In the Meeting of the Board of Directors, it is stipulated as follows:

1. The Board of Directors is required to hold a Board of Directors Meeting periodically at least 1 (one) time in every month and/ or every time.
2. Meetings of the Board of Directors may be held if attended by a majority of all members of the Board of Directors.



3. The presence of members of the Board of Directors at the meeting must be disclosed in the Company's annual report.
4. The Board of Directors must schedule a meeting for the following year before the end of the financial year with the following conditions:
  - a. At the scheduled meeting, the meeting materials are submitted to the meeting participants no later than 5 (five) days before the meeting is held.
  - b. In the event that a meeting is held outside the schedule that has been prepared, the meeting materials are submitted to the meeting participants no later than before the meeting is held.
5. Decision making in the Board of Directors Meeting is based on deliberation and consensus. In the event that a consensus decision is not reached, the decision is made based on a majority vote.
6. The Board of Directors meeting is chaired by the President Director, in the event that the President Director is absent or unable to attend, the Board of Directors Meeting will be chaired by a member of the Board of Directors who is elected by and from the members of the Board of Directors present.

### Board of Directors Meeting Plan

No.	Month	Estimated Meeting Implementation	Meeting Agenda
1	January	Week 3	Performance Evaluation of Bank Jatim
2	February	Week 3	Performance Evaluation of Bank Jatim
3	March	Week 3	Performance Evaluation of Bank Jatim
4	April	Week 3	Performance Evaluation of Bank Jatim
5	May	Week 3	Performance Evaluation of Bank Jatim
6	June	Week 3	Performance Evaluation of Bank Jatim
7	July	Week 3	Performance Evaluation of Bank Jatim
8	August	Week 3	Performance Evaluation of Bank Jatim
9	September	Week 3	Performance Evaluation of Bank Jatim
10	October	Week 3	Performance Evaluation of Bank Jatim
11	November	Week 3	Performance Evaluation of Bank Jatim
12	December	Week 3	Performance Evaluation of Bank Jatim

### Agenda, Date and Participants of The Board of Directors Meeting

The Board of Directors meeting was held in accordance with policy. Meeting materials must be submitted no later than 5 (five) days. Throughout 2022, the agenda, dates and participants of the Board of Directors Meeting are as follows.

**Table of Board of Directors Meeting**

No.	Date	Agenda	Meeting Participants	Presence	Reasons for Absence
1.	January 10, 2023	1. Financial Performance of Bank Jatim for the Period Ending December 31, 2022; 2. Adjustment to RBB; 3. KPI of of the Board of Directors; 4. Audit Plan for the Year 2023.	Busrul Iman Tonny Prasetyo Zulhelfi Abidin Edi Masrianto R. Arief Wicaksono Eko Susetyono	Present Present Present Present Present Present	
2.	January 25, 2023	1. Results of the Implementation of Governance Self-Assessment for the December 2022 Period; 2. Follow-up Meeting with OJK on January 24, 2023 (5 Pillars of Transformation and RBB 2023) 3. Procurement of Renovation for the Facade of Bank Jatim Head Office Building.	Busrul Iman Tonny Prasetyo Zulhelfi Abidin Edi Masrianto R. Arief Wicaksono Eko Susetyono	Present Present Present Present Not Present Present	Official travel



No.	Date	Agenda	Meeting Participants	Presence	Reasons for Absence
3.	February 14, 2023	1. The Board of Directors' Assessment of the Performance of the Board Committees and the Plan for Adjusting the Membership Structure of the Board Committees; 2. Financial Performance of Bank Jatim as of January 31, 2023; 3. 5 Pillars of Transformation; 4. Digital Banking & Operasional Fraud; 5. Follow-up on Findings from OJK, BPK RI and KAP; 6. Renovation of the Facade of Bank Jatim's Head Office Building; 7. Progress in Employee Fulfillment 8. Follow-up on the Board of Commissioners' Directives in the Joint Board of Directors and Board of Commissioners Meeting on January 12 & 13, 2023.	Busrul Iman Tonny Prasetyo Zulhelfi Abidin Edi Masrianto R. Arief Wicaksono Eko Susetyono	Present Present Present Present Present Present	
4.	February 22, 2023	Preparation for the 2022 Annual GMS	Busrul Iman Tonny Prasetyo Zulhelfi Abidin Edi Masrianto R. Arief Wicaksono Eko Susetyono	Present Present Present Present Present Present	
5.	March 28, 2023	1. Progress in Preparing for the AGMS of Bank Jatim for the Fiscal Year 2022.; 2. Progress in the 5 Pillars of Transformation; 3. Prohire Recruitment to Fulfill the Staffing Needs in the Credit Recovery and Resolution Division.	Busrul Iman Tonny Prasetyo Zulhelfi Abidin Edi Masrianto R. Arief Wicaksono Eko Susetyono	Present Present Present Present Present Present	
6.	April 17, 2023	1. Financial Performance of Bank Jatim; 2. The program "Go Lower Go Better" by Bank Jatim (December 2023 Period); 3. Progress in Corporate Actions for Capital Injection in the Formation of Bank Business Group (KUB).	Busrul Iman Tonny Prasetyo Zulhelfi Abidin Edi Masrianto R. Arief Wicaksono Eko Susetyono	Present Not Present Present Present Present Present	Official travel
7.	May 5, 2023	1. Financial Performance of Bank Jatim for the Period of April 2023 & Review Preparation (Branches' performance); 2. Progress in the 5 Pillars of Transformation.	Busrul Iman Tonny Prasetyo Zulhelfi Abidin Edi Masrianto R. Arief Wicaksono Eko Susetyono	Present Present Present Present Present Present	
8.	June 14, 2023	1. Financial Performance of Bank Jatim for the Period of May 2023; 2. Progress in the 5 Pillars of Transformation.	Busrul Iman Tonny Prasetyo Zulhelfi Abidin Edi Masrianto R. Arief Wicaksono Eko Susetyono	Present Present Present Present Present Present	



No.	Date	Agenda	Meeting Participants	Presence	Reasons for Absence
9.	July 13, 2023	1. Financial Performance of Bank Jatim for the Period of June 2023; 2. Progress in the 5 Pillars of Transformation; 3. Follow-up on Findings from BPK RI	Busrul Iman	Present	
			Tonny Prasetyo	Present	
			Zulhelfi Abidin	Present	
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	
			Eko Susetyono	Present	
10.	August 1, 2023	Efforts in Achieving RBB	Busrul Iman	Present	
			Tonny Prasetyo	Not Present	Permit
			Zulhelfi Abidin	Present	
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	
			Eko Susetyono	Present	
11.	August 14, 2023	Financial Performance of Bank Jatim for the Period of July 2023	Busrul Iman	Present	
			Tonny Prasetyo	Present	
			Zulhelfi Abidin	Present	
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	
			Eko Susetyono	Present	
12.	September 5, 2023	1. Financial Performance of Bank Jatim for the Period of August 2023; 2. Bank Jatim's Office Network.	Busrul Iman	Present	
			Tonny Prasetyo	Not Present	Carrying out the Umrah
			Zulhelfi Abidin	Present	
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	
			Eko Susetyono	Present	
13.	October 9, 2023	1. Financial Performance of Bank Jatim for the Period of September 2023; 2. Progress on the Corporate Action Plan for Capital Investment.	Busrul Iman	Present	
			Tonny Prasetyo	Present	
			Zulhelfi Abidin	Present	
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	
			Eko Susetyono	Present	
14.	October 23, 2023	Performance Progress	Busrul Iman	Present	
			Tonny Prasetyo	Present	
			Zulhelfi Abidin	Present	
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	
			Eko Susetyono	Present	
			Arif Suhirman	Present	
15.	November 6, 2023	1. Presentation of RBB for the Year 2024; 2. Financial Performance of Bank Jatim for the Period of October 2023.	Busrul Iman	Present	
			Tonny Prasetyo	Not Present	Sick
			Zulhelfi Abidin	Present	
			Edi Masrianto	Present	

No.	Date	Agenda	Meeting Participants	Presence	Reasons for Absence
16.	December 5, 2023	1. Financial Performance of Bank Jatim for the Period of November 2023; 2. Progress of the Bank's Business Groups (KUB) 3. SOP of the Board of Directors; 4. Issues related to Bumiputera Deed of Sale and Purchase (AJB) AJB Bumiputera.	R. Arief Wicaksono	Present	
			Eko Susetyono	Present	
			Arif Suhirman	Present	
			Busrul Iman	Present	
			Tonny Prasetyo	Present	
			Zulhelfi Abidin	Present	
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	
			Eko Susetyono	Present	
			Arif Suhirman	Not Present	Leave

The agenda and meeting participants of the combined Board of Commissioners and the Board of Directors have been presented in the Board of Commissioners' Meeting section of the Corporate Governance Chapter of this annual report.

## Frequency and Attendance of Meeting

**Table of Frequency and Attendance of Directors' Meetings**

Name	Position	Term of Office	Board of Directors Meeting			Joint Meeting of the Board of Directors with the Board of Commissioner			GMS		
			Number and Percentage of Attendance			Number and Percentage of Attendance			Number and Percentage of Attendance		
			Number of Meetings	Number of Attendance	Percentage	Number of Meetings	Number of Attendance	Percentage	Number of Meetings	Number of Attendance	Percentage
Busrul Iman	President Director	January 1, 2023 – Present	16	16	100%	17	17	100%	1	1	100%
Tonny Prasetyo	Director of Compliance	January 1, 2023 – May 26, 2023	16	12	75%	17	16	94%	1	1	100%
Zulhelfi Abidin	Director of IT & Digital	January 1, 2023 – Present	16	16	100%	17	17	100%	1	1	100%
Edi Masrianto	Director of Finance, Treasury & Global Services	January 1, 2023 – Present	16	16	100%	17	16	94%	1	1	100%
R. Arief Wicaksono	Director of Micro, Retail and Medium	January 1, 2023 – Present	16	15	94%	17	15	88%	1	1	100%
Eko Susetyono	Director of Risk Management	January 1, 2023 – Present	16	16	100%	17	14	82%	1	1	100%
Arif Suhirman*	Director of Operations	October 11, 2023 – Present	3	2	67%	2	2	100%	-	-	-

\*Appointed at the 2022 Annual GMS on April 12 2023, and effective from October 11 2023.



## Training and/or Enhancement of The Competency of The Board of Directors Members

Bank Jatim has a policy that the Board of Directors always improves knowledge and insight by following developments in the banking industry in particular and the business world in general so that it has a positive impact on Bank Jatim's operations, one of which is through education/training programs for increase competence. In order to improve the effectiveness of the performance of the Board of Directors, capacity building was carried out such as seminars and/ or training. This became one form of governance implementation for Commercial Banks related to the need that:

1. Members of the Board of Directors had adequate competence and were relevant to their positions to carry out their duties and responsibilities and were able to implement their competencies in carrying out their duties and responsibilities.
2. Members of the Board of Directors had the willingness and ability to carry out continuous learning in order to increase knowledge about banking and the latest developments related to the financial sector or other fields that support the implementation of their duties and responsibilities. jawab.

The training and/or competency improvement that has been attended by the Board of Directors during 2023 is as follows berikut.

Name	Position	Types of Training and Competency Development/ Training Materials	Implementation Time and Place	Organizer
Busrul Iman	President Director	Corporate Value Internalization For Culture Leaders	Saturday, January 14, 2023/ Surabaya	Kubik Leadership
		Risk Management Certification Refreshment Program	Friday, March 24, 2023/ Online	SDG Consulting
		Training Executive Sharia Banking	Tuesday, August 8, 2023/ Surabaya	Muamalat Institute
		GCG As The Key To Healthy And Successful Company	Saturday, September 16, 2023/ Yogyakarta	Internal Bank Jatim
		Greeting and Sharing "Culture Transformation With Growth Mindset" By Ignasius Jonan	Wednesday, October 18, 2023/ Surabaya	Internal Bank Jatim
Tonny Prasetyo	Director of Compliance	Corporate Value Internalization For Culture Leaders	Saturday, January 14, 2023/ Surabaya	Kubik Leadership
		Workshop On Governance For Top Management	Tuesday, February 14, 2023/ Surabaya	PT Synergi Daya Utama
		Program Refreshment/Penyegaran Sertifikasi Manajemen Risiko	Friday, March 24, 2023/ Online	SDG Consulting
		Gcg As The Key To Healthy And Successful Company	Saturday, September 16, 2023/ Yogyakarta	Internal Bank Jatim
		Greeting and Sharing "Culture Transformation With Growth Mindset" By Ignasius Jonan	Wednesday, October 18, 2023/ Surabaya	Internal Bank Jatim
Zulhelfi Abidin	Director of IT & Digital	Corporate Value Internalization For Culture Leaders	Saturday, January 14, 2023/ Surabaya	Kubik Leadership
		Program Refreshment/Penyegaran Sertifikasi Manajemen Risiko	Friday, March 24, 2023/ Online	SDG Consulting
		GCG As The Key To Healthy And Successful Company	Saturday, September 16, 2023/ Yogyakarta	Internal Bank Jatim
		Greeting and Sharing "Culture Transformation With Growth Mindset" By Ignasius Jonan	Wednesday, October 18, 2023/ Surabaya	Internal Bank Jatim
Edi Masrianto	Director of Finance, Treasury & Global Services	Corporate Value Internalization For Culture Leaders	Saturday, January 14, 2023/ Surabaya	Kubik Leadership
		Program Refreshment/Penyegaran Sertifikasi Manajemen Risiko	Friday, March 24, 2023/ Online	SDG Consulting
		GCG As The Key To Healthy And Successful Company	Saturday, September 16, 2023/ Yogyakarta	Internal Bank Jatim
		Greeting and Sharing "Culture Transformation With Growth Mindset" By Ignasius Jonan	Wednesday, October 18, 2023/ Surabaya	Internal Bank Jatim



Name	Position	Types of Training and Competency Development/ Training Materials	Implementation Time and Place	Organizer
R. Arief Wicaksono	Director of Micro, Retail and Medium	Corporate Value Internalization For Culture Leaders	Saturday, January 14, 2023/ Surabaya	Kubik Leadership
		Program Refreshment/Penyegaran Sertifikasi Manajemen Risiko	Friday, March 24, 2023/ Online	SDG Consulting
		GCG As The Key To Healthy And Successful Company	Saturday, September 16, 2023/ Yogyakarta	Internal Bank Jatim
		Greeting and Sharing "Culture Transformation With Growth Mindset" By Ignasius Jonan	Wednesday, October 18, 2023/ Surabaya	Internal Bank Jatim
Eko Susetyono	Director of Risk Management	Corporate Value Internalization For Culture Leaders	Saturday, January 14, 2023/ Surabaya	Kubik Leadership
		Program Refreshment/Penyegaran Sertifikasi Manajemen Risiko	Friday, March 24, 2023/ Online	SDG Consulting
		Gcg As The Key To Healthy And Successful Company	Saturday, September 16, 2023/ Yogyakarta	Internal Bank Jatim
		Greeting And Sharing "Culture Transformation With Growth Mindset" By Ignasius Jonan	Wednesday, October 18, 2023/ Surabaya	Internal Bank Jatim
		International Conference On ERM: Into The Unknown - Charting The Future Agenda	Thursday, December 7, 2023/ Online	ERM Academy
Arif Suhirman	Director of Operations	GCG As The Key To Healthy and Successful Company	Saturday, September 16, 2023/ Yogyakarta	Internal Bank Jatim

### Orientation Program for New Board of Directors

The Orientation Program is very important to be implemented, because the members of the Board of Directors can come from various backgrounds, so that in order to form a solid work team, the Orientation Program is mandatory to run. The provisions concerning the Orientation program must be given to Directors who are taking office for the first time must be given an orientation program regarding the Bank.

The orientation program that is given can be in the form of presentations, meetings or visits to the Company's facilities, introductions to Division Leaders, Groups and employees of the Company and other programs.

During the year 2023, there was the appointment of a new Board of Directors, namely Arif Suhirman, as the Director of Operations based on the decision of the Annual General Meeting of Shareholders for the Fiscal Year 2022 held on April 12, 2023. A new director orientation program was conducted, including an Executive Summit for the Board of Commissioners and Directors on September 16, 2023, with the theme 'GCG As The Key to a Healthy & Successful Company.' The summit covered topics such as the implementation of SNI ISO

37001:2016 Anti-Bribery Management System (SMAP) and the application of Governance in the Era 4.0 & 5.0 in the Banking sector.

### Board of Directors Decisions and Implementation of Duties

During 2023 the Board of Directors has carried out their duties, obligations, and responsibilities in order to carry out the management of the Company as stipulated in the applicable laws and regulations, the Company's Articles of Association, and the work plan for carrying out the duties of the Board of Directors for 2023, in general, are as follows:

1. Preparation of the Company's bank business plan
2. Implementation of IT strengthening projects and digital banking development
3. Asset and financial management
4. Organizing board of Directors meetings and board of Directors meetings with the board of Commissioners
5. Organizing the Annual General Meeting of Shareholders for the 2022 Fiscal Year
6. Supervision and improvement of internal business processes
7. Implementation of Good Corporate Governance in every business activity
8. Distribution of Corporate Social Responsibility funds for the company which is manifested in various activities of the Bank Jatim Care

9. Implementation of other tasks related to the management of the company

The decisions of the Board of Directors that have been issued during 2023, include:

1. Land and Building or Building Procurement Team in the environment
2. Hierarchy of Internal Regulations
3. Internal Regulations Renewal Committee
4. 5 Pillars of Transformation Committee
5. PIC of the Implementation of AML/CFT Compliance
6. Capital Investment Activities Committee
7. About Directors Committee
8. The Issuance of Decision of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 059/084/DIR/OJL/KEP dated March 26, 2020, Regarding the Guidelines for the Implementation of Payment Collateral
9. BPD Transformation Committee
10. Authority Settlement Limit for Transactions via ESTIM
11. Blueprint for Human Capital Development
12. Jatimers Communities Committee
13. BPDSI Sports Event 2023 Committee
14. Appointment and Assignment of Project Leader and Project Support Team for the Procurement of Goods/ Services within the General Division for the Fiscal Year 2023
15. Formation of the Procurement Committee for Goods/ Services for the Fiscal Year 2023
16. Appointment and Formation of the Examination Committee for the Results of Goods/Services Procurement Work for the Year 2023
17. Reviewer Team for Goods and Services Procurement through Tender Process within PT Bank Pembangunan Daerah Jawa Timur Tbk for the Fiscal Year 2023
18. Credit/Financing Portfolio Guidelines
19. Due Diligence Preparation of Joint Business Group (KUB) Committee
20. Go Lower Go Better Program
21. ALCO Meeting Decision
22. Team Formation for the Sale and Write-off of Fixed Assets of Official and Operational Vehicles
23. Authority Limit for Approval of Position Switching and Budget Exceedance
24. Risk Management Committee
25. Ekstrakomtable Stimulus for Settlement of Problematic or Non-Performing Loans or Extracompstable Financing
26. Formation of the Credit Control and Extracompstable Recovery Committee
27. Formation of the Primary Dealer Committee
28. SOP for the Human Resources Management Committee
29. Authority Limit for Approval of Credit/Financing by the Credit Committee
30. Authorization Limit for Approval of Cash and Non-Cash Credit/Financing
31. Limit for On-The-Spot (OTS) Execution in the Credit/ Financing Process
32. Formation of Tableau Dashboard Team
33. Jatimers Internship Program
34. Formation of the Financial Report and Annual Report Compilation Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk for the Fiscal Year 2023
35. Policy Making Committee
36. Appointment of Agency Admin and Work Unit Admin for E-LHKPN Application Management
37. Risk Appetite Statement
38. Revocation of the Implementation Guidebook (BPP)
39. Anti-Bribery Compliance Function Committee (FKAP) for Anti-Bribery Management System (ABMS)
40. Anti-Bribery Management System (ABMS) Policy
41. JPerform Application Development Team
42. Information Technology Strategic Plan (ITSP) 2024-2028
43. Implementation Team for Minister of Finance Regulation (PMK) No. 66/2023 Related to In-kind and/or employee benefits subject to income tax
44. Year-End Closing Guidelines and Annual Financial Report Preparation
45. Authorization Limit for Approval and Payment of Procurement of Goods/Services and Non-Product Expenses
46. Bank Guarantee Payment for Projects with the Budget of the Year 2023 within East Java Province
47. Segmentation for Credit/Financing
48. KPA Risk Management
49. KPA Credit or Financing
50. SOP for the Internship Program of Merdeka Belajar Kampus Merdeka (MBKM)
51. SOP for Education and Training
52. SOP of Giro iB Barokah
53. SOP for Contractor Financing
54. SOP for Corporate Culture
55. SOP for Micro Credit, Retail, and Medium
56. SOP for Jatim Retail and Medium Credit
57. East Java Micro Credit SOP
58. SOP for Employee Business Travel
59. SOP for Bank Health Assessment
60. SOP for Employee Loans and Personal Loan Car Allowance Program (CAP)
61. Credit Receivable SOP
62. Contractor Credit SOP
63. BLUD Credit SOP
64. Local Government Loans SOP
65. SOP Motorcycle Allowance Program Bagi Account Officer
66. SOP for Total Reward
67. Amendment to the SOP for Affordable Homeownership with Housing Finance Liquidity Facility (FLPP) and Down Payment Assistance Subsidy (SBUM)
68. SOP for Cash Collateral Credit
69. SOP for Property Loan
70. Multipurpose Loan SOP
71. SOP for People's Business Credit
72. SOP for Gold Collateral Loan
73. SOP for Special Treatment Stimulus for Debtors Affected by the COVID-19 Disaster in Specific Regions and Sectors



74. SOP for Motor Vehicle Loan
75. SOP for Loan or Financing Rescue and Resolution
76. SOP for Employee Punishment
77. SOP for Local Government Credit Card
78. SOP for Grading and Remuneration System
79. SOP for Career Development Program
80. SOP for Bank Guarantee
81. SOP for Investor Management
82. SOP for Control and Reporting of Gratification
83. SOP for Car Allowance Program for Employees in a Position of Authority
84. SOP Employee Mutation
85. SOP Human Resources Management Committee
86. SOP for Jatim Agent
87. SOP for Capital Investment
88. Amendment to the Property Loan SOP
89. Amendment to the SOP for Homeownership with Housing Finance Liquidity Facility (FLPP) and Down Payment Assistance Subsidy (SBUM)
90. SOP Credit Risk Management
91. SOP for Liquidity Risk Management
92. First Amendment to the Contractor Credit SOP
93. First Amendment to the Commercial and Corporate Credit Process SOP
94. SOP for Development of Internal Regulations
95. Third Amendment to Jatim Micro Credit SOP
96. First Amendment to the Jatim Retail and Medium Credit SOP
97. SOP for Cash Management
98. SOP for Cooperatives Loans
99. SOP for Shariah-based People's Business Credit (KUR)
100. SOP for Syndicated Loan
101. First Amendment to the Consumer Loan SOP
102. SOP for Management of E-Channel Transactions
103. SOP for Anti-Bribery Management System (ABMS)
104. SOP for Electronic Data Capture (EDC)
105. SOP for Protocol Management
106. SOP for Secretarial Management
107. SOP for Account Management
108. SOP for Financial Report
109. SOP for Development of Non-Digital Products
110. SOP for Land and Building Procurement, as well as Building Renovation
111. SOP for Letter of Credit (L/C) Import Transactions
112. SOP for Domestic Letter of Credit (SKBDN) Transactions
113. SOP for Documentary Collection Transactions
114. SOP for Letter of Credit (L/C) Eksport Transactions
115. SOP for Time Deposits

## Performance Assessment of Committees Under The Board of Directors, Corporate Secretary, Internal Audit Unit, Risk Management Unit and The Basis of The Assessment

The Board of Directors' evaluation procedure on the performance of the Board of Directors Committee is carried out in the following manner:

1. Each Secretary of the Board of Directors Committee shall prepare the implementation materials and technical implementation of each Committee of the Board of Directors during the 2023 financial year.
2. The Board of Directors' assessment of the performance of the Board of Directors Committee is carried out through the Board of Directors Meeting.

The criteria used in the Board of Directors' assessment of the performance of the Board of Directors Committee include:

1. Basis for Formation of the Committee
2. Committee Structure and Membership
3. Duties, Authorities and Responsibilities of the Committee
4. Committee Implementation Achievement
5. Conclusion

During 2023, the Board of Directors considered that the committees under the Board of Directors carried out their duties and responsibilities properly.

### Asset Liability Committee (ALCO)

ALCO is a committee for decision making on assets and liabilities for the purposes outlined, a forum called the Asset Liabilities Committee (ALCO) is needed. In order to reduce and eliminate risks that occur in banks, especially Liquidity Risk, Interest Rates and Exchange Rates, cooperation and active participation of various decision makers on both the assets and liabilities side are required. Cooperation will be successful if each decision maker knows his role and the impact of his decision on overall business profits. During 2023, the ALCO held 15 (fifteen) meetings.

### Risk Management Committee

The Risk Management Committee was formed in order to maintain risk exposure at acceptable and profitable limits, so that bank business activities can remain manageable and carry out bank business activities based on prudential principles. During 2023, the Risk Management Committee held 5 (five) meetings..

### Personnel Management Committee

The Personnel Management Committee was formed in order to obtain optimal results in deciding critical matters in the field of Human Capital in terms of strategies, policies, and

Human Capital management systems that are in line with the Bank's Business Plan. During 2023, the Personnel Management Committee held 20 (twenty) meetings.

#### Information Technology Committee

Part of IT governance in providing recommendations, the committee must pay attention to the efficiency factor of the IT governance in order to minimize the risk associated with the use of IT. Bank and customers. As an embodiment of part of IT governance in order to minimize the risk associated with the use of IT and to protect the interests of the IT Steering Committee, it was formed as a manifestation of the commitment of the Board of Directors and management of Bank Jatim in the form of active supervision of IT management. As stipulated in POJK MRTI, ITSC plays a role in assisting the implementation of the duties of the Board of Directors in determining the Information Technology Strategic Plan and Bank policies related to the use of Information Technology. During 2022, the Information Technology committee held 2 (two) meeting.

#### Credit or Financing Policy Committee

Credit or Financing Policy Committee is a committee formed by the Board of Directors in the framework of managing credit policy which aims to support sound credit distribution and contains elements of internal control from the initial stages of the credit activity process to the credit monitoring stage with due observance of the principle of prudence. Throughout 2023, there was no credit or financing policy committee meetings and processes for updating the internal provisions regarding changes to the grand design organizational structure. During 2023, the Credit or Financing Policy Committee has held 1 (one) meeting.

#### Credit Committee

Conventional Credit Committee

Credit Committee is an operational committee formed by the Board of Directors to evaluate and/or provide credit decisions for the amount and type of credit determined by the Board of Directors with due regard to business development without abandoning prudential principles including restructuring and credit settlement good.

#### Financing Committee

An operational committee formed by the Board of Directors to evaluate and/or provide financing decisions for the amount and type of financing determined by the Board of Directors with due regard to business development without abandoning the precautionary principle including restructuring and settlement of financing.

- Credit Implementation Committee  
During 2023, the Credit Implementation Committee held 24 (twenty four) meetings.
- Credit Restructuring Committee

During 2023, the Credit Restructuring Committee held 6 (six) meetings.

- Term Loan Facility (TLF) Committee  
During 2023, the Credit Settlement Committee held 1 (one) meeting.
- Financing Implementation Committee  
During 2023, the Financing Implementation Committee held 5 (five) meetings.
- Financing Restructuring Committee  
During 2023, the Financing Restructuring Committee held 1 (one) meeting.
- Writing Off Credit and Financing Committee  
During 2023, the Writing Off Credit and Financing Committee held 2 (two) meetings.

#### Product and Network Committee

Product Committee

The Product Committee is a committee formed by the Board of Directors to discuss, determine, and evaluate business strategies through product development, both digital and non-digital, and both conventional and sharia. It is including the development of products that have not existed before and the development of follow-up products, including conducting products evaluations (continued products, developed, discontinued, and closed). Throughout 2023, there have been no product committee meetings held and the process of updating internal provisions regarding changes to the grand design Organizational Structure. Updating the SOP of Product Committee has been carried out and the SOP of Product Committee has been issued with a Decree from the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk. Number 062/03/80/DIR/PGP/KEP dated December 29, 2023.

Network Committee

The Network Committee has the role of complying the implementation of development, status change and/or network closure as well as determining the class of branches and sub-branches in network classification. The Network Committee functions as a forum for managing policies and monitoring effectiveness of the Bank's network to ensure success in creating optimal profits. During 2023, the Network Committee held 3 (three) meetings.

In addition to evaluating the performance of the Committees under the Board of Directors, the Board of Directors also conducts performance assessments of all Units under the Board of Directors. Performance assessments for the Corporate Secretary, Internal Audit and Risk Management Division are carried out based on the achievement of the Key Performance Indicators (KPI) of each unit. In 2023, the achievement of the KPI's for the Corporate Secretary, Internal Audit and Risk Management Division received the title Meet Expectation or Good.



## Mechanism of Self Resignation and Termination of The Board of Directors

The mechanism for resignation and dismissal of the Board of Directors includes:

1. A member of the Board of Directors may submit an application to resign from his position by notifying in writing of his intentions to the Controlling Shareholders and the Bank.
2. The company is obliged to hold a GMS to decide on the resignation request of a member of the Board of Directors no later than 90 (ninety) days after the resignation letter is received.
3. A member of the Board of Directors can be temporarily suspended by the Board of Commissioners by stating the reasons and must be notified in writing to the member of the Board of Directors concerned.
4. The Board of Commissioners must hold a GMS to revoke or affirm the decision on the temporary dismissal within 90 (ninety) days after the date of the temporary dismissal. With the expiration of the time period for holding the GMS or the GMS unable to make a decision, the temporary dismissal of members of the Board of Directors by the Board of Commissioners is canceled.
5. The Company is obliged to implement a mechanism for resignation and dismissal of the Board of Directors and conduct disclosure of information to the public in accordance with OJK regulations. OJK.

## Board of Commissioners

The Board of Commissioners is the Corporate Governance organ whose job is to carry out general and/or specific supervision in accordance with the Articles of Association, provide advice to the Board of Directors, and ensure that the Company implements the principles of good corporate governance.

The Board of Commissioners is responsible to the GMS in terms of overseeing the policies of the Board of Directors regarding the Company's operations in general which refer to the approved business plan, as well as ensuring compliance with all applicable laws and regulations. The responsibility of the Board of Commissioners to the GMS is a manifestation of the supervisory accountability for the management of the Business Entity in the implementation of the principles of good governance.

## Duties and Responsibilities of The Board of Commissioners

The Board of Commissioners has duties and responsibilities that have been regulated in the Work Guidelines and Code of Conduct, including the following:

1. The Board of Commissioners is tasked with supervising the policies and processes of management in general, both regarding the Company and the Company's business, and providing advice to the Directors.

2. Members of the Board of Commissioners must carry out their duties and responsibilities in good faith, with full responsibility and prudent principle.
3. Perform tasks specifically given to them according to the Articles of Association, laws and/or resolutions of the GMS, among others:
  - a. The Board of Commissioners is obliged to ensure the implementation of Good Governance in every business activity of the Bank at all levels of the organization.
  - b. Approve and evaluate Risk Management policies.
  - c. Evaluate the accountability of the Board of Directors for the implementation of Risk Management policies. Komisariss.
  - d. Evaluate and decide Board of Directors' requests related to transactions that require the approval of the Board of Commissioners.
  - e. Supervise the implementation of the duties and responsibilities of the Board of Directors and provide advice to the Board of Directors.
  - f. Supervise the implementation of the Company's Compliance Function on regulations of Bank Indonesia/ Financial Services Authority and statutory regulations and commitments to Bank Indonesia/ Financial Services Authority and other parties in accordance with statutory regulations and/or agreements.
  - g. Distributing duties among the members of Board of Commissioners in accordance with the expertise and experience of each Member of the Board of Commissioners.
4. Prepare work programs and performance targets for the Board of Commissioners each year as well as a peer review mechanism on the performance of the Board of Commissioners.
5. Be responsible for the implementation of the duties of the Board of Commissioners to the GMS.
6. Conduct active supervision through Board of Commissioners Meetings and/or Joint Meetings with Board of Directors, in relation to the implementation of GCG.
7. Each member of the Board of Commissioners is jointly and collectively liable for the Company's losses caused by errors or negligence of the members of the Board of Commissioners in carrying out their duties, unless the member of the Board of Commissioners concerned can prove:
  - a. The loss is not due to an error or negligence.
  - b. Has conducted supervision in good faith, full of responsibility, and prudently for the interests and in accordance with the aims and objectives of the Company.
  - c. Has no conflict of interest, either directly or indirectly, over the supervision actions that result in losses.
  - d. Has taken actions to prevent such losses arising or continuing.
  - e. Has given advice to the Board of Directors to prevent bankruptcy.

8. The Board of Commissioners individually or collectively at any time during the Bank's office hours has the right to enter buildings and yards or other places used or controlled by the Bank and has the right to examine all books, letters and other evidence, check and match the situation cash and others and have the right to know all actions taken by the Board of Directors.
  9. The Board of Commissioners has the right to request explanations from the Board of Directors regarding all matters relating to the management of the Bank and to know all policies and actions that have been and will be carried out by the Board of Directors.
  10. The Board of Commissioners may temporarily dismiss one or more members of the Board of Directors, if the member of the Board of Directors acts contrary to the articles of association or applicable laws and regulations.
  11. Temporary dismissal must be notified to the person concerned along with the reasons.
  12. The Board of Commissioners may conduct management of the Bank in certain circumstances for a certain period in accordance with the provisions of the Articles of Association.
  13. The Board of Commissioners can exercise other supervisory authority as long as it does not conflict with the laws and regulations, the Articles of Association and/or the resolution of the GMS.
- b. All existing problems are discussed carefully and thoroughly.
  - c. All members of the Board of Commissioners are given the opportunity to contribute effectively.
  - d. Each Commissioner receives relevant information in a timely manner, including a brief explanation of the issues that will be discussed at the Board of Commissioners' meeting.
  - e. Board of Commissioners meetings produce clear decisions and are recorded in the minutes.
7. Ensure that the Board of Commissioners behaves in accordance with applicable regulations.
  8. Lead efforts to meet the development needs of the Board of Commissioners.
  9. Perform other responsibilities assigned by the Board of Commissioners, from time to time.

### Rights and Authorities of the Board of Commissioners

The rights and powers of the Board of Commissioners are to:

### Duties and Responsibilities of President Commissioner

In accordance with the Regulation of Financial Services Authority POJK No. 17 of 2023 concerning Implementation of Governance for Commercial Banks, it is stated that the Board of Commissioners must be led by the President Commissioner. The function of the President Commissioner in the Governance process is none other than the coordinator of the Board of Commissioners' organs as a whole, as essentially the relationship between the members of the Board of Commissioners is equal and in the nature of an assembly; hence, they cannot act individually but based on the Board of Commissioners' decision. In general, the duties and responsibilities of the President Commissioner are as follows:

1. Coordinate the implementation of the duties and responsibilities of the Board of Commissioners.
  2. Propose to hold a Board of Commissioners Meeting, including the agenda of the Meeting.
  3. Summons and chair the Board of Commissioners' meeting.
  4. Submit the supervisory report to obtain the approval of the Annual GMS for the implementation of the duties and supervision of the Board of Commissioners.
  5. Ensure that the implementation of the responsibilities of the Board of Commissioners has been carried out according to procedures.
  6. Ensure that meetings of the Board of Commissioners make decisions effectively based on true and complete information, including ensuring that:
    - a. All strategic and important issues are taken into consideration by the Board of Commissioners.
1. Individually or collectively at any time during the working hours of the Company's office has the right to enter the building and yard or other places used or controlled by the Company and the right to examine all books, letters and other evidence, check and match the cash and cash conditions. others and has the right to know all the actions that have been carried out by the Board of Directors.
  2. Request an explanation from the Board of Directors regarding all matters relating to the management of the Company
  3. Know all the policies and actions that have been and will be carried out by the Board of Directors.
  4. Requesting the Board of Directors and/or other officers under the Board of Directors with the knowledge of the Board of Directors to attend the meeting of the Board of Commissioners.
  5. Suspend one or more members of the Board of Directors, if the member of the Board of Directors acts contrary to the articles of association or the prevailing laws and regulations.
  6. The said temporary dismissal must be notified to the person concerned along with the reasons.
  7. Form Committees under the Board of Commissioners in accordance with laws and regulations by taking into account the needs of the Company.
  8. Appoint and appoint an individual or expert to carry out certain tasks deemed necessary at the expense of the company.
  9. Perform actions in managing the Company in certain circumstances for a certain period of time in accordance with the provisions of the Articles of Association.
  10. Hold meetings with the Board of Directors to evaluate the performance of the Board of Directors.
  11. Appoint the Secretary of the Board of Commissioners based on the prevailing laws and regulations.
  12. Provide approval for policy guidelines regarding the provision of funds to related parties and the provision of large funds (large exposure).





13. Provide approval for the provision of funds to related parties. Carry out active supervision of the policy in question.
14. Request the Board of Directors to follow up on the findings of the SKAI examination.
15. Determine a special examination by SKAI if there are allegations of fraud, irregularities, against the applicable laws and regulations.
16. Evaluate and examine the follow-up to the Internal Audit Report, Compliance Director Report, Public Accountant Report, Bank Indonesia Report and BPK Report.
17. Consider the appointment and dismissal of the head of the internal audit work unit (SKAI) proposed by the President Director.
18. Provide feedback on periodic reports submitted by the Board of Directors.
19. Carry out other supervisory powers as long as they do not conflict with laws and regulations, the Articles of Association and/or the resolutions of the GMS.

### Decision That Needs To Agree To The Board of Commissioners

Decisions that need to be approved by the Board of Commissioners of Bank Jatim have been regulated in the Code of Conduct section of the Work Mechanism between the Board of Directors and the Board of Commissioners. Matters that need to be approved by the Board of Commissioners are as follows:

1. General Meeting of Shareholders (GMS).
2. Changes in Organizational Structure.
3. Bank Business Plan and Corporate Plan.
4. Legal Lending Limit (LLL) with Related Parties.
5. Internal Audit Charter and the Appointment and Dismissal of the Head of Internal Audit Unit in relation to the implementation of the Standard for the Implementation of the Internal Audit Function for Commercial Banks (SPFAIB).
6. Reports to Bank Indonesia relating to conditions that endanger the sustainability of the Bank's business.
7. SKAI Semester Report.
8. Approval of Implementation Guidelines that must be ratified by the Board of Commissioners, among others, guidelines for large exposure transactions such as Guidelines for Disposal of Assets, Write-Off Loans and Claim Write-Offs and others.
9. Others according to the provisions.

### Term of Office of Board of Commissioners

The term of office of a member of the Board of Commissioners is a maximum of 4 (four) years from the date specified in the GMS of appointment and ends at the closing of the 4th (fourth) Annual GMS from the date of appointment or until the closing of the Annual GMS at the end of 1 (one) term period. position, and can be reappointed for a second term of office, after taking into account the provisions of the Financial Services Authority and

applicable regulations and being assessed as being able to carry out their functions well, without prejudice to the GMS's right to dismiss at any time.

### Board of Commissioners Criteria

The criteria for the Board of Commissioners of Bank Jatim have been stipulated in the Articles of Association of the Company and the Implementation Manual are as follows:

1. Individual, Indonesian citizen who:
  - a. Individual, Indonesian citizen who.
  - b. Faithful and obedient to the State and Government.
  - c. Do not engage directly or indirectly in activities treason against the State.
  - d. Physically and mentally healthy.
  - e. Have never carried out activities that harm the State or conduct disgraceful actions in the banking sector.
  - f. The voting rights were not revoked based on a court decision.
2. Pass a Fit and Proper Test in accordance with OJK regulations.
3. The majority of members of the Board of Commissioners are prohibited from having family ties to the second degree with fellow members of the Board of Commissioners and/or members of the Board of Directors.
4. Within 5 (five) years prior to the appointment and during the term of office:
  - a. Never been declared bankrupt.
  - b. Never been a member of the Board of Directors and/ or a member of the Board of Commissioners who was found guilty of causing a company to go bankrupt.
  - c. Never been convicted of committing a crime that caused losses to state finances and/or was related to the financial sector
  - d. Has never been a member of the Board of Directors and/ or a member of the Board of Commissioners who during his tenure:
    - Never held an Annual GMS.
    - The responsibilities as a member of the Board of Directors and/or a member of the Board of Commissioners have never been accepted by the GMS or have never given accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS.
    - Have caused a company that obtained a license, approval, or registration from FSA to fail to fulfill its obligation to submit an annual report and/or financial report to FSA.
5. Not involved directly or indirectly in treasonous activities to the State.
6. Never carry out activities that are detrimental to the State or disgraceful actions in the banking sector
7. Not deprived of voting rights based on court decisions.
8. Have a good financial track record, proven by documents that have been issued by the competent authority.
9. Meet other requirements as specified.



## Board of Commissioners' Work Procedures Guidelines

The Board of Commissioners has Board Charter for the Board of Commissioners' work rules no. 060/01/DK/KEP dated January 15, 2021 regarding the Work Guidelines for the Board of Commissioners. The work code of conduct is evaluated periodically and updated with reference to the applicable rules and regulations.

Board of Commissioners' Work Procedures Guidelines is binding for each member of the Board of Commissioners so that the Board of Commissioners can carry out their supervisory functions efficiently, effectively, transparently, independently, and accountably. The basis for the preparation of board of commissioners' work procedures guidelines is the Bank's Articles of Association, Law No. 40 of 2007 concerning Limited Liability Companies, Financial Services Authority Regulations and OJK Circular on the application and organs of Corporate Governance, and other regulations.

Board of commissioners' work procedures guidelines of Bank Jatim were last updated on January 15, 2021. The contents of Board of Commissioners Charter regulate the following matters:

### A. Governance Structure

1. Board of Commissioners Composition
2. Board of Commissioners Criteria
3. Term of Office
4. Duties, Obligations, Authority, Responsibilities, Prohibitions
5. Organization
6. Distribution of Duties of the Supporting Organs of the Board of Commissioners

### B. Governance Process

1. Division of work
2. Working time
3. Work Ethics
4. Supervision Mechanism Board of Commissioners
5. Board of Commissioners Meeting
6. Workflow & Mechanism Kerja

### C. Governance Outcome

1. Report
2. Means of Correspondence
3. Letter Distribution

## The Supervision of The Board of Commissioners' Supervisory Duties

In order to optimize the implementation of the functions and duties of the Board of Commissioners, it has been determined that the field of duties of each member of the Board of Commissioners has been established. The management of the supervisory duties of the Board of Commissioners does not reduce the rights, obligations, responsibilities and authority of each member of the Board of Commissioners in carrying out their functions and duties. As for the division of functions, duties and responsibilities of the Board of Commissioners as follows.

**Table of Duties of the Board of Commissioners**

Name	Position	Duties
Suprajarto*	President Commissioner	Member of Remuneration and Nomination Committee
Candra Fajri Ananda	Independent Commissioner	Head of the Risk Monitoring
		Committee Chairman of the Audit Committee
		Member of Remuneration and Nomination Committee
Muhammad Mas'ud	Independent Commissioner	Independent Commissioner
		Chairman of the Remuneration and Nomination Committee
		Audit Committee Member
Sumaryono	Komisaris Independen	Chairman of the Audit Committee
		Member of the Risk Monitoring Committee
		Member of Remuneration and Nomination Committee
Heru Tjahjono**	Commissioner	Member of Remuneration and Nomination Committee
Adhy Karyono***	Commissioner	Member of Remuneration and Nomination Committee

\*Stopped serving as President Commissioner dated December 19, 2023 (passed away).

\*\*Stopped serving as Board of Commissioner dated April 12, 2023 (dismissed at the Annual GMS Year 2022).

\*\*\*Appointed as Board of Commissioners at the Annual GMS for Fiscal Year 2022 dated April 12, 2023 and was effective from November 24, 2023.





## Concurrent Position of Board of Commissioners

Charter of Board of Commissioners of Bank Jatim has regulated the provisions concerning concurrent positions of the Board of Commissioners, namely members of the Board of Commissioners are prohibited from holding concurrent positions as:

1. Members of the Board of Directors, Board of Commissioners, or Executive Officers of financial institutions or financial companies, both banks and non-banks.
2. Members of the Board of Directors, Board of Commissioners or Executive Officers of more than 1 (one) non-financial institution or non-financial company, both domestic and abroad.
3. Other positions that may lead to a conflict of interest and/or other position in accordance with the rules and regulations.

**Tabel Rangkap Jabatan Dewan Komisaris**

Nama	Jabatan	Jabatan pada Perusahaan/ Instansi Lain	Nama Perusahaan/ Instansi Lain
Suprajarto*	President Commissioner	-	-
Candra Fajri Ananda	Independent Commissioner	Special Staff	Ministry of Finance
Muhammad Mas'ud	Independent Commissioner	Postgraduate Director	University of Islam
Sumaryono	Independent Commissioner	-	-
Heru Tjahjono**	Commissioner	-	-
Adhy Karyono***	Commissioner	Regional Secretary	East Java Province

\*Stopped serving as President Commissioner dated December 19, 2023 (passed away).

\*\*Stopped serving as Board of Commissioner dated April 12, 2023 (dismissed at the Annual GMS Year 2022).

\*\*\*Appointed as Board of Commissioner at the Annual GMS dated April 12, 2023 and was effective from November 24, 2023.

## Management of Conflicts of Interest of The Board of Commissioners

Management of conflicts of interest for the Board of Commissioners as stipulated in the Board of Commissioners Guidelines and Procedures are as follows:

1. Members of the Commissioner are required to keep information which is based on laws and regulations must be kept confidential, including not being involved in Insider Trading or self-dealing with the aim of obtaining personal gain.
2. Not taking advantage of the Company for personal, family, and/or other party interests that may harm or reduce the Company's profits.
3. Do not take and/or receive personal benefits from the Bank other than remuneration and other facilities determined by the GMS.
4. Not involved in making decisions about the Company's operational activities, except for the provision of funds to related parties and other matters stipulated in the Company's Articles of Association or applicable laws and regulations.
5. Do not carry out transactions that have a conflict of interest and/or take personal gain either directly or indirectly from the Company's activities other than legal income as a member of the Board of Commissioners.
6. Not being influenced by other parties in carrying out duties and making decisions that lead to abuse of authority and/or improper decision making.
7. Not holding multiple positions as:
  - a. Members of the Board of Directors, members of the Board of Commissioners or Executive Officers at financial institutions or financial companies, both banks and nonbanks.
  - b. Members of the Board of Directors, members of the Board of Commissioners or Executive Officers in more than 1 (one) nonfinancial institution or non-financial company, either domiciled inside or outside the country.
  - c. Other positions that may cause conflict of interest and/or other positions in accordance with laws and regulations.
8. Disclose remuneration and other facilities received in the Governance Implementation Report as stipulated in the Financial Services Authority Regulation.

During 2023, the Bank ensures that all members of the Board of Commissioners have no conflict of interest or potential conflict of interest against Bank Jatim.

In carrying out the duties, powers, obligations and responsibilities of each Board of Commissioners of Bank Jatim, they must always be based on job ethics. All members of the Board of Commissioners must avoid potential conflicts of interest or always position themselves not to be in a potential conflict of interest in any situation as stated in the Charter of the Board of Commissioners.

In the event of a conflict of interest, the Board of Commissioners who has a conflict of interest does not use their rights/authority in making decisions. Members of the Board of Commissioners are prohibited from taking actions that may harm the Bank or reduce the Bank's profits and must disclose the conflict of interest referred to in every decision.

## Independent Commissioners

Bank Jatim is subject to regulations issued by regulators regarding the existence of Independent Commissioners in the Bank. The Bank's Independent Commissioners are appointed at least 50% (fifty percent) of the total members of the Board of Commissioners. The number of Independent Commissioners of Bank Jatim consisted of 3 (three) people out of a total of 5 (five) members of the Board of Commissioners. In other words, the composition of the Independent Commissioners of Bank Jatim was more than 50% of the total members of the Board of Commissioners.

## Criteria for Determining Independent Commissioners

The criteria for determining the Independent Commissioner of Bank Jatim are regulated in the articles of association and in the guidelines for the implementation of the Board of Commissioners of Bank Jatim that are adjusted according to the applicable rules including Circular Letter of the Financial Services Authority No. 13/SEOJK.03/2017 regarding Governance Implementation for Commercial Banks and Regulation of Financial Services Authority No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies, among others it is explained that Independent Commissioners must meet the following requirements:

Kriteria Komisaris Independen	Komisaris Independen		
	Candra Fajri Ananda	Muhammad Mas'ud	Sumaryono
Have no financial relationship, management relationship, share ownership relationship, family relations with other members of the Board of Commissioners, Directors and/or Controlling Shareholders or relationship with the Bank, which can affect their ability to act independently.	✓	✓	✓
Not a person who works or has the authority and responsibility to plan, lead, control, or supervise the activities of Issuers or Public Companies within the last 6 (six) months, except for reappointment as Independent Commissioners of Issuers or Public Companies in the following period.	✓	✓	✓
Have no shares either directly or indirectly in the Issuer or Public Company.	✓	✓	✓
Have no affiliation relationship with Issuers or Public Companies, members of the Board of Commissioners, members of the Board of Directors, or major shareholders of Issuers or Public Companies.	✓	✓	✓
Do not have business relations, directly or indirectly, that are related to the business activities of the Issuer or Public Company.	✓	✓	✓

The presence of an Independent Commissioner is intended to be able to encourage the creation of an objective climate and work environment, placing fairness and equality among various interests, including the interests of minority shareholders and other stakeholders.

Independent Commissioner must be free from conflicts of interest. In order to support the implementation of the Company's GCG, shareholders in the GMS determine the Independent Commissioners with the number and requirements as stipulated in the laws and regulations to carry out supervisory duties towards the Bank.



## Meeting of Board of Commissioners

### Meeting Policy

The Board of Commissioners must hold regular meetings, and arrange a meeting schedule for the following year before the end of the financial year.

1. The implementation of the meeting can be divided into two, namely
  - a. Internal meetings of the Board of Commissioners.
  - b. Meetings of the Board of Commissioners with the Board of Directors and/or Head of Work Unit (Division) in accordance with the topic discussed
2. Internal meetings of the Board of Commissioners must be held regularly at least once every 2 (two) months (6 (six) times a year).
3. Meetings of the Board of Commissioners with the Board of Directors must be held regularly at least once every 2 (two) months (6 (six) times a year).
4. Meetings can also be held at any time at the request of 1 (one) or several Members of the Board of Commissioners or at the request of the Board of Directors, stating matters to be discussed.
5. Meetings of the Board of Commissioners and/or Meetings of the Board of Commissioners with the Board of Directors can be thematic in accordance with existing problems under certain conditions;
6. At the meeting that has been scheduled, meeting materials are submitted to participants no later than 5 (five) days before the meeting is held.
7. In the event that a meeting is held outside the predetermined schedule, the meeting materials shall be submitted to the meeting participants no later than before the meeting is held.
8. The meeting of the Board of Commissioners is chaired by the President Commissioner, in the event that the President Commissioner is unable to attend or is absent which does not need to be proven to a third party, the meeting of the Board of Commissioners is chaired by a member of the Board of Commissioners who is elected by and from the members of the Board of Commissioners who are present.
9. A member of the Board of Commissioners can be represented in a meeting of the Board of Commissioners only by another member of the Board of Commissioners based on a power of attorney.
10. Meetings of the Board of Commissioners are valid and have the right to make binding decisions if more than ½ (one half) of the total members of the Board of Commissioners are present or represented at the meeting.
11. Decisions of the Board of Commissioners meeting must be made based on deliberation to reach consensus.
12. If a decision cannot be made by deliberation to reach a consensus, the decision is made by voting based on a vote in agreement of at least more than ½ (one half) of the number of votes cast in the meeting.

## Internal Meeting of Board of Commissioners

### INTERNAL MEETING PLAN OF THE BOARD OF COMMISSIONERS

The Board of Commissioners has drawn up plans for a meeting in 2023 in the Work Program of the Board of Commissioners. The Board of Commissioners Meeting Plan is prepared as a guideline in the implementation of the meeting in accordance with the time specified both the internal meeting of the Board of Commissioners and the meeting with the Board of Directors, among others as follows:

#### Quarter I

- Monthly Review on Bank Performance.
- Review and approval of the Annual Report and Consolidated Financial Statements for the 2023 Audited Fiscal Year.
- Quarterly Review on Bank Performance for 2023.
- Preparation for the 2023 Annual General Meeting of Shareholders.
- Program review and performance appraisal of the Board of Commissioners and Committees.
- Quarterly Review of Risk Profile, Business Activities, IT, HR and Annual Strategic Initiatives for Fiscal Year 2023.

#### Quarter II

- Monthly Review on Bank Performance.
- Quarterly Review of Risk Profile, Business Activities, IT, HR and Other Strategic Initiatives for the Quarter I/2023 period.
- Supervision and evaluation of the Bank's Soundness Level, Risk Management, Governance Implementation, as well as a review of the compliance function report and the implementation of the Compliance Director's duties.
- Discussion of the Nomination Process for Candidates for Bank Management.
- Review of Bank's internal policies/regulations (BPP/SOP).

#### Quarter III

- Monthly Review on Bank Performance
- Quarterly Review of Risk Profile, Business Activities, IT, HR and Other Strategic Initiatives for the Quarter II/2023 period.
- Discussion of the Company's 2023 Work Plan and Budget.
- Discussion of the Nomination Process for Candidates for Bank Management.
- Discussion of the process of selecting a Public Accounting Firm (KAP) for the 2023 Financial Statement Audit.

#### Quarter IV

- Monthly Review on Bank Performance.
- Quarterly Review of Risk Profile, Business Activities, IT, HR and Other Strategic Initiatives for the Quarter III/2023 period.
- Approval of the Bank's 2024 Business Plan, Sustainable Finance Action Plan;
- Supervision and evaluation of the Bank's Soundness Level, Risk Management and, Implementation of governance, as well as review of compliance function reports and implementation of the Compliance Director's duties;



- Approval of the Bank Business Plan;
- Discussion on the preparation of the Work Program and Budget for the Board of Commissioners and Committees for 2024; And
- Preparation of a governance implementation report for the 2023 financial year.

## REALIZATION OF THE INTERNAL MEETING OF THE BOARD OF COMMISSIONERS

Internal meetings of the Board of Commissioners have been held in accordance with policy. Meeting materials must be submitted no later than 5 (five) days. Throughout 2023, the agenda, dates and participants of the Board of Commissioners' Meeting are as follows.

**Table of Internal Meetings of the Board of Commissioners**

No.	Date	Meeting Agenda	Meeting Participants	Attendance	Reason for Absence
1.	January 12, 2023	The discussion includes: 1. Discussion of Renumeration of Bank Jatim's Management 2. Etc	Suprajarto	Present	
			Muhammad Mas'ud	Not present	Permit
			Candra Fajri Ananda	Present	
			Sumaryono	Present	
			Heru Tjahjono	Present	
2.	January 12, 2023	The discussion includes: 1. Draft of Key Performance Indicator (KPI) of the Board of Directors 2. Follow-up related to Review of Standard Operating Procedure (SOP) for Implementing Governance in Renumeration for Management 3. Etc	Suprajarto	Present	
			Muhammad Mas'ud	Not present	Permit
			Candra Fajri Ananda	Present	
			Sumaryono	Present	
			Heru Tjahjono	Present	
3.	February 24, 2023	The discussion includes: 1. Overview with Directorate of Risk Management	Suprajarto	Present	
			Muhammad Mas'ud	Present	
			Candra Fajri Ananda	Present	
			Sumaryono	Present	
			Heru Tjahjono	Not present	Permit
4.	March 9, 2023	The discussion includes: 1. Overview with Directorate of Credit for Micro, Retail, and Medium	Suprajarto	Present	
			Muhammad Mas'ud	Not present	Permit
			Candra Fajri Ananda	Not present	Permit
			Sumaryono	Hadir	
			Heru Tjahjono	Not present	Permit
5.	April 5, 2023	The discussion includes: 1. Recommendation of Renumeration and Nomination Committee	Suprajarto	Present	
			Muhammad Mas'ud	Present	
			Candra Fajri Ananda	Present	
			Sumaryono	Present	
			Heru Tjahjono	Present	



No.	Date	Meeting Agenda	Meeting Participants	Attendance	Reason for Absence
6.	April 26, 2023	The discussion includes: 1. Key Performance Indicator (KPI) Management and Technical Guidance on the Calculation of Tantiem and Other Allowances for Bank Jatim's Management	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Sumaryono Suprajarto	Present Present Present Present Present	
7.	May 3, 2023	The discussion includes: 1. Overview of Structure and Scope of Work of SEVP Network & Services 2. Discussion of Progress related to Corporate Action Plan KUB with Bank NTB Syariah	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Sumaryono	Present Not present Present Present	Permit
8.	June 23, 2023	The discussion includes: 1. Recommendation of Remuneration and Nomination Committee related to the Sharia Supervisory Board 2. Revision of RBB/Bank Business Plan Year 2023	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Sumaryono Adhy Karyono*	Present Present Present Present Present	
9.	July 20, 2023	The discussion includes: 1. Recommendation of Audit Committee related to Internal Audit Division Leader of Bank Jati.	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Sumaryono Adhy Karyono*	Present Present Present Present Present	
10.	July 25, 2023	The discussion includes: 1. Follow-up Business Plan Exposure Year 2023 by SEVP Corporate, Syndicated and Institutional	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Sumaryono Adhy Karyono*	Present Not present Present Present Not present	Permit
11.	July 29, 2023	The discussion includes: 1. Coordination of Board of Commissioner related to Explanation and Clarification of Legal Counsel of Mr. Suprajarto, President Commissioner of Bank Jatim	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Sumaryono Adhy Karyono*	Present Present Not present Present Not present	Permit Permit
12.	August 18, 2023	The discussion includes: 1. Supervisory Report of Board of Commissioner regarding RBB/Bank Business Plan 1st Semester year 2023 2. Proposal of Temporary Replacement for Compliance Director 3. Remuneration & Nomination Committee: - Composition of Remuneration & Nomination Committee Members - Review of KPI of Board of Commissioners	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Sumaryono Adhy Karyono*	Present Present Not present Present Not present	Permit Permit



No.	Date	Meeting Agenda	Meeting Participants	Attendance	Reason for Absence
13.	October 2, 2023	The discussion includes: 1. Overview with Directorate of Finance, Treasury & Global Services	Suprajarto	Present	
			Muhammad Mas'ud	Present	
			Candra Fajri Ananda	Not present	Permit
			Sumaryono	Present	
			Adhy Karyono*	Not present	
14.	October 2, 2023	The discussion includes: 1. Overview with SEVP Sharia Business	Suprajarto	Present	
			Muhammad Mas'ud	Present	
			Candra Fajri Ananda	Not present	Permit
			Sumaryono	Present	
			Adhy Karyono*	Not present	
15.	October 2, 2023	The discussion includes: 1. Overview with SEVP Consumer Banking	Suprajarto	Present	
			Muhammad Mas'ud	Present	
			Candra Fajri Ananda		Permit
			Sumaryono	Present	
			Adhy Karyono*	Not present	
16.	October 2, 2023	The discussion includes: 1. Overview with SEVP Corporate, Syndicated & Institutional	Suprajarto	Present	
			Muhammad Mas'ud	Present	
			Candra Fajri Ananda	Not present	Permit
			Sumaryono	Present	
			Adhy Karyono*	Not present	
17.	October 10, 2023	The discussion includes: 1. Overview of Human Capital Division	Suprajarto	Present	
			Muhammad Mas'ud	Not present	Permit
			Candra Fajri Ananda	Present	
			Sumaryono	Present	
			Adhy Karyono*	Not present	
18.	October 27, 2023	The discussion includes: 1. Overview with Operational Directorate	Suprajarto	Present	
			Muhammad Mas'ud	Not present	Permit
			Candra Fajri Ananda	Not present	
			Sumaryono	Present	
			Adhy Karyono*	Not present	
19	December 27, 2023	The discussion includes: 1. Findings of FSA Year 2023 (in the scope of work with Board of Commissioners and the Board of Commissioners Committees). 2. Report on the Implementation of the Work Pro-gram and Budget of the Board and Board of Commissioners Committees Year 2023. 3. Work Program and Budget Plan for the Board of Commissioners and Board of Commissioners Committee Year 2024. 4. Etc.	Muhammad Mas'ud	Present	
			Candra Fajri Ananda	Present	
			Sumaryono	Present	
20	December 28, 2023	The discussion includes: 1. Implementation Report of GMS Year 202	Muhammad Mas'ud	Present	
			Candra Fajri Ananda	Present	
			Sumaryono	Present	
			Adhy Karyono	Present	

Description:

\* Appointed as Commissioner at the 2022 Annual GMS on April 12, 2023 and effective November 24, 2023.



## Joint Meeting of the Board of Commissioners and the Board of Directors

The Joint Meeting of the Board of Commissioners with the Board of Directors consists of a Joint Meeting of the Board of Commissioners inviting the Board of Directors or vice versa.

### REALIZATION OF JOINT MEETINGS OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

The Joint Meeting of the Board of Commissioners and the Board of Directors was held in accordance with policy. Meeting materials must be submitted no later than 5 (five) days. Throughout 2023, the agenda, dates and participants of the Joint Meetings of the Board of Commissioners and the Board of Directors are as follows.

**Table of Joint Meetings of the Board of Commissioners and Directors**

No	Date	Meeting Agenda	Board of Commissioners Meeting Participants	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Reason for Absence
1.	January 12, 2023	The discussion includes: 1. Audit Plan 2. Adjustment of Bank Business Plan (RBB) Year 2023 3. Etc.	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Not present	Permit	Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Present	
			Sumaryono	Present		Eko Susetyono	Present	
			Heru Tjahjono	Present		Edi Masrian-to	Present	
2.	January 13, 2023	The discussion includes: 1. Evaluation of Bank Jatim's Financial Performance Year 2022	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Not present	Permit	Tonny Prasetya	Present	
			Candra Fajri Ananda	Not present	Permit	Arief Wicaksono	Present	
			Sumaryono	Present		Eko Susetyono	Present	
			Heru Tjahjono	Present		Edi Masrianto	Present	
3	January 26, 2023	The discussion includes: 1. Results of Implementation of Governance Self Assessment Year 2022	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Not present	Official travel
			Sumaryono	Not present	Permit	Eko Susetyono	Present	
			Heru Tjahjono	Present		Edi Masrianto	Present	
4.	January 30, 2023	The discussion includes: 1. Discussion of the Results of the Governance Self Assessment in December 2022	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Present	
			Sumaryono	Not present	Permit	Eko Susetyono	Present	
			Heru Tjahjono	Present		Edi Masrian-to	Present	
						Zulhelfi Abidin	Present	



No	Date	Meeting Agenda	Board of Commissioners Meeting Participants	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Reason for Absence
5	February 17, 2023	The discussion includes: 1. Evaluation of Financial Performance of Bank Jatim as of January 2023	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Not present	Izin	Tonny Prasetya	Not present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Present	
			Sumaryono	Present		Eko Susetyono	Hadir	
			Heru Tjahjono	Present		Edi Masrianto	Not present	
6	March 20, 2023	The discussion includes: 1. Adjustment of RBB Year 2023 2. Evaluation of Financial Performance of Bank Jatim Position February 2023	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Not present	Permit	Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Present	
			Sumaryono	Present		Eko Susetyono	Present	
			Heru Tjahjono	Present		Edi Masrianto	Present	
7	April 4, 2023	The discussion includes: 1. Preparation of the Implementation of Annual GMS of Bank Jatim Fiscal Year 2022	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Present	
			Sumaryono	Present		Eko Susetyono	Present	
			Heru Tjahjono	Present		Edi Masrianto	Present	
8	May 19, 2023	The discussion includes: 1. Evaluation of Financial Performance of Bank Jatim as of April 2023 2. The discussion of the Simulation of RBB Changes Year 2023 3. Etc.	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Present	
			Sumaryono	Present		Eko Susetyono	Present	
						Edi Masrianto	Present	
9	June 23, 2023	The discussion includes: 1. Evaluation of Financial Performance of Bank Jatim as of May 2023. 2. The discussion of RBB Revision Year 2023	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Not present	Permit
			Sumaryono	Present		Eko Susetyono	Present	
			Adhy Karyono	Present		Edi Masrianto	Present	
						Zulhelfi Abidin	Present	

No	Date	Meeting Agenda	Board of Commissioners Meeting Participants	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Reason for Absence
10.	July 20, 2023	The discussion includes: 1. Evaluation of Financial Performance of Bank Jatim as of June 2023. 2. Key Performance Indicator of Board of Directors 3. Bank Business Group with Bank NTB Syariah 4. Bank Business Group with Bank Lampung	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Present	
			Sumaryono	Present		Eko Susetyono	Present	
						Edi Masrianto	Present	
						Zulhelfi Abidin	Present	
11	July 27, 2023	The discussion includes: 1. Results of Implementation of Governance Self Assessment June Year 2023	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Not present	Permit	Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Present	
			Sumaryono	Present		Eko Susetyono	Present	
						Edi Masrianto	Present	
						Zulhelfi Abidin	Present	
12	August 18, 2023	The discussion includes: 1. Evaluation of Financial Performance of Bank Jatim as of July 2023	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Not present	Permit
			Sumaryono	Present		Eko Susetyono	Present	
						Edi Masrianto	Present	
						Zulhelfi Abidin	Present	
13	September 22, 2023	The discussion includes: 1. Evaluation of Financial Performance of Bank Jatim as of August 2023 2. Etc.	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Not present	Permit	Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Present	
			Sumaryono	Present		Eko Susetyono	Not present	Permit
						Edi Masrianto	Present	
						Zulhelfi Abidin	Present	



No	Date	Meeting Agenda	Board of Commissioners Meeting Participants	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Reason for Absence
14	September 22, 2023	The discussion includes: 1. Evaluations of Follow-up the Internal Audit Findings and Legal Issues	Suprajarto	Present	Permit	Tonny Prasetya	Present	
			Muhammad Mas'ud	Not present		Arief Wicaksono	Present	
			Candra Fajri Ananda	Present		Eko Susetyono	Not present	Permit
			Sumaryono	Present		Edi Masrianto	Present	
						Zulhelfi Abidin	Present	
15	October 11, 2023	The discussion includes: 1. The Discussion of Corporate Action Plan To Invest in Bank NTB Syariah (KUB) 2. Evaluation of Financial Performance of Bank Jatim as of September 2023 3. Etc.	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Present	
			Sumaryono	Present		Eko Susetyono	Present	
						Edi Masrianto	Present	
						Zulhelfi Abidin	Present	
						Arif Suhirman	Present	
16.	November 24, 2023	Discussion includes: 1. Evaluation of Bank Jatim's Financial Performance as of October 2023 2. Bank Business Plan (RBB) for 2024	Suprajarto	Not present	Permit	Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetya	Present	
			Candra Fajri Ananda	Present		Arief Wicaksono	Present	
			Sumaryono	Present		Eko Susetyono	Present	
			Adhy Karyono	Present		Edi Masrianto	Present	
						Zulhelfi Abidin	Present	
						Arif Suhirman	Present	
17.	December 28, 2023	The discussion includes: Evaluation of Financial Performance of Bank Jatim as of November 2023	Muhammad Mas'ud	Present		Busrul Iman	Present	
			Candra Fajri Ananda	Present		Tonny Prasetya	Present	
			Sumaryono	Present		Arief Wicaksono	Present	
			Adhy Karyono	Present		Eko Susetyono	Present	
						Edi Masrianto	Present	
						Zulhelfi Abidin	Present	
						Arif Suhirman	Present	



## Frequency and Participants of Board of Commissioners' Meetings

During 2023, Board of Commissioners has held and participated in 18 (eighteen) internal meeting and 17 (seventeen) of joint meeting of Board of Commissioners with Board of Directors. The frequency and attendance meetings for each member of the Board of Commissioners can be seen in the table below.

**Table of Frequency and Participants of Board of Commissioners Meetings**

Name	Position	Board of Commissioners Meeting			Joint Meeting of Board of Commissioners with Board of Directors			GMS		
		Number and Percentage of Presenters			Number and Percentage of Presenters			Number and Percentage of Presenters		
		Number of Meetings	Number of Presenters	Percentage	Number of Meetings	Number of Presenters	Percentage	Number of Meetings	Number of Presenters	Percentage
Suprajarto*	President Commissioner	18	18	100%	16	15	93%	1	1	100%
Candra Fajri Ananda	Independent Commissioner	20	13	65%	17	10	59%	1	1	100%
Muhammad Mas'ud	Independent Commissioner	20	13	65%	17	16	94%	1	1	100%
Sumaryono	Independent Commissioner	20	20	100%	17	15	88%	1	1	100%
Heru Tjahjono**	Commissioner	5	3	60%	7	7	100%	-	-	-
Adhy Karyono***	Commissioner	1	1	1	2	2	100%	-	-	-

\*Stopped serving as President Commissioners dated December 19, 2023 (passed away).

\*\*Stopped serving as Board of Commissioners dated April 12, 2023 (dismissed at the Annual GMS Year 2022).

\*\*\*Appointed as Board of Commissioners at the Annual GMS Year 2022, dated April 12, 2023, and was effective from November 24, 2023.

## Training and/or Increasing Competence of Members of The Board of Commissioners

In general, the policy regarding the competency development of members of the Board of Commissioners of Bank Jatim was regulated in the Board of Commissioners' Work Guidelines No. 060/01/DK/KEP dated January 15, 2021. In the Work Guidelines for the Board of Commissioners, it was stated that the Board of Commissioners should always improve knowledge and insight by following developments in the banking industry in particular and the business world in general so that it had a positive impact on the operations of Bank Jatim, one of which was through education programs/ training to improve the competence.

Specifically related to the implementation of education/ training programs to improve the competence of the Board of Commissioners, it was arranged in the work program of the Board of Commissioners every year. Competency development aimed to:

1. Increasing the insight and knowledge of the Board of Commissioners in accordance with their fields and business developments.

2. Increasing relationships and relationships with external stakeholders.
3. Supporting the implementation of duties and responsibilities supported by knowledge of educational outcomes.
4. Developing professional knowledge, competence and leadership abilities of the Directors and Board of Commissioners in line with the latest developments in the industry and good corporate governance.
5. Increasing awareness that education, introduction and development programs for the Board of Commissioners became an important part of the company's learning and development process in addition to strengthening the structure and strengthening corporate governance.

The Board of Commissioners determined that this education/ training program had to be attended by each member of the Board of Commissioners at least 2 (two) times in 1 (one) year. The training and/or competency improvement attended by the Board of Commissioners during 2023 are as follows.



Name	Position	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Suprajarto*	President Commissioner	National Seminar on Challenges, Opportunities and Banking Strategies in Implementing the Financial Sector Development and Strengthening Law (UUP2SK)	Medan, May 11, 2023	FKDK - BPDSI
		National Seminar on Economy Outlook 2024 in the Development of the Digital Economy: Opportunities and Challenges for Regional Development Banks	Surabaya, November 16, 2023	FKDK - BPDSI
		National Seminar on Awareness of the Threat of Cyber Crime in the Midst of Digital Banking Transformation Efforts	Surabaya, November 16, 2023	FKDK-BPDSI
Candra Fajri Ananda	Independent Commissioner	National Seminar on Challenges, Opportunities and Banking Strategies in Implementing the Financial Sector Development and Strengthening Law (UUP2SK)	Medan, May 11, 2023	FKDK - BPDSI
		National Seminar on Economy Outlook 2024 in the Development of the Digital Economy: Opportunities and Challenges for Regional Development Banks	Surabaya, November 16, 2023	FKDK - BPDSI
		National Seminar on Awareness of the Threat of Cyber Crime in the Midst of Digital Banking Transformation Efforts	Medan, May 11, 2023	FKDK-BPDSI
Muhammad Mas'ud	Independent Commissioner	National Seminar on Challenges, Opportunities and Banking Strategies in Implementing the Financial Sector Development and Strengthening Law (UUP2SK)	Surabaya, November 16, 2023	FKDK - BPDSI
		National Seminar on Economy Outlook 2024 in the Development of the Digital Economy: Opportunities and Challenges for Regional Development Banks	Surabaya, November 16, 2023	FKDK-BPDSI
		National Seminar on Awareness of the Threat of Cyber Crime in the Midst of Digital Banking Transformation Efforts	Medan, December 7, 2023	FKDK-BPDSI
		National Seminar on Indonesian Economic Outlook in 2024	Medan, December 7, 2023	FKDK - BPDSI
Sumaryono	Independent Commissioner	National Seminar on Challenges, Opportunities and Banking Strategies in Implementing the Financial Sector Development and Strengthening Law (UUP2SK)	Medan, May 11, 2023	FKDK - BPDSI
		National Seminar on Economy Outlook 2024 in the Development of the Digital Economy: Opportunities and Challenges for Regional Development Banks	Surabaya, November 16, 2023	FKDK-BPDSI
		National Seminar on Awareness of the Threat of Cyber Crime in the Midst of Digital Banking Transformation Efforts	Surabaya, 16 November 2023	FKDK-BPDSI
		National Seminar on Indonesian Economic Outlook in 2024	Medan, December 7, 2023	FKDK - BPDSI
Heru Tjahjono**	Commissioner	-	-	-
Adhy Karyono***	Commissioner	Provision of Knowledge of Risk Management for the Prospective Board of Commissioners	Surabaya, July 4, 2023	LPPI
		National Seminar on Economy Outlook 2024 in the Development of the Digital Economy: Opportunities and Challenges for Regional Development Banks	Surabaya, November 16, 2023	FKDK - BPDSI
		National Seminar on Awareness of the Threat of Cyber Crime in the Midst of Digital Banking Transformation Efforts	Surabaya, November 16, 2023	FKDK - BPDSI

\*Stopped serving as President Commissioners dated December 19, 2023 (passed away).

\*\*Stopped serving as Board of Commissioners dated April 12, 2023 (dismissed at the Annual GMS Year 2022)

\*\*\*Appointed as Board of Commissioners at the Annual GMS Year 2022, dated April 12, 2023 and was effective from November 24, 2023.

## Orientation Program for New Board of Commissioners

The Orientation Program is very important to be implemented, because the members of the Board of Directors can come from various backgrounds, so that in order to form a solid work team, the Orientation Program is mandatory to run. The provisions concerning the Orientation program must be given to Directors who are taking office for the first time must be given an orientation program regarding the Bank.

The orientation program that is given can be in the form of participantss, meetings or visits to the Company's facilities, introductions to Division Leaders, Groups and employees of the Company and other programs.

During 2023, there was 1 (one) new Board of Commissioner appointed in the GMS, namely Adhy Karyono (Commissioner). The induction program for new Commissioners will be held on April 13, 2023.

In carrying out the Company's introduction program in general to the two new Commissioners, an orientation program was carried out by delivering material including information/matters as follows:

1. Vision, mission, organizational structure of the Company, business activities and operational network;
2. Annual Report, Corporate Plan and Bank Business Plan, the company's Code of Ethics, Bank Jatim Work Culture, the Company's Articles of Association, and the Board of Commissioners' Work Rules;

3. Good Corporate Governance, duties, authorities and responsibilities of the Board of Commissioners and Directors, delegation of authority and limits of authority of the Board of Commissioners in carrying out supervisory duties on the company based on applicable laws and regulations;
4. Committees under the Board of Commissioners formed and directly responsible to the Board of Commissioners, and the Secretariat of the Board of Commissioners which assists the smooth running of the duties of the Board of Commissioners;
5. Remuneration and facilities provided to members of the Board of Commissioners.

## Procedures and Frequency of Giving Advice

Providing advice from the Board of Commissioners to the Board of Directors through written letters or at meetings. Meetings held by the Board of Commissioners are divided into 2 (two), namely:

1. Internal meetings of the Board of Commissioners.
2. Meetings of the Board of Commissioners and the Board of Directors.

In addition to these two meetings, the Board of Commissioners also conducts coordination meetings with the Committees under the Supervision of the Board of Commissioners consisting of Audit Committee Meetings, Risk Monitoring Committee Meetings and Remuneration and Nomination Committee Meetings.

## Recommendations, Implementation of Duties of The Board of Commissioners, and Supervision of The Company's Strategy Implementation

Throughout 2023 the Board of Commissioners provided recommendations and carried out the duties and responsibilities of the Board of Commissioners through forums, including:

1. Board of Commissioners Meeting
2. Meetings with the Committees under the Board of Commissioners
3. On site visit of the Board of Commissioners.

The Board of Commissioners provided recommendations and carried out the duties and responsibilities of the Board of Commissioners. During 2023, the Board of Commissioners issued 15 (fifteen) letters of approval which were the authority of the Board of Commissioners as regulated in the Articles of Association and applicable regulations. Some of these agreements are conveyed as follows.

1. Audit Plan for the Internal Audit Division for the 2023 Period;
2. Implementation of the Annual General Meeting of Shareholders for the 2022 Financial Year of PT Bank Pembangunan Daerah Jawa Timur Tbk;
3. Adjustment of the Bank Jatim Business Plan for 2023;
4. Submission of Key Performance Indicator (KPI) Data for Bank Jatim Management in 2022;
5. Procurement of a Public Accounting Firm (KAP) in the context of Auditing Bank Jatim's Financial Reports as part of the Bank Business Group (KUB) Due Diligence Process with Bank NTB Syariah;
6. Revised Bank Jatim Bank Business Plan for 2023;
7. Replacement of the Vice President of Internal Audit;



8. Sharia Supervisory Board (PDPS) training for Sharia Supervisory Board Candidates
9. Sharia Supervisory Board (DPS) certification;
10. Changes in Credit or Financing Product and Activity Policies (KPA PAP);
11. Appointment of a Public Accountant and Public Accounting Firm to audit the Financial Report of PT Bank Pembangunan Daerah Jawa Timur Tbk for the 2023 Financial Year;
12. Process of Providing Credit to Related Parties;
13. Bank Jatim Business Plan for 2024;
14. Proposed Company Handbook (BPP) Policies & Procedures for Capital Participation Activities; And
15. Anti-Bribery Management System Policy (SMAP).

## Performance Assessment of The Board of Director and Board of Commissioners

### Performance Assessment of The Board of Directors

The evaluation of the performance of the Board of Directors both collegial and individual conducted by the Board of Commissioners and Shareholders was held in the process of the General Meeting of Shareholders (GMS). The assessment was carried out based on the achievement of key performance indicators (KPI) that had been previously approved by the Shareholders, the Board of Commissioners and the Board of Directors.

#### PROCEDURE FOR IMPLEMENTING THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The performance achievement of the Board of Directors is reported to shareholders through the GMS.

#### DIRECTORS' PERFORMANCE EVALUATION CRITERIA

Basis for assessing the performance of the Board of Directors refers to Key Performance Indicators (KPI). The KPIs for each Director in 2023 are as follows.

#### KPI FOR PRESIDENT DIRECTOR

No.	PERSPECTIVE	KPI
1	<b>FINANCIAL</b>	
	Loan	Carry out loan distribution using prudential banking principles (healthy, selective & Prudential)
	TPF	Achievement of Total TPF
	Net Income	Achievement of net income
	Total Assets	Achievement of Total Asset
	LDR	LDR Ratio
	BOPO	BOPO Ratio
	CASA	CASA Ratio
	NPL	NPL Ratio
	FBI	Growth Fee Based Income (FBI)



No.	PERSPECTIVE	KPI
2	<b>CUSTOMER</b>	Persetujuan Revisi RBB Bank Jatim Tahun 2023
	Service Standard Rating	The service standard rating position (Best Overall Performance Service Excellent) is at least 2nd position in Best Overall Performance Service Excellent from MRI for the Regional Development Banks (BPD) category.
	PEFINDO Rating	PEFINDO Long Term Rating position on idAA-
	Audit Findings	Monitoring audit findings (Internal & External) completed on time
	Customer Satisfaction	Results of Customer Satisfaction Surveys by Independent Parties
	KUB (Bank Business Group)	Realization of KUB (Bank Business Group) with 1 Regional Development Banks (process to FSA)
3	<b>INTERNAL BUSSINESS PROCESS</b>	
	Bank Soundness Level	The minimum level of Bank Health is Composite Rating 2 and the Risk Profile assessment is at the risk predicate "Low to Moderate"
	GCG	Consistency of GCG implementation in accordance with FSA provisions and statutory regulations with the predicate "Good" (Rating 2)
	Sustainable Finance Action Plan (RAKB)	Ensure the implementation of RAKB in accordance with provisions
	Financial Statements	Ensure that financial reports comply with applicable IFRS & Financial Rules
4	<b>LEARNING AND GROWTH</b>	
	Employee Competency	Attend National Seminars/National Workshops at least 2 times a year
	Company Awards	Get awards for the company at least 5 times a year

## KPI FOR DIRECTOR OF MICRO, RETAIL &amp; MEDIUM

No.	PERSPECTIVE	KPI
1	<b>FINANCIAL</b>	
	Loan	Carry out loan distribution using prudential banking principles (healthy, selective & Prudential)
	TPF	Achievement of Total TPF
	Net Income	Achievement of net income
	Total Assets	Achievement of Total Asset
	LDR	LDR Ratio
	NPL	NPL Ratio
2	<b>CUSTOMER</b>	
	Service Standard Rating	The service standard rating position (Best Overall Performance Service Excellent) is at least 2nd position in Best Overall Performance Service Excellent from MRI for the Regional Development Banks (BPD) category.
	PEFINDO Rating	PEFINDO Long Term Rating position on idAA-
	Audit Findings	Monitoring audit findings (Internal & External) completed on time
	Customer Satisfaction	Results of Customer Satisfaction Surveys by Independent Parties
	KUB (Bank Business Group)	Realization of KUB (Bank Business Group) with 1 Regional Development Banks (process to FSA)
	Implementation of Digital Banking	Submitting Loan applications via e-Loan
3	<b>INTERNAL BUSSINESS PROCESS</b>	
	Bank Soundness Level	The minimum level of Bank Health is Composite Rating 2 and the Risk Profile assessment is at the risk predicate "Low to Moderate"
	GCG	Consistency of GCG implementation in accordance with FSA provisions and statutory regulations with the predicate "Good" (Rat-ing 2)





No.	PERSPECTIVE	KPI
4	Sustainable Finance Action Plan (RAKB)	Ensure the implementation of RAKB in accordance with provisions
	Performance Evaluation of Assisted Branch Areas	Branch performance with the Below/Poor predicate is a maximum of 2 branches from the total target area (Conventional & Sharia) every month.
	PL Control	Ensure the implementation of Performing Loan control according to the targets set
	<b>LEARNING AND GROWTH</b>	
	Socialization and Policy Process	Ensuring increasing employee competency through policy socialization & implementing policy updates according to the timeline
	Employee Competency	Attend National Seminars/National Workshops at least 2 times a year
	HR Transformation	Implementation of Corporate Culture in all work units

#### KPI FOR DIRECTOR OF OPERATIONS

No.	PERSPECTIVE	KPI
1	<b>FINANCIAL</b>	
	Loan	Carry out loan distribution using prudential banking principles (healthy, selective & Prudential)
	TPF	Achievement of Total TPF
	Net Income	Achievement of net income
	Total Assets	Achievement of Total Asset
	LDR	LDR Ratio
	BOPO	BOPO Ratio
	FBI	Growth Fee Based Income (FBI)
2	<b>CUSTOMER</b>	
	Service Standard Rating	The service standard rating position (Best Overall Performance Service Excellent) is at least 2nd position in Best Overall Performance Service Excellent from MRI for the Regional Development Banks (BPD) category.
	PEFINDO Rating	PEFINDO Long Term Rating position on idAA-
	Audit Findings	Monitoring audit findings (Internal & External) completed on time
	Customer Satisfaction	Results of Customer Satisfaction Surveys by Independent Parties
	KUB (Bank Business Group)	Realization of KUB (Bank Business Group) with 1 Regional Development Banks (process to FSA)
	Reporting	Responsible for reporting of all business activities
3	<b>INTERNAL BUSSINESS PROCESS</b>	
	Bank Soundness Level	The minimum level of Bank Health is Composite Rating 2 and the Risk Profile assessment is at the risk predicate "Low to Moderate"
	GCG	Consistency of GCG implementation in accordance with FSA provisions and statutory regulations with the predicate "Good" (Rat-ing 2)
	Sustainable Finance Action Plan (RAKB)	Ensure the implementation of RAKB in accordance with provisions
	Performance Evaluation of Assisted Branch Areas	Branch performance with the Below/Poor predicate is a maximum of 2 branches from the total target area (Conventional & Sharia) every month.
	Operational Supervision	Supervise in every aspect of operations within the company, both operational aspects and administrative and technology-based implementation in front office and back office settings.
	Implementation of IT-Based Operations	Optimizing IT-based operations, both e-channel and digital
4	<b>LEARNING AND GROWTH</b>	
	Socialization and Policy Process	Ensuring increasing employee competency through policy socialization & implementing policy updates according to the timeline
	Employee Competency	Attend National Seminars/National Workshops at least 2 times a year
	HR Transformation	Implementation of Corporate Culture in all work units



## KPI FOR DIRECTOR IT &amp; DIGITAL

No.	PERSPECTIVE	KPI
1	<b>FINANCIAL</b>	
	Loan	Melakukan penyaluran kredit dengan prinsip prudential banking (sehat, selektif & Prudential)
	TPF	Achievement of Total TPF
	Net Income	Achievement of net income
	Total Assets	Achievement of Total Asset
	BOPO	BOPO Ratio
	FBI	Growth Fee Based Income (FBI)
2	<b>CUSTOMER</b>	
	Service Standard Rating	The service standard rating position (Best Overall Performance Service Excellent) is at least 2nd position in Best Overall Performance Service Excellent from MRI for the Regional Development Banks (BPD) category.
	PEFINDO Rating	PEFINDO Long Term Rating position on idAA-
	Audit Findings	Monitoring audit findings (Internal & External) completed on time
	Customer Satisfaction	Results of Customer Satisfaction Surveys by Independent Parties
	KUB (Bank Business Group)	Realization of KUB (Bank Business Group) with 1 Regional Development Banks (process to FSA)
	Digitalisasi	Completion of Banking Digitalization (Online Account Opening, Online Deposits, Finger Print Login, Super Micro Online Loans, etc.)
	ETPD	Implementation of the ETPD system in Regency and City Governments
	Pengguna J-Connect	Increase the number of J-Connect users
3	<b>INTERNAL BUSSINESS PROCESS</b>	
	Bank Soundness Level	The minimum level of Bank Health is Composite Rating 2 and the Risk Profile assessment is at the risk predicate "Low to Moderate"
	GCG	Consistency of GCG implementation in accordance with FSA provisions and statutory regulations with the predicate "Good" (Rat-ing 2)
	Sustainable Finance Action Plan (RAKB)	Ensure the implementation of RAKB in accordance with provisions
	Performance Evaluation of Assisted Branch Areas	Branch performance with the Below/Poor predicate is a maximum of 2 branches from the total target area (Conventional & Sharia) every month.
	IT Security dan Operasional IT	Ensuring the implementation of data communication networks, data security, hardware and software management and control, utilization of IT infrastructure
	IT Development	Plan and implement future IT programs to develop bank operations and business to remain competitive
4	<b>LEARNING AND GROWTH</b>	
	Socialization and Policy Process	Ensuring increasing employee competency through policy socialization & implementing policy updates according to the timeline
	Employee Competency	Attend National Seminars/National Workshops at least 2 times a year
	HR Transformation	Implementation of Corporate Culture in all work units

## KPI FOR DIRECTOR OF RISK MANAGEMENT

No.	PERSPECTIVE	KPI
1	<b>FINANCIAL</b>	
	Loan	Carry out credit distribution using prudential banking principles (healthy, selective & Prudential)
	TPF	Achievement of Total TPF
	Net Income	Achievement of net income



No.	PERSPECTIVE	KPI
	Total Assets	Achievement of Total Asset
	LDR	LDR Ratio
	BOPO	BOPO Ratio
	NPL	NPL Ratio
	Perbaikan Kolek 345	Decrease in collectability 345 YoY
	FBI	Growth Fee Based Income (FBI)
	Extracomtable	Obtain extracom
	Restrukturisasi	Restructuring (3,4,5)
2	<b>CUSTOMER</b>	
	Service Standard Rating	The service standard rating position (Best Overall Performance Service Excellent) is at least 2nd position in Best Overall Performance Service Excellent from MRI for the Regional Development Banks (BPD) category.
	PEFINDO Rating	PEFINDO Long Term Rating position on idAA-
	Audit Findings	Monitoring audit findings (Internal & External) completed on time
	Customer Satisfaction	Results of Customer Satisfaction Surveys by Independent Parties
	KUB (Bank Business Group)	Realization of KUB (Bank Business Group) with 1 Regional Development Banks (process to FSA)
	Coordination between Directorates	Coordinating with other Directorates to optimize bank business activities
3	<b>INTERNAL BUSSINESS PROCESS</b>	
	Bank Soundness Level	The minimum level of Bank Health is Composite Rating 2 and the Risk Profile assessment is at the risk predicate "Low to Moderate"
	GCG	Consistency of GCG implementation in accordance with FSA provisions and statutory regulations with the predicate "Good" (Rat-ing 2)
	Sustainable Finance Action Plan (RAKB)	Ensure the implementation of RAKB in accordance with provisions
	Performance Evaluation of Assisted Branch Areas	Branch performance with the Below/Poor predicate is a maximum of 2 branches from the total target area (Conventional & Sharia) every month.
	Controlling	Controlling loan quality, both extracomtable and intracomtable, optimizing recovery results both through restructuring and credit settlement
	Risk Identification	Identify financial risks, mitigate security and company safety
	Policy	Ensure policies related to risk management
4	<b>LEARNING AND GROWTH</b>	
	Socialization and Policy Process	Ensuring increasing employee competency through policy socialization & implementing policy updates according to the timeline
	Employee Competency	Attend National Seminars/National Workshops at least 2 times a year
	HR Transformation	Implementation of Corporate Culture in all work units

#### KPI FOR DIRECTOR OF COMPLIANCE

No.	PERSPECTIVE	KPI
1	<b>FINANCIAL</b>	
	Loan	Carry out loan distribution using prudential banking principles (healthy, selective & Prudential)
	TPF	Achievement of Total TPF
	Net Income	Achievement of net income
	Total Assets	Achievement of Total Asset
	BOPO	BOPO Ratio
	FBI	Growth Fee Based Income (FBI)

No.	PERSPECTIVE	KPI
2	<b>CUSTOMER</b>	
	Service Standard Rating	The service standard rating position (Best Overall Performance Service Excellent) is at least 2nd position in Best Overall Performance Service Excellent from MRI for the Regional Development Banks (BPD) category.
	PEFINDO Rating	PEFINDO Long Term Rating position on idAA-
	Audit Findings	Monitoring audit findings (Internal & External) completed on time
	Customer Satisfaction	Results of Customer Satisfaction Surveys by Independent Parties
	KUB (Bank Business Group)	Realization of KUB (Bank Business Group) with 1 Regional Development Banks (process to FSA)
	Accuracy of reporting	STR and CTR reporting in accordance with regulations
	Legal	Increase the percentage of case resolution Monitoring legal opinion activities and power of attorney
	Updating Customer Data	Updating customer data
3	<b>INTERNAL BUSSINESS PROCESS</b>	
	Bank Soundness Level	The minimum level of Bank Health is Composite Rating 2 and the Risk Profile assessment is at the risk predicate "Low to Moderate"
	GCG	Consistency of GCG implementation in accordance with FSA provisions and statutory regulations with the predicate "Good" (Rat-ing 2)
	Sustainable Finance Action Plan (RAKB)	Ensure the implementation of RAKB in accordance with provisions
	Performance Evaluation of Assisted Branch Areas	Branch performance with the Below/Poor predicate is a maximum of 2 branches from the total target area (Conventional & Sharia) every month.
	Policies and Procedures	Ensure systems, policies and procedures comply with internal and external regulations
4	<b>LEARNING AND GROWTH</b>	
	Socialization and Policy Process	Ensuring increasing employee competency through policy socialization & implementing policy updates according to the timeline
	Employee Competency	Attend National Seminars/National Workshops at least 2 times a year
	HR Transformation	Implementation of Corporate Culture in all work units

#### KPI FOR DIRECTOR OF FINANCE, TREASURY & GLOBAL SERVICES

No.	PERSPECTIVE	KPI
1	<b>FINANCIAL</b>	
	Loan	Carry out loan distribution using prudential banking principles (healthy, selective & Prudential)
	TPF	Achievement of Total TPF
	Net Income	Achievement of net income
	Total Assets	Achievement of Total Asset
	LDR	LDR Ratio
	BOPO	BOPO Ratio
	CASA	CASA Ratio
	NPL	NPL Ratio
	FBI	Growth Fee Based Income (FBI)
	International Banking Income	Trade Finance Income
	Treasury Income	Obtain income from Treasury Transactions



No.	PERSPECTIVE	KPI
2	<b>CUSTOMER</b>	
	Service Standard Rating	The service standard rating position (Best Overall Performance Service Excellent) is at least 2nd position in Best Overall Performance Service Excellent from MRI for the Regional Development Banks (BPD) category.
	PEFINDO Rating	PEFINDO Long Term Rating position on idAA-
	Audit Findings	Monitoring audit findings (Internal & External) completed on time
	Customer Satisfaction	Results of Customer Satisfaction Surveys by Independent Parties
	KUB (Bank Business Group)	Realization of KUB (Bank Business Group) with 1 Regional Development Banks (process to FSA)
	Institutional Collaboration	Maintain good relations and increase cooperation with counterparties
3	<b>INTERNAL BUSSINESS PROCESS</b>	
	Bank Soundness Level	The minimum level of Bank Health is Composite Rating 2 and the Risk Profile assessment is at the risk predicate "Low to Moderate"
	GCG	Consistency of GCG implementation in accordance with FSA provisions and statutory regulations with the predicate "Good" (Rat-ing 2)
	Sustainable Finance Action Plan (RAKB)	Ensure the implementation of RAKB in accordance with provisions
	Performance Evaluation of Assisted Branch Areas	Branch performance with the Below/Poor predicate is a maximum of 2 branches from the total target area (Conventional & Sharia) every month.
	Financial Statements	Ensure that financial reports comply with applicable IFRS & Financial Rules
4	<b>LEARNING AND GROWTH</b>	
	Socialization and Policy Process	Ensuring increasing employee competency through policy socialization & implementing policy updates according to the timeline
	Employee Competency	Attend National Seminars/National Workshops at least 2 times a year
	HR Transformation	Implementation of Corporate Culture in all work units

**PARTIES THAT DO THE ASSESSMENT**

The performance evaluation of the Board of Directors was carried out by the Board of Commissioners and the GMS.

**RESULTS OF THE BOARD OF DIRECTOR PERFORMANCE ASSESSMENT**

The implementation of the duties and responsibilities of the Board of Commissioners and Directors as well as performance achievements in the 2023 period will be presented and accounted for at the GMS which will be held in 2024.

**Performance Assessment of The Board of Commissioners****PROCEDURES FOR THE IMPLEMENTATION OF THE PERFORMANCE OF THE BOARD OF COMMISSIONERS**

Assessment of the performance of the Board of Commissioners was carried out through the following procedures or mechanisms:

**1. Performance Assessment of the Board of Commissioners by the GMS.**

The Board of Commissioners' Performance Assessment was carried out by the Shareholders at the Annual General Meeting of Shareholders (GMS) when submitting the Report on the Board of Commissioners' supervisory duties to the GMS in the Company's annual report.

**2. Assessment of the performance of the Board of Commissioners through the preparation of a Self Assessment**

Assessment of the performance of the Board of Commissioners of Bank Jatim was carried out by means of a self-assessment which is determined by considering the duties and obligations in accordance with the Company's Articles of Association and applicable laws and regulations.

The policies and procedures for implementing the performance appraisal of the Board of Commissioners of Bank Jatim were determined and agreed upon by the Board of Commissioners at the Board of Commissioners' meeting. The policy for assessing the performance of the Board of Commissioners was stipulated in Decree Number 059/009/ DK/KEP dated December 22, 2020 concerning Amendment to the Decree of the Board of Commissioners Number 059/005/ DK/KEP dated April 29, 2020 concerning Work Paper on the Performance Assessment of the Board of Commissioners of PT Bank Pembangunan East Java Region Tbk.

**KRITERIA EVALUASI KINERJA DEWAN KOMISARIS**

The criteria to be used in assessing the performance of the Board of Commissioners include:

1. Passive Oversight of the Board of Commissioners, including:
  - a. Implementation of review and response to the Bank's Business Plan (RBB).
  - b. Implementation of a follow-up review of the results/ findings of the audit (Internal/External).
  - c. Implementation of the Results of the Governance Self Assessment.
  - d. Implementation of a review of the Risk Profile Report, Review of the Compliance Function Report, Result of Review of Bank Soundness Level Report.
  - e. Implementation of a review of the Board of Directors' policies (credit policy, capital, risk management strategy, remuneration, and others)
2. Active Supervision of the Board of Commissioners, including:
  - a. Number of meetings.
  - b. Implementation of a review of the Bank's business and financial performance reports (regular monitoring of the Bank's performance).
  - c. Participate in branch and work unit performance evaluation activities.
  - d. Visits to branches in order to carry out the supervisory function.
3. Supervision of the Company's Performance
  - a. Rentability
  - b. Liquidity
  - c. Credit
4. Learning and Growth

**PARTIES THAT DO THE ASSESSMENT**

The Board of Commissioners' performance assessment process is carried out every semester and discussed in the Board of Commissioners' Internal Meeting by observing the achievement of each of the assessment indicators.

In addition, the Board of Commissioners is also responsible for its performance to Shareholders in the GMS based on the obligations stated in the prevailing laws and regulations. The Board of Commissioners will be held accountable for their performance in the 2023 period in the Annual GMS to be held in 2024.



## RESULTS OF THE BOARD OF COMMISSIONER PERFORMANCE ASSESSMENT

Performance Assessment of The Board of Commissioners Working Paper (Self Assessment)									
No	Perspective	Aspect		Indicator	Bobot (%)	Target	Realization	Value	Final score
1	Compliance Perspective	Passive supervision (Mandatory)	a	Ratification of RBB and/or revision of RBB on time	5	RBB is ratified before November 30 and Revision of RBB is ratified by Board of Commissioners before June 30 every year.	RBB is ratified in accordance with the provisions.	1	5,0
			b	Preparation of Supervisory Re-ports on Bank Business Plan (RBB)	5	Carried out every semester (no later than two months after the semester ends)	The preparation of Supervisory Re-ports on Bank Business Plan (RBB) is carried out in accordance with the provision and is on time according to targets.	1	5,0
			c	Implementation of Review of Internal Audit Results Re-port and follow-up to the external audit results.	4	Implemented according to the provisions and on time according to targets (every semester)	Review of internal Audit Results Re-ports and follow-up on external audit results are carried out in accordance with provisions.	1	4,0
			d	Implementation of the Governance Self-Assessment	4	Implemented according to the provisions and on time according to targets (every semester)	The Governance Self Assessment is carried out in accordance with the provisions.	1	4,0
			e	Carrying out reviews of Risk Profil Reports, Compliance Functions, and Bank Soundness Levels	5	Dilaksanakan sesuai ketentuan dan tepat waktu sesuai target. (setiap semester).	Review Laporan Profil Risiko, Fungsi Kepatuhan serta Tingkat Kesehatan Bank dilaksanakan sesuai ketentuan	1	5,0
			f	Review and approval of Board of Directors policies that require approval from the Board of Commissioners (Corporate Actions, Credit Policy, Capital, Risk, Management Strategy, Remuneration, Etc.)	5	Implemented no later than 15 (fifteen) working days from receipt by the Board of Commissioners.	The implementation of the review of Board of Directors policies is carried out in accordance with targets.	1	5,0
			g	Appointment fo a Public Accounting Firm for the Bank's Financial Reports	5	Recommendations for KAPS who will carry out audits of the Bank's financial reports in accordance with the rules and regulations.	Recommendations for appointing KAPS to be carried out in accordance with rules and regulations.	1	5,0

## Performance Assessment of The Board of Commissioners Working Paper (Self Assessment)

No	Perspective	Aspect	Indicator	Bobot (%)	Target	Realization	Value	Final score
			h Review the remuneration structure for the Board of Commissioners and Board of Directors.	5	Provide recommendations regarding the remuneration structure for the Board of Commissioners and Board of Directors in accordance with the provisions (at least every semester)	The remuneration structure for the Board of Commissioners and Board of Directors is reviewed periodically in accordance with the provisions.	1	5,0
			i Implementation of the Bank's Nomination Policy	5	Availability of Bank Nomination policy in accordance with the provisions.	Has been fulfilled, the policy regarding Bank Nominations is available.	1	5,0
SUB TOTAL				43				43,0
2	Internal Process Perspective	Active Supervision of Board of Commissioners	a Ratification of the Work Plan and Budget of the Board of Commissioners.	5	The RKAP of the Board of Commissioners is ratified before the implementation of the RKAP for the current year takes effect (No later than December 31)	Rencana Kerja dan Anggaran Dewan Komisaris disahkan tepat waktu sesuai ketentuan	1	5,0
			b Number of Meetings	8	Internal Board of Commissioners meetings are held at least 12 times a year (6 meetings every semester)	The internal meeting of the Board of Commissioners in the first Semester of 2023 was carried out according to target	1	8,0
				8	Meetings between the Board of Directors are held at least 6 times a year (3 meetings every semester)	Meetings of the Board of Commissioners and Board of Directors in first semester of 2023 were held 9 (nine) times.	1	8,0
			c Implementation of reviews of Bank Business and Financial performance reports (regular monitoring of bank performance)	10	Carried out at every meeting of the Board of Commissioners and Board of Directors according to targets, namely once every 2 months (6 times a year, 3 times per a semester)	The review of the Bank's business and financial performance reports in the first semester of 2023 was carried out at 6 (six) meetings between Board of Commissioners and Board of Directors.	1	10,0
			Participate in branch/work unit performance evaluation activities and visit branches in order to carry out supervision and coaching functions.	6	Participate in performance evaluation activities of branches/work units or visit branches at least 3 times a year.	Implementation of branch/work unit performance evaluation activities. Implementation of visits to branches to carry out supervisory and coaching functions were carried out 5 (five) times.	1	6,0





Performance Assessment of The Board of Commissioners Working Paper (Self Assessment)									
No	Perspective	Aspect	Indicator	Bobot (%)	Target	Realization	Value	Final score	
SUB TOTAL				37				37,00	
3	Financial Perspective	Financial Performance of the Bank (as of June 2023)	BALANCE SHEET POST		TARGET	REALIZATION			
		a	Profitability				(%)		
		-	Net profit	2,5	1.648.909	1.470.105	89,16	2,23	
		-	Return on Asset (ROA)	2,5	2,19%	1,87%	85,39	2,13	
		b	Liquidity						
		-	Third Party Funds (DPK)	2,5	90.406.640	78.196.910	86,49	2,16	
		-	LDR	2,5	60,55%	70,03%	115,66	2,89	
		c	Credit						
		-	Credit Expansion	2,5	54.738.950	54.760.902,00	100,04	2,50	
		-	NPL	2,5	2,50%	2,49%	100,40	2,51	
SUB TOTAL				15				14,43	
4.	Learning & Growth Perspective	Competency Development of Board of Commissioners	Competency introduction/ development programs (Workshop, seminars, conferences, etc.)	5	Minimum 3 times a year	The implementation of the Board of Commissioners Workshop/ seminar in the first semester / 2023 was carried out according to the target	1	5	
SUB TOTAL				5				5,00	
TOTAL				100				99,43	

## Performance Assessment of The Committee Under The Board of Commissioners and The Basis of The Assessment

In order to increase the role of the Board of Commissioners in carrying out the supervisory function, the Board of Commissioners is assisted by 3 (three) committees namely the Audit Committee, the Remuneration and Nomination Committee, and the Risk Monitoring Committee. The procedure for evaluating the performance of the Committees under the Board of Commissioners periodically (annually) evaluated the effectiveness of the performance of the Committees under the Board of Commissioners.

The evaluation criteria for the Committees under the Board of Commissioners were based on the Key Performance Indicators that had been set for each Committee under the Board of Commissioners. KPI Committees under the Board of Commissioners consist of 3 (three) aspects, namely Active Supervision, Passive Supervision and Competency Development. The Board of Commissioners considers that during 2023 the Committees have carried out their duties and responsibilities quite effectively and worked independently and provided useful input/ recommendations for the Board of Commissioners. The achievements of each KPI Committee were as follows.

### Achievements of Key Performance Indicator Audit Committee

The procedure for implementing the performance appraisal of the Audit Committee is determined and agreed upon with the Board of Commissioners in a meeting of the Board of Commissioners with the Committee. The performance assessment of the Audit Committee is carried out by means of a self-assessment which is determined by considering its duties and obligations in accordance with the rules and work programs that have been determined.



No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final score
1	Passive Surveillance	Evaluation of Annual Historical General Financial Audit Results from KAP (Public Accounting Firm)	Executed accordingly terms and conditions time on target. (at least 1x in a year).	Implementation of Evaluation of Annual Historical General Audit Results from KAP (Public accounting firm) according to criteria	1	5	5
		Evaluation of Follow-up to General Audit Findings from Internal Parties	Carried out every quarterly (4x in a year)	Evaluation/Monitoring Follow-up to General Audit Findings from Internal Parties in accordance with provisions and on time	1	7,5	7,5
		Special Audit & Fraud Follow-up Evaluation from the Internal Audit Division	Executed accordingly provisions and on time according to target. (at least once a year).	The Special Audit & Fraud Follow-up Evaluation from the Internal Audit Division was carried out in accordance with the specified provisions and targets	1	7,5	7,5
		Evaluation of the Audit Plan from the Internal Audit Division for Approval of the Implementation of the Audit Plan	Executed accordingly provisions and on time according to target. (at least once a year).	Executed accordingly provisions and on time according to target.	1	5	5
		Reviewing projected financial information and other reports related to financial information	Carried out every quarterly (4x in a year)	Do research on information projections finances and reports others related to financial information carried out in accordance with the provisions according to criteria	1	7,5	7,5
		Providing recommendations to the Board of Commissioners regarding the appointment of a Public Accounting Firm (KAP) based on independence, scope, assignment and compensation for services	Executed accordingly terms and conditions time on target. (at least 1x in a year).	Provide recommendations to the Board of Commissioners regarding appointment Based accountant on independence, space scope of assignment, and compensation for services is carried out according to criteria	1	10	10
		Monitoring the implementation of the Anti Fraud Strategy (SAF) and Gratification Control	Held every semester (2x a year)	Monitoring the implementation of the Anti-Fraud Strategy (SAF) and Gratification Control in accordance with the targets set	1	5	5
		Review and provide advice to the Board of Commissioners regarding potential conflicts of interest	Implemented according to regulations and on time according to targets. (at least 1x in a year).	Monitoring and evaluation of the implementation of the duties of the Internal Audit Work Unit (SKAI) is carried out in accordance with provisions	1	5	5
		Make an annual report on the implementation of Audit Committee activities in the Annual Report	Implemented according to regulations and on time according to targets. (at least 1x in a year).	The Audit Committee makes an annual report on the implementation of the Audit Committee's activities in the Annual Report in accordance with the provisions	1	5	5
SUB TOTAL						57,50	57,50



No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final score
2	Active Surveillance	Audit Committee Meeting	Held every quarter (4x a year )	Audit Committee Meetings will be held 8 times during 2023	1	15	15
		Coordination Meeting with Related Divisions	Held every semester (2x a year)	Audit Committee Coordination Meetings with Related Divisions during 2023 were held 6 times	1	10	10
		Visits and communicate directly with employees, including the Board of Directors, SKAI, SKMR, and Accountants regarding the duties and responsibilities of the Audit Committee	Held every semester (2x a year)	Carrying out visits to Branch Offices in order to carry out supervisory functions in 2023 5 times, carrying out visits and communicating with the Board of Directors and Divisions regarding the duties and responsibilities of the Audit Committee to run effectively.	1	10	10
SUB TOTAL						35	35
3	Competency Development	Self competency development by updating the understanding of external and internal	Implemented according to the provisions and on time according to the target. (3x a year)	S e l f - c o m p e t e n c y development by updating the audit committee's understanding of external and internal regulations in 2023 has not been implemented optimally.	0,5	2,5	1,25
		Competency improvement programs, attending education, training and seminars and or certification	Implemented according to the provisions and on time according to the target. (2x a year)	Implementation of Audit Committee workshops/ seminars/training/certification in 2023 will be held twice	1	2,5	2,5
SUB TOTAL						7,50	2,50
TOTAL						100	95,00

Total Rating	Description
Value 80 – 100	Very good
Value 70 - < 80	Good
Value 55 - < 70	Pretty good
Value < 55	Poor

### Achievements of Key Performance Indicator Remuneration and Nomination Committee

The procedure for implementing the performance appraisal of the Remuneration and Nomination Committee is determined and agreed upon with the Board of Commissioners in the Board of Commissioners' Meeting with the Committee. The performance appraisal of the Remuneration and Nomination Committee is carried out by means of a self-assessment which is determined by considering its duties and obligations in accordance with the rules and work programs that have been determined.

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final score
1	Passive Surveillance	Prepare the composition and process of Nomination for Bank Management (Board of Commissioners and Directors)	Prepare Time Table and carry out the nomination process for Bank Management according to the time needed	Implemented according to the set target	1	10	10
		Develop policies and criteria needed in the nomination process for prospective Bank Management (Board of Commissioners and Directors)	Formulate policies and criteria for nomination of candidates for Bank Management according to the stipulated time	Implemented according to the set target	1	10	10
		Assist in the evaluation of the performance of the Company's Management	Carry out performance evaluations of the Company's Management at least 2 times a year (every semester)	Implemented according to the set target	1	10	10
		Reviewing and proposing candidates who meet the requirements as members of the Board of Directors and/ or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS	Carry out a review and provide proposals for candidates for the Company's Management who meet the requirements to the Board of Commissioners according to the time table set	Implemented according to the set target	1	10	10
		Develop structure and policies on the Company's Management Remuneration (Board of Commissioners and Directors)	Conducted at least 1 (one) time a year	Implemented according to the set target	1	10	10
		Prepare the amount of Remuneration for members of the Board of Directors and/ or members of the Board of Commissioners	Conducted at least 1 (one) time a year	Implemented according to the set target	1	10	10
Sub Total						60	60
2	Active Surveillance	Meeting of The Nomination and Remuneration Committee	Minimum 4 times in 1 (one) year	Implemented according to the set target	1	20	20
		Coordination Meeting with related parties	As needed (at least 2 times a year)	Implemented according to the set target	1	10	10
		Preparation and timely submission of Committee reports	Submit reports on time in accordance with the provisions	Implemented according to the set target	1	10	10
Sub Total						40	40
Total						100	100

Total Rating	Description
Value 80 – 100	Very good
Value 70 - < 80	Good
Value 55 - < 70	Pretty good
Value < 55	Poor



## Achievements of Key Performance Indicator Risk Monitoring Committee

The procedure for implementing the performance appraisal of the Risk Monitoring Committee was determined and agreed upon with the Board of Commissioners in the Board of Commissioners' Meeting with the Committee. The performance assessment of the Risk Monitoring Committee was carried out by means of a determined self-assessment considering its duties and obligations in accordance with the rules and work programs that had been determined.

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final score
1	Passive Surveillance	Monitoring and evaluation of the Bank's Risk Profile quarterly position	Held every quarter (4x a year)	Monitoring and evaluation of the Bank's Risk Profile quarterly position in accordance with the provisions	0,5	5	2,5
		Quarterly Monitoring and Evaluation of Bank Soundness Level achievements, (Self Assessment) Governance, Monev, Risk Profile, Profitability in RBB Financial Reports & Capital Resilience	Held every quarter (4x a year)	Quarterly Monitoring and Evaluation of Bank Soundness Level achievements, (Self Assessment) Governance, Monitoring and Evaluation of Risk Profile, Profitability in RBB Financial Reports & Capital Resilience was only carried out twice this year	0,5	5	2,5
		Evaluation of conformity between the Risk Management Policy (KMR) and the implementation of Bank policies	Held every semester (2x a year)	Evaluation of the suitability of risk management policies with the implementation of Bank policies carried out in accordance with the provisions	1	5	5
		Monitoring and evaluating the implementation of the duties of the Risk Management Work Unit (SKMR) and the Risk Management Committee (Komenko)	Held every semester (2x a year)	Monitoring and evaluating the implementation of the duties of the Risk Management Work Unit (SKMR) and the Risk Management Committee (Komenko) carried out in accordance with the provisions	0,5	5	2,5
		Monitor & evaluate the adequacy of the process of identification, measurement, monitoring and control of Risk Management	Held every semester (2x a year)	Monitor & evaluate the adequacy of the process of identification, measurement, monitoring and control of Risk Management carried out in accordance with the provisions	1	5	5
		Monitoring and evaluating contingency plans in Business Continuity Management System (BCMS)	Implemented according to the provisions and on time according to the target. (at least once a year)	Monitoring and evaluating contingency plans in Business Continuity Management System (BCMS) carried out in accordance with the provisions	1	5	5
		Monitoring and evaluating the implementation of the principles of Good Corporate Governance (GCG)	Held every semester (2x a year)	Monitoring and evaluating the implementation of the principles of Good Corporate Governance (GCG) carried out in accordance with the provisions	1	5	5
		Monitoring of large exposure debtors above IDR100 billion	Held every semester (2x a year)	Monitoring of large exposure debtors above IDR100 billion was only carried out once this year	1	5	1
		Opinions on credit or financing applications for the large exposure category, and approval of credit or financing applications from Related Parties	Held every semester (2x a year)	Opinions on credit or financing applications for the large exposure category, and approval of credit or financing applications from Related Parties carried out in accordance with the provisions	1	5	5



No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final score
		Supervise the compliance function and review reports on the implementation of the Compliance function and the implementation of the duties of the Compliance Director	Held every semester (2x a year	Supervision of the compliance function as well as reviewing reports on the implementation of the Compliance function and the implementation of the duties of the Compliance Director are carried out in accordance with provisions	1	5	5
		Evaluate, direct and monitor the Information Technology Strategic Plan and Bank policies regarding the use of Information Technology	Implemented according to regulations and on time according to targets. (at least once a year).	Evaluating, directing and monitoring the Information Technology Strategic Plan and Bank policies regarding the use of Information Technology are carried out in accordance with provisions	1	2,5	2,5
		Review Corplan, RSTI and RBB before being approved by the Board of Commissioners	Implemented according to the provisions and on time according to the target. (at least once a year)	Review Corplan, RSTI and RBB before being approved by the Board of Commissioners carried out in accordance with the provisions	1	2,5	2,5
		Company Manual Review includes: • KPA & SOP for Capital Inclusion	Implemented according to the provisions and on time according to the target. (at least once a year)	Company Manual Review includes: • KPA & SOP for Capital Participation are implemented in accordance with provisions	1	2,5	2,5
		Review and Update of the Company Handbook includes: • Product and Activity Policy Financing (KPA) Credit or Financing (PAP).	Implemented according to the provisions and on time according to the target. (at least once a year)	Review and Update of the Company Handbook includes: • Product and Activity Policy (KPA) Credit or Financing (PAP) financing is carried out in accordance with the provisions	1	2,5	2,5
Sub Total						60	52,50
2	Active Surveillance	Risk Monitoring Committee Meeting	Held every quarter (4x a year )	The implementation of the Risk Monitoring Committee Meeting during 2023 was held 8 times	1	15	15
		Coordination meeting with divisions related to the Bank's strategic issues	Held every semester (2x a year)	The implementation of the Risk Monitoring Committee Meeting during 2023 was held 7 times	1	10	10
		Visits to work units and office networks in the context of: • Monitoring the implementation of risk management in the Bank's activities and products; • Monitoring the implementation of Governance principles	Held every semester (2x a year)	Execution of Visits to branch offices in order to carry out the supervisory function in 2023 carried out 6 (six) times and make visits and communicate with the Board of Directors and Divisions related to the duties and responsibilities of the Risk Monitoring Committee	1	10	10
Sub Total						35	35
3	Competency Development	Self competency development by updating the understanding of external and internal regulations	Implemented according to the provisions and on time according to the target. (2x a year)	Self competency development by updating the understanding of external and internal regulations of the Risk Monitoring Committee in 2023 implemented optimally	1	2,5	2,5
		Competency improvement programs, attending education, training and seminars and or certification	Implemented according to the provisions and on time according to the target. (2x a year)	The implementation of the Workshop / Seminar / Risk Monitoring Committee in 2023 was held 3 times	1	2,5	2,5
Sub Total						5,00	5,00
Total						100	92,50

Total Rating	Description
Value 80 – 100	<b>Very good</b>
Value 70 - < 80	Good
Value 55 - < 70	Pretty good
Value < 55	Poor

## Mechanism of Termination and Withdrawal of The Board of Commissioners

The mechanism for dismissal and resignation of the Board of Commissioners based on the Articles of Association are as follows:

- Members of the Board of Commissioners are appointed and terminated by the GMS.
  - Member of the Board of Commissioners may submit a request to resign from his/her position by notifying in writing of this purpose to the Controlling Shareholders of the Company.
  - The company is obliged to hold a GMS to decide on the resignation application as referred to in letter a, no later than 90 (ninety) days after the resignation letter is received.
  - Before the resignation becomes effective, the relevant members of the Board of Commissioners are still obliged to complete their duties and responsibilities in accordance with the articles of association and laws and regulations.
- The position of a member of the Board of Commissioners ends if:
  - Lossing Indonesian Citizenship.
  - Resignation with due observance of the provisions of paragraph (11) of Article 11 of the Articles of Association
  - No longer meets statutory requirements.
  - Passed away.
  - The term of office has ended.
  - Was dismissed based on the resolution of the GMS.
  - Was declared bankrupt or placed under pardon based on a court decision.

## Sharia Supervisory Board

The Sharia Supervisory Board (DPS) has the duty and authority to provide advice and advice to the Board of Directors, oversee the sharia aspects of the operational activities of the Sharia Business Unit (UUS) at the National Sharia Council - Indonesian Ulama Council.

- Submit the results of sharia supervision at least every 6 (six) months to the Board of Directors, Board of Commissioners, National Sharia Board - Indonesian Ulama Council and the Financial Services Authority Keuangan.

### Duties and Responsibilities of The Sharia Supervisory Board

The duties and responsibilities of the Sharia Supervisory Board as stipulated in the articles of association include, among others:

- Assess and ensure compliance with sharia principles in operational guidelines and products issued by UUS.
- Monitor the process of developing UUS new products from the start until the product is released.
- Provide sharia opinions on new products and/or restructured financing.
- Request a fatwa from the National Sharia Council for UUS new products for which there is no fatwa.
- Conduct periodic reviews on compliance with sharia principles on the mechanism for raising funds and channeling funds as well as Bank services
- Request data and information related to sharia aspects from UUS work units in the context of carrying out their duties.

### Term of Office of The Sharia Supervisory Board

Members of the Sharia Supervisory Board were appointed for a period of 4 (four) years and can be reappointed for a second term, after paying attention to laws and regulations and the provisions of the National Sharia Council - Indonesian Ulama Council.

### Requirements For Sharia Supervisory Board Members

Members of the Sharia Supervisory Board must have the following requirements:

- Integrity, which at least includes:
  - Have good character and morals.
  - Have a commitment to comply with sharia banking regulations and other laws and regulations.
  - Have a commitment to the development of sound and sustainable Islamic banking.



- d. Not included in the Fit and Proper List (Disqualified List) as stipulated in the provisions concerning the fit and proper test stipulated by Bank Indonesia or the Financial Services Authority.
2. Competence, who at least have knowledge and experience in the field of sharia mu'amalah and knowledge in banking and/ or finance in general.
3. Financial reputation, which at least includes:
  - a. Not on the bad credit list.
  - b. Have never been declared bankrupt or have been a shareholder, member of the Board of Commissioners, or member of the Board of Directors of a company and/ or member of the management of a business entity found guilty of causing a company and/or business entity to be declared bankrupt, within the last 5 (five) years prior to nominated.

## Guidelines and Working Procedures of the Sharia Supervisory Board

The Guidelines and Rules of the Sharia Supervisory Board are currently in the process of being ratified. However, in carrying out its duties the Sharia Supervisory Board refers to the Company's Articles of Association which regulates the requirements for the Sharia Supervisory Board, duties and responsibilities, and term of office.

## Composition and Basis of Appointment of The Sharia Supervisory Board

Members of the Sharia Supervisory Board consist of at least 2 (two) person and a maximum of 3 (three) person, one of whom is the Chairman. Members of the Sharia Supervisory Board are appointed by the GMS or on the recommendation of the National Sharia Council - Indonesian Ulema Council in accordance with applicable laws and regulations, without prejudice to the rights of the GMS to dismiss members of the Sharia Supervisory Board at any time in accordance with laws and regulations.

Name	Position	Executor	Basis of Appointment	Effective Date
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	OJK	GMS for Fiscal Year 2018 on April 26, 2019	February 28, 2020
Dr. H. M. Saad Ibrahim, MA	Member	OJK	GMS for Fiscal Year 2018 on April 26, 2019	February 28, 2020

## Composition and Basis of Appointment of the Sharia Supervisory Board After The Annual GMS for Financial Year 2022

Name	Position	Executor	Basis of Appointment	Effective Date
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	OJK	- Annual GMS for Fiscal Year 2018 on April 26, 2019 (first) - Annual GMS for Fiscal Year 2022 on April 12, 2023 (second)	February 28, 2020
Dr. dr. Sukadiono, MM	Member	OJK	Annual GMS for Fiscal Year 2022 on April 12, 2023	Waiting for the MUI DSN Recommendation Letter and OJK Fit and Proper Test Approval

## Training and/or Enhancement of The Competency of The Board of Sharia Supervisory Board Members

Name	Position	Types of Training and Competency Development/ Training Materials	Implementation Time and Place	Organizer
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	-	-	-
Dr. H. M. Saad Ibrahim, MA*	Member	-	-	-
Dr. dr. Sukadiono, MM**	Member	Basic Training of Muamalah Maliyah and Fatwa	June 20, 2023 – July 10, 2023, Zoom Meeting	DSN MUI Institute
		Basic Training for Sharia Supervisors	September 21, 2023 – October 10, 2023, Zoom Meeting	DSN MUI Institute

\*Resigned from office since April 12, 2023

\*\* Waiting for the MUI DSN Recommendation Letter and OJK Fit and Proper Test Approval





## Orientation Program for New Sharia Supervisory Board

The Orientation Program is very important to be implemented for DPS who are taking office for the first time. Provisions regarding the mandatory Orientation program regarding the Company's activities. The orientation program that is given can be in the form of participantss, meetings or visits to the Company's facilities, introductions to Division Leaders, Groups and employees of the Company and other programs..

## Concurrent Position of Sharia Supervisory Board

**Table of Concurrent Positions of Sharia Supervisory Board**

Name	Position	Position at Other Companies/ Institutions	Name of Company/Other Institution
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	Chairman	The Salafiyah Syafi'iyah Islamic Boarding School Foundation, Sukorejo
		Vice Chairman	Deputy Rais Aam PBNU 2022 - 2027
Dr. H. M. Saad Ibrahim, MA*	Member	Chairman	Regional Leaders of Muhammadiyah East Java
Dr. dr. Sukadiono, MM**	Member	Chairman	Regional Leaders of Muhammadiyah East Java 2022-2027
		Leader	Rector of Muhammadiyah University Surabaya 2020-2024

\*Resigned from office since April 12, 2023

\*\* Waiting for the MUI DSN Recommendation Letter and OJK Fit and Proper Test Approval

## Ownership of Sharia Supervisory Board

**Table of Sharia Supervisory Board' Share Ownership**

Name	Position	Share Ownership in Bank Jatim			
		Bank Jatim	Other Banks	Non-bank financial institutions	Other Companies
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	Nil	Nil	Nil	Nil
Dr. H. M. Saad Ibrahim, MA*	Member	Nil	Nil	Nil	Nil
Dr. dr. Sukadiono, MM**	Member	Nil	Nil	Nil	Nil

\*Resigned from office since April 12, 2023

\*\* Waiting for the MUI DSN Recommendation Letter and OJK Fit and Proper Test Approval

## Meeting of Sharia Supervisory Board

### Internal Meeting of Sharia Supervisory Board

Throughout 2023, the agenda, dates and participants of the Sharia Supervisory Board Meeting were as follows.

**Table of Sharia Supervisory Board Meeting**

No.	Date	Agenda	Participant
1.	January 14, 2023	JConnect Remittance Opinion Discussion	Dr. KH. Afifuddin Muhajir, M.Ag Dr. H. M. Saad Ibrahim, MA
2.	March 31, 2023	FGD Plans for Utilizing Head Office Funds to Deliver Financing in Sharia Business Units through Mudharabah Muqayadah Agreements	Dr. KH. Afifuddin Muhajir, M.Ag Dr. H. M. Saad Ibrahim, MA
3.	April 5, 2023	The Discussion of Opinions on the Mudharabah Muqayadah Agreement	Dr. KH. Afifuddin Muhajir, M.Ag Dr. H. M. Saad Ibrahim, MA



No.	Date	Agenda	Participant
4..	May 16, 2023	The Discussion of Opinions on the Implementation of New JConnect Mobile	Dr. KH. Afifuddin Muhajir, M.Ag
5.	July 21, 2023	The Discussion of Opinions on Cardless Transaction Services	Dr. KH. Afifuddin Muhajir, M.Ag
6.	July 31, 2023	The Discussion of Opinions on the Priority of East Java Sharia Services	Dr. KH. Afifuddin Muhajir, M.Ag
7.	August 2, 2023	— The Discussion of JConnect Remittance Hong Kong Opinion — The Discussion of Customer Self Service (CSS) Opinions	Dr. KH. Afifuddin Muhajir, M.Ag
8.	October 4, 2023	The Discussion of Dual Banking Leveraging Model (DBLM) Opinions	Dr. KH. Afifuddin Muhajir, M.Ag
9.	October 13, 2023	The Discussion of Opinions on the Use of Conventional Insurance	Dr. KH. Afifuddin Muhajir, M.Ag
10.	November 7, 2023	The Discussion of Opinion on Sharia People's Business Loan (KUR)	Dr. KH. Afifuddin Muhajir, M.Ag
11.	November 20, 2023	The Discussion of Acquirer's Electronic Data Capture (EDC) Service Opinion	Dr. KH. Afifuddin Muhajir, M.Ag
12.	November 24, 2023	The Minutes of Refreshing Mu'awadhah, Tabarru, Qardh & Dain Agreements with All Sharia Branches	Dr. KH. Afifuddin Muhajir, M.Ag
13.	December 5, 2023	The Discussion of Opinions on Fund Management Certificates Based on Interbank Sharia Principles (SiPA)	Dr. KH. Afifuddin Muhajir, M.Ag
14.	December 11, 2023	The Discussion of Opinions on Deposit Fund Fees	Dr. KH. Afifuddin Muhajir, M.Ag
15.	December 18, 2023	The Discussion of Deposit On Call (DOC) Opinions	Dr. KH. Afifuddin Muhajir, M.Ag
16.	December 20, 2023	The Discussion of Opinions on the Use of MMQ Contracts in Syndicated Investment Financing	Dr. KH. Afifuddin Muhajir, M.Ag
17.	December 22, 2023	Opinions on the East Java Gen.2 Agent Application Service	Dr. KH. Afifuddin Muhajir, M.Ag

### Meeting Frequency and Participants

During 2023, the Sharia Supervisory Board has held 17 (seventeen) internal meetings. The frequency and participants of each member of the Sharia Supervisory Board can be seen in the table below.

**Table of Frequency and Participants of Sharia Supervisory Board Meetings**

Name	Position	Sharia Supervisory Board meeting			
		Number of Meetings	Total Attendance	Percentage	Other Companies
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	17	17	100%	Nihil
Dr. H. M. Saad Ibrahim, MA*	Member	3	3	100%	Nihil
Dr. dr. Sukadiono, MM**	Member	-	-	-	Nihil

\*Resigned from office since April 12, 2023

\*\* Waiting for the MUI DSN Recommendation Letter and OJK Fit and Proper Test Approval

### Frequency and Method of Providing Advice as well as Supervision of Compliance with Sharia Principles in the Capital Market to Issuers or Public Companies

Advice and suggestions were given on several occasions. One of them was when the DPS meeting was also attended by management. Throughout 2023 DPS has issued 16 (sixteen) Sharia Supervisory Board Opinions. DPS has carried out its duties by supervising the fulfillment of Sharia Principles of Bank Jatim and issuing opinions including:

1. Sharia Supervisory Board Opinion Regarding JConnect Remittance
2. Sharia Supervisory Board Opinion Regarding the Mudharabah Muqayadah Agreement
3. Sharia Supervisory Board Opinion Regarding the Implementation of New JConnect Mobile
4. Sharia Supervisory Board Opinion Regarding Cardless Transaction Services
5. Sharia Supervisory Board Opinion Regarding Priority East Java Syariah Services
6. Sharia Supervisory Board Opinion Regarding JConnect Remittance Hong Kong
7. Sharia Supervisory Board Opinion Regarding Customer Self Service (CSS)
8. Sharia Supervisory Board Opinion Regarding the Dual Banking Leveraging Model (DBLM)
9. Sharia Supervisory Board Opinion Regarding the Use of Conventional Insurance



10. Sharia Supervisory Board Opinion Regarding Sharia People's Business Loan (KUR)
11. Sharia Supervisory Board Opinion Regarding Acquirer Electronic Data Capture (EDC) Services
12. Sharia Supervisory Board Opinion Regarding Fund Management Certificates Based on Interbank Sharia Principles (SiPA)
13. Sharia Supervisory Board Opinion Regarding Charging of Deposit Fund Fees
14. Sharia Supervisory Board Opinion Regarding Deposits On Call (DOC)
15. Sharia Supervisory Board Opinion Regarding the Use of MMQ Agreements in Syndicated Investment Financing
16. Sharia Supervisory Board Opinion Regarding the East Java Gen.2 Agent Application Service

### Sharia Supervisory Board Performance Assessment

#### Procedure for Implementation of Performance Assessment of the Sharia Supervisory Board

Performance appraisal is carried out by self assessment and submitted to the Board of Commissioners and the GMS.

#### Sharia Supervisory Board Performance Evaluation Criteria

The DPS performance assessment is based on the implementation of the DPS duties in 2023. The implementation of the DPS duties can be seen from the number of meetings held and the opinions and recommendations that have been issued.

#### The party conducting the assessment

DPS conducts an independent assessment of DPS performance in 2023 (self-assessment).

#### Results of the Performance Assessment of the Sharia Supervisory Board

During 2023, the Sharia Supervisory Board has carried out its role properly. By holding 17 (seventeen) meetings and issuing

opinions or recommendations regarding the activities of the Sharia Business Unit Business.

### Nomination and Remuneration of the Board of Commissioners and Board of Directors

#### Board of Commissioners and Board of Directors Nomination Procedures

In the nomination process for the Board of Commissioners and the Board of Directors of Bank Jatim, policies related to the selection/ replacement of members of the Board of Commissioners and Directors had been formulated, namely the System and Procedure for the Selection and/or Substitution of Members of the Board of Commissioners and Directors. This policy was prepared and adjusted based on regulations related to the Company including POJK No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies and other related regulations regarding procedures for selecting/replacing members of the Board of Commissioners/Directors.

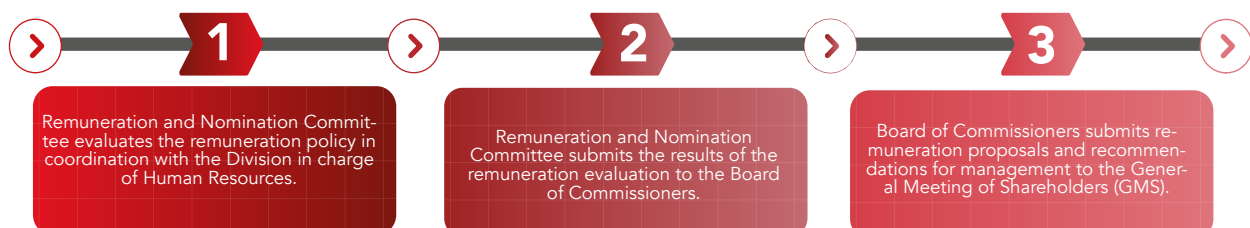
The purpose of formulating this policy on the selection and/or replacement of members of the Board of Commissioners and the Board of Directors was to serve as a guide in the process of selecting/ replacing members of the Board of Commissioners in accordance with applicable regulations, as well as to ensure the implementation of good corporate governance in every process of nomination/ election of members of the Board of Directors Commissioner.

The nomination/election process for the Board of Commissioners and the Board of Directors was proposed to the GMS by considering the recommendations from the Remuneration and Nomination Committee. The stages of the nominations included the following:

1. Announcement of acceptance of vacancies for candidates for members of the Board of Commissioners and/or Directors.
2. Administrative selection.
3. Implementation of the assessment by the appointed Independent institution.
4. Evaluation of assessment results.
5. Final interview.
6. Implementation of the Fit and Proper Test by the Financial Services Authority.
7. Appointment of selected candidates at the GMS.

#### Remuneration Determination Procedure

- The stages in determining the remuneration of the management can be described as follows:



Proposals and recommendations from the Board of Commissioners to the General Meeting of Shareholders (GMS) can be in the form of:

1. Approval of the structure, scale, form and amount of remuneration; or
2. Giving power to the Board of Commissioners to determine the structure, scale, form and amount of remuneration.

### Indicators of Remuneration Determination for the Board of Commissioners and the Board of Directors

Indicators for determining remuneration for the Board of Commissioners and Directors are based on, among other things, performance achievements including sustainability performance, remuneration for similar industries, business complexity and others.

The Bank set the remuneration to be 2 (two), namely:

1. Permanent Remuneration  
Remuneration policies that are permanent in nature at least pay attention to:
  - Business scale, business complexity, peer group, inflation, company conditions and capabilities, applicable laws and regulations; - Fixed remuneration consists of:
    1. Honorarium.
    2. Housing Allowance.
    3. Communication Allowances.
    4. Holiday allowance.

5. Leave Allowance.
6. Health Facilities/Costs.
7. Other facilities/allowances determined by the Bank as remuneration provided are not related to performance.

2. Variable remuneration consists of:

1. Tantiem.
2. Other facilities/allowances determined by the Bank as remuneration based on performance.

### Remuneration Structure of the Board of Commissioners and Board of Directors

Remuneration Structure for Members of the Board of Commissioners and the Board of Directors Remuneration for the Board of Commissioners and Directors is provided with due observance to the prevailing remuneration provisions, namely in the form of:

1. Remuneration is permanent in nature, is remuneration that is not related to performance and risks, including salaries/honoraria, housing allowances, communication allowances, holiday allowances, annual leave pay, health facilities, other allowances that are comparable to this.
2. Variable remuneration is remuneration related to performance and risks, including production services, performance bonuses, bonuses or other forms that can be equated with the above. Remuneration in the form of bonuses is given in cash and shares or share instruments issued by Bank Jatim.

**Table of Remuneration Structure for the Board of Commissioners and Directors**

No	Types of Income	Description	
		Board of Commissioners	Board of Directors
1.	Honorarium	<ul style="list-style-type: none"> <li>- President Commissioner 55% of the honorarium of the President</li> <li>- Director Commissioner 90% of the honorarium of the President Commissioner</li> </ul>	<ul style="list-style-type: none"> <li>- President Director 100%</li> <li>- Director 80% of the honorarium of the President Director</li> </ul>
2.	Allowance	<ul style="list-style-type: none"> <li>- 1 (one) time holiday allowance, if it is decided differently then it needs to be decided by the Nomination and Remuneration Committee Meeting.</li> <li>- Housing Allowance is given on a monthly basis if you do not occupy an official residence</li> <li>- Communication allowance is given in lump sum every month Communication allowance is given in lump sum every month</li> <li>- Retirement Award of 38 (thirty eight) times honorarium</li> </ul>	<ul style="list-style-type: none"> <li>- 1 (one) time holiday allowance, if it is decided differently then it needs to be decided by the Nomination and Remuneration Committee Meeting.</li> <li>- Housing Allowance is given on a monthly basis if you do not occupy an official residence</li> <li>- Annual Leave Allowance 1 (one) time honorarium</li> <li>- Communication allowance is given in lump sum every month Communication allowance is given in lump sum every month</li> <li>- Retirement Award of 48 (thirty eight) times honorarium</li> </ul>
3.	Facility	<ul style="list-style-type: none"> <li>- Official vehicle facilities through the Car Ownership Program (COP)</li> <li>- Inpatient and outpatient health facilities according to internal regulations Number: 059/003/DK/KEP on April 27, 2020</li> <li>- Legal Aid Facility in accordance with company regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Official vehicle facilities through the Car Ownership Program (COP)</li> <li>- Inpatient and outpatient health facilities according to internal regulations Number: 059/003/DK/KEP on April 27, 2020</li> <li>- Legal Aid Facility in accordance with company regulations</li> </ul>
4.	Bonus & Tantiem	<ul style="list-style-type: none"> <li>- Bonus is given in cash</li> <li>- Tantiem is given in cash and in the form of shares issued by Bank Jatim.</li> </ul>	<ul style="list-style-type: none"> <li>- Bonus is given in cash</li> <li>- Tantiem diberikan tunai dan dalam bentuk saham yang diterbitkan Bank Jatim.</li> </ul>



## Nominal Remuneration Components Each of Board of Commissioners and Directors

Table of Nominal Amount of Remuneration for the Board of Commissioners and Directors

Number of Remuneration and Other Facilities	Amount Received			
	Board of Commissioners		Board of Directors	
	Total Person	Total in (IDR) Million	Total Person	Total in (IDR) Million
<b>REMUNERATION</b>				
Honorarium	5	4.611	7	10.437
Housing Allowance	5	1.683	7	2.223
Communication Allowance	5	560	7	740
Tantiem	5	17.194	6	30.808
<b>OTHER FACILITIES IN KIND</b>				
Housing (cannot be owned)	-	-	-	-
COP Program Transport (can be owned)	4	3.700	7	6.400
Health (cannot be owned)	2	212	7	150
<b>TOTAL REMUNERATION IN 1 YEAR</b>				
Above IDR1 billion to 2 billion	4	23.203	6	42.963
Above IDR500 million to 1 billion	0	0	1	1.244
Above IDR500 million to 1 billion	1	846	0	0
Rp500 million and below	0	0	0	0

## Policies on Diversity of Board of Commissioners and Board of Directors

The diversity of the composition of the Board of Commissioners and Directors as stipulated in the Appendix of the Circular Letter of Financial Services Authority No. 32/SEOJK.04/2015 concerning Governance Guidelines for Public Company has been accommodated in the Bank's Articles of Association. The appointment of the Board of Commissioners and Board of Directors is carried out by taking into account the experience and understanding of the banking industry, the integrity and dedication of each individual.

The composition of members of the Board of Commissioners and Board of Directors of Bank Jatim that is appropriate and in accordance with the needs of the Bank will support the effectiveness of carrying out the duties and responsibilities of the Board of Commissioners and Directors and support the achievement of the Bank's vision and mission to continue to grow and develop.

Diversity factors in the composition of the members of Board of Commissioners and Board of Directors include:

1. The expertise/experience of the Board of Commissioners, has at least:
  - a. 1 (one) member who has expertise/work experience in the field of economics/business /finance, and/or

- b. 1 (one) member who has expertise/work experience in the banking industry, and
- c. 1 (one) member who has expertise/work experience in the field of risk management.
2. Nationality  
Members of the Board of Commissioners and Board of Directors are Indonesian citizens
3. Gender  
Currently all members of the Board of Commissioners of Bank Jatim are Male. Meanwhile, 4 (four) members of the Board of Directors are male and 1 (one) member of the Board of Directors is female.
4. Age  
Members of the Board of Commissioners and Board of Directors have a variety of ages.
5. Independence  
Board of Commissioners
  - a. Minimum 50% (fifty percent) of the members of the Board of Commissioners are Independent Commissioners.
  - b. The term of office of an Independent Commissioner is a maximum of 4 (four) years, and can be reappointed with due regard to applicable regulations.

## Board of Directors

In accordance with POJK No. 46/POJK.03/2017 Concerning the Implementation of Compliance Functions of Commercial Banks, Bank Jatim has a Director who is in charge of the Compliance Function, namely the Compliance Director and Risk Management as a Director who meets the independence requirements

## Diversity Composition of the Board of Directors

Table of Diversity in the Composition of the Board of Directors

Name	Position	Age	Gender	Education	Work Experience	Expertise
Busrul Iman	President Director	59 years old	Man	- Bachelor in Economics Accounting ; - Master in Management; - Accountant Profession.	Have work experience in the banking sector.	Management, Accounting
Tonny Prasetyo	Director of Compliance	54 years old	Man	- Bachelor in Agriculture; - Master in Management.	Have work experience in the banking sector.	Management
Zulhelfi Abidin	Director of IT and Digital	61 years old	Man	- Bachelor of Informatics Engineering - Master in Computer Science	Have work experience in the banking sector.	Informatics Engineering
Edi Masrianto	Director of Finance, Treasury & Global Services	59 years old	Man	- Bachelor in Management Economics - Master in Agribusi-ness Management	Have work experience in the banking sector.	Management
R. Arief Wicaksono	Director of Micro, Retail and Medium	53 years old	Man	- Bachelor in Industrial Technology - Master in Management	Have work experience in the banking sector.	Management
Eko Susetyono	Director of Risk Management	58 years old	Man	- Bachelor in Food Technology and Nutrition - Master in Corporate Finance and Investment - Doctor in Management and Business	Have work experience in the bank-ing sector.	Finance, Management
Arif Suhirman	Director of Operations	57 years old	Man	- Bachelor in Economics Accounting - Master in Management and Business	Have work experience in the banking sector.	Management, Accounting

## Composition Diversity of the Board of Commissioners

Table of Diversity in the Composition of the Board of Commissioners

Name	Position	Age	Gender	Education	Work experience	Expertise
Suprajarto*	President Commissioner	67 years old	Man	- Bachelor in Economics - Master in Management - Doctor in Management Science	Have work experience in the banking sector.	Management,



Name	Position	Age	Gender	Education	Work experience	Expertise
Candra Fajri Ananda	Independent Commissioner	59 years old	Man	- Bachelor in Economics - Master (MSc.) - Doctor (Ph.D)	Have work experience in the fields of government, education and banking.	Economics
Muhammad Mas'ud	Independent Commissioner	59 years old	Man	- Bachelor in State Administration Science - Master in Management - Doctor in the field of School of Political and International Studies	Have work experience in the fields of government and education.	Administration, Management, International Politics
Sumaryono	Independent Commissioner	63 years old	Man	- Bachelor in State Administration Science	Have work experience in the banking sector.	Banking
Heru Tjahjono**	Commissioner	62 years old	Man	- Bachelor in Engineering - Master in Management - Doctor in Environmental and Development Studies	Have work experience in the government sector.	Management, Environment and Development
Adhy Karyono***	Commissioner	52 years old	Man	- Bachelor in Political Science - Master in Public Administration Polytechnic	Have work experience in the government sector.	Administration, Politics

\* Stop serving as President Commissioner on December 19, 2023 (passed away).

\*\*Stop serving as Commissioner on April 12, 2023 (dismissed at the 2022 Annual GMS).

\*\*\*Appointed as Commissioner at the 2022 Annual GMS on April 12, 2023 and effective November 24, 2023.

## Transparency of Share Ownership of Directors and Board of Commissioners

**Share ownership of members of the Board of Directors is 5% or more.**

Name	Position	Share Ownership (shares)			
		Bank Jatim	Other Bank	Non-bank financial institutions	Other Companies
Busrul Iman	President Director	-	-	-	-
Tonny Prasetyo	Director of Compliance	-	-	-	-
Zulhelfi Abidin	Director of IT and Digital	-	-	-	-
Edi Masrianto	Director of Finance, Treasury & Global Services	-	-	-	-
R. Arief Wicaksono	Director of Micro, Retail and Medium	-	-	-	-
Eko Susetyono	Director of Risk Management	-	-	-	-
Arif Suhirman	Director of Operations	-	-	-	-



## Share ownership of members of the Board of Commissioners is 5% or more.

Name	Position	Share Ownership (shares)			
		Bank Jatim	Other Bank	Non-bank financial institutions	Other Companies
Suprajarto*	President Commissioner	-	-	-	-
Candra Fajri Ananda	Independent Commissioner	-	-	-	-
Muhammad Mas'ud	Independent Commissioner	-	-	-	-
Sumaryono	Independent Commissioner	-	-	-	-
Heru Tjahjono**	Commissioner	-	-	-	-
Adhy Karyono***	Commissioner	-	-	-	-

\* Stop serving as President Commissioner on December 19, 2023 (passed away).

\*\*Stop serving as Commissioner on April 12, 2023 (dismissed at the 2022 Annual GMS).

\*\*\*Appointed as Commissioner at the 2022 Annual GMS on April 12, 2023 and effective November 24, 2023

## Share Ownership Transactions of The Board of Directors and The Board of Commissioners

Information Disclosure Policy on Share Ownership of the Board of Commissioners and Directors was regulated in the Implementation Guidelines for Relations Corporate Secretary Investor Chapter IV in the following:

- Ownership Report or Any Change in Public Company Share Ownership  
Reporting of members of the Board of Directors or members of the Board of Commissioners on ownership and any changes in ownership of the shares of the Public Company, either directly or indirectly, and any Party that owned shares, either directly or indirectly, should be at least 5% (five percent) of the paidup capital in the Public Company. Reporting obligations for parties who owned at least 5% (five percent) could be applied to changes in ownership of at least 0.5% (zero point five percent) in 1 (one) or several transactions. The report had to be submitted no later than 10 (ten) days from the occurrence of ownership or change in ownership of the shares of the Public Company.

Meanwhile, the submission of information by the Board of Directors/Board of Commissioners applied to each change of ownership. Reports to the Public Company shall be made no later than 3 (three) working days after the ownership or change in ownership of shares occurred. Reports carried out independently had to be submitted no later than 10 (ten) days from the occurrence of ownership or change in ownership of the shares of the Public Company. Reporting obligations could also be carried out by other parties (in this case the Corporate Secretary) through written power of attorney. Submission of a report through a proxy had to be made no later than 5 (five) days after the change in share ownership occurred and had to be accompanied by a copy of the power of attorney based on the applicable regulations.

In 2023, the disclosure of Share Ownership Information for the Board of Commissioners and Directors was in accordance with the applicable Implementation Guidelines. Purchase/sale of shares of the Board of Commissioners and Board of Directors in 2023 were as follows.

No	Name	Before	After	Number of Transaction Shares	Price	Transaction date	Transaction Purpose
1	Busrul Iman	1,946,500	2,486,500	540,000	650	May 17, 2023	Investment
2	R. Arief Wicaksono	126,300	443,300	317,000	650	May 19, 2023	Investment
3	Tonny Prasetyo	628,500	728,500	100,000	650	May 26, 2023	Investment
4	Suprajarto	-	191,000	191,000	650	May 26, 2023	Program LTI



No	Name	Before	After	Number of Transaction Shares	Price	Transaction date	Transaction Purpose
5	Busrul Iman	2,486,500	2,958,900	472,400	650	May 26, 2023	Program LTI
6	Tonny Prasetyo	728,500	1,067,400	338,900	650	May 26, 2023	Program LTI
7	R. Arief Wicaksono	443,300	728,200	284,900	650	May 26, 2023	Program LTI
8	Edi Masrianto	-	227,600	227,600	650	May 26, 2023	Program LTI
9	Eko Susetyono	-	24,100	24,100	650	May 26, 2023	Program LTI
10	Zulhelfi Abidin	-	24,200	24,200	650	May 26, 2023	Program LTI
11	Eko Susetyono	24,100	124,100	100,000	650	June 5, 2023	Investment
12	Edi Masrianto	227,600	327,600	100,000	650	June 7, 2023	Investment

## Organs and Committees Under The Board of Commissioners

In supervising the Company, the Board of Commissioners is assisted by the Secretariat of the Board of Commissioners and Committees under the Board of Commissioners. Committees under the Board of Commissioners consist of the Audit Committee, the Risk Monitoring Committee and the Remuneration and Nomination Committee. The organs and committees under the Board of Commissioners are described as follows.

### Secretariat of Board of Commissioners

The Board of Commissioners of Bank Jatim in carrying out their duties and responsibilities is assisted by a work unit called the Secretariat of the Board of Commissioners. The Group Secretariat of the Board of Commissioners of Bank Jatim is structurally under the Corporate Secretary. The Secretariat Group of the Board of Commissioners is responsible to the Board of Commissioners to assist the Board of Commissioners in secretarial activities and in carrying out their duties.

### Duties and Responsibilities of The Secretariat of The Board of Commissioners

1. Mengatur Manage the agenda for the Board of Commissioners meeting activities and be responsible for the implementation process, prepare meeting materials, compile meeting minutes, and administer the Board of Commissioners Meetings in an orderly manner, Committees Meetings under the Board of Commissioners, and Meetings of the Board of Commissioners inviting the Board of Directors.
2. Coordinate with the Board of Directors and related work units with regard to the activities and duties of the Board of Commissioners.
3. Coordinate with related work units in preparing the necessary materials in relation to the preparation of reports involving the Board of Commissioners.
4. Prepare materials/materials that are needed in relation to matters that must obtain a decision from the Board of Commissioners regarding the Company's management activities carried out by the Board of Directors and all staff.
5. Prepare considerations, opinions, suggestions and other decisions from the Board of Commissioners for shareholders, the Board of Directors and parties related to the management of the Company.
6. Follow up every decision of the Board of Commissioners by:
  - a. Record every decision made in decision-making forums and the person in charge.
  - b. Monitor and check the progress stages of the implementation of the results of meeting decisions/considerations, opinions, suggestions and other decisions of the Board of Commissioners.
  - c. Make efforts to encourage the implementation of followup decisions on meetings/considerations, opinions, suggestions and other decisions of the Board of Commissioners to the person in charge.
7. Report to the Company regarding the share ownership of members of the Board of Commissioners and/or their families in the Company and other Companies.
8. Prepare a report on the supervisory duties that have been carried out by the Board of Commissioners during the previous financial year to the GMS.
9. Coordinate with the Committees of the Board of Commissioners in preparing reports on the results of supervision of the implementation of the Company's Business Plan every semester to OJK in accordance with the prevailing laws and regulations.
10. Coordinate the drafting of the Board of Commissioners' Annual Work Plan and Budget which is an integral part of the Company's Annual Work Plan and Budget prepared by the Board of Directors.
11. Coordinate the preparation of suggestions and opinions regarding the agenda and materials of the GMS, including but not limited to:

- a. Coordinating the agenda and materials with related parties.
  - b. Prepare materials that are the responsibility of the Board of Commissioners, and provide opinions on the material as a whole.
12. Coordinate the participation of the Board of Commissioners and Committees under the Board of Commissioners in training/ seminars/other competency development activities in accordance with the respective areas of supervision of the Board of Commissioners/ Committees.
  13. Carry out other duties to support the smoothness of the supervisory and advisory duties carried out by the Board of Commissioners.

### **The Implementation of The Secretariat of The Board of Commissioners**

During 2023 the Secretariat of the Board of Commissioners has carried out the following task:

1. Prepare meeting materials, compile minutes of meetings, and administer the Board of Commissioners Meetings in an orderly manner, Meetings of committees under the Board of Commissioners, and Meetings of the Board of Commissioners inviting the Directors.
2. Provide input and information to the Board of Commissioners on matters of concern to the Board of Commissioners, including, among others, the policies and strategies of the Board of Directors in achieving the Bank's Business Plan.
3. Cooperate with the Committees under the Board of Commissioners in fulfilling the obligations of the Board of Commissioners, including reports from the Board of Commissioners to the Regulator.
4. Coordinate the drafting of the Board of Commissioners' Annual Work Plan and Budget and monitor the progress of implementing the work plan on time.
5. Mengkoordinasikan Coordinate the implementation of Work Visits for the Board of Commissioners and Committees under the Board of Commissioners, including administering the Visit Report.
6. Administer the correspondence of the Board of Commissioners and committees under the Board of Commissioners, including drafting the approval of the Board of Commissioners on matters proposed by the Board of Directors to seek approval from the Board of Commissioners.
7. Coordinate the participation of the Board of Commissioners and committees under the Board of Commissioners in training/seminars/other competency development activities in accordance with the respective areas of supervision of each Commissioner/Committee.
8. Facilitate the implementation of the duties of the Board of Commissioners and committees related to the nomination process for the nomination of Bank Supervisory Candidates.
9. Carry out other duties to support the smoothness of the supervisory and advisory duties carried out by the Board of Commissioners. Komisaris.

## **Audit Committee**

### **Basic Establishment of The Audit Committee**

The establishment of the Audit Committee is based on the following rules:

1. POJK No. 55/POJK.03/2016 concerning the Implementation of Governance for Commercial Banks and has been updated to POJK 17 of 2023 concerning the Implementation of Governance for Commercial Banks, dated September 14, 2023.
2. POJK No. 55/POJK.04/2015 concerning the Establishment and Guidelines for Implementing the Work of the Audit Committee, dated December 23, 2015.
3. POJK No. 46 /POJK.03/2017 concerning Implementation of Compliance Function for Commercial Banks, dated July 12, 2017.
4. POJK No. 39/POJK.03/2019 concerning the Implementation of Anti-Fraud Strategy for Commercial Banks, December 19, 2019.
5. Company Articles of Association.

### **Duties and Responsibilities of The Audit Committee**

In carrying out their functions, the Audit Committee has the following duties and responsibilities:

1. Review the financial information that will be issued by the Bank to the public and/or the authorities including financial statements, projections, and other reports related to the Bank's financial Information.
2. Review the Bank activities' compliance with laws and regulations.
3. Provide independent opinion in the event of disagreements between management and the Accountant for the services they provide.
4. Provide recommendations to the Board of Commissioners regarding the appointment and dismissal of Public Accountants (AP) and KAP based on independence, scope of assignment, and compensation for services.
5. Review the implementation of inspections by the Internal Audit Work Unit (SKAI) and monitoring the follow-up implementation
6. Review complaints related to the accounting process and financial reports of the Bank.
7. Review and provide advice to the Board of Commissioners regarding the potential conflict of interests of the Bank.
8. Maintain the confidentiality of Bank documents, data and information.
9. Monitor the adequacy of the financial reporting process such as quarterly financial reports, annual reports, publication reports, projections and other financial information that will be submitted to the public, Bank Indonesia and other regulatory agencies
10. Review the adequacy of the Internal Audit function, including the number of auditors, the annual work plan and budget as well as the work that has been carried out



11. Monitor the planning and implementation of audits as well as following up on the results of audits conducted by Management and other related Operational Work Units
12. Monitor and evaluate the performance or implementation of the duties of the SKAI function
13. Evaluation of audit implementation by KAP included the adequacy of work programs and review of KAP audit plans including those related to internal control structures, material items and risk management.

### Audit Committee Charter

In implementing the principles of good governance, the Audit Committee had work guidelines set out in the Decree of the Board of Commissioners Number 061/04/DKM/KEP dated June 28, 2022, which regulated:

1. Legal Foundation
2. Membership Structure
3. Membership Requirements
4. Duties and responsibilities
5. Authority
6. Audit Committee meeting
7. Tenure of Audit Committee Members
8. Reporting
9. Handling Complaints/Reporting Violations

### Authority of Audit Committee

In carrying out their duties, the Audit Committee has the following authority:

1. Accessing the Bank's documents, data, and information regarding to the employees, fund, assets, and the required company resources.
2. Communicating directly to the employees, including the Board of Directors and parties performing the internal audit function, risk management, and accountant in regard to the Audit Committee duties.
3. Involving independent parties outside the Audit Committee members necessary to help conduct their duties (if required).
4. Performing any other authority given by the Board of Commissioners.

### Term of Office of the Audit Committee

The term of office of the Audit Committee may not be longer than the term of office of the Board of Commissioners as stipulated in the articles of association and may be re-elected only for the next 1 (one) period.

### Structure, Membership, and Expertise of The Audit Committee

The structure, membership and expertise of the Audit Committee can be seen in the table below.

#### Structure, Membership and Expertise of the Audit Committee Period January 1, 2023 – December 28, 2023

Name	Position	Determination Decree	Expertise	Information
Sumaryono	Chairman	Board of Directors Decree Number 061/200/DIR/HCP/KEP concerning Changes to the Composition of the Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk	State Administration	Independent Commissioner
Muhammad Mas'ud	Member		State Administration	Independent Commissioner
Candra Fajri Ananda*	Member		Economy	Independent Commissioner
Kusnadi	Member		Economic, Accounting	Independent Party

\* The term of office ends on December 28, 2023

#### Structure, Membership and Expertise of the Audit Committee Period December 29, 2023 - December 31, 2023

Name	Position	Determination Decree	Expertise	Information
Sumaryono	Chairman	Board of Directors Decree Number 062/105/DIR/HCP/KEP concerning Composition of the Board of Commissioners Committee for the 2024 Period of PT Bank Pembangunan Daerah Jawa Timur Tbk	State Administration	Independent Commissioner
Muhammad Mas'ud	Member		State Administration	Independent Commissioner
Kusnadi	Member		Economic, Accounting	Independent Party
Moch. Arifin*	Member		Law	Independent Party



## Profile of Audit Committee

The profile of the Audit Committee as of December 31st, 2023, is as follows.

### Sumaryono

**Chairman of the Audit Committee**

His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.

### Muhammad Mas'ud

**Member of Audit Committee**

His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



### Kusnadi

**Member of Audit Committee (Independent Party)**

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Malang
<b>Place and Date of Birth/Age</b>	: Cianjur, June 18, 1966/ 57 years old as of December 2023
<b>Educational background</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Accounting from Brawijaya University Malang, Graduated in 1990</li> <li>• Master of Agribusiness UGM Yogyakarta, Graduated in 2004</li> </ul>
<b>Work experience</b>	: <ul style="list-style-type: none"> <li>• Job Trainer Muara Bungo Branch Office (1990-1992)</li> <li>• Staff I Bitung Branch Office (1992-1994)</li> <li>• Staff II Tegal Branch Office (1994-1997)</li> <li>• MLO Branch of Cilegon (1997-1999)</li> <li>• MLO Jakarta Branch Office Roxi (1999-2002)</li> <li>• Head of Wiradesa Pekalongan Sub-Branch (2002-2004)</li> <li>• Head of BRI Luwuk Branch (2004-2006)</li> <li>• Head of BRI Parepare Branch (2007-2009)</li> <li>• Head of BRI Lubuk Pakam Branch (2009-2011)</li> <li>• BRI Nganjuk Branch Manager (2011-2012)</li> <li>• Head of BRI Jakarta City Branch (2012-2012)</li> <li>• Special Staff BRI (2012-2016)</li> <li>• Head of Logistics BRI Pekanbaru (2016-2019)</li> <li>• GH AIW BRI Bandung (Year 2019-June 2022)</li> </ul>
<b>Certification</b>	: <ul style="list-style-type: none"> <li>• Level 2 Risk Management Certification 2006.</li> <li>• Bank Internal Audit Competency Certificate with Special Occupational Qualifications for BRI Audit Supervisor Jobs (BRI Professional Certification Institute) in 2021</li> </ul>
<b>Legal Basis of Appointment</b>	: Board of Directors Decree No. 061/200/DIR/HCP/KEP dated October 3, 2022
<b>Period of Service</b>	Period I
<b>Length of service</b>	Period 2022-2026
<b>Double function</b>	None



## Moch. Arifin

**Member of Audit Committee (Independent Party)**

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Surabaya, February 2, 1971/52 years old as of December 2022
<b>Educational background</b>	: • Universitas Bhayangkara Surabaya
<b>Work experience</b>	: <ul style="list-style-type: none"> <li>• Advocate (1996 – Present)</li> <li>• Legal Consultant PT Berlian Mandiri Perkasa, Surabaya (2001 – Present)</li> <li>• Legal Consultant PT Java Green Transport, Sidoarjo (2009 – Present)</li> <li>• Legal Consultant PT Multi Color Indonesia, Sidoarjo (2009 – Present)</li> <li>• Legal Consultant at PT Angkasa Raya, Surabaya (2009- Present)</li> <li>• Bank Legal Consultant Yudha Bhakti (2005 – 2015)</li> <li>• Chairman of the Supervisory Board of the People's Credit Bank in Kediri City, (2012 – 2018)</li> <li>• Legal Consultant at PT Perkebunan Nusantara IX, Surakarta (2014 – 2020)</li> <li>• Expert Staff for the Legal Secretariat Bureau of East Java Provincial Government (2013 – Present)</li> </ul>
<b>Certification</b>	: <ul style="list-style-type: none"> <li>• Minutes of the Oath Taking Ceremony (BAPS)</li> <li>• Advocate Identification Card (KTA) Indonesian Advocates Association (PERADI)</li> </ul>
<b>Legal Basis of Appointment</b>	: Board of Directors Decree No. 061/200/DIR/HCP/KEP dated 03 October 2022
<b>Period of Service</b>	Period I
<b>Length of service</b>	Period 2022-2026
<b>Double function</b>	: <ul style="list-style-type: none"> <li>• Legal Consultant PT Berlian Mandiri Perkasa, Surabaya (2001 – Present)</li> <li>• Legal Consultant PT Java Green Transport, Sidoarjo (2009 – Present)</li> <li>• Legal Consultant PT Multi Color Indonesia, Sidoarjo (2009 – Present)</li> <li>• Legal Consultant PT Angkasa Raya, Surabaya (2009- Present)</li> <li>• Expert Staff at the Legal Bureau of the Regional Secretariat of the East Java Provincial Government (2013 – Present)</li> </ul>

## Qualification of Education and Experience of Audit Committee

**Table of Audit Committee Education Qualification and Work Experience**

Name	Position	Period	Work Experience
Sumaryono	Chairman	Bachelor in Business Administration Science, Brawijaya University	Having work experience in banking.
Candra Fajri Ananda*	Member	Bachelor in Economics and Development Studies Master Degree (MSc.) in Rural Development Doctor Degree (DR) in Rural Development	Having work experience, among others, in finance, research, international relations, economics and banking supervision



Name	Position	Period	Work Experience
Muhammad Mas'ud	Member	Bachelor in State Administration Science Master of Management Doctor (Ph.D) in the field of School of Political and International Studies	Having work experience, among others in the fields of finance, political science and economics
Kusnadi	Member	Bachelor in Accounting	Memiliki pengalaman kerja antara lain di bidang keuangan, ilmu politik dan perekonomian
Moch. Arifin**	Member	Master in Agribusiness	Have work experience in banking
		Bachelor in Law	Have work experience in the field of law and banking

The term of office ends on December 28, 2023

\* The term of office as Member of the Audit Committee starts from December 29, 2023, previously as Member of the Risk Monitoring Committee

## Audit Committee Independence

Table of Audit Committee Independence

Independence Aspect	Sumaryono	Muhammad Mas'ud	Candra Fajri Ananda	Kusnadi	Moch. Arifin**
Has no financial relationship with the Board of Commissioners and the Board of Directors	✓	✓	✓	✓	✓
Does not have a management relationship in the company, subsidiary, or affiliated company	✓	✓	✓	✓	✓
Does not have a share ownership relationship in the company	✓	✓	✓	✓	✓
Does not have a family relationship with the Board of Commissioners, Board of Directors, and/or fellow members of the Audit Committee	✓	✓	✓	✓	✓
Do not serve as administrators of political parties, officials and government	✓	✓	✓	✓	✓

\*The term of office ends on December 28, 2023

\* The term of office as Member of the Audit Committee starts from December 29, 2023, previously as Member of the Risk Monitoring Committee

## Audit Committee meeting

### AUDIT COMMITTEE MEETING POLICY

The implementation and procedures for the Audit Committee meetings are as follows:

1. Meetings are held at least 1 (one) time in 3 (three) months according to the needs of the Bank.
2. Meetings can be held if attended by at least 51% of the total committee members, including 1 (one) Independent Commissioner and Independent Party.
3. The meeting is chaired by the Chairman of the Audit Committee or a Member of the Audit Committee from an Independent Commissioner if the Chairman of the Audit Committee is unable to attend.
4. Decisions of the Committee meetings are based on consensus deliberation. If there is no consensus deliberation, then the decision is made based on the majority vote.
5. Committee meetings are recorded in the minutes of the meeting, including if there are dissenting opinions and the

reasons for the meeting participants for these differences. The minutes of the meeting are signed by all members of the Audit Committee present and submitted to the Board of Commissioners.

6. Meetings can be held offline or online through digital media which allows the Audit Committee meeting participants to participate in the meeting.

### AGENDA OF COMMITTEE AUDIT MEETING

Throughout 2023, the implementation date, Meeting Agenda and Meeting Participants of the Audit Committee are as follows.



**Table of Meeting Agenda of the Audit Committee**

No	Meeting Date	Meeting Agenda	Meeting Participants
1.	February 7, 2023	The discussion includes: 1. Progress in the resolution of the Occupational Punishment Committee (KBHJ) regarding unresolved fraud cases. 2. The Improvement of Standard Operating Procedures (SOP) regarding Providing Quick and Accurate Responses to Fraud Case Resolution.	Sumaryono Candra Fajri Ananda Kusnadi
2	February 22, 2023	Board of Commissioners Supervision Report on the Implementation of the Bank's Business Plan (RBB) Semester II 2022	Sumaryono Kusnadi
3.	March 29, 2023	Legal Risk Mitigation of PT. G.P	Sumaryono Candra Fajri Ananda Muhammad Mas'ud Kusnadi
4.	May 2, 2023	Coordination of the Procurement Process for a Public Accounting Firm (KAP) for Auditing Financial Reports as of April 30, 2023, as part of a Series of Due Diligence Processes for Bank Business Groups (KUB) with Bank NTB Syariah	Sumaryono Kusnadi
5.	July 11, 2023	The Proposal of Replacement of Internal Audit Division Leader	Sumaryono Kusnadi
6.	September 21, 2023	The discussion includes: 1. Internal Audit Division Performance Evaluation 2. Follow-up on Fraud Cases for the Period from 2021	Sumaryono Candra Fajri Ananda Muhammad Mas'ud Kusnadi
7.	October 30, 2023	The Results of Evaluation of Presentation of Bid Documents for Procurement of Public Accounting Services (AP)/Public Accounting Firm (KAP) in the context of Auditing the Financial Reports of PT Bank Pembangunan Daerah Jawa Timur Tbk.	Sumaryono Candra Fajri Ananda Muhammad Mas'ud Kusnadi
8.	December 28, 2023	Annual Audit Plan for the Internal Audit Division for the 2024 Period.	Sumaryono Kusnadi

## FREQUENCY AND ATTENDANCE OF AUDIT COMMITTEE MEETINGS

During 2023, the Audit Committee has held 8 (eight) meetings. The frequency and level of attendance of each member of the Audit Committee are as follows.

**Table of Attendance Level on Audit Committee Meeting**

Name	Position	Audit Committee Meeting		
		Number and Attendance Percentage		
		Number of Meetings	Number of Attendance	Percentage
Sumaryono	Chairman	8	8	100%
Candra Fajri Ananda*	Member	8	4	50%
Muhammad Mas'ud	Member	8	3	37,5%
Kusnadi	Member	8	8	100%
Moch. Arifin**	Member	-	-	-

\* The term of office ends on December 28, 2023

\*\*The term of office as Member of the Audit Committee starts from December 29 2023, previously as Member of the Risk Monitoring Committee



## Audit Committee Remuneration

No	Description	Non-Commissioner Member
1	Salary / Honorarium	Receive an honorarium of 15% of the President Director's Salary
2	Post-Position Compensation	Not Given
3	Holiday allowance	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
4	Bonus / Tantiem	In accordance with the provisions that apply to Permanent Employees of the Bank
5	Facility:	
	Transportation Allowance	Not Given
	Health	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
	Official travel	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank

## Training and/or Competency Improvement of The Audit Committee In 2023

Name	Position	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Summaryono	Chairman	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Candra Fajri Ananda*	Member	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Muhammad Mas'ud	Member	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Kusnadi	Member	National Economy Outlook 2024 Seminar on the Development of the Digital Economy	Surabaya, November 16, 2023	FKDK – BPDSI
		National Seminar on Beware of Cyber Crime Threats in the Midst of Digital Banking Transformation Efforts.	Surabaya, November 16, 2023	FKDK – BPDSI
		National Economy Outlook 2024 Seminar on the Development of the Digital Economy	Surabaya, November 16, 2023	FKDK – BPDSI
Moch. Arifin**	Member	National Seminar on Beware of Cyber Crime Threats in the Midst of Digital Banking Transformation Efforts.	Surabaya, November 16, 2023	FKDK – BPDSI

\*The term of office ends on December 28, 2023

\*The term of office as Member of the Audit Committee starts from December 29, 2023, previously as Member of the Risk Monitoring Committee

## Work Program and Implementation of Duties of The Audit Committee In 2023

### AUDIT COMMITTEE WORK PROGRAM FOR 2023

The Audit Committee prepared a work program in 2023, including the following:

#### Quarter I

- Evaluation of Follow-Up of General Audit Findings from Internal
- Evaluation of Special Audit & Fraud Follow-up from the

Internal Audit Division

- Reviewing projected financial information and other reports related to financial information.
- Monitoring the implementation of the Anti-Fraud Strategy (SAF) and Gratification Control.
- Monitoring and evaluating the implementation of the duties of the Internal Audit Work Unit (SKAI).
- Making an annual report on the implementation of the activities of the Audit Committee in the Annual Report.





#### Quarter II

- Evaluasi Evaluation of General Annual Historical Financial Audit Results from KAP (Public Accountant Office).
- Evaluation of Follow-Up of General Audit Findings from Internal and External Parties.
- Reviewing projected financial information and other reports related to financial information.
- Coordination with the Internal Audit Division after the progress reports are received by the Audit Committee.

#### Quarter III

- Evaluation of Follow-Up of General Audit Findings from Internal and External Parties.
- Evaluation of Special Audit & Fraud Follow-up from the Internal Audit Division.
- Reviewing projected financial information and other reports related to financial information.
- Provide recommendations to the Board of Commissioners regarding the appointment of a Public Accountant (AP) based on independence, scope of assignment, and compensation for services.
- Monitoring the implementation of the Anti-Fraud Strategy (SAF) and Gratification Control.
- Evaluation of the implementation of compliance with internal and external regulations.

#### Quarter IV

- Evaluation of Follow-Up of General Audit Findings from Internal and External Parties.
- Evaluation of the Audit Plan from the Internal Audit Division for Approval of the Implementation of the Audit Plan.
- Reviewing projected financial information and other reports related to financial information.
- Coordination with the Internal Audit Division after the progress reports are received by the Audit Committee.

### BRIEF REPORT ON THE 2022 AUDIT COMMITTEE ACTIVITIES

The Audit Committee carried out its duties and responsibilities properly in accordance with the Audit Committee Charter and referred to POJK No. 55/POJK.04/2015, concerning the Establishment and Guidelines for the Implementation of Work of Audit Committees, as well as BPP Committees of the Board of Commissioners. The Audit Committee during the 2023 period held 8 (eight) meetings and carried out its duties including:

1. Implementation of follow-up reports on a number of fraudulent acts during 2023, and several matters that need to obtain approval from the Board of Commissioners, including reports on Realization of Business Plans (RBB), reports on the implementation of the audit function, review of the company's financial statements, and reports on internal audit results.
2. Memberikan rekomendasi dan laporan yang berkaitan dengan persetujuan:
  - a. Audit inspection plan (Audit Plan) of the Internal Audit Division
  - b. The appointment of a Public Accounting Firm (KAP) was based on independence, scope of assignment, and compensation for services.
  - c. Report on the Results of the Evaluation of the Implementation of Audit Services on the annual historical financial information of PT Bank Pembangunan Daerah Jawa Timur Tbk. Fiscal Year 2022.
  - d. The Election of the Head of SKAI.
3. Conduct coordination meetings with related divisions, including:
  - a. VP of Internal Audit:
    - Evaluasi Evaluation of the 2023 Period Audit Plan
    - Evaluation of the Implementation of Providing Audit Services on Annual Historical Financial Information by Nexia Kanaka Puradiredja Suhartono Public Accountant (AP) and/or Public Accounting Firm (KAP) for the Fiscal Year 2022.
    - The Evaluation of the preparation of preliminary audit planning.
    - Updating SAF Standard Operating Procedures (SOPs);
    - The Improvement of Standard Operating Procedures (SOP) regarding Providing Quick and Accurate Responses to Fraud Case Resolution.
    - Internal Fraud Prevention Strategy & Program (repeated findings);
    - Performance Evaluation of the Internal Audit Division.
    - Qualifications of officers in the branch office internal control unit.
  - b. VP Financial Control
    - Valuation of the Implementation of Providing Audit Services on Annual Historical Financial Information by Nexia Kanaka Puradiredja Suhartono Public Accountant (AP) and/or Public Accounting Firm (KAP) for the Fiscal Year 2022; dan
    - The coordination regarding financial performance, calculation of CKPN formation.
  - c. VP General
    - The coordination of the procurement process for Audit Services for Annual Historical Financial Information by Public Accountants (AP) and/or Public Accounting Firms (KAP) for the 2023 Financial Year period.
  - d. VP Human Capital
    - Standard Level Agreement (SLA) Punishment Process
    - Matrix Punishment
    - Determination of Punishment up to the Branch Organizational level.
    - Progress in the resolution of the Occupational Punishment Committee (KBHJ) regarding unresolved fraud cases.
    - Transfer of employee composition to the positions of Account Officer (AO) and Funding Officer (FO) in work units in the Branch Office.
    - Job Requirements for Quality Assurance unit (QA and/or second line of defense at Branch Offices).

- e. VP of Strategic Planning & Performance Management
  - The Coordination of the evaluation of the Bank Business Plan (RBB) report for the first semester of 2023.
- f. VP of Subsidiary Management
  - The Coordination of the Procurement Process for a Public Accounting Firm (KAP) for Financial Report Audit Purposes as of April 30, 2023, as part of a Series of Due Diligence Processes for Bank Business Groups (KUB) with Bank NTB Syariah
- 4. Coordinating with the Risk Monitoring Committee in order to:
  - a. Monitoring and evaluating Bank Health Level (TKB).
  - b. The discussion of the Standard Level Agreement (SLA) Process for Punishment of Fraud Perpetrators.
  - c. The evaluation of the function and implementation of tasks in the Branch Office internal control unit.
  - d. Revitalizing the Anti-Fraud Strategy (SAF) function and updating SAF Standard Operational Procedures (SOP).
  - e. Evaluating the implementation of SAF on handling conflicts of interest and controlling gratuities, transparency of financial and non-financial information, as well as integration of the Bank's strategic plans.

### Statement of the Audit Committee on the Effectiveness of the Internal Control System and Risk Management

The internal control system implemented by Bank Jatim is considered to have been running effectively and adequately as reflected in the effectiveness of the implementation of internal control functions, including internal audit, risk management, compliance, financial and operational control functions.

## Remuneration and Nomination Committee

### Basic Formation of The Remuneration and Nomination Committee

Members of the Remuneration and Nomination Committee are based on the following regulations:

1. POJK No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks.
2. POJK No. 34/POJK.04/2014 concerning the Nomination & Remuneration Committee of Issuers or Public Companies.
3. Articles of Association regarding the duties and authorities of the Board of Commissioners and their amendments.

### Charter of Remuneration and Nomination Committee

The Remuneration and Nomination Committee has a Work Guidelines set out in the Charter/ Implementation Guidelines for the Board of Commissioners Committee Number 060/002/DK/Kep Date January 15, 2021, which regulates about:

1. Roles and Functions
2. Responsibilities
3. Authority
4. Membership Structure, Position and Period of Position
5. Work procedures

6. Holding meetings
7. Reporting

### Duties and Responsibilities of The Remuneration and Nomination Committee

1. Related to Nomination function
  - a. Provide recommendations to the Board of Commissioners regarding the structure, policies and amount of Remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
  - b. Assist the Board of Commissioners in evaluating performance in accordance with the remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.
  - c. In carrying out the remuneration function as referred to in point "a" above, the Remuneration and Nomination Committee must perform the procedure:
    - Develop a Remuneration structure for members of the Board of Directors and/or members of the Board of Commissioners in the form of salaries, honorarium, incentives, permanent and/or variable visits.
    - Formulate policies on Remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
    - Arrange the amount of Remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
  - d. The preparation of the structure, policy and amount of Remuneration must pay attention to:
    - Remuneration applicable to the industry in accordance with business activities and similar business scales in its industry (peer groups).
    - The duties, responsibilities and authority of members of the Board of Directors and/or members of the Board of Commissioners are related to the achievement of the objectives and performance of the bank.
    - Performance targets or the performance of each member of the Board of Directors and/or members of the Board of Commissioners.
    - A balance of benefits between those that are permanent and variable.
  - e. Assist the Board of Commissioners in providing recommendations on payroll/wage systems, provision of benefits and facilities for senior executive and employees.
  - f. Assist the Board of Commissioners in providing recommendations on compensation systems and other benefits for senior executive and employees.
  - g. Assist the Board of Commissioners in providing recommendations on payroll/wage systems, provision of benefits and facilities for employees.
  - h. Assist the Board of Commissioners in providing recommendations on compensation systems and other benefits for employees.
2. Related to Remuneration function
  - a. Provide recommendations to the Board of Commissioners regarding the composition of the positions of members of the Board of Directors and/or members of the Board of Commissioners.
  - b. Provide recommendations to the Board of Commissioners regarding the policies and criteria needed in the Nomination process.



- c. Provide recommendations to the Board of Commissioners regarding performance evaluation policies for members of the Board of Directors and/ or members of the Board of Commissioners.
- d. Assist the Board of Commissioners in evaluating the performance of members of the Board of Directors and/ or members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material.
- e. Provide recommendations to the Board of Commissioners regarding the capacity building program for members of the Board of Directors and/or members of the Board of Commissioners.
- f. Provide proposals for candidates who qualify as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
- g. Provide recommendations regarding Independent Parties who will become members of the Audit Committee and members of the Risk Monitoring Committee.
- h. Assist the Board of Commissioners in compiling and analyzing dismissal criteria for the Board of Commissioners and Directors.
- i. Assist the Board of Commissioners in monitoring the implementation and analysis of selection criteria and procedures for bank executive candidates.Bank.
- j. In carrying out the Nomination function, the Remuneration and Nomination Committee must carry out the following procedures:
  - Compile the composition and process of nomination of members of the Board of Directors and/or members of the Board of Commissioners.
  - Formulate policies and criteria needed in the process of nominating candidates for members of the

Board of Directors and/or members of the Board of Commissioners.

- Assist in the evaluation of the performance of members of the Board of Directors and/or members of the Board of Commissioners.
- Formulate a capacity building program for members of the Board of Directors and/or members of the Board of Commissioners.
- Review and propose candidates who qualify as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.

### Authority of Remuneration and Nomination Committee

The Board of Commissioners authorizes the Remuneration and Nomination Committee within the scope of responsibility for:

1. Obtaining various information needed for the implementation of the Nomination and Remuneration function from various parties, both internal and external to the bank.
2. Obtaining the advice or input needed in the context of the implementation of the Nomination and Remuneration function from both internal and external parties of the bank.

### Term of Office of the Remuneration and Nomination Committee

The term of service of the Remuneration and Nomination Committee may not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association and may be re-elected only for the next 1 (one) period.

## Structure, Membership and Expertise of The Remuneration and Nomination Committee

### Structure, Membership and Expertise of the Remuneration and Nomination Committee Period January 1, 2023 - April 2023

Name	Position	Determination Decree	Information	Expertise
Muhammad Mas'ud	Chairman	Decree of the Board of Directors Number 061/036/DIR/HCP/KEP concerning Changes in the Composition of the Committees of PT Bank Pembangunan Daerah Jawa Timur Tbk. 2022-2023 period	Independent Commissioner	Economic
Suprajarto	Member		Independent Commissioner	Economic
Candra Fajri Ananda	Member		Commissioner	Economic
Sumaryono	Member		Independent Commissioner	Economic
Haru Tjahjono*	Member		Commissioner	Economic
Revi Adiana S**	Member		Ex-Officio Member (HC Division Leader)	Economic

\* Term of office ends as of the 2022 Fiscal Year Annual GMS on April 12, 2023

\*\* The term of office ends on December 28, 2023

**Structure, Membership and Expertise of the Remuneration and Nomination Committee for the Period April 2023 - 31 December 2023**

Name	Position	Determination Decree	Information	Expertise
Muhammad Mas'ud	Chairman	Decree of the Board of Directors Number 061/036/DIR/HCP/KEP concerning Changes in the Composition of the Committees of PT Bank Pembangunan Daerah Jawa Timur Tbk. 2022-2023 period	Independent Commissioner	Economic
Suprajarto	Member		President Com-missioner	Economic
Candra Fajri Ananda	Member		Independent Commissioner	Economic
Sumaryono	Member		Independent Commissioner	Economic
Adhy Karyono*	Member	Board of Directors Decree Number 062/105/DIR/HCP/KEP concerning Changes to the Composition of the Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk for the Period 2022 - 2023	Commissioner	Economic
Slamet Purwanto**	Member		Ex-Officio Member (HC Division Leader)	Computer

\*The term of office is effective from the date of passing the OJK UKK on November 24, 2023

\*\*The term of office starts from December 28, 2023

**Profile of The Remuneration and Nomination Committee**

The profile of the Remuneration and Nomination Committee as of December 31, 2023 is as follows.

**Muhammad Mas'ud**

**Chairman concurrently Member of Remuneration and Nomination Committee**

His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.

**Suprajarto**

**Member of Remuneration and Nomination Committee**

His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.

**Candra Fajri Ananda**

**Member of Remuneration and Nomination Committee**

His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.

**Sumaryono**

**Member of Remuneration and Nomination Committee**

His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



## Slamet Purwanto

Member of the Remuneration and Nomination Committee (Ex-officio)

<b>Citizenship</b>	: Indonesian citizen
<b>Domicile</b>	: Surabaya
<b>Tempat dan Tanggal Lahir/Usia</b>	: Born in Surabaya in 1979. Age 44 years as of 2023.
<b>Educational background</b>	: <ul style="list-style-type: none"> <li>Bachelor of Computer Science at the College of Information Management and Com-puter Engineering (STIKOM) (2004)</li> <li>Master of Management from the National Development University "Veteran" East Java (2016)</li> </ul>
<b>Work experience</b>	: Joined Bank Jatim in 2007. Before occupying his current position, he served as Senior Analyst in the Human Capital Division (2015), Head of Investor Relations Corporate Secre-tary Sub. Division (2015), Head of Human Capital Development Sub. Division (2020), Head of Human Capital Policy & Development Sub. Division (2020), Head of Learning Center Sub. Division (2021), AVP Learning Center (2023).
<b>Certification</b>	<ul style="list-style-type: none"> <li>Level 1 Risk Management Certification</li> <li>Level 2 Risk Management Certification</li> <li>Level 3 Risk Management Certification</li> <li>Level 4 Risk Management Certification</li> <li>Refreshment of Risk Management Certification</li> </ul>
<b>Legal Basis of Appointment</b>	: Since July 2023 he has served as Pjs. Vice President of the Human Capital Division based on Directors' Decree No. 062/055/DIR/HCP/KEP dated July 5, 2023.
<b>Period of Service</b>	Period I
<b>Length of service</b>	July 5, 2023 – present
<b>Double function</b>	None

## Qualification of Educational and Work Experience of The Remuneration and Nomination Committee

Table of Qualification of Educational and Work Experience of The Remuneration and Nomination Committee

Nama	Jabatan	Pendidikan	Pengalaman Kerja
Muhammad Mas'ud	Chairman	Bachelor in Public Administration Master in Management Doctor (Ph.D) in School of Political and International Studies	Having work experience, among others in the fields of finance, political science and economics
Suprajarto	Member	Bachelor in Economics Postgraduate in Marketing Management Doctor in the field of Business Management	Having work experience, among others, in finance, banking
Candra Fajri Ananda	Member	Bachelor in Economics and Development Studies Master Degree (MSc.) in Rural Development Doctor Degree (DR) in the field of Rural Development	Having work experience, among others, in the fields of finance, research, international relations, economics and banking supervision
Summaryono	Member	Bachelor in Business Administration Science	Having work experience, among others, in finance, banking
Adhy Karyono	Member	Bachelor in Social and Political Sci-ences Master in Public Administration (Apparatus Resource Management)	Having work experience in the government sector
Slamet Purwanto	Ex-officio member	Bachelor in Computer Science Master of Management	Having work experience, among others in banking and Human Resources



## Independence of The Nomination and Remuneration Committee

The Remuneration and Nomination Committee carries out its duties, responsibilities and authority professionally and independently, without interference from any party that is not in accordance with the laws and regulations. Members of the Remuneration and Nomination Committee have fulfilled all the independence criteria and are able to carry out their duties independently, uphold the interests of the Bank and cannot be influenced by any party. This can be seen from the majority of Commissioners who are members of the Remuneration and Nomination Committee who are Independent Commissioners.

**Table of Independence of the Remuneration and Nomination Committee**

Aspek Independensi	M. Mas'ud	Candra Fajri	Suprajarto	Sumaryono	Heru Tjahjono	Adhy Karyono*	Revi AdianaS**	Slamet Purwanto***	Moch. Arifin**
Has no financial relationship with the Board of Commissioners and the Board of Directors	✓	✓	✓	✓	✓	✓	✓	✓	✓
Does not have a management relationship in the company, subsidiary, or affiliated company	✓	✓	✓	✓	✓	✓	✓	✓	✓
Does not have a share ownership relationship in the company	✓	✓	✓	✓	✓	✓	✓	✓	✓
Does not have a family relationship with the Board of Commissioners, Board of Directors, and/or fellow members of the Nomination and Remuneration Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓
Do not serve as administrators of political parties, officials and government	✓	✓	✓	✓	✓	✓	✓	✓	✓

\* The term of office is effective from the date of passing the OJK UKK on November 24, 2023

\*\*The term of office ends on December 28, 2023

\*\*\*The term of office starts from December 28, 2023

## Meeting of The Nomination and Remuneration Committee

### NOMINATION AND REMUNERATION COMMITTEE MEETING POLICY

Remuneration and Nomination Committee meetings are held periodically at least 1 (one) time in 4 (four) months. Remuneration and Nomination Committee meetings can only be held if presented by a majority of the total members of the Remuneration and Nomination Committee and one of the majority of the members of the Remuneration and Nomination Committee is the Chairman of the Remuneration and Nomination Committee.

### MEETING AGENDA OF THE NOMINATION AND REMUNERATION COMMITTEE

**Table of Agenda for the Remuneration and Nomination Committee Meeting**

No.	Date of Meeting	Meeting Agenda	Meeting Participants
1	April 5, 2023	Providing holiday allowances for the management of PT Bank Pembangunan Daerah Jawa Timur Tbk. (Remuneration)	Muhammad Mas'ud Suprajarto Heru Tjahjono Candra Fajri Ananda Sumaryono



No.	Date of Meeting	Meeting Agenda	Meeting Participants
2	April 10, 2023	Recommendations for Candidates for Bank Jatim Management (Nomination)	Muhammad Mas'ud Suprajarto Candra Fajri Ananda Sumaryono
3	April 26, 2023	1. Technical Instructions on Calculating Tantiem and other Benefits for Bank Jatim Management. (Remuneration) 2. The Discussion of Key Performance Indicator (KPI) Data for Bank Jatim Management in 2022.	Muhammad Mas'ud Suprajarto Candra Fajri Ananda Sumaryono
4	June 23, 2023	1. Koreno's Evaluation and Recommendations for Bank Jatim Management Candidates who will carry out the OJK Fit & Proper Test. (Nomination) 2. The Proposal of Remuneration for the Sharia Supervisory Board; (Remuneration) 3. Directors' proposal regarding the replace-ment of the Head of the Internal Audit Divi-sion & Corporate Secretary. (Nomination)	Muhammad Mas'ud Suprajarto Candra Fajri Ananda Sumaryono
5	August 18, 2023	1. The Proposal of Temporary Replacement Director of Compliance. (Nomination) 2. The Composition of the Remuneration and Nomination Committee membership. 3. Review KPI of the Board of Commissioners.	Muhammad Mas'ud Suprajarto Candra Fajri Ananda Sumaryono
6.	December 28, 2023	1. The Discussion on Providing Variable Compensation End of 2023 for Management, Supervisory Board and Committees (Remuneration)	Muhammad Mas'ud Candra Fajri Ananda Sumaryono

## FREQUENCY AND ATTENDANCE LEVEL OF MEETING OF NOMINATION AND REMUNERATION COMMITTEE

**Table of Attendance Level of Remuneration and Nomination Committee Meetings**

Name	Position	Remuneration and Nomination Committee Meeting		
		Attendance Number and Percentage		
		Number of Meetings	Number of Attendance	Percentage
Muhammad Mas'ud	Chairman	6	6	100%
Suprajarto	Member	6	5	83%
Candra Fajri Ananda	Member	6	5	83%
Sumaryono	Member	6	6	100%
Adhy Karyono*	Member	-	-	-
Revi Adiana S**	Ex-officio member			
Slamet Purwanto***	Ex-officio member	-	-	-

\* The term of office is effective from the date of passing the OJK UKK on November 24, 2023

\*\*The term of office ends on December 28, 2023

\*\*\*The term of office starts from December 28, 2023

## Remuneration and Nomination Committee Competency Improvement Program

Name	Position	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Muhammad Mas'ud	Chairman	Education and/or Competency Improvement can be seen in the Education and/ or Competency Improvement section for the Board of Commissioners		
Suprajarto	Member	Education and/or Competency Improvement can be seen in the Education and/ or Competency Improvement section for the Board of Commissioners		
Candra Fajri Ananda	Member	Education and/or Competency Improvement can be seen in the Education and/ or Competency Improvement section for the Board of Commissioners		



Name	Position	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Sumaryono	Member	Education and/or Competency Improvement can be seen in the Education and/ or Competency Improvement section for the Board of Commissioners		
Adhy Karyono	Member	Education and/or Competency Improvement can be seen in the Education and/ or Competency Improvement section for the Board of Commissioners		
Slamet Purwanto	Ex-officio member	Corporate Value Internalization for culture Leaders	Surabaya, January 14, 2023	Kubik Leadership
		Learning Management System & E-Learning Application training	Bandung, March 15, 2023	PT Bangun Kapasitas
		Risk Management Certification Refreshment Program	Surabaya, May 12, 2023	TD Consulting
		Greeting and Sharing "Culture Transformation With Growth Mindset " by Ignasius Jonan	Surabaya, October 18, 2023	Internal Bank Jatim

### Remuneration and Nomination Committee Income

No	Description	Non-Commissioner Member
1	Salary / Honorarium	Receive an honorarium of 12,5% of the President Director's Salary
2	Post-Position Compensation	Not Given
3	Holiday allowance	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
4	Bonus / Tantiem	In accordance with the provisions that apply to Permanent Employees of the Bank
5	Fasilitas:	
	a. Transportation Allowance	Not Given
	b. Health	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
	c. Official travel	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank

### Work Program and Implementation of Duties of The Remuneration and Nomination Committee In 2023

#### REMUNERATION AND NOMINATION COMMITTEE WORK PROGRAM

- Evaluate and provide recommendations regarding System policies and Procedures for Selection and/or Replacement of Members of the Board of Commissioners and Members of the Board of Directors to be submitted to the GMS.
- Evaluate and provide recommendations regarding the criteria and qualifications required in the nomination process for the Board of Commissioners and Directors in accordance with the Bank's strategic plan.
- Evaluate and recommend candidates who meet the requirements as members of the Board of Directors and/ or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
- Assist in the evaluation of the performance of the Company's Management
- Develop the structure and policies for the Remuneration of the Company's Management (Board of Commissioners and Directors).
- Arrange the amount of remuneration for members of the Board of Directors and/or the Board of Commissioners
- Carry out Remuneration and Nomination Committee Meetings and Coordination Meetings with other related parties

#### DUTIES OF THE REMUNERATION AND NOMINATION





## COMMITTEE

1. The Remuneration & Nomination Committee carried out the process of nominating several vacant management positions, including those for prospective members of the Board of Directors.
2. The Remuneration and Nomination Committee carried out the selection process for accepting candidates for Commissioners and Directors of Bank Jatim together with the Selection Committee formed through administrative selection to assessment with a third party (independent).
3. The Remuneration and Nomination Committee also provided recommendations/considerations to the Board of Commissioners in determining the third party to be appointed as the agency implementing the assessment in the process of selecting candidates for members of the Commissioners and Directors of Bank Jatim.
4. The Remuneration and Nomination Committee provided an assessment/evaluation of each candidate for the Board of Directors which was agreed upon to be recommended to the Board of Commissioners for the fit and proper test by the Financial Services Authority.
5. In addition, in terms of remuneration activities, the Remuneration and Nomination Committee also reviewed the Guidelines for Implementing Governance in Remuneration for management and their facilities, which could then be stipulated in a Board of Commissioners decision letter.
6. The Remuneration and Nomination Committee also held several coordination meetings regarding the implementation of additional income during 2023.

## Board of Directors' Success Policy

Remuneration and Nomination Committee has assisted the Board of Commissioners in the Directors Succession program in accordance with policy. The Board of Directors succession policy had been presented in the Nomination and Remuneration Sub Title for the Board of Commissioners and Directors Chapter of Corporate Governance in this Annual Report.

## Risk Monitoring Committee

The Risk Monitoring Committee is tasked with assisting the implementation of the supervisory and coaching functions by the Board of Commissioners for executives (Directors and their staff) in the area of risk management implementation so that it can be carried out effectively, both regarding issues of risk management and the internal control system as well as anticipatory steps taken by the Board of Directors. in risk management.

## Basic for The Establishment of The Risk Monitoring Committee

The establishment of the Risk Monitoring Committee is based on the following regulations:

1. POJK No. 55/POJK.03/2016 concerning Implementation of Tata Manage Commercial Banks and has been updated to POJK 17 2023 concerning the Implementation of Governance for Banks General, September 14, 2023.
2. OJK Regulation No. 17/POJK.03/2014 dated November 18, 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates.

3. Articles of Association regarding the duties and authorities of the Board of Commissioners and their amendments

## Charter of Risk Monitoring Committee

In carrying out its duties and responsibilities, the Risk Monitoring Committee had a Risk Monitoring Committee Charter as contained in the Decree of the Board of Commissioners Number 061/05/DKM/KEP dated June 28, 2022, which regulated:

1. Legal Basis
2. General Purpose
3. Membership Structure
4. Membership Requirements
5. Duties and Responsibilities
6. Authority
7. Risk Monitoring Committee Meetings
8. Term of Office of Risk Monitoring Committee Members
9. Reporting

## Duties and Responsibilities of The Risk Monitoring Committee

The Risk Monitoring Committee performed the task of monitoring and evaluating the conformity between risk management policies and the implementation of Bank policies, as well as implementing the work plans and duties of the Risk Management Committee and the Risk Management Work Unit (SKMR), to provide recommendations to the Board of Commissioners to ensure that the Bank had managed risks in an effective adequate manner.

In carrying out its functions, the Risk Monitoring Committee has duties and responsibilities including:

1. Monitor and review the adequacy of the Bank's internal control as a whole including compliance with good corporate governance policies.
2. Monitor and prepare reports on the implementation of good corporate governance with the contents and scope of at least according to the applicable regulations.
3. Monitor and evaluate the Bank's compliance with the Articles of Association and laws and regulations related to risk management.
4. Monitor and evaluate reports on the implementation of good corporate governance that reflect the actual condition of the Bank or according to the results of the Bank's self-assessment.
5. Monitor and evaluate the composite value and predicate of self-assessment results to the public through Published Financial Reports in the nearest period.
6. Deliver a complete revision of the results of the Bank's Good Corporate Governance self-assessment to the regulator.
7. Review financial and non-financial information regarding the Bank, business plans or work plans and bank budgets, management reports and other information related to risk management.
8. Conduct regular meetings with related work units to discuss matters within the scope of the Committee's assignments, and report and provide input on matters that need to be brought to the attention of the Board of Commissioners.
9. Prepare guidelines and work procedures for the Committee (charter) and conduct reviews as needed at least once every 3 (three) years, and make a self-assessment regarding the effectiveness of the Risk Monitoring Committee's activities.



## Authority of Risk Monitoring Committee

The Risk Monitoring Committee is authorized by the Board of Commissioners to:

1. Conduct a full, free and unlimited access to Bank records related to the implementation of the duties of the Risk Monitoring Committee.
2. Communicating with the Head of Work Unit and other parties at the Bank to obtain information, clarification and request documents and reports needed.
3. Obtain input or suggestions from external banking professionals related to the duties of the Risk Monitoring Committee.

4. Collaborate with the Risk Management Committee, SKMR, Compliance Work Unit (SKK), Legal Work Unit (SKL), Information Technology Work Unit (SKTI) and other work units related to the Committee's duties.

## Term of Office of the Risk Monitoring Committee

The term of office of the Risk Monitoring Committee may not be longer than the term of office of the Board of Commissioners as stipulated in the articles of association and may be re-elected only for the next 1 (one) period.

## Structure, Membership, and Expertise of Risk Monitoring Committee

**Table of Structure, Membership and Expertise of the Risk Monitoring Committee Period January 1, 2023 – December 28, 2023**

Name	Position	Determination Decree	Information	Expertise
Candra Fajri Ananda*	Chairman	Decree of the Board of Directors Number 061/200/DIR/HCP/KEP concerning Changes in the Composition of the Committees of PT Bank Pembangunan Daerah Jawa Timur Tbk	Independent Commissioner	Economic
Muhammad Mas'ud	Member		Independent Commissioner	State Administration
Sumaryono	Member		Independent Commissioner	State Administration
Sulam Andjar Rochim	Member		Independent Party	Economic
Moch. Arifin*	Member		Independent Party	Law

Note:

\*The term of office ends on December 28, 2023

**Table of Structure, Membership and Expertise of the Risk Monitoring Committee Period December 29, 2023 – December 31, 2023**

Name	Position	Determination Decree	Information	Expertise
Sumaryono	Chairman	Board of Directors Decree Number 062/105/DIR/HCP/KEP concerning the Composition of the Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk	Independent Commissioner	State Administration
Muhammad Mas'ud	Member		Independent Commissioner	State Administration
Sulam Andjar Rochim	Member		Independent Party	Economic

## Profile of The Risk Monitoring Committee

The profile of the Risk Monitoring Committee as of December 31, 2023 is as follows.

### Sumaryono

**Chairman concurrently Member of Risk Monitoring Committee**

His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.

### Muhammad Mas'ud

**Member of Risk Monitoring Committee**

His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



## Sulam Andjar Rochim

### Member of Risk Monitoring Committee

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Malang
<b>Place and Date of Birth/Age</b>	: Pasuruan, October 3, 1962/ 61 years old as of December 31, 2023
<b>Educational background</b>	: <ul style="list-style-type: none"> <li>Brawijaya University Malang, Diploma Program Corporate Expert Education Program (currently Vocational Program, Faculty of Economics and Business) (1985)</li> <li>Gajayana University Malang (1990)</li> <li>Center for Management and Applied Technology Development (PPMTT) Malang – Master of Business in Administration Program (1992)</li> </ul>
<b>Work experience</b>	: <ul style="list-style-type: none"> <li>Branch Manager in Bangkalan (2010 - 2011)</li> <li>Branch Manager in Jakarta (2011 - 2012)</li> <li>Head of Asset Liability Management and Financial Institution Sub Division in the Treasury Division (2012 - 2015)</li> <li>Sub Division Leader in the Strategic Planning Division (2015 - 2016)</li> <li>Temporary Head of Strategic Planning Division (2016 - 2017)</li> <li>Head of Internal Communications Sub Division at Corporate Secretary (2017 - 2020)</li> <li>Leader of the Anti-Money Laundering and Prevention of Terrorism Financing (AML-CFT) Sub-Division in the Compliance and Governance Division</li> <li>Chair of the Team for Restructuring the Company Manual PT Bank Pembangunan Daerah Jawa Timur Tbk (2020 - 2021)</li> </ul>
<b>Certification</b>	: <ul style="list-style-type: none"> <li>Basic Knowledge Certification in the Pension Fund Sector – Certification Institute Pension Fund Professional (LSPDP)</li> <li>Level 3 Risk Management Certification - Risk Management Certification Body (BSMR)</li> <li>Level 2 Risk Management Certification - Risk Management Certification Body (BSMR)</li> <li>Level 1 Risk Management Certification - Risk Management Certification Body (BSMR)</li> </ul>
<b>Legal Basis of Appointment</b>	: Directors' Decree Number 060/270/DIR/HCP/KEP
<b>Period of Service</b>	Period I
<b>Length of service</b>	2021 – 2025
<b>Concurrent Position</b>	Main Commissioner of BPRS Mojo Artho Mojokerto City (Perseroda) period (2021-present)

## Education Qualification and Work Experience of The Risk Monitoring Committee

Table of Education Qualification and Work Experience of the Risk Monitoring Committee

Name	Position	Education	Work experience
Sumaryono	Chairman	Bachelor in Business Administration, Brawijaya University	Having work experience in banking
Muhammad Mas'ud	Member	Bachelor in Public Administration Master in Management Doctor (Ph.D) in the School of Political and International Studies	Having work experience, among others in the fields of finance, political science and economics
Sulam Andjar Rochim	Member	Bachelor in Accounting Economics Master of Business in Administration	Having work experience in banking

## Independence of The Risk Monitoring Committee

The Risk Monitoring Committee carries out its duties, responsibilities and authorities in a professional and independent manner without interference from any party that is not in accordance with the laws and regulations. Member of the Risk Monitoring Committee has fulfilled all independence

criteria and is able to carry out its duties independently, uphold the interests of the Bank and cannot be influenced by any party. This can be seen from the membership consisting of 1 (one) Head of Committee who is an Independent Commissioner, 2 (two) members who are Independent Commissioners and 2 (two) non-Commissioner member from an Independent Party.

**Table of Independence of the Risk Monitoring Committee**

Aspek Independensi	Candra Fajri Ananda*	Sumaryono**	Muhammad Mas'ud	Syafruddin	Sulam Andjar Rochim	Moch. Arifin***
Has no financial relationship with the Board of Commissioners and the Board of Directors	✓	✓	✓	✓	✓	✓
Does not have a management relationship in the company, subsidiary, or affiliated company	✓	✓	✓	✓	✓	✓
Does not have a share ownership relationship in the company	✓	✓	✓	✓	✓	✓
Does not have a family relationship with the Board of Commissioners, Board of Directors, and/or fellow members of the Audit Committee	✓	✓	✓	✓	✓	✓
Do not serve as administrators of political parties, officials and government	✓	✓	✓	✓	✓	✓

\* Resigned from office on December 28, 2023

\*\* Appointed as Chair of the Risk Monitoring Committee since December 28, 2023

\*\*\* Resigned from office on December 28, 2023

## Risk Monitoring Committee Meeting

### RISK MONITORING COMMITTEE MEETING POLICY

Implementation and procedures for the Risk Monitoring Committee meeting were as follows:

- Committee meetings were held as follows:
  - according to the needs of the Bank and or at least 1 (one) time in 3 (three) months;
  - can only be carried out if attended by at least 51% (fifty one percent) of the total members of the Committee including 1 (one) Independent Commissioner and 1 (one) Independent Party non-Commissioner;
  - chaired by the Committee Chair or a Committee member from an Independent Commissioner if the Committee Chair is unable to attend; And
  - can invite SKMR, SKK, SKL, SKTI as well as other work units and other parties needed as resource persons for discussion.
- Committee meeting decisions are made based on:
  - consensus deliberation, and in the event that consensus deliberation does not occur, the decision is made based on the majority of votes;
  - in the event that a decision is made by voting with an equal number of votes, then the decision is made based on the majority vote; And
  - dissenting opinion that occurs at the Committee Meeting must be clearly stated in the minutes of the meeting along with the reasons for the dissent.
- Committee meetings were set forth in the Minutes of Meeting, which are signed by all Committee members present and submitted to the Board of Commissioners.
- The attendance of Committee members at meetings was reported in the Committee's quarterly report and annual report in the Annual Report on Corporate Governance.



## MEETING AGENDA OF RISK MONITORING COMMITTEE

Throughout 2023, the implementation date, agenda and Meeting Participants of the Risk Monitoring Committee are as follows.

**Table of Meeting Agenda of the Risk Monitoring Committee**

No.	Meeting Date	Meeting agenda	Meeting Participants
1	February 7, 2023	The discussion includes: 1. Profile of employees who committed fraud for the 2022 period 2. Progress in the resolution of the Occupational Punish-ment Committee (KBHJ) regarding unresolved fraud cases	Candra Fajri Ananda Sumaryono Sulam Andjar Rochim Moch. Arifin
2	February 24, 2023	The discussion includes: 1. Development of Bank Jatim's NPL 2. Quarter I NPL Projection 3. Decrease in Credit Quality for the January 2023 Period 4. Extracomtable data for the period January 2023	Candra Fajri Ananda Muhammad Mas'ud Sumaryono Sulam Andjar Rochim Moch. Arifin
3	February 24, 2023	Board of Commissioners Supervision Report to Controlling Shareholders for the 2022 period	Candra Fajri Ananda Sulam Andjar Rochim Moch. Arifin
4	March 29, 2023	The discussion includes: 1. Overview of Risk Profile for December 2022 Period 2. Credit Risk Profile for the February 2023 Period 3. Expected Credit Loss Coverage (ECL) for Non-Performing Loans (NPL) for the period February 2023	Candra Fajri Ananda Muhammad Mas'ud Sumaryono Sulam Andjar Rochim Moch. Arifin
5	August 7, 2023	Performance Evaluation Meeting with the Risk Management Directorate	Candra Fajri Ananda Muhammad Mas'ud Sumaryono Sulam Andjar Rochim Moch. Arifin
6	August 7, 2023	Progress Meeting on Resolving Several Legal Issues with the Compliance Directorate	Candra Fajri Ananda Muhammad Mas'ud Sumaryono Sulam Andjar Rochim Moch. Arifin
7	November 7, 2023	The Discussion of Risk Profile and Legal Risk Mitigation for Fraud Cases with Significant Values that have not been or have been handled by Law Enforcement Officials (APH)	Candra Fajri Ananda Sumaryono Sulam Andjar Rochim Moch. Arifin
8	December 28, 2023	The Discussion of the latest Risk Profile and Credit Risk miti-gation for Large Exposure Debtors	Candra Fajri Ananda Muhammad Mas'ud Sumaryono Sulam Andjar Rochim Moch. Arifin

## FREQUENCY AND ATTENDANCE OF RISK MONITORING COMMITTEE MEETINGS

During 2023, the Risk Monitoring Committee has held 8 (eight) meetings. The attendance rate of each member of the Risk Monitoring Committee is as follows.

**Table of Attendance at Risk Monitoring Committee Meetings**

Name	Position	Risk Monitoring Committee Meeting		
		Attendance Number and Percentage		
		Number of Meetings	Number of Attendance	Percentage
Candra Fajri Ananda*	Chairman	8	8	100%
Sumaryono**	Chairman	8	7	87,5%
Muhammad Mas'ud	Member	8	5	62,5%
Sulam Andjar Rochim	Member	8	8	100%
Moch. Arifin***	Member	8	8	100%

\*Resigned from office on December 28, 2023

\*\*Appointed as Chair of the Risk Monitoring Committee since December 28 ,2023

\*\*\*Resigned from office on December 28, 2023



## Risk Monitoring Committee Competence Improvement Program

Name	Position	Types of Training and Competency Development/ Training Materials	Implementation Time and Place	Organizer
Candra Fajri Ananda*	Chairman	Education and/or Competency Improvement can be seen in the Education and/ or Competency Improvement section for the Board of Commissioners		
Sumaryono**	Chairman	Education and/or Competency Improvement can be seen in the Education and/ or Competency Improvement section for the Board of Commissioners		
Muhammad Mas'ud	Member	Education and/or Competency Improvement can be seen in the Education and/ or Competency Improvement section for the Board of Commissioners		
Sulam Andjar Rochim	Member	The Special Batch of Corporate Governance-Leadership Program Sustainability for Long-Term Value Creation and ASEAN CG Scorecard	Yogyakarta, July 26 – 28, 2023	Indonesian Institute Corporate Directorship (IICD)
		National Economy Outlook 2024 Seminar on the Development of the Digital Economy	Surabaya, November 16, 2023	FKDK – BPDSI
		National Seminar on Beware of Cyber Crime Threats in the Midst of Digital Banking Transformation Efforts.	Surabaya, November 16, 2023	FKDK – BPDSI
Moch. Arifin***	Member	Pendidikan dan/atau Peningkatan Kompetensi dapat dilihat pada bagian Program Peningkatan Kompetensi Komite Audit		

\* Resigned from office on December 28, 2023

\*\* Appointed as Chair of the Risk Monitoring Committee since December 28, 2023

\*\*\* Resigned from office on December 28, 2023

## Risk Monitoring Committee Income

No	Description	Non-Commissioner Member
1	Salary / Honorarium	Receive an honorarium of 12,5% of the President Director's Salary
2	Post-Position Compensation	Not Given
3	Holiday allowance	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
4	Bonus / Tantiem	In accordance with the provisions that apply to Permanent Employees of the Bank
5	Facility:	
	a. Transportation Allowance	Not Given
	b. Health	In accordance with the provisions that apply to the Board of Commissioners or Permanent Employees of the Bank
	c. Official travel	In accordance with the provisions that apply to the Board of Commissioners or Permanent Employees of the Bank

## Work Program and Implementation of Duties of The Risk Monitoring Committee In 2023

### RISK MONITORING COMMITTEE WORK PROGRAM FOR 2023

The Risk Monitoring Committee developed a work program in 2023, including the following:

#### Quarter I

- Monitoring and Evaluation of the Bank's Risk Profile (PRB) Quarterly.
- Monitoring and Evaluation of Quarterly Bank Soundness Level (TKB) achievement.
- Monitoring and Evaluation of the implementation of the duties of the Risk Management Work Unit (SKMR) and the Risk Management Committee (Komenko).
- Evaluation of conformity between the Risk Management Policy (KMR) and the implementation of Bank policies.
- Monitoring and evaluating the implementation of Good Corporate Governance (GCG) principles.

#### Quarter II

- Monitoring and Evaluation of the Bank's Risk Profile (PRB) Quarterly.
- Monitoring and Evaluation of Quarterly Bank Soundness Level (TKB) achievements.
- Monitoring and Evaluation of the adequacy of risk management identification, measurement, monitoring and control processes.
- Monitoring of large exposure debtors above IDR100 billion.
- Monitoring the compliance function and the implementation of the compliance system, as well as reviewing reports on



the implementation of the compliance function and the implementation of the duties of the Compliance Director.

#### Quarter III

- Monitoring and Evaluation of the Bank's Risk Profile (PRB) Quarterly.
- Monitoring and Evaluation of Quarterly Bank Soundness Level (TKB) achievements.
- Monitoring and Evaluation of the implementation of the duties of the Risk Management Work Unit (SKMR) and the Risk Management Committee (Komenko).
- Monitoring and Evaluation of the implementation of the principles of Good Corporate Governance (GCG).
- Monitoring of large exposure debtors above IDR100 billion
- Monitoring and Evaluation of contingency plans in the Business Continuity Management System (BCMS).
- Review and Update of the Company's Handbook (BPP) including Anti-Money Laundering and Prevention of Terrorism Financing Product Policy (KPA AML-CFT).

#### Quarter IV

- Monitoring and Evaluation of the Bank's Risk Profile (PRB) Quarterly.
- Monitoring and Evaluation of Quarterly Bank Soundness Level (TKB) achievements.
- Review Corplan, Information Technology Strategic Plan (ITSP) and Bank's Business Plan (BBP) before being approved by the Board of Commissioners.
- Review and Update of the Company's Manual (BPP) covering Activity and Product Policy (KPA) Credit or Financing (PAP), KPA dan Standart Operating Procedure (SOP) for Capital Participation.

### RISK MONITORING COMMITTEE WORK PROGRAM BRIEF REPORT IN 2023

The Risk Monitoring Committee carried out its duties and responsibilities properly, referring to POJK No. 17 Year 2023, concerning Implementation of Governance for Commercial Banks and referring to the BPP Committee of the Board of Commissioners and the Risk Monitoring Committee Charter of Bank Jatim. The implementation of the Risk Monitoring Committee work program during the 2023 period can be briefly reported as follows:

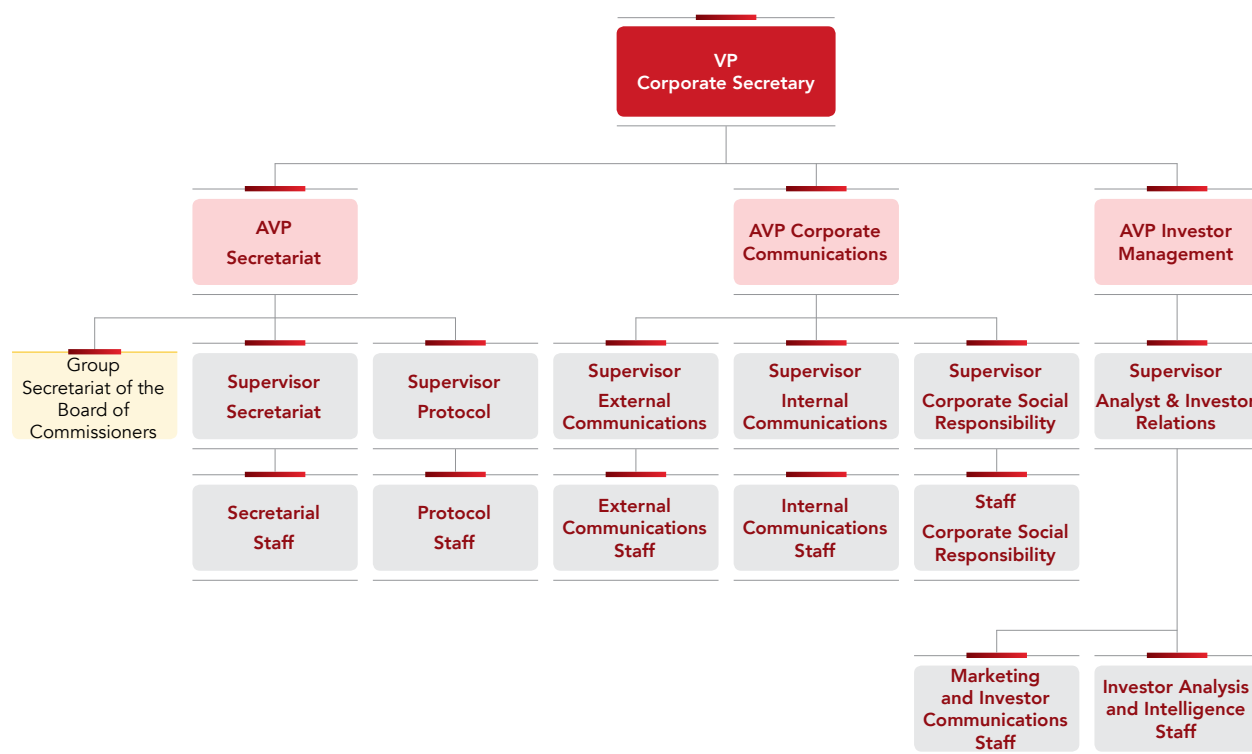
1. Conducting discussions in meetings with the Risk Management Work Unit (SKMR), Compliance Work Unit (SKK), Legal Work Unit (SKL), and work units that carry out the function of providing large exposure loan covering:
  - a. Monitoring and Evaluation of the Bank's Risk Profile, especially against the moderate to below risk profile to identify, measure the potential losses and determine the risk mitigation.
  - b. Follow-up Evaluation of Risk Management Committee decisions, as well as implementation of risk management policies on all activities and products of the Bank.
2. The working relationship of the Risk Monitoring Committee with the Directorate and Work Unit at the Head Office includes:
  - a. Interactive discussion with 3(three) Directorates related to Legal risk mitigation, Compliance with the procurement process and finalization of the draft of Activity and Product Policy Credit or Financing (KPA PAP).
  - b. Working Visit in 7 (seven) division-level work units at the Head Office in order to strengthen the second line at the Head Office and determine alternative risk mitigation, especially credit risks, operational risks, legal risk and strategic risks.
  - c. Sharing moment with related Work Units at the Head Office to discuss and provide views and find alternative solutions related to mitigating legal risks, reputation risks and strategic risks.
3. Assisting the Board of Commissioners in carrying out Active Supervision by making visits to Branch Offices identified as having a moderate or lower risk profile:
  - a. Working Visit at 6 (six) Branch Offices that have a moderate to lower Risk Profile including Credit, Operational and Legal Risks;
  - b. Socializing Security Awareness Improvement and Internal Control Strengthening to strengthen the second line in the application of the three line of defense concept, as well as building a risk culture in the Branch Office Network; and
  - c. Interactive discussions with fraudsters and branch officials regarding alternative risk mitigation options.
4. Conducting review and providing opinions and recommendations to the Board of Commissioners regarding issues of risk management implementation in all activities and products that have the potential to cause losses to the Bank.
5. Coordinating with the Audit Committee in order to:
  - a. Monitoring and evaluation of the Bank's Soundness Level (TKB).
  - b. Discussing Standart Level Agreement (SLA) Punishment Process for Fraud Perpetrators
  - c. Evaluating functions and implementation of tasks in the internal control unit of the Branch Office.
  - d. Revitalizing the function of the Anti-Fraud Strategy (SAF) and updating the SAF Operational Standards and Procedures SOP).
  - e. Evaluating the implementation of SAF on conflict of interest handling and gratification control, transparency of financial and non-financial information, and integration of the Bank's strategic plan.



## Organ and Committee Under The Board of Directors

### Corporate Secretary

#### Structure of The Corporate Secretary



#### Functions, Duties and Responsibilities of The Corporate Secretary

The Corporate Secretary has duties and responsibilities, among others:

1. Developing the Bank's mission
2. Mediators with Stakeholders such as regulators, investors and the public
3. Maintaining the Bank's image as well
4. Provide information disclosure.

The Corporate Secretary of Bank Jatim has access to material and relevant information relating to the Company relating to information disclosure issues. Bank Jatim's Corporate Secretary is in charge of 3 (three) Subdivisions, namely Secretarial Subdivision, Corporate Communication Subdivision and Investor Management Subdivision.

In carrying out its duties, the Corporate Secretary has the duties and responsibilities to:

1. Follow the development of regulations and legislation in force in the Capital Market field.
2. Provide input to the Directors and Board of Commissioners to comply with the provisions of the regulations and legislation in the Capital Market.

3. Assist the Board of Directors and Board of Commissioners in implementing corporate governance which includes:
  - Disclosure of information to the public, including the availability of information on the company's website
  - Submission of reports to the Financial Services Authority on time
  - Implementation and documentation of the General Meeting of Shareholders
  - Organization and documentation of the Directors and/or Board of Commissioners meetings; and
  - Implementation of orientation programs for Directors and/or Board of Commissioners.
4. Serve as a liaison between the Issuer or Public Company and the shareholders of the Issuer or Public Company, the Financial Services Authority, and other stakeholders.
5. Evaluate every information to be submitted externally and ensure the image and reputation of the Bank is maintained.
6. Build and maintain a good image for the Bank to support and maintain the value of the company so that it always increases.



## Profile of Corporate Secretary



### Wioga Adhiarma Aji

Head of Corporate Secretary

<b>Citizenship</b>	: Indonesian citizens
<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/Age</b>	: Born in Surabaya in 1978, 45 years as of December 2023
<b>Educational Background</b>	: - Bachelor of Legal Studies from Panca Marga University, Probolinggo (2002) - Master of Law from University of 17 August 1945 Surabaya (2020)
<b>Certification</b>	Badan Sertifikasi Manajemen Risiko (BSMR) Level 4
<b>Legal Basis of Appointment</b>	: Since 2023 he has served as Vice President Corporate Secretary based on Directors' Decree No. 062/057/DIR/HCP/KEP dated 20 July 2023.
<b>Job History</b>	: Joined Bank Jatim in 1997. Prior to his current position, he served as Head of Operations Bojonegoro Branch (2012), Head of Bojonegoro Branch (2013), Head of Operations Main Branch (2018), Head of Kediri branch (2020), Head of General Division (2022).

## Corporate Secretary Competency Improvement Program

Throughout 2023, Bank Jatim's Corporate Secretary has participated in various competency improvement programs in the form of training, workshops, conferences and seminars, as shown in the following table:

Type of Training	Competency Development Material	Time and Place of Implementation	Organizer
In House	Corporate Value Internalization For Culture Leaders	Surabaya, January 14, 2023	Kubik Leadership
In House	Greeting And Sharing "Culture Transformation With Growth Mindset" by Ignasius Jonan	Surabaya, October 18, 2023	Ignasius Jonan
Public	Training of Corporate Secretary	Yogyakarta, July 21, 2023	Patrari Jaya Consultant
In House	Refreshment Program /Risk management Certification Refreshment	May 12, 2023 (Online By Zoom Meeting)	Risk Management Certification Body (BSMR)

## Implementation of Corporate Secretary Assignments in 2023

In 2023, the Corporate Secretary has carried out his duties and responsibilities in accordance with the functions carried as follows:

1. Holding the 2022 Annual General Meeting of Shareholders on April 12, 2023. Since the IPO, vote counting at the GMS has been carried out by scanning the barcode of stickers given to shareholders present at the GMS. The barcode sticker contains the identity of the shareholders and the number of votes, so that the voting process can run quickly and well
2. Held Analyst Meetings 4 times to present quarterly performance. The Analyst Meeting is organized by inviting Securities Company analysts, Asset Management investment managers, Pension Fund investment managers, Insurance Company investment managers, and other Fund Managers.
3. Participated in the Public Expose Live which was held by the Indonesia Stock Exchange on November 2, 2023.

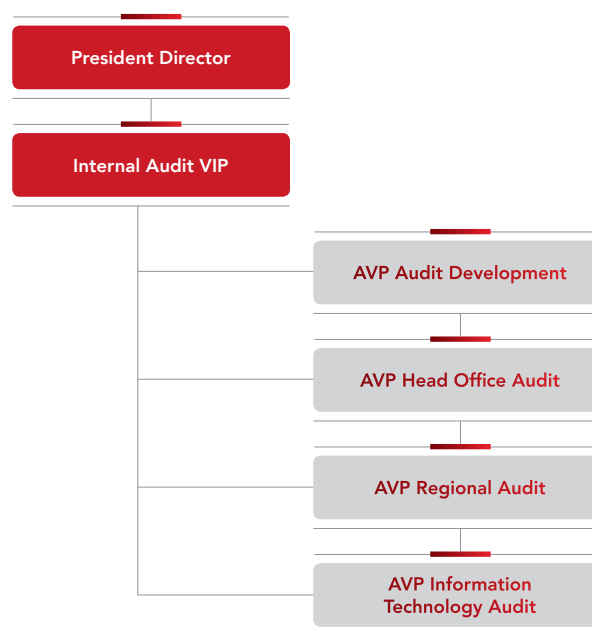


4. Submitted periodic reports and incidental reports to regulators in accordance with applicable regulations.
5. Submitted information disclosure in accordance with applicable regulations.
6. Developed company website related to company information to stakeholders. The development carried out such as the addition of financial ratios that are commonly used by investors, macro and micro conditions, the development of regulators, and comparison with industry. Stakeholders, especially local investors, can easily access company information for decision making in owning company shares.
7. Organized media gatherings 3 (three) times by inviting leading media with offices in East Java.
8. Coordinating the preparation of the Bank's Annual Report Book.
9. Held Board of Commissioners meetings, Board of Directors meetings, and Board of Directors and Board of Commissioners meetings, making minutes of meetings and administering them.
10. Accommodating student and student requests in submitting Field Work Practices and research at Bank Jatim.
11. Administered, distributed and followed up on incoming and outgoing mail.
12. Coordinating the procedures and concepts for Board of Directors meetings, ceremonies, Bank events and other meetings.

## Internal Audit Division

### Organizational Structure of The Internal Audit Division

The organizational structure of the Internal Audit Division based on the Decree of the Board of Directors No.061/218/DIR/PRS/KEP December 7, 2022 is as follows:



### The Position of The Internal Audit Division in Organizational Structure

The structure and position of the Internal Audit Division is regulated and determined according to:

1. POJK No.1/POJK.03/2019 concerning the Implementation of the Internal Audit Function in Commercial Banks.
2. Decree of the Board of Directors of Bank Jatim No. 061/218/DIR/PRS/KEP December 7, 2022 concerning the Organizational Structure and Work Procedures of PT Bank Pembangunan Daerah Jawa Timur Tbk.
3. Decree of the Board of Directors of Bank Jatim No. 061/162/DIR/AUI/KEP July 15, 2022 concerning the Audit Charter of the Internal Audit Division of PT Bank Pembangunan Daerah Jawa Timur Tbk.

The Head of the Internal Audit Division reports directly to the President Director. To support independence and ensure the smooth operation of the audit and the authority to monitor follow-up, the Internal Audit Division can communicate directly with the Board of Commissioners to inform various matters relating to the audit. The position, mechanism, duties and authority of the Internal Audit Division including transparency and clarity are significant matters in the management of Bank Jatim, so that the internal audit policy relating to responsibilities, authorities and levels of independence has been stated in the Internal Audit Charter signed by the President Director and approved by the Board of Commissioners on July 15, 2022 which was compiled based on POJK Number 01/POJK.03/2019 dated January 28, 2019 concerning the Obligation of Commercial Banks to Implement Standards for Implementing Bank Internal Audit Functions (SPFAIB) and Regulation of the Financial Services Authority No.56/ POJK .04/2015 concerning the Formation and Guidelines for the Preparation of Internal Audit Charter.

## Profile of Head Internal Audit Division



### Wardhana Suryaatmaja

**Vice President of Internal Audit Division**

<b>Citizenship</b>	: Indonesian Citizens
<b>Domicile</b>	: Jl. Sekawan Nyaman IV Blok C No.34A, Sidoarjo
<b>Place and Date of Birth</b>	: Surabaya, 09-12-1967
<b>Age</b>	: 56 Years old
<b>Educational Background</b>	: <ul style="list-style-type: none"> <li>Bachelor of Development Studies from University of Wijaya Putra (1995).</li> <li>Master in Management from Artha Bodhi Iswara College of Economics (1998).</li> </ul>
<b>Legal Basis of Appointment</b>	: Legal Basis of Appointment: Since July 18, 2023, he has served as Corporate Leader Secretary based on Directors' Decree No. 062/055/DIR/HCP/KEP dated July 5 2023.
<b>Position History</b>	: <ul style="list-style-type: none"> <li>Vice President Internal Audit Division: 2023 - present</li> <li>Vice President Risk Management Division : 2020 – 2023</li> <li>Head of General Division: 2019 - 2020</li> <li>Head of Product &amp; Policy Development Division: 2018</li> <li>Head of Information Technology Division: 2016 - 2017</li> <li>Head of Accounting Subdivision: 2015</li> <li>Acting Head of Sharia medium Branch : 2015</li> <li>Head of Sharia Sidoarjo Sub-Branch : 2014 - 2015</li> <li>Head of Sharia Gresik Sub-Branch : 2011 – 2013</li> <li>Accounting Supervisor of Sharia Surabaya Branch : 2009 – 2011</li> <li>Information Technology Manager of Operational Subdivision of Sharia Business Support Division: 2007 – 2009</li> <li>PN Supervisor &amp; Teller : 2004 – 2007</li> <li>Junior Programmer of Information technology Division: 1998 – 2004</li> <li>Staff of PDE Operatinal Bureau Adm.Finance : 1995 – 1998</li> <li>Staff of Accounting in Kediri Branch: 1993 - 1995</li> </ul>
<b>Training / Certification</b>	<ol style="list-style-type: none"> <li>Education of Head of Internal Supervision System of Accounting and Finance Development Center (PPA&amp;K) : 2023</li> <li>BSMR Level 5 Risk Management Training and Certification: 2022</li> <li>Sosialization of AML, CFT and Gratification of the Directorate of Criminal Investigation of the Banking Crime Unit of the National Police: 2019</li> <li>Bankruptcy Law Training University Airlangga : 2016</li> </ol>
<b>Basis of Appointment</b>	Vice President of Internal Audit Division (Based on Decree. No. 062/061/DIR/HCP/KEP August 8, 2023)

## The Party That Appoints and Removes The Head of Internal Audit Division

The Head of the Internal Audit Division is appointed and removal by the President Director with the approval of the Board of Commissioners based on the recommendation of the Audit Committee and reported to the Capital Market Supervisory Agency (Bapepam) and the Financial Services Authority (OJK).

### Internal Audit Charter

The Internal Audit Division has an Internal Audit Charter stipulated by the Decree of the Board of Directors of Bank Jatim No. 061/162/DIR/AUI/KEP dated July 15, 2022 concerning the Audit Charter of the Internal Audit Division of PT Bank Pembangunan Daerah Jawa Timur, Tbk.

The Audit Charter of the Internal Audit Division of PT Bank Pembangunan Daerah Jawa Timur, Tbk was prepared based on:

- Financial Services Authority Regulation No. 56/POJK.04/2015 concerning the Establishment and Guidelines for the Preparation of the Internal Audit Charter.
- Financial Services Authority Regulation Number 1/POJK.03/2019 concerning the Implementation of Internal Audit Function at Commercial Banks.
- Financial Services Authority Regulation No. 39/POJK.03/2019 concerning the implementation of the Anti-Fraud strategy for Commercial Banks.
- Financial Services Authority Regulation Number 13 /POJK.03/2020 concerning Amendments to Financial Services Authority Regulation Number 38/POJK.03/2016 concerning



the Application of risk Management in the Use of Information Technology by Commercial Banks.

5. Bank Indonesia Regulation No. 22/23/PBI/2020 concerning the payment system.
6. Bank Indonesia Regulation No. 23/06/PBI/2021 concerning payment service providers.

Internal Audit Charter was created to provide an overview/ guidelines related to Vision, Mission, and Functions, Position in the Organization, Duties and Responsibilities, Authorities, Code of Ethics, Internal Auditor Requirements, Responsibilities of Heads of Internal Audit Division, Internal Audit and Investigation Activities, Internal Audit Division Relationship with External Auditors or Legal Experts, Limitation Policy and Waiting Period, Reporting, Audit Development, Audit Risk, and Legal Protection.

### Duties and Responsibilities of Internal Audit Division

The responsibilities of the Internal Audit Division, namely:

1. Plan and carry out Internal Audit activities with an emphasis on areas/activities that have high risk and evaluate existing procedures/control systems to gain confidence that the goals and objectives of the Bank can be achieved optimally.
2. Evaluating and having an active role in improving the effectiveness of the internal control system on an ongoing basis related to the implementation of bank operations that are at risk of incurring losses.
3. Providing consultation services to internal parties to provide additional value and improvement to the quality of control, risk management, and corporate governance as long as it does not affect the independence and objectivity of internal audit, and adequate resources are available.
4. Carry out steps in order to dig up information (investigation), report, and submit recommendations/conclusions on fraud to Management.
5. Provide recommendations on audit results and monitor followup on the results of Internal Audit activities and investigative activities.

### Authority of The Internal Audit Division

The Internal Audit Division has the authority to:

1. Conducting Internal Audit activities and have full, free and unlimited access to records, information, employees, funds, assets, locations/ areas, and other resources related to the implementation of audits and consultations.
2. Communicating directly with the Directors, Board of Commissioners, Audit Committee, and Sharia Supervisory Board.
3. Holding regular and incidental meetings with the Board of Directors, Board of Commissioners, Audit Committee, and Sharia Supervisory Board.
4. Communicating and coordinating with external parties including regulators.
5. Participating in strategic meetings without having voting rights.
6. Conducting investigative activities on cases/problems in every aspect and element of activities indicated by fraud and violation of the code of conduct.

### Internal Audit Division Personnel Composition

The composition of Internal Audit Division personnels as of December 31, 2023 is as follows.

**Table of Internal Audit Division Personnel Composition**

Position	Total
Junior Auditor	36
Auditor	20
Acting Senior Auditor	2
Senior Auditor	6
Acting compliance Vice President Assistant of Audit Division	1
Vice President Assistant of Audit Subdivision	1
Vice President of Internal Audit Division	1
<b>TOTAL</b>	<b>67</b>

### Competency Improvement Program for The Internal Audit Division

No.	Training/Certification Date	Type of Training/Certification
1	January 13 – 14, 2023	Pawn Estimation Training
2	May 4 – 14, 2023	Young Auditor Training Batch 1 (ACCIA)
3	June 6 – 16, 2023	Young Auditor Training Batch 2 (ACCIA)
4	July 31 – August 10, 2023	Young Auditor Training Batch 3 (ACCIA)
5	May 22 – June 6, 2023	Advanced QIA Training
6	July 12, 2023	PIA Certification Competency Test



No.	Training/Certification Date	Type of Training/Certification
7	July 8 – 13, 2023	Tax Training
8	August 21 – 23, 2023	ITIL Certification
9	August 23 – 25, 2023	Web Pentest Training
10	October 13 – 18, 2023	SKAI Head Certification (CPAM)
11	December 15 – 22, 2023	Intermediate Auditor Training Batch 1 (CCIA)

### Internal Audit Division Personnel Certification

Certifications having been owned by the Auditors as of December 31, 2023, include:

Certification	Total
BSMR 1	39
BSMR 2	19
BSMR 3	7
BSMR 4	1
Web Pen Test	2
QIA Lanjutan	3
CISA	1
ITIL	4
Treasury Dealer	1
Kredit	1
CCNA	1
CFrA	3
ACCIA	62
PIA	1
CPAM	1
CEH	1

### Auditor Code of Ethics

The Internal Audit Division must strive to be able to play a role as a consultant for internal parties that need it, especially regarding the scope of their duties. The Internal Audit Division can provide responses to proposals for policies or new systems and procedures to assess aspects of internal control so that in its implementation its objectives can be achieved effectively and efficiently.

With the involvement of the Internal Audit Division in this system review, it does not mean that those things will be excluded as audit objects. The Internal Audit Division does not have the authority or responsibility to carry out operational activities of the Auditee.

### Independence

The Internal Audit Division has independence in carrying out Internal Audit and investigative activities, expressing views and thoughts in accordance with its profession and applicable standards.

1. Management must provide full support for the functions of the Internal Audit Division in order to be able to carry out their duties freely without interference from any party and management must follow up on the findings of the Internal Audit Division.
2. Internal Auditors are able to express their views and thoughts without influence or pressure from any other party.
3. The Internal Audit Division has the freedom to determine the audit methods, scope, methods, techniques and approaches to be carried out.
4. In managing Internal Audit Division personnel, with the approval of the President Director and Head of the Internal Audit Division.

### Objectivity

1. Internal Auditors and Investigators must have an independent mental attitude in carrying out internal audit and investigative activities. This mental attitude is reflected in a complete, objective report and based on careful and impartial analysis.
2. Internal Auditors and Investigators are free from conflicts of interest over the object or activity being examined. If the Internal Auditor and Investigator have a conflict of interest in the object or activity being examined, the person concerned must state the connection and not be assigned to carry out an audit of the object or activity in question.

### Professionalism

Professionalism becomes a reference for the Auditor in carrying out his duties. For this reason the auditor must have the attitude:

1. Integrity, mental attitude that is independent, honest, objective, diligent, reliable, decisive, trustworthy, avoids conflicts of interest and upholds the ethics and profession of the Internal Auditor, including being wise and cautious in using information obtained in carrying out tasks and not use confidential information for personal interests or other things that could cause harm to the Bank (confidentiality code).

2. Competencies in accordance with the required competency profile.
3. The ability to interact and communicate effectively both verbally and in writing.
4. Obligation to comply with the Internal Auditor's Code of Ethics and the Internal Auditor's Professional Standards for the Internal Auditor and the Investigator's Code of Ethics and Investigator's Professional Standards for Investigators.
5. Obligation to maintain the confidentiality of company information and/or data related to carrying out the duties and responsibilities of the Internal Auditor unless required by statutory regulations or court decisions/decisions.

### Brief Report on The Implementation of Internal Audit Activities In 2023

#### Audit Method

The audit is carried out by a sampling method with a Risk Based Audit approach, namely an audit approach that begins with an audit risk assessment process (risk profile), so that in planning, implementing and reporting the audit is more focused on important high-risk areas. The sampling method used the Judgmental Sampling method by considering population and historic problem.

Audit techniques are carried out to obtain relevant evidentiary material in order to compare the existing conditions (conditions) with the conditions that should be (criteria), including substantive tests on financial reports, interviews, verification, analysis, translation, reconciliation, inspections and if necessary they can be carried out. confirmation to third parties (Notary, KJPP, KAP, Bouwheer, etc).

#### Audit Activities Implementation In 2023

Audit activities in 2023 had been in accordance with Internal Audit Division Work Plan (Audit Plan) of 2023 No. 062/001/AUI/AUDITPLAN dated January 24, 2023. The General Audit examinations had been conducted in Conventional Branch Offices, Sharia Branch Offices, Thematic Audit, Surprise Audit, and Clarification Audit in accordance with the possessed authority. Thus, the scope of the audit covers aspects and elements of all Bank activities.

#### MEETING WITH THE BOARD OF DIRECTORS, BOARD OF COMMISSIONERS, AND/OR AUDIT COMMITTEE

The Internal Audit Division has the authority to hold regular and incidental meetings with the Board of Director, Board of Commissioners, Audit Committee and Sharia Supervisory Board. In addition, the Internal Audit Division can participate in strategic meetings without having voting rights.

The frequency of meetings is held according to needs.

During 2023, the Internal Audit Division has attended meetings with the Board of Directors, Board of Commissioners, and/or the Audit Committee, with details as follows.

No.	Description	Number of Meetings
1.	Kick Off Audit Plan	1
2.	Rapat Komite Audit dan Dewan Komisaris	4
3.	Meeting with the Board of Directors <b>Exit Meeting</b> Cabang dan Divisi	49

#### Findings and Follow Up on Audit Results

The Internal Audit Division must monitor and analyze and report the progress of the implementation of the follow-up improvements that have been made by the Auditee. The followup includes:

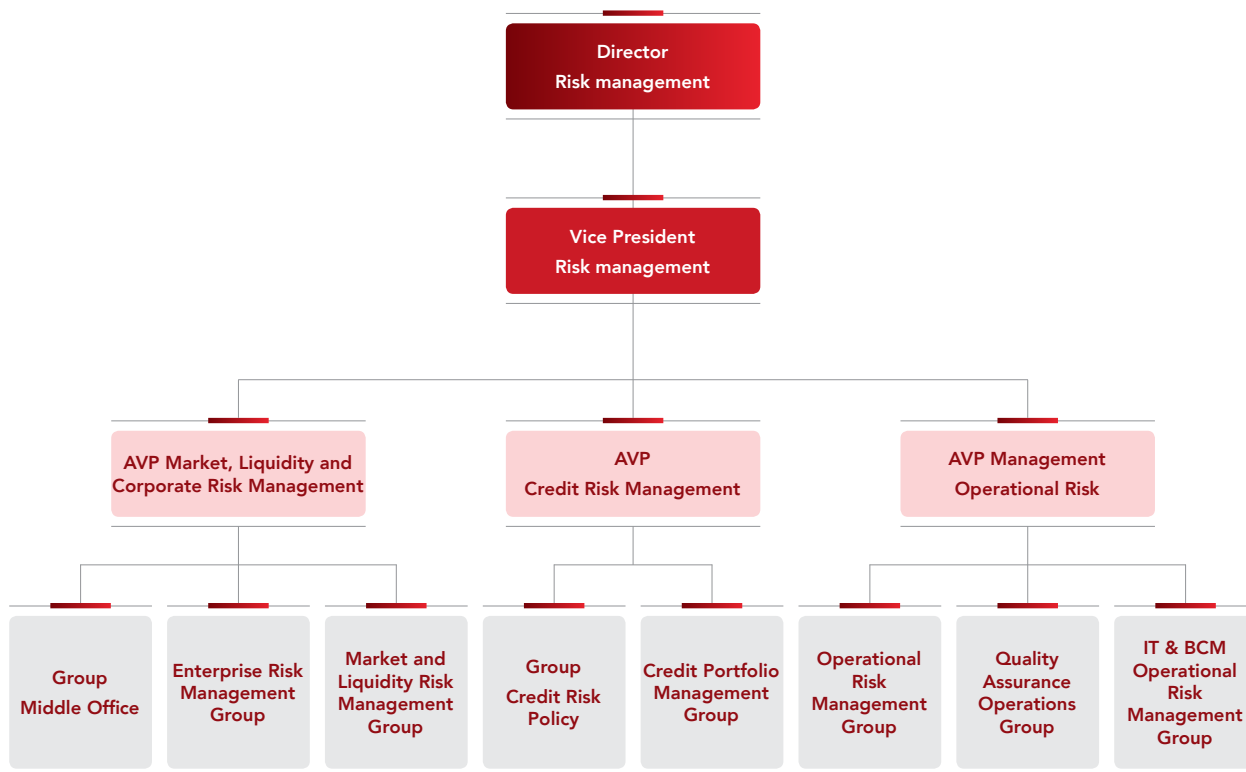
1. Monitoring of follow-up implementation  
Monitoring of follow-up implementation must be carried out so that progress can be known and can be reminded to the Auditee if the auditee has not been able to carry out the commitment to improve before or until the promised time limit.
2. Analysis of adequacy of follow-up  
From the results of monitoring of follow-up implementation, an adequacy analysis was carried out on the realization of the promise of improvement that had been carried out by the auditee. Furthermore, a follow-up check needs to be done if there are difficulties or obstacles that cause the follow-up to be unable to be carried out properly. Every time a followup is held, there is a follow-up evidence report signed by the auditor and auditee.
3. Follow-up Reporting  
In its implementation, if the follow-up has not been fully fulfilled, According By the Auditee, the Head of the Internal Audit Division provides a written report to the President Director and the Board of Commissioners as well as a copy to the Audit Committee and the Director of Compliance and Risk Management for further action.
4. Compliance with the follow-up to General Audit findings.  
If none of the progress of follow up occurs within 3 months, follow-up monitoring is submitted to Audit Policy Group and Quality Control Audit Internal Division, and periodically coordinated with the Auditee regarding the follow-up development.



## Corporate Risk Management Division

### Structure of Corporate Risk Management Division

The structure of the Company Risk Management Division consists of the Compliance and Risk Management Director who oversees the Corporate Risk Management Division which consists of the Credit, Market and Liquidity Risk Management Subdivision and the Operational Risk Management Subdivision and Others.



### Duties and Responsibilities of The Corporate Risk Management Division

The duties and responsibilities of the Risk Management Division were as follows:

1. Providing input to the Directors in preparing Risk Management policies and strategies.
2. Develop procedures and tools for identification, measurement, monitoring and risk control.
3. Design and implement the tools needed in the implementation of risk management.
4. Monitor the implementation of Risk Management policies, strategies and frameworks recommended by the risk management committee and approved by the Board of Directors.
5. Monitor overall risk position or exposure, as well as per risk, including monitoring compliance with established risk tolerances and limits.
6. Conduct Stress Testing to determine the impact of the implementation of risk management policies and strategies on the Bank's overall portfolio or performance.
7. Review proposed new products and/or activities developed by a work unit including the completeness of the systems and procedures used and their impact on the overall risk exposure of the Bank.
8. Provide recommendations to the risk-taking unit and/or to the Risk Management committee regarding the implementation of risk management.
9. Evaluate the accuracy and validity of the data used to measure risk for Banks using models for internal Bank purposes.
10. Prepare and submit reports on Bank Soundness Level, Bank Risk Profile, KPMM in accordance with the Risk Profile to the main Director and the Director in charge of the risk management function.
11. Carry out periodic reviews of the process of implementing Risk Management.
12. Independent form risk taking unit in performing risk management monitoring function. Monitoring function aims to ensure that bank risk and portfolio have been well-managed, such as by the determination of risk parameter and limit.



## Profile of Corporate Risk Management Division Head

The Head of the Risk Management Division in 2023 will be Mrs. Suci Issumiyarti.



### Suci Issumiyarti

**Risk Management Division Leader**

<b>Kewarganegaraan</b>	: Indonesian Citizens
<b>Domicile</b>	: Surabaya
<b>Place and date of birth</b>	: Born in Semarang in 1966, 57 years old as of December 2023
<b>Educational background</b>	: Bachelor of French from the Semarang State Teacher Training and Education Institute (1989).
<b>Position History</b>	: Joined Bank Jatim in 1994. Prior to his current position, he served as Head of Operational Division of Ngawi Branch (2011), Head of Kepanjen Branch (2012), Head of Tulungagung Branch (2014), Head of Corporate Secretary Sub Division (2015), Head of Malang Branch (2015), Head of Strategic Planning Division (2017), Head of Institutional and Business Relations Division (2017), Head of Credit Risk Division (2018), Head of Business Risk Division (2020). Head of the Enterprise Risk Management Division (2021), Head of Operations Division (2022).
<b>Certification</b>	<ul style="list-style-type: none"> <li>• Risk Management Level 4 Certification</li> <li>• Bank Staff and Leader School (SESPL) of 2021</li> </ul>
<b>Basis of Appointment</b>	: Since 2023, she has served as Head of Risk Management Division based on Directors Decree No. 062/148/DIR/HCP/KEP dated August 16, 2023.

## Risk Management Competency Development

The competency development that has been followed by the Company's Risk Management Division employees during 2023 is as follows.

No.	Name of Education and Competency Development	Execution time
1	Corporate Value Internalization For Culture Leaders	January 2023
2	Training Transaksi DNDF, OIS Dan IRS	March 2023
3	Full Stack Data Analytics Program	April 2023
4	ATMR Market Risk Measurement in accordance with SEOJK No. 23/Seojk.03/2022	April 2023
5	Value At Risk (Var) Measurement Limit Setting And Portofolio Management	May 2023
6	Financing Analysis, Legal Administrator and Management Collection	June 2023
7	Education and Training of Risk-Based Investment Permits Management	July 2023
8	Trade Finance	July 2023
9	Early Warning System	July 2023
10	Stress Testing On Market Risk & Liquidity Risk	August 2023
11	Leadership And Problem Solving	August 2023
12	Critical Point Dan Strategi Anti Fraud	August 2023
13	Facilitating Techniques And Customer Engagement	September 2023
14	Business Model Canvas	September 2023
15	Communication, Negotiation And Presentation Skills	September 2023





No.	Name of Education and Competency Development	Execution time
16	Supply Chain Concept	September 2023
17	Technology, Banking Innovation, Security, and Data Protection	September 2023
18	Understanding and Function of Funds Product, Funds Management, and Investment, Role of Funding Officer	October 2023
19	AML-CFT, Gratification & Compliance Culture	October 2023
20	Foreign Exchange Management and Banknotes, ATM, EDC, and ETPD	October 2023
21	Reward Punishment And Corporate Culture	October 2023
22	Culture Transformation With Growth Mindset	October 2023

### Risk Management Certification

No	Certification	Position	Amount
1	Risk Management Certification Level 5	Directors	5
		SEVP	2
		Division Leader	9
2	Risk Management Certification Level 4	SEVP	1
		Division Leader	20
		Head of Sub Division/Leader of Branch at the same level	60
		Senior/Subsidiary Branch Leader at the same level	2
		Level Staff	1
3	Risk Management Certification Level 3	Head of Sub Division/Leader of Branch at the same level	33
		Senior/Subsidiary Branch Leader at the same level	207
		Officer/Supervisor Level	6
		Level Staff	2
4	Risk Management Certification Level 2	Commissioner	2
		Head of Sub Division/Leader of Branch at the same level	2
		Senior/Subsidiary Branch Leader at the same level	106
		Officer/Supervisor Level	740
		Level Staff	23
5	Risk Management Certification Level 1	Officer/Supervisor Level	85
		Level Staff	187

### Implementation Duties of The Risk Management Division in 2023

During 2023, the Risk Management Division has carried out its duties and responsibilities, including:

1. In line with the rule making rule policy, the Risk Management Division strived to fulfill and comply with the applicable regulations through the preparation and review of risk management policies, both Main and Activity Policies, Standard Operating Procedures and Technical Guidelines..
2. Compile Risk Assessment of New and Existing Products/ Activities.
3. Execute the Risk Management Committee.
4. Prepare and submit Reports to Regulators.
5. Compile a Stress Tes.
6. Review the methodology in assessing Bank Soundness Level Parameters.
7. Monitor Risk Management Activities.
8. Reviewing and updating Risk Limits.
9. Development of Risk Management Information System.
10. Supervising the achievement of bank business plan by attempting sustainably improving measures based on the results of self-assessment regarding the Bank Soundness Level.

11. Satisfaction of the provisions of regulations related to changes of ATMR measurement for credit risk and operational risk as well as conducting ATMR Measurement Trial for Market Risk using the standardized approach method.
12. Improve the quality of human resources through training programs both Public Training and In House Training as well as Risk Management Certification.
13. Implement a risk culture strengthening program in order to increase employee awareness of the risks faced in each work unit.
14. Evaluating the results of testing of internal controlling system of operational branch by Quality Assurance Operations.

### Committee Under The Board of Directors

Provisions regarding the Board of Directors Committee of Bank Jatim are stipulated based on the Decree of the Board of Directors Number 062/056/DIR/CSE/KEP dated July 12, 2023, concerning the Board of Directors Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk. Following the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Number 061/218/DIR/PRS/KEP dated December 7, 2022, concerning the Organizational Structure and Work Procedure of PT Bank Pembangunan Daerah Jawa Timur Tbk and Circular Letter of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 062/003/DIR/PRS/SE dated February 24, 2023 regarding Organizational Structure and Work Procedure of Bank Jatim-Grand Design, the Committee for the Board of Directors of Bank Jatim in 2023 is as follows:

1. Asset Liability Committee (ALCO)
2. Risk Management Committee
3. Personnel Management Committee
4. Information Technology Steering Committee (ITSC)
5. Credit Committee
  - a. Credit Implementation Committee;
  - b. Credit Restructuring Committee
  - c. Credit Settlement Committee;
  - d. Credit Line Committee to the Corporation
  - e. Term Loan Facility Committee;
  - f. Financing Implementation Committee
  - g. Financing Restructuring Committee
  - h. Financing Rescue Committee
  - i. Credit Book Write-off Committee
  - j. Committee Delete Financing
6. Credit Policy Committee
7. Product and Network Committee:
  - a. Product Sector PJP Committee
  - b. PJP Committee for Networking

Decree of the Board of Directors of PT Regional Development Bank East Java Number 061/218/DIR/PRS/KEP dated December 7, 2022 concerning the Organizational Structure and Work Procedure of PT Bank Pembangunan Daerah Jawa Timur Tbk has revoked the Decree of the Directors of PT Bank

Pembangunan Daerah Jawa Timur Tbk Number 058/ 158/DIR/PRS/KEP dated June 17, 2019 concerning the Organizational Structure and Work Procedures of PT Bank Pembangunan Daerah Jawa Timur Tbk. There was a regulation in the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Number 061/218/DIR/PRS/KEP dated December 7, 2022, including that things to be done during the transition period include but were not limited to:

1. Meeting the needs of Human Resources including transfer of knowledge and fulfillment of the required competencies;
2. Fulfillment and updating of internal provisions (KPA, SOP, Technical Guidelines, Job Descriptions and other related provisions);
3. Fulfillment of the required facilities and infrastructure (including information systems and technology).

Changes to the Organizational Structure and Work Procedures were further regulated in the Board of Directors Circular Number 062/003/DIR/PRS/SE dated February 24, 2023 regarding Organizational Structure Stages and Work Procedures of Bank Jatim-Grand Design, reulating as follows:

1. Implementation of Organizational Structure-Grand Design prevailing dated April 30, 2023. In terms of having employees satisfaction before the effective date of the Organizational Structure-Grand Design, the organizational structure of the unit can be stated applicable;
2. Upon the implementation of the Organizational Structure-Grand Design affecting to the internal provisions to make updating of the internal provisions since the circular Letter of the Board of Directors regarding the Organizational Structure-Grand Design is stipulated until the effective date of the organizational structure-grand design is enacted;
3. The authorities and responsibilities of the Board of Directors and the Division on existing internal provisions (KPA/SOP/ Juknis) were declared to remain valid. If there was a change/ movement of division nomenclature to be adjusted with the Director of the field in charge;
4. In terms of SEVP position having not satisfied until the effective date of organizational structure- grand design, it will refer to Directors Decree No. 061/220/DIR/PRS/KEP dated December 7, 2022 regarding Appointment of Temporary Authority and Division of Task of Senior Executive Vice President (SEVP) of PT Bank Pembangunan Daerah Jawa Timur Tbk;
5. During the transition period from the pre-transition stage until the implementation of the organizational structure-grand design, the authority and responsibilities of the Board of Directors and Divisions in the existing internal provisions (KPA/SOP/Juknis) are declared to remain valid. If there are changes/moves in the Division nomenclature, it will be adjusted to the Division Director in charge;
6. The preparation and completion of job descriptions for all positions will be carried out in parallel with adjustments to internal provisions with a deadline until the effective date of the organizational structure-grand design is enacted.



## Asset Liability Committee (ALCO)

In order to unify the decision making of assets and liabilities for the purposes outlined, a forum called the Asset Liabilities Committee (ALCO) is needed. To minimize and eliminate the

risks that occur in banks, especially Liquidity Risk, Interest Rates and Exchange Rates, cooperation and active participation from the decision makers is necessary, both in terms of assets and liabilities. The cooperation will succeed if each decision maker understands the role and its impact on overall business profits.

### STRUCTURE AND MEMBERSHIP OF ASSET LIABILITY COMMITTEE (ALCO)

Position	Accorded by	Voting Right Status
Chairman	President director	Have voting rights
Substitute chairman	Director of Finance, Treasury & Global Services	Have voting rights
Secretary	VP Treasury	Have voting rights
Permanent Member	<ul style="list-style-type: none"> <li>• Director other than Head and Substitute Head</li> <li>• All VP other than invitees</li> <li>• All SEVP (Senior Executive Vice President)</li> <li>• Main Branch Leader</li> </ul>	Have voting rights
Non-Permanent Member	<ul style="list-style-type: none"> <li>• Director of Compliance</li> <li>• VP of Human Capital Division</li> <li>• VP of General Affairs Division</li> <li>• VP of Internal Audit Division</li> <li>• VP of Compliance &amp; Corporate Governance Division</li> <li>• VP of Legal Division</li> <li>• Internal or external resource persons (e.g. Branches other than members, Consultant)</li> </ul>	Have voting rights

### DUTIES, AUTHORITY, AND RESPONSIBILITIES OF ASSET LIABILITY COMMITTEE (ALCO)

ALCO memiliki tugas, wewenang dan tanggung jawab antara lain:

1. Formulation of strategies and policies for the management and control of financial assets as well as Bank liabilities based on the predetermined liquidity risk, interest rate risk and exchange rate risk controls.
2. Review the balance sheet structure on exposure assets and liabilities so that it is in line with the Bank's Business Plan and established risk limits.
3. Reviewing the latest developments and projections related to the state of the economy, interest rates, exchange rates and foreign exchange to guide established policies
4. Conduct asset and liability pricing reviews to optimize the results of investment funds, minimize the cost of funds, and maintain a balance sheet structure in accordance with the company's ALMA strategy.
5. Evaluate, develop and determine the Asset & Liabilities Management position to ensure that the results of the risk taking position are consistent with management objectives:
  - a. Liquidity Risk.
  - b. Interest Risk.
  - c. Foreign Exchange Risk.
6. Evaluate and set the banking book portfolio strategy based on the Bank's Business Plan (RBB) and following current conditions while still considering Liquidity Risk, Market Risk, and Exchange Rate Risk.
7. Review and determine loan and fund interest rates and list & terms of conditions in accordance with the recommendations, studies and the authority of each division in charge.
8. Review and determine the position strategy of the Primary Reserve, Secondary Reserve and Tertiary Reserve.
9. Review and determine the gap position strategy and its instruments.
10. Review and define strategies for foreign exchange positions and currencies.
11. Determine the internal funds transfer rate or inter-office account prices to boost efficiency in branch management.
12. Review the performance and position of the Bank's assets and financial liabilities in order to assess the impact of asset liability management on the Bank's objectives and on the Bank's internal compliance and regulatory compliance.
13. Adapt strategy, limitations and implementation guidelines as well as policies in order to achieve asset liability management objectives.



## PROFILE OF ASSET LIABILITY COMMITTEE (ALCO) MEMBERS

Profiles of members of the Asset Liability Committee (ALCO) can be seen in the Profiles of Directors and Profiles of Division Leaders in the Company Profile Chapter in this Annual Report.

## ASSET LIABILITY COMMITTEE (ALCO) INDEPENDENCE STATEMENT

All committee members had no affiliation with Other Directors, Commissioners or Controlling Shareholders, and they were not shareholders of the Company and could affect their ability to act independently, Commissioners, Directors or employees of companies that had affiliation or business with the Bank.

## ASSET LIABILITY COMMITTEE (ALCO) MEETING AND DUTIES

### MEETING POLICY

The Bank regularly held ALCO (Asset & Liability Committee) Meetings every month. The ALCO meeting agenda was led by the ALCO Chair and/or ALCO replacement Chair and attended by ALCO members and invitees. The ALCO Meeting Forum had fulfilled the meeting quorum in accordance with the provisions or management policies related to the Committees under the Board of Directors. The ALCO Meeting agenda of each Business Division was decided in the ALCO forum and was in accordance with the pricing policy and the Bank's business needs.

### Implementation of Meetings

No	Date	Agenda	Initiator Division	Total Agenda	ALCO results	Attendance
1	January 30, 2023	• List of Term & Condition Multipurpose Credit	Consumer Division	3	Approved	95%
		• Micro Agent Program	Retail & Medium Micro Credit Division		Approved	
		• List of Term & Condition Transaksi Valas	Treasury Division		Approved	
2	February 16, 2023	• Retail Micro & Medium Credit Interest Rates	Micro Retail & Medium Division	2	Approved	100%
3	March 21, 2023	• Review of Basic Credit Interest Rates	Treasury Division	2	Approved	95%
4	April 14, 2023	• Automobile Credit Interest Rates	Consumer Division	5	Approved	91%
		• List of Term & Condition of Property Credit Program				
		• List of Term & Condition Program Kredit Multiguna	Divisi Konsumer		Not approved	
5	May 30, 2023	• Deposit Interest Rates (Rupiah & Foreign Exchange)	Funds & Services Division	6	Approved	71%
		• List of Term & Condition BI Fast	Funds & Services Division		Approved	
		• List of Term & Condition API SNAP	Information Technology Division		Approved	
		• Multipurpose credit Interest Rates	Consumer Credit Division		Approved	
		• Transfer Pricing Adjustment	Treasury Division		Approved	
6	June 22, 2023	• Special Sharia Deposit Customer	Sharia Division	1	Approved	71%
7	July 14, 2023	• List of Term & Condition of DPK Foreign Exchange	International Banking Division	7	Approved	83%
		• Retail Jatim Credit Interest Rates	Retail & Medium Micro Credit Division		Approved	
		• Special Deposit Interest Rates	Funds & Services Division		Approved	
		• List of Term & Condition of ALCO other provisions	Funds & Services Division		Approved	
		• Property Credit Interest Rates	Consumer Credit Division		Approved	



No	Date	Agenda	Initiator Division	Total Agenda	ALCO results	Attendance
8	August 9, 2023	• Property Credit Interest Rates	Sharia Business Division	5	Approved	71%
		• List of Term & Condition of Retail Credit	Retail & Medium Micro Credit Division		Approved	
		• List of Term & Condition of Multipurpose Credit	Consumer Credit Division		Approved	
9	September 13, 2023	• Suku Bunga dan List of Term & Condition Term Loan Facility (TLF)	International Banking Division	6	Approved	87%
		• List of Term & Condition Trade Finance	International Banking Division		Approved	
10	October 10, 2023	• List of Term & Condition of Automobile Credit	Consumer Credit Division	7	Approved	87%
		• List of Term & Condition of Retail Credit & Medium	Retail Microcredit and Program Division		Approved	
		• List of Term & Condition of Corporate Credit	Commercial, Corporate & Syndication Credit Division		Approved	
11	October 13, 2023	• List of Term & Condition Kredit Konsumer	Consumer Credit Division	5	Approved	93%
		• List of Term & Condition Dana Jasa	Services Fund Division		Approved	
12	November 8, 2023	• List of Term & Condition	Network & Service Management Division	4	Approved	95%
		• Ujroh Financing of ib barokah gold • Margin dan List of Term & Condition KUR	Sharia Business Division		Approved	
13	November 14, 2023	• Special Debtor Interest Rates	Commercial, Corporate and Syndication Credit Division	1	Approved	71%
14	December 1, 2023	• Special Deposit Interest Rates	Funds & Services Division	1	Approved	87%
15	December 7, 2023	• BPR Apex Interest Rates	Sharia Business Division	4	Approved	83%
		• Interest Rates & List of Term & Condition of Cash Collateral Credit	Consumer Credit Division		Approved	
		• List of Term & Condition of Third Party Funds	Funds & Services Division		Approved	
		• List of Term & Condition of Jatim Agent	Network & Service Management Division		Approved	

## Risk Management Committee

The Risk Management Committee is established to maintain risk exposures at tolerable or profitable limits, so the Bank can conduct its business activities and remain under control (manageable) based on the principle of prudence.



## STRUCTURE AND MEMBERSHIP OF RISK MANAGEMENT COMMITTEE

The structure and membership of the Risk Management Committee are as follows.

Position	Accorded by	Accorded by Voting Rights Status
Chairman	President Director	Have voting rights
Interim Head of Committee	Director of Risk Management	Have voting rights
Secretary	Head of Corporate Risk Management Division	Have no voting rights
Permanent Member	Director of Divisions	Have voting rights
	Director of Compliance	Have no voting rights
	All Senior Executive Vice Presidents (SEVP)	Have voting rights

## DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE RISK MANAGEMENT COMMITTEE

The authorities and responsibilities of the Risk Management Committee is to evaluate and provide recommendations to the President Director regarding the implementation of risk management, including minimally as follows:

- Drafting of risk management policies and its changes, including risk management strategies, level of risks appetite and risk tolerance, risk management framework, and contingency plans to anticipate the occurrence of abnormal conditions.
- Improving the risk management process periodically or incidentally as a result of changes in the Bank's external and internal conditions that affect the Bank's capital sufficiency, risk profile, and ineffective implementation of Risk Management based on the results of evaluation.
- Determination of policies and/or business decisions that deviate from normal procedures, such as exceeding significant business expansion compared to the Bank's previously determined business plan or taking positions or risk exposures that exceed predetermined limits.
- Submitting an assessment of the Bank's Soundness Level and company risk profile.
- Determining overall limits, limits per type of risks, limits per functional activity including limits related to business and other operations.
- Deciding the level of risk appetite and risk tolerance.
- Delivering strategic issues that are in line with business strategy and follow up on these issues that are discussed in the previous Risk Management Committee and have been determined by the Division in charge.

## RISK MANAGEMENT COMMITTEE MEMBERS PROFILE

Profiles of members of the Risk Management Committee can be seen in the Profiles of Directors and Profile of Division Leaders in the Company Profile Chapter in this Annual Report.

## RISK MANAGEMENT COMMITTEE INDEPENDENCE STATEMENT

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

## MEETINGS AND IMPLEMENTATION OF RISK MANAGEMENT COMMITTEE TASKS

No.	Meeting Date	Agenda	Initiator Division	Number of Agenda	Committee Results	Attendance
1.	January 31, 2023	The results of self – assessment for the period of December 2022: 1. Bank's Soundness Level 2. Bank's risk profile 3. Governance 4. Rentability and Capitalization	Risk Management Division	5	Approved	86%
2.	February 10, 2023	1. Review of Authority Limit of Settlement towards Transaction via Estim 2. Credit Portfolio or Financing Guidelines: a. Target Market; b. Negative List; c. Development Plan of East Java Region.	Risk Management Division	2	Approved	71%



No.	Meeting Date	Agenda	Initiator Division	Number of Agenda	Committee Results	Attendance
3.	May 4, 2023	1. Global Financial Market Dynamics 2. Bank's Risk Profile on March 2023 comprised of: a. Follow-up Progress of Komenko #01 b. The Results of Self- Assessment of Bank's Risk Profile for the period of March 2023 c. Risk Issue in 2023 d. The Results of Self- Assessment of Bank's Risk Profile for the period of February 2023	Risk Management Division	2	Approved	71%
4.	May 31, 2023	1. Review of Authority Limits for Approval & Payment of Goods/Services Procurement and Non-Product Costs 2. Review of Switching Limits and Budget Exceedings 3. Risk Appetite Statement	Risk Management Division	3	Approved	71%
5.	October 24, 2023	1. Bank's Risk Profile Report for the period of September 2023 2. Review of Authority Limits for Settlement towards Transaction via Estim	Divisi Manajemen Risiko	3	Disetujui	92%

### Personnel Management Committee

The Personnel Management Committee was formed in order to obtain optimal results in deciding critical matters in the field of Human Capital, both strategically, policies, and the Human Capital management system in line with the Bank's Business Plan.

#### STRUCTURE AND MEMBERSHIP OF THE EMPLOYMENT COMMITTEE

Struktur Keanggotaan Komite Manajemen Kepegawaian adalah sebagai berikut:

Chairman	President Director	Have Sound
Substitute Head	Director of Fields Obtaining Appointment from the Main Director	Have Sound
Member	Director of other fields and SEVP in charge of the Human Capital Division	Have Sound
Secretary	Head of the Human Capital Division	Have no Sound

#### DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE EMPLOYMENT COMMITTEE

The Personnel Management Committee has duties, authorities and responsibilities, among others:

- The duties, authorities and responsibilities of the Board of Directors Committee are divided into 3 (three) areas consisting of:
  - Policy Area
  - Career Management
  - Office Punishment
- The duties, authorities and responsibilities of the Board of Directors Committee in the policy field include:
  - Ensure that the main policies related to Human Capital activities are consistent and in line with the company's strategic planning (Corporate plan).

- Establish and decide standard operating procedures in the field of Human Capital
- Duties, authorities and responsibilities of the Board of Directors Committee in the field of career management include:
    - Deciding on the implementation of the official transfer/promotion program at Echelon 1 and Echelon 2 levels.
    - Evaluating the Key Performance Indicators (KPI) of individual officials with echelon 1 levels.
  - The duties, authorities and responsibilities of the Board of Directors Committee in the field of disciplinary punishment are to decide on disciplinary violation sanctions for employees with echelon 1 and 2 levels and echelon levels below them if the violations are interrelated.

**EMPLOYMENT COMMITTEE MEMBERS PROFILE**

Profiles of Personnel Management Committee Members can be seen in the Profiles of Directors and Heads of Division in the Company Profile Chapter in this Annual Report.

**STATEMENT OF INDEPENDENCE OF EMPLOYEE MANAGEMENT COMMITTEE**

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

**MEETINGS AND IMPLEMENTATION OF THE TASKS OF THE EMPLOYEE MANAGEMENT COMMITTEE**

No	Meeting Date	Agenda	Initiator Division	Number of Agendas	Board of Directors Committee Results	Attendance
1	January 3, 2023	CIRCULAR – Refinement of Grading and Remuneration Policy	Human Capital Division	1	Approved	Circular – 100%
2	January 6, 2023	CIRCULAR – Recruitment of Experienced Employees Echelon 2	Human Capital Division	1	Approved	Circular – 100%
3	January 20, 2023	CIRCULAR – Approval of Implementation of Echelon 1 Recruitment	Human Capital Division	1	Approved	Circular – 100%
4	February 14, 2023	CIRCULAR – Refinement of Duty Travel Policy	Human Capital Division	1	Approved	Circular – 100%
5	February 22, 2023	- Transfer of Echelon 1 & 2 Officers - Appointment of Officers to SEVP Position	Human Capital Division	2	Approved	83%
6	February 24, 2023	Transfer of Echelon 2 Employees	Human Capital Division	1	Approved	83%
7	March 10, 2023	CIRCULAR – Refinement of Grading and Remuneration System	Human Capital Division	1	Approved	Sirkuler – 100%
8	March 10, 2023	CIRCULAR – Refinement of Punishment SOP	Human Capital Division	1	Approved	Sirkuler – 100%
9	March 20, 2023	Positional Punishment	Human Capital Division	1	Approved	88%
10	March 28, 2023	Discussion of SEVP Interview Results	Human Capital Division	1	Approved	88%
11	April 11, 2023	Division Leader KPI	Human Capital Division	1	Approved	100%
12	May 31, 2023	- Fulfillment of Vacant Position Echelon 1 & 2 - Transfer of Task	Human Capital Division	2	Approved	100%
13	June 14, 2023	- Fulfillment of Vacant Position Echelon 1 & 2 - Transfer of Task	Human Capital Division	2	Approved	75%
14	July 4, 2023	- Fulfillment of Vacant Position Echelon 1 & 2 - Changes in Mutation SOP & KMK SOP	Human Capital Division	2	Approved	75%
15	July 14, 2023	Refinement of Car Allowance Program SOP	Human Capital Division	1	Approved	100%
16	August 7, 2023	Fulfillment of Vacant Position Echelon 1 & 2	Human Capital Division	1	Approved	88%
		Positional Punishment		1	A follow-up committee will be held on October 6, 2023	
17	October 6, 2023	Positional Punishment	Human Capital Division	1	A follow-up committee will be held on December 21, 2023	75%



No	Meeting Date	Agenda	Initiator Division	Number of Agendas	Board of Directors Committee Results	Attendance
18	November 1, 2023	SIRKULER - SOP Total Reward	Human Capital Division	1	Approved	Sirkuler – 100%
19	December 21, 2023	Positional Punishment	Human Capital Division	1	Approved	100%
		Positional Punishment			Extended committee was arranged	
20	December 29, 2023	- Fulfillment of Vacant Position Echelon 2 - Transfer of Task	Human Capital Division	1	Approved	100%

### Information Technology Steering Committee

The roles and functions of the Information Technology Steering Committee (ITSC) are:

- Information Technology Steering Committee (ITSC) is part of IT governance in providing recommendations, the committee must pay attention to the efficiency factor as part of IT governance in order to minimize the risk associated with the use of IT and to protect the interests of the Bank and customers.
- As part of IT governance in order to minimize the risk associated with the use of IT and to protect the interests of the IT Steering Committee, it was formed as a manifestation of the commitment of the Board of Directors and management of Bank Jatim in the form of active supervision of IT management. As stipulated in POJK MRTI, ITSC plays a role in assisting the implementation of the Board of Directors' duties in establishing the Information Technology Strategic Plan and Bank policies related to the use of Information Technology.

### STRUCTURE AND MEMBERSHIP OF INFORMATION TECHNOLOGY STEERING COMMITTEE

Position	Accorded by	Voting Rights Status
Chairman	President director	Have voting rights
Substitute Chairman	Director of IT & Digital	Have voting rights
Secretary	Vice President of Information Technology	Have voting rights
Permanent member	1. Director of Operation 2. Director of Finance, Treasury & Global Services 3. Director of Mikro, Retail and Medium Enterprises 4. Director of Risk Management 5. Director of Compliance 6. Corporate Secretary 7. All of Senior Executive Vice Presidents 8. All of Vice Presidents, Except: a. Vice President Internal Audit b. Vice President Legal c. Vice President Compliance and Anti-Money Laundry and Terrorism Funding 9. All of Unit Leaders	Have voting rights
Non-Permanent Member	1. Vice President Internal Audit 2. Vice President Legal 3. Vice President Compliance and Anti-Money Laundry and Terrorism Funding	Have no voting rights

### DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE INFORMATION TECHNOLOGY STEERING COMMITTEE

The duties, authorities, and responsibilities of the IT Committee are to provide recommendations to the Board of Directors concerning:

- Strategic IT Plan aligned with the Bank's business activity strategic plan. In providing recommendations, the Committee must consider factors such as efficiency, effectiveness, and other aspects, including:
  - Roadmap to achieve needs supporting the Bank's business strategy. The roadmap consists of the current state, the desired future state, and steps to be taken to achieve the desired state.



- b. Required resources.
  - c. Benefits to be obtained when the IT Strategic Plan is implemented.
  - d. Constraints that may arise in the implementation of the IT Strategic Plan.
2. Formulate the primary Information Technology policies, standards, and procedures, including information security policy and risk management related to the use of Information Technology in the Bank.
3. Align the approved Information Technology projects with the Information Technology Strategic Plan. The Committee also sets priority status for critical IT projects that significantly impact the Bank's operational activities, such as the replacement of core banking applications, production servers, and network topology.
4. Align the implementation of Information Technology projects with the approved project plan. The Committee should supplement recommendations with analyses of major IT projects, enabling the Board of Directors to make efficient decisions.
5. Align the operation of Information Technology with the needs of management information systems and the business activities of the Bank.
6. Carry out effective measures to minimize risks of the Bank's investment in Information Technology.
7. Provide information that contributes to the achievement of the Bank's business objectives.
8. Monitor the performance of Information Technology and efforts to improve Information Technology performance, such as detecting IT infrastructure obsolescence and measuring effectiveness as well as efficiency in implementing Information Technology security policies.
9. Make efforts to resolve various Information Technology-related issues that cannot be resolved by user units and Information Technology providers efficiently, effectively, and timely.
10. Allocate adequately the resources owned by the Bank. In cases where the owned resources are inadequate and the Bank will use the services of other parties in IT management, the IT steering committee must ensure that the Bank has the necessary policies and procedures.

#### INFORMATION TECHNOLOGY STEERING COMMITTEE MEMBER PROFILE

Profiles of Information Technology Steering Committee Members can be seen in the Profiles of Directors and Division Leaders in the Company Profile Chapter in this Annual Report.

#### STEERING INDEPENDENCE OF INFORMATION TECHNOLOGY STEERING COMMITTEE

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

#### MEETINGS AND IMPLEMENTATION OF INFORMATION TECHNOLOGY STEERING COMMITTEE TASKS

No	Meeting Date	Agenda	Initiator Division	Number of Agendas	Committee Results	Attendance (%)
1	August 4, 2023	Progress and Realization of the Bank's Business Plan for the IT and Digital Directorate	Information Technology	1	Approved	81%
2	November 24, 2023	a. Progress dan Realisation of the Bank's Business Plan for the IT and Digital Directorate b. Presentation of the IT Strategic Plan 2024 – 2028 : Simplifying Customer Lives – Ernst & Young (EY).	Information Technology	2	Approved	82%

#### Credit Committee

#### STRUCTURE AND MEMBERSHIP OF THE CREDIT/FINANCE COMMITTEE

##### 1. Membership Structure of Credit Implementation

Category	Credit Implementation Committee	Business Function Group	Business Risk Function Group
A	Board of Directors	A1 1. Director of Micro, Retail & Medium Enterprises 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndication & Institutional Affairs 4. SEVP Consumer Banking	1. President Director 2. Director of Remedial and Wholesale Risk 3. Director of Operation 4. Director of IT & Digital banking 5. SEVP Corporate Transformation/ SEVP Network & Services



Category	Credit Implementation Committee		Business Function Group	Business Risk Function Group
		A2	1. Director of Micro, Retail & Medium Enterprises 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndikacation & Institutional Affairs	1. Director of Risk Management 2. Director of Operations 3. Director of IT & Digital 4. SEVP Corporate Transformation/ SEVP Network & Services
		A3	1. Director of Micro, Retail & Medium Enterprises/ Director of Finance, Treasury & Global Services* 2. SEVP Corporate, Syndication & Institutional/ SEVP Consumer Banking	1. Direktur Manajemen Risiko 2. Director of Operation/Director of IT & Digital Banking** 3. SEVP Corporate Transformation/ SEVP Network & Services

\*) If the Director of Micro, Retail and Medium Enterprises is unable to attend, then the Director of Finance, Treasury & Global Services will serve as a substitute member in the business function of the Credit Committee (A3).

\*\*) If the Director of Operations is unavailable to attend, then the Director of IT & Digital Banking will serve as a substitute member in the risk function of the Credit Committee A3

## 2. Credit Restructuring Membership Structure

Category	Committee Restructurisation Credit		Business Function Group	Business Risk Function Group
Credit	Board of Directors	A	1. Director of Micro, Retail & Medium Enterprises 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndication & Institutional Affairs 4. SEVP Consumer Banking	1. President Director 2. Director of Risk Management 3. Director of Operations 4. Director of IT & Digital 5. SEVP Corporate Transformation 6. SEVP Network & Services
		A1	1. Director of Micro, Retail & Medium Enterprises 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndication & Institutional Affairs 4. SEVP Consumer Banking	1. President Director 2. Director of Risk Management 3. Director of Operations 4. Director of IT & Digital 5. SEVP Corporate Transformation / SEVP Network & Services
		A2	1. Director of Micro, Retail & Medium Enterprises 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndication & Institutional Affairs	1. Director of Risk Management 2. Director of Operations 3. Director of IT & Digital 4. SEVP Corporate Transformation / SEVP Network & Services
		A3	1. Director of Micro, Retail & Medium Enterprises / Director of Finance, Treasury & Global Services * 2. SEVP Corporate, Syndication & Institutional Affairs / SEVP Consumer Banking	1. Director of Risk Management 2. Director of Operations / Director of IT & Digital ** 3. SEVP Corporate Transformation/ SEVP Network & Services

\*) If the Director of Micro, Retail and Medium Enterprises is unable to attend, then the Director of Finance, Treasury & Global Services will serve as a substitute member in the business function of the Credit Committee (A3) for credit restructuring

\*\*) If the Director of Operations is unavailable to attend, then the Director of IT & Digital Banking will serve as a substitute member in the risk function of the Credit Committee A3 for credit restructuring

## 1) Membership Structure of the Credit Settlement Committee

Category	Credit Settlement Committee		Business Function Group	Business Risk Function Group
A	Board of Directors	A1	1. Director of Micro, Retail & Medium Enterprises 1. Director of Finance, Treasury & Global Services 2. SEVP Corporate, Syndication & Institutional Affairs 3. SEVP Consumer Banking	1. President Director 2. Director of Risk Management 3. Director of Operations 4. Director of IT & Digital 5. SEVP Corporate Transformation / SEVP Network & Services
		A2	1. Director of Micro, Retail & Medium Enterprises 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndication & Institutional Affairs	1. Director of Risk Management 2. Director of Operations 3. Director of IT & Digital 4. SEVP Corporate Transformation / SEVP Network & Services



Category	Credit Settlement Committee		Business Function Group	Business Risk Function Group
		A3	1. Director of Micro, Retail & Medium Enterprises / Director of Finance, Treasury & Global Services * 2. SEVP Corporate, Syndication & Institutional Affairs / SEVP Consumer Banking	1. Director of Risk Management 2. Director of Operations / Director of IT & Digital ** 3. SEVP Corporate Transformation / SEVP Network & Services

\*) If the Director of Micro, Retail and Medium Enterprises is unable to attend, then the Director of Finance, Treasury & Global Services will serve as a substitute member in the business function of the Credit Committee (A3).

\*\*) If the Director of Operations is unavailable to attend, then the Director of IT & Digital Banking will serve as a substitute member in the risk function of the Credit Committee A3

## 2) Membership Structure of Credit Line Committee to Corporations

Category	Credit Line Committee		Business Function Group	Business Risk Function Group
A	DIREKSI	A1	1. President Director (Also functions as Director in charge of Corporations) 2. Director of Finance, Treasury & Global Services	Director of Risk Management
		A2	1. Director in charge of corporate credit business 2. Director of Finance, Treasury & Global Services	Director of Risk Management
		A3	Director of Finance, Treasury & Global Services	VP Credit Risk Analyst

## 3) Membership Structure of Term Loan Facility (TLF)

Category	Committee TLF		Business Function Group	Business Risk Function Group
A	DIREKSI	A1	1. President Director (Also functions as Director in charge of Corporations) 2. Director of Finance, Treasury & Global Services	Director of Risk Management
		A2	1. Director in charge of Corporations 2. Director of Finance, Treasury & Global Services	Director of Risk Management
		A3	Director of Finance, Treasury & Global Services	VP Credit Risk Analyst

## 4) Membership Structure for Financing Implementation

Category	Committee Implementation Financing		Business Function Group	Business Risk Function Group
A		A1	1. Director of Micro, Retail & Medium Enterprises 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndication & Institutional Affairs 4. SEVP Sharia Business	1. President Director 2. Director of Risk Management 3. Director of Operations 4. Director of IT & Digital 5. SEVP Corporate Transformation / SEVP Network & Services
		A2	1. Director of Micro, Retail & Medium Enterprises 2. Director of Finance, Treasury & Global Services 3. SEVP Sharia Business	1. Director of Risk Management 2. Director of Operations 3. Director of IT & Digital 4. SEVP Corporate Transformation/ SEVP Network & Services
		A3	1. Director of Micro, Retail & Medium Enterprises / Director of Finance, Treasury & Global Services * 2. SEVP Sharia Business	1. Director of Risk Management 2. Director of Operations / Director of IT & Digital ** 3. SEVP Corporate Transformation/ SEVP Network & Services

\*) If the Director of Micro, Retail and Medium Enterprises is unable to attend, then the Director of Finance, Treasury & Global Services will serve as a substitute member in the business function of the Credit Committee (A3).

\*\*) If the Director of Operations is unavailable to attend, then the Director of IT & Digital Banking will serve as a substitute member in the risk function of the Credit Committee A3



#### 5) Membership Structure of the Financing Restructurisation

Category	Committee Restructurisation Financing	Business Function Group	Risk Function Group
A	Board of Directors	A	1. Director of Micro, Retail & Medium 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndication & Institutional 4. SEVP Sharia Business
		A1	1. President director 2. Director of Risk Management 3. Director of Operations 4. Director of IT & Digital 5. SEVP Corporate Transformation 6. SEVP Network & Services
		A2	1. President director 2. Director of Risk Management 3. Director of Operations 4. Director of IT & Digital 5. SEVP Corporate Transformation / SEVP Network & Services
		A3	1. Director of Risk Management 2. Director of Operations 3. Director of IT & Digital 4. SEVP Corporate Transformation / SEVP Network & Services

\*) If the Director of Micro, Retail and Medium Enterprises is unable to attend, then the Director of Finance, Treasury & Global Services will serve as a substitute member in the business function of the Credit Committee (A3) for financing restructuring

\*\*) If the Director of Operations is unavailable to attend, then the Director of IT & Digital Banking will serve as a substitute member in the risk function of the Credit Committee A3 for financing restructuring

#### 6) Membership Structure of the Financing Settlement Committee

Category	Committee Completion Financing	Business Function Group	Risk Function Group
A	Board of Directors	A1	1. Director of Micro, Retail & Medium 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndication & Institutional 4. SEVP Sharia Business
		A2	1. President director 2. Director of Risk Management 3. Director of Operations 4. Director of IT & Digital 5. SEVP Corporate Transformation/ SEVP Network & Services
		A3	1. Director of Risk Management 2. Director of Operations 3. Director of IT & Digital 4. SEVP Corporate Transformation/ SEVP Network & Services

\*) If the Director of Micro, Retail and Medium Enterprises is unable to attend, then the Director of Finance, Treasury & Global Services will serve as a substitute member in the business function of the Credit Committee (A3)

\*\*) If the Director of Operations is unavailable to attend, then the Director of IT & Digital Banking will serve as a substitute member in the risk function of the Credit Committee A3

#### 7) Membership Structure of Write Off Credit Committee

Category	Write Off Financing Committee	Business Function Group	Risk Function Group
A	Board of Directors	A1	1. Director of Micro, Retail & Medium 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndication & Institutional 4. SEVP Consumer Banking



Category	Write Off Financing Committee	Business Function Group	Risk Function Group
	A2	1. Director of Micro, Retail & Medium 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndication & Institutional	1. Director of Risk Management 2. Director of Operations 3. Director of IT & Digital 4. SEVP Corporate Transformation/SEVP Network & Services
	A3	1. Director of Micro, Retail & Medium/Director of Finance, Treasury & Global Services* 2. SEVP Corporate, Syndication & Institutional/ SEVP Consumer Banking	1. Director of Risk Management 2. Director of Operations / Director of IT & Digital 3. SEVP Corporate Transformation/SEVP Network & Services

\*) If the Director of Micro, Retail and Medium Enterprises is unable to attend, then the Director of Finance, Treasury & Global Services will serve as a substitute member in the business function of the Credit Committee (A3)

\*\*) If the Director of Operations is unavailable to attend, then the Director of IT & Digital Banking will serve as a substitute member in the risk function of the Credit Committee A3

#### 8) Struktur Keanggotaan Hapus Buku Pembiayaan

Kategori	Komite Hapus Buku Pembiayaan		Kelompok Fungsi Bisnis	Kelompok Fungsi Risiko
A	Board of Directors	A1	1. Director of Micro, Retail & Medium 2. Director of Finance, Treasury & Global Services 3. SEVP Corporate, Syndication & Institutional 4. SEVP Sharia Business	1. President director 2. Director of Risk Management 3. Director of Operations 4. Director of IT & Digital 5. SEVP Corporate Transformation/SEVP Network & Services
		A2	1. Director of Micro, Retail & Medium 2. Director of Finance, Treasury & Global Services 3. SEVP Sharia Business	1. Director of Risk Management 2. Director of Operations 3. Director of IT & Digital 4. SEVP Corporate Transformation/SEVP Network & Services
		A3	1. Director of Micro, Retail & Medium/Director of Finance, Treasury & Global Services* 2. SEVP Sharia Business	1. Director of Risk Management 2. Director of Operations / Director of IT & Digital 3. SEVP Corporate Transformation/SEVP Network & Services

\*) If the Director of Micro, Retail and Medium Enterprises is unable to attend, then the Director of Finance, Treasury & Global Services will serve as a substitute member in the business function of the Credit Committee (A3)

\*\*) If the Director of Operations is unavailable to attend, then the Director of IT & Digital Banking will serve as a substitute member in the risk function of the Credit Committee A3

#### DUTIES, AUTHORITIES, & RESPONSIBILITIES OF THE CREDIT AND FINANCING COMMITTEE

1. Provide direction if necessary to conduct a more in-depth and comprehensive credit analysis (review of the credit analysis memorandum);
2. Provide a decision or recommendation on the draft credit decision submitted by the recommendation provider/ proposer which is related but not limited to:
  - a. Large debtors
  - b. Industry specific.
3. Coordinate with the Asset & Liabilities Committee (ALCO) in terms of credit funding aspects and credit interest rate adjustments if necessary;
4. Give approval or credit rejection of the proposed credit facility in accordance with the credit limit set by the Board of Directors;
5. Give approval or rejection of rescue and settlement of credit/ financing by the credit authority limit set by the Board of Directors;

6. Give approval or refusal to write off credit/financing books following the credit authority limit set by the Board of Directors;
7. Give approval or rejection of Credit Line or Term Loan (TLF) under the credit authority limit set by the Board of Directors;
8. Establish credit plans, both restructured and unstructured from other financial institutions.

#### The responsibilities of Credit and Financing Committee include:

1. Implement their duties, especially in providing credit approval professionally, honestly, objectively, carefully, and thoroughly.
2. Reject requests and influence from parties with an interest in the credit applicant to give approval that is merely a formality.



Validity and Decision-Making of the Credit Committee:

1. The committee is considered valid if attended by all members of the Credit Committee according to the category and type of the Credit Committee.
2. Decision-making is carried out through a mechanism of consultation to reach a consensus from the voting members (collective collegial).

#### STATEMENT OF INDEPENDENCE OF THE CREDIT AND FINANCING COMMITTEE

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

#### PROFILE OF CREDIT AND FINANCING COMMITTEE MEMBERS

Profiles of Credit Committee Members can be seen in the Profile of the Board of Directors and Profile of Division Leaders in the Company Profile Chapter of this Annual Report.

#### MEETINGS AND IMPLEMENTATION OF THE TASKS OF THE CREDIT COMMITTEE

No.	Meeting Date	Agenda	Initiator Division	Number of Agendas	Committee Decision	Committee Attendance
1.	January 5, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
2.	January 9, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
3.	February 8, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
4.	February 16, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
5.	February 28, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
6.	March 8, 2023					
7.	March 13, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
8.	March 21, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
9.	March 30, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
10.	April 5, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	2	Approved	100%
11.	April 12, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
12.	April 12, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
13.	April 14, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
14.	May 11, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
15.	May 26, 2023	Credit Implementation	Retail & Medium Credit	1	Approved	100%
16.	June 7, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
17.	June 14, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
18.	June 26, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
19.	November 16, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
20.	November 17, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
21.	November 17, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
22.	November 22, 2023					
23.	December 1, 2023	Credit Implementation	Corporate and Syndicated Commercial Loans	1	Approved	100%
24.	December 28, 2023	Implementasi Kredit	Consumer Credit	1	Approved	100%



## Credit Restructurisation Committee

No.	Meeting Date	Agenda	Initiator Division	Number of Agendas	Committee Decision	Committee Attendance
1.	January 16, 2023	Credit Restructurisation	Corporate and Syndicated Commercial Loans	2	Approved	100%
2.	March 27, 2023	Credit Restructurisation	Corporate and Syndicated Commercial Loans	1	Approved	100%
3.	April 14, 2023	Credit Restructurisation	Corporate and Syndicated Commercial Loans	1	Approved	100%
4.	April 14, 2023	Credit Restructurisation	Corporate and Syndicated Commercial Loans	1	Approved	100%
5.	September 26, 2023	Credit Restructurisation	Corporate and Syndicated Commercial Loans	2	Approved	100%
6.	December 13, 2023	Credit Restructurisation	Corporate and Syndicated Commercial Loans	2	Approved	100%

## Term Loan Facility (TLF) Committee

No.	Meeting Date	Agenda	Initiator Division	Number of Agendas	Committee Decision	Committee Attendance
1.	December 21, 2023	Term Loan Facility	International Bankint	1	Approved	100%

## Financing Implementation Committee

No.	Meeting Date	Agenda	Initiator Division	Number of Agendas	Committee Results	Attendance
1	March 3, 2023	Financing Implementation Committee	Sharia Business Division	1	A1 Committee- Approved with remarks	100%
2	March 20, 2023	Financing Implementation Committee	Sharia Business Division	1	A3 Committee- Approved with remarks	100%
3	August 2, 2023	Financing Implementation Committee	Sharia Business Division	1	A3 Committee- Approved with remarks	100%
4	September 22, 2023	Financing Implementation Committee	Sharia Business Division	1	A1 Committee- Approved with remarks	100%
5	December 14, 2023	Financing Implementation Committee	Sharia Business Division	1	A1 Committee- Approved with remarks	100%

## Financing Restructurisation Committee

No.	Meeting Date	Agenda	Initiator Division	Number of Agendas	Committee Results	Attendance
1	April 14, 2023	Syndication Financing Restructurisation Committee	Sharia Business Division	1	A1 Committee- Approved with remarks	100%

## Credit and Financing Write-Off Committee

No.	Meeting Date	Agenda	Initiator Division	Number of Agendas	Committee Results	Attendance
1	June 26, 2023	Credit Committee (A2) for Write-off Credit/Financing for the June 2023 Period	Division of Credit Restructuring and Recovery	1	Approved	100%
2	December 27, 2023	Credit Committee (A2) for Write-off Credit/Financing for the December 2023 Period	Division of Credit Restructuring and Recovery	1	Approved with remarks	100%





## CREDIT POLICY COMMITTEE

Credit Policy Committee, hereinafter abbreviated as KKP, is a committee formed by the Board of Directors in the framework of credit policy management that aims to support the provision of sound credit and contains elements of internal control from the initial stage of the credit activity process to the credit monitoring stage by observing the principle of prudence.

This committee was formed with the aim of supporting sound lending and monitoring from the initial submission process to implementation using the precautionary principle. In the Credit Policy can be divided into 2 namely:

- a. Credit Policy Committee
- b. Financing Policy Committee

## STRUCTURE AND MEMBERSHIP OF CREDIT POLICY COMMITTEE

Position	Accorded by	Voting Rights Status
Chairman	President Director	Have voting rights
Substitute Chairman	1. Commercial and Corporate Director, or 2. Director of Consumer Retail & Sharia Business	Have voting rights
Secretary	Operations Division	Have no voting rights
Permanent member	1. Board of Directors <ul style="list-style-type: none"> <li>• Director of Consumer Retail &amp; Sharia Business</li> <li>• Director of Finance</li> <li>• Director of IT and Operations</li> <li>• Business Risk Director</li> </ul> 2. Division <ul style="list-style-type: none"> <li>• Business Risk Division</li> <li>• Commercial, Corporate &amp; Syndication Credit Division</li> <li>• Consumer Credit Division</li> <li>• Microcredit, Retail &amp; Program Division</li> <li>• Strategic Planning &amp; Performance Management Division</li> <li>• Treasury Division</li> <li>• Credit Rescue &amp; Settlement Division</li> </ul>	Have voting rights
Non-Permanent Member	1. Board of Directors <ul style="list-style-type: none"> <li>• Director of Compliance &amp; Risk Management</li> </ul> 2. Division <ul style="list-style-type: none"> <li>• Compliance &amp; Governance Division</li> <li>• Internal Audit Division</li> <li>• Legal Division</li> <li>• Human Capital Division</li> <li>• Corporate Risk Management Division</li> </ul>	Have no voting rights

## DUTIES, AUTHORITY, AND RESPONSIBILITIES OF CREDIT POLICY COMMITTEE

The tasks of the Credit Policy Committee include:

1. Assist in the formulation of policies and strategies for credit or financing proposed by each Credit or Financing Division before being established in the Credit Policy Committee meeting;
2. Assist in the review process of changes in the implementation guidelines for credit or financing based on changes in regulations from external parties such as banking regulators and internal changes;
3. Provide advice on the fundamentals of the development and changes in the implementation guidelines in the field of credit or financing;
4. Provide advice on improvement measures related to :
  - a. Supervision results of the implementation of Credit Policy and Administration for Credit or Financing; and
  - b. Monitoring and evaluation results related to the implementation of KPA for Credit and or Financing.

The authority and responsibility of the Credit Policy Committee are:

1. Provide proposals/input to the Credit Policy Committee for the formulation of policies, strategies, and guidelines;
2. Provide proposals/input to the Credit Policy Committee for monitoring, evaluation, improvement, and refinement of the implementation of existing products.
3. Provide proposals/input to the Credit Policy Committee for justifying matters related to business decisions that deviate from normal procedures (irregularities), such as:
  - a. Decisions on the development of credit or financing products related to business needs not mentioned in the Bank's business plan;
  - b. Take positions/exposures to risks resulting from the implementation of credit or financing products.

**PROFILE OF MEMBERS OF THE CREDIT POLICY COMMITTEE**

Profiles of Credit Policy Committee Members can be seen in the Profiles of the Directors and Division Leaders in the Company Profile Chapter in this Annual Report.

**STATEMENT OF INDEPENDENCE OF THE CREDIT POLICY COMMITTEE**

All committee members have no affiliation with other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which could affect their ability to act independently, Commissioners, Directors and employees from companies that have affiliations or business with the Bank.

**MEETINGS AND IMPLEMENTATION OF DUTIES OF THE CREDIT POLICY COMMITTEE**

No.	Meeting Date	Agenda	Initiator Division	Number of Ajen-das	Committee Results	Attendance (%)
1.	June 14, 2023	1. Review of Cash and Non-Cash Credit or Financing Approval Authority Limits (LKPK/P) with or without Committee 2. Review of Cash and Non-Cash Credit or Financing Approval Authority Limits (LKPK/P). 3. Review Limit On The Spot (OTS) in the Credit or Financing Process	Risk Management Division	3	Approved	100%

**Product and Network Committee****PRODUCT COMMITTEE**

The Product Committee is established for the management of policies and monitoring of products to ensure success in developing and evaluating products in line with the Bank's business plan.

**STRUCTURE AND MEMBERSHIP OF THE PRODUCT COMMITTEE**

Position	Accorded by	Voting Rights Status
Chairman	President director	Have voting rights
Substitute Chairman	a. Director of Operations; or b. Director of IT and Digital	Have voting rights
Secretary	a. VP of Product Development; or b. VP of Digital Banking	Have no voting rights
Permanent member	a. Director of Field; b. Director of Compliance; And c. SEVP of the Related Division	a. Have voting rights b. Have no voting rights c. Have voting rights
Invitation	a. VP of the Related Division; and b. AVP of the Related Business Unit	Have no voting rights



## DUTIES, AUTHORITY, AND RESPONSIBILITIES OF PRODUCT COMMITTEE

### Duties and Authorities

1. Deliberate, establish, and evaluate business strategies through product development, encompassing both digital and non-digital aspects, covering conventional and Sharia products. This includes the development of new and advanced products.
2. Monitor and evaluate the performance of products and make decisions regarding product sustainability based on initiator recommendations (whether to continue, develop, cease, or close a product).
3. Discuss and resolve strategic business issues related to product development.

### Responsibilities

1. Execute tasks, particularly those related to product development, professionally, optimally, accurately, securely, and competitively.
2. Ensure that product development and its policies align with the established business strategy.

## PRODUCT COMMITTEE MEMBERS PROFILE

Profiles of Product, Network and Procedure Committee For Product Members can be seen in the Profiles of the Directors and the Profile of Division Leaders in the Company Profile Chapter in this Annual Report.

## STATEMENT OF INDEPENDENCE OF THE PRODUCT COMMITTEE

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

## MEETINGS AND IMPLEMENTATION OF DUTIES OF THE PRODUCT COMMITTEE

Throughout the year 2023, there were no implementation of product committee meetings, and the process was underway for updating internal provisions related to changes in the Grand Design Organizational Structure. The update of the Product Committee SOP had been carried out, and the Product Committee SOP had been issued through the Board of Directors Decree of PT Bank Pembangunan Daerah Jawa Timur Tbk No. 062/03/80/DIR/PGP/DEC dated December 29, 2023.



**NETWORK COMMITTEE**

Network Committee acts as a compiler for the implementation of development, status changes and/or network closures as well as determining the class of branches and sub-branches in network classification. The PJP Network Sector Committee functions as a forum for policy management and monitoring effectiveness of the Bank's network to ensure success in creating optimal profits.

**STRUCTURE AND MEMBERSHIP OF THE NETWORK COMMITTEE**

Position	Accorded by	Voting Rights Status
Chairman	President director	Have voting rights
Chairman 1	Director of Operations	Have voting rights
Chairman 2	SEVP Network & Services	Have voting rights
Secretary	VP of Network Management & Services	Have voting rights
Vice Secretary	AVP of Branch Management	Have voting rights
Member	1. VP of General Affairs 2. VP of Human Capital 3. VP of Corporate Risk Management	Have voting rights and can be represented
Invitation	Relevant Branch Manager (end user)	Have no voting rights

**DESCRIPTION OF DUTIES, AUTHORITY AND RESPONSIBILITIES OF THE NETWORK COMMITTEE**

Duties of the Branch Network Development Team include:

1. Develop policies and strategies for network development that are tailored to the needs and provide direction for optimization and effectiveness of network performance.
2. Directing and evaluating the network development strategy;
3. Provide opinions or the latest issues regarding network development.
4. Monitor evaluation results and proposed changes in status and/or closure of office networks.
5. Provide recommendations:
  - a. Types of networks eligible to open.
  - b. Withdrawal/transfer of human capital on plans for downgrading and/or closing office networks.
  - c. Readiness/availability of filling and placement of human capital in the office network development plan;
6. Monitor the results of network performance optimization.
7. Monitor the results of evaluating changes in the class of branches and sub-branches in the network classification;
8. Provide recommendations for changes to the class of branches and sub-branches in the network classification.

Authorities of the Branch Network Development Team are as follows:

1. Establish and decide on a customized network development policy and strategy.
2. Deciding on the type and number of networks included in the Bank's Business Plan.
3. Decide on changes in status/closure of office networks after evaluation by the related unit.

4. Determine the amount of investment and the budget for opening, changing status and/or closing the network.
5. Determine the boundaries of the division of areas and organizational structure on the network.
6. Decide on the results of network performance optimization;
7. Decide the class of branches and sub-branches of the network classification results.
8. Determine the classification system and final mapping results.

**Responsibilities**

1. Responsible for the implementation of the network development strategy;
2. Responsible for network classification implementation.
3. Responsible for the evaluation of network development implementation.

**PROFILE OF NETWORK COMMITTEE MEMBERS**

Profiles of Product, Network and Procedure Committee For Network Members can be seen in the Profiles of the Directors and the Profile of Division Leaders in the Company Profile Chapter in this Annual Report.

**STATEMENT OF INDEPENDENCE OF THE NETWORK COMMITTEE**

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which may affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.



## IMPLEMENTATION OF DUTIES OF THE NETWORK COMMITTEE

No.	Meeting Date	Agenda	Initiator Division	Number of Agenda	Committee Results	Attendance
1	April 5, 2023	Network Opening and Relocation	Network & Service Management Division	10	Approved	100%
2	July 5, 2023	Network Expansion	Network & Service Management Division	1	Approved	100%
3	July 21, 2023	Upgrading Branch Status to Sub-Branch (KCP) and Network Relocation	Network & Service Management Division	4	Approved	100%

## Implementation of Governance In Provision of Remuneration for Commercial Banks In Accordance With POJK 45/POJK.03/2015

### Basis of Remuneration Determination

The basis for the preparation of the determination of remuneration, namely:

1. Law Number 40 of 2007 dated August 16, 2007 concerning Limited Liability Companies.
2. Financial Services Authority Regulation No. 17/POJK.03/2023 dated September 14, 2023, concerning the Implementation of Governance for Commercial Banks.
3. Financial Services Authority Regulation (POJK) number 45/POJK.03/2016 dated December 23, 2016 concerning Implementation of Governance in Providing Remuneration for Commercial Banks.
4. Circular of the Financial Services Authority Number 40/SEOJK.03/2016 dated September 26, 2016 concerning Implementation of Governance in Providing Remuneration for Commercial Banks.
5. Bank Jatim Articles of Association.

Based on the application of the Financial Services Authority Regulation POJK Number 45/POJK.03/2015 concerning the Implementation of Governance in Providing Remuneration for Commercial Banks, Bank Jatim implemented governance in the provision of remuneration which considered several aspects including bank ability and appropriateness, competitive, fair and based on risk could be accounted for and in accordance with the prevailing laws and regulations. The Company might postpone the provision of deferred variable remuneration (malus) or withdraw the variable remuneration that had been paid (clawback) to officials classified as Material Risk Taker (MRT), with the following conditions:

1. The Company may postpone the payment of deferred variable Remuneration (malus) to Material Risk Taker under certain conditions, namely:
  - The Bank experience bankruptcy.  
Namely a condition in which the Bank's balance sheet (Profit and Loss Statement) experiences a loss (negative profit).
  - There was a fraud committed by Material Risk Takers that caused losses to the Bank.

It is a condition where the MRT has been proven to have committed fraud through a decision that has permanent legal force (inkracht van gewijsde).

2. Variable remuneration must be deferred at a certain percentage determined by the Company.
3. The Malus implementation procedure is carried out by suspending or canceling the remuneration that is still suspended if certain conditions occur according to point 1 above.

### Remuneration and Nomination Committee

The Board of Commissioners formed a Remuneration and Nomination Committee which aimed to assist in carrying out its functions and duties in areas related to the remuneration and nomination of members of the Board of Directors and the Board of Commissioners. The remuneration and nomination committee had duties and responsibilities, including:

1. Regarding the mandatory remuneration policy:
  - a. Evaluating the remuneration policy based on performance, risk, fairness and peer group, long-term goals and strategies of the Bank, fulfillment of reserves as stipulated in legislation and potential future bank earnings;
  - b. Delivering evaluation results and recommendations to the Board of Commissioners regarding the remuneration policy for the Board of Directors and the Board of Commissioners to be submitted to the GMS.
  - c. Delivering evaluation results and recommendations to the Board of Commissioners regarding the overall remuneration policy for employees to be submitted to the Board of Directors;
  - d. Ensuring that the remuneration policy is in accordance with applicable regulations;
  - e. Conducting periodic evaluations of the implementation of the remuneration policy.
- e. Conduct regular evaluations of the implementation of remuneration policies.

2. Regarding the mandatory nomination policy:
  - a. Preparing and providing recommendations regarding the system and procedure for selecting and / or replacing members of the Board of Directors and members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS;
  - b. Providing recommendations regarding candidate members of the Board of Directors and / or candidates for members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS;
  - c. Providing recommendations regarding Independent Parties who would become members of the audit committee to the Board of Commissioners in accordance with applicable regulations.

### Scope of Remuneration Policy and its Implementation

In relation to the enactment of OJK Regulation No. 45/POJK.03/2015 concerning the Implementation of Governance in Providing Remuneration for Commercial Banks, Bank Jatim has established a remuneration policy for the Company's Board of Directors, which was approved through the Board of Commissioners' Decree dated January 18, 2023, and the Board of Directors' Decree dated April 18, 2023, related to the Total Reward policy for employees. The remuneration policy was the bank's strategy in providing rewards to employees, which were adjusted to the Bank's ability to accommodate changes in employee demographics, managing labor costs, and in order to encourage the achievement of Bank Jatim's business goals. Bank Jatim remuneration was prepared with the aim of being able to attract, maintain, motivate, and increase employee engagement in order to continuously provide optimal performance, support the vision, mission and strategy of Bank Jatim.

Bank Jatim sets the remuneration into 2 (two), namely:

#### 1. Permanent Remuneration

- Remuneration policies that are permanent in nature at least pay attention to:  
Business scale, complexity, peer group, inflation, financial conditions, capabilities, applicable laws, and regulations. The fixed remuneration consists of an honorarium, housing allowance, Communication Allowance, Holiday Allowance, Leave Allowance, Health Facilities/Costs, and other Facilities/Allowances determined by the Bank. This remuneration is unrelated to performance.

#### 2. Variable remuneration consists of

The variable component of remuneration is linked to performance and risk, including bonuses (tantiem) and other Facilities/Allowances determined by the Bank as remuneration provided based on performance. Tantiem is granted in the form of cash and shares or stock instruments issued by Bank Jatim.

### Performance Measurement Associated with Remuneration

Bank Jatim applied competency-based remuneration by measuring performance related to remuneration including a review of remuneration policies related to performance appraisal, methods of linking individual remuneration with Bank Jatim performance. Performance appraisal used a Key Performance Indicator (KPI) which consisted of an individual performance assessment and each work unit.

The application of the remuneration strategy was also carried out by taking into account the performance of each individual employee (based on performance) and the performance of the work unit while still paying attention to the availability of the company's budget. In general, Bank Jatim provided remuneration to employees in the form of monthly salaries, Overtime Allowance, Meal Allowance, Periodic Salary Increase, Holiday Allowance (THR), Annual Leave Pay, Extended Leave Allowance, Communication Allowance, Car Allowance Program (CAP), Motor Allowance Program (MAP), Structural Allowance, Incentives, Performance Bonus, and Production Incentive. Bank Jatim also provided health facilities for employees and their families including inpatient care, outpatient care, childbirth, general check-ups, replacement of glasses and outpatient assistance programs for Bank Jatim pensioners.

### Remuneration Adjustment Associated With Performance and Risk

Bank Jatim provided remuneration that was variable in nature, namely remuneration that was linked to performance and risks, including performance bonuses, production services, bonuses and other forms of remuneration that could be equated with this. Remuneration in the form of tantiem could be given in cash and in shares issued by Bank Jatim with the provisions stipulated in the Decree of the Board of Commissioners dated January 18, 2023.

### The Process of Preparing a Remuneration Policy

The remuneration policy became one of the important factors in obtaining and/or retaining competent and qualified employees, executive officers, Directors and Board of Commissioners. The remuneration policy became Bank Jatim's strategy in providing rewards that were adjusted to Bank Jatim's ability to accommodate changes in employee demographics, managing labor costs, and in order to encourage the achievement of Bank Jatim's business goals. Bank Jatim remuneration was prepared with the aim of being able to attract, retain, motivate, and increase employee engagement in order to continuously provide optimal performance, support the vision, mission and strategy of Bank Jatim. Bank Jatim remuneration policy formulation considered:





1. The creation of effective risk management.
  - The remuneration policy had to be able to trigger an increase in performance.
2. Financial Stability;
  - The remuneration policy also considered inflation and the Bank's financial condition.
3. Adequacy and capital of the Bank;
  - The remuneration policy could maintain the continuity of the Bank's business in order to be able to survive and develop, and be able to compete in the global market and in its peer groups. The Bank's capital adequacy included capital adequacy in order to comply with regulatory capital and the Individual Capital Adequacy Assessment Process (ICAAP).
4. Long-term and short-term liquidity needs;
  - The remuneration policy had to consider the Bank's ability.
5. Potential future income;
  - The remuneration policy had to be in accordance with the Bank's long-term strategy.

### Name of Extern Consultants and Duties of Consultants Related to Remuneration Policy

In determining the remuneration policy, the Bank cooperates with GML Consulting whose task is to conduct benchmarking and/or Salary Survey as per the Bank's requests on remuneration policies. This ensures that the Bank stays abreast of workforce market trends.

### Remuneration Package and Facilities Received by The Board of Directors and Board of Commissioners

The remuneration package and facilities received by the Board of Directors and the Board of Commissioners have been presented in the Sub-Title of Remuneration of the Board of Commissioners and Directors of the Corporate Governance Chapter in this Annual Report.

### Variable Remuneration

Bank Jatim provides variable remuneration in the form of performance bonuses, production services, tantien and other forms of remuneration that can be equated with that.

### Number of Directors, Board of Commissioners and Employees That Receive Variable Remuneration for 1 (one) Year

Position	Total
Board of Commissioners	5 persons
Board of Directors	7 persons
Employees	4.671 persons

### Position and Number of Parties That are Material Risk Takers

Position	Total
Board of Commissioners	5 persons
Board of Directors	7 persons

### Shares Options Owned by Directors, Board of Commissioners, and Executive Officers

A description of the Shares Options Owned by the Board of Directors, Board of Commissioners and Executive Officers is explained in the Performance-Based Long-Term Compensation Policy section of the Corporate Governance Chapter in this Annual Report.

### Highest and Lowest Salary Ratio

Description	Ratio
President Commissioner's Salary with Other Commissioners	1,11 : 1
President Director's Salary with other Directors	1,25 : 1
President Director's Salary with the highest Employee Salary	2,38 : 1
Director Salary with the Highest Employee Salary	1,90 : 1
Highest Employee Salary with Lowest Employee	12,29 : 1



### Number of Recipients and Total Amount of Variable Remuneration Guaranteed Without Condition

Position	Total	Amount (in millions of Rupiah)
Board of Commissioners	4 persons	251.100.000,-
Board of Directors	6 persons	600.000.000,-

### Number of Recipients and Total Amount of Variable Remuneration Guaranteed Without Condition

Information	Number of Employees	Severance (in millions of Rupiah)
Dismissed	26	237.395.805,24
Passed away	7	1.696.250.978,86
Pension	90	33.666.634.657,75
Grand Total	123	35.600.281.441,85

### Total Amount of Delayed Variable Remuneration

Position	Total	Amounts
Board of Commissioners	5 persons	505.546.323,79
Board of Directors	6 persons	887.290.106,65

### Total Amount of Delayed Variable Remuneration Paid For 1 (one) Year

Position	Total	Amounts
Board of Directors	5 persons	941.116.263,63

### Total Remuneration Provided in One Year

Position	Total	Amounts
Board of Commissioners	5 persons	15.129.704.673,37
Board of Directors	7 persons	33.962.469.135,19

### Quantitative Information

Types of Variable Remuneration*)	Remaining Pending	Total Deductions During the Reporting Period		
		Caused Explicit Adjustment (A)	Caused Implicit Adjustment (B)	Total (A)+(B)
Cash (in million rupiah)	1.653.519.230,88	-	-	-
Shares/share-based instruments issued by the Bank (in shares and a nominal value of millions of rupiah which is the conversion of the said shares)	1.363.714.404,01	-	-	-
Total	3.017.233.634,89	-	-	-

Remarks: \*) Only for MRT





## Public Accountant

### External Audit Function

Based on the Financial Services Authority Regulation No. 32/POJK.03/2016 concerning Amendments to Financial Services Regulation No. 6/POJK.03/2015 concerning Transparency and Publication of Bank Reports, an audit of the Bank Jatim Financial Statements for the 2023 financial year has been carried out by an independent, competent, professional, and objective public accountant following the Public Accountant Professional Standards, as well as work agreements and scope established audits.

For the audit process to follow the Professional Standards for Accountants and work agreements and the audit scope that has been determined and completed according to a predetermined time target, meetings are routinely held to discuss several significant essential issues. Bank Jatim is always trying to improve communication between Public Accountants, the Audit Committee, and the management of Bank Jatim to minimize problems during the audit process.

The appointment of a Public Accounting Firm and audit fees follow POJK No.13/POJK.03/2017 and SEOJK No. 36/SEOJK.03/2017 and the resolutions of the Annual GMS. Public Accounting Firm and Public Accountant (partner in charge) registered with the Financial Services Authority.

### Appointment of Public Accountant

Appointing a Public Accountant and KAP starts from the recommendation of the Board of Commissioners submitted to the GMS. The audit of Bank Jatim's financial statements ending December 31, 2023 was carried out based on the Cooperation Agreement First Party Number 062/137/DIR/AMK/PKS and Second Party Number E095.XI/ADH/2023 dated November 22, 2023 to PUBLIC ACCOUNTING OFFICE (PAO) PAUL HADIWINATA, HIDAJAT, ARSONO, RETNO, PALILINGAN & PARTNERS with an audit fee of IDR1,175,000,000 (One Billion One Hundred Seventy Five Million Rupiah) including VAT.

Services of the Public Accounting Firm to Banks include:

1. Declaration of Independence Letter to Bank Jatim;
2. inspection schedule including interim inspection schedule;

3. The Independent Auditor's Report on the Financial Statements for the period ending December 31, 2023 with comparative figures for the period ending December 31, 2022 in the form of:
  - a. Financial Report;
  - b. Statement of Profit and Loss and Other Comprehensive Income;
  - c. Statement of Changes in Equity;
  - d. Cash flow statement;
  - e. Publication Reports;
  - f. Notes to the Financial Statements, including information regarding commitments and contingencies;
  - g. Other reports according to:
    - Decree of the Chairman of the Capital Market and Financial Institution Supervisory Agency No: KEP-347/ BL/2012 Regulation VIII.G.7 concerning Presentation and Disclosure of Financial Statements of Issuers or Public Companies.
    - Decree of the Board of Directors of the Jakarta Stock Exchange Number: Kep-306/BEJ/07-2004 concerning regulation Number I-E concerning Obligations for Submitting Information. The presentation of this information is provided in 2 (two) versions, both in Bahasa Indonesia and English (Bilingual), comprising 1 (one) original and 50 (fifty) hard copies, including the soft copy.
4. Report Management Letter (ML) in Indonesian in 10 (ten) copies including the softcopy.
5. Independent Auditor's Report on compliance with laws and regulations and internal control in accordance with Statement of Auditing Standards (PSA) No. 62 in Indonesian, a total of 10 (ten) copies including the softcopy.
6. The results of the inspection are in the form of documents specified in the scope of the Public Accountant Services Work for Examining the Financial Statements of PT Bank Pembangunan Daerah Jawa Timur, Tbk which ends on December 31, 2023, including the Sharia Business Unit along with working papers including other documents related to the audit, which belong to the PT East Lawa Regional Development Bank, Tbk.
7. Public Accounting Firm Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners have communicated with the Financial Services Authority (OJK) for discussions regarding the scope of the audit of the Bank Jatim Financial Statements which ended on December 31, 2023.



## Public Accounting Firms, Accountant Names and Audit Service Fees

Table of Public Accounting Firms, Accountant Names and Audit Service Fees.

Year	Public Accounting Firm	PAF period	Name of Accountant (Partner in Charge)	AP Period	Audit Service Fee (Million Rupiah)
2023	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners	2nd period	Ary Daniel H	2nd period	1.175
2022	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners	1st period	Ary Daniel H	1st period	1.121
2021	Kanaka Puradiredja, Suhartono	1st period	Florus Daeli	1st period	1.300
2020	Amir Abadi Jusuf, Aryanto, Mawar & Rekan (RSM Indonesia)	1st period	Bimo Iman Santoso	2nd period	1.485
2019	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners	3rd period	Gideon	2nd period	960
2018	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners	2nd period	Gideon	1st period	940
2017	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners	1st period	Ary Daniel H	1st period	570
2016	Hendrawinata Eddy Siddharta & Tanzil	2nd period	Rita Susilowati	2nd period	840
2015	Hendrawinata Eddy Siddharta & Tanzil	1st period	Rita Susilowati	1st period	900
2014	Purwantonu, Suherman & Surja (Ernst & Young)	5th period	Sinarta	3rd period	980
2013	Purwantonu, Suherman & Surja (Ernst & Young)	4th period	Sinarta	2nd period	900
2012	Purwantonu, Suherman & Surja (Ernst & Young)	3rd period	Sinarta	1st period	675
2011	Purwantonu, Suherman & Surja (Ernst & Young)	2nd period	Drs. Hari Purwantonu	2nd period	795

## Other Services Provided by Accountants

During 2023, there are no other services provided by accountants.

## Internal Control System

In order to create and improve the quality of risk management implementation that supported the effectiveness of a riskbased Bank supervision framework, Bank Jatim was required to have an Internal Control System (SPI) that was reliable and effective in managing its risk which was determined by the Bank's management on an ongoing basis, in order to:

1. Safeguard and secure the assets of the Bank.
2. Ensure the availability of more accurate reports.
3. Increase compliance with applicable regulations.
4. Reduce the financial impact or the impact of losses, irregularities including fraud and violations of prudential aspects.
5. Increase organizational effectiveness and increase cost efficiency.

The Internal Control System (SPI) is a monitoring mechanism established by the management of Bank Jatim on an ongoing basis. An effective SPI is an essential component in management and forms the basis for sound and safe Bank operational activities. Implementing an effective internal control system can assist Bank management in safeguarding Bank assets, increasing Bank compliance with applicable laws and regulations, and reducing the occurrence of losses, deviations, and violations of prudential aspects.

Implementing a reliable and effective internal control system for the Bank is the responsibility of all risk-taker units, support units, and the Internal Audit Division. The internal control system for risk refers to the overall internal control system, which includes:

1. The Bank implements an effective internal control system in implementing Risk Management regarding established policies and procedures. Applying the principle of segregation of functions (four eyes) is sufficient, and the principle is implemented consistently.
2. Comprehensive internal control system in the implementation of Risk Management



3. Implementation of a review of the implementation of Risk Management
4. The results of the review assessment by the Company's Risk Management Division are submitted to the Board of Commissioners, Internal Audit Division, Compliance and Risk Management Director, Audit Committee, and other relevant Directors as input in order to improve the Risk Management framework.
5. Improvements to the findings of internal and external audits monitored by the Internal Audit Division. The Internal Audit Division informs audit findings that have yet to be followed up to the Board of Directors to take the necessary steps.
6. The level of responsiveness to weaknesses and/or deviations that occur against the applicable internal and external regulations.

### Purpose

1. Compliance with statutory provisions and regulations or compliance objectives.
2. The objective of compliance was to ensure that all of the Bank's business activities were carried out in accordance with the laws and regulations, both those issued by the government, FSA, Bank Indonesia as well as internal policies, regulations and procedures stipulated by the Bank.
3. The availability of financial and management information that was complete, accurate, appropriate, and timely or information purposes.
4. The purpose of information was intended to ensure the availability of complete, accurate, efficient, and timely reports required in order to make appropriate and accountable decisions.
5. Effectiveness and efficiency in the Bank's business activities or operational objectives.
6. Operational objectives were intended to increase the effectiveness and efficiency of the use of assets and other resources in order to protect the Bank from the risk of loss.
7. Increasing the effectiveness of the risk culture in the Bank's organization as a whole or the objectives of the risk culture.
8. The objective of risk culture was intended to identify weaknesses and assess deviations early as well as to continuously assess the reasonableness of existing policies and procedures in the Bank.

### Environment of Control

The control environment provided direction for the organization and affected the controlling awareness of the people within the organization. Factors that influenced the control environment were integrity and ethical values, commitment to competence, the Board of Directors and the Audit Committee, management style and operating style, organizational structure, granting of authority and responsibility, HR practices and policies.

The adequacy of the Bank's internal control was assessed based on the controls inherent in activities in accordance with the policies, systems and procedures implemented including activity control, physical control, compliance and limit provisions, reconciliation procedures, separation of functions and other elements of control.

### Risk Assessment

Measurement of Risk was the identification of entities and analysis of relevant risks to achieve their goals forming a basis for discovering how risks should be managed. Bank Risk Assessment became a series of activities to identify, measure, monitor and control risks. Risk Assessment was carried out on all types of risks inherent in the Bank's processes / activities.

Bank-wide risk assessment was carried out by the risk management unit (SKMR) on a quarterly basis as outlined in the Bank's risk profile report. The assessment covered all risks faced by the Bank which included credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk.

### Control Activities - Financial and Operational Control

Controls were classified as policies and procedures related to performance reviews, information processing, physical controls, and segregation of duties.

Reviewing the performance of Branches and Supporting Branches compared to predetermined targets is routinely carried out every 4 (four) months by the Board of Directors, which was carried out on August 3, 2023 and August 4, 2023 (Review Cawu II 2023). This will encourage control activities at Branches and Sub-Branch Offices, especially regarding control of performance targets for Third Party Funds, Loans, Liquidity Ratios, Earning Assets Quality, Earnings, Effectiveness, and Efficiency. However, in the event of a decline or failure to achieve operational performance, the Board of Directors coordinates the areas that cause the decline in performance by making action plans for future improvements and intensive monitoring

The Internal Audit Division also conducts an examination of the organizational structure at Branch Offices, Sub-Branch Offices, and Cash Offices based on sampling, which includes vacancies, segregation of duties, concurrent positions, and competence of officers in carrying out operational activities during the General Audit.

Information System Control through TSI examination with the scope of Information Technology (IT) Audit covering Management & Governance; Development & Operations Process and Security Management. In addition, as an

obligation to comply with regulatory authorities, thematic examinations of the Indonesian National Standard ISO 27001:2013 for Information Security Management System and ISO 20000:2018 for Core Banking System Service Management System, JConnet Internet Banking, JConnet Mobile Banking, and JConnet SMS Banking of Bank Jatim are conducted. The examination scope includes an assessment (gap analysis) of the Bank's internal policies and procedures against the Indonesian National Standard ISO.

Documentation Control, ensured that:

- a. Documentation of policies, procedures, systems, accounting standards, and adequate audit trail processes that are easily accessible to all Bank Jatim employees through the Compliance Portal.
- b. Easy access to documentation if needed for examination purposes.
- c. Adequate document accuracy and availability.

#### Separation of Functions

The separation of functions was intended so that everyone in his position did not have the opportunity to commit and hide mistakes or deviations in the implementation of his duties. The Branch organizational structure, the functions of credit analysis and business administration and legal officers have been separated. The subordinate credit analysts report to the credit supervisor, while the business administration and legal officers report to the Business Administration & Legal Supervisor.

#### Physical Asset Control

Examination ensured the implementation of physical safeguards for Branch assets including physical numbers, records and regular checks between physical and records, safe placement of assets and arrangements for authorized officers including credit collateral documents, for example cash checks, inventories, physical checks of credit collateral, marketable papers and fixed assets.

#### Compliance With Other Laws and Regulations

Control of compliance with laws and regulations is generally carried out by the Compliance Unit. The Compliance Work Unit must be independent and only responsible directly to the Director in Charge of the Compliance Function. The duties and responsibilities of the Compliance Unit include, among others, identifying, measuring, monitoring, and controlling Compliance Risk with reference to OJK regulations governing the implementation of risk management for commercial banks and OJK regulations governing the implementation of risk management for Islamic commercial banks and sharia business unit. In addition, the Compliance Unit also assesses and evaluates the effectiveness, adequacy, and conformity of the Bank's policies, provisions, systems and procedures with statutory provisions.

In improving the effectiveness of controlling compliance with laws and regulations, the Compliance Unit has carried out its duties, among others, to improve the culture of compliance in work units both offline and online, and to continuously improve employee understanding on the applicable rules and regulations, identify, measure, monitor, and control compliance risk to minimize the occurrence of compliance risk by using an application that will be built through a web portal, as well as developing a compliance portal so that it can function effectively to support the performance of all work units, as well as integrating external requirements summary working papers on the compliance portal.

#### Information and Communication

Information and Communication became the identification, capture and exchange of information in a form and time that enables people to carry out their responsibilities. Strengthen effective communication channels with systems enabled the information and communication distribution immediately and accurately to reinforce the understanding and implementation of internal control objectives, processes, and responsibilities involving the Board of Commissioners, Management, related Divisions to employees, as designed to provide adequate assurance about achievement the purpose of the Bank.

In carrying out its functions, internal audit as a strategic partner for the Bank in achieving its activity objectives always provided Assurance and Consultations that provided added value to improve the Bank's performance, internal audit had to be independent, objective, professional and had adequate compensation and had the authority to gain access to information complete in carrying out its duties, because this would provide assurance to the Bank regarding the quality and effectiveness of internal control, risk management as well as governance processes and systems to protect the assets of the bank, the organization and the reputation of the Bank.

#### Monitoring Activities

Monitoring activity was a process that determined the quality of internal control performance over time. Monitoring included determining the design and operation of controls in a timely manner and taking corrective action. To ensure the quality of internal control system sustainable and periodic has carried out and the necessary improvements in the making aligned with existing conditions, particularly by continuous monitoring (ongoing monitoring). Passive/off-site inspection mechanisms or separate evaluation is centrally conducted by the Internal Audit Division Head Office with the observations, research, and analysis of bank functional activities and branch performance aims to obtain information in the shortest possible time and identifying Branch problems so it can take corrective action to the responsible parties.



## Compliance With The Committee of Sponsoring Organizations of Tradeway Commission Internal Control Framework (COSO)

1. Control environment. Control environment factors included ethical values and competence of people and entities, management philosophy and operating styles that prioritize integrity and corporate values which are implemented in management control as a reference as a standard of corporate behavior. The Board of Commissioners also monitors the evaluation of the implementation of internal control made by internal auditors and external auditors with the aim of ensuring that there are improvements to bank problems that can reduce the effectiveness of internal control. Management also strives to place individuals with integrity, competence and effectiveness in their work (right man in the right place).
2. Measuring risk (risk assessment). Management identified, analyzed, and measured risks to ensure adequacy that the risks in a company were managed in accordance with the risk appetite relevant to the business and operations of the bank in order to achieve the specified business plan, by establishing risk identification and risk management criteria to produce reliable financial reports.
3. Control activities. Actions taken by management in the context of internal control relating to the implementation of bank operations, especially the implementation of risk management, implementation of Good Corporate Governance in achieving the targets set by management, were sufficient, effective and safe. Mainly by taking steps, including evaluating or updating policies and procedures, as well as evaluating the security of all business functions and applications and networks included in Business Continuity Management.
4. Information and communication. Strengthening effective lines of communication with a system that allowed the distribution of information and communication quickly and accurately to support the understanding and implementation of internal control objectives, processes and responsibilities involving the Board of Commissioners, Management, related divisions and employees, which were designed to provide adequate assurance about the achievement of company objectives.
5. Monitoring. In order to ensure the quality of internal control in a sustainable and periodic manner and that the necessary improvements had been made according to existing conditions, it was necessary to carry out continuous monitoring (on going monitoring). Monitoring in the first line of defense is in the form of an Internal Control System attached to each risk taking unit, while monitoring carried out on the second line of defense in the first line of defense had to be carried out proactively and continuously in each risk taking unit.

## Evaluation of Implementation of Internal Control System

The implementation of a reliable and effective internal control system became the responsibility of all parties involved in the Bank organization, among others, as follows:

1. Board of Directors  
The Board of Directors of the Bank was responsible for creating and maintaining an effective internal control system as well as ensuring that the system run safely and reliably in accordance with the internal control objectives set by the Bank. Meanwhile, the Director in charge of compliance and risk management functions had to play an active role in preventing irregularities by establishing policies related to the principle of prudence and disseminating information to all employees.
2. Board of Commissioners  
The Board of Commissioners of the Bank was responsible for supervising the implementation of internal control in general, including the Board of Directors' policies that stipulate such internal control.
3. Internal Audit Work Unit  
The Internal Audit Unit had to be able to evaluate and play an active role in improving the effectiveness of the Internal Control System on an ongoing basis with regard to the implementation of Bank operations that had the potential to cause losses in achieving the targets set by bank management. In addition, Banks needed to pay attention to the implementation of an independent internal audit through adequate reporting channels, and the expertise of the internal auditors in particular on the practice and application of risk assessment.
4. All Bank Officers and Employees  
Every bank officer and employee had to understand and implement the internal control system established by bank management. Effective internal control increased the responsibilities of bank officers and employees, promote an adequate risk culture and compliance culture, and accelerate the identification process of unhealthy banking practices and to the organization through an efficient early detection system.
5. External parties  
External parties of the bank included the Financial Services Authority, Bank Indonesia, external auditors, and bank customers with an interest in the implementation of a reliable and effective SPI of a bank.

Results of the Internal Control System Evaluation conducted by the Board of Directors through a review, namely the Board of Directors periodically (every quarter) reviews the operational performance report of the Head of Work Unit (Branch Head) through this review, evaluates findings such as the problem of weakness in the Internal Control System, Financial Report Errors or other irregularities (fraud). The evaluation results show that the implementation of Bank Jatim's internal control system during 2023 is quite adequate.

## Statement of the Board of Directors and/or the Board of Commissioners on the Adequacy of the Internal Control System

The Board of Commissioners and the Board of Directors provide direction on the results of the audit report on the Adequacy of the Internal Control System that has been carried out by the Internal Audit Division by holding regular coordination meetings regarding issues that are obstacles in the Bank's operations and achievement of bank performance including discussions regarding the findings of Internal Audit within a certain period. Board of Commissioners and Directors assess that the internal control system is effective and adequate.

## Risk Management

Risk Management is a controlling risk activity through the process of identifying, measuring, evaluating and monitoring to a portfolio in estimating potential losses that might occur. Thus, the application of risk management was expected that the risks that had the potential to occur could be mitigated and minimized.

## Risk Management Framework

The implementation of Risk Management at Bank Jatim is conducted in line with the Enterprise Risk Management (ERM) framework. This framework provides the basis for a proactive and forward-looking risk management process to ensure the achievement of a healthy and sustainable business growth

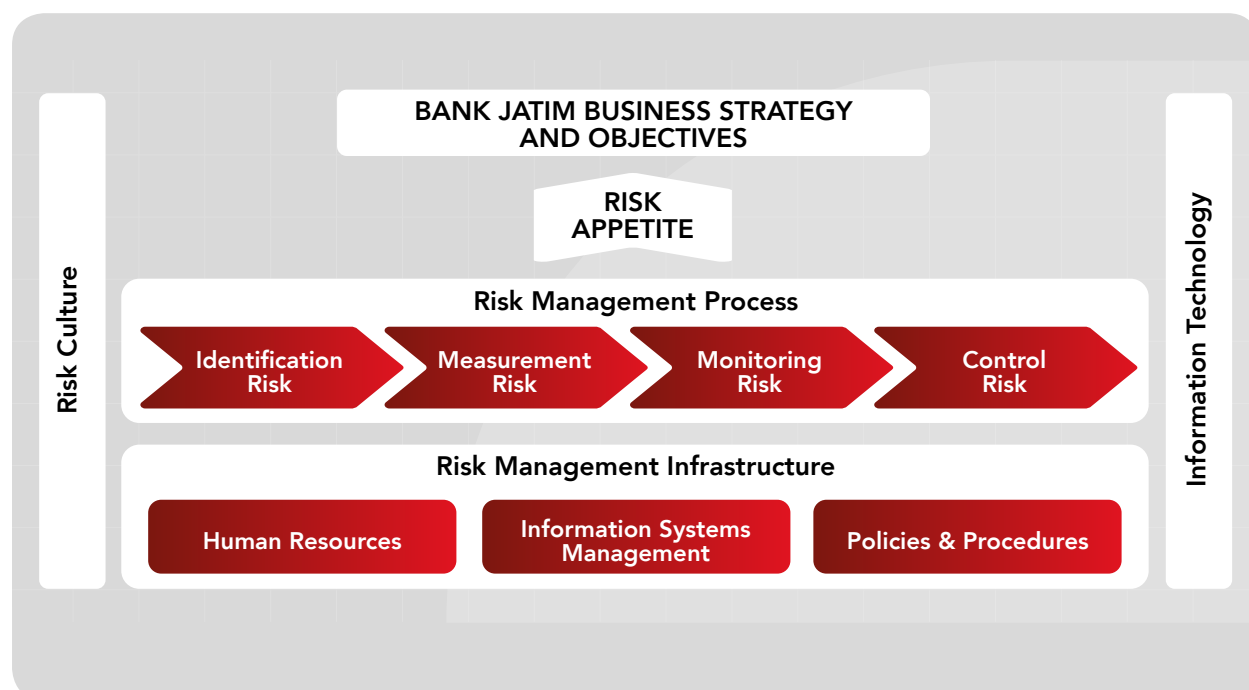
while comprehensively managing capital. Within the ERM framework, risks are managed in an integrated manner through aligning risk appetite with business strategies.

The primary objective of implementing ERM is to enable the Bank to achieve its business targets and plans while adhering to the principle of prudence, maintaining good financial performance, and ensuring compliance with applicable regulations. This is realized through the establishment of a strong risk culture that serves as the foundation for control mechanisms within the ERM framework. Additionally, the Bank prepares risk mitigation measures to align risk exposure with the predetermined risk appetite.

The ERM framework refers to and aligns with the scope of risk management set by the Financial Services Authority, which includes, among other things:

1. Active oversight by the Board of Commissioners and Directors.
2. Adequacy of policies, procedures, and limit determinations.
3. Adequacy of processes for risk identification, measurement, monitoring, and control, as well as risk management information systems.
4. Comprehensive internal control systems..

In simple terms, ERM encompasses a "top-down strategic" and "bottom-up tactical" risk management approach that complement each other. The main components within the ERM framework are depicted in the following diagram:





## 1. Risk Culture

The Bank integrates risk management as an inseparable part of its corporate culture and decision-making processes. The Bank's risk management philosophy is embedded in the Three Lines of Defense approach, where risks are managed during risk-taking activities. There is a clear division of responsibilities for risk ownership among different departments in the Bank.

## 2. Information Technology

The implementation of information technology in risk management during the digitization era plays a crucial role in supporting the organization in the effective identification, measurement, monitoring, and control of risks..

## 3. Human Resources

Having personnel with appropriate skills and expertise is key to ensuring that the ERM framework functions effectively.

## 4. Management Information System

An adequate Management Information System supports risk management activities. To enhance the effectiveness of risk measurement processes, the Bank must have an information system that provides accurate and timely reports and data to support decision-making by management and generate reports for risk monitoring.

## 5. Policies and Procedures

Ensuring the adequacy of policies and procedures serves as the foundation for a consistent viewpoint across all organizational units in the daily risk-taking activities.

## 6. Risk Management Process

The objective of a good risk management process is to manage inherent risks in the Bank's activities with the goal of providing sustainable added value to the entire Bank's operations. The risk management process is conducted as part of daily activities with the aim of ensuring that risks are considered, evaluated, and responded to in a timely and appropriate manner.

### a. Identification and Risk Assessment

To establish effective risk management, risks need to be clearly defined, proactively identified, and continuously assessed based on a forward-looking approach. Accurate identification and assessment of risks focus on awareness and understanding of all major inherent risks in business activities or key risks that may arise from external factors or uncertainties.

The Bank conducts risk identification through the self-assessment of the Risk Profile at the PRC branch as a Risk Control Self-Assessment tool. This structured

approach allows the First Line of Defense to identify and assess key risks and controls, enabling them to plan appropriate corrective actions to minimize existing risk exposure.

### b. Risk Measurement

Risk measurement aims to gauge the Bank's risk profile to obtain an effective overview of the implementation of risk management by understanding the magnitude of risk in a product, portfolio, and activity, as well as its impact on the Bank's profitability and capital.

### c. Risk Management and Control

Risk management and mitigation are integral parts of the bank's business, aiming to reduce risks to a manageable level and within the limits of risk appetite.

### d. Monitoring and Reporting

Risk monitoring aims to continuously evaluate risk exposure and refine reporting processes when there are changes in the Bank's business activities, products, transactions, risk factors, information technology, and risk management information systems that are material. These risks are monitored and reported periodically to ensure they remain within the Bank's risk appetite limits.

## 7. Risk Appetite

Risk Appetite is the level of risk that the Bank's management is willing to take and accept in order to achieve strategic and business objectives. Risk Appetite is dynamic and changes in accordance with shifts in the Bank's business priorities, risk management capabilities, and external conditions. The purpose of the Risk Appetite framework is to ensure that the boundaries of acceptable risk-taking activities align with the Bank's business strategy and operational plans. It should be clear and detailed enough to serve as a guide for senior management and frontline employees across all business units in their daily decision-making. The process of establishing Risk Appetite is conducted periodically, typically on an annual basis.

## 8. Business Strategy and Objectives

For effective risk management implementation, the Bank's management must develop an organizational structure that aligns with business goals, size, complexity, and inherent risks. In managing risk management, a robust corporate governance structure is essential to enhance the four eyes principle and transparency throughout the risk management processes. This ensures the effectiveness and consistency of the ERM Framework implementation.



## Risk Management System

Based on the Financial Services Authority Regulation Number 18/ POJK.03/2016 dated March 16, 2016, concerning Application of Risk Management for Commercial Banks and Financial Services Authority Circular Letter Number 34/SEOJK.03/2016 dated September 1, 2016, concerning Application of Risk Management for Commercial Banks. Bank Jatim Risk Governance Structure was developed based on the Four Pillars of Risk Management Implementation, namely:

### Active Supervision of The Board of Commissioners and Directors

The Board of Commissioners and Directors grant the approval as well as evaluate the risk policies and strategies actively and periodically. Conducted by the Board of Commissioners, the establishment of policies and strategies functions as a reference for the Board of Directors to conduct out the Company's objective and that has estimated risk tolerance and its impact on capital, informing and communicating the risk policies and strategies and evaluating its implementation to all related work units.

The duties, responsibilities and authorities of the Board of Commissioners related to active supervision in Risk Management activities include, among others:

1. Ensuring that the implementation of Risk Management was adequate in accordance with the characteristics, complexity and risk profile of the Bank.
2. Having a good understanding of the types and levels of risk inherent in the Bank's business activities.
3. Approving the Risk Management policy including the Risk Management strategy and framework that was determined in accordance with the Bank's risk appetite and risk tolerance.
4. Evaluating Risk Management policies and Risk Management Strategies at least 1 (once) a year or more frequently when things occurred that could significantly affect the Bank's business activities.
5. Evaluating the accountability of the Board of Directors and provide direction for improvement on the implementation of Risk Management policies on a regular basis to ensure that the Board of Directors manages the Bank's activities and risks effectively.

The duties, responsibilities and authorities of the Board of Directors related to Risk Management activities include:

1. Ensuring that the implementation of Risk Management was adequate in accordance with the characteristics, complexity and risk profile of the Bank.
2. Having a good understanding of the types and levels of risk inherent in the Bank's business activities.
3. Formulating and establishing a written and comprehensive Risk Management policy, strategy and framework including determination of risk limits as a whole and per risk

type, considering the risk appetite and risk tolerance in accordance with the condition of the Bank and considering the impact of risk on capital adequacy to seek approval from Board of Commissioners.

4. Formulating, determining, and periodically updating procedures and tools to identify, measure, monitor and control risks.
5. Evaluating and/or updating policies, strategies, and Risk Management framework at least 1 (once) a year, or when there were significant changes in factors affecting the Bank's business activities, risk exposure, and/or risk profile.
6. Establishing an organizational structure including clear authorities and responsibilities at each level of position related to the implementation of Risk Management.
7. Being responsible for implementing policies, strategies and Risk Management framework approved by the Board of Commissioners and evaluating and providing direction based on reports submitted by the Company's Risk Management Division including reports on risk profiles.
8. Ensuring that all material risks and impacts arising from these risks had been followed up and submit an accountability report to the Board of Commissioners periodically containing progress reports and material risk issues accompanied by corrective steps that had been, were being, and would be carried out.
9. Ensuring the implementation of follow-up corrections for problems or irregularities in the Bank's business activities discovered by the Internal Audit Division.
10. Developing a Risk Management culture including risk awareness at all levels of the organization, including adequate communication to all levels of the organization regarding the importance of effective internal control as evidenced in:
  - a. Minutes document attached with attendance list of meeting participants, if communicated through the meeting forum;
  - b. Paper documents/handouts or other materials if communicated through education and training forums, accompanied by a list of attendees.
11. Ensuring adequate financial support and infrastructure to manage and control risks.
12. Ensuring that the Risk Management function had been implemented independently by means of a separation of functions (four eyes principle) between the Company's Risk Management Division which identified, measured, monitored and controlled risks with the Internal Audit Division and the risk taker unit.

### Adequacy of Policies and Procedures and Risk Limit Determination

Bank Jatim already had a Risk Management Policy which served as the main guideline in implementing risk management. For more specific business areas, Bank Jatim had more specific policies and procedures, for example in the fields of credit, treasury, and operations. These policies and procedures





regulated the determination of limits for each activity, both at the portfolio and transactional levels. The determination of these limits consisted of overall limits (exposure limits), individual limits, counterparty limits, limits per type of risk and limits per certain functional activity with risk exposure.

### **Adequacy of Risk Identification, Measurement, Monitoring and Control Processes and Risk Management Systems**

Bank Jatim run the Identification, Measurement, Monitoring and Risk Control Process, as well as a Risk Management System through an Enterprise Risk Management (ERM) framework. Risk control policy guidelines provided an adequate reference for the identification and measurement process of risk. In measuring the risk profile of each Bank activity, at the initial stage the Bank identified risks by recognizing and understanding all inherent risks. After the risk identification was carried out, the measurement and risk monitoring was then carried out. This risk measurement was intended so that the Bank was able to calculate the risk exposure inherent in each activity so that the impact on the Bank's performance could be estimated.

Periodically evaluating risk exposures, especially those that were material in nature and or that had an impact on the Bank's performance. The results of monitoring, which included evaluation of risk exposures, were reported in a timely, accurate and informative manner which would be used to make decisions, including the necessary follow-up actions to monitor risks.

#### **1. Risk Identification**

Proactive risk identification covered all business activities of the Bank and was carried out in order to analyze the sources and likelihood of risks and their impacts. Risk identification was carried out periodically by using a method or system to identify risks in all products and business activities of the Bank.

The risk identification process was carried out by analyzing all risk sources that were at least carried out on the risks from the Bank's products and activities and ensuring that the risks from new products and activities had gone through a proper Risk Management process before being introduced or implemented.

#### **2. Risk Measurement**

a. The risk measurement system was used to measure the Bank's risk exposure as a reference for exercising control. Risk measurement was carried out regularly for both products and portfolios as well as for all Bank business activities.

- b. The risk measurement system can measure:
  - The sensitivity of the product / activity to changes in the factors that influence it, both under normal and abnormal conditions.
  - The trend of changes in these factors is based on past fluctuations and their correlation.
  - Individual risk factors.
  - Overall risk exposure as well as per Risk, taking into account the relationship between Risks.
  - All risks inherent in all transactions and Bank products, including new products and activities, and can be integrated into the Bank's management information system.
- c. The risk measurement method was carried out quantitatively and/or qualitatively according to the characteristics and complexity of business activities. The measurement methods were in the form of methods stipulated by the Financial Services Authority in the framework of risk assessment and capital calculation as well as methods that were developed by the Bank itself.
- d. The Risk measurement system was evaluated and refined periodically or from time to time as necessary to ensure the suitability of assumptions, accuracy, fairness and data integrity, as well as the procedures used to measure Risk.
- e. Stress tests were carried out to complement the risk measurement system by estimating the Bank's potential losses in abnormal market conditions using certain scenarios in order to see the sensitivity of the Bank's performance to changes in risk factors and to identify influences that had a significant impact on the Bank's portfolio.
- f. The Bank performed stress testing periodically and reviews the stress testing results and takes appropriate steps if the predicted conditions that would occur exceed an acceptable tolerance level. The results were used as input when setting or changing policies and limits.

#### **3. Risk Monitoring**

- a. The Bank had a monitoring system and procedure which included monitoring the amount of risk exposure, risk tolerance, internal limit compliance, and the results of stress testing as well as the consistency of implementation with established policies and procedures.
- b. Monitoring was carried out both by the risk taker unit and by the Company's Risk Management Division.
- c. Monitoring results were presented in periodic reports submitted to Management in the context of risk mitigation and the necessary actions.
- d. The Bank prepared an effective back-up system and procedures to prevent disruptions in the risk monitoring process, and conducts regular checks and reassessments of the back-up system.

**4. Risk Control**

- a. The Bank had an adequate risk control system by referring to the established policies and procedures.
- b. The risk control process implemented by the Bank was adjusted to the risk exposure as well as the level of risk to be taken and risk tolerance. Risk control was carried out by the Bank, among others by means of hedging mechanisms, and other risk mitigation methods such as issuing guarantees, asset securitization and credit derivatives, as well as increasing Bank capital to absorb potential losses.

**5. Risk Management System**

- a. The Risk Management System is part of the management information system owned and developed by the needs of the Bank to implement effective risk management.
- b. As part of the risk management process, a risk management system is used to support the implementation of risk identification, measurement, monitoring, and control processes.
- c. The Risk Management System and the resulting information are adapted to the characteristics and complexity of the Bank's business activities and are adaptive to changes.
- d. The adequacy of the scope of information generated from the risk management system is reviewed periodically to ensure that the coverage is adequate by developments in the level of complexity of business activities.
- e. As part of the risk management system, risk profile reports are prepared periodically by the risk management division, independent of the work units conducting business activities. The frequency of submitting reports to the relevant Directors and the Risk Management Committee is increased as needed, significantly when market conditions change rapidly.
- f. The Risk Management System supports reporting to the Financial Services Authority.
- g. In developing new information system technology and software, the Bank ensures that implementing the new information system and technology will maintain the continuity of the Bank's information system.
- h. If the Bank decides to outsource workers in software development and system improvement, the Bank ensures that the decision to appoint a third party is carried out objectively and independently. The outsourcing agreement/contract includes clauses regarding maintenance and updating as well as anticipatory steps to prevent disruptions that may occur in its operations.
- i. Prior to implementing the new management information system, the Bank conducts tests to ensure that the processes and resulting outputs have gone through an effective and accurate development, testing, and reassessment process, and the Bank ensures that the system can access historical accounting and management data/ the new software is acceptable.

- j. The Bank administers and updates system documentation, which includes hardware, software, database (database), parameters, process stages, assumptions used, data sources, and resulting outputs to facilitate inherent control and implementation of audit trails.

**Internal Controlling System**

The Internal Control System (SPI) became a supervisory mechanism established by the management of Bank Jatim on an ongoing basis. Effective SPI was an important component in management and forms the basis for sound and safe operational activities of the Bank. The effective implementation of the internal control system could assist the Bank's management in safeguarding the Bank's assets, improving the Bank's compliance with the prevailing laws and regulations, and reducing the occurrence of losses, deviations and violations of prudential aspects.

The implementation of a reliable and effective internal control system of the Bank was the responsibility of all risk taker units, support units, and the Internal Audit Division. The internal control system for risk refers to the overall internal control system which included:

1. The Bank implemented the internal control system effectively in the application of Risk Management by referring to the established policies and procedures. The application of the four eyes principle had been adequate and consistently implemented.
2. Comprehensive internal control system in the application of Risk Management
3. Implementation of a review of the implementation of Risk Management.
4. The results of the review assessment by the Company's Risk Management Division were submitted to the Board of Commissioners, Internal Audit Division, Compliance and Risk Management Director, Audit Committee, and other relevant Directors as input in improving the Risk Management framework.
5. Improvements to the results of internal and external audit findings monitored by the Internal Audit Division. The audit findings that have not been followed up are informed by the Internal Audit Division to the Board of Directors to take the necessary steps.
6. The level of responsiveness to weaknesses and / or deviations that occurred against applicable internal and external regulations.



## Risk Profile and Management

The risks inherent in the Bank Jatim Business aligned with the provisions of the Financial Services Authority stipulated eight risks includes Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk. A better description of each risk as follows

### Credit Risk

Based on OJK Regulation Number 18/POJK.03/2016, credit risk is defined as the risk that occurs due to the failure of other parties to fulfill their obligations, including credit risk due to debtor failure, credit concentration risk, counterparty credit risk, and settlement risk. The management of credit risk at Bank Jatim until December 2023 has been optimally pursued, as reflected in the credit risk profile rating in December 2023, which was Moderate As for the quality of the implementation of credit risk management related to the active supervision of the Board of Commissioners and the Board of Directors, it has been running according to its function so that the general assessment of the quality of the implementation of credit risk management is Fair so that the composite rating for credit risk is rating 3.

From a policy standpoint, Bank Jatim constantly reviews and updates the limits on the provision of funds following business and organizational developments. In the process of limiting the provision of funds following business and organizational developments. The Risk Management Division provides reviews and determines the level of risk in determining transaction facilities (Counterparty Limits), as well as regular monitoring of Risk Appetite and Credit Risk Limits. In terms of strengthening credit risk management, the bank has also established a Credit Risk unit/Division that concentrates explicitly on credit.

### Potential Risks

Potential Risks to the Bank's lending activities may arise due to Human Resources in the credit sector having inadequate knowledge, inadequate internal credit processes, in-depth and inaccurate credit analysis, funding in high-risk sectors, credit concentration, and on placement activities. or buying securities from companies that are considered less bona fide, causing default and causing bank losses due to having to establish CKPN, reducing profits due to write-off credits, costs arising from the credit settlement process (billing fees, legal process, auction process), and also resources that must be allocated for collection and restructuring of credit. In addition to losses on credit, it can also result from failure in the settlement process.

### Credit Risk Mitigation

The invented mitigation effort towards credit risk potential losses is: Advancing the knowledge of Credit Analysts in the credit field aims to be more professional and master their duties, improving systems and procedures in the credit field, fostering and monitoring credit realization, more intensive collection efforts for 'The Special Case customers' to prevent collectability deterioration, increase the supervision credit function, implement the principle of Prudential Banking in credit expansion, supervise existing systems and procedures, as well as accurate and excellent Counterparty analyze.

### Market Risk

Market risk is the risk on balance sheet positions and administrative accounts, including derivative transactions, due to overall changes in market conditions, including the risk of changes in option prices. Market risk management aims to minimize the possibility of negative impact due to changes in market conditions on the Bank's capital assets. By the regulations of the Financial Services Authority, Bank Jatim's market risk management, as reflected in the market risk profile assessment rating in December 2023, is Low to Moderate for inherent risk and Satisfactory for the quality of risk management implementation so that a composite rating is obtained, namely rating 2.

### Potential Risks

Potential losses arising from market risk might occur on the following matters, such as the change of Bank interest rates impact on the Bank portfolio (Gap ratio Rate Sensitive Asset & Rate Sensitive Liability portfolio), fluctuating exchange rates changes arise for foreign currency leads Bank to suffer losses, changes in prices of the Bank's portfolio, changes in rating or obligor's financial performance means the bank's portfolio value decline (for securities or bonds), inefficient market conditions affected the accuracy of valuation in the financial transactions inducing current financial losses (both in the capital and stock market), as well as other losses associated with political deterioration.

### Market Risk Mitigation

The undertaken mitigation efforts made against potential losses on market risk, among others are: the application of floating interest rates, monitor of Net Open Position aligned with regulatory provisions, an excellent and accurate counterparty analysis, counterparty ratings consideration, determinate and monitor of dealer limits, stop loss & cut loss, monitor over off Market transactions, good provision of historical and data of potential market, application of technical and fundamental analysis on transactions exposed to market risk, also the IRRBB Limit on Assets and Liabilities implementation sensitive to interest rates changes (Risk Sensitive Assets and Risk Sensitive Liabilities).

## Liquidity Risk

Liquidity risk results from the Bank's inability to meet its maturing obligations from cash flow funding sources and/or high-quality liquid assets that can be pledged as collateral without disrupting the Bank's activities and financial condition. Bank Jatim's liquidity risk management, as reflected in the liquidity risk profile assessment in December 2023, is Low to Moderate for inherent risk and Satisfactory for the quality of risk management implementation so that a composite rating of 2 is obtained for liquidity risk.

### Potential Risks

Potential losses arising from liquidity risk can occur on the following matters: a large-scale withdrawal in behavior outside work, a rush of external factors, funding for stagnant ThirdParty Funds, installment under-performing payments credit debtors, unfavorable liquidity & maturity profile gap, which leads a tendency towards the provision of expensive, limited funds or reduced potential for credit expansion, or more broader impact of bank losses, arising from reputational risk.

### Liquidity Risk Mitigation

The undertaken mitigation effort of potential losses on liquidity risk is to anticipate and monitor funds withdrawals that have been made by customers in withdrawals form through bank clearance and cash withdrawals through incoming funds both in incoming transfers and customer cash deposits (customer behavior). Bank Jatim has conducted liquidity banking sensitivity analyze to the largest ever withdrawal scenario, covers increasing access to funding sources, increasing and maintaining the stability of Third Party Funds. Bank Jatim has maintained primary and secondary reserves as well as arranged detailed cash flow projections in rupiah against interest rate fluctuations. On top of that, Bank Jatim has conducted a management gap to avoid or minimize interest rates fluctuations to actualize stable and growing profits. Bank Jatim also continue to increase the number of good counterparties and establish long-term positive relations, particularly in the liquidity provision field which develops various forms of Contingency Funding Plans constantly in both normal and crisis situations.

## Operational Risk

Operational risk is defined as the arising losses risk due to insufficient and or non-functioning internal processes, human errors, system failures, and or the presence of external parties affect in the operation of Bank Jatim. Operational risk was inherent in every product / activity / bank operational process. In measuring operational risk, Bank Jatim calculated capital requirements for operational risk using a basic indicator approach. Operational risk is a crucial risk category, considering that the growing business model and products, banking services of Bank Jatim, become more complex and diverse in the future. To manage functional banking activities, products or services optimally, the effective operational risk management implementation has been carried out. Furthermore, the internal audit unit evaluates the risk management policies implementation and procedures in each of the operational banking activities.

The approach used in managing operational risk is through the determination of the most appropriate mitigation strategies to obtain an optimal balance between operational risk exposure, the effectiveness of the control mechanism and the level of risk that has been received by the Bank. Operational risk management was supported by the involvement of:

1. Risk Management Committee  
The Board of Directors carried out the functions of supervision, control and risk management, including the establishment of risk management strategies, setting risk limits, business limits and operational limits and monitoring risk profiles.
2. Operational Risk Management Unit  
Operational risk management work unit that was responsible for formulating policies and operational risk management work tools.
3. Risk Taking Unit  
The work unit was fully responsible for managing operational risk and ensures that controls in each operational activity were carried out effectively and in accordance with regulations.
4. Compliance work unit  
Work units that carried out compliance functions with internal and external regulations.
5. Internal Audit Unit  
Work units that implemented the effectiveness of internal controls on Bank activities.

Until December 2023, Bank Jatim's operational risk management, as reflected in the operational risk profile assessment, is Moderate for inherent risk and Fair for the quality of risk management implementation so that a composite rating of 3 is obtained for operational risk.



### Potential Risks

With the presence of operational risk exposures, other risk exposures can also increase including credit risk, market risk, liquidity risk, legal risk, liquidity risk, strategic risk, and reputation risk, which possibly result in potential financial and nonfinancial losses. Another impact of operational risk is Soundness Level Rating decline leads banks unable to conduct business activities and the expansion of new bank office and under the status of incentive supervision from regulators.

### Operational Risk Mitigation

To mitigate operational risk, Bank Jatim establish Lost Event Database application which connected to all work units, so a work unit can input risk events that occur in no time using online platform through web-based media. As a follow-up step, the collective data will be analyzed and mitigated against the risk event. The Bank is also committed to improving the quality and process of internal control, the Human Resources qualification through various trainings, certifications and seminars, and banking services through infrastructure improvements required, while ensuring that Bank Jatim has adequate operational risk mitigation policies and procedures obligate to comply with and conduct out by every operational work unit with accomplished transactions and activities accurately, efficiently and on scheduled. The Bank also has Operational Risk Management Implementation procedures, Business Continuity Management (BCM) and carries out a Risk Assessment (RA) process to measure potential disruptions/ disasters that threaten the bank's sustainability so as to minimize the Bank's potential risks.

### Legal Risk

The Bank carries out legal risk identification based on risk factors, including lawsuits and weaknesses in juridical aspects arising from any contracts and agreements related to products and services. As of December 2023, Bank Jatim's legal risk management is reflected in the legal risk profile assessment, which has Low to Moderate rating for inherent risk and Fair for the quality of risk management implementation so that a composite rating of 2 is obtained for legal risk.

### Potential Risks

Potential risks from legal risk, namely the existence of lawsuits as a result of weaknesses in legal or juridical aspects or the absence of supporting laws and regulations, resulting in financial and non-financial losses such as:

1. Expenditures for the incurring of compensation from the Customer.
2. Imposition of fines/sanctions for the occurrence of lawsuits.
3. Loss of Credit Guarantee.
4. Claim Bank Guarantee
5. Delayed Auction Guarantee (which can affect NPL).

### Legal Risk Mitigation

By reviewing juridical studies on all possibly arising legal issues (between the guarantor and its parties) to minimize the demands, among others:

1. Completeness of document fulfillment and Bank Guarantee requirements.
2. Bank Guarantee realization procedure
3. Related to the contract/agreement contained in the Bank Guarantee File.

### Strategic Risk

Strategic Risk is the risk due to inaccuracy in making and/ or implementing a strategic decision and failure to anticipate changes in the business environment. Strategic risk identification is based on strategic risk factors in certain functional activities, such as credit, treasury and investment activities as well as operations and services through a business plan prepared by the Strategic Planning & Performance Management Division as a translation of the General Policy of Board of Directors.

Strategic risk measurement and measurement parameters are based on the Bank's performance by comparing the expected results with actual results, evaluating work unit performance, and checking progress against the set targets. Strategic risk monitoring is carried out by conducting quarterly reviews for each division and quarterly reviews for each branch office. As of December 2023, Bank Jatim's strategic risk management, which is reflected in the strategic risk profile assessment, is rated Low to Moderate for inherent risk and Fair for the quality of risk management implementation so that a composite rating of 2 is obtained for strategic risk.

### Potential Risks

Potential risks that may occur include:

1. There was an error in the decision-making/determination of the business strategy, causing the income earned to be not optimal to the costs incurred
2. Launching a new product without conducting a Feasibility Study to analyze the plan for implementing the new product to prevent potential failure so that product sales targets cannot be optimal.
3. The launch of a new product must have an in-principle permit, if it is not implemented, the product will not be able to run, so it will lose the opportunity to raise third-party funds.

### Strategic Risk Mitigation

Prepare and determine Bank business strategy by conducting a comprehensive analysis of studies, risk control, and Feasibility

Study which cover analysis of Cost and benefits. If there is a new program or product, then at least

1. A new product or program has been included in the Bank business plan.
2. There is a principle permit for the launching of its product.
3. Perform the act based on the applicable Service Level Agreement and provide information regarding the costs and potential; awaiting risks to the Debtor or the Customer in case of credit realization, launch new products and monitor the total credit result from the set targets. Furthermore, if the launching program went downhill, review the obstacle that might occur and provide a solution so that the business plan still working unscheduled is necessary.

### Compliance Risk

Compliance Risk is a risk due to the Bank of does not comply with and or implement the applicable laws and regulations. In identifying compliance risk, the compliance division arranges a list of regulations applied to all work units has been adjusted to the provisions of the Regulator as well as other applicable external parties.

Compliance risk measurement has carried out to measure potential losses caused by non compliance and the inability of the Bank to comply with applicable regulations. The compliance risk amount is estimated based on the Bank's ability to fulfill all regulations in the past and future. Those activities include reviewing internal and external audit findings has not yet been resolved and the frequency measurement as well as the nominal penalties. Compliance Director & Human Capital assisted by the Compliance & Governance Division regularly reviewing aspects of compliance, especially suspicious or unnatural transactions.

As of December 2023, Bank Jatim's compliance risk management, as reflected in the compliance risk profile assessment, is rated Low to Moderate for inherent risk and Fair for the quality of risk management implementation so that a composite rating of 2 is obtained for compliance risk.

### Potential Risks

Bank non-compliance with regulatory regulations and other internal regulations of the Bank may be subject to administrative sanctions in the form of:

1. Written warning.
2. Sanctions for the obligation to pay fines.
3. Decrease rating of the Bank's soundness.
4. Prohibition of opening office networks.
5. Freezing of certain businesses.
6. The inclusion of management members, bank employees, and or shareholders in the list of parties was predicated of not passing the fit and proper test or in the administrative records as stipulated in the provisions of the Financial Services Authority.
7. Dismissal of Bank management.

### Compliance Risk Mitigation

To minimize compliance risk, Bank Jatim evaluate compliance with internal and external provisions both from Bank Indonesia, the Financial Services Authority and other applicable regulations. Besides that, the bank also analyzes event which possibly inducing compliance risk by:

1. Provide new products and new internal regulations risk assessment before granted approval by the board of directors.
2. Perform compliance checklists for certain operational activities.
3. Review internal regulations.
4. Disseminate external regulations to the division and branch offices.

### Reputation Risk

Reputation risk is a risk due facing the stakeholder trust gap originating from various activities including events that can bring harm the reputation of the Bank (e.g. negative report in the mass media, violations of business ethics and customer complaints) and other matters inducing reputational risks such as weakened corporate governance, corporate culture and business banking practices.

The transformation of Bank Jatim become into a public bank, successfully identifies factors inherent risk in an openness functional activities which include customer complaints about its services, employees behavior in serving customers and conducted communication systems by the Bank.

The reputation risk measurement for December 2023 has a Low to Moderate rating for the inherent risk. While efforts to implement reputation risk management itself have a Satisfactory predicate by making efforts to improve the Bank's reputation so that a composite rating of 2 is obtained.

Efforts to control reputation risk carried out by Bank Jatim through the Corporate Secretary are responsible for implementing policies related to handling and resolving negative news or avoiding counter-productive information and carrying out public service functions in the framework of corporate social responsibility (Corporate Social Responsibility/ CSR). Bank Jatim's Corporate Social Responsibility activities are carried out continuously and focus on 4 (four) aspects, including aspects of education and banking education, culture, health, and social aspects, including repair of Uninhabitable Houses (RTLH). In addition, the Bank continuously improves the bank's internal policies related to customer complaints and customer service in order to minimize the potential for a decline in the Bank's reputation.

### Potential Risks

Reputation risk is perceivable from several indicators including:

1. Violations of business ethics, the reporting quality of a Bank and customer complaints. The parameters of violation





of business ethics come from various transparency of financial information criteria, human resources, marketing of products and services, business cooperation with other stakeholders that holds potential reputation risk suffer losses.

2. Addressing the driving force of Bank success is a competent human resource, means quality service to the customers involves qualified human resources. An unqualified human resource will bring potential reputation risk losses to the customer, therefore, customer service should align with the applicable provisions of Service Standardize.
3. The most crucial potential losses are negative reporting in the mass media where the customer already recognized it and poor customer service while handling complaints whose experience the problems at Bank Jatim.

#### Reputation Risk Mitigation

Always maintain the Bank credibility in front of shareholders and stakeholders, being responsive in responding complaint and negative news, comply with applicable regulations and always

maintain customer satisfaction by regularly evaluating levels of service that has been carried out by the frontline in each branch office.

At least every customer complaint can be resolved as soon as possible, by informing customers so they don't make complaints via social media.

#### Risk Evaluation Process

The Bank's Risk Management Division prepares Risk Evaluation Reports on a periodic basis, i.e. quarterly, and submits these reports to various levels of management including to the Board of Commissioners, as well as to related external parties such as the Financial Services Authority. In addition, the Bank's Risk Management Division has coordinated with the Internal Audit Division to discuss audit findings as material for evaluating risks and minimizing risks that occur. The findings are submitted to the Company's Risk Management Division for mitigation in accordance with 8 (eight) risks and solutions are given.



## Effort to Manage Risk

As a bank that had a vision to encourage regional economic growth and participate in developing small and medium enterprises that focused on providing credit to the MSME sector, it was strongly influenced by changes in the business climate such as inflation and competition with foreign products. Thus, the increasing number of foreign products that entered Indonesia as a result of the free trade that Indonesia followed. Efforts to minimize these negative impacts are carried out risk management based on the principle of prudence to ensure the growth of a healthy and sustainable performance of the Bank.

Risk management as an integral part of business growth and daily business activities of the Bank is carried out in various ways, among others:

1. Presenting a risk perspective opinion on each new banking activities and products, along with a service banking network expansion.
2. Continuously improve operational policies and procedures, while adjusted risk tolerance limits to ensure its optimal balance between asset quality and business profitability
3. Maintain the risk management implementation aligned with macroeconomics changes and the development of Bank Jatim business.

## Risk Assessment

Following OJK Regulation No. 18/POJK.03/2016 concerning Implementation of Risk Management for Commercial Banks, article 23 regulates the obligation of Banks to submit Bank Risk Profile Reports to OJK every 3 (three) months (quarterly).

Based on OJK Circular No. 34/SEOJK.03/2016 dated September 1, 2016 concerning the Implementation of Risk Management for Commercial Banks, the risk rating for Conventional Commercial Banks is categorized into 5 (five) ratings, namely 1 (low), 2 (low to moderate), 3 (moderate), 4 (moderate to high) and 5 (high) for the level of inherent risk, while the rating for the quality of implementation of risk management is categorized into five ratings, namely 1 (strong), 2 (satisfactory), 3 (fair), 4 (marginal) and 5 (unsatisfactory).

The results of the Bank's risk profile self-assessment as of December 2023 were ranked 2 (PK-2) with an inherently Low to Moderate risk rating and a Quality of Risk Management Implementation (KPMR) rating, namely Satisfactory.

Type of Risk	Inherent Risk	Quality of Application of Risk Management	Composite Rating
Credit Risk	Moderate	Fair	3
Market Risk	Low to Moderate	Satisfactory	2
Liquidity Risk	Low to Moderate	Fair	2
Operational Risk	Moderate	Fair	3
Legal Risk	Low to Moderate	Fair	2
Strategic Risk	Low to Moderate	Satisfactory	2
Compliance Risk	Low to Moderate	Fair	2
Reputation Risk	Low to Moderate	Satisfactory	2
Composite Rating	Low to Moderate	Satisfactory	2

## Review of The Effectiveness of The Risk Management System

The Bank constantly evaluates the effectiveness of the risk management system. The evaluation includes adjusting the strategy and risk framework as part of the risk management policy, the adequacy of the information system, and the adequacy of identifying, measuring, monitoring, and controlling risks.

One form of evaluation of the risk management policy is the evaluation of the Risk Management Policy and Standard Procedures. The Board of Commissioners plays an active

role in evaluating the risk management system by reviewing the results carried out by the Board of Directors as the organ responsible for the effectiveness of the risk management system implementation. The evaluation results show that implementing Bank Jatim's risk management during 2022 is quite adequate. Evaluation of the implementation of risk management is carried out periodically. The evaluation results are then conveyed to various levels of management as well as to related external parties such as the Financial Services Authority.





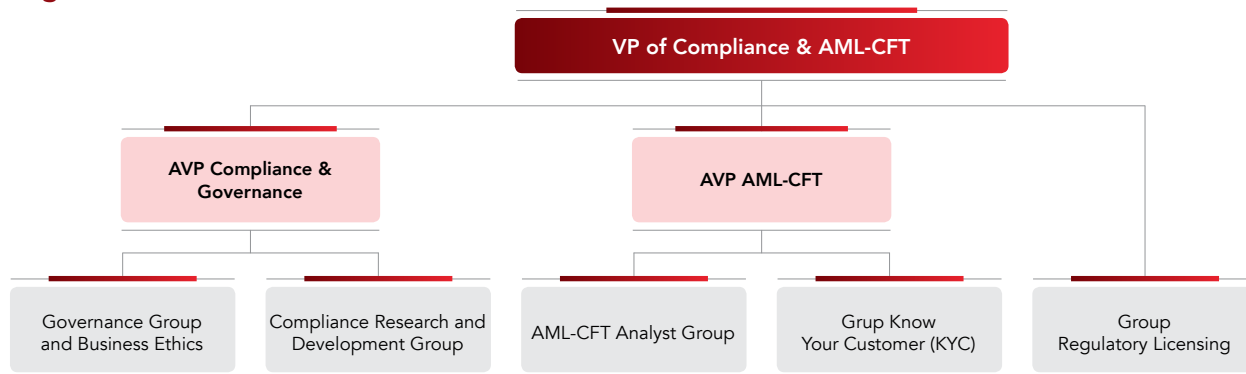
## Statement of The Board of Directors and/ or The Board of Commissioners or The Risk Monitoring Committee on The Adequacy of The Risk Management System

The Board of Commissioners through the Risk Monitoring Committee assessed that the adequacy of risk management was effective and adequate as reflected in:

1. Adequacy of Risk Management policies and procedures as well as determination of effective Risk limits which include, among others:
  - a. Determination of the use of measurement methods and Risk Management information systems.
  - b. Determination and determination of Risk limit.
  - c. Determination of Risk rating
  - d. Preparation of contingency plans in the worst case scenario
  - e. Determination of the internal control system in the application of Risk Management.
2. Adequacy of risk identification, measurement, monitoring and control processes, and an adequate Risk Management Information System.

## Compliance Function

### Organizational Structure



The establishment of the Compliance Unit by the Director in charge of Compliance is regulated in the Financial Services Authority Regulation Number 46/POJK.03/2017 concerning the Implementation of the Compliance Function of Commercial Banks. The Compliance Unit must be independent and only report directly to Director in charge of Compliance Function.

### Profile of Vice President Compliance and AML-CFT



#### Putu Denny H.

**Vice President Compliance and AML CFT**

<b>Domicile</b>	: Surabaya
<b>Place and Date of Birth/ Age</b>	: Denpasar, June 28, 1977/Age 46 years as of December 2023
<b>Educational background</b>	: S1 Informatics Engineering Surabaya College of Engineering (2001)
<b>Certification</b>	: Level-4 Risk Management Certification
<b>Work experience</b>	: <ul style="list-style-type: none"> <li>• Head of Product Development &amp; Services Fund Policy Subdivision (2018)</li> <li>• Head of Main Branch Operations (2022)</li> <li>• Acting Vice President of Compliance &amp; APU PPT</li> </ul>
<b>Legal Basis of Appointment</b>	: Decree No. 062/055/DIR/HCP/KEP dated June 5, 2023



## Duties and Responsibilities of Compliance Functions

In accordance with OJK Regulation No. 46/POJK.03/2017 concerning Implementation of Compliance Function for Commercial Banks, explained that the Compliance Function includes actions for:

1. Realizing the implementation of Compliance culture at all levels of the Bank's organization and business activities.
2. Managing compliance risks faced by the Bank Ensuring Bank Compliance with commitments
3. Ensure that the policies, regulations, systems and procedures as well as business activities carried out by the Bank are in accordance with the provisions of the Financial Services Authority and the provisions of laws and regulations, including the Sharia Principles for Islamic commercial banks and sharia business units.
4. Ensuring Bank Compliance with commitments made by the Bank to the Financial Services Authority/Bank Indonesia and/ or other authorized supervisory authorities.

The duties and responsibilities of the Compliance Unit were based on FSA Regulation No. 46/POJK.03/2017 concerning the Implementation of Compliance Function for Commercial

Banks at least includes to:

1. Make steps to support the creation of a Compliance Culture in all Bank business activities at every level of the organization.
2. Identify, measure, monitor and control Compliance Risk by referring to the FSA regulations governing the implementation of risk management for commercial banks and FSA regulations governing the implementation of risk management for sharia commercial banks and sharia business units.
3. Assess and evaluate the effectiveness, adequacy and suitability of the Bank's policies, regulations, systems and procedures with statutory provisions.
4. Review and/or recommend updating and refinement of policies, regulations, systems and procedures that are owned by the Bank to comply with FSA regulations and statutory provisions, including the Sharia Principles for Islamic commercial banks and sharia business units.
5. Make efforts to ensure that the policies, regulations, systems and procedures, as well as the Bank's business activities are in accordance with FSA regulations and statutory provisions.
6. Perform other duties related to the Compliance Function.

## Compliance with Legal Provisions and Regulations

Throughout 2023, Bank Jatim has complied with all statutory provisions and regulations as well as fulfilled commitments with the competent authorities.

## Compliance Function Competency Development

The competency development that had been followed by Compliance Function Employees during 2023 is as follows:

No	Name of Education and Competency Development	Implementation date
1	Corporate Value Internalization For Culture Leaders	January 14, 2023
2	Basic Sharia Banking Education (PDPS)	January 22, 2023
3	Completion of the Compliance Function, Improvement of the Procedure Framework and Performance Identification	February 15, 2023
4	AML-CFT training	February 21, 2023
5	Understanding the Credit Process	February 27, 2023
6	Financial Transaction Reporting Implementation Program	March 8, 2023
7	Level 2 Risk Management Certification	March 15, 2023
8	Refinitiv Services	March 16, 2023
9	Process of Foreign Transaction Reports and Risk Mitigation of Money Laundering and Terrorism Financing	March 17, 2023
10	DNDF, OIS and IRS transactions	March 19, 2023
11	English Course Elementary Level	March 28, 2023
12	Financial Integrity Rating (FIR) on Money Laundering and Terrorist Financing	June 9, 2023
13	Credit Review from Compliance and Risk Management Aspects	June 16, 2023



No	Name of Education and Competency Development	Implementation date
14	Compliance with Digital Banking	July 13, 2023
15	Video Learning Production	July 23, 2023
16	Banking Legal Consultant	August 25, 2023
17	Preparation of Self Estimated Prices (HPS)	August 27, 2023
18	Banking Legal Consultant Certification	September 14, 2023
19	Facilitating Techniques and Customer Engagement	September 15, 2023
20	Strategy and Implementation of Strengthening the Banking Industry	October 13, 2023
21	Culture Transformation with Growth Mindset	October 18, 2023
22	Implementation of Supervision and Risk Mitigation of Suspicious Financial Transactions – POJK No 8 of 2023	October 20, 2023

## Implementation of the Compliance Function Duties

The implementation of the Compliance Function duties that have been implemented in 2023 is as follows:

1. Improving programs for embodying a culture of compliance in work units both offline and online, and continuously increasing employee understanding of applicable rules and regulations.
2. Actively monitor and build communication with related work units on new external regulations issued by regulators as an effort to ensure that policies, provisions, systems and procedures and business activities carried out by the

Bank comply with the provisions of the Financial Services Authority and regulatory provisions laws and regulations, including Sharia Principles for sharia commercial banks and sharia business units

3. Developing a compliance portal so that it can function effectively to support the performance of all work units, as well as integrating work papers on a summary of external provisions in the compliance portal.
4. Identify, measure, monitor and control compliance risk to minimize the occurrence of compliance risk through monitoring parameters that affect compliance risk.
5. Development of a report monitoring application (monilap) especially for monitoring features of Internal and External Audit findings.

## Anti-Money Laundering Program, Prevention of Terrorism Funding & Prevention of Funding for The Proliferation of Weapons of Mass Destruction

The existence of globalization in the financial services sector which is accompanied by the increasing development of financial service products including marketing (multi channel marketing), as well as increasingly complex financial services industry activities and technology both in terms of products, services and the use of information technology, has the potential to increase the risk of using the financial services industry as a means of Money Laundering, Terrorism Financing and/or Funding the Proliferation of Weapons of Mass Destruction with its increasingly diverse and advanced modus operandi.

The Anti-Money Laundering and Terrorism Financing Prevention Program implementations that had been carried out include:

1. Implementation of the AML, CFT & PPPSPM programs under the supervision of the Director in charge of the Compliance function, has policies and procedures supported by an adequate internal control system and management information system, and competent human resources.

2. Strengthening Know Your Customer (KYC) by utilizing the Directorate General of Dukcapil's (Civil Registry Office) EKTP and/or Digital Population Identity (IKD) data verification services.
3. Optimizing the implementation of Anti-Money Laundering and Terrorism Financing Prevention Program in all financial transactions and bank operations at all levels of the organization.
4. Developing and improving the management information system for implementing AML, CFT & PPPSPM, as well as continuously improving the quality of customer data in order to improve the quality of reporting as the task of the Reporter in the AML, CFT & PPPSPM regime.
5. Play an active role and be part of the implementation of prevention and eradication of AML, CFT & PPPSPM programs through Go-AML, SIGAP, SIPENDAR, SIPESAT, PEDAL, GRIPS Reports and Election-related Reports.
6. The Bank has participated in the Financial Integrity Rating on ML/TF assessment conducted by PPAK with better results than the previous year.



## Lawsuit

During 2023 Bank Jatim faced several essential cases in the form of civil law issues that had been completed (had received Court Decisions that had permanent legal force/inkracht), revocation of lawsuits and are still in the process of being resolved as follows:

**Table of Important Matters**

No.	Cases	Total		
		Civil	Commerce	Industrial relations
1.	Completed (There has been a Court Decision that has permanent legal force/inkracht)	18	-	1
2.	Lawsuit Revocation	5	-	-
3.	In Process of Completion	19	1	-

## Important Case Faced by The Company

Of the several cases faced by the Bank, there were 7 (seven) significant civil cases as follows:

**Table of Important Cases Faced by the Company**

No	Case/Lawsuit	Completion Status	Risk	Management Efforts	Sanctions imposed	Claims for Material Compensation (in millions of rupiah)
1.	Case Number 584/ Pdt.G/2007/PN.Sby dated November 21, 2007 between PT Hikmah Surya Jaya and Bank Jatim	Won by Bank Jatim in the District Court and High Court	Legal Risk	Bank Jatim made a written confirmation to the Court regarding the inkraht status of the High Court Decision	None	Rp.3.000,-
2.	Bankruptcy Case Number 40/Pdt.Sus/ PKPU/2019/ PN.Niaga Sby with applicants PT Fatma Lestari Abadi Mix and CV Azka Pelangi Bersaudara against PT Citra Gading Asritama (in bankruptcy)	The process of verifying creditor files at the Commercial Court at the Surabaya District Court	Legal Risk	Bank Jatim has verified the debt to PT Citra Gading Asritama/ Bank Jatim's debtor (in bankruptcy)	None	Rp31.103,-
3.	Civil Case Number 16/ Pdt.G/2023/PN.Bna dated April 18, 2023 regarding PT Rudi Jaya's lawsuit	Appeal Process at the Banda Aceh High Court	Legal Risk	Bank Jatim submitted a counter appeal to strengthen Bank Jatim's position	None	Rp.3.218,-
4.	Civil Case Number 124/ Pdt.G/2023/PN.Mlg dated May 30, 2023 regarding the lawsuit of Galuh Nalibronto Prabaningrum and Ngatemoen Harijono	Trial process at Malang District Court	Legal Risk	Bank Jatim submitted answers and evidence at trial to strengthen Bank Jatim's position	None	Rp.3.100,-
5.	Civil Case Number 746/ Pdt.G/2023/PN.Sby dated July 26, 2023 regarding the lawsuit of PT Toya Indo Manunggal	Trial process at the Surabaya District Court	Legal Risk	Bank Jatim submitted answers and evidence at trial to strengthen Bank Jatim's position	None	Rp.5.732,-
6.	Civil Case Number 888/ Pdt.G/2023/PN.Sby dated August 29, 2023 regarding the lawsuit of PT Anugerah Bersama Berkah Abadi	Trial process at the Surabaya District Court	Legal Risk	Bank Jatim submitted answers and evidence at trial to strengthen Bank Jatim's position	None	Rp.15.000,-



No	Case/Lawsuit	Completion Status	Risk	Management Efforts	Sanctions imposed	Claims for Material Compensation (in millions of rupiah)
7.	Civil Case Number 176/Pdt.G/2023/PN.Kpn dated September 6, 2023 regarding Yon Permadian Tesna's lawsuit	Trial process at the Surabaya District Court	Legal Risk	Bank Jatim submitted answers and evidence at trial to strengthen Bank Jatim's position	None	Rp.27.988,-

### Important Cases Which Faced by the Board of Commissioners and the Board of Directors

During 2023 there were no legal issues being faced by the incumbent Board of Commissioners and Directors.

### Legal Problems Facing Subsidiaries

During 2023, Bank Jatim does not yet have Subsidiaries, so there is no information on legal issues being faced by Subsidiaries.

### Impact of Legal Problems on Bank

The impact of civil law problems experienced by Bank Jatim through the legal process is not significant and does not interfere with the Bank's performance because the Bank has carried out appropriate mitigation and litigation processes and in accordance with the provisions of laws and regulations.

### Administrative Sanctions Imposed to Companies, Members of the Board of Commissioners and the Board of Directors by Capital Market Authorities and Other Authorities

Bank Jatim's administrative sanctions for 2023 are as follows:

No.	Sanction Name	Institution
1.	Imposition of Administrative Sanctions for Audit Position Findings June 30, 2022	Financial Services Authority
2.	Imposition of Administrative Sanctions for Non-Compliance with SNAP Open API Periodic Reporting	Bank Indonesia
3.	Sanctions for Delay in Submitting Debtor Reports to the Financial Information Services System	Financial Services Authority
4.	Imposition of Obligation to Pay Sanctions for 2022 General Examination Results	Financial Services Authority
5.	Sanctions for Errors in SLIK Reporting on 2023 General Audit Results	Financial Services Authority
6.	Delay in Submitting the 2023 RBB Report	Financial Services Authority
7.	Delay in the 2023 RPPB Report	Financial Services Authority
8.	Antasena Transaction Reporting Fines pln01	Bank Indonesia
9.	LBUT Monthly Antasena Reporting Fines	Bank Indonesia
10.	Lack of Fulfillment of Sharia Mandatory Minimum Reserves (GWM).	Bank Indonesia
11.	Submission of Foreign Exchange Traffic Report (LLD) exceeds the Cut Off Time	Bank Indonesia
12.	Misreporting of Financial Information	Financial Services Authority

No.	Sanction Name	Institution
13.	Delay in Complaint Follow-up	Financial Services Authority
14.	Report Submission Correction Violations	Bank Indonesia
15.	Operation of Products without Obtaining Permits	Financial Services Authority
16.	Not Submitting Reports	Bank Indonesia
17.	Not Submitting Reports	Bank Indonesia
18.	Delay in Submitting Reports	Financial Services Authority

During 2023 there were no administrative sanctions imposed on the members of the Board of Commissioners and Directors by the capital market authorities and other authorities.

## Access to Company Information and Data

The public can access all financial and non-financial reports that have been submitted by Bank Jatim in a transparent manner through various means that are available in a timely, complete and accurate manner.

## Internal Communication

Bank Jatim maintained an internal communication network between the Bank's management and employees and ensured the implementation of communication went well within the organization. By taking this into account, Bank Jatim developed several communication channels, including through the Bank Jatim Magazine, the human resources intranet portal and Bank Jatim internal information media which provided information to all Bank Jatim employees about various company activities and information needed in carrying out daily activities. Internal communication has a purpose, namely:

1. Responsibility for internal management.
2. Submission of draft speeches, papers, seminar materials for the Board of Directors and materials for the GMS.
3. Submission of the preparation of the Bank's Annual Report Book and Company profile.
4. Proposal of procedures and concepts for Board of Directors meetings, ceremonies, Bank events and other meetings.

## External Communication

Bank Jatim used various communication channels both to internal and external parties which aimed to build a company image through print media, electronic media, broadcast media, display media and others. To make it easier for the public to get the latest information about the company, Bank Jatim had a corporate website that could be accessed through [www.bankjatim.co.id](http://www.bankjatim.co.id) which also functioned as a service portal. On the Bank Jatim website, people can find detailed information about Bank Jatim starting from history, organizational structure, vision and mission, management, networks, achievements, fund products, credit products and Bank Jatim services for both conventional and sharia. In addition, the website also contains

information on CSR distribution and the latest information / news about Bank Jatim.

As information to the wider community, Bank Jatim regularly participates in events held by other parties and distributes press releases to print and electronic media to inform Bank Jatim activities and products. Bank Jatim also informs several important activities and published quarterly reports to the public through cooperation with print and electronic media (internet). Bank Jatim uses social media as a means to communicate with external parties through:

Facebook : bank jatim

Twitter : @bank\_jatim

Instagram : bankjatim

Youtube : bank jatim

## Investor Management

In maintaining the trust of shareholders and stakeholders, the Bank Jatim Investor Management team is in direct contact with investors, analysts and Shareholders to explain the Bank's performance. The activities carried out by Investor Relations are as follows:

### Derry Widya Ariyanta

#### Corporate Secretary Kantor Pusat

Bank Jatim

Jl. Basuki Rachmat No. 98-104, Surabaya

Email: [iru@bankjatim.co.id](mailto:iru@bankjatim.co.id)

Telp: (6231) 5310090-99 ext 440

The activities carried out by Investor Relations are as follows:

1. Compiling the performance of Bank Jatim every month in accordance with the company's monthly financial reports such as; macro and micro economic information, information on the company's financial position based on balance sheets, ratios, percentages, business plans and strategies as well as stock information.
2. Managing information disclosure with investors and analysts.
3. Coordinating, evaluating, and providing recommendations in the implementation of activities including:
  - a. *One on One Meeting*  
This activity is carried out to foster good relations with potential investors, investors and analysts.



- b. **Analyst Meeting**  
Activities to present the company's quarterly performance with analysts aimed at delivering the latest information on the performance, strategies and achievements that have been achieved by Bank Jatim..
- c. **Conference Call**  
Telephone calls made either at the request of an investor or an Investor Relations initiative.
- d. **Site Visit**  
Activities carried out at the request of investors to visit branches to see the operations of Bank Jatim.
- e. **Roadshow**  
Activities increase the interest of foreign investors to enter the country through Bank Jatim shares.
- 4. **Compiling, managing, and carrying out preparation of**  
weekly, monthly, quarterly, semester and annual publication report.

## Investor Relation Performance

The activities that have been carried out by the Investor Relations Team during 2023 are as follows:

1. Analyst Meeting activities, in 2023 will be held 4 (four) times a year

No	Date	Location	Topics
1	March 7, 2023	Alila Hotel, Jakarta	Analyst Meeting FY 2022 Audited
2	April 28, 2023	Bank Jatim Headquarter	Analyst Meeting 3M23
3	July 25, 2023	Indonesian Stock Exchange Building, Jakarta	Analyst Meeting 1H23
4	October 30, 2023	Alila Hotel, Jakarta	Analyst Meeting 9M23

2. Communication with analysts and investor is as follows:

No	Date	Investors/Securities	Topics
1	March 20, 2023	Bahana Sekuritas	One On One Meeting
2	May 12, 2023	Panin Sekuritas	One On One Meeting
3	June 16, 2023	Bahana Sekuritas	One On One Meeting
4	July 12, 2023	PT Taspen	One On One Meeting
5	July 24, 2023	PT Taspen	One On One Meeting
6	July 25, 2023	Bahana Sekuritas	One On One Meeting
7	August 7, 2023	Sinarmas Sekuritas	Site Visit
8	August 16, 2023	Toccata Capital	One On One Meeting
9	August 28-30, 2023	Ciptadana Asset Management Semesta Asset Management Wanteg Asset Management GAP Capital BNI Life BCA Sekuritas	One On One Meeting
10	September 22, 2023	BRI Danareksa	Site Visit
11	October 5-6, 2023	BPJS Edgbaston Investment Partner	One On One Meeting
12	October 31, 2023	BRI Danareksa	One On One Meeting
13	November 24, 2023	Binaartha Sekuritas Waterfront Sekuritas	One On One Meeting

4. On June 23, 2023, Bank Jatim was included in the Tempo-IDN Financial52 Index.
5. On September 18, 2023, Bank Jatim was included in the Financial Times Stock Exchange (FTSE) Russell for the Micro Cap category.

6. On September 20, 2023, Bank Jatim won an award at the IDX Channel Anugrah Innovation Indonesia (ICAI) 2023 event in the Product Innovation & Business Model category by implementing the 5 (five) Pillars of Transformation Innovation.
7. Bank Jatim is included in the top 10 of the KCSI (Katadata Corporate Sustainability Index) Ranking for the September 2023 period in the Finance sector.
8. Organizing a Live Public Expose which will be held on November 2, 2023 at Bank Jatim Head Office.
9. On November 23, 2023, Bank Jatim won an award at the CSA Award-The Best Innovation Regional Banks event.

## Press Conference

No	Date	Press Conference
1	January 19, 2023	Bank Jatim and RSU Brimedika Collaborated on Employee Health Services
2	January 20, 2023	Bank Jatim Started 2023 with the Submission of CSR Bank Jatim care
3	January 27, 2023	Bank Jatim Handed Over CSR to RSUD Husada Prima Surabaya
4	January 30, 2023	Bank Jatim Handed Over CSR Assistance to Probolinggo City Government
5	February 1, 2023	Consistently Implementing GCG, Bank Jatim Won Asean Asset Class PLCs Award
6	February 2, 2023	Bank Jatim Supported Ministry of Finance Programs Through UMKM and KUR Assistance
7	February 6, 2023	Supporting MSMEs in Kediri Regency, Bank Jatim Handed over CSR to Kediri Regency Government
8	February 8, 2023	Bank Jatim Peduli Helped Construction of Landmark Simpang 4 Pasuruan City
9	February 10, 2023	Total Prize of 3 billion, SIMPEDA National Lottery was lively
10	March 5, 2023	Bank Jatim Presented E-Retribution (SI RATRI) at the Perak Jombang Market
11	March 8, 2023	To support easier payment of tuition fees, Bank Jatim collaborated with Trunojoyo Madura University
12	March 8, 2023	Strengthening Sharia Services, Bank Jatim Signed Business Synergy Cooperation Agreement with Bank NTB Syariah
13	March 9, 2023	Bank Jatim Won 2023 Obsession Awards in Best Companies Category
14	March 13, 2023	Bank Jatim Achieved Rank A in 2021 Sustainability Report
15	March 14, 2023	Creating Work-Ready Human Resources, Bank Jatim and East Java Manpower and Transmigration Department Press Mou for Providing Internships
16	March 14, 2023	Bank Jatim and Tuban Regency Government synergized with each other to launch the East Java Agent
17	March 17, 2023	Working on Sharia Economic Potential, Bank Jatim Launched Santri Savings
18	March 20, 2023	Bank Jatim Supported the East Java Provincial Government's Trade Mission in East Kalimantan
19	March 21, 2023	Bank Jatim Cares Provided CSR Assistance for the Construction of the Magetan Regency Border Gate
20	April 5, 2023	Bank Jatim Won Award at the 2023 TOP BUMD Awards
21	April 7, 2023	Encouraging Digital Financial Literacy, Bank Jatim Held JConnect Ramadhan Festival with MSME Players
22	April 12, 2023	Performance Increases, Bank Jatim Distributed Dividends of IDR 797 billion
23	April 14, 2023	QRIS Bank Jatim Made Trans East Java Bus Payments Easy
24	April 15, 2023	Suroboyo Bridge Ramadhan Festival Helped MSMEs Upgrade
25	April 28, 2023	Launching Five Pillar Digital Transformation, Bank Jatim's Credit Performance Grew Beyond Target
26	April 30, 2023	Jconnect Ramadhan Festival 2023 recorded Transactions of Hundreds of Millions of Rupiah During the Exhibition
27	May 8, 2023	Expanding the Market Bank Jatim Included 3 MSMEs It Assisted in the Lampung Trade Mission
28	May 15, 2023	New Building Inaugurated by Bank Jatim Capem Porong Was Ready to Provide Optimal Service
29	May 15, 2023	Supporting the Trade and Investment Mission of East Java Province, Bank Jatim Introduced JConnect Ramadhan in Hong Kong
30	May 17, 2023	Supporting each other, Bank Jatim and UNESA Signed MoU in the Business & Academic Sector
31	May 21, 2023	Receiving Full Support from Bank Jatim, PT Enha Sentosa Indonesia Successfully Exported Ginger to Four Countries
32	May 25, 2023	Explained Kangean Island Through CSR PJU Solar Cell from Bank Jatim
33	May 26, 2023	Bank Jatim Facilitated PT Astana Shoga Asia to Penetrate the Export Market





No	Date	Press Conference
34	May 28, 2023	Realizing Economic Independence Bank Jatim Handed Over Two CSRs Simultaneously in Lamongan and Lumajang
35	May 29, 2023	Supporting the Acceleration of Digitalization Bank Jatim Handed Over CSR Assistance of 120 PC Units to Surabaya City Government
36	May 30, 2023	Governor of East Java Inaugurated the Foreign Exchange Pendulum Village Assisted by Bank Jatim
37	June 1, 2023	Bank Jatim Distributed East Java Retail Credit in Kampoeng Kreasi Activities
38	June 5, 2023	Strengthening Collaboration with PT SIER, Bank Jatim Signed MoU, and Inaugurated New Office
39	June 7, 2023	Forming Trust Management for Company Performance, several Bank Jatim Directors Purchased BJTM Shares
40	June 9, 2023	Bank Jatim Won Award at the 2023 Indonesia Financial Top Leader Awards
41	June 10, 2023	Applying the Performance Management System, 99.8% of Bank Jatim Employees Felt Engaged
42	June 11, 2023	Applying Work Life Balance, Bank Jatim Participated in Badminton Friendly Match
43	June 12, 2023	Following the Trade Mission, Bank Jatim Provided Promotional Facilities and Market Access for its MSMEs
44	June 19, 2023	Accelerating Health Services, Bank Jatim Handed Over CSR Ambulance Assistance to RSJ Menur
45	June 20, 2023	Bank Jatim Social Media Won Award at the 20th Infobank-MRI BSE Awards 2023
46	June 23, 2023	Received High Dividend Appreciation, Real Evidence that Bank Jatim Contributed to the Country
47	June 27, 2023	Bank Jatim became the first bank to implement IKD for banking in Indonesia
48	July 3, 2023	Bank Jatim's Commitment to Fostered MSMEs in Trade Mission Activities
49	July 14, 2023	Bank Jatim Affiliated Company Operational Office Officially Moved to Rubber Building
50	July 15, 2023	Strengthening Sharia Performance, Bank Jatim Held Sharia Town Hall Meeting 2023
51	July 17, 2023	Realizing Concern for the Probolinggo Community, Bank Jatim Handed Over CSR & Launched Regional Financial Electronification
52	July 17, 2023	Bank Jatim collaborated with PLN Insurance regarding bank guarantees
53	July 25, 2023	Bank Jatim Credit Distribution Grew Significantly
54	July 28, 2023	Optimal Performance, Bank Jatim Won Indonesia Best Bank Awards 2023
55	July 31, 2023	Supporting Village and Rural Progress, Bank Jatim & Ministry of Village PDTT Collaborated in ASEAN SOMRDPE Indonesia 2023
56	August 9, 2023	Bank Jatim Strengthened Synergy with the East Java High Prosecutor's Office
57	August 10, 2023	Bank Jatim Collaborated with the Surabaya District Prosecutor's Office and the Tanjung Perak District Prosecutor's Office
58	August 20, 2023	Celebrating its 62nd Birthday, Bank Jatim Launched JConnect Pro
59	August 20, 2023	Bank Jatim Facilitated MSME Terminal and Trans Jatim QRIS Bus Payments
60	August 21, 2023	Bank Jatim Supported the Submission of the 2022 PPPK Formation Decree by the Governor
61	August 22, 2023	East Java Provincial Government Together with Bank Jatim Distributed Social Assistance to Bangkalan
62	August 23, 2023	East Java Provincial Government and Bank Jatim Greeted Hundreds of ASN and Hand Over Social Assistance in Pamekasan
63	August 23, 2023	Bank Jatim Synergized with Malang City Government to Revitalize the Square
64	August 24, 2023	Caring for Cigarette Workers, East Java Provincial Government Collaborated with Bank Jatim to Distribute Aid to 5,030 Workers
65	August 25, 2023	Continuously Positive Performance, Bank Jatim Won Infobank Award 2023
66	August 31, 2023	Bank Jatim Won Best BUMD Digital Innovation Award
67	August 31, 2023	Bank Jatim Became the Largest Fund Collector in Simpeda Savings
68	September 4, 2023	Encouraging Financial Inclusion, Bank Jatim's Highest Simple Savings Achievement in East Java
69	September 5, 2023	Synergy with PT Rajawali I Sugar Factory & PKPTR Malang, Bank Jatim Supported Financing of Sugarcane Farmers
70	September 6, 2023	Increasing Young Generation's Interest in Sports, Bank Jatim Handed Over Basketball Court CSR to Tuban Regency Government



No	Date	Press Conference
71	September 6, 2023	Bank Jatim Won Two Awards at Once in the 2023 TOP GRC Awards
72	September 7, 2023	Encourage the Youth Hajj Movement through Bani Fest 2023
73	September 11, 2023	Supporting East Java Provincial Government Activities in the Trade and Investment Mission in Banten, Bank Jatim Facilitated Local Products
74	September 11, 2023	Supporting Madiun Sugarcane Farmers, Bank Jatim Again Signed Cooperation Agreement with PT PG Rajawali I
75	September 16, 2023	Increasing GCG Values, Bank Jatim Held Executive Summit 2023
76	September 17, 2023	Synergy with the East Java Provincial Government, Bank Jatim Facilitated the Distribution of Social Assistance and Productive Zakat
77	September 18, 2023	Bank Jatim Won Top 50 Best Issuers
78	September 18, 2023	Bank Jatim Supported E-Parking Payments in Jember Regency
79	September 18, 2023	Bank Jatim Handed Over CSR Construction of Mandiri Dukcapil Platform and MSME Equipment to Pamekasan
80	September 19, 2023	Encouraging East Java Investment Growth, Bank Jatim Signed Memorandum of Understanding with SEER
81	September 19, 2023	Bank Jatim Together with the Madiun Regency Government Launched E-Market Levy and Siskeudes
82	September 19, 2023	Supporting the Independent Career Movement, Bank Jatim Distributed CSR to the East Java Manpower and Transmigration Department
83	September 20, 2023	Applying the Five Pillars of Transformation, Bank Jatim Won the 2023 ICAII Award
84	September 20, 2023	Bank Jatim Received Award as East Java Startup Supporting Institution
85	September 22, 2023	Improving Community Welfare, Bank Jatim Handed Over RTLH Rehabilitation CSR to Bondowoso Regency Government
86	September 22, 2023	Consistently producing outstanding athletes, Bank Jatim won award as a business entity that cared about sports
87	September 23, 2023	Bank Jatim Handed Over CSR Operational Vehicles to BPBD East Java
88	September 23, 2023	Playing Wholeheartedly, Bank Jatim Won Overall Champion of PORMI
89	September 29, 2023	Bank Jatim Won Award from the Indonesian Ministry of Home Affairs
90	October 4, 2023	Bank Jatim Won Indonesia Best CFO Award 2023
91	October 6, 2023	Improving UUS Performance, Bank Jatim Launched Dual Banking Leveraging Model
92	October 14, 2023	Supporting Food Security, Bank Jatim Distributed Credit to Tulungagung Sugar Cane Gapoktan
93	October 17, 2023	Commemorating Batu City's 22nd Anniversary, Bank Jatim Handed Over CSR and Branding of Among Tani Main Market
94	October 18, 2023	Trans Jatim Corridor III Inaugurated, Bank Jatim Received Appreciation Certificate
95	October 18, 2023	Supporting Recovery from the Impact of the Pandemic, Bank Jatim Received the Jatim Bangkit Awards
96	October 25, 2023	Commitment to help MSMEs advance to class, Bank Jatim handedover CSR Cone Tent to Jember Regency Government
97	October 25, 2023	Encouraging an increase in non-cash transactions, Kediri Regency Government together with Bank Jatim launched KKPD
98	October 26, 2023	Increasing Financial Literacy and Inclusion, JIFest 2023 Officially Held
99	October 27, 2023	UUS Bank Jatim Supported Strengthening Sharia Interbank Money Market
100	October 30, 2023	Bank Jatim Aggressively Distributed Credit, Growth Skyrockets 12.61% Above Banking Average
101	November 3, 2023	Bank Jatim Handed Over CSR Corpse Ambulance Car to RSUD Dr. Soetomo
102	November 6, 2023	Bank Jatim Successfully Achieved Gold Rank ASRRAT 2023
103	November 9, 2023	OPOP Expo 2023, Bank Jatim Launched KUR Syariah
104	November 9, 2023	Increasing Synergy Between BPDs, Bank Jatim Held Treasury Talk 2023
105	November 10, 2023	Excellent Performance, Bank Jatim Won Road To CNBC Indonesia Awards 2023 Best Regional Banks
106	November 16, 2023	Encouraging Increased Export Transactions, Bank Jatim and LPEI Signed MoU
107	November 16, 2023	Bank Jatim Handed Over CSR Revitalization of Jombang Square
108	November 16, 2023	Discussing the Development of the Digital Economy, FKDK BPDSI was Successfully Held



No	Date	Press Conference
109	November 18, 2023	Running While Donating, Bank Jatim Held Jatimers Run To Care
110	November 18, 2023	Caring about the World of Health, Bank Jatim Handed over CSR Ambulance Bikes to Kanjuruhan Regional Hospital
111	November 21, 2023	Supporting East Java Migrant Workers, Bank Jatim Provided Ambulance Assistance and Facilitated Financial Transactions Abroad
112	November 22, 2023	Bank Jatim Together with the East Java Provincial Government Encouraged Export Development Through the 2023 Empowered East Java Export Festival
113	November 23, 2023	Bank Jatim Received 2023 CSA Awards
114	November 24, 2023	Forming Synergy with Trenggalek Regency Government, Bank Jatim Handed Over CSR Ambulance Cars and Launched KKPD
115	November 24, 2023	Caring about Taxes, Bank Jatim Received Award from Bapenda East Java
116	November 27, 2023	Adding Award Collection, Bank Jatim Won First Place in ARA 2022
117	November 30, 2023	Spreading Business Wings, Bank Jatim KUB MoU with Bank Lampung
118	December 4, 2023	Consistently Carrying Out Digital Transformation, Bank Jatim Won Two Awards at Once in the 2023 TOP Digital Awards
119	December 9, 2023	Supporting the World of Education, Tourism, and MSMEs, Bank Jatim Distributed CSR Assistance to Mojokerto City Government and Sumenep Regency Government
120	December 12, 2023	First in Indonesia, Bank Jatim Broke MURI Record of 2,312 Debtors Signing Mass Consumer Credit Agreements
121	December 13, 2023	Strengthen KUB, Bank Jatim Signed NDA and PKS Business Synergy with Bank Lampung
122	December 14, 2023	Jokowi Celebrated the Inauguration of the Among Tani Main Market with Optimal Support from Bank Jatim
123	December 15, 2023	Bank Jatim Leded Innovation by Becoming a Pioneer in Indonesia in Implementing IKD, Visited by the Directorate General of Dukcapil (civil registry office), Ministry of Home Affairs and the World Bank
124	December 16, 2023	Big Success! 17 Thousand Participants in the Situbondo Healthy Walk with Bank Jatim Support
125	December 15, 2023	Bank Jatim Sharia Business Unit Received Three Awards at Once in the 2023 BPKH Award
126	December 19, 2023	President Commissioner of Bank Jatim, has passed away

## Bulletin

Volume	Bulletin Theme
26th Edition	2023, Progressive Perbankan Performance in the first quarter
27th Edition	Acceleration of banking digitalization

## Transparency of Report Submission

Bank Jatim is always committed to being transparent in submitting reports, both periodic and incidental reports. The reports that have been submitted by Bank Jatim for 2023 are as follows.

### Periodic Report

No.	Type of Report	Goals	Report Period	Total
1.	Securities Holder Registration Report	BEI and OJK	Monthly	12
2.	Foreign Exchange Debt Report	BEI and OJK	Monthly	12
3.	Annual report	BEI and OJK	Annual	1

**Incidentile Report**

No.	Date	Reference Number	Goals	Regarding
1.	27/2/2023	062/056/DIR/CSE/Srt	OJK	Presentation at Annual General Meeting of Shareholders
2.	6/3/2023	062/091/DIR/CSE/Srt	OJK	The Announcement of Annual General Meeting of Shareholders planning
3.	6/3/2023	062/4/CSE/IVR/Srt	OJK	Presentation of Advertisement for Annual General Meeting of Shareholders planning
4.	8/3/2023	062/169/AMK/AKP/GPL/SRT	OJK	Presentation of Information Advertisement about Annual Financial Statements
5.	13/3/2023	062/102/DIR/CSE/Srt	OJK	Request for Clarification from The Issuer and Public Company in Response to Indonesia's Financial Authority letter (OJK)
6.	21/3/2023	062/107/DIR/CSE/Srt	OJK	Call for Annual General Meeting of Shareholders
7.	21/3/2023	062/05/CSE/IVR/Srt	OJK	Presentation of Advertisement for Annual General Meeting Call
8.	21/3/2023	062/114/DIR/CSE/Srt	OJK	Request of Emitent Explanation and Other Public Companies
9.	21/3/2023	062/110/DIR/CSE/Srt	OJK	Presentation of Annual and Sustainable Reports
10.	21/3/2023	062/109/DIR/CSE/Srt	SIPENA – OJK	Submission of Sustainability Report Book from Regional Development Bank in 2022
11.	14/4/2023	062/149/DIR/CSE/Srt	OJK	Summary of Annual General Meeting of Shareholders
12.	14/4/2023	062/08/CSE/IVR/Srt	OJK	Disclosure of Information related to Corporate Action- Cash Dividend
13.	14/4/2023	062/07/CSE/IVR/Srt	OJK	Submission of Advertisement General Meeting Shareholders' results
14.	28/4/2023	062/344/AMK/AKP/GPL/SRT	OJK	The Submission of Advertisement for Interim Financial Report
15.	28/4/2023	062/158/DIR/CSE/Srt	SIPENA- OJK	Announcement of Temporary Replacement Report for the Bank Jatim Director
16.	2/5/2023	062/226/DIR/CSE/Srt	OJK	Change of Corporate Secretary
17.	10/5/2023	062/190/DIR/CSE/Srt	OJK	Summary of Annual General Meeting Shareholders
18.	22/5/2023	062/220/DIR/CSE/Srt	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
19.	22/5/2023	062/221/DIR/CSE/Srt	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
20.	30/5/2023	062/224/DIR/CSE/Srt	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
21.	6/6/2023	062/228/DIR/CSE/Srt	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
22.	6/6/2023	062/287/DIR/CSE/Srt	OJK	Request of Emitent Explanation and Other Public Companies
23.	6/6/2023	062/232/DIR/CSE/Srt	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
24.	6/6/2023	062/231/DIR/CSE/Srt	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
25.	6/6/2023	062/230/DIR/CSE/Srt	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
26.	6/6/2023	062/227/DIR/CSE/Srt	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
27.	6/6/2023	062/111/DKM/SDK/SRT	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
28.	6/6/2023	062/10/CSE/IVR/Srt	OJK	Monthly Report of Security Holders Registration
29.	6/6/2023	062/229/DIR/CSE/Srt	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
30.	9/6/2023	062/240/DIR/CSE/Srt	OJK	Report of Material Information of Facts : Submission of the Assessment Results of Competence and Suitability
31.	9/6/2023	062/238/DIR/CSE/Srt	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
32.	9/6/2023	062/236/DIR/CSE/Srt	OJK	Report of Ownership or Any Changes in Share Ownership of a Public Company
33.	7/7/2023	062/367/CSE/CMAI/Srt	OJK	Internal Audit Change
34.	18/7/2023	062/396/CSE/CMAI/Srt	OJK	Corporate Secretary Change
35.	26/7/2023	062/624/AMK/AKP/GPL/SRT	OJK	The Submission of Advertisement for Interim Financial Report
36.	23/8/2023	062/456/DIR/CSE/Srt	OJK	Internal Audit Change
37.	25/8/2023	062/332/DIR/CSE/Srt	SIPENA- OJK	Report Regarding the Temporary Replacement of the Director in charge of Compliance Function in Bank Jatim
38.	19/10/2023	062/730/CSE/CMAI/Srt	BEI	Annual Plan for Public Expose

No.	Date	Reference Number	Goals	Regarding
39.	23/10/2023	062/378/DIR/CSE/Srt	OJK	Report of Material Information of Facts : Submission of the Assessment Results of Competence and Suitability
40.	30/10/2023	062/15/CSE/CMAI/Srt	BEI	Presentation of Annual Public Expose Material
41.	31/10/2023	062/940/AMK/AAPK/SRT	OJK	The Submission of Advertisement for Interim Financial Report
No.	Date	Reference Number	Goals	Regarding
42.	6/11/2023	062/17/CSE/CMAI/Srt	OJK	Laporan Hasil Public Expose - Tahunan
43.	23/11/2023	062/894/AMK/AAPK/Surat	OJK	Request for Explanation from Issuers and Other Public Companies (Reviewer of Financial Reports)
44.	29/11/2023	062/807/CSE/CMAI/Srt	SIPENA-OJK	Appointment of Public Accountant Firm of East Java Regional Development Bank in 2023
45.	5/12/2023	062/435/DIR/CSE/Srt	OJK	Report of Material Information of Facts : Submission of the Assessment Results of Competence and Suitability
46.	29/12/2023	062/450.2/DIR/CSE/Srt	OJK	Presentation at Annual General Meeting of Shareholders

## Code of Conduct

The Code of Conduct or Corporate Culture is a guideline that functions as:

1. Codification or compilation of policies, employee regulations that set standards of behavior both for Management and Employees in realizing GCG and the Bank's work culture.
2. Reference for every Bank employee in good and professional behavior to regulate themselves based on mutual interests with all stakeholders.
3. The basis for determining service products and various activities carried out by the Bank are deemed to have fulfilled the specified code of conduct, work ethics and business.
4. Reference to maintain a good relationship between the Bank's personnel and related external parties based on GCG principles and the application of behavior, work ethics and business. The implementation of the Code of Conduct is a must and must be obeyed by every Bank employee consistently showing that the Bank upholds cultural values as well as business ethics and behavior in carrying it out. As a code of conduct, and work and business ethics of the Bank, the Code of Conduct is in line with the vision and mission to be achieved by the Bank and supported by values that are upheld in accordance with the prevailing corporate culture.

## Scope of Code of Conduct

Bank Jatim's Code of Conduct is regulated in manual book No. 058/116/DIR/PRS/KEP concerning code of conduct, work ethics and business (code of conduct) dated May 14, 2019. Implementation of the Code of Conduct is a must of which lead to making governance as a company culture that can be measured through guidelines for behavior and work & business ethics. The Code of Conduct is the main reference about the attitudes or actions that must be taken and which should not be carried out by Bank Jatim Personnel in carrying out daily activities within the Bank Jatim environment. This means that managers and employees are obliged to obey and comply with the code of conduct in Bank Jatim.

The scope of the Code of Conduct includes:

1. Company Relations with Stakeholders such as guidelines for the Bank's organs and all employees
2. Internal Environmental Behavior (Board of Commssioners, Board of Directors, and employees) with the external environment, for example conflicts of interest, giving and receiving gifts and donations, compliance with regulations, and confidentiality of information.

## Principals of Code of Conduct

The main points of the Code of Ethics contain work ethics and business ethics. Work ethics and business ethics includes the following aspects:

Work Ethics	
Handling of Conflict of Interest	In carrying out business activities that refer to the principles of Good Corporate Governance, the Bank is required to manage conflicts of interest. Conflict of interest management is aimed at creating a work climate that always puts the interests of the Bank ahead of personal interests and improves good relations with suppliers, customers, and other stakeholder parties. Handling of conflicts of interest to refer to the applicable internal provisions.

## Work Ethics

Gratification Control	<ul style="list-style-type: none"> <li>a. All Bank Officials and Employees are prohibited from giving or promising gratuities either directly or indirectly, which are considered as giving bribes to civil servants or State administrators if the gift relates to their position and is contrary to their obligations or duties;</li> <li>b. All Bank Officers and Employees are prohibited from receiving and soliciting gratuities that are considered bribes either directly or indirectly from any party in order to comply with policies/ decisions/treatment of Bank officials and employees according to their position, authority, and responsibility;</li> <li>c. All Bank Officers and Employees are required to reject gratuities that are considered bribes, whether received directly or indirectly;</li> <li>d. Categories and procedures for reporting gratuities are regulated in more detail in the applicable regulations.</li> </ul>
Political Activities	<ul style="list-style-type: none"> <li>a. The Bank guarantees and respects the rights of the Bank's management and employees to exercise their political rights in accordance with the provisions of the applicable laws and regulations. Banks will not impose their will/limit the rights of management and bank employees as individuals to be able to channel their political aspirations;</li> <li>b. Its management and Bank employees individually can convey political aspirations freely without pressure from any party in accordance with the applicable laws and regulations;</li> <li>c. Prohibited activities: <ul style="list-style-type: none"> <li>1. Management and Bank Employees are prohibited from becoming administrators of political parties and/or/candidates/members of the legislature;</li> <li>2. Bank management and employees are prohibited from participating in election campaigns and/or being election campaign executors;</li> <li>3. Bank Management and Employees are prohibited from providing donations and other assistance in any form including the use of facilities and infrastructure owned by the Bank for Presidential Elections, Regional Head Elections and members of the legislature;</li> <li>4. Pursuant to the Law on Elections, members of the DPR, DPD and DPRD, management and employees of banks who become campaigners can be subject to criminal sanctions and imprisonment as provided for in the applicable laws.</li> </ul> </li> <li>d. Resignation and Cessation from Political Activities Resignation and Bank employees who become Executives of Political Parties/and/or become candidates/ members of the legislature are required to resign and/or be dismissed from their respective positions and obtain rights according to the Bank's internal provisions that apply.</li> </ul>

## Bussiness Ethics

Bank Ethics with Employees	<p>Bank Ethics with employees can be conveyed as follows:</p> <ul style="list-style-type: none"> <li>a. Fairness of treatment of Bank employees;</li> <li>b. Assignments and Employee Activities Outside the Bank;</li> <li>c. Prohibition of Employee Involvement in Bank Securities Business Activities;</li> <li>d. Employee Discipline;</li> <li>e. Work environment;</li> <li>f. Employee Aspiration Channel;</li> </ul>
Bank Ethics with Customers	<ul style="list-style-type: none"> <li>a. Offering products and services according to predetermined quality standards;</li> <li>b. Providing the best service to customers and following up on customer complaints fairly without discrimination;</li> <li>c. Carrying out continuous promotions in a healthy, fair, honest, non-misleading manner and accepted by applicable norms to achieve customer satisfaction and trust.</li> </ul>
Bank Ethics with Goods and Service Providers	<ul style="list-style-type: none"> <li>a. The selection of goods and services providers must be based on an assessment of capabilities, achievements, and based on compliance and objectivity in the fields of price standards, quality, availability, requirements and services provided by partners/suppliers;</li> <li>b. Banks do not treat goods and services providers who have become customers of the Bank in a special way;</li> <li>c. Carry out payments to providers of goods and services on time as long as the invoice issued is accompanied by supporting documents and is in accordance with the agreed amount;</li> <li>d. Imposing sanctions on goods and services providers who commit violations;</li> <li>e. Maintaining good communication with providers of goods and services including following up on complaints and objections;</li> <li>f. Utilizing good relations with providers of goods and services as an intelligent market and intelligent competitor;</li> <li>g. Applying the latest goods and services procurement technology;</li> <li>h. Every Bank employee is prohibited from asking for and/or receiving compensation, both financial and non-financial for personal gain;</li> <li>i. Goods and service providers are advised to understand and follow Bank regulations relating to procurement and services from external parties;</li> <li>j. Other provisions regarding the procurement of goods and services refer to the provisions stipulated by the General Division.</li> </ul>

## Business Ethics

Bank Ethics With Competitors	<ul style="list-style-type: none"> <li>a. The Bank complies with the provisions of the anti-monopoly law;</li> <li>b. Conduct market research to find out competitors' positions;</li> <li>c. Carrying out fair and competitive competition by prioritizing the excellence of quality products and services.</li> </ul>
Bank Ethics with Work Partners	<ul style="list-style-type: none"> <li>a. Making mutually beneficial cooperation agreements with partners;</li> <li>b. Uphold agreed rules and procedures;</li> <li>c. Prioritizing the achievement of optimal results according to the best standards;</li> <li>d. Building intensive communication with work partners to continuously improve performance on an ongoing basis.</li> </ul>
Bank Ethics with the Government and Regulators	<ul style="list-style-type: none"> <li>a. Employees are required to study, understand and comply with all provisions, policies and/or regulations both internal and external including the provisions of BI, OJK and applicable laws and regulations of other authorities and regulators;</li> <li>b. Employees must be aware not to cooperate with customers and/or active parties who violate the law;</li> <li>c. Deviations, negligence or employee violations of internal and external provisions, policies and regulations including BI, OJK and applicable laws and regulations as well as other authorities and regulatory provisions are subject to sanctions in accordance with applicable procedures;</li> <li>d. Fostering good relations and communication with the Central and Regional Governments, the Financial Services Authority, Bank Indonesia and other external parties;</li> <li>e. Applying the best standards (best practices) by taking into account the applicable regulations regarding the quality of services, products and services, health, safety, and the environment;</li> <li>f. Avoid practices of Corruption, Collusion and Nepotism (KKN) in dealings with the Government and Regulators.</li> </ul>
Bank Ethics with Society	<ul style="list-style-type: none"> <li>a. Development in the social sector, namely activities that have an impact on improving the quality of social life, culture, religion, and social welfare;</li> <li>b. Supporting environmental preservation efforts;</li> <li>c. Community economic development;</li> <li>d. Incidental activities.</li> </ul>
Bank Ethics With Mass Media	<ul style="list-style-type: none"> <li>a. Providing relevant and balanced information to the mass media, both general, specific, strategic and sensitive information;</li> <li>b. The Bank appoints a spokesperson who represents the Bank in communicating with the media, namely: <ul style="list-style-type: none"> <li>1. Main Director and Director;</li> <li>2. Corporate Secretary;</li> <li>3. Branch Manager.</li> </ul> </li> <li>c. The Bank's communication tools with the mass media consist of press conferences, press releases, interviews and media inquiries;</li> <li>d. Accept and follow up on constructive criticism conveyed through the mass media, but still pay attention to the aspects of risk and costs.</li> </ul>
Bank Ethics with Professional Organizations	<ul style="list-style-type: none"> <li>a. Make mutual agreements regarding ethical standards that apply to fellow members of professional and regulatory organizations;</li> <li>b. Uphold the attitude of partnership and equality towards fellow members of professional and regulatory organizations.</li> </ul>

## Compliance with Code of Conduct

The Code of Conduct applies to the Board of Directors, Board of Commissioners and all employees. The Bank requires the Board of Directors, Board of Commissioners and all employees to sign an Integrity Pact statement so that it can be implemented as well as possible. The successful implementation of the Code of Conduct is the responsibility of all leaders in their respective work units. The company requires the signing of a Integrity Pact statement to be implemented to the best of one's ability. The success of the Code of Conduct implementation is the responsibility of all leaders within their respective work units.

## Dissemination of Code of Conduct

Facilities for the dissemination of Code of Conduct are as follows:

1. Human Capital Portals
2. Compliance Portal
3. Integrity Pact
4. Campaign Program, includes:

- a. Printed advertising (posters, banners, hanging banners, stickers, and mica standing)
- b. Other campaigns include agendas, mouse pads, flash drives, paper fans, umbrellas, tumblers, power banks



Pic 1.1

- 1.1 One form of risk culture campaign is through the use of a pain on the left of the uniform.

- c. Portal and Corporate Identity
- d. Quiz
- e. Social media
  - Employee Involvement Campaign including the Expression songwriting contest
  - Leaders Talks Values



## Efforts for Implementation and Enforcement of the Code of Conduct

Implementation of the code of ethics is an obligation for the management and employees of the Bank. This code of conduct will always be used as a guide in the preparation of policies, manuals/ procedures and management practices. Bank Jatim regularly monitors compliance with the Code of Conduct In order to build commitment to the implementation of the code of ethics, all management and employees will apply the code of ethics with commitment and consistency, which is documented through the signing of the Integrity Pact or Statement of Attitudes of Bank Jatim personnel regarding the implementation of the Code of Conduct. This integrity pact is valid until the person concerned is not actively working at Bank Jatim.

## Types of Violations of Code of Conduct

The sanctions for violations of the Code of Ethics are regulated in Guideline Book No. 059/197/DIR/HCP/KEP regarding the Implementation Guide for the Reward and Punishment System dated August 7, 2020. Sanctions will be given to each personnel of the Bank who has been proven to have violated and legally violated by the person concerned. New sanctions can be determined after the type of violation is known. All types of administrative sanctions in the form of mild, moderate, or severe sentence are determined by a Decree of the Board of Directors, and the person concerned will lose the opportunity to attend education/training funded by the Bank as long as the person concerned has not finished serving and is receiving rehabilitation from the Board of Directors.

The types of sanctions for violating the code of ethics are as follows:

1. Sanctions for Code Violation
  - a. Sanctions for Violation of Rules in the Form of Guidance
    - Verbal Reprimand
    - Reminder Letter
  - b. Sanctions for Violation of Rules in the Form of Disciplinary Penalties
    - Sanctions for Misuse of Bank Secrets and Data and Activities that Endanger the Bank's Business
    - Sanctions for Discipline
    - Sanctions for Disciplinary Violation
2. Criteria for Disciplinary Violations
  - a. Violation of Authority & Procedure
  - b. On purpose
  - c. Financial
3. Categories of Disciplinary Violations
  - a. Category I - Minor Punishment
  - b. Category II - Moderate Position Penalty
  - c. Category III - Severe Service Penalties
4. Types of Disciplinary Punishment
  - a. Category I - Minor Position Penalty:
    - Written Warning
    - Unsatisfied Statement

- b. Category II - Moderate Position Penalty
  - Salary Increase Postponement
  - Personal Grade Decrease
- c. Category III - Heavy Service Penalties
  - 1 (one) Level Demotion
  - 2 (two) Levels of Demotion
  - Revocation of Mandates for Position Holders
  - Disrespectful Termination

## Number of Violations and Sanctions Given

During 2023, there were 24 (twenty-four) cases that were resolved and sanctions were imposed, including:

1. Warning Letter
2. Written Reprimand
3. Statement of Dissatisfaction
4. Postponement of Salary Increase"
5. Reduction in Personal Grade
6. Demotion by 1 (one) level
7. Revocation of Mandate for Position Holder
8. Termination with Dishonorable Discharge

## Performance-Based Long-Term Compensation Policy

The provision of long-term performance-based compensation is granted by the Bank in the Employee and/or Management Stock Ownership Program (ESOP/MSOP). Deferred remuneration.

## Share Ownership Program by Employees and/or Management (ESOP/MSOP)

Bank Jatim held a share ownership program by employees and management based on the resolution of the Company's General Meeting of Shareholders on March 19, 2012 which was then stated in Deed No. 89 dated April 25, 2012.

## Purpose of Employee Stock Allocation (ESA) and Management Employee Stock Option Plans (MESOP)

The main objective of the Company's Management and Employee Share Ownership Program is that the management and employees of the Company have a sense of belonging and are expected to increase the work productivity of each employee which in turn will also improve overall corporate performance, so that there is an increase in company value. which can be enjoyed by the Company's stakeholders.

## Total Share and/or Option

Bank Jatim holds an Employee Stock Allocation (ESA) program by allocating shares as much as 10% (ten percent) of the total issuance of Shares Offered and issuing Stock options for the Management and Employee Stock Option Plans (MESOP)





program as much as 0, 71% (zeropoint seven one percent) of the total issued and fully paid-up capital after the Public Offering.

### Period of Implementation

The Implementation Period is determined following the provisions of Registration Regulation No. I-A attached to the Decree of the Board of Directors of the Jakarta Stock Exchange No.Kep-305/ BEJ/07-2004 dated July 19, 2004, namely a maximum of 2 (two) implementation periods per year with the provision that each implementation period will be open for 30 (thirty) Exchange days. The MESOP program will be implemented following the applicable laws and regulations.

### Requirements for Employee and/or Entire Management

#### EMPLOYEE STOCK ALLOCATION (ESA)

ESA is a share allocation program for employees, in this program Bank Jatim provides a special allocation or percentage for employees to own Bank Jatim shares. The ESA program can be seen in several companies when they are about to conduct an Initial Public Offering (IPO). The price for implementing the ESA program is the same as the bid price at the time of the IPO.

The share allocation for the ESA program consists of:

- Award Shares, namely the provision of shares to employees as an Award.
- Certain Allotment Shares, namely the allocation of share ownership to employees in the form of purchasing certain shares of IPO according to the limit.

Participants who can be included in the share ownership program or ESA program are as follows:

- Employees who have worked for 1 (one) year starting from April 30, 2012.
- Not in the status of being sanctioned by position/ suspension.

If the total shares allocated in the ESA program are not fully distributed, the remainder will be offered to the community. Provisions for the implementation of ESA program are as follows:

1. Award Shares
  - a. Distributed to all "Employees" at the cost of Bank Jatim.
  - b. The employees receive the shares freely at the time the Bank's shares are listed on the Indonesia Stock Exchange
  - c. Award Shares are provided amounting to 1 time Employee's salary
  - d. Employees are obliged to sign a statement of compliance with the provisions of ESA program. The requirements for receiving Award Shares are:

- Has been worked for 1 (one) year as of April 30, 2012
- Not in the status of being subject to office sanctions/ suspension
- Allocation based on position
- The award shares are subject to a "lockup" for 2 (two) years
- During the lockup period when the employee resigns or is terminated due to administrative sanctions, the right to the Award Shares is null and void.

#### 2. Certain Allotment Shares

- a. Offered to all "Employees" to buy shares at IPO price. There is no obligation to buy.
- b. Allotment must be worth 7 times Employee's salary
- c. Employees who voluntarily buy their certain allotment shares, their account will be blocked for payment in cash on the date of the highest payment price
- d. Requirements for buying Certain Allotment Shares:
  - Has worked for 1 (one) year starting from April 30, 2012
  - Not in the suspension status
  - Certain Allotment is as much as 7 times Employee's salary.
  - Certain Allotment Shares are subject to "Lock-up" for 3 months.

The procedures to obtain shares in the ESA program are as follows:

- For Award Shares, Program Participants will obtain a free allocation of Award Shares on the date of allotment of shares for the Initial Public Offering of the Bank's Shares. Program Participants will obtain a Share Allotment Confirmation Form.
- For Certain Allotment Shares, Program Participants who wish to buy shares offered for the certain allotment submit an order for maximum Certain Allotment Shares in accordance with the amount allocated on behalf of the Participant. At the time of ordering the Certain Allotment Shares, Participants must provide full price payment funds in accordance with the amount ordered. Participants must provide power of attorney to PT Bahana Sekuritas to sign the Share Purchase Order Form (FPPS) on behalf of the Ordering Party. On the date of allotment of shares, Participants will receive Confirmation of Shares Allotment on the Certain Allotment Shares ordered through the ESA program.

### MANAGEMENT EMPLOYEE STOCK OPTION PLANS (MESOP)

The Management & Employee Stock Option Plan (MESOP) is a program established to grant option rights to the participants (optionee) to buy Bank's shares at the exercised price previously specified. The shares can be exercised in accordance with the specified exercised windows.

The exercise price of Option Rights will be determined based on Item V.2.2 of the Regulation of Registration No. I-A, Attachment of the Decree of Board of Directors of Jakarta Stock Exchange No. Kep-305/BEJ/07- 2004 dated July 19, 2004, which is at least 90% of the average closing price of the Bank's share trading on the Indonesian Stock Exchange, before the date of the Bank's notification to the Indonesia Stock Exchange concerning the opening of the Exercise Window Period for Option Rights in the MESOP Program.

Participants of the MESOP Program are as follow:

- Board of Commissioners, excluding Independent Commissioners
- Sharia Supervisory Board

- Members of Board of Directors who served at the time of issuance of Option Rights
- Structural Officers, including Division Heads, Main Branch Managers, Sub-Division Heads, Branch Managers, and Department Heads at Main Branch.
- Participants entitled to participate in the MESOP program are permanent employees registered as MESOP participants in accordance with the provisions of the Fifth Dictum paragraph (1) Decree No: 057/251/DIR/CSE/ KEP regarding Procedures for Implementing the MESOP Program. This decision with the same position and/or level as well as above that, until the time of implementation of the MESOP program.
- Participants not entitled to participate in the MESOP program are employees who resign, dishonorably dismissed, or pass away.

The Option Rights in the MESOP Program will be issued in 3 Phases, namely:

**Table of MESOP Program Option Rights**

Phase I	Phase II	Phase III
Up to 30% of the number of Option Rights that can be issued in the MESOP Program	Up to 30% of the number of Option Rights that can be issued in the MESOP Program	Up to 40% of the number of Option Rights that can be issued in the MESOP Program

### Implementation Price or Implementation Price Determination

Bank Jatim has carried out the Management and Employee Stock Option Plans (MESOP) program since 2016 and ends in 2020 with an offering price of IDR450, IDR409 and IDR599. The number of shares issued for IDR409 was 3,163,900, and shares with a price of IDR599 were 9,963,600 shares. So that the total paid-up capital on December 31, 2020, amounted to IDR3,753,874,520,500 or a value of 15,015,498,082 shares. In 2022, Bank Jatim will not carry out the Management and Employee Stock Option Plans (MESOP) program, so there will be no distribution of shares to either the Board of Commissioners, Directors, or executive officers.

- Means of complaints provided by the Bank in the form of:
  - Come in person and write to the Bank Jatim Internal Audit Division (Jln. Basuki Rahmat No.98 - 104 Surabaya).
  - Website via <https://wbs.bankjatim.co.id/>
  - Text/Whatsapp Phone to 081330003040
- Fraud complaint criteria refer to the provisions and applicable laws.

### Protection of Whistleblowers

As a form of the Bank's commitment to implementing antifraud strategies and mechanisms for complaints of violations and guaranteeing protection for reporters in good faith, the Bank is obliged to:

- Banks are required to protect whistleblowers.
- The protection provided by the Bank against whistleblowers is intended to encourage the courage of whistleblowers to report fraud complaints in a clear, detailed and transparent manner.
- Whistleblower protection includes protection of whistleblower identity and report content.
- The Bank is committed to protecting whistleblowers in good faith and the Bank will comply with all relevant laws and regulations as well as best practices that apply in managing whistleblowers.
- All reports of fraud complaints will be guaranteed confidentiality and security by the Bank and whistleblowers can obtain information about the progress of their complaints.

## Whistleblowing System

### Submission and Media of Violation Reports

The policy and scope of complaints are regulated as follows, among others:

- Source of whistleblowing reporting with identity
- The Bank's management emphasizes the effectiveness of implementing a fraud control system on the disclosure of complaints.
- Management of the Bank has a strong commitment to provide support and protection to each fraud reporter and to guarantee the confidentiality of the identity and report of fraud submitted.



6. The Bank provides protection to internal Bank employee whistleblowers from the following:

- Dismissal.
- Demotion.
- Discriminatory acts.
- Intimidation.
- Other protections in accordance with the prevailing laws and regulations.

## Complaint Management

The process of investigating and collecting evidence related to events that are reasonably suspected of acts constituting fraud consisting of several stages including:

1. Reviewing information entered through the whistleblower or from the results of the examination of the Bank's internal audit team and collecting evidence of both physical evidence, information on the scene (other information) and summons of witnesses related to the type of irregularities that occurred and people who were indicated to have committed a crime (fraud).
2. Conducting an examination by verifying the evidence and information and the truth can be trusted and if the verification and information cannot be trusted then the evidence is made as a document/archive and the process is terminated.
3. If the perpetrators and witnesses are not cooperative (collaboration) confrontation will take place.

4. Carrying out examination on the weaknesses of the system procedure, the weakness of the technology system or others.

5. Calculating the estimated loss (financial loss) that occurs from the fraud.

Employees involved in fraud cases are subject to sanctions according to the prevailing Reward & Punishment Guidelines of Bank Jatim, including written warnings, demotions to termination of employment depending on the type of violation that has been committed and the loss suffered.

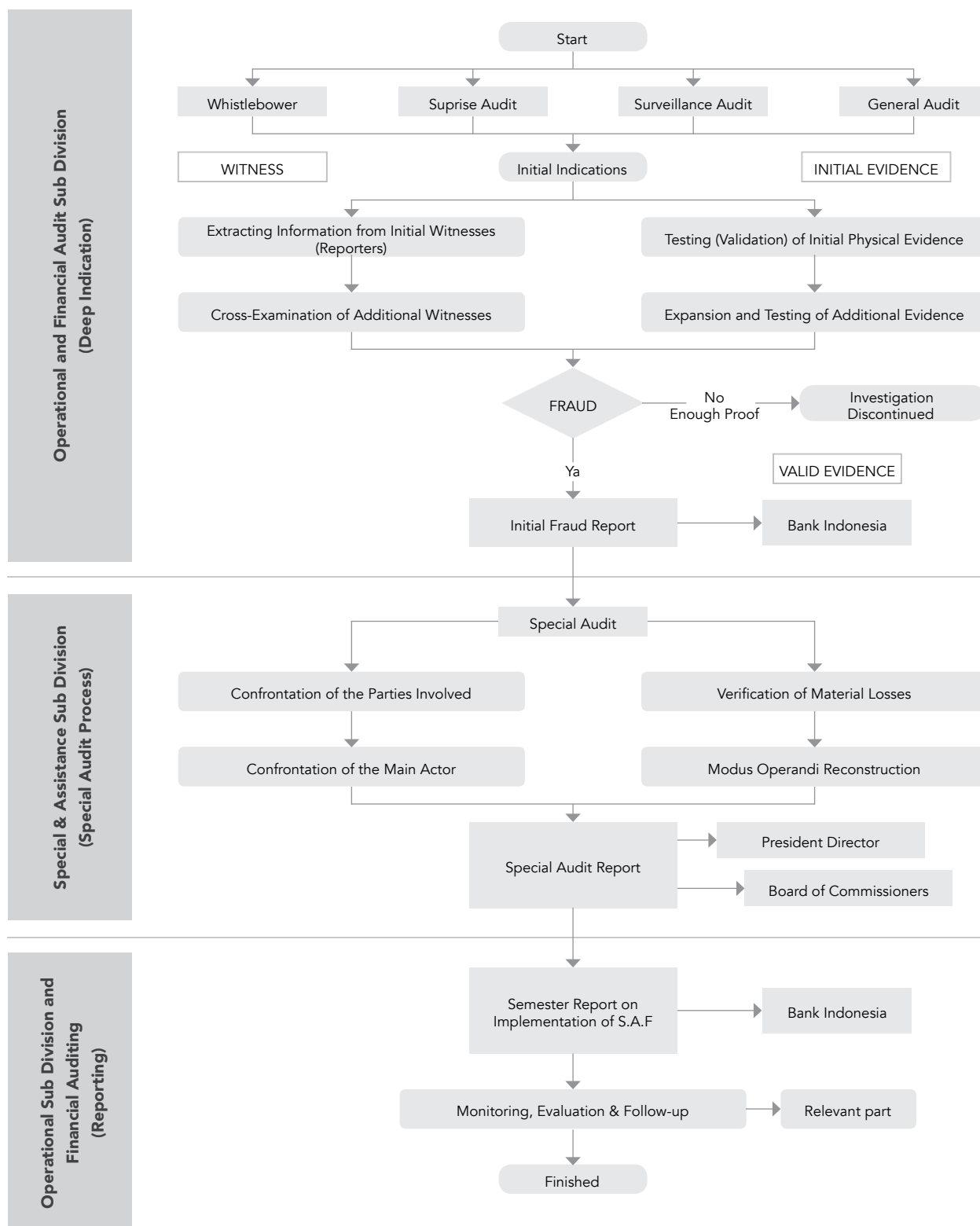
Bank Jatim will continue to strive to increase the understanding and concern of employees and other parties to report violations through whistleblowing facilities so that they are expected to be able to create a clean and integrity work environment. In this regard, the following steps have been taken:

1. Undertake Anti-Fraud Strategy program, including surprise audit (Operational & Credit).
2. Conducting socialization related to the implementation of anti-fraud strategy and whistleblowing system at the exit meeting results of the audit and employees including new employees.
3. Disseminating materials related to the implementation of antifraud and whistleblowing strategies in the education schedule of employee promotion programs.
4. Developing the Anti-Fraud Strategy system.





## Flowchart Penerapan Strategi Anti Fraud





## Types of Violations that can be Reported

There were 2 types of violations, namely violations of discipline and disciplinary violations related to violations of rules that were processed through the Human Capital Division and their actions in the form of Coaching, Mentoring and Counseling related to disciplinary violations, types of violations that could later be processed and deepened by the Internal Audit Division.

## Management of Violation Reports

The complaint database from the whistleblower was under the authority and responsibility of the Internal Audit Division and for complaint information was the responsibility of the Operational & Financial Audit Sub Division.

## Socialization of Whistleblowing System

Socialization of the Whistleblowing System is carried out simultaneously with socialization related to the implementation of anti-fraud strategies and at the exit meeting of audit results and employees including new employees.

## Number of Complaints and Its Follow Up

In 2023, there were 777 reports through the whistleblower system. Out of these 777 reports, 776 of them did not undergo further resolution, because:

1. The report is not related to fraud or does not meet the criteria for fraud
2. The report falls under the category of customer service complaints.
3. The report falls under the category of operational questions about the bank.

There was one report through the whistleblower system that was followed up together with the Human Capital Division and is currently marked as 'Completed.' Here is the table of the number of complaints through the whistleblower system in 2023:

No	Description	Number of Complaints
1	Number of Complaints in 2023	777
2	Number of Complaints Processed	1
3	Number of Complaints That Have Been Completely Processed	1
4	Number of Unfinished Complaints Processed	-

## Sanctions/Follow Up on Complaints In 2023

Complaints that have been successfully processed and proven are then subject to sanctions according to the provisions outlined in Bank Jatim's reward and punishment policy.

Completed Complaints Processed in 2023	Total	Sanctions/ Follow Up
Proven	1	1
Not Proven	-	-

## Anti Corruption Program

### Programs and Procedures in Overcoming Corruption, Kickbacks, Fraud, Bribery and/or Gratification Practices

#### Prevention of Corruption Practices

Bank Jatim has implemented several policies related to Corruption Prevention, including the Implementation of Anti-Fraud Strategies, Work and Business Ethical Behavior (Code of Conduct), Conflict of Interest Guidelines, Corporate Culture, Gratuity Policy, Employee Discipline Regulations, Market Code of Ethics Guidelines, and Guidelines for Maintaining the Confidentiality of Data and Information.

Actions taken by Bank Jatim to address issues of corrupt practices, particularly in Conflict of Interest, are regulated, including the following

1. All parties, both employees and leaders, must obey the code of ethics
2. Maintaining the confidentiality of company information
3. A prohibition for all levels of the Company from providing or promising gratuities, both directly and indirectly, which are considered bribery to government officials or state administrators if such provision is related to their position and conflicts with their obligations or duties
4. A prohibition on receiving or requesting gratuities, considered as bribery, directly or indirectly, from any party to influence the policies/decisions/treatments of Bank officials and employees according to their positions, authorities, and responsibilities.
5. The obligation to reject gratuities considered as bribery, whether received directly or indirectly.

## Implementation of Anti-Fraud Strategy

In order to prevent cases of operational irregularities at the Bank, especially fraud that could harm customers or banks and the issuance of Financial Services Authority Regulation No. 39/POJK.03/2019, dated December 19, 2019, concerning implementing an Anti-fraud Strategy for Commercial Banks, it is necessary to increase the effectiveness of internal control to minimize fraud risk including implementing an antifraud strategy. The organizational system responsible for implementing the anti-fraud strategy at Bank Jatim is the Internal Audit Divisi.

The fraud control system has been implemented following the anti-fraud strategy guidelines following the Decree of the Board of Directors number 060/22/DIR/AUI/KEP dated January 28, 2021 concerning the Handbook for Implementing the Anti-Fraud Strategy of PT Bank Pembangunan Daerah Jawa Timur Tbk. Every fraud incident is of particular concern in resolving the case. The Bank's Management requires that all appropriate levels within the Bank's internal environment have concerns for anti-fraud. The anti-fraud concern is pursued continuously in the form of zero tolerance for fraud. In implementing the Anti-Fraud Strategy in the form of a Fraud control system, it includes 4 (four) interrelated pillars, namely Prevention, Detection, Investigation Reporting and Sanctions, Monitoring Evaluation, and Follow Up.

### Prevention

The prevention pillar is part of the fraud control system that aims to include steps to reduce the potential risk of fraud, including anti-fraud awareness, identification of vulnerabilities and Know your employee.

### Detection

The detection pillar is part of the fraud control system which aims to contain steps to identify and find fraud in the Bank's business activities, including policies and mechanisms for whistleblowing, surprise audits, surveillance systems.

### Reporting Investigations and Sanctions

The Investigation, Reporting and Sanctions Pillar is part of the fraud control system which aims to include steps for digging up information (investigation), reporting system, and imposition of sanctions for fraud in the Bank's business activities.

### Monitoring Evaluation and Follow-up

The Monitoring Evaluation and Follow-up Pillar is part of the fraud control system which aims to include steps to monitor and evaluate fraud as well as follow-up mechanisms for frauds that occur.

The implementation of the four pillars takes into account the following:

1. Bank's internal and external environmental conditions
2. Complexity of business activities
3. Potential, types and risks of fraud
4. Adequacy of the required resources

The successful implementation of the overall antifraud strategy depends very much on the commitment and enthusiasm of the Board of Commissioners and Directors to foster a culture and anti-fraud concern at all levels of the Bank's organization. One of them is by making a written commitment called the AntiFraud Declaration signed by the Board of Commissioners, Directors and all employees of the Bank's organization.

Prevention and detection and identification of potential risks of vulnerability is an early warning system for the operational process. Identification of findings that indicate fraud, is implied in the whistleblowing policy and mechanism. Through this mechanism it is expected to detect early on the occurrence of a violation and can increase the level of participation of employees, customers and other stakeholders in reporting a violation and be used as an early warning of the possibility of a violation in the Bank.

## Anti-Bribery Management System

Bribery is a phenomenon that often occurs within the banking sector. Bribery has serious implications for the Bank's performance sustainability. Therefore, Bank Jatim is committed to preventing bribery through the implementation of the ISO 37001:2016 Anti-Bribery Management System (ABMS).

Implementation of the ISO 37001:2016 Anti-Bribery Management System (ABMS) is carried out by Bank Jatim through a series of the following steps:

1. Establishment of the Anti-Bribery Management System Policy signed by all Directors
2. Appointment of a competent work unit to oversee compliance with anti-bribery practices, referred to as the Anti-Bribery Compliance Function
3. Training on awareness of the ISO 37001:2016 Anti-Bribery Management System (ABMS) attended by representatives from the relevant work units
4. Establishment of internal regulations related to the Anti-Bribery Management System
5. Implementation of anti-bribery and gratuity socialization for Bank vendors
6. Sign the Integrity Pledge by the Board of Commissioners, Board of Directors, and all employees
7. Implementation of Stage 1 and Stage 2 audits by the Certification Body



Due to the steps taken, Bank Jatim obtained the ISO 37001:2016 Anti-Bribery Management System (ABMS) Certificate from the Certification Body on December 18, 2023. With the acquisition of the ISO Anti-Bribery Management System (ABMS) certificate, it is expected that :

1. Raising the awareness among all executives and employees about the risk of bribery in Bank Jatim business processes
2. Enhancing the trust of stakeholders and shareholders in Bank Jatim services.
3. Improving Bank Jatim business performance

## Gratification Policy

In order to create an anti-corruption culture and provide a reference for the implementation of gratification control and reportin, Bank Jatim establishes a gratification policy through:

1. Decree of the Board of Directors Number 062/03/41/DIR/KPT/KEP dated July 21, 2023 concerning Standard Operating Procedure (SOP) Gratification Control and Reporting.
2. Circular Letter Number 062/04/25/KPT/SE dated April 4, 2023 concerning Technical Guidelines for Gratification Reporting.

The policy regulates the types of gratification objects that must be reported, the types of gratification objects that are not required to be reported (excluded), the rights and protection of the reporter, as well as the gratification reporting mechanism.

## GRATIFICATION CONTROL MANAGEMENT

As an effort in controlling gratification, Bank Jatim implements several programs that refer to the provisions and procedures set by the Corruption Eradication Commission (KPK) including:

1. Gratification Dissemination
2. Risk Identification / Vulnerable Points of Gratification and Risk Mitigation
3. Gratification Control Innovation
4. Overcoming Gratification Reporting

As for a number of steps taken by Bank Jatim to implement the gratification control program include:

1. Installation of active directory wallpaper "Love Your Profession for Sincere Dedication Without Gratification".
2. Submission of Appeal for the Prohibition of Giving Gratification at the Moment of the New Year 2023 and Eid al-Fitr 1444 H published on the Instagram account of Bank Jatim.
3. Submission of Appeal for the Prohibition of Gratification and the Precautionary Principle in Entering the Political

Year, to all administrators and work units.

4. Socialization of gratification to all Branch Managers, Operational Leaders, Sub-Branch Managers, and Branch General Suipervisors.
5. Socialization with the theme Synergy to Create Clean Bank Jatim without Bribery and Gratification, to ± 250 vendors of Bank Jatim and Anti-Bribery Compliance Function team (FKAP) through zoom meeting.
6. Providing briefing material to new employees.
7. Participation in the Gratification Control Unit (UPG) 2023, Performance realization Webinar organized by the Corruption Eradication Commission through zoom meeting.
8. Participation in the Socialization of Guidelines for Monitoring and Evaluation of the 2023 Gratification Control Program organized by the Corruption Eradication Commission through zoom meeting.
9. Participation in E-learning to improve understanding of gratification with 49 participants.
10. Dissemination commemorating World Anti-Corruption Day (Hakordia) through Bank Jatim Instagram and Videotron.
11. Identifying risks/vulnerable points of gratification that could potentially occur in Bank Jatim banking activities.
12. Conducting risk mitigation on the results of the identification of risks/vulnerable points of gratification that could potentially occur in Bank Jatim banking activities.
13. Implementation of Gratification Control Innovation, in forms of:
  - a. Executive Summit of the Board of Commissioners and Directors of Bank Jatim, with the theme of GCG as the Key to Healthy and Successful Company and presenting speakers from external parties.
  - b. Implementation of SNI (Indonesian National Standard) ISO 37001 certification of Anti-Bribery Management System (SMAP)
  - c. Signing the Integrity Pact by the Board of Commissioners, Directors and all employees.
  - d. Preparation of internal provisions to gratification.
14. Periodic monitoring of the acceptance and/or rejection of gratification that occur in all work units through appeals to all work units to submit reports on the acceptance and/or gratifications.
15. Submission to the Corruption Eradication Commission (KPK) of reports on the acceptance and/or rejection of gratification submitted by all work units.
16. The implementation of the Gratification Control Program (PPG) is reported every semester to the Corruption Eradication Commission (KPK) via [www.gol.kpk.go.id](http://www.gol.kpk.go.id).

## Socialization of Gratification Policy

Bank Jatim organizes gratification socialization to internal and external parties held on:

Theme	Participants	Schedule	Socialization Media
Synergy to Create Clean Bank Jatim without Bribery and Gratification	All Branch Managers, Operational Leaders, Sub-Branch Managers, and General Branch Supervisors	June 7, 14, 16, 21, 23, 2023	Offline
	Approximately 250 Bank Jatim vendors and Anti-Bribery Compliance Function (FKAP) team	August 24, 2023	Zoom Meeting



## Gratification Report in 2023

During 2023, there was 1 (one) report of receiving gratification and has received a determination from the Corruption Eradication Commission (KPK) as a gratification that are not required to be reported.

## Anti-Corruption Training/Socialization to Employees

Theme	Implementation Time	Number of participants
Legal Law of Banking, Anti Money Laundering and Combating The Financing of Terrorism, Anti Gratification	Friday, January 6, 2023	33
Legal Law of Banking, Anti Money Laundering and Combating The Financing of Terrorism, Anti Gratification	Saturday, January 7, 2023	40
Legal Law of Banking, Anti Money Laundering and Combating The Financing of Terrorism, Anti Gratification	Sunday, January 8, 2023	25
Legal Law of Banking, Anti Money Laundering and Combating The Financing of Terrorism, Anti Gratification	Thursday, January 12, 2023	32
Legal Law of Banking, Anti Money Laundering and Combating The Financing of Terrorism, Anti Gratification	Sunday, January 15, 2023	6
Legal Law of Banking, Anti Money Laundering and Combating The Financing of Terrorism, Gratification & Obedient Culture	Saturday, August 26, 2023	33
Legal Law of Banking, Anti Money Laundering and Combating The Financing of Terrorism, Gratification & Obedient Culture	Sunday, September 10, 2023	33
Legal Law of Banking, Anti Money Laundering and Combating The Financing of Terrorism, Gratification & Obedient Culture	Thursday, September 21, 2023	32
Legal Law of Banking, Anti Money Laundering and Combating The Financing of Terrorism, Gratification & Obedient Culture	Wednesday, October 4, 2023	31

## Management of State Official Wealth Reports

Bank Jatim has implemented Reporting on State Official Wealth Reports (LHKPN) since 2018 based on Directors Decree No. 057/401/DIR/KPT/KEP dated December 31, 2018 concerning BPP LHKPN within PT Bank Jatim Tbk. As these provisions have been revoked and regulated in Decree of the Board of Directors No. 060/03/47/DIR/KPT/KEP dated November 25, 2021 concerning SOP for State Assets Report (LHKPN). Decree of the Board of Directors No. 060/03/47/DIR/KPT/KEP dated November 25, 2021 concerning the SOP for State Officials Wealth Reports (LHKPN) regulates the following:

1. Organization
  - a. Cooperation between the Corruption Eradication Commission (KPK) and the Bank
  - b. Management Unit of the State Officials Wealth Reports (LHKPN)
  - c. Mandatory Report of the State Officials Wealth Reports (LHKPN)
2. Implementation Procedures
  - a. Registration
  - b. Reporting Process
  - c. Improvement Mechanism of the State Officials Wealth Reports (LHKPN)

- d. Announcement of Mandatory Report of the State Officials Wealth Reports (LHKPN)
- e. Power of Attorney
3. Administrations and Sanctions
  - a. Administrations
  - b. Sanctions

### Mandatory Report of The State Assets Report (LHKPN)

In accordance with the Corruption Eradication Commission Regulation No. 07 of 2016 concerning Procedures for Registration, Announcement and Examination of State Organizer's Assets, as updated in the Corruption Eradication Commission Regulation No. 2 of 2020 that State Organizers are required to submit the State Officials Wealth Reports (LHKPN) to the Corruption Eradication Commission. Therefore, those categorized as Mandatory Reports within the Bank in accordance with Law No. 28 of 1999 are as follows:

1. Board of Commissioners
2. Sharia Supervisory Board
3. Board of Directors





4. SEVP
5. Division Leaders
6. Branch Managers

### Management Unit The State Officials Wealth Reports (LHKPN)

In accordance with the Decree of the Board of Directors No. 059/258/DIR/KPT/KEP dated September 22, 2020 concerning the Appointment of Agency Admins and Work Unit Admins for E-LHKPN Application Management within Bank Jatim as follows:

#### 1. Agency Admin

Managed by the Compliance Work Unit with organs:

1. The Supervisor is the Head of Compliance and Governance Division;
2. The person in charge is the Head of Compliance Sub-Division;
3. The executor is the Governance and Business Ethics Group.

Has duties and authorities which include:

1. Coordinating with KPK regarding regulatory changes and e-LHKPN application management within the Bank;
2. Conducting socialization to PN/WL on external provisions and internal provisions regarding LHKPN;
3. Managing the LHKPN e-registration application within the Bank through the e-LHKPN application including:
  - a. Registering and activating PN/WL data that must report LHKPN using the e- LHKPN application (e-registration menu);
  - b. Updating PN/WL of LHKPN employment data that has changed data in the Bank environment in the e- LHKPN application (e-registration menu);
  - c. Verifying the updating of PN/WL of LHKPN data carried out by the Work Unit Admin;

4. Facilitate PN/WL of LHKPN who experience technical problems when using the e- LHKPN application;
5. Obtain information from the Corruption Eradication Commission on LHKPN who have not submitted LHKPN and/or make improvements to LHKPN that have been verified by the Corruption Eradication Commission;
6. Monitoring the level of compliance of PN/WL in implementing LHKPN reporting to the Corruption Eradication Commission;
7. Have the independence to issue warning letters or administrative sanctions for PN/WL that do not submit LHKPN according to the predetermined time limit.

#### 2. Work Unit Admin

Managed by the work unit authorized to handle human capital with organs:

1. The supervisor is the Head of Human Capital Division;
2. The person in charge is the Operational Sub Division Leader;
3. The executor is the Recruitment Data Group, Assessment Center and Personnel Data.

Has duties and authorities including:

Manage the e- LHKPN application (e-registration menu) within the Bank's work unit through the e- LHKPN application involving:

1. Updating PN/WL of LHKPN staffing data that has changed data within the Bank in the e- LHKPN application (e-registration menu);
2. Coordinate with the agency admin for data changes within the Bank.

LHKPN reporting until the end of the 2023 period, as many as 63 (sixty three) people and has been submitted to the Corruption Eradication Commission in terms of LHKPN management with the category of activeness in submitting reports in a timely manner over a period of 4 (four) years. As for the special LHKPN reporting early served period 2023 as many as 16 (sixteen) people and has been submitted to the Corruption Eradication Commission in September and October 2023.

## Total Internal Frauds and Remedies

Internal Fraud in 1 Year	Number of frauds committed (Internal)					
	Members of the Board of Commissioners and Members of the Directors		Permanent Employees		Non-Permanent Employees	
	Previous Year (2022)	Current Year (2023)	Previous Year (2022)	Current Year (2023)	Previous Year (2022)	Current Year (2023)
Total Fraud	-		15	12	3	1
Resolved	-		15	12	3	1
In the Settlement Process in the Bank's Internal	-		-		-	-



Internal Fraud in 1 Year	Number of frauds committed (Internal)					
	Members of the Board of Commissioners and Members of the Directors		Permanent Employees		Non-Permanent Employees	
	Previous Year (2022)	Current Year (2023)	Previous Year (2022)	Current Year (2023)	Previous Year (2022)	Current Year (2023)
Not Resolved Yet	-		-		-	
Has Been Followed Up Through Legal Process	-		5	-	1	-

## Provision of Funding for Social and/or Political Activities

A description related to corporate social responsibility is submitted in the 2023 Sustainability Report. As for providing funds for political activities, during 2023, Bank Jatim will not provide funds for political activities or to political parties.

## Provision of Funds to Related Parties and Provision of Large Funds

Descriptions regarding Provision of Funds to Related Parties and Provision of Large Funds are presented in the Management Analysis and Discussion Chapter in this Annual Report.

## Bank Strategic Plan

A description of the Bank's Strategic Plan is presented in the Management Discussion and Analysis Chapter in this Annual Report.

## Share Buyback and Bond Buyback

During 2023, the Company will not carry out share buybacks and bond buybacks.

## Transactions Containing Conflicts of Interest

The forms of conflict of interests include:

1. Gratification
2. Misappropriation of Assets
3. Misuse of confidential/important information
4. Position Traps
5. Granting special access that violates the procedure
6. Unprofessional supervision
7. Subjective and not independent assessment
8. Decision on licensing, allocation/budget, investment
9. Determination of partners (procurement)
10. Recruitment, hiring, performance appraisal
11. Use of information
12. Commercialization of public services

An activity is considered to give rise to a conflict of interest if:

1. Transactions for the provision of funds and procurement of goods/services occur between the Company and Related Parties including the Board of Directors, Board of Commissioners, Executive Officers, Decision-making Officers
2. There are officers/employees of the Company who have a first degree family relationship who are in 1 (one) line of management
3. Transactions with other affiliated parties

Transactions and activities that have the potential to give rise to conflicts of interest include:

1. Credit transactions are categorized as containing a conflict of interest if the Bank/deciding official is the same party or has a family, ownership, management, financial or interest relationship with the credit recipient.
2. Fund and service transactions are categorized as containing a conflict of interest if the Bank/deciding official is the same party or has a family, ownership, management, financial or interest relationship with the deposit customer or user of the Bank's services so that the customer in question is given special conditions that are different from the treatment of customers in general.
3. Goods and services transactions are categorized as containing a conflict of interest if the Bank or the deciding official is the same party or has a family, ownership, management, financial or interest relationship with the provider of the goods/services so that the determination of the appointment or winner has potentially unreasonable conditions causing detrimental effect to the bank or reduce the bank's profits.
4. Management of human resources which has the potential for a conflict of interest if in a bank there are several people who have family relationships up to the second degree and are at the same bank.
5. What is included in the category of prohibited conflicts of interest is the practice of giving and/or receiving gifts, bribes and the like which are reasonably suspected to be detrimental to the Company's interests, contrary to sound business ethics and/or contrary to applicable law.



In an effort to avoid conflicts of interest, all parties, both employees and company leaders, must comply with the code of ethics. If employees and company leaders become aware of practices that lead to a conflict of interest, they must immediately report it to their superiors.

The main elements that must be fulfilled in managing conflicts of interest of the company, employees and company leaders are as follows:

1. Comply with and comply with applicable laws and regulations, including company culture.
2. Avoid activities that could cause a conflict of interest.
3. Store and maintain the confidentiality of company information and information with parties who have business relationships with the company. Compliance with the company's code of conduct is very important to maintain and advance the company's reputation.

#### Conflict of Interest Disclosure

1. If there is a conflict of interest, officials and/or employees who have a conflict of interest do not use their rights/authority in making decisions and are required to disclose the said conflict of interest.
2. If there is a conflict of interest in the field of credit and/or operations at a branch office, officials and/or employees who have a conflict of interest do not use their rights/authority in making decisions.
3. If a conflict of interest occurs in an employee/officer according to their respective fields, the employee/official does not use his authority in making decisions and then the decision-making process is handed over to his superiors in stages.
4. If a decision still has to be taken, the official or employee involved in the decision-making process must prioritize the economic interests of the Bank from losses that may arise or the possibility of reducing the Bank's profits.
5. Required to disclose the condition of the conflict of interest which is attached to the Minutes of Meeting along with documentation containing considerations for making the decision.

During 2023, there was no transactions containing conflicts of interest.

## Internal Disputes

During 2023 there were no internal disputes caused by the remuneration policy.

## Prevention of Insider Trading

The provisions governing Insider Trading actions have been regulated in the Corporate Secretary Investor Management SOP Chapter II, presented as follows:

### TRADING INSIDER CRITERIA

This practice occurs when parties outside the bank buy or sell bank securities based on information from insiders that is not published. This work procedure prohibits insider actions that encourage/influence other people or provide inside information to other parties.

#### a. Insider Trading Criteria

1. Bank insider, namely:
  - a. Commissioner, Director or Bank Employee;
  - b. The main shareholder of the Bank;
  - c. Individuals who because of their position or profession or because of their business relationship with the issuer or public company enable that person to obtain information; or
  - d. A party who within the last 6 (six) months is no longer a party as referred to in letters a, b, c above.
2. Have inside information, where the information or material facts are not yet available to the public.

Insiders are prohibited:

1. Influencing other parties to buy or sell the securities in question;
2. Providing inside information to any party who reasonably suspects may use the information in question to purchase or sell securities.

All of the two elements mentioned above must be met in order to be subject to insider trading.

#### b. Sanctions for Insider Trading

- Article 102 Law No. 8 of 1995  
Imposing administrative sanctions in the form of:
  - Written Warning;
  - Fines, namely the obligation to pay a certain amount of money;
  - Restrictions on business activities;
  - Suspension of business;
  - Revocation of business permits;
  - Cancellation of consent; And
  - Cancellation of registration.
- Article 104 of Law No.8 of 1995  
Any party who violates the provisions as intended in Article 90, Article 91, Article 92, Article 93, Article 95, Article 96, Article 97 paragraph (1), and Article 98 is threatened with imprisonment for a maximum of 10 (ten) years and a fine of up to IDR 15,000,000,000 (fifteen billion rupiah).

During 2023, Bank Jatim will not have Insider Trading

## Transparency of Financial and Nonfinancial Conditions

Bank Jatim has fulfilled its obligation to Bank Indonesia to conduct transparency of financial and non-financial conditions in accordance with applicable regulations, publication of information submission through print media and the Bank's website as follows:

1. Monthly and Quarterly Financial Statements that have been submitted and published to the Regulator and on the Bank's website.
2. Annual Reports that have been submitted and published to the Regulator and on the Bank's website.
3. Corporate Governance Information such as:
  - a. Vision and mission of the Bank
  - b. Composition and Profile of the Board of Commissioners and Board of Directors
  - c. Guidelines and Rules of Committee
  - d. Corporate Governance Practices
4. Information on Bank's Products and Services such as e-forms of credit along with a wide spread of Office Networks making it easier for customers, investors to access such information.
5. Information that aims to educate customers such as banking services, banking mediation, customer complaints mechanisms, banking security tips and magazines/bulletins for Bank Jatim which can be downloaded via the Company's website.

## Implementation of Sustainable Finance, Including Implementation of Social and Environmental Responsibility

An explanation of the implementation of sustainable finance, including the implementation of social and environmental responsibility, has been explained in the 2023 Bank Jatim Sustainability Report.

# Implementation of Public Company Governance Guidelines

No	Aspect; Principle; Recommendation	Comply or Explain
A.	<b>ASPECT 1: PUBLIC COMPANY RELATIONS WITH SHAREHOLDERS IN GUARANTEEING SHAREHOLDERS' RIGHTS</b>	
A.1.	<b>PRINCIPLE 1: INCREASING THE VALUE OF HOLDING A GENERAL MEETING OF SHAREHOLDERS (GMS).</b>	
A.1.1.	<p>Recommendation 1 : Public companies have voting methods or technical procedures both open and closed that promote independence and the interests of shareholders.</p> <p>Explanation : Every share with voting rights issued has one voting right (one share one vote). Shareholders can use their voting rights when making decisions, especially when making decisions by voting. However, the decision-making mechanism by way of open and closed voting has not been regulated in detail.</p> <p>Public companies are recommended to have a voting procedure in making decisions on a GMS agenda. The voting procedure must maintain the independence or freedom of shareholders. For example, in open voting, voting is carried out by raising hands in accordance with the choice instructions offered by the chairman of the GMS. Meanwhile, closed voting is carried out for decisions that require secrecy or at the request of shareholders, by using a ballot card or by using electronic voting.</p>	<p><b>Comply</b></p> <p>Bank Jatim has procedures for the General Meeting of Shareholders (GMS) which are regulated in the Company's Articles of Association Deed number 15 dated May 09, 2023</p> <p>Each shareholder is only given 1 (one) vote, representing the entire number of shares he owns. Vote counting will be carried out using a "raise hand and hand over voting rights" mechanism.</p>



No	Aspect; Principle; Recommendation	Comply or Explain
A.1.2.	<p>Recommendation 2 : All members of the Board of Directors and members of the Public Company's Board of Commissioners attend the Annual GMS.</p> <p>Explanation : The purpose of the presence of all members of the Board of Directors and members of the Board of Commissioners of the Public Company is that each member of the Board of Directors and Board of Commissioners can observe, explain, and answer directly the problems that occur or questions raised by shareholders regarding the agenda at the GMS.</p>	<p><b>Comply</b></p> <p>At the 2022 Fiscal Year GMS, all members of the Board of Directors and Board of Commissioners were present.</p>
A.1.3.	<p>Recommendation 3 : The summary of the minutes of the GMS is available on the Public Company Website for at least 1 (one) year.</p> <p>Explanation : Based on the provisions in Article 34 paragraph (2) of the Financial Services Authority Regulation Number 32/POJK.04/2014 concerning the Plan and Implementation of a Public Company General Meeting of Shareholders, the Public Company is required to make a summary of the minutes of the GMS in Indonesian and foreign languages (at least in English), as well as announced 2 (two) working days after the GMS is held to the public, one of which is through the Public Company Website. Availability of the summary of the minutes of the GMS on the Public Company Website provides an opportunity for shareholders who are not present to obtain important information in holding the GMS easily and quickly. Therefore, the provision regarding the minimum period for the availability of the summary of the minutes of the GMS on the Website is intended to provide sufficient time for shareholders to obtain such information.</p>	<p><b>Comply</b></p> <p>The minutes of the AGMS and EGMS in Indonesian and English are available on the Website and can be downloaded until the 2022 fiscal year.</p>
<b>A.2.</b>	<b>PRINCIPLE 2 : IMPROVING THE QUALITY OF PUBLIC COMPANY COMMUNICATION WITH SHAREHOLDERS OR INVESTORS.</b>	
A.2.1.	<p>Recommendation 4 : Public companies have a communication policy with shareholders or investors.</p> <p>Explanation : The existence of communication between a Public Company and shareholders or investors is intended so that shareholders or investors get a clearer understanding of information that has been published to the public, such as periodic reports, information disclosure, business conditions or prospects and performance, as well as the implementation of corporate governance Open. Besides that, shareholders or investors can also submit input and opinions to the management of the Public Company</p> <p>The communication policy with shareholders or investors shows the Public Company's commitment to communicating with shareholders or investors. The policy may include strategies, programs and timing of communications, as well as guidelines that support shareholders or investors to participate in these communications.</p>	<p><b>Comply</b></p> <p>Bank Jatim has a Communication Policy with shareholders or investors as stipulated in the Directors Decree number 062/03/40/DIR/CSE/KEP regarding SOP Investor Management.</p>
A.2.2.	<p>Recommendation 5 : Public Companies disclose their communication policies with shareholders or investors on the Website.</p> <p>Explanation : Disclosure of communication policy is a form of transparency of the Public Company's commitment to provide equality to all shareholders or investors in the implementation of communication. Disclosure of this information also aims to increase the participation and role of shareholders or investors in the implementation of public company communication programs.</p>	<p><b>Comply</b></p> <p>The Communication Policy with Investors as described in recommendation 4 can be accessed by the public through the Bank Jatim website at the following link: <a href="https://www.bankjatim.co.id/id/tatakelola-company/kebijakan">https://www.bankjatim.co.id/id/tatakelola-company/kebijakan</a></p>



No	Aspect; Principle; Recommendation	Comply or Explain
<b>B.</b>	<b>ASPECT 2: FUNCTIONS AND ROLES OF THE BOARD OF COMMISSIONERS</b>	
<b>B.1.</b>	<b>PRINCIPLE 3: STRENGTHENING THE MEMBERSHIP AND COMPOSITION OF THE BOARD OF COMMISSIONERS.</b>	
B.1.1.	<p>Recommendation 6: Determining the number of members of the Board of Commissioners takes into account the condition of the Public Company.</p> <p>Explanation: The number of members of the Board of Commissioners can affect the effectiveness of carrying out the duties of the Board of Commissioners. Determination of the number of members of the Public Company Board of Commissioners must refer to the provisions of the applicable laws and regulations, which consists of at least 2 people based on the provisions of the Financial Services Authority Regulation Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies. In addition, it is also necessary to consider the condition of the Public Company which includes among other things the characteristics, capacity and size, as well as the achievement of goals and the fulfillment of different business needs among Public Companies. However, the number of members of the Board of Commissioners that is too large has the potential to disrupt the effectiveness of the implementation of the Board of Commissioners' functions.</p>	<p><b>Comply</b></p> <p>Determination the Board of Commissioners members of Bank Jatim has taken into the conditions of the Public Company including the number of assets, achievement of company performance, vision mission, goals and strategic directions, and also the provisions of the Financial Services Authority Regulation Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Public Companies. This number has also been adjusted to the number of Board of Directors members, as well as the effectiveness of the implementation of the Board of Commissioners' supervisory function.</p>
B.1.2.	<p>Recommendation 7: Determining the composition of members of the Board of Commissioners takes into account the diversity of skills, knowledge and experience required.</p> <p>Explanation: The composition of the Board of Commissioners is a combination of characteristics both in terms of the organs of the Board of Commissioners and individual members of the Board of Commissioners, in accordance with the needs of the Public Company. These characteristics can be reflected in the determination of the expertise, knowledge and experience needed in carrying out supervisory and advisory duties by the Board of Commissioners of the Public Company. The composition that has taken into account the needs of the Public Company is a positive thing, especially regarding decision making in the context of implementing the supervisory function which is carried out by considering a wider variety of aspects.</p>	<p><b>Comply</b></p> <p>Referring to Deed Number 22 dated February 20, 2018 regarding the Minutes of the Annual Shareholders Meeting (GMS) for the 2017 Fiscal Year, "The Remuneration and Nomination Committee has screened Bank Jatim internal candidates, as well as from external parties using the following criteria assessment: integrity, competence, understanding of banking and macroeconomics, understanding of the East Java economic condition, internal and external banking provisions.</p>
<b>B.2.</b>	<b>PRINCIPLE 4: IMPROVING THE QUALITY OF IMPLEMENTATION OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS.</b>	
B.2.1.	<p>Recommendation 8: The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners.</p> <p>Explanation: The Board of Commissioners' self-assessment policy is a guideline used as a form of accountability for assessing the collegial performance of the Board of Commissioners. The intended self-assessment or self-assessment is carried out by each member to assess the collegial performance of the Board of Commissioners, and not to assess the individual performance of each member of the Board of Commissioners. With this self-assessment, it is hoped that each member of the Board of Commissioners can contribute to improving the performance of the Board of Commissioners on an ongoing basis.</p> <p>In this policy, it can include assessment activities carried out along with their aims and objectives, time for implementation on a regular basis, and benchmarks or assessment criteria used in accordance with the recommendations given by the nomination and remuneration function of the Public Company, where this function is required in the Authority Regulation. Financial Services Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.</p>	<p><b>Comply</b></p> <p>The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners which is regulated in the Board of Commissioners Decree Number 059/009/DK/KEP dated December 22, 2020 concerning Amendments to the Board of Commissioners Decree Number 059/005/DK/KEP dated April 29, 2020 concerning the Working Paper for the Performance Assessment of the Board of Commissioners of PT Bank Pembangunan Daerah Jawa Timur Tbk</p>



No	Aspect; Principle; Recommendation	Comply or Explain
B.2.2.	<p>Recommendation 9: Self-assessment policy to assess the performance of the Board of Commissioners, disclosed through the Public Company Annual Report.</p> <p>Explanation: Disclosure of the self-assessment policy on the performance of the Board of Commissioners is carried out not only to fulfill the aspect of transparency as a form of accountability for the implementation of their duties, but also to provide confidence especially to shareholders or investors regarding the efforts that need to be made to improve the performance of the Board of Commissioners. With this disclosure, shareholders or investors know the check and balance mechanism on the performance of the Board of Commissioners.</p>	<p><b>Comply</b></p> <p>The Guidelines for the Performance Assessment of the Board of Commissioners of PT Bank Pembangunan Daerah Jawa Timur Tbk are disclosed in the Annual Report.</p>
B.2.3.	<p>Recommendation 10: The Board of Commissioners has a policy regarding the resignation of members of the Board of Commissioners if they are involved in financial crimes.</p> <p>Explanation: The policy of resigning members of the Board of Commissioners who are involved in financial crimes is a policy that can increase stakeholder confidence in a Public Company, so that the integrity of the company will be maintained. This policy is needed to help smooth the legal process and so that the legal process does not interfere with the course of business activities. In addition, in terms of morality, this policy builds an ethical culture within the Public Company. These policies can be included in the Guidelines or Code of Ethics that apply to the Board of Commissioners.</p> <p>Furthermore, what is meant by being involved in a financial crime is the existence of a convict status against a member of the Board of Commissioners from the competent authority. Financial crimes referred to include manipulation and various forms of embezzlement in financial service activities as well as Money Laundering Crimes as referred to in Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes.</p>	<p><b>Explain</b></p> <p>The resignation policy for the Board of Commissioners only if the person concerned is a state official who is a member of the Board of Commissioners, then the person concerned is required to resign from his position in government, who is involved in financial crimes is a policy that can increase stakeholder confidence in a Public Company.</p>
B.2.4.	<p>Recommendation 11: The Board of Commissioners or Committees that carry out the Nomination and Remuneration functions develop a succession policy in the Nomination process for members of the Board of Directors.</p> <p>Explanation : Based on the provisions of the Financial Services Authority Regulation Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies, the committee that carries out the nomination function has the duty to develop the policies and criteria needed in the nomination process for candidates for members of the Board of Directors. One of the policies that can support the Nomination process as intended is the succession policy for members of the Board of Directors. The policy regarding succession aims to maintain the continuity of the process of regeneration or regeneration of leadership in the company in order to maintain business continuity and the company's long-term goals.</p>	<p><b>Comply</b></p> <p>The succession policy in the nomination process for members of the Board of Directors is regulated in the Board of Commissioners Committee Implementation Guidelines number 058/002/DK/KEP dated April 23, 2019 and its amendments in accordance with the Decree of the Board of Commissioners Number 060/02/DK/KEP dated January 15, 2021.</p>



No	Aspect; Principle; Recommendation	Comply or Explain
C.	<b>ASPECT 3: FUNCTIONS AND ROLES OF THE BOARD OF DIRECTORS</b>	
C.1.	<b>PRINCIPLE 5: STRENGTHENING THE MEMBERSHIP AND COMPOSITION OF THE BOARD OF DIRECTORS.</b>	
C.1.1.	<p>Recommendation 12: Determining the number of members of the Board of Directors takes into account the condition of the Public Company and effectiveness in decision making.</p> <p>Explanation: As a company organ that is authorized to manage the company, the determination of the number of Directors greatly influences the performance of the Public Company. Thus, the determination of the number of members of the Board of Directors must be carried out through careful consideration and must refer to the provisions of the applicable laws and regulations, which are based on the Financial Services Authority Regulation Number 33/ POJK.04/2014 concerning the Directors and Board of Commissioners of Issuers or Public Companies at least consists of 2 (two) people. Besides that, the determination of the number of Directors must be based on the need to achieve the goals and objectives of the Public Company and adjusted to the conditions of the Public Company which includes the characteristics, capacity and size of the Public Company and how the Board of Directors' decision-making effectiveness is achieved.</p>	<p><b>Comply</b></p> <p>The determination of the members of the Board of Directors, totaling 7 (seven) Directors with the current composition of 5 (five) people, has taken into account the condition of the Public Company, including the number of assets, company performance achievements, etc. as well as the provisions of Financial Services Authority Regulation Number 33/ POJK.04/ 2014 concerning Directors and Board of Commissioners of Issuers or Public Companies. This number has also been adjusted to reflect the 6 (six) members of the Bank's Board of Commissioners with the current composition of 3 (three) people and the effectiveness of decision making carried out by the Board of Directors.</p>
C.1.2.	<p>Recommendation 13: Determining the composition of members of the Board of Directors takes into account the diversity of expertise, knowledge and experience required.</p> <p>Explanation: Like the Board of Commissioners, the diversity in the composition of the members of the Board of Directors is a combination of desired characteristics both in terms of the organs of the Board of Directors and individual members of the Board of Directors, in accordance with the needs of a Public Company. The combination is determined by taking into account the appropriate expertise, knowledge and experience in the division of duties and functions of the Board of Directors in achieving the goals of the Public Company. Thus, consideration of the combination of characteristics referred to will have an impact on the accuracy of the nomination process and collegial appointment of individual members of the Board of Directors or the Board of Directors.</p>	<p><b>Comply</b></p> <p>The determination of the composition Board of Directors member has taken into account the diversity of skills, knowledge and experience required. Board of Directors member who are appointed at the GMS have met the requirements set out, including the general requirements and special requirements as stipulated in the Articles of Association and Standard Operating Procedure (SOP) for the Selection and/or Replacement of the Board of Commissioners and Board of Directors member. Board of Directors members have also obtained approval from the Financial Services Authority regarding the results of the fit and proper test as stipulated based on the Decree of Members of the Board of Commissioners of the Financial Services Authority.</p>
C.1.3.	<p>Recommendation 14: Members of the Board of Directors in charge of accounting or finance have expertise and/or knowledge in accounting.</p> <p>Explanation: The Financial Report is a management accountability report on the management of resources owned by a Public Company, which must be prepared and presented in accordance with generally accepted Financial Accounting Standards in Indonesia as well as related OJK regulations, including laws and regulations in the Capital Market sector which regulates the presentation and disclosure of Public Company Financial Statements. Pursuant to laws and regulations in the Capital Markets sector governing the responsibilities of the Board of Directors for Financial Statements, the Board of Directors is jointly and severally responsible for the Financial Statements, which are signed by the President Director and members of the Board of Directors in charge of accounting or finance.</p> <p>Thus, the disclosure and preparation of financial information presented in the financial statements will depend heavily on the expertise and/or knowledge of the Board of Directors, particularly members of the Board of Directors in charge of accounting or finance. The qualifications of expertise and/or knowledge in accounting that at least belong to the said members of the Board of Directors can provide confidence in the preparation of the Financial Statements, so that the Financial Statements can be relied on by stakeholders as a basis for making economic decisions regarding the Public Company in question. Such expertise and/or knowledge can be proven by educational background, training certification, and/or related work experience.</p>	<p><b>Comply</b></p> <p>Finance Director Profile</p> <p>Name: Edi Masrianto (2022-present)</p> <p>Education: - Bachelor of Management Economics, Jember University, 1989 - Master of Agribusiness Management, Gajah Mada University, 2004</p> <p>Members of the Board of Directors in charge of accounting or finance have expertise and/or knowledge in accounting.</p> <p>The Board of Directors has submitted financial reports at the Annual GMS and obtained approval from the GMS.</p>



No	Aspect; Principle; Recommendation	Comply or Explain
<b>C.2.</b>	<b>PRINCIPLE 6: IMPROVING THE QUALITY OF THE IMPLEMENTATION OF THE BOARD OF DIRECTORS' DUTIES AND RESPONSIBILITIES.</b>	
C.2.1.	<p>Recommendation 15: The Board of Directors has a self-assessment policy to assess the performance of the Board of Directors.</p> <p>Explanation: Like the Board of Commissioners, the Board of Directors' self-assessment policy is a guideline used as a form of accountability for evaluating the performance of the Board of Directors collegially. The intended selfassessment or self-assessment is carried out by each member of the Board of Directors to assess the collegial performance of the Board of Directors, and not to assess the individual performance of each member of the Board of Directors. With this self-assessment, it is hoped that each member of the Board of Directors can contribute to improving the performance of the Board of Directors on an ongoing basis.</p> <p>This policy may include assessment activities carried out along with their aims and objectives, the time of implementation on a regular basis, and the benchmarks or assessment criteria used in accordance with the recommendations given by the nomination and remuneration function of the Public Company, where the formation of this function is required in the Authority Regulation. Financial Services Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.</p>	<p><b>Comply</b></p> <p>The Board of Directors has a self-assessment policy to assess the performance of the Board of Directors as regulated in the Directors' Decree number 059/128/DIR/PRS/KEP dated May 11, 2020 concerning Key Performance Indicators (KPI) for the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk.</p>
C.2.2.	<p>Recommendation 16: The self-assessment policy to assess the performance of the Board of Directors is disclosed in the Public Company's annual report.</p> <p>Explanation: Disclosure of the self-assessment policy on the performance of the Board of Directors is carried out not only to fulfill the transparency aspect as a form of accountability for carrying out their duties, but also to provide important information for improvement efforts in the management of the Public Company. This information is very useful in giving confidence to shareholders or investors that there is certainty that the management of the company will continue to be carried out in a better direction. With this disclosure, shareholders or investors know the check and balance mechanism on the performance of the Board of Directors.</p>	<p><b>Comply</b></p> <p>Performance Assessment of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk. disclosed in the Annual Report.</p>
C.2.3.	<p>Recommendation 17: The Board of Directors has a policy regarding the resignation of members of the Board of Directors if they are involved in financial crimes.</p> <p>Explanation: The policy of resigning members of the Board of Directors who are involved in financial crimes is a policy that can increase stakeholder confidence in a Public Company, so that the integrity of the company will be maintained. This policy is needed to help smooth the legal process and so that the legal process does not interfere with the course of business activities. In addition, in terms of morality, this policy will build an ethical culture within the Public Company. These policies can be included in the Guidelines or Code of Ethics that apply to the Board of Directors.</p> <p>Furthermore, what is meant by being involved in a financial crime is the existence of a convict status against a member of the Board of Directors from the competent authority. Financial crimes include manipulation and various forms of embezzlement in financial service activities as well as money laundering as referred to in Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes.</p>	<p><b>Explain</b></p> <p>The resignation policy for Board of Directors members is regulated in the Articles of Association and Work Guidelines for the Board of Directors. The Articles of Association and Work Guidelines for the Board of Directors also stipulate provisions related to the termination of the positions of members of the Board of Directors and dismissal of members of the Board of Directors.</p> <p>The Ethical Culture Policy has been regulated in the Board of Directors Decree Number 060/019/ DIR/PRS/KEP dated January 26, 2021 concerning Guidelines for the Implementation of Behavior, Work Ethics and Business of PT Bank Pembangunan Daerah Jawa Timur Tbk.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
<b>D.</b>	<b>ASPECT 4: STAKEHOLDER PARTICIPATION</b>	
<b>D.1.</b>	<b>PRINCIPLE 7: IMPROVING CORPORATE GOVERNANCE ASPECTS THROUGH STAKEHOLDER PARTICIPATION.</b>	
D.1.1.	<p>Recommendation 18: Public Company has a policy to prevent insider trading.</p> <p>Explanation: A person who has inside information is prohibited from engaging in a Securities transaction using inside information as referred to in the Law on Capital Markets. Public companies can minimize the occurrence of insider trading through prevention policies, for example by strictly separating confidential data and/or information from public ones, and dividing the tasks and responsibilities for managing the said information proportionally and efficiently.</p>	<p><b>Comply</b></p> <p>Bank Jatim has a policy to prevent insider trading which is regulated in Directors' Decree Number 057/008/DIR/KEP/TRE dated January 11, 2018 concerning Market Code of Ethics for Treasury Activities.</p>
D.1.2.	<p>Recommendation 19: Public Companies have anti-corruption and anti-fraud policies.</p> <p>Explanation: The anti-corruption policy is useful to ensure that the Public Company's business activities are carried out legally, prudently, and in accordance with the principles of good governance. The policy can be part of the code of ethics, or in a separate form. This policy may include, among other things, programs and procedures carried out in dealing with corruption practices, kickbacks, fraud, bribery and/or gratuities in a public company. The scope of the policy must describe the prevention of the Public Company from all corrupt practices, whether giving or receiving from other parties.</p>	<p><b>Comply</b></p> <p>Bank Jatim has several policies related to Corruption Prevention, including the Implementation of Anti-Fraud Strategies, Work and Business Ethical Behavior (Code of Conduct), Conflict of Interest Guidelines, Corporate Culture, Gratification Policy, Employee Discipline Regulations, Market Code of Ethics Guidelines, and Obligations Guidelines. Maintain Confidentiality of Data and Information.</p>
D.1.3.	<p>Recommendation 20: Public Company has a policy regarding the selection and capacity building of suppliers or vendors.</p> <p>Explanation: Policies regarding supplier or vendor selection are useful for ensuring that a Public Company obtains the goods or services it needs at competitive prices and good quality. Meanwhile, supplier or vendor capacity building policies are useful for ensuring that the supply chain runs efficiently and effectively. The ability of suppliers or vendors to supply/fulfill the goods or services required by the company will affect the quality of the company's output.</p> <p>Thus, the implementation of these policies can guarantee the continuity of supply, both in terms of quantity and quality required by the Public Company. The scope of this policy includes criteria for selecting suppliers or vendors, transparent procurement mechanisms, efforts to increase the capacity of suppliers or vendors, and fulfillment of rights related to suppliers or vendors.</p> <p>The Company has a policy regarding the procurement of goods and services which contains the selection and capacity building of suppliers or vendors as stipulated in the Procurement Guidelines standard.</p>	<p><b>Comply</b></p> <p>Bank Jatim has a policy regarding the procurement of goods and services which is regulated in the Decree of the Directors number 060/03/34/DIR/ UMM/KEP dated October 04, 2021 concerning SOP for Procurement of Goods or Services.</p>
D.1.4.	<p>Recommendation 21: Public companies have a policy on fulfilling creditors' rights.</p> <p>Explanation: The policy on fulfilling creditors' rights is used as a guide in making loans to creditors. The purpose of the intended policy is to maintain the fulfillment of rights and maintain creditors' trust in the Public Company. The policy includes considerations in entering into agreements, as well as follow-up in fulfilling the obligations of the Public Company to creditors.</p>	<p><b>Explain</b></p> <p>Bank Jatim explains the creditor's rights in the Credit Agreement (PK), including;</p> <ol style="list-style-type: none"> <li>1. The bank ensures that the creditor receives the principal and interest on the loan according to the agreed schedule;</li> <li>2. The bank ensures that the creditor receives the loan usage report;</li> <li>3. The bank ensures that creditors receive fines for payments that exceed the agreed schedule;</li> <li>4. The Bank ensures that principal and interest payments on loans are not subject to penalties if the payment schedule falls on a holiday and is paid on the next working day;</li> </ol>



No	Aspect; Principle; Recommendation	Comply or Explain
D.1.5.	<p>Recommendation 22: Public companies have a whistleblowing system policy.</p> <p>Explanation: A well-developed whistleblowing system policy will provide certainty of protection for witnesses or reporters of an indication of violations committed by employees or management of the Public Company. The implementation of these system policies will have an impact on the formation of a culture of good corporate governance. The whistleblowing system policy includes, among other things, types of violations that can be reported through the whistleblowing system, methods of complaint, protection and guarantee of confidentiality of reporters, handling of complaints, parties managing complaints, and the results of complaints handling and follow-up.</p>	<p><b>Comply</b></p> <p>The Public Company has a whistleblowing system policy which is clearly stated in the Directors' Decree Number 060/22/DIR/AUI/KEP dated January 28, 2021 concerning Implementation Guidelines for the Implementation of PT's Anti-Fraud Strategy. East Java Regional Development Bank Tbk</p>
D.1.6.	<p>Recommendation 23: Public companies have a policy of providing long-term incentives to Directors and employees.</p> <p>Explanation: Long-term incentives are incentives based on achieving long-term performance. The long-term incentive plan has the premise that the company's long-term performance is reflected by the growth in the value of the company's shares or other long-term targets. Long-term incentives are useful in order to maintain loyalty and provide motivation to the Board of Directors and employees to improve their performance or productivity which will have an impact on increasing the company's performance in the long term.</p> <p>The existence of a long-term incentive policy is a real commitment of the Public Company to encourage the implementation of long-term incentives for Directors and Employees with conditions, procedures and forms that are adjusted to the long-term objectives of the Public Company. The intended policy may include, among other things, the intent and purpose of providing long-term incentives, the conditions and procedures for granting incentives, and the conditions and risks that must be considered by the Public Company in granting incentives. This policy can also be included in the existing Public Company remuneration policy.</p>	<p><b>Comply</b></p> <p>Public Companies have a policy of providing long-term incentives to Directors and employees which is clearly expressed in Board of Commissioners Decree No. 059/003/DK/KEP dated April 27, 2020 concerning Implementation of Governance for Providing Remuneration for the Board of Commissioners and Directors and Facilities at PT Bank Pembangunan Daerah Jawa Timur Tbk.</p>
<b>E.</b>	<b>ASPECT 5: INFORMATION DISCLOSURE</b>	
<b>E.1.</b>	<b>PRINCIPLE 8: IMPROVING THE IMPLEMENTATION OF INFORMATION DISCLOSURE.</b>	
E.1.1.	<p>Recommendation 24: Public Companies take advantage of the use of information technology more broadly besides Websites as a medium for information disclosure.</p> <p>Explanation: The use of information technology can be useful as a medium for information disclosure. The disclosure of information that is carried out is not only disclosure of information that has been regulated in laws and regulations, but also other information related to Public Companies that are felt to be useful for the knowledge of shareholders or investors. By using information technology more broadly besides the Website, it is hoped that the company can increase the effectiveness of disseminating company information. Even so, the use of information technology is carried out while still taking into account the company's benefits and costs.</p>	<p><b>Comply</b></p> <p>The Bank utilizes information technology more broadly besides the Website as a medium for information disclosure which increases the effectiveness of the dissemination of such information, including the following:</p> <ul style="list-style-type: none"> <li>• Instagram @Bank Jatim</li> <li>• Facebook @Bank Jatim</li> <li>• Twitter @Bank Jatim</li> <li>• Youtube @Bank Jatim</li> </ul>
E.1.2.	<p>Recommendation 25: The Public Company Annual Report discloses the ultimate beneficial owner in the Public Company share ownership of at least 5% (five percent), in addition to disclosing the ultimate beneficial owner in the Public Company share ownership through the main and controlling shareholders.</p> <p>Explanation: Laws and regulations in the Capital Markets sector governing the submission of the Public Company's annual report have regulated the obligation to disclose information regarding shareholders who own 5% (five percent) or more shares of the Public Company, as well as the obligation to disclose information regarding major and controlling shareholders Public Company either directly or indirectly up to the last beneficiary in the ownership of the shares. In this Governance Guidelines it is recommended to disclose the ultimate beneficial owner of share ownership of a Public Company of at least 5% (five percent), in addition to disclosing the ultimate beneficial owner of share ownership by the main and controlling shareholders.</p>	<p><b>Comply</b></p> <p>The ultimate beneficial owner of the shares which amount to at least 5% is the Controlling Shareholder which is the Government of East Java Province.</p>

# Governance Principles for Banks

## Issued by The Basel Committee In Banking Supervision

The Governance Guidelines covered 12 principles of corporate governance. Governance Guidelines are best practice standards that can be used as a reference in the implementation of corporate governance in banking. The description of its application can be conveyed as follows.

Principle	Explanation	Implementation at Bank Jatim
Principle 1 Responsibilities of the Board of Commissioners.	The Board of Commissioners has responsibilities which include: approval and supervision of the implementation of business strategy, structure and governance mechanisms and corporate culture.	The Board of Commissioners has carried out its responsibilities accordingly with the conditions as stipulated in: <ul style="list-style-type: none"> <li>- Decree of the Board of Commissioners Number 060/01/DK/KEP dated January 15, 2021 concerning Work Guidelines for the Board of Commissioners</li> <li>- Decree of the Board of Commissioners Number 059/009/DK/KEP dated December 22, 2020 concerning Working Paper for the Performance Assessment of the Board of Commissioners of PT Bank Pembangunan Daerah Jawa Timur Tbk.</li> </ul> One of them is the Board of Commissioners providing opinions and suggestions on the Annual Work Plan and Budget and providing advice on matters considered important by the Company.
Principle 2 Qualifications and Composition of the Board of Commissioners	Members of the Board of Commissioners must have quality in accordance with their duties and responsibilities, both individually and collegially. The Board of Commissioners must understand its role in supervising and implementing corporate governance, and being able to carry out sound and objective decision-making.	The Board of Commissioners of Bank Jatim has fulfilled the qualifications and composition in accordance with applicable regulations. This is also regulated in the Bank's internal provisions SK Board of Commissioners Number 060/01/DK/KEP dated January 15, 2021 concerning Work Guidelines for the Board of Commissioners. One of the components that has been fulfilled is that the Board of Commissioners of Bank Jatim has no financial relationship, management relationship, share ownership and/or family relationship with other members of the Board of Commissioners, Directors and/or Controlling Shareholders or relationship with the Bank, which may affect the ability of those concerned to act independently as stipulated in the provisions on the Implementation of Good Corporate Governance for Commercial Banks and have signed a Statement of Independence.
Principle 3 Structure and Mechanism of the Board of Commissioners.	The Board of Commissioners must establish appropriate governance structures and practices in carrying out their duties and periodically review their effectiveness.	The Board of Commissioners has Committees under the Board of Commissioners that assist the implementation of the duties of the Board of Commissioners, namely the Audit Committee, the Remuneration and Nomination Committee and the Risk Monitoring Committee. This has also been accommodated in Bank Jatim internal provisions Decree of the Board of Commissioners Number 060/01/DK/KEP dated January 15, 2021 concerning Work Guidelines for the Board of Commissioners.
Principle 4 Directors.	Under the direction and supervision of the Board of Commissioners, the Board of Directors is able to manage the Bank's activities in accordance with the business strategy, risk appetite, remuneration policies and other policies that have been approved by the Board of Commissioners	The Board of Directors manages the Company under the direction and supervision of the Board of Commissioners as reflected in the Governance Structure of Bank Jatim Directors Decree Number 058/158/DIR/PRS/KEP date June 17, 2019.
Principle 5 Business Group Governance Structure.	Within a business group, the Board of Commissioners of the parent company has overall responsibility for the business group and for ensuring the establishment and implementation of clean governance practices related to the structure, business and risks of business groups and entities. The Board of Commissioners and Directors must understand the organizational structure of the business group and the risks it faces.	The Board of Directors and Board of Commissioners of Bank Jatim have knowledge and understanding of the company's main business and main risks, as evidenced by the passage of the entire Board of Commissioners and Directors from the Fit and Proper Test. The Board of Directors and Board of Commissioners also regularly participate in training and development to improve their capabilities. This is regulated in Bank Jatim internal provisions: <ul style="list-style-type: none"> <li>- Decree of the Board of Directors Number 060/044/DIR/CSE/KEP dated February 9, 2021 concerning Work Guidelines for the Board of Directors.</li> <li>- Decree of the Board of Commissioners Number 060/01/DK/KEP dated January 15, 2021 concerning Work Guidelines for the Board of Commissioners.</li> </ul>



Principle	Explanation	Implementation at Bank Jatim
Principle 6 Risk Management Function.	Banks must have a quality risk management function, be independent, have quality resources and have access to the Board of Commissioners.	Bank Jatim runs the Process of Identification, Measurement, Monitoring, Risk Control and Risk Management Information Systems. Bank Jatim always improves the capabilities and knowledge of all employees, especially in terms of risk management, by organizing internal training, socialization which is in line with the internalization of corporate culture. As well as communicating risk management to the Board of Commissioners through the Risk Monitoring Committee.
Principle 7 Identification of Risk Monitoring and Control.	Risks must be identified, monitored and controlled for all activities of the Bank. The quality of the risk management and internal control infrastructure must be able to keep up with changes in the Bank's risk profile, external risk conditions and industry practices.	In the management of Bank Jatim Risk Management identification, measurement and risk assessment have been carried out, compiling a risk profile. Risk measurement and assessment is in accordance with established policies and adjusts to the level of risk faced by Bank Jatim.
Principle 8 Risk Communication	Effective implementation of risk governance requires accurate risk communication within the Bank both between organizations and through reporting to the Board of Commissioners and Directors.	Submission of risk profiles is submitted quarterly and Bank Soundness Level every semester to the Board of Directors through the Risk Management Committee and to the Board of Commissioners through the Risk Monitoring Committee.
Principle 9 Compliance.	The Board of Commissioners is responsible for overseeing management related to the Bank's compliance risk. The Board of Commissioners must establish a compliance function and provide approval for policies and processes for identifying, assessing, monitoring and reporting, and providing advice on compliance risks.	The Board of Commissioners ensures the implementation of good corporate governance in business activities and corporate governance policies, including the implementation of compliance.
Principle 10 Internal Auditing.	The internal audit function must report independent assurance activities to the Board of Commissioners and must support the Board of Commissioners and Directors in encouraging the implementation of an effective governance process and the long term health of the Bank	Conduct objective testing of evidence in order to provide an independent assessment of the adequacy of internal control, risk management and governance processes within the organization. Internal Audit is directly responsible to the President Director and communicates with the Board of Commissioners through the Audit Committee.
Principle 11 Compensation.	The Bank's remuneration structure must support the implementation of corporate governance and risk management.	The legal basis for Bank Jatim's remuneration refers to the Decree of the Board of Commissioners No. 059/003/DK/KEP dated April 27, 2020 concerning the Implementation of Governance for Providing Remuneration for the Board of Commissioners and Directors and Facilities at PT Bank Pembangunan Daerah Jawa Timur Tbk.
Principle 12 Disclosure and Transparency.	The implementation of governance from the Bank must be carried out in a transparent manner to Shareholders, Depositors, other relevant Stakeholders and Market Participants.	Bank Jatim constantly updates the Company's website to ensure information disclosure for stakeholders such as Annual Reports, Sustainability Reports and Public Exposures.

## Good Corporate Governance Assessment

### Assessment Criteria

In conducting a self-assessment regarding the implementation of Good Governance, Bank Jatim refers to the provisions of POJK No. 55/POJK.03/2016, POJK No. 17 of 2023, SEOJK No. 13/SEOJK.03/2017 concerning the Implementation of Governance for Commercial Banks.

Self-assessment is carried out periodically on at least 11 (eleven) factors for assessing the implementation of Governance which is carried out in a comprehensive and structured manner which is integrated into 3 (three) aspects of governance, namely governance structure, governance process and governance outcomes including:

1. Implementation of Duties and Responsibilities of the Board of Commissioners
2. Implementation of Duties and Responsibilities of the Board of Directors
3. Completeness and Implementation of Committee Duties
4. Handling of Conflict of Interest
5. Implementation of the Bank's Compliance Function
6. Implementation of the Internal Audit Function
7. Implementation of the External Audit Function
8. Implementation of the Risk Management Function, Including the Internal Control System
9. Provision of Funds to Related Parties and Large Debtors (Large Exposure)



10. Transparency of Financial and Non-Financial Conditions, GCG Implementation Reports and Internal Reporting

11. The Bank's Strategic Plan.

## Parties That Carry Out The Assessment

The self-assessment process involves the Board of Commissioners, Directors, Board of Commissioners Committees and work units in charge to produce a comprehensive and structured assessment of the implementation of Governance at all levels of the organization.

## The Score of Assessment

**Table of GCG Assessment Results**

Parameter	Weight (%)	June 2022	Dec 2022	June 2023
		Skor x Bobot		
Implementation of Duties and Responsibilities of the Board of Commissioners	10	0.2	0.2	0.2
Implementation of Duties and Responsibilities of the Board of Directors	20	0.6	0.6	0.4
Completeness and Implementation of Committee Duties	10	0.3	0.2	0.2
Handling of Conflict of Interest	10	0.3	0.21	0.2
Implementation of the Bank's Compliance Function	5	0.1	0.15	0.15
Implementation of the Internal Audit Function	5	0.15	0.15	0.15
Implementation of the External Audit Function	5	0.1	0.1	0.1
Implementation of the Risk Management Function Including the Internal Control System	7.5	0.19	0.225	0.16
Provision of funds to related parties and large debtors (Large Exposure)	7.5	0.15	0.225	0.225
Transparency of Financial and Non-Financial Conditions, GCG Implementation Reports and Internal Reporting	15	0.23	0.3	0.2
Bank Strategic Plan	5	0.15	0.15	0.15
Total Score		2.47	2.51	2.14
Rating		2	3	2

## Recommendations and Follow Up

During 2023, there are no recommendations from the OJK.

4. Disclosure and Transparency.
5. Responsibilities of Directors and Commissioners.

## ASEAN Corporate Governance Scorecard

Assessment of the implementation of good corporate governance (GCG) was also carried out based on the ASEAN Corporate Governance Scorecard (ACGS) criteria which adopted the principles of Corporate Governance issued by The Organization for Economic Cooperation and Development (OECD).

### Assessment Criteria

The ACGS assessment criteria include the following 5 (five) aspects:

1. Rights of Shareholders.
2. Equal Treatment of Shareholders.
3. The Role of Stakeholders.

## Parties That Carry Out The Assessment

The assessment is carried out by the ASEAN Capital Market Forum (ACMF) as a representative in each participating country to carry out the assessment on a national scale and is appointed by the regulator of each country..

## The Score of Assessment

Based on the results of the 2021 ACGS Bank Jatim assessment, Bank Jatim received the ASEAN Asset Class award in the ASEAN Corporate Governance Scorecard (ACGS) ranking by the ASEAN Capital Market Forum (ACMF).

## Recommendations and Follow Up

There are recommendations for improvements related to the implementation and disclosure of governance at Bank Jatim. These improvement recommendations become the basis for carrying out continuous improvement



# **CORPORATE SOCIAL** Responsibility











Bank Jatim implements its social responsibility activities by referring to the principle of sustainability. Bank Jatim always considers the impact of every decision and its business activities on society and the natural environment through transparent and ethical behavior.

Bank Jatim is committed to implementing sustainable principles that are able to create economic, social and ecological values in the process and at the level of policy and decision making that can drive the Bank's success while still contributing to the achievement of sustainable development goals. Sustainable development goals include ensuring the integrity of the environment as well as the safety, capabilities, well-being and quality of life of present and future generations.

As a financial services institution, the implementation of corporate social responsibility at Bank Jatim refers to POJK No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions of Issuers and Public Companies and the international standard, namely ISO 26000. In accordance with the Circular Letter of the Financial Services Authority No. 16 /SEOJK.04/2021 Regarding the Form and Contents of the Annual Report of Issuers or Public Companies Information on corporate social responsibility, especially related to sustainable governance, sustainable economic performance, sustainable environmental performance and sustainable social performance is submitted in the Sustainability Report which is presented separately from the Annual Report.

# OJK

## Index

Criteria	Explanation	Page	Regulations
<b>GENERAL</b>			
Annual Report is well printed and bound.	The Annual Report is well printed and bound.	√	POJK 29
Annual Report must be reproduced in the form of printed copies of documents and electronic copies of documents.		√	POJK 29
Annual Reports are presented in Indonesian and foreign languages		√	POJK 29
Annual Report must be published on the Issuer's or Public Company's Website on the same date as the submission of the Annual Report to the Financial Services Authority.		√	POJK 29
<b>PERFORMANCE HIGHLIGHTS</b>			
Summary of important financial data contains financial information presented in comparative form for 3 (three) financial years or since starting their business if the Issuer or Public Company has been running its business activities for less than 3 (three) years.	Information includes, among others:		
	1. Sales revenue.	22	SEOJK 16
	2. Gross profit.	22	
	3. Operational profit.	22	SEOJK 9
	4. Profit before tax.	22	
	5. Net profit.	22	
	6. Profit and loss.	22	SEOJK 16
	7. Total comprehensive profit (loss).	23	SEOJK 9
	8. Total profit (loss) attributable to owners of the parent entity and non-controlling interests.	N/A	SEOJK 16
	9. Total comprehensive profit (loss).	23	SEOJK 16
	10. Total comprehensive profit (loss) attributable to owners of the parent entity and non-controlling interests.	N/A	
	11. Earnings (loss) per share.	23	SEOJK 9 SEOJK 16
	12. Total assets.	20	
	13. Total liabilities.	21	
	14. Total equity.	22	
	15. Third-party funds.	21	SEOJK 9
	16. Loans received.	21	
	17. Ratio of profit (loss) to total assets.	24	SEOJK 16
	18. Profit (loss) to equity ratio.	24	
	19. Profit (loss) to revenue/sales ratio.	24	
	20. Current ratio.	24	
	21. Liability to equity ratio.	24	
	22. Ratio of liabilities to total assets.	24	

Criteria	Explanation	Page	Regulations
	23. CAR ratio.	24	SEOJK 9
	24. Productive assets.	24	
	25. Non-performing loans (NPL) ratio.	24	
	26. Ratio of Operating Expenses to Operating Income (BOPO).	24	
	27. Cost to Income Ratio(CIR).	24	
	28. Net Interest Margin (NIM) ratio.	24	
	29. Percentage of violations and exceedances of the Legal Lending Limit (BMPK).	24	
	30. Statutory Reserve Ratio (GWM).	24	
	31. Net Open Position (NOP) Ratio.	24	
	32. Information and other financial ratios that are relevant to the issuer or public company and the type of industry.	24	
Stock Information	Information on shares for Public Companies at least contains:		SEOJK 16
	1. Shares that have been issued for each quarter presented in comparative form for the last 2 (two) financial years, at least contain:	25-27	
	a. Number of outstanding shares.		
	b. Market capitalization is based on the price on the stock exchange where the shares are listed.		
	c. The highest, lowest and closing share prices are based on the price on the stock exchange where the shares are listed.		
	d. Volumetrading on the stock exchange where the shares are listed.		
	Information in letter b), letter c) and letter d) is only disclosed if the shares are listed on the stock exchange. Information is presented in the form of graphs and tables.		
	2. such as a stock split, reverse stock, stock dividends, bonus shares, changes in the nominal value of shares, issuance of convertible securities, and additions and capital reduction, share information as referred to in number 1) is added with an explanation of at least:	27	
	a. The date of implementation of the corporate action.		
	b. Stock split ratios, reverse stock ratios, stock dividends, bonus shares, number of convertible securities issued, and changes in share nominal value.		
	c. The number of outstanding shares before and after the corporate action.		
	d. The number of effect conversions implemented (if any).		
	e. Stock prices before and after corporate actions.		
	3. In the event of a temporary suspension of share trading (suspension) and/or delisting of shares during the financial year, the reasons for the temporary suspension of share trading (suspension) and/or delisting of shares (delisting) shall be explained.	27	
	4. In the event that the temporary suspension of share trading (suspension) as referred to in number 3) and/or the process of canceling the listing of shares (delisting) is still ongoing until the end of the Annual Report period, the actions taken to resolve the temporary suspension of share trading (suspension) and/or cancellation are explained. listing of shares (delisting).	27	

Criteria	Explanation	Page	Regulations
<b>REPORT OF DIRECTORS AND BOARD OF COMMISSIONERS</b>			
Directors Report	The Board of Directors' report contains at least a brief description of:		
	1. Performance of Issuers or Public Companies, at least includes:		
	a. Issuer's or Public Company's strategy and strategic policies (including for UUS if the Bank owns UUS).	44	SEOJK 9 SEOJK 16
	b. The role of the Board of Directors in formulating the strategy and strategic policies of the Issuer or Public Company.	44	SEOJK 16
	c. The process carried out by the Board of Directors to ensure the implementation of the Issuer's or Public Company's strategy.	44	
	d. Comparison between the results achieved and those targeted by the Issuer or Public Company.	44-45	SEOJK 9 SEOJK 16
	e. Obstacles faced by Issuers or Public Companies.	45	
	f. Organizational structure.	38	SEOJK 9
	g. Main activity.	37	
	h. Information Technology.	38	
	i. Types of products and services offered, including lending to debtors of micro, small and medium enterprises.	37-39	
	j. Interest rates for raising and providing funds.	39-43	
	k. Economic development and target market.	39	
	l. Networks and business partners at home and/or abroad.	38	
	m. Number, type and location of offices.	38	
	n. Ownership of the Board of Directors, Board of Commissioners and shareholders in the Bank's business group.	N/A	
	o. Important changes that occurred in the Bank and the Bank's business group in the year concerned.	N/A	
	p. Important things that are expected to happen in the future.	45-46	
	q. Human resources include the number, level of education, training, and development of human resources.	38	
	2. An overview of the business prospects of the Issuer or Public Company.	45-46	SEOJK 9 SEOJK 16
	3. Implementation of Issuer or Public Company governance.	46-49	
Report of the Board of Commissioners	The Board of Commissioners' report contains at least a brief description of:		
	1. Assessment of the Board of Directors' performance regarding the management of Issuers or Public Companies, including oversight by the Board of Commissioners in the formulation and implementation of the Issuer's or Public Company's strategy carried out by the Board of Directors.	53-56	SEOJK 16 SEOJK 9
	2. Views on the business prospects of Issuers or Public Companies compiled by the Board of Directors.	56-57	
	3. Views on the implementation of governance of the Issuer or Public Company.	57-60	
	4. Changes in the composition of the Board of Commissioners (if any) and reasons for the changes.	62	SEOJK 9
	5. Frequency and method of providing advice to members of the Board of Directors.	53	

Criteria	Explanation	Page	Regulations
Statement Letter from Members of the Board of Directors and Members of the Board of Commissioners	Statement Letter from Members of the Board of Directors and Members of the Board of Commissioners regarding Responsibility for the Annual Report. Statement letter from members of the Board of Directors and members of the Board of Commissioners regarding responsibility for the Annual Report is prepared in accordance with the format of Statement Letter from Members of the Board of Directors and Members of the Board of Commissioners regarding Responsibility for the Annual Report.	63-64	SEOJK 16 POJK 29
<b>COMPANY PROFILE</b>			
Company name and full address	Access to Issuers or Public Companies including branch offices or representative offices that enable the public to obtain information about Issuers or Public Companies, including: 1. Address 2. Phone number 3. Email address 4. Website address	68	SEOJK 9 SEOJK 16
Name and address of subsidiary and/or branch office or representative office (if any)	Contains information including: 1. Name and address of the subsidiary, including: a. Address b. Phone number c. E-mail address d. Website address 1. Name and address of the branch/representative office, including: a. Address b. Phone number c. Email address a. Website address <b>Notes:</b> if the company does not have subsidiaries, branch offices, and representative offices, so that it is disclosed.	69-70	SEOJK 9 SEOJK 16
Brief history of Issuer or Public Company	Include among others: date/year of establishment, name, change of company name (if any), and effective date of change of company name. <b>Notes:</b> if the company has never changed its name, please disclose it.	72-73	SEOJK 9 SEOJK 16
Vision, Mission and Corporate Culture	Includes: 1. Company Vision 2. Company Mission 3. Statement that the vision and mission have been reviewed and approved by the Board of Directors/Board of Commissioners in the financial year.	74 74 76-78	SEOJK 9 SEOJK 16
Business activities	Description of, among others: 1. The company's business activities according to the latest articles of association. 2. Business Activities Undertaken. 3. Products and/or services produced.	79 80 80-92	SEOJK 9 SEOJK 16
Operational Area	Issuer's or Public Company's operational area. The operational area is the area or area where operational activities are carried out or the scope of the company's operational activities.	94-97	SEOJK 16
Organizational structure	The organizational structure of the Issuer or Public Company in the form of a chart, at least up to 1 (one) level below the Board of Directors including committees under the Board of Directors (if any) and committees under the Board of Commissioners, accompanied by names and positions.	98-99	SEOJK 9 SEOJK 16

Criteria	Explanation	Page	Regulations
Association Membership	List of industry association memberships both on a national and international scale related to the implementation of sustainable finance.	97	SEOJK 16
Board of Directors Profile	Profile of the Board of Directors, at least contains:	100-108	SEOJK 9 SEOJK 16
	1. Name and position in accordance with the duties and responsibilities.		
	2. Latest photos.		
	3. Age.		
	4. Citizenship.		
	5. Educational history and/or certification.		
	6. Position history, including information on:		
	a. The legal basis for appointment as a member of the Board of Directors of the Issuer or Public Company concerned		
	b. Concurrent positions, both as members of the Board of Directors, members of the Board of Commissioners, and/or committee members as well as other positions both inside and outside the Issuer or Public Company. In the event that members of the Board of Directors do not have concurrent positions, then this is disclosed.		
	c. Work experience and time period both inside and outside the Issuer or Public Company.		
	7. of the Board of Commissioners, major shareholders and controllers, either directly or indirectly to individual owners, including names of affiliated parties. In the event that members of the Board of Directors have no affiliation, the Issuer or Public Company shall disclose this. Financial relationships and family relationships of members of the Board of Directors and members of the Board of Commissioners with other members of the Board of Directors, other members of the Board of Commissioners, and/or controlling shareholders of the Bank.		SEOJK 9 SEOJK 16 POJK 13
	8. Changes in the composition of members of the Board of Directors and reasons for the changes. In the event that there is no change in the composition of the members of the Board of Directors, this will be disclosed.		SEOJK 16
Profile of the Board of Commissioners	Profile of the Board of Commissioners, at least contains:	109-116	SEOJK 9 SEOJK 16
	1. Name and position.		
	2. Latest photos.		
	3. Age.		
	4. Citizenship.		
	5. Educational history and/or certification.		
	6. Position history, including information on:		
	a. The legal basis for appointment as a member of the Board of Directors of the Issuer or Public Company concerned		
	b. Legal basis for the first appointment as a member of the Board of Commissioners who is an independent commissioner of the Issuer or Public Company concerned.		
	c. Concurrent positions, both as members of the Board of Directors, members of the Board of Commissioners, and/or committee members as well as other positions both inside and outside the Issuer or Public Company. In the event that members of the Board of Directors do not have concurrent positions, then this is disclosed.		

Criteria	Explanation	Page	Regulations
	<p>d. Work experience and time period both inside and outside the Issuer or Public Company.</p> <p>7. Affiliation with other members of the Board of Directors, members of the Board of Commissioners, major shareholders and controllers, either directly or indirectly to individual owners, including names of affiliated parties. In the event that members of the Board of Directors have no affiliation, the Issuer or Public Company shall disclose this.</p> <p>Financial relationships and family relationships of members of the Board of Directors and members of the Board of Commissioners with other members of the Board of Directors, other members of the Board of Commissioners, and/or controlling shareholders of the Bank.</p> <p>8. Statement of independence of the independent commissioner in the event that the independent commissioner has served more than 2 (two) terms.</p> <p>9. Changes in the composition of members of the Board of Directors and reasons for the changes. In the event that there is no change in the composition of the members of the Board of Directors, this will be disclosed.</p>		<p>SEOJK 9 SEOJK 13 SEOJK 16 POJK 17</p> <p>SEOJK 16</p>
Executive officer brief profile	Including the composition of executive officers along with their positions and a summary of Curriculum Vitae.	121-140	SEOJK 9
Number of employees and employee competency development data.	<p>Data on employee competency development that has been carried out in the financial year consisting of parties (position levels) who attended training, types of training, and training objectives as well as equal opportunities for all employees.</p> <p>Employee competency development costs that have been incurred in the financial year.</p>	141-142	SEOJK 9 SEOJK 16
Shareholder composition	<p>Names of shareholders and percentage of ownership at the beginning and end of the financial year, which consists of information regarding:</p> <p>1. Shareholders who own 5% (five percent) or more shares of Issuers or Public Companies.</p> <p>2. Members of the Board of Directors and members of the Board of Commissioners who own shares of Issuers or Public Companies.</p> <p>In the event that all members of the Board of Directors and/or all members of the Board of Commissioners do not own shares, then this matter shall be disclosed.</p> <p>3. shares by members of the Board of Directors and members of the Board of Commissioners at the beginning and end of the financial year, including information regarding shareholders who are registered in the register of shareholders for the benefit of indirect ownership by members of the Board of Directors and members of the Board of Commissioners.</p> <p>In the event that all members of the Board of Directors and/or all members of the Board of Commissioners do not have indirect ownership of the shares of the Issuer or Public Company, then this matter must be disclosed.</p> <p>Directors and commissioners who own Shares (Directors and Board of Commissioners/Supervisory Board must report to the company regarding their and/or family's share ownership in the company concerned and other companies, including any changes thereto).</p> <p>4. Group of public shareholders, namely groups of shareholders who each own less than 5% (five percent) of the shares of the Issuer or Public Company.</p>	143-148	<p>SEOJK 9 SEOJK 16 POJK 17</p> <p>SEOJK 16</p>

Criteria	Explanation	Page	Regulations
	<p>1. Number of shareholders and percentage of ownership at the end of the financial year based on classification:</p> <p>a. Ownership of local institutions.</p> <p>b. Ownership of foreign institutions.</p> <p>c. Local individual ownership.</p> <p>d. Foreign individual ownership.</p> <p>The above information can be presented in tabular form.</p>		SEOJK 16
Major and controlling shareholder	Information regarding major shareholders and controllers of Issuers or Public Companies, either directly or indirectly, up to individual owners, presented in the form of a schematic or chart.	148	SEOJK 9 SEOJK 16
List of associate subsidiaries, venture companies	Names of subsidiaries, associated companies, joint venture companies where the Issuer or Public Company has joint control of the entity (if any), along with the percentage of share ownership, line of business, total assets, and operating status of subsidiaries, associated companies, joint venture companies. For subsidiaries, information regarding the address of the subsidiary is added.	148	SEOJK 9 SEOJK 16
Information related to the Bank Business Group	<p>Banks that are part of a business group and/or have Subsidiaries, must add:</p> <p>The structure of the Bank's business group which includes:</p> <p>a. The structure of the Bank's business group consists of the Bank, Subsidiaries, sister companies, Parent Entity up to the ultimate shareholder.</p> <p>b. Management linkage structure within the Bank's business group.</p> <p>c. Shareholders acting on behalf of other shareholders. The definition of a shareholder acting on behalf of another shareholder is an individual shareholder or an entity that has the common goal of controlling the Bank, based on or not based on an agreement.</p>	N/A	SEOJK 9
Share listing chronology	Chronology of share listing, number of shares, number of listed shares after each corporate action, nominal value, and offering price from the beginning of listing to the end of the financial year as well as the name of the stock exchange where the Issuer's or Public Company's shares are listed, including stock splits (stock split), merger of shares (reverse stock), stock dividends, bonus shares, and changes in the nominal value of shares, implementation of conversion effects, implementation of capital additions and reductions (if any).	149-150	SEOJK 16
Information on the listing of other securities	Information on the listing of other securities that are not yet due in the financial year at least contains the names of the securities, the type of corporate action that causes a change in the number of other securities, year of issue, interest rate/yield, maturity date, offering value, name of stock exchange where other securities are listed, and securities rating (if any).	151	SEOJK 16
Information on the use of public accounting services (AP) and public accounting firms (KAP)	<p>Information on the use of public accounting services (AP) and public accounting firms (KAP) and their networks/associations/alliance includes:</p> <p>1. Name and address.</p> <p>2. Assignment period.</p> <p>3. Information on audit and/or non-audit services provided.</p> <p>4. Audit and/or non-audit service fees for each assignment given during the financial year.</p>	152	SEOJK 16



Criteria	Explanation	Page	Regulations
	<p>5. In the event that the designated AP and KAP and their network/ association/alliance do not provide non-audit services, then the information shall be disclosed.</p> <p>Disclosure of information on the use of AP and KAP services and their networks/associations/alliances can be presented in tabular form.</p>		
Name and address of supporting institution and/or profession.	Names and addresses of capital market supporting institutions and/or professions other than AP and KAP.	152-153	SEOJK 16
Awards and Certifications.	<p>Information includes, among others:</p> <p>1. Name of award and/or certification (national and international scale).</p> <p>2. Year of award and/or certification.</p> <p>3. Awarding and/or certification bodies.</p> <p>4. Validity period (for certification).</p>	154-160	SEOJK 9
<b>MANAGEMENT DISCUSSION AND ANALYSIS OF THE COMPANY'S PERFORMANCE</b>			
Bank Strategic Plan	<p>1. Long term plan (corporate plan).</p> <p>2. Medium and short term plans (business plan).</p>	171-172	SEOJK 13 POJK 17
Operational review per business segment	<p>Operational review per business segment according to the type of industry of the Issuer or Public Company, at least concerning:</p> <p>1. Explanation of each business segment.</p> <p>2. Performance per business segment, among others:</p> <p>a. Production, which includes process, capacity, and development.</p> <p>b. Increase/decrease in production capacity.</p> <p>c. Sales/business income.</p> <p>d. Profitability.</p>	<p>177-209</p> <p>178-209</p> <p>178-209</p> <p>198, 209</p> <p>198, 209</p>	SEOJK 9 SEOJK 16
Description of the company's financial performance	<p>Comprehensive financial performance which includes a comparison of financial performance in the last 2 (two) financial years (in the form of narratives and tables), an explanation of the causes of the changes and the impact of these changes, at least concerning:</p> <p>1. Current assets, non-current assets, and total assets.</p> <p>2. Short term liabilities, long term liabilities and total liabilities.</p> <p>3. Funding (investment and giving credit/financing).</p> <p>4. Third party funds and other funding sources.</p> <p>5. Equity.</p> <p>6. Income/sales, expenses, profit (loss), other comprehensive income, and total comprehensive profit (loss).</p> <p>7. Cash flow.</p> <p>8. Basic credit interest rate.</p>	<p>211-221</p> <p>221-225</p> <p>218, 214</p> <p>222</p> <p>225-226</p> <p>227-233</p> <p>233-235</p> <p>243</p>	SEOJK 9 SEOJK 16       SEOJK 9
Analysis of the quality of earning assets and relevant financial ratios.		242-249	SEOJK 9
Discussion and analysis of the ability to pay debts and the collectability of the company's receivables, by presenting the calculation of the relevant ratio according to the type of company's industry.	<p>Explanation of:</p> <p>1. Ability to pay debts, both short term (liquidity) and long term (solvability).</p> <p>2. Receivables collectability level.</p>	<p>235-237</p> <p>237-238</p>	SEOJK 16

Criteria	Explanation	Page	Regulations
Discussion on capital structure and management policies on capital structure (capital structure policy).	Top explanation:		SEOJK 16
	1. Details of the capital structure (capital structure), which consists of interest-based debt/sukuk and equity.	250-251	
	2. Management policies on capital structure (capital structure policies).	250	
	3. Basis for selection of management policies.	250	
Discussion on material commitments for capital goods investment (not funding commitments) in the last financial year.	Explanation of:		SEOJK 16
	1. The name of the party making the bond.	264	
	2. The purpose of the bond.		
	3. Source of funds expected to fulfill these ties.		
	4. The currency to be denominated.		
	5. The steps the company plans to take to protect against risks from related foreign currency positions.		
Discussion on investment in capital goods realized in the last financial year.	<b>Notes:</b> if the company has no ties related to investment in capital goods in the last financial year to be disclosed.		SEOJK 9 SEOJK 16
	Explanation of:		
	1. Types of investment in capital goods.	264	
	2. The purpose of investing in capital goods.	265	
	3. Investment value of capital goods issued in the last financial year.	264	
Description of the company's business prospects.	<b>Notes:</b> if there is no realization of investment in capital goods, so that it is disclosed.		SEOJK 16
	The business prospects of Issuers or Public Companies are linked to industry conditions, the general economy and international markets accompanied by quantitative supporting data from reliable data sources.	266-268	
Comparative information between targets at the beginning of the financial year with the results achieved (realization), and targets or projections to be achieved for the next year.	Comparison between targets/projections at the beginning of the financial year with the results achieved (realization), regarding:		SEOJK 16
	1. Sales revenue.	269	
	2. Profit and loss.	269	
	3. Capital structure.	270	
	4. Marketing.	270-271	
	5. HR Development.	271	
	6. Other matters deemed important by the Issuer or Public Company.	269	
	Targets/projections to be achieved by Issuers or Public Companies for the next 1 (one) year, regarding:		
	1. Sales revenue.	272	
	2. Profit and loss.	272	
	3. Capital structure.	272	
	4. Dividend policy.	273	
	5. Marketing.	273	
	6. Pengembangan SDM.	273	
	7. Other matters deemed important by the Issuer or Public Company.	272	
Description of the marketing aspect.	Marketing aspects of the Issuer's or Public Company's goods and/or services, at least regarding marketing strategy and market share.	174-177	SEOJK 9 SEOJK 16

Criteria	Explanation	Page	Regulations
Description of dividends for the last 2 (two) financial years.	Description of dividends for the last 2 (two) financial years, at least:		SEOJK 16
	1. The dividend policy, among other things, contains information on the percentage of the amount of dividends distributed to net income.	274	
	2. Cash dividend payment date and/or non-cash dividend distribution date.	274	
	3. Amount of dividends per share (cash and/or non-cash).	274	
	4. The amount of dividends per year paid.	274	
	<b>Notes:</b> if there is no distribution of dividends, please state the reasons.		
Realization of the use of proceeds from the public offering (in the event that the company is still required to submit a report on the realization of the use of funds)	Contains descriptions of:		SEOJK 16
	1. Total proceeds.	275	
	2. Fund usage plan.	275	
	3. Details of use of funds.	275	
	4. Fund balance.	275	
	5. The date of approval of the GMS/RUPO for changes in the use of funds (if any).	275	
	a. a. In the event that during the financial year, the Issuer has an obligation to submit a report on the realization of the use of funds, the cumulative realization of the use of proceeds from public offerings until the end of the financial year is disclosed. b. In the event that there is a change in the use of funds as stipulated in the Financial Services Authority Regulation regarding the report on the realization of the use of funds from a public offering, the Issuer shall explain the change.		
Note: if you do not have information on the realization of the use of proceeds from a public offering, please disclose it.			
Material information (if any), including investment, expansion, divestment, business merger/ consolidation, acquisition, debt/ capital restructuring, material transactions, affiliated transactions, and conflict of interest transactions.	Contains descriptions of:		SEOJK 16
	a. Date, value, and transaction object.	275-280	
	b. The name of the party conducting the transaction.		
	c. Nature of the affiliation relationship (if any).		
	d. Explanation of the fairness of the transaction.		
	e. Fulfillment of related provisions.		
	f. In the event that there is an affiliation relationship, apart from disclosing the information referred to in number a) through number f), the Issuer or Public Company also discloses information:  1) The Board of Directors’ statement that affiliated transactions have gone through adequate procedures to ensure that affiliated transactions are carried out in accordance with generally accepted business practices, among others, carried out by fulfilling the arm’s length principle.		

Criteria	Explanation	Page	Regulations
	<p>2) The role of the Board of Commissioners and the audit committee in carrying out adequate procedures to ensure that affiliated transactions are carried out in accordance with generally accepted business practices, among others, is carried out by fulfilling the arm's length principle.</p> <p>g. For affiliate transactions or material transactions which are business activities carried out in order to generate business income and are carried out routinely, repeatedly and/or continuously, an explanation is added that the affiliated transactions or material transactions are business activities carried out in order to generate business income and are carried out routinely, repeatedly, and/or continuously.</p> <p>In the case of affiliated transactions or material transactions referred to have been disclosed in the annual financial statements, information is added regarding references to disclosure in the said annual financial statements.</p> <p>h. For disclosure of affiliated transactions and/or conflict of interest transactions which are the result of the implementation of affiliated transactions and/or conflict of interest transactions that have been approved by independent shareholders, information is added regarding the date of the GMS that approves the affiliated transactions and/or conflict of interest transactions.</p> <p>i. In the event that there are no affiliated transactions and/or conflict of interest transactions, then this is disclosed.</p>		SEOJK 16 SEOJK 13
Description of changes to laws and regulations on companies in the last financial year.	<p>The description contains, among others:</p> <p>1. The names of the laws and regulations that have changed.</p> <p>2. The impact (quantitative and/or qualitative) on the company (if significant) or the statement that the impact is not significant.</p> <p><b>Notes:</b> if there is no change in laws and regulations in the last financial year, so that it is disclosed.</p>	279-280 279-280	SEOJK 16
Description of changes in accounting policies implemented by the company in the last financial year.	<p>The description contains, among others:</p> <p>1. Changes in accounting policies.</p> <p>2. Reasons for changes in accounting policies.</p> <p>3. Quantitative impact on financial statements.</p> <p><b>Notes:</b> If there is no change in accounting policy in the last financial</p>	280-281 280 281	SEOJK 16
Information on Risk Exposure and Capital.	Risk exposure and capital includes annual period risk and capital exposure reports as stipulated in part II of the Publication Report on risk and capital exposure.	251-264	SEOJK 9
<b>GOOD CORPORATE GOVERNANCE</b>			
GMS.	<p>Information regarding GMS resolutions in the financial year and 1 (one) year before the financial year includes:</p> <p>a. a. GMS resolutions in the financial year and 1 (one) year prior to the financial year realized in the financial year.</p> <p>b. GMS decisions in the financial year and 1 (one) year prior to the financial year that have not been realized along with the reasons for not being realized.</p> <p>In the event that an Issuer or Public Company uses an independent party in the implementation of the GMS to carry out the vote count, it shall be disclosed regarding this matter.</p>	325-333	SEOJK 16

Criteria	Explanation	Page	Regulations
Directors.	1. 1. Duties and responsibilities of each member of the Board of Directors. Information regarding the duties and responsibilities of each member of the Board of Directors is described and can be presented in tabular form.	337	SEOJK 13 SEOJK 16 POJK 17
	2. Statement that the Board of Directors has a guideline or charter (charter) of the Board of Directors.	336	SEOJK 16
	3. Policy and implementation of the frequency of meetings of the Board of Directors, meetings of the Board of Directors with the of Commissioners, and the level of attendance of members of the Board of Directors at these meetings including attendance at the GMS. Information on the level of attendance of members of the Board of Directors at meetings of the Board of Directors, meetings of the Board of Directors with the Board of Commissioners or GMS can be presented in tabular form.	338-342	SEOJK 16
	4. Training and/or competency improvement for members of the Board of Directors:	343-344	SEOJK 16
	a. Policy on training and/or competency improvement for members of the Board of Directors, including an orientation program for newly appointed members of the Board of Directors (if any).		
	b. Training and/or competency improvement attended by members of the Board of Directors in the financial year (if any).		
	5. The Board of Directors' assessment of the performance of the committees that support the implementation of the duties of the Board of Directors in the financial year contains at least:	346-347	SEOJK 16
	a. Performance appraisal procedures.		
	b. The criteria used include performance achievements during the financial year, competence and attendance at meetings.		
	In the event that the Issuer or Public Company does not have a committee that supports the implementation of the duties of the Board of Directors, this will be disclosed.		
Board of Commissioners.	6. members of the Board of Commissioners who reach 5% (five percent) or more of paid-up capital, which includes the type and number of shares in:	390	SEOJK 13 POJK 17
	a. The bank in question...		
	b. other banks.		
	c. Non-bank financial institutions.		
	d. Other companies domiciled both inside and outside the country.		
	1. Duties and responsibilities of the Board of Commissioners.	348-349	SEOJK 13 SEOJK 16 POJK 17
	2. Statement that the Board of Commissioners has guidelines or charter of the Board of Commissioners.	351	SEOJK 16
	3. Policy and implementation of the frequency of meetings of the Board of Commissioners, meetings of the Board of Commissioners with the Board of Directors and the level of attendance of members of the Board of Commissioners at these meetings including attendance at the GMS. Information on the level of attendance of members of the Board of Commissioners at meetings of the Board of Commissioners, meetings between the Board of Commissioners and the Board of Directors, or GMS can be presented in tabular form.	355-363	SEOJK 13 SEOJK 16
	4. Training and/or competency improvement for members of the Board of Commissioners:	363-365	SEOJK 16

Criteria	Explanation	Page	Regulations
	a. Policy on training and/or competency improvement for members of the Board of Commissioners, including an orientation program for newly appointed members of the Board of Commissioners (if any).	366-376	SEOJK 16
	b. Training and/or competency improvement attended by members of the Board of Commissioners in the financial year (if any).		
	5. Assessment of the performance of the Board of Directors and the Board of Commissioners as well as each member of the Board of Directors and members of the Board of Commissioners, contains at least:		
	a. Procedure for implementing performance appraisal.		
	b. The criteria used include performance achievements during the financial year, competence and attendance at meetings.		
	c. The party making the assessment.	376-382	SEOJK 16
	6. The Board of Commissioners' assessment of the performance of the Committees that support the implementation of the duties of the Board of Commissioners in the financial year includes:		
	a. Performance appraisal procedures.		
	b. The criteria used include performance achievements during the financial year, competence and attendance at meetings.		
Nomination and remuneration of the Board of Directors and Board of Commissioners.	Least load:	386	SEOJK 16
	1. Nomination procedures, including a brief description of the policies and nomination process for members of the Board of Directors and/or members of the Board of Commissioners.		
	2. Procedures and implementation of remuneration for the Board of Directors and Board of Commissioners, including:	386-388	SEOJK 16
	a. Procedure for determining remuneration for the Board of Directors and Board of Commissioners.		
	b. Disclosure of indicators for determining the remuneration of the Board of Directors.		
	c. The remuneration structure for the Board of Directors and the Board of Commissioners such as salaries, allowances, bonuses/ bonuses and others; And		
	<b>Notes:</b> if there are no performance bonuses, non performance bonuses and stock options received by each member of the Board of Commissioners and Board of Directors, to be disclosed.		
Sharia supervisory board, for Issuers or Public Companies that carry out business activities based on sharia principles as stated in the articles of association.	d. The amount of remuneration for each member of the Board of Directors and members of the Board of Commissioners; Disclosure of information can be presented in tabular form.	382-386	SEOJK 16
	Least load:		
	a. Name.		
	b. The legal basis for the appointment of the Sharia Supervisory Board.		
	c. The assignment period of the Sharia Supervisory Board.		
	d. Duties and responsibilities of the Sharia Supervisory Board.		
	e. Frequency and method of providing advice and suggestions as well as monitoring compliance with sharia principles in the capital market to Issuers or Public Companies.		

Criteria	Explanation	Page	Regulations
Audit Committee.	1. Name and title in the membership of the committee.	394-396	SEOJK 16 POJK 17
	2. Age.		
	3. Citizenship.		
	4. Educational background.		
	5. Position history, including information on:		
	a. Legal basis for appointment as committee member.		
	b. Concurrent positions, both as members of the Board of Commissioners, members of the board of directors, and/or committee members and other positions (if any).		
	c. Work experience and time period both inside and outside the issuer or public company.		
	6. Period and tenure of audit committee members.		
	7. Description of duties and responsibilities.	393-394	
	8. Audit committee independence statement.	397	
	9. Training and/or competency improvement that has been attended in the financial year (if any).	399	SEOJK 13 SEOJK 16 POJK 17
	10. Policy and implementation of the frequency of audit committee meetings and the level of attendance of audit committee members at these meetings.	397-398	
	11. Implementation of audit committee activities in the financial year according to what is stated in the audit committee guidelines or charter.	399-401	
Issuer or Public Company nomination and remuneration committee or function.	Least load:		SEOJK 16 POJK 17
	1. Name and title in the membership of the committee.	403-404	
	2. Age.		
	3. Citizenship.		
	4. Educational background.		
	5. Position history, including information on:		
	a. Legal basis for appointment as committee member.		
	b. Concurrent positions, both as members of the Board of Commissioners, members of the board of directors, and/or committee members and other positions (if any).		
	c. Work experience and time period both inside and outside the issuer or public company.		
	6. Period and tenure of committee members.		
	7. Committee independence statement.	405	
	8. Training and/or competency improvement that has been attended in the financial year (if any).	406-407	
	9. Description of duties and responsibilities.	401-402	
	10. Statement that already has a guideline or charter.	401	
	11. Policy and implementation of the frequency of meetings and the level of attendance of members at these meetings.	405-406	
	12. A brief description of the implementation of activities in the financial year.	407-408	

Criteria	Explanation	Page	Regulations
	<p>In the event that a nomination and remuneration committee is not formed, it is sufficient for the Issuer or Public Company to disclose the information referred to in letter i) to letter l) and disclose:</p> <p>1. The reasons for not forming the committee</p> <p>2. Parties carrying out nomination and remuneration functions.</p>		
Other committees owned by Issuers or Public Companies in order to support the functions and duties of the Board of Directors (if any) and/ or committees that support the functions and duties of the Board of Commissioners.	<p>Least load:</p> <p>1. Name and title in the membership of the committee.</p> <p>2. Age.</p> <p>3. Citizenship.</p> <p>4. Educational background.</p> <p>5. Position history, including information on:</p> <p>a. Legal basis for appointment as committee member.</p> <p>b. Concurrent positions, both as members of the Board of Commissioners, members of the board of directors, and/or committee members and other positions (if any).</p> <p>c. Work experience and time period both inside and outside the issuer or public company.</p> <p>6. Period and tenure of committee members.</p> <p>7. Committee independence statement.</p> <p>8. Training and/or competency improvement that has been attended in the financial year (if any).</p> <p>9. Description of duties and responsibilities.</p> <p>10. Statement that already has a guideline or charter.</p> <p>11. Policy and implementation of the frequency of meetings and the level of attendance of members at these meetings.</p> <p>12. A brief description of the implementation of activities in the financial year.</p>	<p>409-410</p> <p>411</p> <p>413</p> <p>408</p> <p>408</p> <p>411-412</p> <p>413-414</p>	<p>SEOJK 16 POJK 17</p>
Company secretary.	<p>1. Name.</p> <p>2. domicile.</p> <p>3. Position history, including:</p> <p>a. Legal basis for appointment as company secretary.</p> <p>b. Work experience and time period both inside and outside the issuer or public company.</p> <p>4. Educational background.</p> <p>5. Training and/or competency improvement attended in the financial year.</p> <p>6. Brief description of the implementation of the duties of the corporate secretary in the financial year.</p>	<p>416</p> <p>416</p> <p>416-417</p>	<p>SEOJK 16</p>
Internal Audit Unit.	<p>1. Name of the head of the internal audit unit.</p> <p>2. Position history, including:</p> <p>a. Legal basis for appointment as company secretary.</p> <p>b. Work experience and time period both inside and outside the issuer or public company.</p> <p>3. Qualification or certification as internal audit profession (if any).</p>	<p>418</p> <p>420</p>	<p>SEOJK 16 POJK 17</p>



Criteria	Explanation	Page	Regulations
	4. Number of employees (internal auditors) in the internal audit unit.	419	
	5. Training and/or competency improvement attended in the financial year.	419-420	
	6. The structure and position of the internal audit unit.	417	
	7. Description of duties and responsibilities.	419	
	8. A statement that the internal audit unit has guidelines or charters.	418-419	
	9. A brief description of the implementation of the duties of the internal audit unit in the financial year including the policy and implementation of the frequency of meetings with the directors, board of commissioners and/or the audit committee.	421	
Public Accountant.	1. The name and year of the public accountant who audited the annual financial statements for the last 5 years.	448-449	POJK 17
	2. The name and year of the public accountant who audited the annual financial statements for the last 5 years.		
	3. The amount of the fee for each type of service provided by the Public Accounting Firm in the last financial year.		
	4. Other services provided by the Public Accounting Firm and public accountants in addition to auditing the annual financial statements for the last financial year.		
	<b>Notes:</b> if there is no other service in question, so that it is disclosed.		
Description of the internal control system implemented by the issuer or public company.	1. Financial and operational control, as well as compliance with other laws and regulations.	450-451	SEOJK 13 SEOJK 16
	2. Review of the effectiveness of the internal control system.	452-453	
	3. Statement of the Board of Directors and/or Board of Commissioners regarding the adequacy of the internal control system.	453	SEOJK 16
Risk management system implemented by Issuers or Public Companies.	1. General description of the Issuer's or Public Company's risk management system.	453-457	SEOJK 16 SEOJK 13
	2. Types of risk and how to manage them.	458-462	
	3. Review of the effectiveness of the Issuer's or Public Company's risk management system.	463	
	4. Statement of the Board of Directors and/or Board of Commissioners or the audit committee on the adequacy of the risk management system.	464	SEOJK 16
Compliance function.	The level of the Bank's compliance with all provisions and laws and regulations as well as fulfillment of commitments with the competent authorities.	464-466	SEOJK 13 POJK 17
Legal cases with a material impact faced by issuers or public companies, subsidiaries, members of the board of directors and members of the board of commissioners (if any).	1. Main case/lawsuit.	467-468	SEOJK 16
	2. Case/lawsuit settlement status.		
	3. The impact on the condition of issuers or public companies. The risks faced by the company and the nominal value of claims/lawsuits.		
	4. Disclosure regarding legal issues at least includes: a. the number of civil and criminal cases faced and decisions that have permanent legal force. b. the number of civil and criminal matters faced and still in the process of being resolved.		SEOJK 13
	<b>Notes:</b> in the event that the company, subsidiaries, members of the Board of Commissioners and members of the Board of Directors do not have important matters, this must be disclosed.		

Criteria	Explanation	Page	Regulations
Information on administrative sanctions/ sanctions imposed on issuers or public companies, board members commissioners and members of the board of directors, by the Financial Services Authority and other authorities in the financial year (if any).		468-469	SEOJK 16
Information regarding the code of ethics of Issuers or Public Companies	<ol style="list-style-type: none"> <li>Principles of the code of ethics.</li> <li>Forms of dissemination of the code of ethics and enforcement efforts</li> <li>Statement that the code of ethics applies to members of the Board of Directors, members of the Board of Commissioners, and employees of the Issuer or Public Company</li> </ol>	476-478 478-479 479	SEOJK 16
Implementation of Governance in Providing Remuneration for Banks.	<ol style="list-style-type: none"> <li>Remuneration Committee               <ol style="list-style-type: none"> <li>Name of members, composition, duties and responsibilities.</li> <li>Number of meetings held.</li> <li>Remuneration that has been paid to members of the Remuneration Committee for 1 (one) year.</li> </ol> </li> <li>Remuneration policy formulation process which includes:               <ol style="list-style-type: none"> <li>Review of the background and objectives of the Remuneration policy.</li> <li>Implementation of a review of the Remuneration policy in the previous year, along with its improvements.</li> <li>Mechanism to ensure that Remuneration for Employees in the control unit is independent from the work unit they supervise.</li> </ol> </li> <li>Remuneration policy coverage and its implementation per business unit, per region and in subsidiaries or branch offices located overseas</li> <li>Remuneration is associated with risks that include:               <ol style="list-style-type: none"> <li>The main type of risk (key risk) used in implementing Remuneration.</li> <li>Criteria for determining the main types of risk, including for risks that are difficult to measure.</li> <li>The impact of determining the main risk on the Variable Remuneration policy.</li> <li>Changes in the determination of the main types of risk compared to last year and the reasons, if any.</li> </ol> </li> <li>Performance measurement is associated with Remuneration which includes:               <ol style="list-style-type: none"> <li>Review of Remuneration policies linked to performance appraisal.</li> <li>The method of linking individual Remuneration with Bank performance, work unit performance and individual performance.</li> <li>A description of the method used by the Bank to state that the agreed performance cannot be achieved, so it is necessary to make adjustments to remuneration and the amount of remuneration adjustments if this condition occurs.</li> </ol> </li> <li>Remuneration Adjustment is related to Performance and Risk which includes:               <ol style="list-style-type: none"> <li>Policy regarding Variable Remuneration that is deferred, the amount, and the criteria for determining the amount.</li> <li>The Bank's policy regarding Variable Deferred Remuneration which is postponed for payment (malus), or withdrawn when it has been paid (clawback).</li> </ol> </li> <li>The name of the external consultant and the duties of the consultant related to the Remuneration policy, if the Bank uses the services of an external consultant</li> <li>The Remuneration Package and facilities received by the Board of Directors and Board of Commissioners include the Remuneration structure and details of the nominal amount.</li> </ol>	444-445 444 445 445 445 445 446 446	POJK 45

Criteria	Explanation	Page	Regulations
	9. Variable Remuneration includes: a. Forms of Variable Remuneration along with the reasons for choosing this form. And b. An explanation if there are differences in the provision of Variable Remuneration among the Directors, Board of Commissioners and/or Employees.	446	
	10. the number of Directors, Board of Commissioners and Employees who receive Variable Remuneration for 1 (one) year, and the total amount.	446	
	11. Position and number of parties who are material risk takers.	446	
	12. Shares optionowned by the Board of Directors, Board of Commissioners and Executive Officers.	446	
	13. The ratio of the highest and lowest salaries	446	
	14. The number of beneficiaries and the total amount of Variable Remuneration guaranteed unconditionally will be given by the Bank to candidates for the Board of Directors, candidates for the Board of Commissioners, and/or prospective Employees during the first 1 (one) year of work	447	
	15. The number of employees affected by termination of employment and the total amount of severance paid	447	
	16. The total amount of deferred Variable Remuneration, which consists of cash and/or shares or share-based instruments issued by the Bank.	447	
	17. The total amount of deferred Variable Remuneration paid for 1 (one) year.	447	
	18. Details of the amount of Remuneration given in one year include: a. Fixed or variable remuneration. b. Deferred and non-deferred remuneration. c. Forms of Remuneration provided in cash and/or shares or share-based instruments issued by the Bank.	447	
	19. Quantitative information about: a. The total remaining Remuneration that is still suspended, both exposed to implicit and explicit adjustments. a. Total reduction in Remuneration caused by explicit adjustments during the reporting period. b. Total reduction in Remuneration caused by implicit adjustments during the reporting period.	447	
A brief description of the policy of providing performance-based longterm compensation to management and/or employees owned by issuers or public companies (if any), including but not limited to management stock ownership programs <i>program ownership/ MSOP</i> ) and/or employee stock ownership program (ESOP).	In terms of compensation in the form of management stock ownership program (MSOP) and/or employee stock ownership program (ESOP). The information disclosed shall contain at least: 1. Number of shares and/or options. 2. Implementation period. 3. Eligible employee and/or management requirements. 4. The exercise price or the determination of the exercise price.	479-481	SEOJK 16
A brief description of the Information disclosure policy regarding	1. Share ownership of members of the Board of Directors and members of the Board of Commissioners no later than 3 (three) working days after the ownership or any change in ownership of the shares of the Public Company. 2. Implementation of the intended policy.	391-392	SEOJK 16

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Description of the whistleblowing system at the Issuer or Public Company.	1. How to submit a violation report.	481	SEOJK 16
	2. Protection for reporters.	481-482	
	3. The handling of complaints.	482-483	
	4. The party managing the complaint.	484	
	5. The results of handling complaints, at least:	484	
	a. Number of complaints received and processed in the financial year.		
	b. Complaint follow-up.		
	In the event that an issuer or a public company does not have a whistleblowing system, this will be disclosed.		
Description of the Issuer's or Public Company's anti-corruption policy.	1. Programs and procedures carried out in Overcoming corrupt practices, kickbacks, fraud, bribery and/or gratuities in Issuers or Public Companies.	484-487	SEOJK 16 POJK 17
	2. Anti-corruption training/socialization for employees of Issuers or Public Companies.	487	
	In the event that the Issuer or Public Company does not have an anticorruption policy, the reasons for not having the said policy will be explained.		
Handling conflicts of interest		489-490	SEOJK 13 POJK 17
Provision of funds to related parties and provision of large funds (large exposure).	Information that needs to be disclosed is the total amount of debit balances for provision of funds to related parties and to core debtors (individuals or groups) per report position	489	SEOJK 13
Transparency of the Bank's financial and non-financial conditions that have not been disclosed in other reports.		491	SEOJK 13 POJK 17
Other information related to Bank Governance, including owner intervention, internal disputes or problems that arise as a result of remuneration policies at the Bank.		490	SEOJK 13
Number of Deviations (Internal Fraud).	Disclosure of irregularities (internal fraud) at least includes: 1. Number of deviations (internal fraud) that have been resolved. 2. The number of irregularities (internal fraud) that are in the process of being resolved internally at the bank. 3. Number of irregularities (internal fraud) that have not been resolved internally at the bank. 4. The number of irregularities (internal fraud) that have been followed up through the legal process.	488-489	SEOJK 13
Buy Back of Shares and/or Bank Bonds.	1. Policy in buying back shares or bonds of the Bank. 2. Number of shares and/or bonds bought back. 3. Repurchase price per share and/or bond. 4. Increase in earnings per share and/or bonds.	489	SEOJK 13
Provision of Funds for Social Activities and/or Political Activities During the Reporting Period.	Disclosure regarding the provision of funds for social activities and/or political activities at least includes the recipient of the funds and the amount of funds provided.	489	SEOJK 13

Criteria	Explanation	Page	Regulations
Implementation of sustainable finance, including implementation of social and environmental responsibility		491	POJK 17
Implementation of Public Company governance guidelines for Issuers that issue equity securities or Public Companies.	1. Statement regarding recommendations that have been implemented and/or 2. Explanation of recommendations that have not been implemented, accompanied by reasons and alternatives for implementation (if any). Disclosure of information can be presented in tabular form.	491-498	SEOJK 16
<b>SOCIAL AND ENVIRONMENTAL RESPONSIBILITY OF THE ISSUER OR PUBLIC COMPANY</b>			
Corporate Social Responsibility	1. The information disclosed in the social and environmental responsibility section is a Sustainability Report as intended in Financial Services Authority Regulation Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies, containing at least : a) Explanation of sustainability strategy. b) Overview of sustainability aspects (economic, social and environmental). c) Brief profile of the Issuer or Public Company. d) Directors' Explanation. e) Sustainability governance. f) Sustainability performance. g) Written verification from an independent party, if any. h) Feedback sheet for readers, if any. i) The Issuer's or Public Company's response to feedback from the previous year's report. 2. Sustainability Report as referred to in number 1), must be prepared in accordance with the Technical Guidelines for Preparing Sustainability Reports for Issuers and Public Companies as stated in Appendix II which is an inseparable part of this Financial Services Authority Circular Letter. 3. Sustainability Report information in number 1) can: a) Disclosed in other relevant sections outside the social and environmental responsibility section, such as the Directors' explanation regarding the Sustainability Report disclosed in the relevant section of the Directors' Report; and/or b) Refer to other sections outside the social and environmental responsibility section while still referring to the Technical Guidelines for Preparing Sustainability Reports for Issuers and Public Companies as listed in Appendix II which is an inseparable part of this Financial Services Authority Circular Letter, such as the profile Issuer or Public Company.	502	SEOJK 16

Criteria	Explanation	Page	Regulations
	4. The Sustainability Report as referred to in number 1) is an inseparable part of the Annual Report but can be presented separately from the Annual Report.		
	5. In the event that the Sustainability Report is presented separately from the Annual Report, the information disclosed in the Sustainability Report must:		
	a) Contains all information as intended in number 1); And		
	b) Prepared in accordance with the Technical Guidelines for Preparing Sustainability Reports for Issuers and Public Companies as stated in Appendix II which is an inseparable part of this Financial Services Authority Circular Letter.		
	6. If the Sustainability Report is presented separately from the Annual Report, then the social and environmental responsibility section contains information that information regarding social and environmental responsibility has been disclosed in the Sustainability Report which is presented separately from the Annual Report.		
	7. Submission of a Sustainability Report which is presented separately with the Annual Report must be submitted simultaneously with the submission of the Annual Report.		

#### NOTE

- SEOJK 16** : Financial Services Authority Circular No. 16/SEOJK.04/2021 concerning Form and Content of Annual Reports of Issuers or Public Companies.
- SEOJK 9** : Financial Services Authority Circular No. 9/SEOJK.03/2020 concerning Transparency and Publication of Conventional Commercial Bank Reports.
- SEOJK 13** : Financial Services Authority Circular No. 13/SEOJK.03/2017 concerning Implementation of Governance for Commercial Banks.
- POJK 45** : Financial Services Authority Regulation No. 45/POJK.03/2015 concerning Implementation of Governance in Providing Remuneration for Commercial Banks.
- POJK 17** : Financial Services Authority Regulation 17 of 2023 concerning the Implementation of Governance for Commercial Banks



Laporan Keuangan  
31 Desember 2023 dan 2022  
dan untuk tahun yang berakhir pada tanggal-tanggal tersebut  
beserta laporan auditor independen/

*Financial Statements  
as of December 31, 2023 and 2022  
and for the years then ended with independent auditor's report*

PT Bank Pembangunan Daerah Jawa Timur Tbk

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
LAPORAN KEUANGAN  
31 Desember 2023 dan 2022  
beserta laporan auditor independen  
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

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**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
FINANCIAL STATEMENTS  
December 31, 2023 and 2022  
with independent auditor's report  
(Expressed in millions of Rupiah, unless otherwise stated)**

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**SURAT PERNYATAAN DIREKSI  
TENTANG TANGGUNG JAWAB ATAS  
LAPORAN KEUANGAN TANGGAL  
31 DESEMBER 2023 DAN 2022  
DAN UNTUK TAHUN YANG BERAKHIR PADA  
TANGGAL - TANGGAL TERSEBUT**

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk**

Kami yang bertanda tangan dibawah ini :

1. Nama : Busrul Iman  
Alamat kantor : Jl. Basuki Rahmad 98-104  
Surabaya  
Alamat domisili : Jl. Puncak Cengkeh No. 10  
Malang  
Nomor telepon : (031) 5310090 ext.206  
Jabatan : Direktur Utama
2. Nama : Edi Masrianto  
Alamat kantor : Jl. Basuki Rahmad 98-104  
Surabaya  
Alamat domisili : Jl. Manyar Tirtoyoso Utara 8 No. 28  
Surabaya  
Nomor telepon : (031) 5310090 ext. 208  
Jabatan : Direktur Keuangan, Treasury dan Global  
Services

Menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk;
2. Laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk telah dimuat secara lengkap dan benar;
- b. Laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Kami bertanggung jawab atas sistem pengendalian internal dalam PT Bank Pembangunan Daerah Jawa Timur Tbk.

Demikian pernyataan ini dibuat dengan sebenarnya.

**BOARD OF DIRECTORS' STATEMENT  
REGARDING THE RESPONSIBILITY FOR  
THE FINANCIAL STATEMENT  
DECEMBER 31, 2023 AND 2022  
AND FOR THE YEARS THEN ENDED**

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk**

*We, the undersigned :*

1. Name : Busrul Iman  
Office address : Jl. Basuki Rahmad 98-104  
Surabaya  
Residential address : Jl. Puncak Cengkeh No. 10  
Malang  
Telephone : (031) 5310090 ext.206  
Position : President Director
2. Name : Edi Masrianto  
Office address : Jl. Basuki Rahmad 98-104  
Surabaya  
Residential address : Jl. Manyar Tirtoyoso Utara 8 No. 28  
Surabaya  
Telephone : (031) 5310090 ext. 208  
Position : Finance, Treasury and Global  
Services Director

*Declare that:*

1. We are responsible for the preparation and presentation of financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk;
2. The financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk have been disclosed in a complete and truthful manner;
- b. The financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk do not contain any incorrect information or material facts, nor do they omit any information or material facts;
4. We are responsible for PT Bank Pembangunan Daerah Jawa Timur Tbk internal control system.

*This statement has been made truthfully.*

Atas nama dan mewakili Direksi / For and on behalf of the Board of Directors  
Surabaya, 15 Januari 2024 / January 15, 2024

**Busrul Iman**

Direktur Utama/ President Director

**Edi Masrianto**

Direktur Keuangan, Treasury dan Global  
Services/ Finance, Treasury and Global Services  
Director

**PKF****Paul Hadiwinata, Hidajat, Arsono,  
Retno, Palilingan & Rekan**

REGISTERED PUBLIC ACCOUNTANTS  
DECREE OF THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA NO. 855/KM.1/2017

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No : 00006/2.1133/AU.1/07/0354-2/1/I/2024

**Laporan Auditor Independen**

Pemegang Saham, Dewan Komisaris dan  
Direksi

**PT Bank Pembangunan Daerah  
Jawa Timur Tbk**

**Opini**

Kami telah mengaudit laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk ("Bank"), yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2023, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut serta catatan atas laporan keuangan, termasuk informasi kebijakan akuntansi material.

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk tanggal 31 Desember 2023 serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

**Basis opini**

Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Tanggung jawab kami menurut standar tersebut diuraikan lebih lanjut dalam paragraf Tanggung Jawab Auditor terhadap Audit atas Laporan Keuangan pada laporan kami. Kami independen terhadap Bank berdasarkan ketentuan etika yang relevan dalam audit kami atas laporan keuangan di Indonesia, dan kami telah memenuhi tanggung jawab etika lainnya berdasarkan ketentuan tersebut. Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

**Independent Auditors' Report**

*The Shareholders, Boards of Commissioners  
and Directors*

**PT Bank Pembangunan Daerah  
Jawa Timur Tbk**

**Opinion**

*We have audited the financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk (the "Bank"), which comprise the statement of financial position as at December 31, 2023 and the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including information of material accounting policies.*

*In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Bank Pembangunan Daerah Jawa Timur Tbk as at December 31, 2023 and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.*

**Basis for opinion**

*We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.*





**PKF**

**Paul Hadiwinata, Hidajat, Arsono,  
Retno, Palilingan & Rekan**

#### **Hal audit utama**

Hal audit utama adalah hal-hal yang, menurut pertimbangan profesional kami, merupakan hal yang paling signifikan dalam audit kami atas laporan keuangan periode kini. Hal-hal tersebut disampaikan dalam konteks audit kami atas laporan keuangan secara keseluruhan, dan dalam merumuskan opini kami atas laporan keuangan terkait, kami tidak menyatakan suatu opini terpisah atas hal audit utama tersebut.

Hal audit utama yang dapat teridentifikasi dalam audit kami dijabarkan dibawah ini.

#### **Kerugian kredit ekspektasian ("KKE") – cadangan kerugian penurunan nilai atas kredit yang diberikan**

Seperti yang dijelaskan dalam Catatan 2m (informasi kebijakan akuntansi material – identifikasi dan pengukuran kerugian penurunan nilai) dan Catatan 12 (kredit yang diberikan dan pembiayaan syariah) atas laporan keuangan, pada tanggal 31 Desember 2023, cadangan kerugian penurunan nilai atas kredit yang diberikan Bank adalah sebesar Rp1.311.513 juta. Cadangan kerugian penurunan nilai atas kredit yang diberikan yang diukur pada biaya perolehan diamortisasi ditentukan oleh Bank berdasarkan Kerugian Kredit Ekspektasian ("KKE") berdasarkan PSAK 71, "Instrumen Keuangan" ("PSAK 71").

Kami fokus pada area ini karena besarnya nilai tercatat atas kredit yang diberikan, yang mewakili 50,62% dari total aset Bank, dan besarnya nilai cadangan kerugian penurunan nilai yang dibentuk atas kredit tersebut yang diukur pada biaya perolehan diamortisasi, yang nilainya signifikan terhadap laporan keuangan Bank. Lebih lanjut penentuan KKE membutuhkan pertimbangan manajemen yang subyektif dan melibatkan penggunaan estimasi dengan tingkat ketidakpastian yang tinggi.

#### **Key audit matters**

*Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.*

*The key audit matter identified in our audit is outlined below.*

#### **Expected credit losses ("ECL") – allowance for impairment losses of loans**

*As described in Note 2m (information of material accounting policies – identification and measurement of impairment losses) and Note 12 (loans and sharia financing) to the financial statements, as at December 31, 2023, the allowance for impairment losses for loans of the Bank was Rp1,311,513 million. These allowance for impairment losses for loans measured at amortised cost are determined by the Bank based on the Expected Credit Losses ("ECL") framework under PSAK 71, "Financial Instruments" ("PSAK 71").*

*We focused on this area due to the size of the carrying value of loans, which represented 50.62% of total assets of the Bank, and the respective allowance for impairment losses provided against the loans measured at amortised cost, which are significant to the Bank's financial statements. In addition, determining ECL involves subjective management judgement and is subject to high degree of estimation uncertainty.*





**PKF**

**Paul Hadiwinata, Hidajat, Arsono,  
Retno, Palilingan & Rekan**

Bank menghitung KKE untuk kredit yang diberikan yang tidak memburuk dan kredit yang diberikan yang memburuk. Untuk kredit yang diberikan tidak memburuk dan kredit yang diberikan yang memburuk, yang secara individual tidak dianggap signifikan, Bank menghitung KKE secara kolektif menggunakan parameter risiko yang menggunakan model parameter risiko yang menggunakan beberapa parameter utama, antara lain, *probability of default, loss given default, exposure at default* dan tingkat diskonto, setelah memperhitungkan faktor masa depan dan data eksternal lainnya.

Untuk kredit yang memburuk, yang secara individual dianggap signifikan, Bank menghitung KKE secara individual dengan mengestimasi arus kas ekspektasi dari kredit yang diberikan. Bank menggunakan pendekatan yang konsisten dalam menghitung KKE untuk aset keuangan lainnya yang diukur pada biaya perolehan diamortisasi.

Pertimbangan-pertimbangan signifikan yang digunakan dalam menentukan KKE meliputi:

- Mengembangkan model penilaian kolektif yang tepat untuk menghitung KKE. Model yang dikembangkan secara inheren kompleks dan melibatkan pertimbangan manajemen dalam menyusun model tersebut;
- Mengidentifikasi kredit yang diberikan yang diukur pada biaya perolehan diamortisasi yang telah mengalami peningkatan risiko kredit secara signifikan; dan
- Asumsi-asumsi yang digunakan dalam model KKE seperti proyeksi arus kas masa depan yang diharapkan, perkiraan faktor ekonomi makro masa depan, beberapa skenario probabilitas tertimbang dan penyesuaian *overlay* KKE yang dibuat.

*The Bank calculates ECL for both non-credit-impaired and credit-impaired loans. For non-credit-impaired loans and or credit-impaired loans which are not considered individually significant, the Bank assesses collective ECL using the risk parameter modeling approach that incorporates key parameters, including probability of default, loss given default, exposure at default and discount rate, after considering forward looking factors and other external information.*

*For credit-impaired loans, which are considered individually significant, the Bank assesses individual ECL by estimating the expected cash flows obtained from the loans. The Bank uses a consistent approach in calculating ECL for other financial assets measured at amortised cost.*

*The significant judgements involved in determining the ECL include the following:*

- *Developing appropriate collective assessment models used to calculate ECL. The models are inherently complex, and management's judgement is applied in determining the models;*
- *Identification of loans measured at amortised cost that have experienced a significant increase in credit risk; and*
- *Assumptions used in the ECL models such as expected future cash flows, forward-looking macroeconomic factors, probability weighted multiple scenarios and ECL overlay adjustments made.*





**PKF**

**Paul Hadiwinata, Hidajat, Arsono,  
Retno, Palilingan & Rekan**

**Bagaimana audit kami merespons Hal Audit Utama**

Kami melakukan prosedur-prosedur audit berikut untuk merespons hal audit utama ini:

- Kami memahami dan menguji pengendalian yang relevan atas identifikasi aset keuangan yang mengalami peningkatan risiko kredit secara signifikan atau bukti obyektif penurunan nilai, melalui pengujian atas pengendalian penetapan *rating* internal dan melakukan pemeriksaan secara sampling atas dokumen perjanjian. Kami memeriksa sampel atas aset keuangan yang diidentifikasi oleh Bank memiliki kualitas kredit yang lebih rendah dan direstrukturisasi, debitur di industri berisiko tinggi yang terkena dampak COVID-19 dan membuat penilaian independen kami terhadap peningkatan risiko kredit secara signifikan atau terdapat bukti obyektif penurunan nilai.
- Ketika bukti obyektif penurunan nilai diidentifikasi oleh Bank dan kerugian penurunan nilai dihitung secara individual, kami menilai kecukupan penyisihan penurunan nilai dengan memeriksa baik jumlah dan waktu arus kas masa depan yang digunakan oleh Bank dalam perhitungan kerugian penurunan nilai, menguji rata-rata probabilitas tertimbang yang digunakan dalam menyusun arus kas, termasuk membandingkan rencana waktu pembayaran dan menggunakan faktor diskonto dengan perjanjian kredit.
- Kami menilai dan menguji metodologi dan asumsi pemodelan signifikan yang digunakan dalam model KKE, termasuk penentuan *probability of default*, *loss given default* dan *exposure at default*, yang diterapkan terhadap pesyaratan PSAK 71, yang melibatkan (i) evaluasi model dan metodologi yang digunakan dalam perhitungan kuantitatif; (ii) evaluasi kewajaran prakiraan ekonomi makro Indonesia dengan membandingkan prakiraan dengan informasi yang tersedia untuk umum; dan (iii) menguji kelengkapan dan keakuratan data yang digunakan dalam estimasi untuk memastikan *input* data yang digunakan dalam perhitungan KKE adalah sesuai dengan data aktual yang tersedia di Bank.

**How our audit addressed the Key Audit Matters**

We have performed the following audit procedures to address this key audit matter:

- We understood and tested the relevant controls over the identification of financial assets that have experienced a significant increase in credit risk or objective evidence of impairment by performing control testing over internal rating process and examining the credit files on sampling basis. We examined samples of financial assets identified by the Bank as having lower credit quality and restructured, debtors in high-risk industries impacted by COVID-19 and formed our own independent judgement as to whether there was a significant increase in credit risk or any objective evidence of impairment.
- Where objective evidence of impairment was identified by the Bank and impairment loss was individually calculated, we assessed the adequacy of impairment allowance by examining both the quantum and timing of future cash flows used by the Bank in the impairment loss calculation, challenging the probability-weighted outcome used in preparing the cash flows, including comparing the schedule of repayment and the discount factor used to the loan agreement.
- We assessed and tested the methodologies and significant modeling assumptions inherent within the ECL models, which include determination of probability of default, loss given default and exposure at default, which applied against the requirements of PSAK 71, which involved (i) evaluating the models and methodologies used in quantitative calculations; (ii) evaluating the forecasts of Indonesia macroeconomics by comparing forecasts with publicly available information; and (iii) testing the completeness and accuracy of data used in the estimate in ensuring the data input used in the ECL calculation is consistent with the actual data available within the Bank.





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- Kami menilai dan mempertimbangkan penentuan asumsi prakiraan masa depan.
  - Kami memeriksa keakuratan data dan perhitungan jumlah KKE, dengan melakukan perhitungan ulang atas keseluruhan portofolio yang penurunan nilainya dinilai secara kolektif.
- *We assessed and considered the determination of forward-looking forecasts assumptions.*
  - *We checked the accuracy of data and calculation of the ECL amount, by recalculating the collective impairment assessment for the portfolio.*

#### **Informasi lain**

Manajemen bertanggung jawab atas informasi lain. Informasi lain terdiri dari informasi yang tercantum dalam laporan tahunan, tetapi tidak termasuk laporan keuangan dan laporan auditor kami. Laporan tahunan diharapkan akan tersedia bagi kami setelah tanggal laporan auditor ini.

Opini kami atas laporan keuangan tidak mencakup informasi lain, dan oleh karena itu, kami tidak menyatakan bentuk keyakinan apapun atas informasi lain tersebut.

Sehubungan dengan audit kami atas laporan keuangan, tanggung jawab kami adalah untuk membaca informasi lain yang teridentifikasi di atas, jika tersedia dan, dalam melaksanakannya, mempertimbangkan apakah informasi lain mengandung ketidakkonsistensian material dengan laporan keuangan atau pemahaman yang kami peroleh selama audit, atau mengandung kesalahan penyajian material.

Ketika kami membaca laporan tahunan, jika kami menyimpulkan bahwa terdapat suatu kesalahan penyajian material di dalamnya, kami diharuskan untuk mengomunikasikan hal tersebut kepada pihak yang bertanggung jawab atas tata kelola dan mengambil tindakan tepat berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia.

#### **Other information**

*Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.*

*Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.*

*In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.*

*When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants.*



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**Tanggung jawab manajemen dan pihak yang bertanggung jawab atas tata kelola terhadap laporan keuangan**

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Dalam penyusunan laporan keuangan, manajemen bertanggung jawab untuk menilai kemampuan Bank dalam mempertahankan kelangsungan usahanya, mengungkapkan, sesuai dengan kondisinya, hal-hal yang berkaitan dengan kelangsungan usaha, dan menggunakan basis akuntansi kelangsungan usaha, kecuali manajemen memiliki intensi untuk melikuidasi Bank atau menghentikan operasi, atau tidak memiliki alternatif yang realistis selain melaksanakannya.

Pihak yang bertanggung jawab atas tata kelola bertanggung jawab untuk mengawasi proses pelaporan keuangan Bank.

**Tanggung jawab auditor terhadap audit atas laporan keuangan**

Tujuan kami adalah untuk memperoleh keyakinan memadai tentang apakah laporan keuangan secara keseluruhan bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan, dan untuk menerbitkan laporan auditor yang mencakup opini kami. Keyakinan memadai merupakan suatu tingkat keyakinan tinggi, namun bukan merupakan suatu jaminan bahwa audit yang dilaksanakan berdasarkan Standar Audit akan selalu mendeteksi kesalahan penyajian material ketika hal tersebut ada. Kesalahan penyajian dapat disebabkan oleh kecurangan maupun kesalahan dan dianggap material jika, baik secara individual maupun secara agregat, dapat diekspektasikan secara wajar akan memengaruhi keputusan ekonomi yang diambil oleh pengguna berdasarkan laporan keuangan tersebut.

***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 Indonesian Financial Accounting Standards, 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 Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.*

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

***Auditor's 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 Standards on Auditing 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.*





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Sebagai bagian dari suatu audit berdasarkan Standar Audit, kami menerapkan pertimbangan profesional dan mempertahankan skeptisisme profesional selama audit. Kami juga:

- Mengidentifikasi dan menilai risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan, mendesain dan melaksanakan prosedur audit yang responsif terhadap risiko tersebut, serta memperoleh bukti audit yang cukup dan tepat untuk menyediakan basis bagi opini kami. Risiko tidak terdeteksinya kesalahan penyajian material yang disebabkan oleh kecurangan lebih tinggi dari yang disebabkan oleh kesalahan, karena kecurangan dapat melibatkan kolusi, pemalsuan, penghilangan secara sengaja, pernyataan salah, atau pengabaian pengendalian internal.
- Memperoleh suatu pemahaman tentang pengendalian internal yang relevan dengan audit untuk mendesain prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal Bank.
- Mengevaluasi ketepatan kebijakan akuntansi yang digunakan serta kewajaran estimasi akuntansi dan pengungkapan terkait yang dibuat oleh manajemen.
- Menyimpulkan ketepatan penggunaan basis akuntansi kelangsungan usaha oleh manajemen dan, berdasarkan bukti audit yang diperoleh, apakah terdapat suatu ketidakpastian material yang terkait dengan peristiwa atau kondisi yang dapat menyebabkan keraguan signifikan atas kemampuan Bank untuk mempertahankan kelangsungan usahanya. Ketika kami menyimpulkan bahwa terdapat suatu ketidakpastian material, kami diharuskan untuk menarik perhatian dalam laporan auditor kami ke pengungkapan terkait dalam laporan keuangan atau, jika pengungkapan tersebut tidak memadai, harus menentukan apakah perlu untuk memodifikasi opini kami.

*As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:*

- 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.*
- 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 Bank's internal control.*
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- 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 Bank'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.*





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Kesimpulan kami didasarkan pada bukti audit yang diperoleh hingga tanggal laporan auditor kami. Namun, peristiwa atau kondisi masa depan dapat menyebabkan Bank tidak dapat mempertahankan kelangsungan usaha.

- Mengevaluasi penyajian, struktur dan isi laporan keuangan secara keseluruhan, termasuk pengungkapannya, dan apakah laporan keuangan mencerminkan transaksi dan peristiwa yang mendasarinya dengan suatu cara yang mencapai penyajian wajar.

Kami mengomunikasikan kepada pihak yang bertanggung jawab atas tata kelola mengenai, antara lain, ruang lingkup dan saat yang direncanakan atas audit, serta temuan audit signifikan, termasuk setiap defisiensi signifikan dalam pengendalian internal yang teridentifikasi oleh kami selama audit.

Kami juga memberikan suatu pernyataan kepada pihak yang bertanggung jawab atas tata kelola bahwa kami telah mematuhi ketentuan etika yang relevan mengenai independensi, dan mengomunikasikan seluruh hubungan, serta hal-hal lain yang dianggap secara wajar berpengaruh terhadap independensi kami, dan, jika relevan, pengamanan terkait.

Dari hal-hal yang dikomunikasikan kepada pihak yang bertanggung jawab atas tata kelola, kami menentukan hal-hal tersebut yang paling signifikan dalam audit atas laporan keuangan periode kini dan oleh karenanya menjadi hal audit utama.

*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 Bank continue as a going concern.*

- *Evaluate the overall presentation, structure and content of the financial statements, including the 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.*

*We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.*

*From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.*



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Kami menguraikan hal audit utama dalam laporan auditor kami, kecuali peraturan perundang-undangan melarang pengungkapan publik tentang hal tersebut atau ketika, dalam kondisi yang sangat jarang terjadi, kami menentukan bahwa suatu hal tidak boleh dikomunikasikan dalam laporan kami karena konsekuensi merugikan dari mengomunikasikan hal tersebut akan diekspektasikan secara wajar melebihi manfaat kepentingan publik atas komunikasi tersebut.

*We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.*

**Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan**



**Ary Daniel Hartanto, S.E., Ak., M.Ak., CA, CPA, SAS**

Registrasi Akuntan Publik / Public Accountant Registration No.AP.0354

15 Januari 2024 / January 15, 2024

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
LAPORAN POSISI KEUANGAN  
31 Desember 2023 dan 2022**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2023 and 2022**

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	31 Desember/ December 31, 2023	31 Desember/ December 31, 2022	
<b>ASET</b>				<b>ASSETS</b>
Kas	2b, 2d, 2f, 3, 44, 45	2.652.775	1.988.262	Cash
Giro pada Bank Indonesia	2b, 2d, 2g, 4, 43, 44, 45	7.971.412	10.786.740	Current accounts with Bank Indonesia
Giro pada bank lain	2b, 2c, 2d, 2g, 5, 43, 44, 45	491.330	303.129	Current accounts with other banks
Cadangan kerugian penurunan nilai	2m, 5, 43e	(1.077)	(441)	Allowance for impairment losses
		<u>490.253</u>	<u>302.688</u>	
Penempatan pada Bank Indonesia dan bank lain	2b, 2c, 2d, 2h, 6, 43, 44, 45	5.234.721	6.916.329	Placements with Bank Indonesia and other banks
Cadangan kerugian penurunan nilai	2m, 6, 43e	(5.026)	(3.154)	Allowance for impairment losses
		<u>5.229.695</u>	<u>6.913.175</u>	
Tagihan spot dan derivatif	7	-	361	Receivables of spot and derivative
Surat berharga	2b, 2c, 2d, 2i, 8, 43, 44, 45	16.323.831	23.217.671	Marketable securities
Cadangan kerugian penurunan nilai	2m, 8, 43e	(511)	(400)	Allowance for impairment losses
		<u>16.323.320</u>	<u>23.217.271</u>	
Surat berharga yang dijual dengan janji dibeli kembali	2d, 2j, 9, 43, 44, 45	8.303.663	4.095.066	Marketable securities sold under repurchased agreement
Tagihan dari surat berharga yang dibeli dengan janji dijual kembali	2d, 10, 43, 44, 45	6.247.318	7.822.847	Receivable from marketable securities purchased under resale agreement
Tagihan lainnya	2d, 2k, 11, 43, 44, 45	223.138	286.147	Other receivables
Kredit yang diberikan dan pembiayaan syariah				Loans, and sharia financing
- Pihak berelasi	2c, 2d, 2e, 12, 40, 43, 44	184.848	134.871	Related parties -
- Pihak ketiga		54.576.055	46.061.786	Third parties -
Jumlah		<u>54.760.903</u>	<u>46.196.657</u>	Total
Cadangan kerugian penurunan nilai	2m, 12, 43e	(1.364.905)	(1.318.612)	Allowance for impairment losses
		<u>53.395.998</u>	<u>44.878.045</u>	
Pendapatan bunga yang masih akan diterima	2b, 2d, 13, 43, 44, 45	685.734	646.125	Accrued interest income
Biaya dibayar dimuka	2n, 14	207.452	166.661	Prepaid expenses
Aset tetap				Fixed assets
Biaya perolehan	2o, 15	2.230.878	2.109.260	Cost
Akumulasi penyusutan		(953.165)	(825.010)	Accumulated depreciation
Nilai buku		<u>1.277.713</u>	<u>1.284.250</u>	Net book value
Aset pajak tangguhan, neto	2x, 22g	472.123	502.238	Deferred tax assets, net
Piutang pajak	22a	777	493	Tax receivables
Aset lain-lain, neto	16	373.402	140.998	Other assets, net
<b>JUMLAH ASET</b>		<u><b>103.854.773</b></u>	<u><b>103.031.367</b></u>	<b>TOTAL ASSETS</b>

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan

The accompanying notes to the financial statements form an integral part of these financial statements as a whole

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
LAPORAN POSISI KEUANGAN  
31 Desember 2023 dan 2022  
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2023 and 2022  
(Expressed in millions of Rupiah, unless otherwise stated)**

	Catatan/ Notes	31 Desember/ December 31, 2023	31 Desember/ December 31, 2022	
<b>LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS</b>				<b>LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY</b>
<b>LIABILITAS</b>				<b>LIABILITIES</b>
Liabilitas segera	2q, 17, 44, 45	987.604	872.514	Obligations due immediately
Simpanan dari nasabah				Deposits from customers
- Pihak berelasi	2b, 2d, 2e	12.644.538	15.295.405	Related parties -
- Pihak ketiga	2r, 18, 40, 44, 45	63.205.317	64.630.285	Third parties -
		<u>75.849.855</u>	<u>79.925.690</u>	
Simpanan dari bank lain				Deposits from other banks
- Pihak berelasi	2d, 2e, 2s	56.694	141.996	Related parties -
- Pihak ketiga	19, 40, 44, 45	<u>2.503.627</u>	<u>3.168.842</u>	Third parties -
		<u>2.560.321</u>	<u>3.310.838</u>	
Liabilitas surat berharga yang dijual dengan janji dibeli kembali	20	7.915.163	3.891.346	Liabilities of marketable securities sold under repurchase agreement
Pinjaman yang diterima	2d, 2t, 21, 44, 45	596.977	631.464	Borrowings
Utang pajak	2x, 22b	143.245	90.783	Taxes payable
Beban yang masih harus dibayar	2d, 23, 44, 45	504.748	520.840	Accrued expenses
Liabilitas lain-lain	2b, 2d, 2z, 2ac, 24, 44, 45	779.314	472.054	Other liabilities
<b>JUMLAH LIABILITAS</b>		<u><b>89.337.227</b></u>	<u><b>89.715.529</b></u>	<b>TOTAL LIABILITIES</b>
<b>DANA SYIRKAH TEMPORER</b>				<b>TEMPORARY SYIRKAH FUNDS</b>
Simpanan dari nasabah				Deposits from customers
- Pihak berelasi	25	3.764	2.302	Related parties -
- Pihak ketiga	25	<u>2.343.291</u>	<u>1.839.390</u>	Third parties -
		<u>2.347.055</u>	<u>1.841.692</u>	
Simpanan dari bank lain				Deposits from other banks
- Pihak ketiga	25	<u>19.422</u>	<u>28.285</u>	Third parties -
		<u>19.422</u>	<u>28.285</u>	
<b>TOTAL DANA SYIRKAH TEMPORER</b>		<u><b>2.366.477</b></u>	<u><b>1.869.977</b></u>	<b>TOTAL TEMPORARY SYIRKAH FUNDS</b>
<b>EKUITAS</b>				<b>EQUITY</b>
Modal saham:				Share capital:
- Seri A : nilai nominal Rp250 (Rupiah penuh) per saham				Series A : Rp250 (full Rupiah) - par value per share
- Seri B : nilai nominal Rp250 (Rupiah penuh) per saham				Series B : Rp250 (full Rupiah) - par value per share
Modal dasar:				Authorized:
- Seri A : 24.000.000.000 saham				Series A : 24,000,000,000 shares -
- Seri B : 12.000.000.000 saham				Series B : 12,000,000,000 shares -
Modal ditempatkan dan disetor penuh:				Issued and fully paid:
- Seri A - 11.934.147.982 saham				Series A - 11,934,147,982 shares -
- Seri B - 3.081.350.100 saham				Series B - 3,081,350,100 shares -
	26	3.753.875	3.753.875	
Tambahan modal disetor - neto	2aa, 27	532.734	532.734	Paid-in capital - net
Surplus revaluasi aset tetap		788.049	789.998	Revaluation surplus of fixed assets
Pengukuran kembali liabilitas imbalan kerja pasti - setelah pajak tangguhan		(117.777)	(100.912)	Remeasurement of defined employee benefit liability - net of deferred tax
Kerugian yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain - setelah pajak tangguhan	8	(63.958)	(115.048)	Unrealized loss financial assets measured at fair value through other comprehensive income - net of deferred tax
Saldo laba				Retained earnings
Cadangan umum		5.788.041	5.042.390	General reserve
Belum ditentukan penggunaannya		<u>1.470.105</u>	<u>1.542.824</u>	Unappropriated
<b>JUMLAH EKUITAS</b>		<u><b>12.151.069</b></u>	<u><b>11.445.861</b></u>	<b>TOTAL EQUITY</b>
<b>JUMLAH LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS</b>		<u><b>103.854.773</b></u>	<u><b>103.031.367</b></u>	<b>TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY</b>

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan

The accompanying notes to the financial statements form an integral part of these financial statements as a whole

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
LAPORAN LABA RUGI  
DAN PENGHASILAN KOMPREHENSIF LAIN**  
Untuk tahun yang berakhir pada  
**31 Desember 2023 dan 2022**  
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
STATEMENTS OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
For the years then ended  
**December 31, 2023 and 2022**  
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	31 Desember/ December 31, 2023	31 Desember/ December 31, 2022	
Pendapatan bunga dan syariah	2e, 2v, 2w, 30, 40	7.357.284	6.882.651	Interest and sharia income
Beban bunga dan syariah	2e, 40, 31	(2.316.184)	(1.965.595)	Interest and sharia expense
<b>PENDAPATAN BUNGA DAN SYARIAH, NETO</b>		<b>5.041.100</b>	<b>4.917.056</b>	<b>INTEREST AND SHARIA INCOME, NET</b>
<b>PENDAPATAN OPERASIONAL LAINNYA</b>				<b>OTHER OPERATING INCOME</b>
Administrasi giro, tabungan dan deposito	32	193.996	184.480	Current accounts, savings and deposits administration fees
Penerimaan kembali kredit hapus buku	32	127.264	56.653	Collection of loans written-off
Administrasi kredit	32	30.880	42.511	Loan administration fees
Provisi dan komisi selain dari kredit yang diberikan	2w, 32	22.093	11.105	Fees and commissions from other than loans
Lainnya	32	274.187	238.820	Others
<b>JUMLAH PENDAPATAN OPERASIONAL LAINNYA</b>		<b>648.420</b>	<b>533.569</b>	<b>TOTAL OTHER OPERATING INCOME</b>
<b>BEBAN OPERASIONAL LAINNYA</b>				<b>OTHER OPERATING EXPENSES</b>
Tenaga kerja dan tunjangan karyawan	2z, 34	(1.762.643)	(1.674.698)	Salaries and employee benefits
Umum dan administrasi	35	(1.182.987)	(1.229.388)	General and administrative
Penyisihan kerugian penurunan nilai atas aset keuangan	2m, 33	(694.136)	(404.659)	Provision for impairment losses on financial assets
Beban lainnya	36	(194.713)	(201.054)	Other expenses
<b>JUMLAH BEBAN OPERASIONAL LAINNYA</b>		<b>(3.834.479)</b>	<b>(3.509.799)</b>	<b>TOTAL OTHER OPERATING EXPENSES</b>
<b>LABA OPERASIONAL</b>		<b>1.855.041</b>	<b>1.940.826</b>	<b>INCOME FROM OPERATIONS</b>
<b>PENDAPATAN (BEBAN) NON-OPERASIONAL</b>				<b>NON-OPERATING INCOME (EXPENSES)</b>
Fee jasa pelayanan pajak	37	6.444	6.084	Tax service fees
Keuntungan atas penjualan aset tetap	37	5.608	5.274	Gain on sale of fixed asset - net
Keuntungan selisih kurs	2b, 37	2.390	-	Gain on foreign exchange
Keuntungan penjualan efek-efek neto	37	8.698	2.757	Gain on sale of securities - net
Beban non-operasional	38	(19.339)	(83.405)	Non-operating expenses
Lainnya	37	33.901	158.513	Others
<b>JUMLAH PENDAPATAN (BEBAN) NON OPERASIONAL</b>		<b>37.702</b>	<b>89.223</b>	<b>TOTAL NON OPERATING INCOME (EXPENSES)</b>
<b>LABA SEBELUM BEBAN PAJAK</b>		<b>1.892.743</b>	<b>2.030.049</b>	<b>INCOME BEFORE TAX EXPENSE</b>
<b>BEBAN PAJAK:</b>				<b>TAX EXPENSES:</b>
Kini	2x, 22c, 22e	(399.474)	(307.452)	Current
Tangguhan		(23.164)	(179.773)	Deferred
		(422.638)	(487.225)	
<b>LABA TAHUN BERJALAN</b>		<b>1.470.105</b>	<b>1.542.824</b>	<b>INCOME FOR THE YEAR</b>
<b>PENGHASILAN KOMPREHENSIF LAIN</b>				<b>OTHER COMPREHENSIVE INCOME</b>
<b>Pos-pos yang tidak akan direklasifikasi ke laba rugi:</b>				<b>Items that will not be reclassified subsequently to profit or loss:</b>
Surplus (defisit) revaluasi aset tetap		(1.949)	40.281	Revaluation surplus (deficit) of fixed assets
Pengukuran kembali liabilitas imbalan kerja		(21.898)	100.163	Remeasurement of employee benefit liability
Penyesuaian saldo awal		-	(19.678)	Beginning balance adjustment
Pajak penghasilan terkait		5.033	(17.586)	Related income taxes
		(18.814)	103.180	
<b>Pos-pos yang akan direklasifikasi ke laba rugi:</b>				<b>Items that will be reclassified subsequently to profit or loss:</b>
Keuntungan yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain		63.074	(400.611)	Unrealized gain on financial assets measured at fair value through other comprehensive income
Penyesuaian saldo awal		-	(3.730)	Beginning balance adjustment
Pajak penghasilan terkait		(11.984)	76.116	Related income taxes
		51.090	(328.225)	
<b>PENGHASILAN KOMPREHENSIF LAIN NETO SETELAH PAJAK</b>		<b>32.276</b>	<b>(225.045)</b>	<b>OTHER COMPREHENSIVE INCOME - NET OF TAX</b>
<b>JUMLAH LABA KOMPREHENSIF TAHUN BERJALAN</b>		<b>1.502.381</b>	<b>1.317.779</b>	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>
<b>LABA PER SAHAM DASAR (DALAM NILAI PENUH)</b>	2y, 39	<b>97,91</b>	<b>102,75</b>	<b>BASIC EARNINGS PER SHARE (IN FULL AMOUNT)</b>

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan

The accompanying notes to the financial statements form an integral part of these financial statements as a whole

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
LAPORAN PERUBAHAN EKUITAS  
Untuk tahun yang berakhir pada  
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(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
STATEMENTS OF CHANGES IN EQUITY  
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	Catatan/ Notes	Modal ditempatkan dan disetor penuh/ Issued and fully paid capital	Tambahan modal disetor- neto/ Other paid-in capital-net	Surplus revaluasi aset tetap/ Revaluation surplus of fixed asset	Pengukuran kembali liabilitas imbalan kerja pasti - setelah pajak tangguhan/ Remeasurement of defined employee benefit liability - net of deferred tax	Keuntungan (kerugian) yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui pendapatan komprehensif lain - setelah pajak tangguhan/ Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income - net of deferred tax	Saldo laba/ Retained earnings		Total ekuitas/ Total equity	
							Cadangan umum/ General reserve	Belum ditentukan penggunaannya/ Unappropriated		
31 Desember 2021		3.753.875	532.734	749.717	(163.811)	213.177	4.301.777	1.523.070	10.910.539	December 31, 2021
Pembentukan cadangan umum	26e	-	-	-	-	-	740.613	(740.613)	-	Appropriation for general reserve
Pembagian dividen tunai	2ab, 26e	-	-	-	-	-	-	(782.457)	(782.457)	Distribution of cash dividends
Jumlah laba komprehensif tahun berjalan		-	-	40.281	62.899	(328.225)	-	1.542.824	1.317.779	Total comprehensive income for the year
31 Desember 2022		3.753.875	532.734	789.998	(100.912)	(115.048)	5.042.390	1.542.824	11.445.861	December 31, 2022
Pembentukan cadangan umum	26e	-	-	-	-	-	745.651	(745.651)	-	Appropriation for general reserve
Pembagian dividen tunai	2ab, 26e	-	-	-	-	-	-	(797.173)	(797.173)	Distribution of cash dividends
Jumlah laba komprehensif tahun berjalan		-	-	(1.949)	(16.865)	51.090	-	1.470.105	1.502.381	Total comprehensive income for the year
31 Desember 2023		3.753.875	532.734	788.049	(117.777)	(63.958)	5.788.041	1.470.105	12.151.069	December 31, 2023

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan

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**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
LAPORAN ARUS KAS  
Untuk tahun yang berakhir pada tanggal-tanggal  
31 Desember 2023 dan 2022  
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
STATEMENTS OF CASH FLOWS  
For the years then ended  
December 31, 2023 and 2022  
(Expressed in millions of Rupiah, unless otherwise stated)**

	Catatan/ Notes	December 31, 2023	December 31, 2022	
<b>Arus kas dari aktivitas operasi</b>				<b>Cash flows from operating activities</b>
Penerimaan bunga, syariah, provisi dan komisi		7.324.150	7.030.426	Receipts of interest, sharia, fees and commissions
Pembayaran bunga, syariah, provisi dan komisi		(2.310.264)	(1.931.344)	Payments of interest, sharia, fees and commissions
Penerimaan dari pendapatan operasional lainnya		521.156	476.364	Receipts of other operating income
Penerimaan kembali dari kredit hapus buku		127.264	56.653	Collection of loans written-off
Penerimaan dari pendapatan non-operasional		60.386	172.136	Receipts from non-operating income
Pembayaran untuk biaya non-operasional		(19.337)	(82.913)	Payments for non-operating expenses
Pembayaran beban tenaga kerja dan tunjangan karyawan		(1.763.167)	(1.659.597)	Payments of salaries and employee benefits
Pembayaran beban umum dan administrasi		(1.283.327)	(1.296.665)	Payments of general and administrative expenses
Pembayaran pajak		(368.455)	(389.372)	Payment of taxes
<b>Arus kas dari aktivitas operasi sebelum perubahan dalam aset dan liabilitas operasi</b>		<b>2.288.406</b>	<b>2.375.688</b>	<b>Cash flow from operating activities before changes in operating assets and liabilities</b>
Perubahan dalam aset dan liabilitas operasi:				Changes in operating assets and liabilities:
Penempatan pada Bank Indonesia dan bank lain		(1.500)	(7.000)	Placement with Bank Indonesia and other bank
Kredit yang diberikan		(9.193.797)	(4.347.656)	Loans
Surat berharga yang dijual dengan janji dibeli kembali		(4.208.597)	(4.095.066)	Marketable securities sold under repurchase agreement
Tagihan dari surat berharga yang dibeli dengan janji dijual kembali		1.575.529	(4.402.162)	Receivable from marketable securities purchased under resale agreement
Aset lain-lain dan tagihan lainnya		(166.678)	(117.044)	Other assets and other receivables
Liabilitas segera		115.091	278.638	Obligations due immediately
Simpanan dari nasabah		(3.570.473)	(1.434.484)	Deposits from customers
Simpanan dari bank lain		(759.380)	(848.777)	Deposits from other banks
Liabilitas surat berharga yang dijual dengan janji dibeli kembali		4.023.817	3.891.346	Liabilities of marketable securities sold under repurchase agreement
Liabilitas lain-lain		200.981	(39.476)	Other liabilities
<b>Kas bersih digunakan untuk aktivitas operasi</b>		<b>(9.696.601)</b>	<b>(8.745.993)</b>	<b>Net cash used in operating activities</b>
<b>Arus kas dari aktivitas investasi</b>				<b>Cash flows from investing activities</b>
Penjualan surat berharga		6.948.323	8.846.760	Proceeds of marketable securities
Perolehan aset tetap	15	(149.298)	(248.269)	Acquisition of fixed assets
Penjualan aset tetap	15	5.608	5.274	Fixed asset sold
<b>Kas bersih diperoleh dari aktivitas investasi</b>		<b>6.804.633</b>	<b>8.603.765</b>	<b>Net cash provided from investing activities</b>
<b>Arus kas dari aktivitas pendanaan</b>				<b>Cash flows from financing activities</b>
Penerimaan (pembayaran) dari pinjaman yang diterima		43.578	(23.825)	Proceeds (payments of) from borrowings
Penerimaan (pembayaran) liabilitas sewa		6.316	(21.111)	Proceeds (payments of) lease liability
Pembayaran dividen kas	26e	(797.173)	(782.457)	Payments of cash dividends
<b>Kas bersih digunakan untuk aktivitas pendanaan</b>		<b>(747.279)</b>	<b>(827.393)</b>	<b>Net cash used in financing activities</b>

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan

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**PT BANK PEMBANGUNAN DAERAH  
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**PT BANK PEMBANGUNAN DAERAH  
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For the years then ended  
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(Expressed in millions of Rupiah, unless otherwise stated)**

	Catatan/ Notes	31 Desember/ December 31, 2023	31 Desember/ December 31, 2022	
Penurunan neto kas dan setara kas		(3.639.247)	(969.621)	Decrease in cash and cash equivalents
Kas dan setara kas pada awal tahun		19.988.131	20.957.752	Cash and cash equivalents at beginning of year
Kas dan setara kas pada akhir tahun		<u>16.348.884</u>	<u>19.988.131</u>	Cash and cash equivalents at end of year
Kas dan setara kas terdiri dari:				Cash and cash equivalents consist of:
Kas	3	2.652.775	1.988.262	Cash
Giro pada Bank Indonesia	4	7.971.412	10.786.740	Current accounts with Bank Indonesia
Giro pada bank lain	5	491.330	303.129	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain (jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehan)	6	5.233.367	6.910.000	Placements with Bank Indonesia and other banks (maturity within three months or less since the acquisition date)
Jumlah kas dan setara kas		<u>16.348.884</u>	<u>19.988.131</u>	Total cash and cash equivalents



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**PT BANK PEMBANGUNAN DAERAH  
JAWA TIMUR Tbk  
NOTES TO THE FINANCIAL STATEMENTS  
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**1. UMUM**

**a. Pendirian Bank dan informasi umum**

PT Bank Pembangunan Daerah Jawa Timur Tbk ("Bank") didirikan dengan nama PT Bank Pembangunan Daerah Djawa Timur pada tanggal 17 Agustus 1961 dengan akta yang dibuat oleh Notaris Anwar Mahajudin, No.91 tanggal 17 Agustus 1961. Dengan adanya Undang-Undang No.13 tahun 1962 tentang Ketentuan Pokok Bank Pembangunan Daerah, yang mengharuskan Bank Pembangunan Daerah didirikan dengan Peraturan Pemerintah Daerah, maka Pemerintah Daerah Tingkat I Jawa Timur mengeluarkan Peraturan Daerah No.2 tahun 1976. Atas dasar peraturan daerah tersebut, nama PT Bank Pembangunan Daerah Djawa Timur diubah menjadi Bank Pembangunan Daerah Jawa Timur.

Peraturan Pemerintah Daerah tersebut disahkan oleh Menteri Dalam Negeri dalam Surat Keputusan No.Pem.10/5/26-18 tanggal 31 Januari 1977 dan diumumkan dalam Lembaran Daerah Propinsi Daerah Tingkat I Jawa Timur Tahun 1977 Seri C No.l/c tanggal 1 Februari 1977. Peraturan Daerah tersebut mengalami beberapa kali perubahan, dan yang terakhir diubah dengan Peraturan Daerah No.11 tahun 1996 tanggal 30 Desember 1996 yang disahkan oleh Menteri Dalam Negeri dengan Surat Keputusan No.584.35-280 tanggal 21 April 1997. Dengan pengesahan Peraturan Daerah No.1 tahun 1999 oleh DPRD Propinsi Jawa Timur tanggal 20 Maret 1999, dan oleh Menteri Dalam Negeri dengan Surat Keputusan No.584.35-317 tanggal 14 April 1999, maka bentuk hukum Bank Pembangunan Daerah Jawa Timur diubah dari Perusahaan Daerah menjadi Perseroan Terbatas.

Perubahan status bentuk hukum tersebut sesuai dengan akta No.1 tanggal 1 Mei 1999 yang dibuat oleh Notaris R. Sonny Hidayat Julistyo, S.H., dan telah disahkan oleh Menteri Kehakiman Republik Indonesia dengan Surat Keputusan No.C2.8227.HT.01.01.TH.99 tanggal 5 Mei 1999 serta diumumkan dalam Lembaran Berita Negara Republik Indonesia tanggal 25 Mei 1999 No.42, Tambahan Berita Negara Republik Indonesia No.3008/1999.

**1. GENERAL**

**a. Establishment of the Bank and general information**

PT Bank Pembangunan Daerah Jawa Timur Tbk (the "Bank") was established under the name of PT Bank Pembangunan Daerah Djawa Timur based on the notarial deed No.91 dated August 17, 1961 of Anwar Mahajudin. Pursuant to Law No.13 year 1962 regarding the Basic Terms for Regional Development Banks, which require that the establishment of Regional Development Banks be based on Municipal District Regulations, therefore the Municipal District I of East Java issued Municipal District Regulation No.2 year 1976. Based on such Municipal District Regulation, the name of PT Bank Pembangunan Daerah Djawa Timur was changed to Bank Pembangunan Daerah Jawa Timur.

Such Municipal District Regulation was approved by the Minister of Internal Affairs under Decision Letter No.Pem.10/5/26-18 dated January 31, 1977 and published in the Municipal Gazette District I Province of East Java Year 1977 Series C No.l/c dated February 1, 1977. This Regulation has been amended several times, with the latest amendment being Municipal District Regulation No.11 year 1996, dated December 30, 1996, which was approved by the Minister of Domestic Affairs in Decision Letter No.584.35-280 dated April 21, 1997. Pursuant to the approval of Municipal District Regulation No.1 year 1999 by the Regional Legislative Assembly of East Java dated March 20, 1999 and by the Minister of Domestic Affairs in Decision Letter No.584.35-317 dated April 14, 1999, the legal status of the Bank was changed from a Regional Corporation to a Limited Liability Company.

This change in status of legal form was based on the notarial deed No.1 dated May 1, 1999 of R. Sonny Hidayat Julistyo, S.H., which has been approved by the Minister of Justice of the Republic of Indonesia in Decision Letter No.C2.8227.HT.01.01. TH.99 dated May 5, 1999 and was published in the State Gazette of the Republic of Indonesia No.42, dated May 25, 1999 in Supplement of the Republic of Indonesia No.3008/1999.

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**1. UMUM (lanjutan)**

**a. Pendirian Bank dan informasi umum (lanjutan)**

Seiring dengan perkembangan perekonomian dan dalam rangka memenuhi persyaratan sebagai Bank Pembangunan Daerah (BPD) *Regional Champion* yang salah satu parameternya adalah untuk memperkuat permodalan, maka dilakukan perubahan Anggaran Dasar Bank berdasarkan akta No.89 tanggal 25 April 2012 yang dibuat oleh Notaris Fathiah Helmi, S.H., di Jakarta yang telah memperoleh persetujuan dari Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Keputusan No.AHU-22728.AH.01.02. Tahun 2012 tanggal 30 April 2012, telah didaftarkan dalam Daftar Perseroan sesuai dengan Undang Undang Perseroan Terbatas dengan No.AHU-0038044.AH.01.09 Tahun 2012 tanggal 30 April 2012 serta berdasarkan Surat Keputusan Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK) tanggal 29 November 2012 dinyatakan efektif untuk pernyataan pendaftaran dan berubah nama menjadi PT Bank Pembangunan Daerah Jawa Timur Tbk.

Selanjutnya, Anggaran Dasar tersebut telah mengalami perubahan melalui akta No.23 tanggal 8 April 2015 yang dibuat oleh Notaris Bambang Heru Djuwito, S.H., Notaris di Surabaya, dan telah terdaftar di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No.AHU-AH.01.03-0927646 tanggal 27 April 2015. Perubahan selanjutnya melalui akta No.55 tanggal 22 April 2020 yang dibuat oleh Notaris Sitaesmi Puspawati Subianto, S.H., Notaris di Surabaya, dan telah terdaftar di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No.AHU-AH.01.03-0197642 tanggal 23 April 2020. Perubahan terakhir melalui akta No.95 tanggal 31 Mei 2021 yang dibuat oleh Notaris Sitaesmi Puspawati Subianto, S.H., Notaris di Surabaya, dan telah terdaftar di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No.AHU-AH.01.03-0387989 tanggal 21 Juni 2021.

Bank mulai melakukan kegiatan operasional sesuai Surat Keputusan Menteri Keuangan Republik Indonesia No.BUM 9-4-5 pada tanggal 15 Agustus 1961. Sedangkan Unit Usaha Syariah (UUS) dibentuk dan mulai beroperasi sejak tanggal 21 Agustus 2007 sesuai dengan surat Persetujuan Prinsip Pendirian UUS dari Bank Indonesia No.9/75/DS/Sb tanggal 4 April 2007.

**1. GENERAL (continued)**

**a. Establishment of the Bank and general information (continued)**

*In line with the economic growth and to comply with the requirement to be Regional Champion BPD, with one of the indicators is to strengthen the capital structure, an amendment of Article of Associations was taken based on Extraordinary General Meetings of Shareholders Decision Deeds No.89 dated April 25, 2012 of Fathiah Helmi, S.H., Notary in Jakarta and granted approval from Ministry of Law and Human Rights based on decree No.AHU-22728.AH.01.02. Year 2012 dated April 30, 2012, registered on the Company list according to Limited Company Law with registration No.AHU-0038044.AH.01.09 Year 2012 dated April 30, 2012, as well as by Decision Letter of the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) dated November 29, 2012 that declared effective registration statement to become a public company and changed its name to PT Bank Pembangunan Daerah Jawa Timur Tbk.*

*Hereinafter, the Articles of Associations has been amended No.23 dated April 8, 2015 made by Bambang Heru Djuwito, S.H., Notary in Surabaya and has been registered on the Ministry of Law and Human Rights of the Republic of Indonesia No.AHU-AH.01.03-0927646 dated April 27, 2015. The next deed No.55 dated April 22, 2020 made by Sitaesmi Puspawati Subianto, S.H., Notary in Surabaya and has been registered on the Ministry of Law and Human Rights of the Republic Indonesia No.AHU-AH.01.03-0197642 dated April 23, 2020. The latest deed No.95 dated May 31, 2021 made by Sitaesmi Puspawati Subianto, S.H., Notary in Surabaya and has been registered on the Ministry of Law and Human Rights of the Republic Indonesia No.AHU-AH.01.03-0387989 dated June 21, 2021.*

*The Bank started its commercial operations in accordance with the Decision Letter of the Minister of Finance of the Republic of Indonesia No.BUM 9-4-5 on August 15, 1961. The Sharia Operating Unit started its commercial operations on August 21, 2007 in accordance with the approval letter from Bank Indonesia No.9/75/DS/Sb dated April 4, 2007 for the establishment of the Bank's Sharia Operating Unit.*

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**1. UMUM (lanjutan)**

**a. Pendirian Bank dan informasi umum (lanjutan)**

Entitas induk terakhir dari Bank adalah Pemerintah Propinsi Jawa Timur. Bank memperoleh ijin untuk beroperasi sebagai bank devisa berdasarkan Surat Keputusan Direksi Bank Indonesia (BI) No.23/28/KEP/DIR tanggal 2 Agustus 1990.

Sesuai dengan pasal 3 Anggaran Dasar Bank tersebut, ruang lingkup kegiatan Bank adalah menjalankan kegiatan usaha di bidang perbankan, termasuk perbankan berdasarkan prinsip Syariah serta kegiatan perbankan lainnya yang lazim sesuai dengan peraturan perundang-undangan yang berlaku.

Tugas utama Bank adalah ikut mendorong pertumbuhan potensi ekonomi daerah melalui peran sertanya dalam mengembangkan sektor-sektor usaha kredit kecil dan menengah dalam rangka memperoleh laba yang optimal. Kegiatan utamanya yaitu menghimpun dan menyalurkan dana serta memberikan jasa-jasa perbankan lainnya.

**b. Penawaran umum perdana saham**

Berdasarkan Surat Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK) No.S-8143/BL/2012 tanggal 29 November 2012, pernyataan pendaftaran yang diajukan Bank dalam rangka Penawaran Umum Perdana saham kepada masyarakat sejumlah 2.983.537.000 saham Seri B, dengan nilai nominal sebesar Rp250 (Rupiah penuh) setiap saham dengan harga penawaran sebesar Rp430 per saham (Rupiah penuh) telah menjadi efektif pada tanggal 29 November 2012. Saham yang ditawarkan tersebut dicatatkan dan mulai diperdagangkan di Bursa Efek Indonesia pada tanggal 12 Juli 2012. Selisih lebih antara harga penawaran per saham dengan nilai nominal per saham dicatat sebagai "Tambahan modal disetor, setelah dikurangi dengan biaya emisi saham", yang disajikan pada bagian Ekuitas pada Laporan Posisi Keuangan.

Berkaitan dengan penawaran umum saham perdana, Bank akan mengimplementasikan program *Employee Stock Allocation* (ESA) dengan mengalokasikan saham sebanyak-banyaknya sebesar 10% dari jumlah penerbitan saham yang ditawarkan dan menerbitkan opsi saham untuk program *Management and Employee Stock Option Plan* (MESOP) sebanyak-banyaknya sebesar 0,71% dari jumlah modal ditempatkan dan disetor penuh setelah penawaran umum perdana saham.

**1. GENERAL (continued)**

**a. Establishment of the Bank and general information (continued)**

*The ultimate parent of the Bank is the Government of East Java Province.*

*The Bank obtained a license to operate as foreign exchange bank based on the decision letter No.23/28/KEP/DIR of the Board of Director of Bank Indonesia (BI) dated August 2, 1990.*

*In accordance with article 3 of the Bank's Articles of Association, the Bank's scope of activities is to engage in general banking services, including banking activities based on Sharia principles and other banking activities in accordance with the prevailing laws and regulations.*

*The main role of the Bank is to participate in developing regional economic growth by providing facilities to small and medium scale businesses to achieve appropriate profit levels. Its main activities involve collecting and lending funds and rendering other banking services.*

**b. Initial public offering (IPO)**

*Based on letter No.S-8143/BL/2012 of the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) dated November 29, 2012, the registration statement submitted by the Bank relating to the Initial Public Offering of 2,983,537,000 Series B shares at Rp250 (full Rupiah) per share with selling price of Rp430 (full Rupiah) per share became effective on November 29, 2012. The shares which were offered to the public, were listed and traded on the Indonesia Stock Exchange on July 12, 2012. The excess of the share offer price over the par value per share was recognized as "Other paid-in capital - net of share issuance cost", which is presented under the Equity section of the Statement of Financial Position.*

*In relation to the Initial Public Offering of the shares, the Bank will implement Employee Stock Allocation (ESA) program by allocating maximum of 10% of the newly issued shares and issued Management and Employee Stock Option Plan (MESOP) program with maximum of 0.71% of the issued and paid-up shares after Initial Public Offering.*

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**1. UMUM (lanjutan)**

**b. Penawaran umum perdana saham (lanjutan)**

Program MESOP Tahap I Periode Tahun 2016 telah dilaksanakan dari tanggal 1 Agustus 2016 sampai dengan 13 November 2016, tanggal 1 Februari 2017 sampai dengan 13 Maret 2017, tanggal 1 Agustus 2017 sampai dengan 13 November 2017, tanggal 1 Februari 2018 sampai dengan 15 Maret 2018, tanggal 1 Agustus 2019 sampai dengan 11 September 2019. Program MESOP Tahap II Periode Tahun 2017 telah dilaksanakan dari tanggal 1 Agustus 2017 sampai dengan 13 November 2017, tanggal 1 Februari 2018 sampai dengan 15 Maret 2018, tanggal 1 Februari 2019 sampai dengan 18 Maret 2019, tanggal 1 Agustus 2019 sampai dengan 11 September 2019. Program MESOP Tahap III telah dilaksanakan tanggal 1 Agustus 2018 sampai dengan 14 September 2018, tanggal 1 Februari 2019 sampai 18 Maret 2019, tanggal 1 Agustus 2019 sampai dengan 11 September 2019.

**c. Manajemen eksekutif**

Susunan Dewan Komisaris dan Direksi Bank sesuai dengan Akta Rapat Umum Pemegang Saham No.25 tanggal 12 April 2023 dan Akta Rapat Umum Pemegang Saham Luar Biasa No.23 tanggal 7 Desember 2022 dari notaris Sitaresmi Puspawati Subianto, S.H. adalah sebagai berikut:

**1. GENERAL (continued)**

**b. Initial public offering (IPO) (continued)**

The MESOP Program Period 2016 Phase I has been implemented from August 1, 2016 to November 13, 2016, February 1, 2017 to March 13, 2017, August 1, 2017 to November 13, 2017, February 1, 2018 to March 15, 2018, August 1, 2019 to September 11, 2019. The MESOP Program Period 2017 Phase II has been implemented from August 1, 2017 to November 13, 2017, February 1, 2018 to March 15, 2018, February 1, 2019 to March 18, 2019, August 1, 2019 to September 11, 2019. The MESOP Program Phase III has been implemented from August 1, 2018 to September 14, 2018, February 1, 2019 to March 18, 2019, August 1, 2019 to September 11, 2019.

**c. Executive management**

The composition of the Bank's Board of Commissioners and Directors in accordance with the General Meeting of Shareholders No.25 dated April 12, 2023 and the Extraordinary General Meeting of Shareholders No.23 dated December 7, 2022 of notary Sitaresmi Puspawati Subianto, S.H. are as follows:

**2023**

**Dewan Komisaris**

Komisaris Utama  
Komisaris  
Komisaris Independen  
Komisaris Independen  
Komisaris Independen

Suprajarto \*)  
Adhy Karyono  
Candra Fajri Ananda  
Muhammad Mas'ud  
Sumaryono

**Board of Commissioners**

President Commissioner  
Commissioner  
Independent Commissioner  
Independent Commissioner  
Independent Commissioner

**Direksi**

Direktur Utama  
Direktur Operasi  
Direktur Mikro, Ritel dan Menengah  
Direktur Teknologi Informasi dan Digital  
Direktur Kepatuhan  
Direktur Manajemen Risiko  
Direktur Keuangan, Treasury dan Global Service

Busrul Iman  
Arif Suhirman  
R. Arief Wicaksono  
Zulhelfi Abidin  
Tonny Prasetyo  
Eko Susetyono  
Edi Masrianto

**Board of Directors**

President Director  
Operation Director  
Micro, Retail and Medium Director  
Information Technology and Digital Director  
Compliance Director  
Risk Management Director  
Finance, Treasury and Global Service Director

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**1. UMUM (lanjutan)**

**c. Manajemen eksekutif (lanjutan)**

**Dewan Komisaris**

Komisaris Utama  
Komisaris  
Komisaris Independen  
Komisaris Independen  
Komisaris Independen

**Direksi**

Direktur Utama  
Direktur Operasi  
Direktur Mikro, Ritel dan Menengah  
Direktur Teknologi Informasi dan *Digital*  
Direktur Kepatuhan  
Direktur Manajemen Risiko  
Direktur Keuangan, *Treasury* dan *Global Service*

<sup>\*)</sup> meninggal dunia tanggal 19 Desember 2023.

<sup>\*\*)</sup> ditunjuk sebagai pengganti sementara Direktur Kepatuhan, sehingga jabatan Direktur Operasi sementara dilepaskan untuk memenuhi aspek independensi.

<sup>\*\*\*)</sup> ditunjuk untuk merangkap sebagai Direktur Operasi.

Hal tersebut sesuai dengan Surat Keputusan Dewan Komisaris No.061/10/DKM/KEP tanggal 13 Desember 2022 dan telah dicatat dalam administrasi pengawasan OJK berdasarkan surat No.S-4/KR.0413/2023 tanggal 4 Januari 2023.

Susunan Komite Audit adalah sebagai berikut:

	<b>2023</b>
Ketua	Sumaryono
Anggota	Muhammad Mas'ud
Anggota	Kusnadi
Anggota	Moch. Arifin

Susunan Komite Pemantau Risiko adalah sebagai berikut:

	<b>2023</b>
Ketua	Sumaryono
Anggota	Muhammad Mas'ud
Anggota	Sulam Andjar Rochim
Anggota	-
Anggota	-

Susunan Komite Remunerasi dan Nominasi adalah sebagai berikut:

	<b>2023</b>
Ketua	Muhammad Mas'ud
Anggota	Adhy Karyono
Anggota	Sumaryono
Anggota	Slamet Purwanto
Anggota	-
Anggota	-

Susunan Komite Audit, Komite Pemantau Risiko, dan Komite Remunerasi dan Nominasi sesuai dengan Surat Keputusan No.062/105/DIR/HCP/KEP tanggal 29 Desember 2023.

**1. GENERAL (continued)**

**c. Executive management (continued)**

**2022**

**Board of Commissioners**

President Commissioner  
Commissioner  
Independent Commissioner  
Independent Commissioner  
Independent Commissioner

**Board of Directors**

President Director  
Operation Director  
Micro, Retail and Medium Director  
Information Technology and Digital Director  
Compliance Director  
Risk Management Director  
Finance, Treasury and Global Service Director

<sup>\*)</sup> passed away December 19, 2023.

<sup>\*\*)</sup> appointed as a temporary substitute Compliance Director, so that the position of Operation Director was temporarily released to fulfill the independence aspect.

<sup>\*\*\*)</sup> appointed concurrently as the Operation Director.

This is in accordance with the Decree of the Board of Commissioners No.061/10/DKM/KEP dated December 13, 2022 and has been recorded in the OJK supervision administration based on letter No.S-4/KR.0413/2023 dated January 4, 2023.

The composition of the Audit Committee are as follows:

	<b>2022</b>	
	Sumaryono	Chairman
	Muhammad Mas'ud	Member
	Candra Fajri Ananda	Member
	Kusnadi	Member

The composition of the Risk Monitoring Committee are as follows:

	<b>2022</b>	
	Candra Fajri Ananda	Chairman
	Muhammad Mas'ud	Member
	Sumaryono	Member
	Sulam Andjar Rochim	Member
	Moch. Arifin	Member

The composition of the Remuneration and Nomination Committee are as follows:

	<b>2022</b>	
	Muhammad Mas'ud	Chairman
	Suprajarto	Member
	Candra Fajri Ananda	Member
	Sumaryono	Member
	Heru Tjahyono	Member
	Revi Adiana S.	Member

The composition of the Audit Committee, the Risk Monitoring Committee, and the Remuneration and Nomination Committee accordance to Decision Letter No.062/105/DIR/HCP/KEP dated December 29, 2023.

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**1. UMUM (lanjutan)**

**c. Manajemen eksekutif (lanjutan)**

Susunan Internal Audit pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

	2023
Pemimpin Divisi	Wardhana Suryaatmaja
Pemimpin Sub Divisi	R. Sonny Soelaksono
Pemimpin Sub Divisi	Agung Setya Nugroho
Pemimpin Sub Divisi	-

Sekretaris Perusahaan pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

	2023
Pemimpin Divisi	Wioga Adhiarma Aji
Pemimpin Sub Divisi	Bambang Supriadi
Pemimpin Sub Divisi	Derry Widya Ariyata
Pemimpin Sub Divisi	Lestari Nur Imani

Susunan Dewan Pengawas Syariah Bank pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

	2023
Ketua	Afifuddin Muhajir
Anggota	-

Pada tanggal 31 Desember 2023 dan 2022, Bank memiliki karyawan tetap masing-masing sebanyak 4.219 dan 4.385 orang (tidak diaudit).

**d. Jaringan kantor**

Pada tanggal 31 Desember 2023, Bank memiliki 41 kantor cabang konvensional termasuk 1 Unit Usaha Syariah (UUS) yang mempunyai 7 cabang Syariah serta 163 kantor cabang pembantu konvensional, 10 kantor cabang pembantu Syariah, 212 kantor fungsional konvensional, 4 kantor fungsional Syariah, 196 kantor layanan Syariah, 828 ATM (Automated Teller Machine), 26 ATM Syariah (Sharia Automated Teller Machine), 84 CRM (Cash Recycling Machine) konvensional, 10 CRM (Cash Recycling Machine) Syariah di Indonesia.

Pada tanggal 31 Desember 2022, Bank memiliki 41 kantor cabang konvensional termasuk 1 Unit Usaha Syariah (UUS) yang mempunyai 7 cabang Syariah serta 162 kantor cabang pembantu konvensional, 10 kantor cabang pembantu Syariah, 212 kantor fungsional konvensional, 3 kantor fungsional Syariah, 195 kantor layanan Syariah, 815 ATM (Automated Teller Machine), 26 ATM Syariah (Sharia Automated Teller Machine), 58 CRM (Cash Recycling Machine) konvensional, 7 CRM (Cash Recycling Machine) Syariah di Indonesia.

**1. GENERAL (continued)**

**c. Executive management (continued)**

The composition of the Internal Audit as of December 31, 2023 and 2022 are as follows:

	2022	
Ratna Hastutik		Division Head
M. Muad		Sub Division Head
R. Sonny Soelaksono		Sub Division Head
-		Sub Division Head

The Corporate Secretary as of December 31, 2023 and 2022 are as follows:

	2022	
Budi Sumarsono		Division Head
Bambang Supriadi		Sub Division Head
Derry Widya Ariyata		Sub Division Head
Lestari Nur Imani		Sub Division Head

The composition of the Sharia Supervisory Board as of December 31, 2023 and 2022 are as follows:

	2022	
Afifuddin Muhajir		Division Head
Sa'ad Ibrahim		Sub Division Head

As of December 31, 2023 and, 2022, the Bank has 4,219 and 4,385 permanent employees, respectively (unaudited).

**d. Office network**

As of December 31, 2023, the Bank has 41 branches including 1 Sharia Operating Unit (UUS) which has 7 Sharia branches and 163 conventional sub-branches, 10 Sharia sub-branches, 212 conventional functional offices, 4 Sharia functional office, 196 Sharia service offices, 828 ATMs (Automated Teller Machines), 26 ATMs Sharia (Sharia Automated Teller Machines), 84 CRM (Cash Recycling Machines) conventional, 10 CRM (Cash Recycling Machines) Sharia located in Indonesia.

As of December 31, 2022, the Bank has 41 branches including 1 Sharia Operating Unit (UUS) which has 7 Sharia branches and 162 conventional sub-branches, 10 Sharia sub-branches, 212 conventional functional offices, 3 Sharia functional office, 195 Sharia service offices, 815 ATMs (Automated Teller Machines), 26 ATMs Sharia (Sharia Automated Teller Machines), 58 CRM (Cash Recycling Machines) conventional, 7 CRM (Cash Recycling Machines) Sharia located in Indonesia.

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**1. UMUM (lanjutan)**

**d. Jaringan kantor (lanjutan)**

Bank mengklasifikasikan kantor cabang menjadi kantor cabang utama, kantor cabang khusus, kantor cabang kelas I, kantor cabang kelas II dan kantor cabang kelas III. Masing-masing cabang mempunyai kantor cabang pembantu dan/atau kantor kas dan/atau *payment point*.

**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL**

Kebijakan akuntansi utama yang ditetapkan dalam penyusunan laporan keuangan Bank adalah sebagaimana diuraikan di bawah ini:

**a. Basis penyusunan laporan keuangan**

**Pernyataan kepatuhan**

Laporan keuangan pada tanggal 31 Desember 2023 dan 2022 disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan (SAK) di Indonesia, yang meliputi Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan-Ikatan Akuntan Indonesia (DSAK-IAI) dan Peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam-LK) No. VIII.G.7 yang terlampir dalam Keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tanggal 25 Juni 2012 tentang "Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik".

Informasi keuangan UUS Bank disajikan sesuai dengan PSAK 101, "Penyajian Laporan Keuangan Syariah", PSAK 102, "Akuntansi Murabahah", PSAK 103, "Akuntansi Salam", PSAK 104, "Akuntansi Istishna", PSAK 105, "Akuntansi Mudharabah", PSAK 106, "Akuntansi Musyarakah", dan PSAK 107, "Akuntansi Ijarah" yang menggantikan PSAK 59 tentang "Akuntansi Perbankan Syariah" yang berkaitan dengan pengakuan, pengukuran, penyajian dan pengungkapan untuk topik tersebut, PSAK 110 "Akuntansi Sukuk", PSAK 111 "Akuntansi Wa'd" dan PSAK lain selama tidak bertentangan dengan prinsip syariah dan Pedoman Akuntansi Perbankan Syariah Indonesia (PAPSI) yang diterbitkan oleh Bank Indonesia dan IAI.

Laporan keuangan telah disajikan berdasarkan nilai historis, kecuali disebutkan lain dan disusun dengan dasar akrual (kecuali bagi hasil dari pembiayaan *mudharabah* dan *musyarakah*).

**1. GENERAL (continued)**

**d. Office network (continued)**

The Bank classifies its branch offices into main branches, special branches, first-class branches, second-class branches and third-class branches. Each branch has sub-branches and/or cash offices and/or payment points.

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES**

The principal accounting policies adopted in preparing the financial statements of the Bank are set out below:

**a. Basis of preparation of the financial statements**

**Statement of compliance**

The financial statements as of December 31 2023 and 2022 have been prepared and presented in accordance with Financial Accounting Standards (SAK) and Statements of Financial Accounting Standards (PSAK) and Interpretation of Financial Accounting Standards (ISAK) issued by the Financial Accounting Standard Board of the Institute of Indonesia Chartered Accountants and the Regulation of Capital Market and Financial Institution Supervisor Board (Bapepam-LK) No. VIII.G.7 in the Decree of Chairman of Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012 regarding "Presentation and Disclosure of Financial Statements of the Issuer or Public Company".

The financial information of UUS have been prepared in conformity with PSAK 101, "Sharia Financial Statements Presentation", PSAK 102, "Accounting for Murabahah", PSAK 103, "Accounting for Salam", PSAK 104, "Accounting for Istishna", PSAK 105, "Accounting for Mudharabah", PSAK 106, "Accounting for Musyarakah" and PSAK 107, "Accounting for Ijarah" which replaces PSAK 59, "Accounting for Sharia Banking", associated with recognition, measurement, presentation and disclosure for the respective topics, PSAK 110 "Accounting for Sukuk", PSAK 111 "Accounting for Wa'd" and other PSAK, as long as not contradict with sharia principles and Accounting Guidelines for Indonesian Sharia Banks (PAPSI) issued by Bank Indonesia and IAI.

The financial statements have been prepared on a historical cost basis, unless otherwise stated, and under the accrual basis of accounting (except for profit sharing for *mudharabah* and *musyarakah* financing).

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**a. Basis penyusunan laporan keuangan (lanjutan)**

**Pernyataan kepatuhan (lanjutan)**

Laporan arus kas disusun dengan menggunakan metode langsung dan dikelompokkan atas dasar aktivitas operasi, investasi dan pendanaan. Untuk tujuan laporan arus kas, yang termasuk kas dan setara kas terdiri dari kas, giro pada Bank Indonesia dan bank lain, penempatan pada Bank Indonesia dan bank lain dan Fasilitas Simpanan Bank Indonesia, yang jatuh tempo dalam waktu 3 (tiga) bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

**Mata uang fungsional dan penyajian**

Laporan keuangan disajikan dalam mata uang Rupiah, yang merupakan mata uang fungsional Bank. Angka-angka yang disajikan dalam laporan keuangan, kecuali bila dinyatakan secara khusus, adalah dibulatkan dalam jutaan Rupiah.

**b. Transaksi dan saldo dalam mata uang asing**

Transaksi dalam mata uang asing dijabarkan ke mata uang rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi. Pada tanggal laporan posisi keuangan, aset dan liabilitas moneter dalam mata uang asing dijabarkan dengan menggunakan kurs yang berlaku pada tanggal laporan posisi keuangan.

Keuntungan dan kerugian selisih kurs yang timbul dari transaksi dalam mata uang asing dan dari penjabaran aset dan liabilitas moneter dalam mata uang asing diakui dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Laba atau rugi kurs valuta asing atas aset dan liabilitas moneter merupakan selisih antara biaya perolehan diamortisasi dalam Rupiah pada awal tahun, disesuaikan dengan tingkat suku bunga efektif dan pembayaran selama tahun berjalan, dan biaya perolehan diamortisasi dalam valuta asing yang dijabarkan ke dalam Rupiah dengan menggunakan kurs pada akhir tahun.

Aset dan liabilitas non-moneter dalam mata uang asing dijabarkan dengan menggunakan kurs pada tanggal transaksi.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**a. Basis of preparation of the financial  
statements (continued)**

**Statement of compliance (continued)**

The statements of cash flows have been prepared based on the direct method and have been classified on the basis of operating, investing and financing activities. For the purpose of the statements of cash flows, cash and cash equivalents consist of cash, current accounts with Bank Indonesia and other banks, placements with Bank Indonesia and other banks and Bank Indonesia Deposits Facility maturing within 3 (three) months from the acquisition date, and not used as collateral for borrowing and not for restricted in use.

**Functional and presentation currency**

The financial statements are presented in Rupiah, which is the functional currency of the Bank. Unless otherwise stated, all figures presented in the financial statements are rounded off to millions of Rupiah.

**b. Transaction and balances in foreign currency**

Transactions denominated in foreign currencies are converted into rupiah at the exchange rates prevailing at the dates of the transactions. At the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at such date.

Exchange gains and losses arising from transactions denominated in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and other comprehensive income for the current year.

The foreign currency gains or losses on monetary assets and liabilities are the difference between amortized cost in Rupiah at the beginning of the year, adjusted for effective interest rate and payments during the year, and the amortized cost in foreign currency translated into Rupiah using the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates prevailing at the transaction date.



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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**b. Transaksi dan saldo dalam mata uang asing  
(lanjutan)**

Berikut ini adalah kurs mata uang asing utama yang digunakan untuk penjabaran dalam rupiah pada 31 Desember 2023 dan 2022 yang menggunakan kurs tengah berdasarkan Reuters (pukul 16.00 Waktu Indonesia Barat) (dalam Rupiah penuh).

	2023	2022
1 Poundsterling Inggris Raya	19.626	18.786
1 Euro	17.038	16.582
1 Dolar Amerika Serikat	15.397	15.568
1 Dolar Singapura	11.676	11.593
1 Dolar Australia	10.521	10.558
1 Riyal Saudi Arabia	4.106	4.139
1 Ringgit Malaysia	3.355	3.534
1 Yuan China Renminbi	2.170	2.239
1 Dolar Hong Kong	1.970	1.997
100 Yen Jepang	10.888	11.800

**c. Perubahan pada pernyataan standar akuntansi keuangan dan interpretasi atas Pernyataan Standar Akuntansi Keuangan**

Pada tanggal 1 Januari 2023, terdapat standar baru dan penyesuaian atau amendemen terhadap beberapa standar yang masih berlaku dan berlaku efektif sejak tanggal tersebut yaitu sebagai berikut:

- Amendemen PSAK 1, "Penyajian Laporan Keuangan tentang Klasifikasi Liabilitas sebagai Jangka Pendek atau Jangka Panjang", penerapan lebih awal diizinkan. Amendemen menentukan persyaratan untuk mengklasifikasikan kewajiban sebagai lancar atau tidak lancar.
- Amendemen PSAK 25, "Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan", penerapan lebih awal diizinkan. Amendemen PSAK 25 memberi definisi baru dari estimasi akuntansi dan penjelasannya.
- Amendemen PSAK 46, "Pajak Penghasilan" tentang Pajak Tangguhan terkait Aset dan Liabilitas yang timbul dari Transaksi Tunggal, penerapan lebih awal diizinkan. Amendemen PSAK 46 ini mengusulkan agar entitas mengakui aset maupun liabilitas pajak tangguhan pada saat pengakuan awalnya misalnya dari transaksi sewa, untuk menghilangkan perbedaan praktik di lapangan atas transaksi tersebut dan transaksi serupa.

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**b. Transaction and balances in foreign currency (continued)**

Below are the major exchange rates used for translation into rupiah as of December 31, 2023 and 2022 using the middle rates based on Reuters (at 16.00 hours Western Indonesian Time) (in full amount).

	2023	2022	
1 Poundsterling	19.626	18.786	Great Britain Poundsterling 1/Rp
1 Euro	17.038	16.582	Euro 1/Rp
1 Dolar Amerika Serikat	15.397	15.568	United States Dollar 1/Rp
1 Dolar Singapura	11.676	11.593	Singapore Dollar 1/Rp
1 Dolar Australia	10.521	10.558	Australian Dollar 1/Rp
1 Riyal Saudi Arabia	4.106	4.139	Saudi Arabian Riyal 1/Rp
1 Ringgit Malaysia	3.355	3.534	Malaysian Ringgit 1/Rp
1 Yuan China Renminbi	2.170	2.239	Chinese Yuan Renminbi 1/Rp
1 Dolar Hong Kong	1.970	1.997	Hong Kong Dollar 1/Rp
100 Yen Jepang	10.888	11.800	Japanese Yen 100/Rp

**c. Changes to the statements of financial accounting standard and interpretations of the Statements of Financial Accounting Standard**

On 1 January, 2023 there were new standards and adjustments or amendments for several prevailing standards and effective since that date, as follows:

- Amendment to PSAK 1, "Presentation of Financial Statements concerning Classification of Liabilities as Short-Term or Long-Term", earlier application is permitted. The amendments specify the requirement to classify liabilities as current or non-current.
- Amendment to PSAK 25, "Accounting Policies, Changes in Accounting Estimates and Error", earlier application is permitted. Amendments to PSAK 25 provide a new definition of accounting estimate and an explanation.
- Amendments to PSAK 46, "Income Taxes" regarding Deferred Tax on Assets and Liabilities arising from a Single Transaction, earlier application is permitted. This amendment to PSAK 46 proposes that entities recognize deferred tax assets and liabilities upon initial recognition, for example from lease transactions, to eliminate differences in practice in the field for such transactions and similar transactions.

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**c. Perubahan pada pernyataan standar akuntansi keuangan dan interpretasi atas Pernyataan Standar Akuntansi Keuangan (lanjutan)**

Implementasi dari standar-standar tersebut tidak menghasilkan perubahan substansial terhadap kebijakan akuntansi Bank dan tidak memiliki dampak yang material terhadap laporan keuangan di periode berjalan atau tahun sebelumnya.

**d. Aset dan liabilitas keuangan**

Aset keuangan Bank terutama terdiri dari kas, giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, surat berharga, surat berharga yang dijual dengan janji dibeli kembali, surat berharga yang dibeli dengan janji dijual kembali, tagihan lainnya, kredit yang diberikan dan pembiayaan syariah dan pendapatan bunga yang masih akan diterima.

Sesuai PSAK 71, terdapat 3 (tiga) klasifikasi pengukuran aset keuangan yaitu biaya perolehan diamortisasi, diukur pada nilai wajar melalui laba rugi (FVTPL) dan diukur pada nilai wajar melalui pendapatan komprehensif lainnya (FVOCI).

Aset keuangan diklasifikasikan menjadi kategori tersebut di atas berdasarkan model bisnis dimana aset keuangan tersebut dimiliki dan karakteristik arus kas kontraktualnya. Model bisnis merefleksikan bagaimana kelompok aset keuangan dikelola untuk mencapai tujuan bisnis tertentu.

Liabilitas keuangan Bank terutama terdiri dari simpanan dari nasabah, simpanan dari bank lain, liabilitas surat berharga yang dijual dengan janji dibeli kembali dan pinjaman yang diterima.

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**c. Changes to the statements of financial accounting standard and interpretations of the Statements of Financial Accounting Standard (continued)**

The implementation of the above standards did not result in substantial changes to the Bank's accounting policies and had no material impact to the consolidated financial statements for current or prior financial periods.

**d. Financial assets and liabilities**

The Bank's financial assets mainly consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, marketable securities, marketable securities sold under repurchased agreement, marketable securities purchased under resale agreement (reverse repo), other receivables, loans and sharia financing and interest receivables.

In accordance with PSAK 71, there are 3 (three) measurement classifications for financial assets: amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI).

Financial assets are classified into these categories based on the business model within which they are held and their contractual cash flow characteristics. The business model reflects how group of financial assets are managed to achieve particular business objective.

The Bank's financial liabilities mainly consist of deposits from customers, deposits from other banks, liabilities of marketable securities sold under repurchase agreements and borrowings.

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**d. Aset dan liabilitas keuangan (lanjutan)**

**1) Klasifikasi**

Aset keuangan dapat diukur dengan biaya perolehan diamortisasi hanya jika memenuhi kedua kondisi berikut dan tidak ditetapkan sebagai FVTPL:

- Aset keuangan dikelola dalam model bisnis yang bertujuan untuk memiliki aset keuangan dalam rangka mendapatkan arus kas kontraktual; dan
- Persyaratan kontraktual dari aset keuangan tersebut memberikan hak pada tanggal tertentu atas arus kas yang diperoleh semata dari pembayaran pokok dan bunga (SPPI) dari jumlah pokok terutang.

Aset keuangan diklasifikasikan sebagai FVOCI jika memenuhi kondisi berikut:

- Aset keuangan dikelola dalam model bisnis yang bertujuan untuk mendapatkan arus kas kontraktual dan menjual aset keuangan; dan
- Persyaratan kontraktual dari aset keuangan tersebut memenuhi kriteria SPPI.

Aset keuangan lainnya yang tidak memenuhi persyaratan untuk diklasifikasikan sebagai aset keuangan yang diukur pada biaya perolehan diamortisasi atau FVOCI, diklasifikasikan sebagai FVTPL.

Aset keuangan tidak boleh direklasifikasi setelah pengakuan awal.

Liabilitas keuangan diklasifikasikan ke dalam kategori sebagai berikut pada saat pengakuan awal:

- Diukur pada nilai wajar melalui laba rugi, yang memiliki 2 (dua) sub-klasifikasi, yaitu liabilitas keuangan yang ditetapkan demikian pada saat pengakuan awal dan liabilitas keuangan dipersyaratkan diukur pada nilai wajar melalui laba rugi; dan
- Liabilitas keuangan lainnya merupakan liabilitas keuangan yang tidak dimiliki untuk dijual atau ditentukan sebagai nilai wajar melalui laba rugi saat pengakuan liabilitas.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**d. Financial assets and liabilities (continued)**

**1) Classification**

A financial asset is measured at amortized cost only if it meets both of the following conditions and is not designated as FVTPL:

- The financial assets are managed in a business model which objective is to hold the asset to obtain contractual cash flows; and
- Its contractual terms of the financial assets provide rights on a specified date for cash flows obtained solely from payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are classified as FVOCI if they meet the following condition:

- The financial assets are managed in a business model which objective is to obtain contractual cash flows and sell the financial asset; and
- The contractual requirements of the financial assets meet the SPPI criteria.

Financial assets that do not meet the requirements to be classified as financial assets measured at amortized cost or FVOCI, are classified as FVTPL.

Financial assets are not permitted to be reclassified subsequently to their initial recognition.

Financial liabilities are classified into the following categories on initial recognition:

- Fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial liabilities designated as such upon initial recognition and financial liabilities mandatorily classified as fair value through profit or loss; and
- Other financial liabilities pertain to financial liabilities that are not held for trading nor designated as at fair value through profit or loss upon recognition of the liability.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**d. Aset dan liabilitas keuangan (lanjutan)**

**2) Pengakuan dan pengukuran awal**

Semua aset atau liabilitas keuangan pada saat pengakuan awal diukur sebesar nilai wajarnya ditambah biaya transaksi, kecuali untuk aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi, dimana biaya transaksi diakui langsung dalam laba rugi.

Pembelian dan penjualan aset keuangan yang lazim (*regular*), diakui pada tanggal perdagangan dimana Bank memiliki komitmen untuk membeli atau menjual aset tersebut.

Semua aset dan liabilitas keuangan lainnya pada awalnya diakui pada tanggal perdagangan dimana Bank menjadi suatu pihak dalam ketentuan kontraktual instrumen tersebut.

Biaya transaksi hanya meliputi biaya-biaya yang dapat diatribusikan secara langsung untuk perolehan suatu aset keuangan atau penerbitan suatu liabilitas keuangan dan merupakan biaya tambahan yang tidak akan terjadi apabila instrumen keuangan tersebut tidak diperoleh atau diterbitkan. Untuk aset keuangan, biaya transaksi ditambahkan pada jumlah yang diakui pada awal pengakuan aset, sedangkan untuk liabilitas keuangan, biaya transaksi dikurangkan dari jumlah liabilitas yang diakui pada awal pengakuan liabilitas.

Biaya transaksi tersebut diamortisasi selama umur instrumen berdasarkan metode suku bunga efektif dan dicatat sebagai bagian dari pendapatan bunga untuk biaya transaksi sehubungan dengan aset keuangan atau sebagai bagian dari beban bunga untuk biaya transaksi sehubungan dengan liabilitas keuangan. Setelah pengakuan awal, Bank mengukur aset keuangan, sesuai dengan klasifikasi aset keuangan pada; (i) Biaya perolehan diamortisasi; (ii) Nilai wajar melalui penghasilan komprehensif lain; atau (iii) Nilai wajar melalui laba rugi.

Aset keuangan pada biaya perolehan diamortisasi diukur dengan menjumlahkan aset keuangan yang diukur saat pengakuan awal dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif menggunakan metode bunga efektif yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya dan disesuaikan dengan penyisihan kerugiannya.

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**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**d. Financial assets and liabilities (continued)**

**2) Recognition and initial measurement**

All financial assets or liabilities are measured initially at their fair value plus transaction costs, except for financial assets and financial liabilities measured at fair value through profit or loss, transaction costs are recognized directly in profit or loss.

Regular way purchases and sales of financial assets are recognized on the trade date at which the Bank commits to purchase or sell those assets.

All other financial assets and liabilities are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

Transaction costs include only those costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability and are incremental costs that would not have been incurred if the financial instruments had not been acquired or issued. In the case of financial assets, transaction costs are added to the amount recognized initially, while for financial liabilities, transaction costs are deducted from the amount of liability recognized initially.

Such transaction costs are amortized over the terms of the instruments based on the effective interest method and are recorded as part of interest income for transaction costs related to financial assets or interest expenses for transaction costs related to financial liabilities. After initial recognition, the Bank measures financial assets, according to the classification of financial assets at (i) amortized cost; (ii) Fair value through other comprehensive income; or (iii) Fair value through profit or loss.

Financial assets at amortized cost are measured by adding up the financial assets measured at initial recognition minus principal payments, added or reduced by cumulative amortization using the effective interest method calculated from the difference between the initial value and the maturity value and adjusted for the allowance for losses.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL (lanjutan)**

**d. Aset dan liabilitas keuangan (lanjutan)**

**2) Pengakuan dan pengukuran awal (lanjutan)**

Keuntungan atau kerugian akibat fluktuasi nilai wajar tidak diakui aset keuangan pada biaya perolehan diamortisasi.

Pendapatan bunga dihitung menggunakan metode bunga efektif yaitu dengan menerapkan suku bunga efektif atas jumlah tercatat bruto aset keuangan, kecuali untuk:

- a) aset keuangan yang dibeli atau yang berasal dari aset keuangan memburuk. Untuk aset keuangan tersebut, Bank menerapkan suku bunga efektif yang disesuaikan dengan kredit atas biaya perolehan diamortisasi aset keuangan sejak pengakuan awal.
- b) aset keuangan yang tidak dibeli atau yang berasal dari aset keuangan memburuk tetapi selanjutnya menjadi aset keuangan memburuk. Untuk aset keuangan tersebut, Bank menerapkan suku bunga efektif atas biaya perolehan diamortisasi aset keuangan di periode pelaporan selanjutnya.

Setelah pengakuan awal, Bank mengukur liabilitas keuangan, sesuai dengan klasifikasi aset keuangan pada: (i) Biaya perolehan diamortisasi; atau (ii) Nilai wajar melalui laba rugi.

Untuk liabilitas keuangan yang diukur pada laba rugi, keuntungan dan kerugian diakui pada laba rugi. Terdapat pengecualian pada kasus liabilitas keuangan ditetapkan sebagai FVTPL dimana perubahan risiko kredit liabilitas diakui pada penghasilan komprehensif lain dengan keuntungan dan kerugian lainnya diakui pada laba rugi.

Setelah pengakuan awal, liabilitas keuangan yang diukur pada FVTPL diukur pada nilai wajarnya. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar diakui dalam laba rugi.

**3) Penghentian pengakuan**

Bank menghentikan pengakuan aset keuangan pada saat hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut kadaluwarsa atau pada saat Bank mentransfer seluruh hak untuk menerima arus kas kontraktual dari aset keuangan dalam transaksi dimana Bank secara substansial telah mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan.

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**d. Financial assets and liabilities (continued)**

**2) Recognition and initial measurement (continued)**

Gains or losses due to fluctuations in fair value are not recognized financial assets at amortized cost.

Interest income is calculated using the effective interest method by applying an effective interest rate to the gross carrying amount of financial assets, except for:

- a) financial assets purchased or originating from financial assets deteriorate. For these financial assets, the Bank applies an effective interest rate adjusted by credit for the amortized cost of the financial assets from initial recognition.
- b) financial assets that are not purchased or that originate from financial assets deteriorate but subsequently become financial assets deteriorate. For these financial assets, the Bank applies an effective interest rate on the amortized cost of the financial assets in the next reporting period.

After initial recognition, the Bank measures financial liabilities, according to the classification of financial assets at: (i) Amortized cost; or (ii) Fair value through profit or loss.

For financial liabilities measured at profit or loss, gains and losses are recognized in profit or loss. There are exceptions in the case of financial liabilities designated as FVTPL where changes in credit liability risks are recognized in other comprehensive income with other gains and losses recognized in profit or loss.

After initial recognition, financial liabilities at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value are recognized in profit or loss.

**3) Derecognition**

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Bank transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

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**d. Aset dan liabilitas keuangan (lanjutan)**

**3) Penghentian pengakuan (lanjutan)**

Setiap hak atau kewajiban yang timbul atau yang masih dimiliki oleh Bank diakui sebagai aset atau liabilitas secara terpisah.

Bank menghentikan pengakuan liabilitas keuangan pada saat kewajiban yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluarsa.

Dalam transaksi dimana Bank secara substansial tidak memiliki atau tidak mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan, Bank menghentikan pengakuan aset tersebut jika Bank tidak lagi memiliki pengendalian atas aset tersebut. Hak dan kewajiban yang masih dimiliki dalam transfer tersebut diakui secara terpisah sebagai aset atau liabilitas. Dalam transfer dimana pengendalian atas aset masih dimiliki, Bank tetap mengakui aset yang ditransfer tersebut sebesar keterlibatan berkelanjutan Bank yang ditentukan dengan seberapa jauh Bank terekspos terhadap perubahan nilai aset yang ditransfer.

Bank menghapusbukukan aset keuangan dan cadangan kerugian penurunan nilai terkait pada saat Bank menentukan bahwa aset keuangan tersebut tidak dapat ditagih. Keputusan ini diambil setelah Bank melakukan berbagai upaya untuk memperoleh kembali aset keuangan tersebut serta mempertimbangkan informasi seperti telah terjadinya perubahan signifikan pada posisi keuangan debitur/penerbit aset keuangan sehingga debitur/penerbit aset keuangan tidak lagi dapat melunasi kewajibannya atau hasil penjualan agunan tidak akan cukup untuk melunasi seluruh eksposur yang diberikan.

**4) Saling hapus**

Aset keuangan dan liabilitas keuangan dapat saling hapus dan nilai bersihnya disajikan dalam laporan posisi keuangan jika, dan hanya jika, Bank memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

Pendapatan dan beban disajikan dalam jumlah bersih hanya jika diperkenankan oleh standar akuntansi.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**d. Financial assets and liabilities (continued)**

**3) Derecognition (continued)**

Any interest in transferred financial assets that is created or retained by the Bank is recognized as a separate asset or liability.

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

In transaction in which the Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the Bank derecognizes the asset if it does not retain control over the asset. The rights and obligations retained in the transfer are recognized separately as assets and liabilities as appropriate. In transfers in which control over the asset is retained, the Bank continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Bank writes off financial assets and any related allowance for impairment losses when the Bank determines that those financial assets are uncollectible. The decision is reached after Bank had undertaken various efforts to obtain back the financial asset as well as considering information such as the occurrence of significant changes in the financial position of borrower/financial asset issuer such that the borrower/financial asset issuer can no longer pay the obligation or that proceeds from collateral will not be sufficient to pay back the entire exposure.

**4) Offsetting**

Financial assets and financial liabilities are set off and the net amount is presented in the statement of financial position when, and only when, the Bank has a legally enforceable right to set off the amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by accounting standards.

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**d. Aset dan liabilitas keuangan (lanjutan)**

**5) Pengukuran biaya perolehan diamortisasi**

Biaya perolehan diamortisasi dari aset atau liabilitas keuangan adalah jumlah aset atau liabilitas keuangan yang diukur pada saat pengakuan awal, dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif dengan menggunakan metode suku bunga efektif yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dan untuk aset keuangan disesuaikan dengan cadangan kerugian kredit ekspektasian. Nilai tercatat bruto aset keuangan merupakan biaya perolehan diamortisasi aset keuangan sebelum disesuaikan dengan cadangan kerugian kredit ekspektasian.

Tingkat suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi arus kas di masa datang selama perkiraan umur dari aset keuangan atau liabilitas keuangan (atau jika lebih tepat, digunakan periode yang lebih singkat), atas nilai tercatat bruto aset keuangan (ketika aset tidak mengalami penurunan nilai) atau pada biaya perolehan diamortisasi untuk liabilitas keuangan. Pada saat menghitung tingkat suku bunga efektif, Bank mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh ketentuan kontraktual dalam instrumen keuangan tersebut (antara lain opsi pelunasan dipercepat), namun tidak mempertimbangkan kerugian kredit di masa mendatang. Untuk aset keuangan yang dibeli atau yang berasal dari aset keuangan memburuk, suku bunga efektif yang disesuaikan dengan risiko kredit dihitung dengan menggunakan arus kas di masa datang termasuk ECL.

Perhitungan suku bunga efektif mencakup biaya transaksi dan seluruh provisi yang dibayarkan atau diterima yang merupakan bagian tak terpisahkan dari suku bunga efektif.

**6) Pengukuran nilai wajar**

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur (*orderly transaction*) antara pelaku pasar (*market participants*) pada tanggal pengukuran di pasar utama atau, jika tidak terdapat pasar utama, di pasar yang paling menguntungkan dimana Bank memiliki akses pada tanggal tersebut. Nilai wajar liabilitas mencerminkan risiko wanprestasinya.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**d. Financial assets and liabilities (continued)**

**5) Amortized cost measurement**

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount and adjusted for any expected credit loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

The effective interest rate is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period), to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or to the amortized cost of the financial liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument (for example prepayment options), but does not consider any future credit losses. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and all fees paid or received that are an integral part of the effective interest rate.

**6) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**d. Aset dan liabilitas keuangan (lanjutan)**

**6) Pengukuran nilai wajar (lanjutan)**

Jika tersedia, Bank mengukur nilai wajar instrumen keuangan dengan menggunakan harga kuotasian di pasar aktif untuk instrumen tersebut. Suatu pasar dianggap aktif jika transaksi atas aset dan liabilitas terjadi dengan frekuensi dan volume yang memadai untuk menyediakan informasi penentuan harga secara berkelanjutan.

Jika harga kuotasian tidak tersedia di pasar aktif, Bank menggunakan teknik penilaian dengan memaksimalkan penggunaan input yang dapat diobservasi dan relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi. Teknik penilaian yang dipilih menggabungkan semua faktor yang diperhitungkan oleh pelaku pasar dalam penentuan harga transaksi.

Bukti terbaik atas nilai wajar instrumen keuangan pada saat pengakuan awal adalah harga transaksi, yaitu nilai wajar dari pembayaran yang diberikan atau diterima. Jika Bank menetapkan bahwa nilai wajar pada pengakuan awal berbeda dengan harga transaksi dan nilai wajar tidak dapat dibuktikan dengan harga kuotasian di pasar aktif untuk aset atau liabilitas yang identik atau berdasarkan teknik penilaian yang hanya menggunakan data dari pasar yang dapat diobservasi, maka nilai wajar instrumen keuangan pada saat pengakuan awal disesuaikan untuk menanggulangi perbedaan antara nilai wajar pada saat pengakuan awal dan harga transaksi. Setelah pengakuan awal, perbedaan tersebut diakui dalam laba rugi berdasarkan umur dari instrumen tersebut namun tidak lebih lambat dari saat penilaian tersebut didukung sepenuhnya oleh data pasar yang dapat diobservasi atau saat transaksi ditutup.

Jika aset atau liabilitas yang diukur pada nilai wajar memiliki harga penawaran dan harga permintaan, maka Bank mengukur aset dan jangka panjang berdasarkan harga penawaran dan mengukur liabilitas dan jangka pendek berdasarkan harga permintaan.

Portofolio aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar, yang terekspos risiko pasar dan risiko kredit yang dikelola oleh Bank berdasarkan eksposur netonya baik terhadap risiko pasar ataupun risiko kredit diukur berdasarkan harga yang akan diterima untuk menjual posisi *net long* (atau dibayar untuk mengalihkan posisi *net short*) untuk eksposur risiko tertentu.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**d. Financial assets and liabilities (continued)**

**6) Fair value measurement (continued)**

When available, the Bank measures the fair value of a financial instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask prices.

Portfolios of financial assets and financial liabilities measured at fair value, that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk, are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure.



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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**d. Aset dan liabilitas keuangan (lanjutan)**

**6) Pengukuran nilai wajar (lanjutan)**

Penyesuaian pada level portofolio tersebut dialokasikan pada aset dan liabilitas individual berdasarkan penyesuaian risiko relatif dari masing-masing instrumen individual di dalam portofolio.

**e. Transaksi dengan pihak-pihak berelasi**

Dalam menjalankan usahanya, Bank melakukan transaksi dengan pihak-pihak berelasi seperti yang didefinisikan dalam PSAK 7 (Revisi 2015) tentang "Pengungkapan Pihak-pihak Berelasi".

Yang dimaksud dengan pihak yang berelasi adalah orang atau entitas yang berelasi dengan entitas pelapor sebagai berikut:

- i. Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:
  - a) memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
  - b) memiliki pengaruh signifikan atas entitas pelapor; atau
  - c) personil manajemen kunci entitas pelapor atau entitas induk dari entitas pelapor.
- ii. Satu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:
  - a) Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya terkait dengan entitas lainnya);
  - b) Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang tersebut adalah anggotanya);
  - c) Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
  - d) Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;
  - e) Entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor;
  - f) Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (i);

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**d. Financial assets and liabilities (continued)**

**6) Fair value measurement (continued)**

Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

**e. Transactions with related parties**

In the normal course of its business, the Bank enters into transactions with related parties which are defined under PSAK 7 (Revised 2015), "Related Party Disclosures".

The meaning of a related party is a person or entity that is related to a reporting entity as follow:

- i. A person or a close member of that person's family is related to a reporting entity if that person:
  - a) has control or joint control over the reporting entity;
  - b) has significant influence over the reporting entity; or
  - c) a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- ii. An entity is related to the reporting entity if any of the following conditions applies:
  - a) The entity and the reporting entity are members of the same Bank and its subsidiaries (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Bank and its subsidiaries of which the other entity is a member);
  - c) Both entities are joint ventures of the same third party;
  - d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity;
  - f) The entity is controlled or jointly controlled by a person identified in (a);

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(lanjutan)**

**e. Transaksi dengan pihak-pihak berelasi  
(lanjutan)**

- g) Orang yang diidentifikasi dalam huruf (i). (a) memiliki pengaruh signifikan atas entitas atau personel manajemen kunci entitas (atau entitas induk dari entitas); atau
- h) Entitas atau anggota dari kelompok yang mana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personel manajemen kunci kepada entitas pelapor atau kepada entitas induk dari entitas pelapor.

Transaksi dengan pihak-pihak berelasi dilakukan dengan syarat dan kondisi yang sama dengan transaksi-transaksi dengan pihak ketiga. Transaksi yang dilakukan Bank telah memenuhi Peraturan Otoritas Jasa Keuangan (POJK) No.42/POJK.04/2020 tentang "Transaksi Afiliasi dan Transaksi Benturan Kepentingan".

Seluruh transaksi dan saldo yang material dengan pihak berelasi diungkapkan dalam catatan atas laporan keuangan yang relevan dan rinciannya disajikan dalam (Catatan 40).

**f. Kas dan setara kas**

Kas dan setara kas dalam laporan arus kas terdiri dari kas, giro pada Bank Indonesia dan bank lain, penempatan pada Bank Indonesia dan bank lain dan Sertifikat Bank Indonesia, yang jatuh tempo dalam waktu 3 (tiga) bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

**g. Giro pada Bank Indonesia dan bank lain**

Giro pada Bank Indonesia dan bank lain dinyatakan sebesar biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi penyisihan kerugian penurunan nilai. Giro pada Bank Indonesia dan bank lain diklasifikasikan sebagai biaya perolehan diamortisasi.

**h. Penempatan pada Bank Indonesia dan bank lain**

Penempatan pada Bank Indonesia dan bank lain terdiri dari Fasilitas Simpanan Bank Indonesia (FASBI), *call money* dan deposito berjangka.

Penempatan pada Bank Indonesia dan bank lain dinyatakan sebesar biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi penyisihan kerugian penurunan nilai. Penempatan pada Bank Indonesia dan bank lain diklasifikasikan sebagai biaya perolehan diamortisasi.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**e. Transactions with related parties (continued)**

- g) A person identified in (a). (1) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity); or
- h) The entity or any members of a Bank and its subsidiaries of which it is a part, provides key management personnel service to the reporting entity or to the parent of the reporting entity.

Transactions with related parties are made on the same term and conditions as those transactions with third parties. All transaction done by Bank have complied with Financial Services Authority Regulation (POJK) No.42/POJK.04/2020 about "Affiliated Transactions and Conflict of Interest Transactions".

All material transactions and balances with related parties are disclosed in the relevant notes to the financial statements and the detail is presented in (Note 40).

**f. Cash and cash equivalents**

Cash and cash equivalents presented in the statements of cash flows consist of cash, current accounts with Bank Indonesia and other banks, placements with Bank Indonesia and other banks and Bank Indonesia Certificates Facility maturing within 3 (three) months from the acquisition date, and not used as collateral for borrowing and not restricted in use.

**g. Current accounts with Bank Indonesia and other banks**

Current accounts with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less an allowance for impairment losses. Current accounts with Bank Indonesia and other banks are classified as amortized cost.

**h. Placements with Bank Indonesia and other banks**

Placement with Bank Indonesia and other banks consists of Bank Indonesia Deposit Facility (FASBI), *call money* and time deposits.

Placements with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less an allowance for impairment losses. Placements with Bank Indonesia and other banks are classified as amortized cost.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
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**i. Surat berharga**

Surat berharga yang dimiliki terdiri dari Surat utang negara, obligasi korporasi, reksadana, Surat Keterangan Berdokumen Dalam Negeri (SKBDN), tagihan wesel ekspor, sertifikat investasi mudharabah antar bank, NCD, sukuk, surat berharga pasar uang dan pasar modal lainnya.

Surat utang negara terdiri dari surat utang yang diterbitkan oleh Pemerintah Indonesia yang diperoleh melalui pasar perdana dan sekunder.

Surat-surat berharga pada awalnya disajikan sebesar nilai wajarnya. Setelah pengakuan awal, surat-surat berharga dicatat sesuai dengan kategorinya yaitu yang diukur pada nilai wajar melalui penghasilan komprehensif lain, investasi pada biaya perolehan diamortisasi atau berdasarkan nilai wajar melalui laba atau rugi.

Penilaian surat berharga didasarkan atas klasifikasinya sebagai berikut:

- 1) Surat berharga yang dicatat pada biaya perolehan yang diamortisasi menggunakan metode suku bunga efektif.
- 2) Surat berharga yang dimiliki untuk diperdagangkan dan yang ditetapkan pada nilai wajar melalui laba rugi pada saat pengakuan awal dinyatakan pada nilai wajar. Keuntungan dan kerugian yang timbul dari perubahan nilai wajar diakui dalam laporan laba rugi dan penghasilan komprehensif lain.
- 3) Surat berharga yang diklasifikasikan pada nilai wajar melalui penghasilan komprehensif lain dinyatakan pada nilai wajar. Pendapatan bunga diakui dalam laporan laba rugi dan penghasilan komprehensif lain menggunakan metode suku bunga efektif. Laba atau rugi selisih kurs atas surat berharga yang tersedia untuk dijual diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Perubahan nilai wajar lainnya diakui secara langsung dalam ekuitas sampai dengan surat-surat berharga tersebut dijual atau mengalami penurunan nilai, dimana keuntungan dan kerugian kumulatif yang sebelumnya diakui dalam ekuitas harus diakui pada laporan laba rugi dan penghasilan komprehensif lain.

**Aset Keuangan Sukuk**

Bank menerapkan PSAK No.110 "Investasi Sukuk" yang mengatur mengenai pengakuan, pengukuran, penyajian, dan pengungkapan transaksi sukuk ijarah dan sukuk mudharabah.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**i. Marketable securities**

Marketable securities consist of Government bonds, corporate bonds, mutual funds, domestic L/C, export bills receivable, interbank mudharabah investment certificate, NCD, sukuk, other money market and capital market securities.

Government bonds are bonds issued by the Government of Indonesia acquired through the primary and secondary markets.

Marketable securities are initially measured at fair value. After the initial recognition, the marketable securities are recorded according to their category, i.e., fair value through other comprehensive income, amortized cost investments or at fair value through profit or loss.

The value of marketable securities is stated based on the classification as follows:

- 1) Amortized cost marketable securities are carried at amortized cost using the effective interest rate method.
- 2) Marketable securities classified as held-for-trading and designated at fair value through profit or loss on initial recognition are stated at fair value. Gains and losses from changes in fair value are recognized in the statements of profit or loss and other comprehensive income.
- 3) Marketable securities classified as fair value through other comprehensive income investments are stated at fair value. Interest income is recognized in the statements of profit or loss and other comprehensive income using the effective interest rate method. Foreign exchange gains or losses on available-for-sale marketable securities are recognized in the statements of profit or loss and other comprehensive income.

Other fair value changes are recognized directly in equity until the marketable securities are sold or impaired, whereby the cumulative gains and losses previously recognized in equity are recognized in the statements of profit or loss and other comprehensive income.

**Sukuk Financial Assets**

The Bank applies PSAK No.110 "Sukuk Investment" which regulate about recognition, measurement, presentation, and disclosure transaction of sukuk ijarah and sukuk mudharabah.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**i. Surat berharga (lanjutan)**

- 1) Diukur pada biaya perolehan
  - a) Investasi tersebut dimiliki dalam suatu model usaha yang bertujuan utama untuk memperoleh arus kas kontraktual dan terdapat persyaratan kontraktual dalam menentukan tanggal tertentu atas pembayaran pokok dan atau hasilnya.
  - b) Biaya perolehan sukuk termasuk biaya transaksi.
  - c) Selisih antara biaya perolehan dan nilai nominal diamortisasi secara garis lurus selama jangka waktu sukuk.
  - d) Rugi penurunan nilai diakui jika jumlah terpulihkan lebih kecil dari jumlah tercatat dan disajikan sebagai rugi penurunan nilai di dalam laba rugi.
- 2) Diukur pada nilai wajar
  - a) Nilai wajar ditentukan dengan mengacu pada urutan sebagai berikut:
    - Kuotasi harga di pasar aktif.
    - Harga yang terjadi dari transaksi terkini, apabila tidak ada kuotasi harga di pasar aktif.
    - Nilai wajar instrumen sejenis, apabila tidak ada kuotasi harga di pasar aktif, dan tidak ada harga yang terjadi dari transaksi terkini.
  - b) Biaya perolehan sukuk tidak termasuk biaya transaksi.
  - c) Selisih antara nilai wajar dan jumlah tercatat diakui dalam laba rugi.

**j. Surat berharga yang dijual dengan janji dibeli kembali (repo) dan surat berharga yang dibeli dengan janji dijual kembali (reverse repo)**

Surat berharga yang dijual dengan janji dibeli kembali (*repo*) disajikan sebagai liabilitas dalam laporan posisi keuangan sebesar harga pembelian kembali yang disepakati dikurangi selisih antara harga jual dan harga pembelian kembali yang disepakati. Selisih antara harga jual dan harga pembelian kembali yang disepakati tersebut diamortisasi dengan menggunakan metode suku bunga efektif sebagai beban bunga selama jangka waktu sejak surat berharga tersebut dijual hingga saat dibeli kembali.

Surat berharga yang dijual dengan janji dibeli kembali diklasifikasikan sebagai biaya perolehan diamortisasi.

Surat berharga yang dibeli dengan janji untuk dijual kembali (*reverse repo*) disajikan sebagai aset dalam laporan posisi keuangan sebesar harga beli ditambah dengan pendapatan bunga yang sudah diakui tapi belum diterima, dikurangi dengan cadangan kerugian penurunan nilai, jika diperlukan.

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**i. Marketable securities (continued)**

- 1) Measured at cost
  - a) The investment is held in a business model whereby the primary goal is to obtain contractual cash flows and has contractual term in determining the specific date of principal payments and or the results.
  - b) Sukuk acquisition cost includes transaction cost.
  - c) The difference between the acquisition cost and the nominal value is amortized on a straight line basis over the period of the sukuk.
  - d) Impairment loss is recognized if the recoverable amount is less than the carrying amount and is presented as an impairment loss in the profit or loss.
- 2) Measured at fair value
  - a) The fair value is determined with reference to the following order:
    - Price quotation in active market.
    - Price from the current transaction, if there is no available price quotations in an active market.
    - Fair value of similar instrument, if there is no available price quotations in an active market and no price from the current transaction.
  - b) Sukuk acquisition cost does not include transaction cost.
  - c) The difference between fair value and carrying value is presented in profit or loss.

**j. Marketable securities sold under repurchase agreement (repo) and marketable securities purchased under resale agreement (reverse repo)**

Marketable securities sold under repurchased agreements (*repo*) are presented as liabilities in the statement of financial position at the agreed repurchase price less the difference between the selling price and agreed repurchase price. The difference between the selling price and agreed repurchase price is amortised using effective interest method as interest expense over the period commencing from the selling date to the repurchase date.

Marketable securities sold under repurchased agreement are classified as amortized cost.

Marketable securities purchased under resale agreements (*reverse repo*) are presented as an asset in the statement of financial position at the purchase price added with interest income recognised but not yet received, less allowance for impairment losses, where appropriate.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**j. Surat berharga yang dijual dengan janji dibeli kembali (repo) dan surat berharga yang dibeli dengan janji dijual kembali (reverse repo) (lanjutan)**

Pada pengukuran awal, surat berharga yang dibeli dengan janji dijual kembali (*reverse repo*) disajikan sebesar nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung.

Surat berharga yang dibeli dengan janji dijual kembali (*reverse repo*) diklasifikasikan sebagai biaya perolehan diamortisasi.

**k. Tagihan lainnya**

Tagihan lainnya terdiri dari tagihan transfer dan transaksi ATM antar bank. Akun ini diklasifikasikan sebagai biaya perolehan diamortisasi.

**l. Kredit yang diberikan dan pembiayaan syariah**

Kredit yang diberikan pada awalnya diukur pada nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung dan merupakan biaya tambahan untuk memperoleh aset keuangan tersebut, dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi dengan penyisihan kerugian penurunan nilai.

Kredit yang diberikan diklasifikasikan sebagai biaya perolehan diamortisasi.

Penerusan kredit yang diberikan dinyatakan sebesar pokok kredit yang diberikan.

Biaya yang dapat diatribusikan secara langsung dalam pengakuan kredit yang diberikan meliputi biaya provisi dan komisi.

Kredit yang diberikan termasuk piutang syariah, pendanaan *mudharabah* dan *musyarakah* serta piutang *qardh*.

Piutang syariah merupakan hasil dari transaksi jual beli berdasarkan perjanjian *murabahah*.

*Murabahah* adalah akad jual beli barang tertentu dengan harga ditentukan sebesar harga perolehan ditambah keuntungan yang disepakati dan Bank sebagai penjual harus mengungkapkan harga perolehan barang tersebut kepada pembeli (debitur). Piutang *murabahah* dinyatakan sebesar jumlah piutang setelah dikurangi dengan "marjin yang ditangguhkan" yang belum direalisasikan dan penyisihan kerugian.

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**j. Marketable securities sold under repurchase agreement (repo) and marketable securities purchased under resale agreement (reverse repo) (continued)**

Marketable securities purchased under resale agreement (*reverse repo*) are initially measured at fair value plus directly attributable transaction costs.

Marketable securities purchased under resale agreement (*reverse repo*) are classified as amortized cost.

**k. Other receivables**

Other receivables consist of transfer receivable and inter-banks ATM transaction. This account is classified as amortized cost.

**l. Loans and sharia financing**

Loans are initially measured at fair value plus transaction costs that are attributable to obtaining the financial asset, and subsequently measured at their amortized cost using the effective interest rate method, net of allowance for impairment losses.

Loans are classified as amortized cost.

Channeling loans are stated at the principal amount.

Attributable costs to the recognition of loans comprises of provision and commissions.

Loans may include sharia receivables, *mudharabah* and *musyarakah* financing and *qardh* receivable.

Sharia receivables result from sale and purchase transactions based on *murabahah* agreements.

*Murabahah* is an agreement to buy and sell certain products at acquisition cost plus a certain margin to be agreed by both the buyer and seller and the Bank as the seller is required to disclose the acquisition cost to the buyer. *Murabahah* receivables are stated at the amount of receivables less unrealized deferred margin and allowance for losses.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**1. Kredit yang diberikan dan pembiayaan syariah  
(lanjutan)**

*Mudharabah* adalah kontrak kerjasama usaha antara pemilik dana (*shahibul maal*) dan manajer pendanaan (*mudharib*) berdasarkan rasio pendapatan atau keuntungan dan kerugian yang ditentukan sebelumnya. Piutang *mudharabah* pada awalnya diukur pada nilai wajar diamortisasi menggunakan metode margin efektif dikurangi dengan cadangan kerugian penurunan nilai.

Biaya transaksi yang dapat diatribusikan secara langsung dan merupakan pendapatan dan biaya tambahan untuk memperoleh aset keuangan tersebut diamortisasi menggunakan metode margin efektif dikurangi dengan cadangan kerugian penurunan nilai.

*Musarakah* adalah akad kerjasama yang terjadi diantara para pemilik modal (mitra *musarakah*) untuk menggabungkan modal dan melakukan usaha secara bersama dalam suatu kemitraan, dengan *nisbah* pembagian hasil atau kerugian sesuai dengan kesepakatan atau secara proporsional sesuai kontribusi modal.

*Qardh* adalah pinjam meminjam dana tanpa imbalan yang diperjanjikan dengan liabilitas pihak peminjam mengembalikan pokok pinjaman secara sekaligus atau cicilan dalam jangka waktu tertentu.

Kredit yang direstrukturisasi disajikan sebesar nilai yang lebih rendah antara nilai tercatat kredit pada tanggal restrukturisasi atau nilai tunai penerimaan kas masa depan setelah restrukturisasi. Kerugian akibat selisih antara nilai tercatat kredit pada tanggal restrukturisasi dengan nilai tunai penerimaan kas masa depan setelah restrukturisasi diakui dalam laporan laba rugi dan penghasilan komprehensif lain. Setelah restrukturisasi, semua penerimaan kas masa depan yang ditetapkan dalam persyaratan baru dicatat sebagai pengembalian pokok kredit yang diberikan dan pendapatan bunga sesuai dengan syarat-syarat restrukturisasi.

Kredit yang diberikan dihapusbukkan ketika tidak terdapat prospek yang realistis mengenai pengembalian di masa datang dan semua jaminan telah diupayakan untuk direalisasi atau sudah diambil alih. Kredit yang tidak dapat dilunasi dihapusbukkan dengan mendebet cadangan kerugian penurunan nilai. Pelunasan kemudian atas kredit yang telah dihapusbukkan sebelumnya, jika pada periode berjalan dikreditkan ke cadangan kerugian penurunan nilai di laporan posisi keuangan, jika setelah tanggal laporan posisi keuangan dikreditkan sebagai pendapatan operasional lainnya dalam laporan laba rugi dan penghasilan komprehensif lain.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**1. Loans and sharia financing (continued)**

*Mudharabah* is a business cooperation contract between the owner of the funds (*shahibul maal*) and fund managers (*mudharib*) based on the ratio of income or gains and losses are predetermined. *Mudharabah* receivables are initially measured at fair value is amortized using the effective margin method less any allowance for impairment losses.

Transaction costs that are directly attributable and an income and additional costs to acquire the financial asset is amortized using the effective margin method less any allowance for impairment losses.

*Musarakah* is an agreement between the investors (*musarakah* partners) to enter into a joint-venture in the form of a partnership with revenue or profit and loss sharing based on an agreement or capital contribution proportion.

*Qardh* is a loan/borrowing funds without any agreed consideration wherein the borrower has the obligation to return the principal of the loan at lump sum or on installment over a certain period.

Restructured loans are stated at the lower of carrying value of the loan at the time of restructuring or net present value of the total future cash receipts after restructuring. Losses arising from any excess of the carrying value of the loan at the time of restructuring over the net present value of the total future cash receipts after restructuring are recognized in the statement of profit or loss and other comprehensive income. Thereafter, all cash receipt under the new terms shall be accounted for as the recovery of principal and interest income. In accordance with the restructuring scheme.

Loans are written-off when there are no realistic prospects of future recovery and all collateral have been realized or have been foreclosed. When loans are deemed uncollectible, they are written-off against the related allowance for impairment losses. Subsequent recoveries of loans written-off are credited to the allowance for impairment losses in the statements of financial position, if recovered in the current year and are recognized in the statement of profit or loss and other comprehensive income as other operating income, if recovered after the statement of financial position date.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL (lanjutan)**

**m. Identifikasi dan pengukuran kerugian penurunan nilai**

Aset produktif terdiri dari giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, surat berharga, surat berharga yang dijual dengan janji dibeli kembali (*repo*), surat berharga yang dibeli dengan janji dijual kembali (*reverse repo*), kredit yang diberikan, tagihan lainnya dan komitmen dan kontinjensi.

Komitmen dan kontinjensi pada transaksi rekening administratif, antara lain terdiri dari namun tidak terbatas pada penerbitan jaminan, *letter of credit*, *standby letter of credit* dan fasilitas kredit yang belum digunakan.

Penurunan nilai aset keuangan

PSAK 71 mengharuskan cadangan kerugian diakui sebesar kerugian kredit ekspektasian (*Expected Credit Loss ECL*) 12 bulan (*12-month ECL*) atau kerugian kredit ekspektasian sepanjang umur aset keuangan (*lifetime ECL*). *Lifetime ECL* adalah kerugian kredit ekspektasian yang berasal dari semua kemungkinan kejadian gagal bayar sepanjang umur ekspektasian suatu instrumen keuangan, sedangkan *ECL 12 bulan* adalah porsi dari kerugian kredit ekspektasian yang berasal dari kemungkinan kejadian gagal bayar dalam 12 bulan setelah tanggal pelaporan.

Bank mengakui cadangan kerugian untuk *ECL* pada instrumen keuangan berikut yang tidak diukur pada *FVTPL*:

- Aset keuangan yang merupakan instrumen utang;
- Kontrak jaminan keuangan yang diterbitkan; dan
- Komitmen pinjaman diberikan.

Pada setiap tanggal pelaporan, Bank akan mengukur cadangan kerugian instrumen keuangan sejumlah kerugian kredit ekspektasian sepanjang umur (*lifetime*) instrumen keuangan, jika risiko kredit atas instrumen keuangan tersebut telah meningkat secara signifikan sejak pengakuan awal. Bank akan mengakui cadangan kerugian sejumlah *lifetime ECL*, kecuali dalam kondisi berikut, dimana cadangan kerugian sejumlah *ECL 12 bulan* yang akan diakui:

- Instrumen keuangan dengan risiko kredit rendah atau ekuivalen dengan tingkat risiko negara Republik Indonesia; dan
- Risiko kredit instrumen keuangan yang belum meningkat secara signifikan sejak pengakuan awal.

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**m. Identification and measurement of impairment losses**

Earning assets consist of current accounts with other banks, placements with Bank Indonesia and other banks, marketable securities, marketable securities sold under purchased agreement (*repo*), marketable securities purchased under resale agreement (*reverse repo*), loans, other receivable and commitments and contingencies.

Commitments and contingencies are off-balance sheet transactions which include but are not limited to issued guarantees, letters of credit, standby letters of credit and unused loan facilities.

Impairment of financial assets

PSAK 71 requires a loss allowance to be recognized at an amount equal to either 12 month Expected Credit Loss or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after reporting date.

The Bank recognizes loss allowances for *ECL* on the following financial instruments that are not measured at *FVTPL*:

- Financial assets that are debt instruments;
- Financial guarantee contracts issued; and
- Loan commitments issued.

At each reporting date, the Bank shall measure the loss allowance for a financial instrument at an amount equal to the lifetime credit losses, if the credit risk on that financial instrument has increased significantly since initial recognition. The Bank will recognize loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognized will be 12-month ECLs:

- The financial instruments with low credit risk when its credit risk rating is equivalent to the sovereign risk rating of Republic of Indonesia; and
- Financial instruments for which credit risk has not increased significantly since initial recognition.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**m. Identifikasi dan pengukuran kerugian  
penurunan nilai (lanjutan)**

Penurunan nilai aset keuangan (lanjutan)

Ketentuan-ketentuan penurunan nilai menurut PSAK 71 adalah kompleks dan memerlukan pertimbangan-pertimbangan, estimasi-estimasi dan asumsi-asumsi manajemen, terutama untuk area-area berikut ini:

- Evaluasi apakah risiko kredit dari suatu instrumen telah meningkat secara signifikan sejak pengakuan awal; dan
- Memasukkan informasi yang bersifat *forward looking* dalam pengukuran ECL.

Bank menganggap sekuritas investasi pemerintah dalam mata uang Rupiah dan dana yang ditempatkan pada Bank Indonesia memiliki risiko kredit yang rendah, karena pokok dan bunga investasi pemerintah tersebut dijamin oleh pemerintah dan tidak ada kerugian yang pernah terjadi. Bank tidak menerapkan pengecualian risiko kredit yang rendah untuk instrumen keuangan lainnya.

ECL 12 bulan adalah bagian dari ECL yang dihasilkan dari kejadian gagal bayar pada instrumen keuangan yang mungkin terjadi dalam 12 bulan setelah tanggal pelaporan. Instrumen keuangan yang diakui dari ECL 12 bulan disebut sebagai "instrumen keuangan tahap 1".

Kerugian kredit ekspektasian sepanjang umur aset keuangan adalah kerugian kredit ekspektasian yang dihasilkan dari semua kejadian gagal bayar yang mungkin terjadi selama perkiraan umur instrumen keuangan. Instrumen keuangan yang diakui dari kerugian kredit ekspektasian sepanjang umur aset keuangan tetapi tidak mengalami penurunan nilai kredit disebut sebagai "instrumen keuangan tahap 2".

Pengukuran ECL

ECL adalah estimasi kemungkinan kerugian kredit berdasarkan probabilitas tertimbang. ECL diukur sebagai berikut:

- Aset keuangan yang tidak mengalami penurunan nilai pada tanggal pelaporan: sebesar nilai kini dari seluruh kekurangan kas (yaitu perbedaan antara arus kas terutang sesuai dengan kontrak dan arus kas yang diperkirakan akan diterima oleh Bank);
- Aset keuangan yang mengalami penurunan nilai kredit pada tanggal pelaporan: sebagai perbedaan antara nilai tercatat bruto dan nilai kini dari estimasi arus kas masa depan;

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**m. Identification and measurement of impairment  
losses (continued)**

Impairment of financial assets (continued)

The impairment requirements of PSAK 71 are complex and require management judgments, estimates and assumptions, particularly in the following areas:

- Assessing whether the credit risk of an instrument has increased significantly since initial recognition; and
- Incorporating forward-looking information into the measurement of ECLs.

The Bank considers an IDR denominated government investment securities and funds placed with Bank Indonesia are having low credit risk, since the principal and interest of government bond are guaranteed by the government and there is no historical loss experience. The Bank does not apply the low credit risk exemption to any other financial instruments.

12-month ECL is the portion of ECL resulted from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are referred to as "Stage 1 financial instruments".

Life-time ECL is the ECL resulted from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as "Stage 2 financial instruments".

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;



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**m. Identifikasi dan pengukuran kerugian penurunan nilai (lanjutan)**

Pengukuran ECL (lanjutan)

ECL adalah estimasi kemungkinan kerugian kredit berdasarkan probabilitas tertimbang. ECL diukur sebagai berikut (lanjutan):

- Komitmen pinjaman yang belum ditarik: sebagai nilai kini dari selisih antara arus kas kontraktual terutang kepada Bank jika komitmen direalisasi menjadi pinjaman dan arus kas yang diperkirakan akan diterima oleh Bank; dan
- Kontrak jaminan keuangan: pembayaran yang diperkirakan akan dibayarkan kepada pemegang kontrak jaminan keuangan dikurangi jumlah yang diperkirakan dapat dipulihkan oleh Bank.

Aset keuangan yang mengalami penurunan nilai kredit

Pada setiap tanggal pelaporan, Bank menilai apakah aset keuangan yang dicatat pada biaya perolehan diamortisasi dan aset keuangan dalam bentuk efek utang yang dicatat pada FVOCI mengalami penurunan nilai kredit (disebut sebagai "aset keuangan tahap 3"). Aset keuangan mengalami penurunan nilai ketika satu atau lebih peristiwa yang memiliki dampak buruk pada perkiraan arus kas masa depan dari aset keuangan telah terjadi.

Berikut adalah rangkuman data yang dapat diobservasi sebagai bukti bahwa aset keuangan mengalami penurunan nilai:

- Kesulitan keuangan yang signifikan dari debitur atau penerbit;
- Pelanggaran kontrak seperti gagal bayar atau tunggakan;
- Restrukturisasi pinjaman oleh Bank dengan ketentuan yang Bank tidak akan pertimbangkan sebelumnya;
- Kemungkinan bahwa peminjam akan mengalami kebangkrutan atau reorganisasi keuangan lainnya; atau
- Hilangnya dari pasar aktif suatu efek dikarenakan kesulitan keuangan.

Pinjaman yang telah dinegosiasikan ulang karena memburuknya kondisi peminjam biasanya dianggap mengalami penurunan nilai kredit, kecuali ada bukti bahwa risiko tidak menerima arus kas kontraktual berkurang secara signifikan dan tidak ada indikator penurunan nilai lainnya. Selain itu, pinjaman ritel yang jatuh tempo selama 90 hari atau lebih dianggap mengalami penurunan nilai kredit meskipun definisi gagal bayar menurut peraturan berbeda.

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**m. Identification and measurement of impairment losses (continued)**

Measurement of ECL (continued)

ECL is a probability-weighted estimate of credit losses. It is measured as follows (continued):

- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn-down and the cash flows that the Bank expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Credit impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired (referred to as "Stage 3 financial assets"). A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of loan by the Bank on terms that the Bank would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a securities because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired, unless there is evidences that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**m. Identifikasi dan pengukuran kerugian  
penurunan nilai (lanjutan)**

Penyajian cadangan ECL dalam laporan posisi  
keuangan

Cadangan kerugian untuk ECL disajikan dalam laporan posisi keuangan sebagai berikut ini:

- Aset keuangan diukur pada biaya perolehan diamortisasi: sebagai pengurang dari nilai tercatat bruto aset;
- Komitmen pinjaman dan kontrak jaminan keuangan: umumnya, sebagai provisi;
- Jika instrumen keuangan mencakup komponen yang telah ditarik dan yang belum ditarik, dan Bank tidak dapat mengidentifikasi ECL pada komponen komitmen pinjaman secara terpisah dari komponen yang telah ditarik: Bank menyajikan cadangan kerugian gabungan untuk kedua komponen. Jumlah gabungan cadangan kerugian disajikan sebagai pengurang dari nilai tercatat bruto komponen yang telah ditarik. Kelebihan dari cadangan kerugian atas nilai tercatat komponen yang telah ditarik disajikan sebagai provisi; dan
- Instrumen utang diukur pada FVOCI: tidak ada cadangan kerugian diakui sebagai pengurang nilai tercatat aset keuangan karena nilai tercatat dari aset-aset ini adalah pada nilai wajar. Namun, cadangan kerugian kredit diakui sebagai bagian dari cadangan nilai wajar dalam penghasilan komprehensif lain.

Penghapusan

Pinjaman dan efek utang dihapuskan (baik sebagian atau seluruhnya) ketika tidak ada harapan yang wajar untuk memulihkan aset keuangan secara keseluruhan atau sebagian. Hal ini biasanya terjadi ketika Bank memastikan bahwa debitur tidak memiliki aset atau sumber pendapatan yang dapat menghasilkan arus kas yang cukup untuk membayar jumlah pinjaman yang akan dihapusbukukan. Penilaian ini dilakukan pada tingkat aset individu.

Pemulihan atas jumlah pinjaman yang sebelumnya dihapusbukukan termasuk dalam "pendapatan lain-lain" dalam laporan laba rugi dan penghasilan komprehensif lain.

Aset keuangan yang dihapusbukukan masih diusahakan penagihannya sesuai prosedur Bank untuk pemulihan jumlah yang terutang.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**m. Identification and measurement of impairment  
losses (continued)**

Presentation of allowance for ECL in the statement  
of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross carrying amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVOCI: no loss allowance is recognized as deduction to the carrying amount of the financial asset due to the carrying amount of these assets is their fair value. However, the credit loss allowance is recognized as part of fair value reserve in other comprehensive income.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written-off are included in "other income" in the statement of profit or loss and other comprehensive income.

Financial assets that are written-off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**m. Identifikasi dan pengukuran kerugian  
penurunan nilai (lanjutan)**

Peningkatan risiko kredit secara signifikan

Dalam PSAK 71, ketika menentukan apakah risiko kredit atas suatu instrumen keuangan telah meningkat secara signifikan sejak pengakuan awal, Bank akan mempertimbangkan informasi yang wajar dan terdukung yang relevan dan tersedia tanpa biaya atau upaya yang berlebihan, termasuk informasi kuantitatif dan kualitatif dan analisa berdasarkan pengalaman masa lalu Bank, penilaian kredit dan informasi yang bersifat *forward-looking*.

Analisa apakah risiko kredit telah meningkat secara signifikan sejak pengakuan awal instrumen keuangan memerlukan identifikasi tanggal pengakuan awal dari instrumen tersebut.

Bank telah membentuk kerangka yang memasukkan informasi kuantitatif dan kualitatif untuk menentukan apakah risiko kredit dari suatu instrumen keuangan telah meningkat secara signifikan sejak pengakuan awal. Kerangka ini sejalan dengan internal proses manajemen risiko kredit Bank. Kriteria untuk menentukan apakah risiko kredit telah meningkat secara signifikan akan bervariasi berdasarkan portofolio.

Sebagai batas, sesuai dengan yang disyaratkan oleh PSAK 71, Bank menentukan kenaikan risiko kredit secara signifikan pada portofolio ritel terjadi pada saat aset telah tertunggak lebih dari 30 hari.

Input yang digunakan untuk pengukuran ECL

Input utama yang digunakan untuk pengukuran ECL adalah variabel berikut:

- *Probability of Default* (PD);
- *Loss Given Default* (LGD); dan
- *Exposure At Default* (EAD).

Peringkat risiko kredit akan menjadi masukan utama untuk menentukan PD atas eksposur. Bank akan menggunakan model statistik untuk menganalisa data yang telah dikumpulkan dan menghasilkan estimasi PD sepanjang sisa umur dari eskposur dan bagaimana perubahan ekspektasian akan terjadi dalam suatu kurun waktu. Analisa ini akan termasuk identifikasi dan kalibrasi atas hubungan antara perubahan tingkat gagal bayar dan perubahan faktor utama makro ekonomi, sebagai contohnya: tingkat inflasi, pertumbuhan Produk Domestik Bruto (PDB), suku bunga acuan dan tingkat pengangguran.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**m. Identification and measurement of  
impairment losses (continued)**

Significant increase in credit risk

Under PSAK 71, when determining whether the credit risk of a financial instrument has increased significantly since initial recognition, the Bank will consider reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Bank historical experience, credit assessment and forward-looking information.

Assessing whether credit risk has increased significantly since initial recognition of financial instrument requires identifying the date of initial recognition of the instrument.

The Bank has established a framework that incorporates both quantitative and qualitative information to determine whether the credit risk on a financial instrument has increased significantly since initial recognition. The framework aligns with the Bank's internal credit risk management process. The criteria for determining whether credit risk has increased significantly will vary by portfolio.

As a limit, and as required by PSAK 71, the Bank consider that a significant increase in credit risk of retail portfolio occurs when an asset is more than 30 days past due.

Input into measurement of ECLs

The key inputs into the measurement of ECLs are the following variables:

- *Probability of Default* (PD);
- *Loss Given Default* (LGD); and
- *Exposure At Default* (EAD).

Credit risk grades will be a primary input into the determination of the term structure of PD for exposures. The Bank will employ statistical models to analyze the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time. This analysis will include the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, for example: CPI inflation, real Gross Domestic Products (GDP) growth, benchmark interest rates and unemployment rate.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL (lanjutan)**

**m. Identifikasi dan pengukuran kerugian penurunan nilai (lanjutan)**

Input yang digunakan untuk pengukuran ECL (lanjutan)

Konsep dari LGD adalah menggabungkan semua pemulihan dari proses penagihan yang telah selesai menjadi tingkat kerugian yang mencerminkan biaya penagihan dan nilai waktu atas tingkat kerugian. Data pemulihan yang dikumpulkan adalah jumlah pemulihan yang diterima oleh Bank dari akun *non-performing loan* yang telah dihapusbukukan atau telah lunas dibayar/diselesaikan.

EAD merupakan eksposur ekspektasian pada saat terjadi gagal bayar. Bank akan mendapatkan nilai EAD berdasarkan eksposur terhadap pihak lawan saat ini dan kemungkinan perubahan terhadap eksposur saat ini berdasarkan kontrak, termasuk amortisasi dan pelunasan dipercepat. EAD dari aset keuangan adalah nilai tercatat bruto saat gagal bayar. Untuk komitmen pinjaman dan kontrak jaminan keuangan, nilai EAD akan mempertimbangkan jumlah yang telah ditarik, dan potensial jumlah yang akan ditarik di masa depan atau dibayarkan sesuai dengan kontrak.

Penurunan nilai atas aset non-produktif

Penyesuaian atas penyisihan penghapusan aset non-produktif dicatat dalam periode dimana penyesuaian tersebut diketahui atau dapat ditaksir secara wajar. Termasuk di dalam penyesuaian ini adalah penambahan penyisihan penghapusan aset non-produktif maupun pemulihan aset non-produktif yang telah dihapusbukukan sebelumnya.

Aset non-produktif dihapusbukukan dengan mengurangi penyisihan penghapusan yang bersangkutan apabila menurut manajemen aset tersebut tidak mungkin dipulihkan lagi.

Penyisihan kerugian aset produktif dan aset non-produktif - produk perbankan Syariah

Unit Usaha Syariah membentuk penyisihan kerugian atas aset produktif dan aset non-produktif berdasarkan penelaahan manajemen terhadap kualitas aset produktif dan aset non-produktif tersebut pada tiap akhir tahun, evaluasi manajemen atas prospek usaha, kinerja keuangan dan kemampuan membayar setiap debitur. Serta mempertimbangkan juga hal-hal lain seperti klasifikasi berdasarkan hasil pemeriksaan Otoritas Jasa Keuangan, klasifikasi yang ditetapkan oleh bank umum lainnya atas aset produktif yang diberikan oleh lebih dari satu bank (SLIK *checking*) dan ketersediaan laporan keuangan debitur yang telah diaudit.

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**m. Identification and measurement of impairment losses (continued)**

Input into measurement of ECLs (continued)

The concept of LGD is incorporating all recoveries from a completed collection process into loss rate which would reflect the collection cost and the time value on loss rate. The data of recoveries are collected based on recoveries received by the Bank from the non-performing loan account that has been written-off or fully repaid/settled.

EAD represents the expected exposure in the event of a default. The Bank will derive the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortization, and prepayments. The EAD of a financial asset will be the gross carrying amount at default. For lending commitments and financial guarantees, the EAD will consider the amount drawn, as well as potential future amounts that may be drawn or repaid under the contract.

Impairment of non-productive assets

Adjustments to the allowance for losses on non-productive assets are reported in the year that such adjustments become known or can be reasonably estimated. These adjustments include additional allowance for losses as well as recoveries of previously written-off non-productive assets.

Non-productive assets are written-off against the respective allowance for losses when management believes that the recoverability of those assets is unlikely.

Allowance for possible losses of earning assets and non-earning assets - Sharia banking product

The Sharia Business Unit has provided the allowance for possible losses on earning assets and non-earning assets based on management's review of the quality of these earning assets and non-earning assets at the end of each year, and management evaluation of every debtor's business prospect, financial performance and repayment ability. Moreover, the allowance also considers other things such as classification based on Financial Services Authority audit results, classification determined by either commercial banks on earning assets provided by more than one bank (SLIK *checking*) and availability of debtor's audited financial statements.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL (lanjutan)**

**m. Identifikasi dan pengukuran kerugian penurunan nilai (lanjutan)**

Penyisihan kerugian aset produktif dan aset non-produktif - produk perbankan Syariah (lanjutan)

Untuk tujuan evaluasi penurunan nilai kolektif atas piutang dan pembiayaan yang diberikan sebagaimana diwajibkan oleh Bank Indonesia sesuai dengan Surat Edaran Bank Indonesia No.15/26/DPbS tanggal 10 Juli 2013, PSAK 102 (revisi 2013) dan Surat Otoritas Jasa Keuangan (OJK) No.S-159/PB.13/2014 tertanggal 3 Desember 2014, perihal tanggapan atas usulan ASBISINDO, untuk penerapan pertama kali PSAK 102 (revisi 2013) dan PAPS 2013. Bank menerapkan ketentuan transisi penurunan nilai secara kolektif dengan menggunakan estimasi yang didasarkan pada ketentuan Bank Indonesia yang berlaku Penilaian Kualitas Aktiva Bank Umum yang Melaksanakan Kegiatan Usaha Berdasarkan Prinsip Syariah.

Dalam evaluasi penurunan nilai terhadap piutang *murabahah* dilakukan secara periodik pada setiap tanggal laporan keuangan, untuk memastikan metodologi dan asumsi yang digunakan dapat diandalkan, serta meminimalkan perbedaan antara estimasi jumlah kerugian dengan jumlah kerugian aktual.

Penyisihan kerugian penurunan nilai secara individual dihitung dengan menggunakan metode diskonto arus kas (*discounted cash flows*). Piutang *murabahah* yang telah mengalami penurunan nilai dicatat berdasarkan jumlah yang didiskonto (*discounted value*) dan bukan berdasarkan nilai buku, karena tidak akan dapat diperoleh kembali seluruh jumlah piutang *murabahah* yang telah diberikan kepada debitur. Jumlah yang didiskonto (*discounted value*) diperoleh dengan mengestimasi arus kas masa datang (mencakup pembayaran pokok dan marjin) yang didiskonto menggunakan marjin efektif.

Sedangkan penyisihan kerugian penurunan nilai atas aset keuangan yang dinilai secara kolektif berdasarkan pengalaman kerugian yang lalu (*historical loss experience*). *Historical loss experience* disesuaikan menggunakan dasar data yang dapat diobservasi untuk mencerminkan efek dari kondisi saat ini terhadap Bank dan menghilangkan efek dari masa lalu yang sudah tidak berlaku saat ini.

Bank menggunakan *roll rate analysis method* untuk menilai penyisihan kerugian penurunan nilai aset. Bank menggunakan data historis selama 3 (tiga) tahun dalam perhitungan *Probability of Default* (PD) dan menggunakan data historis selama 3 (tiga) tahun untuk *Loss Given Default* (LGD).

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**m. Identification and measurement of impairment losses (continued)**

Allowance for possible losses of earning assets and non-earning assets - Sharia banking product (continued)

For the purpose of evaluating the collective impairment on receivables and financing, as required by Bank Indonesia based on Circular Letter Bank Indonesia No.15/26/DPbS dated July 10, 2013, PSAK 102 (revised 2013) and Financial Services Authority's letter No.S-159/PB.13/2014 dated December 3, 2014, concerning the respond of ASBISINDO's proposal, in adopting of PSAK 102 (revised 2013) and PAPS 2013. The Bank applies the transition rule for collective impairment with the calculation based on the applicable Bank Indonesia's regulation on the Quality Rating of assets of Commercial Bank which conduct Business Based on Sharia Principles.

The evaluation of impairment of *murabahah* receivables is done periodically on every financial statement date, to ensure methodology and assumptions are reliable, and to reduce difference between estimated losses amount and actual losses amount.

Allowance for impairment losses is calculated individually by using discounted cash flows method. *Murabahah* receivables that has been impaired is recognized based on amount that are discounted (*discounted value*) and not based on net book value, because the amount of *murabahah* receivables that had been given to debtors are unable to be fully recovered. The amount of discounted value is obtained by estimating the future cash flows (includes payment of principles and margin) that is discounted at effective margin.

Allowance for impairment losses on financial assets are collectively evaluated on the basis of historical loss experience. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions affecting the Bank and to remove the past effects of conditions in the historical period that no longer valid.

The Bank uses roll rate analysis method to assess the allowance for impairment losses. The Bank uses historical data in the 3 (three) years in calculating the Probability of Default (PD) and also using those 3 (three) years of historical data to compute for the Loss Given Default (LGD).

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**m. Identifikasi dan pengukuran kerugian  
penurunan nilai (lanjutan)**

Penyisihan kerugian aset produktif dan aset non-  
produktif - produk perbankan Syariah (lanjutan)

Pengelompokan karakteristik risiko pembiayaan digolongkan berdasarkan Bank *Wide* pembiayaan *murabahah* dan dilakukan evaluasi (*loan review*) setiap 1 (satu) tahun sekali.

Dalam menentukan penyisihan kerugian (selain piutang *murabahah*) dan peringkat kualitas aset, Unit Usaha Syariah menerapkan PBI No.8/21/PBI/2006 tanggal 5 Oktober 2006 yang mana dalam pasal-pasal tertentu telah diubah dengan PBI No.9/9/2007 tanggal 18 November 2007 dan PBI No.10/24/PBI/2008 tanggal 16 Oktober 2008 serta PBI No.13/13/PBI/2011 tanggal 24 Maret 2011 tentang Penilaian Kualitas Aset Bank Umum yang melaksanakan Kegiatan Usaha Berdasarkan Prinsip Syariah dalam menentukan kerugian penurunan nilai.

Penyisihan kerugian minimum atas aset produktif adalah sebagai berikut:

Persentase minimum penyisihan kerugian/  
*Minimum percentage of allowance for impairment losses*

Lancar *)	Minimum 1%	Current *)
Dalam perhatian khusus	Minimum 5%	Special mention
Kurang lancar	Minimum 15%	Sub-standard
Diragukan	Minimum 50%	Doubtful
Macet	100%	Loss

\*) Di luar Fasilitas Simpanan Bank Indonesia Syariah, Sertifikat Bank Indonesia Syariah dan surat berharga yang diterbitkan Pemerintah berdasarkan prinsip syariah aset produktif dengan agunan tunai.

Penyisihan khusus terhadap kredit bermasalah dihitung berdasarkan kemampuan debitur dalam membayar utang. Penyisihan khusus dibentuk ketika timbul keraguan akan kemampuan debitur dalam membayar dan menurut pertimbangan manajemen, estimasi jumlah yang akan diperoleh kembali dari debitur berada di bawah jumlah pokok dan bunga kredit yang belum terbayar.

**n. Biaya dibayar dimuka**

Biaya dibayar dimuka diamortisasi selama masa manfaat masing-masing biaya dengan menggunakan metode garis lurus.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**m. Identification and measurement of impairment  
losses (continued)**

Allowance for possible losses of earning assets and  
non-earning assets - Sharia banking product  
(continued)

The classification characteristics of risk loan is classified based on Bank *Wide* *murabahah* financing and is evaluated every 1 (one) year.

In determining the allowance for losses (except *murabahah* receivables) and asset quality rating, the Sharia Business Unit applies PBI No.8/21/PBI/2006 dated October 5, 2006 wherein certain articles have been amended by PBI No.9/9/2007 dated November 18, 2007 and PBI No.10/24/PBI/2008 dated October 16, 2008 and No.13/13/PBI/2011 dated March 24, 2011 regarding Asset Quality Rating for Commercial Banks Conducting Business Based on Sharia Principles for determination of impairment losses.

Minimum allowance for possible losses on earning assets is as follows:

Lancar *)	Minimum 1%	Current *)
Dalam perhatian khusus	Minimum 5%	Special mention
Kurang lancar	Minimum 15%	Sub-standard
Diragukan	Minimum 50%	Doubtful
Macet	100%	Loss

\*) Excluding Deposit Facilities of Bank Indonesia Sharia, Certificates of Bank Indonesia Sharia and marketable securities sharia and earning assets secured by cash collateral.

Specific provisions for non-performing loans were calculated based on the borrower's debt servicing capacity. Specific provisions were made as soon as the debt servicing of the loan is questionable and management considers that the estimated recovery from the borrower was likely to fall short from the amount of principal and interest outstanding.

**n. Prepaid expenses**

Prepaid expenses are amortized over the beneficial periods using the straight-line method.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL (lanjutan)**

**o. Aset tetap**

Aset tetap, kecuali tanah, dicatat sebesar harga perolehan dikurangi akumulasi penyusutan. Biaya perolehan termasuk biaya penggantian bagian aset tetap saat biaya tersebut terjadi, jika memenuhi kriteria pengakuan. Selanjutnya, pada saat inspeksi yang signifikan dilakukan, biaya inspeksi itu diakui ke dalam jumlah tercatat ("carrying amount") aset tetap sebagai suatu penggantian jika memenuhi kriteria pengakuan. Semua biaya pemeliharaan dan perbaikan yang tidak memenuhi kriteria pengakuan diakui dalam laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya.

Aset tetap kecuali tanah disusutkan dengan menggunakan metode dan taksiran masa manfaat aset tetap sebagai berikut:

<b>Jenis/ Classification</b>	<b>Metode/ Method</b>
Bangunan/ Buildings	Garis lurus/ Straight-line
Kendaraan/ Vehicles	Saldo menurun ganda/ Double declining balance
Peralatan kantor/ Office equipment	Saldo menurun ganda/ Double declining balance

Peralatan kantor terdiri dari perabotan dan perlengkapan, instalasi, perangkat lunak dan perangkat keras komputer, peralatan komunikasi dan peralatan kantor lainnya.

Tanah awalnya dinyatakan berdasarkan harga perolehan dan tidak disusutkan. Setelah pengakuan awal, tanah diukur pada nilai wajar pada tanggal revaluasi dikurangi akumulasi rugi penurunan nilai setelah tanggal revaluasi. Penilaian terhadap tanah dilakukan oleh penilai yang memiliki kualifikasi profesional, dan dilakukan secara berkala untuk memastikan bahwa jumlah tercatat tanah tidak berbeda secara material dengan jumlah yang ditentukan dengan menggunakan nilai wajarnya pada akhir periode pelaporan (Catatan 15).

Kenaikan nilai tercatat yang timbul dari revaluasi dicatat sebagai "Surplus Revaluasi Aset Tetap", dan disajikan dalam penghasilan komprehensif lain. Namun, kenaikan tersebut diakui dalam laba rugi hingga sebesar jumlah penurunan nilai aset yang sama akibat revaluasi yang pernah dilakukan sebelumnya dalam laba rugi. Penurunan nilai tercatat yang timbul dari revaluasi diakui dalam laba rugi.

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**o. Fixed assets**

Fixed assets, except land, are recorded at cost less accumulated depreciation. Such cost includes the cost of replacing part of fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in the statements of profit or loss and other comprehensive income as incurred.

Fixed assets, except land are depreciated using the methods and over their estimated useful lives of fixed assets as follows:

<b>Taksiran masa manfaat/ Estimated useful lives Tahun/Years</b>	<b>Tarif penyusutan/ Depreciation rate</b>
20	5%
4-8	25%-50%
4-8	25%-50%

Office equipment consists of furniture and fixtures, installation, computer software and hardware, communication and other office equipment.

Land initially stated at cost and is not depreciated. After initial recognition, land is measured at fair value on the date of the revaluation less any accumulated impairment losses after the date of revaluation. Assessment of the land is done by assessors who have professional qualifications, and are conducted regularly to ensure that the carrying amount of land does not differ materially from the amount determined using fair value at the end of the reporting period (Note 15).

The increase in the carrying amount arising from the revaluation is recorded as "Surplus Revaluation of Fixed Assets", and are presented in other comprehensive income. However, the increase is recognized in profit or loss up to the amount of impairment of the similar assets due to revaluation that was done before in profit or loss. The decrease in the carrying amount arising from the revaluation is recognized in profit or loss.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**o. Aset tetap (lanjutan)**

Jumlah tercatat aset tetap dihentikan pengakuannya pada saat dilepaskan atau saat tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Laba atau rugi yang timbul dari penghentian pengakuan aset (dihitung sebagai perbedaan antara jumlah neto hasil pelepasan dan jumlah tercatat dari aset) dimasukkan dalam laporan laba rugi dan penghasilan komprehensif lain pada tahun aset tersebut dihentikan pengakuannya.

Aset tetap dievaluasi kemungkinan penurunan nilainya jika terjadi peristiwa atau perubahan keadaan yang mengindikasikan bahwa nilai tercatatnya tidak dapat seluruhnya dipulihkan.

Pada setiap akhir tahun buku, nilai residu, umur manfaat dan metode penyusutan direview, dan jika sesuai dengan keadaan, disesuaikan secara prospektif. Pada saat inspeksi yang signifikan dilakukan, biaya inspeksi itu diakui ke dalam jumlah tercatat (*carrying amount*) aset tetap sebagai suatu penggantian jika memenuhi kriteria pengakuan. Semua biaya pemeliharaan dan perbaikan yang tidak memenuhi kriteria pengakuan diakui dalam laporan laba rugi pada saat terjadinya.

Aset dalam penyelesaian dinyatakan sebesar harga perolehan. Akumulasi biaya perolehan akan dipindahkan ke masing-masing aset tetap pada saat pekerjaan selesai dan aset tersebut siap untuk digunakan.

Semua biaya dan beban yang terjadi sehubungan dengan perolehan hak atas tanah, diakui sebagai biaya perolehan hak atas tanah. Biaya pengurusan legal hak atas tanah ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan aset tanah. Biaya pengurusan perpanjangan atau pembaruan legal hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak atau umur ekonomis tanah, mana yang lebih pendek.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**o. Fixed assets (continued)**

*Carrying amount of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognized.*

*Fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.*

*At each financial year end, the assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively as appropriate. When a significant inspection of the asset is performed, the cost of inspection is capitalized as part of the replacement cost of the asset's carrying amount, if the criteria for recognition are met. All maintenance and repair costs which do not fulfill the capitalization criteria, are recognized in profit or loss upon occurrence.*

*Construction-in-progress is stated at cost. The accumulated cost will be reclassified to the appropriate fixed asset account when the construction is completed and the asset is ready for its intended use.*

*All costs and expenses incurred in connection with the acquisition of land right, recognized as the acquisition cost of land right. The legal cost occurred when the land was first acquired is recognized as part of the acquisition cost of land right. Extension or renewal of the maintenance cost of legal rights over land recognized as an intangible asset and amortized over the life of legal rights or economic life of the land, whichever is shorter.*



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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**p. Aset hak guna dan liabilitas sewa**

Pada tanggal permulaan kontrak, Bank menilai apakah kontrak merupakan atau mengandung sewa. Suatu kontrak merupakan atau mengandung sewa jika kontrak tersebut memberikan hak untuk mengendalikan penggunaan aset identifikasi selama suatu jangka waktu untuk dipertukarkan dengan imbalan. Bank dapat memilih untuk tidak mengakui aset hak-guna dan liabilitas sewa untuk:

- Sewa jangka-pendek; dan
- Sewa yang aset dasarnya bernilai rendah.

Untuk menilai apakah kontrak memberikan hak untuk mengendalikan penggunaan aset identifikasi, Bank harus menilai apakah:

- Bank memiliki hak untuk mendapatkan secara substansial seluruh manfaat ekonomi dari penggunaan aset identifikasi; dan
- Bank memiliki hak untuk mengarahkan penggunaan aset identifikasi. Bank memiliki hak ini ketika Bank memiliki hak untuk pengambilan keputusan yang relevan tentang bagaimana dan untuk tujuan apa aset digunakan telah ditentukan sebelumnya:
  - a) Bank memiliki hak untuk mengoperasikan aset;
  - b) Bank telah mendesain aset dengan cara menetapkan sebelumnya bagaimana dan untuk tujuan apa aset akan digunakan selama periode penggunaan.

Pada tanggal permulaan sewa, Bank mengakui aset hak-guna dan liabilitas sewa. Aset hak-guna diukur pada biaya perolehan, dimana meliputi jumlah pengukuran awal liabilitas sewa yang disesuaikan dengan pembayaran sewa yang dilakukan pada atau sebelum tanggal permulaan, ditambah dengan biaya langsung awal yang dikeluarkan. Untuk pengukuran selanjutnya, aset hak guna dikurangi dengan akumulasi penyusutan dan kerugian penurunan nilai, serta disesuaikan untuk setiap pengukuran kembali liabilitas sewa. Aset hak-guna diamortisasi dengan menggunakan metode garis lurus sepanjang jangka waktu sewa.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**p. Right of use assets and lease liabilities**

At the inception of a contract, the Bank assesses whether the contract is or contains a leases. A contract is or contains a leases if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. The Bank can choose not to recognise the right-of-use asset and lease liabilities for:

- Short term lease; and
- Low value asset.

To assess whether a contract conveys the right to control the use of an identified asset, the Bank shall assess whether:

- The Bank has the right to obtain substantially all the economic benefit from use of the asset throughout the period of use; and
- The Bank has the right to direct the use of the asset. The Bank has described when it has a decision-making rights that are the most relevant to changing how and for what purpose the asset is used are predetermined:
  - a) The Bank has the right to operate the asset;
  - b) The Bank has designed the asset in a way that predetermine how and for what purpose it will be used.

The Bank recognises a right-of-use asset and a leases liability at the leases commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the leases liability adjusted for any leases payment made at or before the commencement date, plus any initial direct cost incurred. For the subsequent measurements, the right of use assets less the accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use asset is amortised over the straight-line method throughout the lease term.

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**p. Aset hak guna dan liabilitas sewa (lanjutan)**

Liabilitas sewa diukur pada nilai kini pembayaran sewa yang belum dibayar pada tanggal permulaan, didiskontokan dengan menggunakan suku bunga implisit dalam sewa atau jika suku bunga tersebut tidak dapat ditentukan, maka menggunakan suku bunga pinjaman inkremental. Pada umumnya, Bank menggunakan suku bunga pinjaman inkremental sebagai tingkat bunga diskonto. Untuk pengukuran selanjutnya, jumlah liabilitas sewa ditingkatkan untuk mencerminkan pertambahan bunga dan dikurangi pembayaran sewa yang dilakukan. Selain itu, jumlah tercatat liabilitas sewa diukur kembali jika terdapat modifikasi, perubahan jangka waktu sewa, perubahan pembayaran sewa, atau perubahan dalam penilaian opsi untuk membeli aset pendasar.

Pembayaran sewa dialokasikan menjadi bagian pokok dan biaya keuangan. Biaya keuangan dibebankan pada laba rugi selama periode sewa sehingga menghasilkan tingkat suku bunga periodik yang konstan atas saldo liabilitas untuk setiap periode.

Jika sewa mengalihkan kepemilikan aset pendasar kepada Bank pada akhir masa sewa atau jika biaya perolehan aset hak-guna merefleksikan Bank akan mengeksekusi opsi beli, maka Bank menyusutkan aset hak-guna dari tanggal permulaan hingga akhir umur manfaat aset pendasar. Jika tidak, maka Bank menyusutkan aset hak-guna dari tanggal permulaan hingga tanggal yang lebih awal antara akhir umur manfaat aset hak-guna atau akhir masa sewa.

**Modifikasi sewa**

Bank mencatat modifikasi sewa sebagai sewa terpisah jika:

- modifikasi meningkatkan ruang lingkup sewa dengan menambahkan hak untuk menggunakan satu aset pendasar atau lebih;
- imbalan sewa meningkat sebesar jumlah yang setara dengan harga tersendiri untuk peningkatan dalam ruang lingkup dan penyesuaian yang tepat pada harga tersendiri tersebut untuk merefleksikan kondisi kontrak tertentu.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**p. Right of use assets and lease liabilities  
(continued)**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that right cannot be readily determined, using incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as a discount rate. For the subsequent measurement, amount of lease liabilities increased to reflect the increasing of interest and reduced by the lease payments. In addition, the carrying amount of lease liabilities remeasured if there is a modification, change in lease term, change of lease payment, or changes in assessment of purchase option of the underlying asset.

Each leases payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the leases period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

If the leases transfers ownership of the underlying asset to the Bank by the end of the leases term or if the cost of the right-of-use asset reflects that the Bank will exercise a purchase option, the Bank depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Bank depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the leases term.

**Leases modification**

The Bank account for a leases modification as a separate leases if both:

- the modification increases the scope of the leases by adding the right to use one or more underlying assets;
- the consideration for the leases increases by an amount commensurate with the standalone price for the increase in scope and any appropriate adjustments to that standalone price to reflect the circumstances of the particular contract.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
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**q. Liabilitas segera**

Liabilitas segera dicatat pada saat timbulnya liabilitas atau diterima perintah dari pemberi amanat, baik dari masyarakat maupun dari bank lain. Liabilitas segera dinyatakan sebesar liabilitas Bank dan diukur sebesar biaya perolehan diamortisasi.

**r. Simpanan dari nasabah**

Simpanan dari nasabah adalah dana yang ditempatkan oleh masyarakat kepada Bank berdasarkan perjanjian penyimpanan dana. Termasuk dalam akun ini adalah giro, tabungan, deposito berjangka dan bentuk lain yang dipersamakan dengan itu.

Giro merupakan simpanan dari nasabah yang dapat digunakan sebagai alat pembayaran, yang penarikannya dapat dilakukan setiap saat melalui cek, atau dengan cara pemindahbukuan dengan bilyet giro dan sarana perintah pembayaran lainnya.

Tabungan merupakan simpanan dari nasabah yang penarikannya hanya dapat dilakukan melalui counter dan kartu Anjungan Tunai Mandiri (ATM), atau dengan cara pemindahbukuan jika memenuhi persyaratan yang disepakati, tetapi penarikan tidak dapat dilaksanakan dengan menggunakan cek atau instrumen setara lainnya.

Deposito berjangka merupakan simpanan nasabah di Bank yang penarikannya hanya dapat dilakukan pada waktu tertentu sesuai dengan perjanjian antara nasabah dengan Bank.

Deposito *on call* merupakan deposito dengan jangka waktu harian dan dapat ditarik sewaktu-waktu.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**q. Obligations due immediately**

*Obligations due immediately are recorded at the time the obligations occurred or on receipt of transfer orders from customers or other banks. Obligations due immediately are stated at the amount payable by the Bank measured at their amortized cost.*

**r. Deposits from customers**

*Deposits from customers are the funds placed by customers (excluding banks) with the Bank based on fund deposit agreements. Included in this account are current accounts, saving accounts, time deposits and other forms which are similar.*

*Current accounts represent customers' funds which can be used as payment instruments, and which can be withdrawn by the depositors at any time through check writing, or transfers between accounts using bilyet giro and other orders of payment or transfer.*

*Savings deposits represent deposits of customers that may only be withdrawn over the counter and via Automatic Teller Machine card (ATM), or funds transfers when certain agreed conditions are met, but which may not be withdrawn by cheque or other equivalent instruments.*

*Time deposits represent deposits from customers with the Bank that may only be withdrawn at specific maturities in accordance with the agreements between the depositor and the Bank.*

*Deposits on call represent deposits with daily maturity and could be withdrawn at any time.*

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
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**r. Simpanan dari nasabah (lanjutan)**

Simpanan nasabah diklasifikasikan sebagai liabilitas keuangan dan diukur pada biaya perolehan diamortisasi menggunakan suku bunga efektif, kecuali simpanan berdasarkan prinsip syariah yang dinyatakan sebesar liabilitas Bank kepada nasabah. Biaya tambahan yang dapat diatribusikan secara langsung dengan perolehan simpanan nasabah dikurangkan dari jumlah simpanan yang diterima.

Simpanan dari nasabah berdasarkan prinsip syariah terdiri dari:

- 1) Simpanan syariah berupa giro *wadiah yad-adhamanah*, yakni titipan dana dalam bentuk giro yang akan mendapatkan bonus sesuai dengan kebijakan Bank; dan
- 2) Investasi tidak terikat syariah, berupa:
  - a) Tabungan *mudharabah mutlaqah*, yaitu tabungan tidak terikat, dimana nasabah akan memperoleh bagi hasil (*nisbah*) atas penggunaan dana nasabah sesuai dengan kesepakatan bersama antara Bank dan nasabah; dan
  - b) Deposito *mudharabah mutlaqah*, yaitu deposito tidak terikat sebagai investasi berjangka, dimana nasabah akan memperoleh bagi hasil (*nisbah*) atas penggunaan dana nasabah sesuai dengan kesepakatan bersama antara Bank dan nasabah.

**s. Simpanan dari bank lain**

Simpanan dari bank lain terdiri dari liabilitas terhadap bank lain, baik dalam maupun luar negeri, dalam bentuk giro, tabungan, deposito berjangka, giro *wadiah*, tabungan *mudharabah* dan deposito berjangka *mudharabah*.

Simpanan dari bank lain diklasifikasikan sebagai liabilitas keuangan dan diukur pada biaya perolehan diamortisasi menggunakan suku bunga efektif, kecuali simpanan syariah yang dinyatakan sebesar nilai liabilitas Bank kepada nasabah. Biaya tambahan yang dapat diatribusikan secara langsung dengan perolehan simpanan dari bank lain dikurangkan dari jumlah simpanan yang diterima.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**r. Deposits from customers (continued)**

Deposits from customers are classified as financial liabilities and measured at amortized cost using the effective interest rate except for deposits under sharia principles that are stated as the Bank's liability to the customers. Incremental costs that can be attributed directly to the acquisition of deposits from customers are deducted from total deposits received.

Deposits from customers under sharia principles as follows:

- 1) Sharia deposits in the form of *wadiah yad-adhamanah*, a current account whereby the customers may receive bonus income in accordance with the Bank's policy; and
- 2) Sharia non-binding investments in the form of:
  - a) *Mudharabah mutlaqah* savings are non-binding saving investments on which the customers are entitled to receive a share of the Bank's Sharia Unit's income (*nisbah*) in return for the usage of the funds in accordance with the defined terms; and
  - b) *Mudharabah mutlaqah* deposits are non-binding investments in the form of time deposits on which the customers are entitled to receive a share of the Bank's Sharia Unit's income (*nisbah*) for the usage of the funds in accordance with the pre-defined terms.

**s. Deposits from other banks**

Deposits from other banks represent liabilities to domestic and overseas banks, in the form of current accounts, savings, time deposits, *wadiah* current accounts, *mudharabah* savings and time deposits.

Deposits from other banks are classified as financial liabilities and measured at amortized cost using the effective interest rate except for sharia deposits which are stated at the Bank's liability amount to the customer. Incremental costs that can be attributed directly to the acquisition of deposits from other banks are deducted from the total deposits received.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
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**t. Pinjaman yang diterima**

Pinjaman diterima merupakan dana yang diterima dari Bank Indonesia atau pihak lain dengan liabilitas pembayaran kembali sesuai dengan persyaratan perjanjian pinjaman.

Pinjaman diterima diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal pinjaman diterima dan biaya transaksi merupakan bagian tidak terpisahkan dari metode suku bunga efektif.

**u. Dana syirkah temporer**

Dana *syirkah* temporer merupakan investasi dengan akad *mudharabah mutlaqah*, yaitu pemilik dana memberikan kebebasan kepada pengelola dana dalam pengelolaan investasinya dengan keuntungan dibagikan sesuai kesepakatan. Dana *syirkah* temporer terdiri dari giro *mudharabah*, tabungan *mudharabah*, dan deposito *mudharabah*.

Giro dan tabungan *mudharabah* merupakan investasi yang bisa ditarik kapan saja atau sesuai dengan persyaratan tertentu yang disepakati. Giro dan tabungan *mudharabah* dinyatakan sebesar saldo tabungan nasabah di bank.

Deposito *mudharabah* merupakan investasi yang hanya bisa ditarik pada waktu tertentu sesuai dengan perjanjian antara pemegang deposito *mudharabah* dengan bank. Deposito *mudharabah* dinyatakan sebesar nilai nominal sesuai dengan perjanjian antara pemegang deposito dengan bank.

Dana *syirkah* temporer tidak dapat digolongkan dengan kewajiban. Hal ini karena bank tidak berkewajiban untuk mengembalikan jumlah dana awal dari pemilik dana kecuali akibat kelalaian atau wanprestasi ketika mengalami kerugian. Di sisi lain dana *syirkah* temporer tidak dapat digolongkan sebagai ekuitas karena mempunyai waktu jatuh tempo dan pemilik dana tidak mempunyai hak kepemilikan yang sama dengan pemegang saham seperti hak voting dan hak atas realisasi keuntungan yang berasal dari aset lancar dan aset non investasi.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**t. Borrowings**

*Borrowings are funds received from Bank Indonesia or other parties with payment obligation based on borrowings agreement.*

*Borrowings are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of borrowings and transaction costs are an integral part of the effective interest rate method.*

**u. Temporary syirkah funds**

*Temporary syirkah funds represent investment from other parties conducted on the basis mudharabah mutlaqah contract in which the owners of the funds grant freedom to the fund manager in the management of their investments with profit distributed based on the contract. Temporary syirkah funds consist of mudharabah current account, mudharabah saving deposits, and mudharabah time deposits.*

*Mudharabah current accounts and saving deposits represent investment which could be withdrawn anytime or can be withdrawn based on certain agreed terms. Mudharabah current accounts and savings deposits are stated based on the customer's savings deposits balance in bank.*

*Mudharabah time deposits represent investment that can only be withdrawn at a certain time based on the agreement between the customer and the bank. Mudharabah time deposits are stated at nominal amount as agreed between the deposit holder and the bank.*

*Temporary syirkah fund cannot be classified as liability. This was because bank does not have any liability to return the initial fund to the owners, except for losses due to bank management's negligence or when default of loss is incurred. On the other hand, temporary syirkah fund cannot be classified as shareholders' equity, because of the maturity period and the depositors do not have the same rights as the shareholders' such as voting rights and the rights of realised gain from current assets and other non-investmet account.*

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**u. Dana *syirkah* temporer (lanjutan)**

Pemilik dana *syirkah* temporer mendapatkan imbalan bagi hasil sesuai dengan *nisbah* yang ditetapkan.

Hak nasabah atas bagi hasil dana *syirkah* temporer merupakan bagian bagi hasil milik nasabah yang didasarkan pada prinsip *mudharabah* atas hasil pengelolaan dana mereka oleh bank. Pendapatan yang dibagikan adalah yang telah diterima (*cash basis*).

Pembagian hasil usaha dilakukan berdasarkan prinsip bagi hasil usaha yaitu dari pendapatan bank yang diterima berupa laba kotor (*gross profit margin*).

Pendapatan margin dan bagi hasil atas pembiayaan yang diberikan dan atas aset produktif lainnya akan dibagikan kepada nasabah penyimpan dana dan bank sesuai dengan proporsi dana yang dipakai dalam pembiayaan yang diberikan dan aset produktif lainnya. Selanjutnya, pendapatan margin dan bagi hasil yang tersedia untuk nasabah tersebut kemudian dibagikan ke nasabah penabung dan deposan sebagai *shahibul maal* dan bank sebagai *mudharib* sesuai porsi *nisbah* bagi hasil yang telah disepakati bersama sebelumnya. Pendapatan margin dan bagi hasil dari pembiayaan dan aset produktif lainnya yang memakai dana bank, seluruhnya menjadi milik bank, termasuk pendapatan dari investasi bank berbasis imbalan.

**v. Pendapatan dan beban bunga**

**Konvensional**

Pendapatan dan beban bunga diakui pada laporan laba rugi dan penghasilan komprehensif lain dengan menggunakan metode suku bunga efektif.

Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa datang selama perkiraan umur dari aset keuangan atau liabilitas keuangan (atau, jika lebih tepat, digunakan periode yang lebih singkat) untuk memperoleh nilai tercatat neto dari aset keuangan atau liabilitas keuangan.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**u. Temporary *syirkah* funds (continued)**

The owner of temporary *syirkah* funds receives a return from the profit sharing based on predetermined ratio.

Third parties' share on return of temporary *syirkah* funds represents customer's share on the bank's income derived from the management of their funds by the bank under *mudharabah* principles. Income that will be distributed is the cash received (*cash basis*) from the share.

The distribution of revenue is based on profit sharing scheme on the bank's gross profit margin.

Margin income and profit sharing on financing facilities and other earning assets are distributed to fund owners and the bank based on proportion of fund used in the financing and other earning assets. Margin income and profit sharing income allocated to fund owners are then distributed to fund owners and depositors as *shahibul maal* and the bank as *mudharib* based on a predetermined ratio (*nisbah*). Margin income and profit sharing from financing facilities and other earning assets using the bank's funds, are entirely shared for the bank, including income from the bank's fee-based transactions.

**v. Interest income and expenses**

**Conventional**

Interest income and expenses are recognized in the statement of profit or loss and other comprehensive income using the effective interest rate method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or financial liability.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**v. Pendapatan dan beban bunga (lanjutan)**

**Konvensional (lanjutan)**

Pada saat menghitung suku bunga efektif, Bank mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, tetapi tidak mempertimbangkan kerugian kredit di masa mendatang. Perhitungan ini mencakup seluruh komisi, provisi, dan bentuk lain yang diterima oleh para pihak dalam kontrak yang merupakan bagian yang tidak terpisahkan dari suku bunga efektif, biaya transaksi, dan seluruh premi atau diskon lainnya.

Jika aset keuangan atau kelompok aset keuangan serupa telah diturunkan nilainya sebagai akibat kerugian penurunan nilai, maka pendapatan bunga yang diperoleh setelahnya diakui berdasarkan suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam menghitung kerugian penurunan nilai.

Kredit yang pembayaran angsuran pokok atau bunganya telah lewat 90 hari atau lebih setelah jatuh tempo, atau kredit yang pembayarannya secara tepat waktu diragukan, secara umum diklasifikasikan sebagai kredit yang mengalami penurunan nilai.

**Syariah**

Pendapatan operasi utama terdiri dari pendapatan dari *murabahah*, pendapatan bagi hasil dari pembiayaan *mudharabah* dan *musyarakah* dan pendapatan lainnya.

Pendapatan atas piutang *murabahah* menggunakan metode setara tingkat imbal hasil efektif (*margin* efektif). *Margin* efektif adalah margin yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa datang selama perkiraan umur dari piutang *murabahah*. Pada saat menghitung margin efektif, Bank mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, tetapi tidak mempertimbangkan kerugian piutang di masa mendatang. Perhitungan ini mencakup seluruh komisi, provisi dan bentuk lain yang diterima oleh para pihak dalam kontrak yang merupakan bagian tak terpisahkan dari margin efektif, biaya transaksi, dan seluruh premi atau diskon lainnya.

Bagi hasil dari pembiayaan *mudharabah* dan *musyarakah* diakui pada saat angsuran diterima secara tunai (*cash basis*). Pendapatan operasi utama lainnya terdiri dari pendapatan dari penempatan pada bank syariah lain. Pendapatan operasi utama lainnya diakui pada saat diterima.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**v. Interest income and expenses (continued)**

**Conventional (continued)**

*When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses. This calculation reflects all commissions, provisions, and other forms that accepted by the parties in the contract which are an integral part of the effective interest rate, transaction costs, and all other premiums and discounts.*

*If financial assets or similar financial asset groups have been impaired as a consequence of a loss on impairment, then the interest income subsequently received is recognized based on the interest rate used for discounting future cash flows in calculating the loss on impairment.*

*Loans where the principal or interest has been past due for 90 days or more, or where reasonable doubt exists as to the timely collection, are generally classified as impaired loans.*

**Sharia**

*The main operating income consists of income from murabahah transactions, income from profit sharing of mudharabah and musyarakah financing and others.*

*Income from murabahah receivables using the effective rate of return method (effective margin). Effective margin is the margin that precisely discounts the estimated future cash payments or receipts through the expected life of the murabahah receivables. When calculating the effective margin, Bank estimates the future cash flows considering all contractual terms of the financial instrument, but does not consider the loss of receivables in the future. This calculation includes all commissions, provision fees and other forms accepted by the parties in the contract that are an inseparable part of the effective margin, transaction costs and all other premiums or discounts.*

*Profit sharing from mudharabah and musyarakah financing is recognized upon collection (cash basis). Other main operating income consists of income derived from placements with other sharia banks. Other main operating income is recognized upon collection.*

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**v. Pendapatan dan beban bunga (lanjutan)**

**Syariah (lanjutan)**

*Margin* dan bagi hasil diakui secara akrual, kecuali pendapatan *margin* dan bagi hasil atas kredit yang diberikan dan pembiayaan syariah dan aset produktif lainnya yang diklasifikasi sebagai *non-performing*, yang diakui pada saat pendapatan tersebut diterima. Pendapatan *margin* dan bagi hasil yang telah diakui tetapi belum tertagih dibatalkan pada saat kredit diklasifikasikan *non-performing*, dan selanjutnya dilaporkan sebagai tagihan kontinjensi dalam rekening administratif dan diakui sebagai pendapatan pada saat diterima tunai.

**w. Pendapatan - provisi dan komisi**

Pendapatan provisi dan komisi yang jumlahnya signifikan yang berkaitan langsung dengan kegiatan pinjaman, atau pendapatan provisi dan komisi yang berhubungan dengan jangka waktu tertentu, diamortisasi sesuai dengan jangka waktu kontrak menggunakan suku bunga efektif. Untuk pinjaman yang dilunasi sebelum jatuh temponya, saldo pendapatan provisi dan komisi ditangguhkan diakui pada saat pinjaman dilunasi. Pendapatan provisi dan komisi lainnya diakui pada saat terjadinya transaksi.

Pendapatan provisi dan komisi yang berkaitan dengan kredit diakui sebagai bagian dari pendapatan bunga. Untuk pembiayaan syariah, provisi dan komisi diakui selama jangka waktu akad dengan metode garis lurus.

Provisi dan komisi lainnya yang tidak berkaitan dengan kegiatan perkreditan dan atau jangka waktu perkreditan, atau jumlahnya tidak material diakui sebagai pendapatan atau beban pada saat terjadinya transaksi.

**x. Pajak penghasilan badan**

Perlakuan akuntansi atas pajak penghasilan sesuai dengan PSAK 46, "Pajak Penghasilan".

Beban pajak kini ditentukan berdasarkan laba kena pajak dalam periode yang bersangkutan yang dihitung berdasarkan tarif pajak yang berlaku atau yang secara substansial telah berlaku pada tanggal pelaporan.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**v. Interest income and expenses (continued)**

**Sharia (continued)**

*Margin and profit sharing* are recognized on an accrual basis, except for *margin and profit sharing income on loans and sharia financing and other earning assets classified as non-performing*, which is recognized only when such interest is received in cash. *Margin and profit sharing income recognized or recorded but not yet received*, is reversed when the loans are classified as *non-performing*, and the interest amounts are recorded as contingent receivables in the administrative accounts and such interest is recognized as income on a cash received basis.

**w. Revenue - commissions and fees**

Significant fees and commission income directly related to lending activities, or fees and commission income which relate to a specific period, are amortized over the term of the underlying contract using the effective interest rate. Unamortized fees and commission income relating to loans settled prior to maturity are recognized at the settlement date. Other fees and commission income are recognized at the transaction date.

Fees and commission income related to lending activities are recognized as part of interest income. For sharia financing, fees and commissions are recognized over the term of the contract with the straight-line method.

Other commissions and fees not related to lending activities or loan periods, or not material are recognized as revenues and expenses at the time the transactions occur.

**x. Corporate income tax**

Accounting treatment for income tax is accordance with PSAK 46, "Income Tax".

Current tax expense is determined based on the taxable income for the year computed using the prevailing tax rates or substantively enacted at the reporting date.



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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL (lanjutan)**

**x. Pajak penghasilan badan (lanjutan)**

Bank menerapkan metode liabilitas untuk menentukan pajak penghasilannya. Berdasarkan metode liabilitas, aset dan liabilitas pajak tangguhan diakui atas perbedaan temporer pelaporan komersial dan pajak atas aset dan liabilitas pada setiap tanggal pelaporan. Metode ini mensyaratkan pengakuan manfaat pajak di masa mendatang, contoh: saldo rugi fiskal yang belum digunakan, sepanjang terdapat kemungkinan besar realisasi manfaat pajak tersebut.

Aset dan liabilitas pajak tangguhan diukur berdasarkan tarif pajak yang diharapkan akan berlaku pada tahun saat aset direalisasikan atau liabilitas diselesaikan berdasarkan tarif atau peraturan perpajakan yang berlaku atau yang secara substantif telah diberlakukan pada tanggal laporan posisi keuangan.

Penyesuaian atas liabilitas pajak dicatat saat surat ketetapan pajak diterima, atau jika Bank mengajukan keberatan, saat putusan banding telah diterbitkan.

Jumlah tercatat aset pajak tangguhan ditelaah pada setiap tanggal pelaporan dan nilai tercatat aset pajak tangguhan tersebut diturunkan apabila tidak lagi terdapat kemungkinan besar laba fiskal tersedia untuk mengkompensasi sebagian atau semua manfaat aset pajak tangguhan.

**y. Laba per saham**

Laba per saham dasar dihitung dengan membagi laba tahun berjalan dengan jumlah rata-rata tertimbang saham yang beredar pada tahun yang bersangkutan.

**z. Program imbalan kerja**

Bank menerapkan PSAK 24 (revisi 2013), "Imbalan Kerja", efektif sejak 1 Januari 2015, menggantikan PSAK 24 (revisi 2010): "Imbalan Kerja". Dengan diterapkan PSAK 24 (revisi 2013), maka Bank menghentikan penggunaan pendekatan koridor dalam perhitungan keuntungan dan kerugian aktuarial di periode pelaporan pada penghasilan komprehensif lain.

**2. INFORMATION OF MATERIAL ACCOUNTING POLICIES (continued)**

**x. Corporate income tax (continued)**

The Bank applies the liability method to determine its income tax expense. Under the liability method, deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. This method also requires the recognition of future tax benefits, such as the carryforward of unused tax losses, to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Adjustments to tax obligations are recorded when an assessment is received or, if appealed by the Bank, when the result of the appeal is determined.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the benefit of the deferred tax assets to be utilized.

**y. Basic earnings per share**

Basic earnings per share are computed by dividing income for the year by the weighted average number of shares outstanding during the year.

**z. Employee benefit plan**

The Bank implement PSAK 24 (revised 2013), "Employee benefit", effective January 1, 2015, change of PSAK 24 (revised 2010): "Employee Benefit". The applied PSAK 24 (revised 2013), Bank which eliminates corridor approach in calculation actuarial gain and loss in reporting period other comprehensive income.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**z. Program imbalan kerja (lanjutan)**

Program imbalan pasti

Imbalan kerja ditentukan berdasarkan peraturan Bank dan Undang-undang Cipta Kerja No.11 tahun 2020 tanggal 2 November 2020. Penyisihan untuk imbalan masa kerja diukur berdasarkan laporan aktuarial. Bank menggunakan metode penilaian aktuarial *projected unit credit* untuk menentukan nilai kini dari imbalan, biaya jasa kini dan biaya jasa lalu. Keuntungan dan kerugian aktuarial diakui sebagai pendapatan atau beban apabila akumulasi keuntungan dan kerugian aktuarial bersih yang belum diakui untuk setiap program pada akhir periode pelaporan sebelumnya melebihi jumlah yang lebih besar diantara 10% dari nilai kini kewajiban imbalan pasti (sebelum dikurangi aset program) pada tanggal tersebut atau 10% dari nilai wajar aset program pada tanggal tersebut. Keuntungan atau kerugian aktuarial diakui sebagai pendapatan atau beban berdasarkan metode garis lurus selama rata-rata sisa masa kerja karyawan.

Biaya jasa lalu yang terjadi ketika pengenalan program imbalan pasti atau perubahan imbalan terutang pada program yang ada diamortisasi selama periode sampai dengan imbalan tersebut menjadi hak pekerja atau *vested*.

Imbalan kerja jangka pendek

Imbalan kerja jangka pendek seperti upah, iuran jaminan sosial, cuti jangka pendek, bonus dan imbalan non-moneter lainnya diakui selama periode jasa diberikan. Imbalan kerja jangka pendek diukur sebesar jumlah yang tidak didiskontokan.

Program pensiun manfaat pasti

Pada tahun 2019, Bank melakukan perubahan Peraturan Dana Pensiun sesuai dengan Keputusan Direksi PT Bank Pembangunan Daerah Jawa Timur Tbk selaku pendiri Dana Pensiun Pegawai Bank Pembangunan Daerah Jawa Timur No. 058/050.2/DIR/HCP/KEP tanggal 12 Maret 2019. Peraturan Dana Pensiun tersebut telah mendapat pengesahan dari Dewan Komisaris Otoritas Jasa Keuangan No.Kep-24/NB.1/2019 tanggal 14 Juni 2019.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**z. Employee benefit plan (continued)**

Defined benefits plans

The benefits are determined based on the Bank's regulations and Job Creation No.11 year 2020 dated 2 November 2020. The provision for employee service entitlements is estimated on the basis of actuarial reports. The Bank uses the projected unit credit method to determine the present value of benefits, current service cost and past service cost. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceed the greater of 10% of the higher of the present value of the defined benefits obligation (before deducting plan assets) or 10% of the fair value of plan assets at that date. Such actuarial gains or losses are recognized as income or expense on a straight-line basis over the expected average remaining working lives of the employees.

Past-service costs arising from the introduction of a defined benefit plan or changes in the benefits payable of an existing plan are required to be amortized over the period until the benefits concerned become vested.

Short-term employee benefits

Short-term employee benefits such as wages, social security contributions, short-term compensated leaves, bonuses and other non-monetary benefits are recognized during the period when services have been rendered. Short-term employee benefits are measured using undiscounted amounts.

Defined benefit pension plan

In 2019, the Bank has modified the Pension Fund Policy in accordance with the decision of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk as the founder of Dana Pensiun Pegawai Bank Pembangunan Daerah Jawa Timur No.058/050.2/DIR/HPC/KEP dated on March 12, 2019. The Pension Fund Policy was approved by the decree of Indonesia Financial Services Authority No.KEP-24/NB.1/2019 dated on June 14, 2019.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**z. Program imbalan kerja (lanjutan)**

Program pensiun manfaat pasti (lanjutan)

Peraturan Dana Pensiun tersebut merubah Keputusan Direksi PT Bank Pembangunan Daerah Jawa Timur Tbk selaku pendiri Dana Pensiun Pegawai Bank Pembangunan Daerah Jawa Timur No.056/096/KEP/DIR/SK tanggal 22 Mei 2017, yang telah mendapat pengesahan dari Dewan Komisaris Otoritas Jasa Keuangan No.KEP-56/NB.1/2017 tanggal 8 November 2017. Bank menyelenggarakan program pensiun manfaat pasti untuk pegawai yang telah terdaftar di Dana Pensiun PT Bank Pembangunan Daerah Jawa Timur Tbk serta telah diangkat menjadi pegawai tetap sampai dengan tanggal 24 Agustus 2012. Kontribusi pegawai sebesar 5% dari penghasilan dasar pensiun pekerja dan atas sisa jumlah yang perlu didanakan kepada Dana Pensiun merupakan kontribusi Bank.

Program pensiun iuran pasti

Sesuai dengan keputusan Direksi PT Bank Pembangunan Daerah Jawa Timur Tbk No.050/067/KEP/DIR/SDM tanggal 20 April 2012, Bank mengadakan perjanjian kerjasama dengan Dana Pensiun Lembaga Keuangan (DPLK) Bank Rakyat Indonesia pada tanggal 23 April 2012 tentang pengelolaan program pensiun iuran pasti bagi pegawai Bank.

Iuran kepada dana pensiun sebesar persentase tertentu dari gaji pegawai yang menjadi peserta program pensiun iuran pasti Bank, dicadangkan dan diakui sebagai biaya ketika jasa telah diberikan oleh pegawai-pegawai tersebut.

Program asuransi tunjangan hari tua

- 1) Keputusan Direksi No.KEP.079/BPD/83 tanggal 11 November 1983 dan perubahannya No.KEP.006/BPD/85 tanggal 29 Januari 1985, Bank juga menyelenggarakan program manfaat pasti dalam bentuk tunjangan hari tua melalui Program Asuransi Tunjangan Hari Tua untuk seluruh karyawan melalui perjanjian kerja sama yang diadakan pada tanggal 3 November 1993 dengan Asuransi Jiwa Bersama Bumiputera 1912, tentang Pengelolaan Program Asuransi Dwiguna Standar US\$. Berdasarkan program ini, pada saat mulai memasuki masa pensiun, selain tunjangan pensiun, karyawan juga akan memperoleh tunjangan hari tua yang besarnya bervariasi sesuai dengan jabatan terakhir dari karyawan.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**z. Employee benefit plan (continued)**

Defined benefit pension plan (continued)

The Policy superseded the decision of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk as the founder of Dana Pensiun Pegawai Bank Pembangunan Daerah Jawa Timur No.056/096/KEP/DIR/SK dated on May 22, 2017, as approved by the decree of Indonesia Financial Services Authority No.KEP-56/NB.1/2017 dated November 8, 2017. The Policy applies to all employees who are registered in Financial Institutions Fund Pension of PT Bank Pembangunan Daerah Jawa Timur Tbk and has been appointed as permanent employee of the Bank before and on August 24, 2012. The contribution paid by the employees is 5% of employees' basic pension salaries and the remaining amount is paid by the Bank.

Defined contribution pension plan

In accordance with the decision of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk No.050/067/KEP/DIR/SDM dated April 20, 2012, the Bank entered into a cooperation agreement with "Dana Pensiun Lembaga Keuangan Bank Rakyat Indonesia" dated April 23, 2012 regarding defined contribution pension plan for the Bank's employees.

Contribution payable to a pension fund equivalent to a certain percentage of salaries for qualified employees under the Bank's defined contribution plan is accrued and recognized as expense when services have been rendered by qualified employees.

Pension insurance plan

- 1) Directors' decision No.KEP.079/BPD/83 dated November 11, 1983 and its amendment No.KEP.006/BPD/85 dated January 29, 1985, the Bank provides mutual aid pensions (tunjangan hari tua) in the form of a Mutual Aid Pension Insurance Plan (Program Asuransi Tunjangan Hari Tua) for all employees through a cooperation agreement dated November 3, 1993 with Asuransi Jiwa Bersama Bumiputera 1912 for insurance under a program Asuransi Dwiguna Standar US\$. Based on this program, at the commencement of the pension period, in addition to pension allowances, each employee will also receive a mutual aid pension (tunjangan hari tua) based on the employee's latest position.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**z. Program imbalan kerja (lanjutan)**

Program asuransi tunjangan hari tua (lanjutan)

- 1) Keputusan Direksi No.046/042.1/KEP/DIR/SDM tanggal 3 Maret 2008, telah diamendemen dengan Keputusan Direksi No.048/068.1/KEP/DIR/SDM tertanggal 3 Mei 2010 yang menyatakan besarnya tunjangan hari tua ditentukan sesuai dengan jabatan dengan besaran dasar uang asuransi antara Rp22,5 sampai dengan Rp200. Premi asuransi masing-masing peserta dibayar dimuka oleh Bank dan diamortisasi selama sisa masa kerja karyawan.

Sesuai dengan Keputusan Direksi No.050/020/ADD/SP/DIR/SDM tanggal 30 Maret 2012 terkait addendum atas perjanjian kerjasama pengelolaan program asuransi tunjangan hari tua dengan Asuransi Jiwasraya bahwa disepakati adanya kenaikan uang asuransi dan premi.

- 2) Sesuai dengan persetujuan Dewan Komisaris No.040/090/DK/BPD/02 tanggal 30 Desember 2002, Bank juga menyelenggarakan program manfaat pasti dalam bentuk tunjangan hari tua melalui Program Asuransi Tunjangan Hari Tua untuk seluruh karyawan melalui perjanjian kerja sama yang diadakan pada tanggal 31 Desember 2002 dengan PT Asuransi Jiwasraya (Persero) tentang Pengelolaan Program Asuransi Tunjangan Hari Tua. Berdasarkan program ini, pada saat mulai memasuki masa pensiun, selain tunjangan pensiun, karyawan juga akan memperoleh tunjangan hari tua yang besarnya disesuaikan dengan masa kerja dan jumlah gaji terakhir. Premi asuransi masing-masing peserta dibayar di muka oleh Bank dan diamortisasi selama sisa masa kerja karyawan.

- 3) Sesuai dengan persetujuan melalui Keputusan Direksi No.KEP.061/03/29/DIR/HC/KEP tanggal 18 Juli 2022, Bank juga menyelenggarakan program manfaat pasti dalam bentuk tunjangan hari tua melalui Program Asuransi Tunjangan Hari Tua untuk seluruh karyawan melalui perjanjian kerja sama yang diadakan pada tanggal 13 Juni 2022 dengan PT Asuransi Jiwa Inhealth Indonesia, tentang Pengelolaan Program Asuransi Dwiguna. Berdasarkan program ini, pada saat mulai memasuki masa pensiun, meninggal dunia, mengundurkan diri dengan hormat dan mengundurkan diri karena mengikuti program pengakhiran bakti pegawai.

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**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**z. Employee benefit plan (continued)**

Pension insurance plan (continued)

- 1) Directors' decision No.046/042.1/KEP/DIR/SDM dated March 3, 2008 has been amended with Director's decision No.048/068.1/KEP/DIR/SDM dated May 3, 2010, which stated that the pension allowance was determined based on the employees position with a basic insurance value ranging from Rp22.5 to Rp200. The insurance premiums for employees are paid in advance by the Bank and are amortized over the remaining years of service of employees.

Pursuant with Director's decision No.050/020/ADD/SP/DIR/SDM dated March 30, 2012 about added for agreement for management insurance program pension with Insurance Jiwasraya (Corporate) was acceptable increase premiums insurance.

- 2) Pursuant to the Board of Commissioners' decision No.040/090/DK/BPD/02 dated December 30, 2002, the Bank also provides mutual aid pensions (tunjangan hari tua), through management of a Mutual Aid Pension Insurance Plan (Program Asuransi Tunjangan Hari Tua) for all employees under a cooperation agreement, dated December 31, 2002 with PT Asuransi Jiwasraya (Persero) regarding Management of a Mutual Aid Pension Insurance Plan. Based on this plan, at the commencement of the pension period, in addition to a pension allowance, employees will also receive mutual aid pensions (tunjangan hari tua) equal to the number of years of service multiplied by the employee's latest monthly salary. The insurance premiums for employees are paid in advance by the Bank and are amortized over the remaining years of service of employees.

- 3) Pursuant to the the approval through the Decree of the Board of Directors No.KEP.061/03/29/DIR/HC/KEP dated July 18, 2022, the Bank also organizes a defined benefit program in the form of pension benefits through the pension Benefit Insurance Program for all employees through a cooperation agreement held on June 13, 2022 with PT Asuransi Jiwa Inhealth Indonesia, regarding the Management of the endowment Insurance Program. Based on this program, when entering retirement age, he dies, resigns with honor and resigns due to participating in the employee service termination program.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**z. Program imbalan kerja (lanjutan)**

Program imbalan pasca kerja lainnya dan jangka panjang lainnya

Bank juga memberikan imbalan pasca kerja dan jangka panjang lainnya, meliputi uang duka bagi pegawai yang meninggal dunia dan penghargaan masa kerja.

Liabilitas dan pendanaan penghargaan masa kerja dan uang duka dihitung aktuaris independen dengan metode *projected unit credit*.

Jasa produksi

Bank juga memberikan jasa produksi tahunan kepada para Komisaris, Direksi dan karyawan dan untuk setiap tahun buku dicadangkan dan diakui sebagai beban pada tahun berjalan yang jumlahnya ditetapkan berdasarkan jumlah jasa produksi yang disetujui dalam RUPS tahun-tahun sebelumnya dan kemudian diusulkan untuk disetujui/disahkan dalam RUPS yang akan datang. Jika terdapat selisih antara jumlah jasa produksi yang dicadangkan dengan jumlah yang disahkan oleh RUPS, maka selisih tersebut dibebankan/dikreditkan pada laporan laba rugi dan penghasilan komprehensif lain sebagai penambah atau pengurang cadangan jasa produksi.

Program penghargaan akhir masa jabatan Dewan Komisaris dan Direksi

Bank memberikan penghargaan akhir masa jabatan untuk Komisaris dan Direksi melalui program asuransi yang jumlahnya dihitung secara proporsional sesuai dengan masa jabatannya berdasarkan Surat Keputusan Dewan Komisaris dan Direksi No.046/04/SK/DK/BPD/2008, tanggal 30 April 2008 yang mengacu pada Akta Rapat Umum Pemegang Saham No.55, tanggal 17 April 2008 yang dibuat oleh Notaris Untung Darnosoewirjo, S.H., di Surabaya, akta RUPS No.28 tanggal 19 Mei 2009 yang dibuat oleh Notaris Untung Darnosoewirjo, S.H., di Surabaya dan RUPS No.26 tanggal 14 April 2010 yang dibuat oleh Notaris Wachid Hasyim, S.H., di Surabaya.

Premi yang dibayar dibebankan pada laporan laba rugi dan penghasilan komprehensif lain selama masa jabatannya secara proporsional.

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**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**z. Employee benefit plan (continued)**

Other post employee benefits program and long-term employee benefits program

The Bank also provides post benefits program and long term benefit plan that includes death benefits to employees who has passed away and gratuity.

Liabilities and employees gratuity funding is calculated by an independent actuary in projected unit credit method.

Bonuses

The Bank also provides annual bonuses for Commissioners, Directors and employees. These costs are recognized as current year's expenses and the amount is determined based on the bonuses authorized during Shareholders' General Meetings (RUPS) in the prior year. Such bonuses are subsequently proposed for approval by the Shareholders in the following Shareholders' General Meeting (RUPS). Any difference between the amount accrued and the amount approved by the RUPS is charged/credited to statement of profit or loss and other comprehensive income as an addition to or deduction of the provision for bonuses.

End of service awards program for the Boards of Commissioners and Directors

The Bank provides end of service awards program for Commissioners and Directors through an insurance program, which amount is calculated proportionally during the period of service in accordance with a Decision Letter of the Bank's Boards of Commissioners and Directors No.046/04/SK/DK/BPD/2008, dated April 30, 2008 referred to the Minutes of Shareholders' Meeting No. 55, dated April 17, 2008 prepared by Untung Darnosoewirjo, S.H., public notary in Surabaya, Minutes of Shareholders' Meeting No.28, dated May 19, 2009 prepared by Untung Darnosoewirjo, S.H., public notary in Surabaya, and Minutes of Shareholders' Meeting No.26, dated April 14, 2010 prepared by Wachid Hasyim, S.H., public notary in Surabaya.

Premiums paid are charged proportionally to statement of profit or loss and other comprehensive income over the service period.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**aa. Biaya emisi saham**

Biaya-biaya yang terjadi sehubungan dengan penawaran saham kepada masyarakat (termasuk penerbitan hak memesan efek terlebih dahulu) dikurangkan langsung dari hasil emisi dan disajikan sebagai pengurang pada akun "Tambahan Modal Disetor - Neto" sebagai bagian dari ekuitas pada laporan posisi keuangan.

**ab. Dividen**

Pembagian dividen kepada para pemegang saham Bank diakui sebagai sebuah liabilitas dalam laporan keuangan Bank pada tahun ketika dividen tersebut disetujui oleh para pemegang saham Bank.

**ac. Provisi**

Provisi diakui jika Bank memiliki kewajiban kini (baik bersifat hukum maupun bersifat konstruktif) yang akibat peristiwa masa lalu, besar kemungkinannya penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi dan estimasi yang andal mengenai jumlah kewajiban tersebut dapat dibuat.

Provisi ditelaah pada setiap tanggal pelaporan dan disesuaikan untuk mencerminkan estimasi terbaik yang paling kini. Jika arus keluar sumber daya untuk menyelesaikan kewajiban kemungkinan besar tidak terjadi, maka provisi dibatalkan.

**ad. Liabilitas dan aset kontinjensi**

Liabilitas kontinjensi tidak diakui dalam laporan keuangan tetapi diungkapkan kecuali jika kemungkinan terjadi kecil. Aset kontinjensi tidak diakui namun diungkapkan dalam laporan keuangan ketika adanya kemungkinan untuk mendapatkan manfaat ekonomi.

**ae. Informasi segmen**

Bank menentukan dan menyajikan segmen operasi berdasarkan informasi yang secara internal diberikan oleh bagian akuntansi kepada pengambil keputusan operasional.

Bank mengidentifikasi segmen operasi sebagai suatu komponen dari entitas:

- 1) yang terlibat dalam aktivitas bisnis yang mana memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban terkait dengan transaksi dengan komponen lain dari entitas yang sama);

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**aa. Shares issuance costs**

The cost related to the public offering of shares (including pre-emptive rights issue) are deducted from the proceeds and presented as a deduction from the "Other Paid-In Capital - Net" account, under Equity section in the statements of financial position.

**ab. Dividend**

Dividend distribution to the Bank's shareholders is recognized as a liability in the Bank financial statements in the year in which the dividends are approved by the Bank's shareholders.

**ac. Provisions**

Provisions are recognized when the Bank has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

**ad. Contingent liabilities and assets**

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statement when an inflow of economic benefits are probable.

**ae. Segment information**

The Bank determines and presents operating segments based on the information that is internally provided by accounting department to the operating decision maker.

The Bank defines an operating segment as a component of an entity:

- 1) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**ae. Informasi segmen (lanjutan)**

Bank mengidentifikasi segmen operasi sebagai suatu komponen dari entitas (lanjutan):

- 2) hasil operasinya dikaji ulang secara reguler oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- 3) tersedia informasi keuangan yang dapat dipisahkan.

Bank mengungkapkan segmen operasionalnya berdasarkan segmen usaha yang meliputi perbankan konvensional dan syariah.

Segmen geografis meliputi penyediaan jasa di dalam lingkungan ekonomi tertentu yang memiliki risiko serta tingkat pengembalian yang berbeda dengan segmen operasi lainnya yang berada dalam lingkungan ekonomi lain. Segmen geografis Bank adalah Jawa Timur dan selain Jawa Timur.

**af. Peristiwa setelah periode pelaporan**

Setiap peristiwa setelah akhir tahun yang menyebabkan tambahan informasi mengenai posisi keuangan Bank (*adjusting event*) akan disesuaikan dalam laporan keuangan. Peristiwa setelah akhir tahun yang bukan merupakan *adjusting events*, jika ada, akan diungkapkan ketika memiliki dampak material terhadap laporan keuangan.

**ag. Penggunaan estimasi dan pertimbangan akuntansi signifikan**

Penyusunan laporan keuangan Bank mengharuskan manajemen untuk membuat pertimbangan, estimasi dan asumsi yang mempengaruhi jumlah yang dilaporkan dari pendapatan, beban, aset dan liabilitas, dan pengungkapan atas liabilitas kontinjensi, pada akhir periode pelaporan. Ketidakpastian mengenai asumsi dan estimasi tersebut dapat mengakibatkan penyesuaian material terhadap nilai tercatat aset dan liabilitas dalam periode pelaporan berikutnya.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**ae. Segment information (continued)**

The Bank defines an operating segment as a component of an entity (continued):

- 2) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- 3) for which discrete financial information is available.

Bank discloses its operating segments based on business segments that consist of banking conventional and sharia.

A geographical segment is engaged in providing services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The Bank's geographical segments are East Java and other than East Java.

**af. Subsequent event**

Any post-year-end event that provides additional information about the Bank's financial position (*adjusting event*) is reflected in the financial statements. Post-year-end events that are not *adjusting events*, if any, are disclosed when material to the financial statements.

**ag. Use of significant accounting estimates and judgments**

The preparation of the Bank's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**ag. Penggunaan estimasi dan pertimbangan  
akuntansi signifikan (lanjutan)**

**Pertimbangan**

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Bank yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan:

Kelangsungan usaha

Manajemen Bank telah melakukan penilaian atas kemampuan Bank untuk mempertahankan kelangsungan usahanya dan berkeyakinan bahwa Bank memiliki sumber daya untuk mempertahankan usahanya di masa mendatang. Selain itu, manajemen tidak mengetahui adanya ketidakpastian material yang dapat menimbulkan keraguan yang signifikan terhadap kemampuan Bank untuk mempertahankan usahanya. Oleh karena itu, laporan keuangan telah disusun atas dasar usaha yang berkelanjutan.

Klasifikasi aset dan liabilitas keuangan

Bank menetapkan klasifikasi atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan apakah definisi yang ditetapkan PSAK 71 dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Bank seperti diungkapkan pada (Catatan 2d).

Nilai wajar instrumen keuangan

Semua aset dan liabilitas dimana nilai wajar diukur atau diungkapkan dalam laporan keuangan dapat dikategorikan pada level hierarki nilai wajar, berdasarkan tingkatan input terendah yang signifikan atas pengukuran nilai wajar secara keseluruhan:

- Level 1: harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses pada tanggal pengukuran.
- Level 2: input selain harga kuotasian yang termasuk dalam level 1 yang dapat diobservasi untuk aset dan liabilitas, baik secara langsung atau tidak langsung.
- Level 3: input yang tidak dapat diobservasi untuk aset dan liabilitas.

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**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**ag. Use of significant accounting estimates and  
judgments (continued)**

**Judgments**

The following judgments are made by management in the process of applying the Bank's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

Going concern

The Bank's management has assessed the Bank's ability to continue as a going concern and believes that the Bank has the resources to continue its business in the future. In addition to that, management is not aware of any material uncertainty that may cast significant doubt to the Bank's ability to continue as a going concern. Therefore, the financial statements have been prepared on going concern basis.

Classification of financial assets and liabilities

The Bank determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK 71. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Bank's accounting policies disclosed in (Note 2d).

Fair value of financial instruments

All assets and liabilities in which fair value is measured or disclosed in the financial statements can be classified in fair value hierarchy levels, based on the lowest level of input that is significant on the overall fair value measurement:

- Level 1: quoted price (without adjustments) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets and liabilities, either directly or indirectly.
- Level 3: unobservable inputs for the asset and liability.



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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**ag. Penggunaan estimasi dan pertimbangan  
akuntansi signifikan (lanjutan)**

**Pertimbangan (lanjutan)**

Klasifikasi investasi pada biaya perolehan  
diamortisasi

Surat berharga dengan klasifikasi pada biaya perolehan diamortisasi membutuhkan judgment yang signifikan. Dalam membuat *judgment* ini, Bank mengevaluasi model bisnis dan persyaratan kontraktual dari aset keuangan yang pada tanggal tertentu meningkatkan arus kas yang semata dari pembayaran pokok dan bunga.

Aset keuangan yang tidak memiliki harga pasar

Bank mengklasifikasikan aset keuangan dengan mengevaluasi, antara lain, apakah aset tersebut dikuotasi atau tidak di pasar aktif. Termasuk dalam evaluasi adalah apakah aset keuangan yang dikuotasi di pasar aktif tersebut ditentukan berdasarkan apakah harga kuotasi tersedia secara rutin, dan apakah harga tersebut mencerminkan harga aktual yang secara teratur terjadi transaksi pasar secara wajar.

Kontinjensi

Bank saat ini terlibat dalam beberapa kasus hukum. Estimasi atas biaya yang mungkin terjadi atas penyelesaian tuntutan-tuntutan tersebut sudah dikonsultasikan dengan penasihat dari luar yang menangani pembelaan Bank dalam hal-hal tersebut dan berdasarkan analisa dari hasil yang mungkin terjadi. Bank saat ini tidak yakin kalau kasus-kasus ini akan memiliki efek kerugian yang material pada laporan keuangan. Bagaimanapun, ada kemungkinan dari hasil-hasil operasi di masa akan datang akan terpengaruh secara material oleh perubahan dari perkiraan-perkiraan atau dalam keefektifan dari strategi yang berhubungan dengan kasus-kasus tersebut.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**ag. Use of significant accounting estimates and  
judgments (continued)**

**Judgments (continued)**

Classification to amortized cost investments

The classification under amortized cost securities requires significant judgment. In making this judgment, the Bank evaluates its business model and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

Financial assets not quoted in an active market

The Bank classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regular occurring market transactions on an arm's length basis.

Contingencies

Bank is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Bank's defense on these matters and is based upon an analysis of the potential results. The Bank currently does not believe that these proceedings will have a material adverse effect on the financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to the proceedings.

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**ag. Penggunaan estimasi dan pertimbangan  
akuntansi signifikan (lanjutan)**

**Pertimbangan (lanjutan)**

Penilaian mata uang fungsional

Manajemen telah melakukan pertimbangan untuk menentukan mata uang fungsional yang paling mewakili dampak ekonomi dari suatu transaksi, kejadian dan kondisi-kondisi yang relevan terhadap entitas. Dalam membuat pertimbangan tersebut, Bank telah mempertimbangkan hal-hal sebagai berikut:

- 1) mata uang yang mempengaruhi harga jual atas instrumen keuangan dan jasa-jasa lainnya (biasanya dari mata uang atas harga jual instrumen keuangan dan jasa-jasa yang telah diselesaikan);
- 2) mata uang atas dana yang dihasilkan dari aktivitas pendanaan; dan
- 3) mata uang atas yang biasa diterima dari aktivitas operasi.

Sewa operasi

Bank, sebagai *lessee*, telah mengadakan perjanjian sewa untuk bangunan yang digunakannya untuk operasi. Bank telah menentukan bahwa semua risiko dan manfaat signifikan dari kepemilikan properti yang disewa dalam sewa operasi tersebut tidak dapat dialihkan kepada Bank.

**Estimasi dan asumsi**

Asumsi utama masa depan dan sumber utama estimasi ketidakpastian lain pada tanggal pelaporan yang memiliki risiko signifikan yang dapat menimbulkan penyesuaian yang material terhadap nilai tercatat aset dan liabilitas untuk tahun keuangan berikutnya, diungkapkan di bawah ini. Bank mendasarkan asumsi dan estimasinya pada parameter yang tersedia pada saat laporan keuangan disusun. Situasi yang ada dan asumsi perkembangan masa depan, dapat berubah akibat perubahan pasar atau situasi yang berada di luar kendali Bank. Perubahan-perubahan tersebut dicerminkan di dalam asumsi-asumsi terkait pada saat terjadinya.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**ag. Use of significant accounting estimates and  
judgments (continued)**

**Judgments (continued)**

Assessment of functional currency

The management has considered to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, the Bank has considered the following:

- 1) the currency that mainly influences sales prices for financial instruments and services (this will often be the currency in which sales prices for its financial instruments and services are denominated and settled);
- 2) the currency in which funds from financing activities are generated; and
- 3) the currency in which funds from operating are usually retained.

Operating leases

The Bank, as a lessee, has entered into lease on premises used for its operations. The Bank has determined that all significant risk and rewards of ownership of the properties it leases on operating lease are not transferrable to the Bank.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, may change due to market changes or circumstances arising beyond the control of the Bank. Such changes are reflected in the assumptions as they occur.

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**ag. Penggunaan estimasi dan pertimbangan  
akuntansi signifikan (lanjutan)**

**Estimasi dan asumsi (lanjutan)**

Aset pajak tangguhan

Aset pajak tangguhan diakui atas jumlah pajak penghasilan terpulihkan (*recoverable*) pada periode mendatang sebagai akibat perbedaan temporer yang boleh dikurangkan. Justifikasi manajemen diperlukan untuk menentukan jumlah aset pajak tangguhan yang dapat diakui, sesuai dengan waktu yang tepat dan tingkat laba fiskal di masa mendatang sejalan dengan strategi rencana perpajakan ke depan (Catatan 22g).

Pensiun

Program-program pensiun ditentukan berdasarkan perhitungan aktuaria. Perhitungan aktuaria menggunakan asumsi-asumsi seperti tingkat diskonto, tingkat pengembalian investasi, tingkat kenaikan gaji, tingkat kematian, tingkat pengunduran diri dan lain-lain (Catatan 54).

Penurunan nilai surat berharga pada biaya perolehan diamortisasi

Bank mereview surat berharga yang diklasifikasikan pada biaya perolehan diamortisasi pada setiap tanggal posisi keuangan untuk menilai apakah telah terjadi penurunan nilai.

Dalam menentukan pertimbangan, Bank mengevaluasi diantaranya faktor, pergerakan harga pasar historis dan jangka waktu serta lama perpanjangan di mana nilai wajar dari investasi kurang dari biayanya (Catatan 8 dan 43e).

Penurunan nilai atas aset tidak produktif

Bank melakukan penilaian atas penurunan nilai pada aset non-finansial kapan saja terdapat peristiwa atau perubahan keadaan yang mengindikasikan bahwa nilai tercatat pada suatu aset mungkin tidak dapat diperoleh kembali. Faktor-faktor yang dianggap penting oleh Bank yang dapat memicu adanya ulasan atas penurunan nilai termasuk sebagai berikut (Catatan 43e):

- 1) Kinerja di bawah rata-rata yang signifikan yang relatif terhadap hasil historis atau proyeksi hasil operasi yang diharapkan; di masa yang akan datang;
- 2) Perubahan yang signifikan dari cara penggunaan aset yang diperoleh atau strategi untuk bisnis secara keseluruhan; dan
- 3) Tren negatif industri dan ekonomi yang signifikan.

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**ag. Use of significant accounting estimates and  
judgments (continued)**

**Estimates and assumptions (continued)**

Deferred tax assets

Deferred tax assets are recognized for the future recoverable taxable income arising from temporary difference. Management's judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing on level of future taxable profits together with future tax planning strategies (Note 22g).

Pension

Pension programs are determined based on actuarial valuation. The actuarial valuation involves assumptions such as discount rate expected rate of returns on investments, future salary increase, mortality rate, resignation rates and others (Note 54).

Impairment of amortized cost marketable securities

Bank reviews marketable securities classified amortized cost at each financial position date to assess whether there is an impairment in value.

In making this judgment, the Bank evaluates, among others factors, historical market price movements and duration and the extent to which the fair value of the investment is less than the cost (Note 8 and 43e).

Impairment of non-productive assets

Bank assesses impairment on non productive assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the followings (Note 43e):

- 1) Significant underperformance relative to expected historical or projected future operating results;
- 2) Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- 3) Significant negative industry or economic trends.

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**2. INFORMASI KEBIJAKAN AKUNTANSI MATERIAL  
(lanjutan)**

**ag. Penggunaan estimasi dan pertimbangan  
akuntansi signifikan (lanjutan)**

**Estimasi dan asumsi (lanjutan)**

Pengukuran penyisihan kerugian kredit  
ekspektasian (ECL)

Pengukuran penyisihan kerugian kredit ekspektasian untuk aset keuangan yang diukur dengan biaya perolehan diamortisasi dan FVOCI adalah area yang memerlukan penggunaan model yang kompleks dan asumsi signifikan tentang kondisi ekonomi dan perilaku kredit di masa depan (misalnya kemungkinan pelanggan gagal bayar dan kerugian yang timbul). Penjelasan tentang input, asumsi dan teknik estimasi yang digunakan dalam mengukur ECL dirinci lebih lanjut di (Catatan 2m), yang juga menetapkan sensitivitas kunci ECL terhadap perubahan elemen-elemen ini.

Sejumlah pertimbangan signifikan juga diperlukan dalam menerapkan persyaratan akuntansi untuk mengukur ECL, seperti:

- Menentukan kriteria untuk peningkatan risiko kredit yang signifikan;
- Memilih model dan asumsi yang tepat untuk pengukuran ECL;
- Menetapkan jumlah dan bobot relatif dari skenario *forward-looking* untuk setiap jenis produk/pasar dan ECL terkait; dan
- Membentuk kelompok aset keuangan serupa untuk keperluan pengukuran ECL.

Estimasi ini didasarkan pada asumsi-asumsi tentang sejumlah faktor dan hasil aktual mungkin berbeda, yang tercermin dalam perubahan penyisihan ECL tersebut di masa mendatang (Catatan 12).

Penyusutan dan estimasi masa manfaat dari aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus untuk bangunan dan metode saldo menurun ganda untuk selain bangunan berdasarkan taksiran masa manfaat ekonomisnya. Manajemen Bank mengestimasi masa manfaat ekonomis aset tetap antara 4 sampai dengan 20 tahun.

Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi (Catatan 15).

**2. INFORMATION OF MATERIAL ACCOUNTING  
POLICIES (continued)**

**ag. Use of significant accounting estimates and  
judgments (continued)**

**Estimates and assumptions (continued)**

Measurement of expected credit loss (ECL)  
allowance

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in (Note 2m), which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing Banks of similar financial assets for the purposes of measuring ECL.

These estimates are based on assumptions about a number of factors and actual results may differ, as reflected in changes in the ECL allowance in the future (Note 12).

Depreciation and estimated useful lives of fixed assets

The costs of fixed asset are depreciated on a straight-line method for buildings and on a double declining balance method for other than buildings over their estimated useful lives. The Bank's management estimates the useful lives of these fixed assets to be within 4 to 20 years.

Changes in the expected level of the usage and technological development could impact the economic useful lives and the residual values of the assets, and therefore future depreciation changes could be revised (Note 15).

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**3. KAS**

	2023	
	Jumlah nosional mata uang asing/ <i>Notional amount</i> <i>foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i> )	Ekuivalen Rupiah/ <i>Rupiah</i> <i>equivalent</i>
Rupiah		2.593.983
Mata uang asing		
Dolar Amerika Serikat	1.731.887	26.668
Riyal Saudi Arabia	3.759.449	15.436
Dolar Singapura	663.426	7.746
Euro	182.730	3.113
Ringgit Malaysia	591.322	1.984
Dolar Australia	134.405	1.414
Poundsterling Inggris Raya	57.475	1.128
Yen Jepang	5.606.000	610
Dolar Hong Kong	186.580	368
Yuan China Renminbi	150.105	325
Jumlah mata uang asing		58.792
Jumlah kas		2.652.775

Kas dalam Rupiah pada tanggal 31 Desember 2023 dan 2022, masing-masing termasuk uang pada mesin Anjungan Tunai Mandiri (ATM) dan *Cash Recycle Machine* (CRM) sejumlah Rp300.802 dan Rp295.380.

**4. GIRO PADA BANK INDONESIA**

	2023	
	Jumlah nosional mata uang asing / <i>Notional amount</i> <i>foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i> )	Ekuivalen Rupiah/ <i>Rupiah</i> <i>equivalent</i>
Rupiah		7.940.618
Dolar Amerika Serikat	2.000.000	30.794
Jumlah		7.971.412

Dalam giro pada Bank Indonesia termasuk giro yang didasarkan pada prinsip perbankan syariah sebesar Rp188.268 dan Rp184.549 masing-masing pada tanggal 31 Desember 2023 dan 2022.

**3. CASH**

	2022		
	Jumlah nosional mata uang asing/ <i>Notional amount</i> <i>foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i> )	Ekuivalen Rupiah/ <i>Rupiah</i> <i>equivalent</i>	
		1.946.513	Rupiah
			Foreign currencies
	1.338.167	20.832	United States Dollar
	1.749.592	7.242	Saudi Arabian Riyal
	967.717	3.420	Malaysian Ringgit
	536.709	6.222	Singapore Dollar
	122.970	2.039	Euro
	84.290	890	Australian Dollar
	5.100	96	Great Britain Poundsterling
	2.560.000	302	Japanese Yen
	215.120	429	Hong Kong Dollar
	124.248	277	Chinese Yuan Renminbi
		41.749	Total foreign currencies
		1.988.262	Total cash

Cash in Rupiah as of December 31, 2023 and 2022, includes funds at Automatic Teller Machines (ATM) and Cash Recycle Machine (CRM) amounting to Rp300,802 and Rp295,380, respectively.

**4. CURRENT ACCOUNTS WITH BANK INDONESIA**

	2022		
	Jumlah nosional mata uang asing / <i>Notional amount</i> <i>foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i> )	Ekuivalen Rupiah/ <i>Rupiah</i> <i>equivalent</i>	
		10.774.286	Rupiah
	800.000	12.454	United States Dollar
		10.786.740	Total

Current accounts with Bank Indonesia include current accounts based on sharia banking principles amounting to Rp188,268 and Rp 184,549 as of December 31, 2023 and 2022, respectively.

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**4. GIRO PADA BANK INDONESIA (lanjutan)**

Rasio (GWM) Bank adalah sebagai berikut:

	2023	2022
<u>Konvensional</u>		
Rupiah		
GWM Primer		
Harian	2,49%	4,75%
Rata-rata	6,36%	7,40%
Penyangga Likuiditas Makroprudensial (PLM)	30,50%	36,38%
Mata uang asing	6,62%	7,39%
<u>Syariah</u>		
Rupiah	5,81%	6,54%

Rasio GWM pada tanggal 31 Desember 2023 dihitung berdasarkan Peraturan Bank Indonesia (PBI) No.15/15/PBI/2013 sebagaimana diubah terakhir dengan PBI No.24/4/PBI/2022 tanggal 25 Februari 2022 dengan Peraturan Anggota Dewan Gubernur (PADG) terakhir yaitu PADG No.2 tahun 2023 tanggal 24 Maret 2023 tentang tentang Giro Wajib Minimum dalam Rupiah dan Valuta Asing, Bagi Bank Umum Konvensional, Bank Umum Syariah dan Unit Usaha Syariah.

Berdasarkan surat dari Bank Indonesia No.25/321/DKMP/Srt/B tanggal 5 Desember 2023 dan merujuk pada Peraturan Bank Indonesia Nomor 24/5/PBI/2022, untuk periode tanggal 1 Desember 2023 s/d 29 Februari 2024, Bank telah memperoleh insentif atas penyediaan dana untuk kegiatan ekonomi tertentu dan inklusif berupa pemotongan pemenuhan GWM masing-masing sebesar 2,8% untuk konvensional dan 2,0% untuk syariah.

Rasio GWM pada tanggal 31 Desember 2022 dihitung berdasarkan Peraturan Bank Indonesia (PBI) No.15/15/PBI/2013 sebagaimana diubah terakhir dengan PBI No.24/4/PBI/2022 tanggal 25 Februari 2022 dengan Peraturan Anggota Dewan Gubernur (PADG) terakhir yaitu PADG No.24/8/PADG/2022 tanggal 30 Juni 2022 tentang tentang Giro Wajib Minimum dalam Rupiah dan Valuta Asing, Bagi Bank Umum Konvensional, Bank Umum Syariah dan Unit Usaha Syariah.

Rasio PLM pada tanggal 31 Desember 2023 dihitung berdasarkan Peraturan Bank Indonesia (PBI) No.15/15/PBI/2013 sebagaimana diubah terakhir dengan PBI No.24/16/PBI/2022 tanggal 31 Oktober 2022 dengan Peraturan Anggota Dewan Gubernur (PADG) terakhir yaitu PADG No. 18 tahun 2023 tanggal 29 November 2023 tentang Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah.

**4. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)**

The statutory reserve of the Bank was as follows:

<u>Conventional</u>
Rupiah
Primary Statutory Reserve
Daily
Average
Macroprudential Liquidity Buffer
Foreign currencies
<u>Sharia</u>
Rupiah

The statutory reserves ratio as of December 31, 2023 is calculated based on Bank Indonesia Regulation (PBI) No.15/15/PBI/2013 which have been amended with PBI No.24/4/PBI/2022 dated February 25, 2022 with PADG No.2 year 2023 dated March 24, 2023 regarding Statutory Reserves in Rupiah and Foreign Currency, for Conventional Commercial Banks, Islamic Commercial Banks and Sharia Business Units.

Based on a letter from Bank Indonesia No.25/321/DKMP/Srt/B dated December 5, 2023 and referring to Bank Indonesia Regulation Number 24/5/PBI/2022, from December 1, 2023 to February 29, 2024, Bank has obtained incentives for providing funds for activities a certain and inclusive economy that reduction in the fulfillment of the statutory reserve requirement by 2.8% for conventional and 2.0% for sharia respectively.

The statutory reserves ratio as of December 31, 2022 is calculated based on Bank Indonesia Regulation (PBI) No.15/15/PBI/2013 which have been amended with PBI No.24/4/PBI/2022 dated February 25, 2022 with PADG No.24/8/PADG/2022 dated June 30, 2022 regarding Statutory Reserves in Rupiah and Foreign Currency, for Conventional Commercial Banks, Islamic Commercial Banks and Sharia Business Units.

The PLM ratio as of December 31, 2023 is calculated based on Bank Indonesia Regulation (PBI) No.15/15/PBI/2013 which have been amended with PBI No.24/16/PBI/2022 dated October 31, 2022 with PADG No.18 year 2023 dated November 29, 2023 regarding Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Islamic Commercial Banks and Sharia Business Units.

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**4. GIRO PADA BANK INDONESIA (lanjutan)**

Rasio PLM pada tanggal 31 Desember 2022 dihitung berdasarkan Peraturan Bank Indonesia (PBI) No.15/15/PBI/2013 sebagaimana diubah terakhir dengan PBI No.24/16/PBI/2022 tanggal 31 Oktober 2022 dengan Peraturan Anggota Dewan Gubernur (PADG) terakhir yaitu PADG No. 24/14/PADG/2022 tanggal 31 Oktober 2022 tentang Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah.

Pada tanggal 31 Desember 2023 dan 2022, sesuai dengan ketentuan Bank Indonesia tersebut di atas, Bank harus memenuhi persyaratan GWM dalam Rupiah sebesar 9%, sedangkan untuk mata uang asing sebesar 4%. Untuk Penyangga Likuiditas Makroprudensial (PLM) masing-masing sebesar 6% dan 5% dalam Rupiah pada tanggal 31 Desember 2023 dan 31 Desember 2022.

Pada tanggal 31 Desember 2023 dan 2022, sesuai dengan ketentuan Bank Indonesia tersebut berdasarkan prinsip syariah, Bank harus memenuhi persyaratan GWM dalam Rupiah masing-masing sebesar 7,5%.

Bank telah memenuhi ketentuan Bank Indonesia tentang Giro Wajib Minimum pada tanggal 31 Desember 2023 dan 2022.

Sisa umur jatuh tempo atas giro pada Bank Indonesia dikategorikan sebagai kurang dari 1 (satu) bulan (Catatan 45).

**4. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)**

*The PLM ratio as of December 31, 2022 is calculated based on Bank Indonesia Regulation (PBI) No.15/15/PBI/2013 which have been amended with PBI No.24/16/PBI/2022 dated October 31, 2022 with PADG No.24/14/PADG/2022 dated October 31, 2022 regarding Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Islamic Commercial Banks and Sharia Business Units.*

*As of December 31, 2023 and 2022, based on the above Bank Indonesia regulations, The Bank is required to maintain primary statutory reserve in Rupiah amounting to 9%, while statutory reserve for foreign currency amounting to 4%. Macroprudential Liquidity Buffer (PLM) amounting to 6% and 5% in Rupiah as of December 31, 2023 and 2022 respectively.*

*As of December 31, 2023 and 2022, based on the Bank Indonesia regulations, for sharia principle, the Bank is required to maintain statutory reserve in Rupiah amounting 7.5%.*

*The Bank has complied with Bank Indonesia regulations concerning the minimum reserve requirements as of December 31, 2023 and 2022.*

*The remaining period of current amount with Bank Indonesia is categorized as less than 1 (one) month (Note 45).*

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**5. GIRO PADA BANK LAIN**

**a. Berdasarkan bank**

	2023	2022
<b>Rupiah</b>		
PT Bank Rakyat Indonesia (Persero) Tbk	248.110	146.357
PT Bank Central Asia Tbk	74.098	37.005
PT Bank CIMB Niaga Tbk	10.873	4.440
PT Bank Mandiri (Persero) Tbk	2.990	2.150
PT Bank Negara Indonesia (Persero) Tbk	417	505
	<u>336.488</u>	<u>190.457</u>
<b>Mata uang asing</b>		
DBS Singapore Ltd	64.172	6.241
PT Bank Central Asia Tbk	54.323	26.777
PT Bank Negara Indonesia (Persero) Tbk	18.428	70.647
PT Bank Mandiri (Persero) Tbk	7.584	5.748
PT Bank Rakyat Indonesia (Persero) Tbk	5.987	2.365
PT Bank ICBC Indonesia	4.348	894
	<u>154.842</u>	<u>112.672</u>
<b>Jumlah</b>	<u>491.330</u>	<u>303.129</u>
Cadangan kerugian penurunan nilai	(1.077)	(441)
<b>Neto</b>	<u><b>490.253</b></u>	<u><b>302.688</b></u>

Pada tanggal 31 Desember 2023 dan 2022, giro pada bank lain termasuk giro yang didasarkan pada prinsip perbankan syariah masing-masing sebesar Rp209 dan Rp228.

**b. Berdasarkan mata uang**

	2023		2022	
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent
<b>Rupiah</b>		336.488		190.456
<b>Mata uang asing</b>				
Dolar Amerika Serikat	5.074.571	78.132	5.665.585	96.313
Dolar Singapura	5.495.878	64.172	538.334	6.241
Yuan China Renminbi	2.003.450	4.348	399.403	894
Dolar Australia	335.609	3.531	493.256	5.208
Euro	182.202	3.104	141.924	2.353
Poundsterling Inggris Raya	56.643	1.112	52.645	989
Dolar Hong Kong	195.940	386	208.023	415
Yen Jepang	521.168	57	2.205.651	260
	<u>154.842</u>		<u>112.673</u>	
<b>Jumlah mata uang asing</b>	<u>491.330</u>		<u>303.129</u>	
Cadangan kerugian penurunan nilai	(1.077)		(441)	
<b>Neto</b>	<u><b>490.253</b></u>		<u><b>302.688</b></u>	

**5. CURRENT ACCOUNTS WITH OTHER BANKS**

**a. By bank**

<b>Rupiah</b>
PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Central Asia Tbk
PT Bank CIMB Niaga Tbk
PT Bank Mandiri (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk
<b>Foreign currencies</b>
DBS Singapore Ltd
PT Bank Central Asia Tbk
PT Bank Negara Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk
PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank ICBC Indonesia
<b>Total</b>
Allowance for impairment losses
<b>Net</b>

As of December 31, 2023 and 2022, current accounts with other banks include current accounts based on sharia banking principles amounting to Rp209 and Rp228 respectively.

**b. By currency**

<b>Rupiah</b>
<b>Foreign currencies</b>
United States Dollar
Singapore Dollar
Chinese Yuan Renminbi
Australian Dollar
Euro
Great Britain Poundsterling
Hong Kong Dollar
Japanese Yen
<b>Total foreign currencies</b>
Allowance for impairment losses
<b>Net</b>



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**5. GIRO PADA BANK LAIN (lanjutan)**

**c. Tingkat suku bunga per tahun**

	2023
Rupiah	0,10%
Mata uang asing	0,89%

**d. Berdasarkan hubungan**

Pada tanggal 31 Desember 2023 dan 2022, tidak ada giro pada bank lain pada pihak berelasi.

**e. Berdasarkan kolektibilitas**

Giro pada bank lain pada tanggal 31 Desember 2023 dan 2022, digolongkan sebagai lancar. Tidak terdapat saldo giro pada bank lain yang diblokir atau digunakan sebagai agunan.

**f. Nilai tercatat bruto**

	2023			
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total
Rupiah	336.488	-	-	336.488
Mata uang asing	154.842	-	-	154.842
Jumlah	491.330	-	-	491.330
Cadangan kerugian penurunan nilai	(1.077)	-	-	(1.077)
<b>Neto</b>	<b>490.253</b>	<b>-</b>	<b>-</b>	<b>490.253</b>

	2022			
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total
Rupiah	190.456	-	-	190.456
Mata uang asing	112.673	-	-	112.673
Jumlah	303.129	-	-	303.129
Penyisihan kerugian penurunan nilai	(441)	-	-	(441)
<b>Neto</b>	<b>302.688</b>	<b>-</b>	<b>-</b>	<b>302.688</b>

**g. Cadangan kerugian penurunan nilai**

	2023
Saldo awal tahun	441
Penyisihan tahun berjalan	636
<b>Saldo akhir tahun</b>	<b>1.077</b>

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat adanya giro pada bank lain adalah memadai.

**5. CURRENT ACCOUNTS WITH OTHER BANKS  
(continued)**

**c. Interest rates per annum**

	2022	
Rupiah	0,16%	Rupiah
Foreign Currencies	0,29%	Foreign Currencies

**d. By relationship**

As of December 31, 2023 and 2022, no current accounts in related parties.

**e. By collectability**

Current accounts with other banks as of December 31, 2023 and 2022 were classified as current. None were blocked or under liens as collateral.

**f. Gross carrying amount**

	2023			
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total
Rupiah	336.488	-	-	336.488
Foreign currencies	154.842	-	-	154.842
Total	491.330	-	-	491.330
Allowance for impairment losses	(1.077)	-	-	(1.077)
<b>Net</b>	<b>490.253</b>	<b>-</b>	<b>-</b>	<b>490.253</b>

	2022			
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total
Rupiah	190.456	-	-	190.456
Foreign currencies	112.673	-	-	112.673
Total	303.129	-	-	303.129
Allowance for impairment losses	(441)	-	-	(441)
<b>Net</b>	<b>302.688</b>	<b>-</b>	<b>-</b>	<b>302.688</b>

**g. Allowance for impairment losses**

	2023	2022	
Saldo awal tahun	441	238	Balance at beginning of year
Provision during the year	636	203	Provision during the year
<b>Balance at end of year</b>	<b>1.077</b>	<b>441</b>	<b>Balance at end of year</b>

Management believes that the allowance for impairment losses on current accounts with other banks is adequate.

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**5. GIRO PADA BANK LAIN (lanjutan)**

**g. Cadangan kerugian penurunan nilai  
(lanjutan)**

Informasi mengenai klasifikasi aset keuangan dan mengalami penurunan nilai dan tidak mengalami penurunan nilai berikut dengan informasi *staging* cadangan kerugian penurunan nilai giro pada bank lain diungkapkan pada (Catatan 43e).

**5. CURRENT ACCOUNTS WITH OTHER BANKS  
(continued)**

**g. Allowance for impairment losses (continued)**

Information with respect to classification of impaired and not impaired financial assets also information about the staging of current accounts with other bank are disclosed in (Note 43e).

**6. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN**

**a. Berdasarkan jenis dan mata uang**

	2023	2022
<b>Rupiah</b>		
Deposito berjangka:		
Lain-lain (Bank Perkreditan Rakyat)	1.500	7.000
	1.500	7.000
Pasar Uang Antar Bank:		
PT Bank DKI	400.000	-
PT Bank BTPN Tbk	400.000	-
PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat	346.985	300.000
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	308.000	200.000
PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung	295.000	240.000
PT Bank Pembangunan Daerah Bali	288.000	50.000
PT. Bank Pan Indonesia Tbk	200.000	400.000
PT Bank CTBC Indonesia	190.000	-
PT Bank Pembangunan Daerah Papua	180.000	175.000
PT Bank Pembangunan Daerah Kalimantan Selatan	174.000	75.000
PT Bank Pembangunan Daerah Kalimantan Tengah	170.000	150.000
PT Bank Pembangunan Daerah Jambi	160.000	-
PT Bank Pembangunan Daerah Sulawesi Tenggara	135.000	140.000
PT Bank Pembangunan Daerah Maluku dan Maluku Utara	135.000	140.000
PT Bank Pembangunan Daerah Sulawesi Utara Gorontalo	105.000	-
PT Bank Pembangunan Daerah Nusa Tenggara Timur	100.000	100.000
PT Bank Pembangunan Daerah Lampung	100.000	125.000
PT Bank Pembangunan Daerah Sulawesi Tengah	100.000	115.000
PT Bank Ina Perdana Tbk	70.000	50.000
PT Bank Syariah Indonesia Tbk	46.191	200.000
PT Bank China Construction Bank Indonesia Tbk	46.191	-
PT Bank Allo Bank Indonesia Tbk	45.000	-
PT Bank Capital Indonesia Tbk	45.000	-
PT Bank JTrust Indonesia Tbk	22.000	-
PT Bank Victoria International Tbk	22.000	120.000
PT Bank Pembangunan Daerah Jawa Tengah	-	600.000
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	-	400.000
PT Bank Nationalnobu Tbk	-	110.000
PT Bank Mestika Dharma Tbk	-	100.000
PT Bank Sahabat Sampoerna	-	100.000
PT Bank Pembangunan Daerah Sumatera Utara	-	100.000
PT Bank Pembangunan Daerah Daerah Istimewa Yogyakarta	-	100.000
PT Bank Pembangunan Daerah Kalimantan Barat	-	75.000
	4.083.367	4.165.000
Fasilitas Simpanan Bank Indonesia (FASBI) Term Deposit	1.150.000	745.000
Dikurangi: Diskonto yang belum diamortisasi	-	2.000.000
	(146)	(671)
	1.149.854	2.744.329
Jumlah	5.234.721	6.916.329
Cadangan kerugian penurunan nilai	(5.026)	(3.154)
<b>Neto</b>	<b>5.229.695</b>	<b>6.913.175</b>

**6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS**

**a. By type and currency**

<b>Rupiah</b>	
Time deposits:	
Others (Rural Bank)	
Interbank call money:	
PT Bank DKI	
PT Bank BTPN Tbk	
PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat	
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	
PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung	
PT Bank Pembangunan Daerah Bali	
PT. Bank Pan Indonesia Tbk	
PT Bank CTBC Indonesia	
PT Bank Pembangunan Daerah Papua	
PT Bank Pembangunan Daerah Kalimantan Selatan	
PT Bank Pembangunan Daerah Kalimantan Tengah	
PT Bank Pembangunan Daerah Jambi	
PT Bank Pembangunan Daerah Sulawesi Tenggara	
PT Bank Pembangunan Daerah Maluku dan Maluku Utara	
PT Bank Pembangunan Daerah Sulawesi Utara Gorontalo	
PT Bank Pembangunan Daerah Nusa Tenggara Timur	
PT Bank Pembangunan Daerah Lampung	
PT Bank Pembangunan Daerah Sulawesi Tengah	
PT Bank Ina Perdana Tbk	
PT Bank Syariah Indonesia Tbk	
PT Bank China Construction Bank Indonesia Tbk	
PT Bank Allo Bank Indonesia Tbk	
PT Bank Capital Indonesia Tbk	
PT Bank JTrust Indonesia Tbk	
PT Bank Victoria International Tbk	
PT Bank Pembangunan Daerah Jawa Tengah	
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	
PT Bank Nationalnobu Tbk	
PT Bank Mestika Dharma Tbk	
PT Bank Sahabat Sampoerna	
PT Bank Pembangunan Daerah Sumatera Utara	
PT Bank Pembangunan Daerah Daerah Istimewa Yogyakarta	
PT Bank Pembangunan Daerah Kalimantan Barat	

Bank Indonesia Deposit Facility (FASBI)  
Term Deposit  
Less: Unamortized interest

Total  
Allowance for impairment losses  
**Net**

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**6. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN (lanjutan)**

**a. Berdasarkan jenis dan mata uang (lanjutan)**

Pada tanggal 31 Desember 2023 dan 2022, dalam penempatan pada Bank Indonesia dan bank lain termasuk penempatan yang didasarkan pada prinsip perbankan syariah masing-masing sebesar Rp150.209 dan Rp145.228.

**b. Berdasarkan jangka waktu**

	<b>December 31, 2023</b>
Kurang dari 1 bulan	5.233.221
1 - 3 bulan	-
3 - 6 bulan	1.500
	<b>5.234.721</b>

**c. Berdasarkan kolektibilitas**

Semua penempatan Bank pada Bank Indonesia dan bank lain pada tanggal 31 Desember 2023 dan 2022 digolongkan lancar.

**d. Berdasarkan hubungan**

Pada tanggal 31 Desember 2023 dan 2022 tidak terdapat penempatan pada pihak berelasi.

**e. Tingkat suku bunga per tahun**

	<b>December 31, 2023</b>
Rupiah	
Interbank call money	5,92%
Term deposit	5,64%
Deposit Facility	5,10%
Deposito berjangka	6,02%
Mata uang asing	
Term deposit	5,29%
Interbank call money	5,17%

**f. Nilai tercatat bruto**

	<b>2023</b>			
	<b>Tahap 1/ Stage 1</b>	<b>Tahap 2/ Stage 2</b>	<b>Tahap 3/ Stage 3</b>	<b>Jumlah/ Total</b>
Rupiah:				
Penempatan pada Bank Indonesia	1.149.854	-	-	1.149.854
Pasar uang antar Bank	4.083.367	-	-	4.083.367
Deposito berjangka	1.500	-	-	1.500
Jumlah	5.234.721	-	-	5.234.721
Cadangan kerugian penurunan nilai	(5.026)	-	-	(5.026)
<b>Neto</b>	<b>5.229.695</b>	<b>-</b>	<b>-</b>	<b>5.229.695</b>

**6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)**

**a. By type and currency (continued)**

As of December 31, 2023 and 2022, placements with Bank Indonesia and other banks include placements based on sharia banking principles amounting to Rp150,209 and Rp145,228 respectively.

**b. By maturity**

	<b>December 31, 2022</b>	
	6.309.329	Less than 1 month
	600.000	1 - 3 months
	7.000	3 - 6 months
	<b>6.916.329</b>	

**c. By collectability**

All placements with Bank Indonesia and other banks as of December 31, 2023 and December 2022 were classified as current.

**d. By relationship**

As of December 31, 2023 and 2022, the Bank had no funds placed with related parties.

**e. Interest rates per annum**

	<b>December 31, 2022</b>	
	3,55%	Rupiah
	3,25%	Interbank call money
	3,08%	Term deposit
	3,49%	Deposit Facility
		Deposito berjangka
		Foreign Currencies
	0,00%	Term deposit
	1,47%	Interbank call money

**f. Gross carrying amount**

		Rupiah:
		Placements with Bank Indonesia
		Interbank call money
		Time deposits
		Total
		Allowance for impairment losses
		<b>Net</b>

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**6. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN (lanjutan)**

**f. Nilai tercatat bruto (lanjutan)**

	2022			
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total
Rupiah:				
Penempatan pada Bank Indonesia	2.744.329	-	-	2.744.329
Pasar uang antar Bank	4.165.000	-	-	4.165.000
Deposito berjangka	7.000	-	-	7.000
Jumlah	6.916.329	-	-	6.916.329
Penyisihan kerugian penurunan nilai	(3.154)	-	-	(3.154)
<b>Neto</b>	<b>6.913.175</b>	<b>-</b>	<b>-</b>	<b>6.913.175</b>

**g. Cadangan kerugian penurunan nilai**

	December 31, 2023
Saldo awal tahun	3.154
Penyisihan tahun berjalan	1.872
<b>Saldo akhir tahun</b>	<b>5.026</b>

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat adanya penempatan pada Bank Indonesia dan bank lain adalah memadai.

Informasi mengenai klasifikasi aset keuangan dan mengalami penurunan nilai dan tidak mengalami penurunan nilai berikut dengan informasi *staging* cadangan kerugian penurunan nilai penempatan pada bank lain diungkapkan pada (Catatan 43e).

**h. Penempatan pada bank lain yang digunakan sebagai jaminan**

Tidak terdapat penempatan pada bank lain yang digunakan sebagai jaminan pada tanggal-tanggal 31 Desember 2023 dan 2022.

**6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)**

**f. Gross carrying amount (continued)**

	2022	
	Tahap 1/ Stage 1	Tahap 2/ Stage 2
Rupiah:		
Placements with Bank Indonesia	2.744.329	-
Interbank call money	4.165.000	-
Time deposits	7.000	-
<b>Total</b>	<b>6.916.329</b>	<b>-</b>
Allowance for impairment losses	(3.154)	-
<b>Net</b>	<b>6.913.175</b>	<b>-</b>

**g. Allowance for impairment losses**

	December 31, 2023	December 31, 2022	
Saldo awal tahun	3.154	1.763	Balance at beginning of year
Penyisihan tahun berjalan	1.872	1.391	Provision during the year
<b>Saldo akhir tahun</b>	<b>5.026</b>	<b>3.154</b>	<b>Balance at end of year</b>

Management believes that the allowance for impairment losses on placements with Bank Indonesia and other banks is adequate.

Information with respect to classification of impaired and not impaired financial assets also information about the staging of placement with other bank are disclosed in (Note 43e).

**h. Placements with other banks pledged as collateral**

There were no placements with other banks pledged as collateral as of December 31, 2023 and 2022.

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**7. TAGIHAN SPOT DAN DERIVATIF**

Tagihan spot dan derivatif per 31 Desember 2022 adalah sebagai berikut:

**7. SPOT AND DERIVATIVE RECEIVABLES**

Spot and derivative receivables as of December 31, 2022 are as follows:

2022					
Instrumen	Jenis valuta/ Currency	Jumlah nosional mata uang asing/ National amount foreign currencies (dalam angka penuh/in full amount)	Nilai wajar/ Fair values		Instruments
			Tagihan derivatif/ Derivative receivables	Liabilitas derivatif/ Derivative payable	
			dalam Rupiah/ in Rupiah		
Terkait nilai tukar					Exchange rate related
Kontrak swap - jual	USD	10.000.000	361	-	Swap contract - sell
			361	-	

**8. SURAT-SURAT BERHARGA**

**a. Berdasarkan jenis dan mata uang**

**8. MARKETABLE SECURITIES**

**a. By type and currency**

	2023		2022		
	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	
<b>Rupiah:</b>					<b>Rupiah:</b>
<b>Biaya perolehan dimortisasi</b>					<b>Amortised cost</b>
Surat Utang Negara	4.784.487	4.848.046	11.798.009	12.025.332	Government bonds
Obligasi	2.084.021	2.089.300	1.841.700	1.851.074	Bonds
Sekuritas Rupiah Bank Indonesia	603.488	592.400	-	-	Bank Indonesia Rupiah Securities
Sukuk Bank Indonesia	450.000	450.000	400.000	400.000	Sukuk of Bank Indonesia
Sertifikat Investasi Mudharabah Antar Bank	450.000	450.000	325.000	325.000	Interbank Mudharabah Investment Certificate
Negotiable Certificate of Deposit (NCD)	30.000	28.500	50.000	47.237	Negotiable Certificate of Deposit (NCD)
Reksadana	90.000	90.000	90.000	90.000	Reksadana
Surat kredit berdokumen dalam negeri	12.913	12.913	2.056	2.056	Domestic L/C
	<b>8.504.909</b>	<b>8.561.159</b>	<b>14.506.765</b>	<b>14.740.700</b>	
<b>Mata uang asing:</b>					<b>Foreign currencies:</b>
Wesel	112	112	362	362	Bill
	<b>112</b>	<b>112</b>	<b>362</b>	<b>362</b>	
Penyisihan kerugian penurunan nilai	-	(511)	-	(400)	Allowance for impairment losses
Jumlah biaya perolehan diamortisasi	<b>8.505.021</b>	<b>8.560.760</b>	<b>14.507.127</b>	<b>14.740.662</b>	<b>Total amortized cost</b>
<b>Nilai wajar melalui penghasilan komprehensif lain</b>					<b>Fair value through other comprehensive income</b>
Surat Utang Negara	7.727.329	7.762.560	8.574.841	8.476.609	Government bonds
Jumlah nilai wajar melalui penghasilan komprehensif lain	<b>7.727.329</b>	<b>7.762.560</b>	<b>8.574.841</b>	<b>8.476.609</b>	<b>Total fair value through other comprehensive income</b>
<b>Jumlah biaya perolehan diamortisasi dan nilai wajar melalui penghasilan komprehensif lain</b>	<b>16.232.350</b>	<b>16.323.320</b>	<b>23.081.968</b>	<b>23.217.271</b>	<b>Total amortized cost and fair value through other comprehensive income</b>
Penyisihan kerugian penurunan nilai	-	-	-	-	Allowance for impairment losses
Jumlah surat berharga	<b>16.232.350</b>	<b>16.323.320</b>	<b>23.081.968</b>	<b>23.217.271</b>	<b>Total marketable securities</b>

**b. Berdasarkan hubungan**

Pada tanggal 31 Desember 2023 dan 2022, tidak terdapat surat berharga pada pihak berelasi.

**b. By relationship**

As of December 31, 2023 and 2022, there were no marketable securities transactions with related parties.

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**8. SURAT-SURAT BERHARGA (lanjutan)**

**c. Berdasarkan penerbit**

	2023	2022
Pemerintah Republik Indonesia	1.042.400	20.501.941
Bank Indonesia	12.610.606	400.000
Perbankan :		
PT Bank Rakyat Indonesia (Persero) Tbk	181.055	146.035
PT Bank Aceh Syariah	150.000	225.000
PT Bank Mandiri (Persero) Tbk	114.000	27.343
PT Bank Muamalat Indonesia Tbk	100.000	-
PT Bank NTB Syariah	100.000	-
PT Bank Negara Indonesia (Persero) Tbk	80.000	127.610
PT Bank Syariah Indonesia Tbk	70.000	-
PT Bank Tabungan Negara (Persero) Tbk	55.500	32.003
PT Bank Syariah Mega Indonesia	30.000	-
PT Bank Mandiri Taspen	29.021	24.011
PT Bank Maybank Indonesia Tbk	23.000	33.032
PT Bank Pan Indonesia Tbk	-	11.538
PT Bank Sinarmas Tbk	-	100.000
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	-	12.219
	932.576	738.790
Korporasi		
PT Semen Indonesia (Persero) Tbk	244.970	135.454
PT Astra Sedaya Finance	197.862	152.966
PT Permodalan Nasional Madani (Persero)	194.218	140.000
PT Pupuk Indonesia (Persero)	192.203	192.250
PT Sarana Multigriya Finansial (Persero)	133.308	26.000
PT Federal International Finance	112.190	99.615
PT Kereta Api Indonesia (Persero)	90.877	91.519
PT XL Axiata Tbk	85.097	60.000
PT Perusahaan Listrik Negara (Persero)	83.628	69.861
PT Pegadaian (Persero)	80.000	480.000
PT Adira Dinamika Multi Finance Tbk	74.888	24.803
PT Tower Bersama Infrastructure Tbk	69.338	-
PT Mandiri Tunas Finance	58.174	5.265
PT Jasa Marga (Persero) Tbk	33.158	63.243
PT BCA Finance	30.000	-
PT Toyota Astra Financial Services	25.000	-
PT Wahana Ottomitra Multiartha Tbk	15.036	-
Surat kredit berdokumen dalam negeri	12.913	-
PT Telekomunikasi Indonesia Tbk	5.279	5.454
Wesel	112	362
PT Indonesia Infrastructure Finance	-	30.148
	1.738.249	1.576.940
Penyisihan kerugian penurunan nilai	(511)	(400)
<b>Jumlah surat-surat berharga</b>	<b>16.323.320</b>	<b>23.217.271</b>

**8. MARKETABLE SECURITIES (continued)**

**c. By issuers**

Government of the Republic of Indonesia
Bank Indonesia
Banking:
PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Aceh Syariah
PT Bank Mandiri (Persero) Tbk
PT Bank Muamalat Indonesia Tbk
PT Bank NTB Syariah
PT Bank Negara Indonesia (Persero) Tbk
PT Bank Syariah Indonesia Tbk
PT Bank Tabungan Negara (Persero) Tbk
PT Bank Syariah Mega Indonesia
PT Bank Mandiri Taspen
PT Bank Maybank Indonesia Tbk
PT Bank Pan Indonesia Tbk
PT Bank Sinarmas Tbk
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk
Corporate:
PT Semen Indonesia (Persero) Tbk
PT Astra Sedaya Finance
PT Permodalan Nasional Madani (Persero)
PT Pupuk Indonesia (Persero)
PT Sarana Multigriya Finansial (Persero)
PT Federal International Finance
PT Kereta Api Indonesia (Persero)
PT XL Axiata Tbk
PT Perusahaan Listrik Negara (Persero)
PT Pegadaian (Persero)
PT Adira Dinamika Multi Finance Tbk
PT Tower Bersama Infrastructure Tbk
PT Mandiri Tunas Finance
PT Jasa Marga (Persero) Tbk
PT BCA Finance
PT Toyota Astra Financial Services
PT Wahana Ottomitra Multiartha Tbk
Domestic L/C
PT Telekomunikasi Indonesia Tbk
Bill
PT Indonesia Infrastructure Finance
Allowance for impairment losses
<b>Total marketable securities</b>

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**8. SURAT-SURAT BERHARGA (lanjutan)**

**d. Berdasarkan peringkat**

Peringkat surat berharga pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

	2023		
	Pemeringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying value
Rupiah:			
Surat Utang Negara	-	-	12.610.606
Bank Indonesia	-	-	1.042.400
PT Semen Indonesia (Persero) Tbk	Pefindo	idAA+	244.970
PT Astra Sedaya Finance	Pefindo	idAAA	197.862
PT Permodalan Nasional Madani (Persero)	-	-	194.218
PT Pupuk Indonesia (Persero)	Fitch Indonesia	AAA(idn)	192.203
PT Bank Rakyat Indonesia (Persero) Tbk	Pefindo	idAAA	181.055
PT Bank Aceh Syariah	Pefindo	idA	150.000
PT Sarana Multigriya Finansial (Persero)	Pefindo	idAAA	133.308
PT Bank Mandiri (Persero) Tbk	Pefindo	idAAA	114.000
PT Federal International Finance	Pefindo	idAAA	112.190
PT Bank Muamalat Indonesia Tbk	Pefindo	idA+	100.000
PT Bank NTB Syariah	-	-	100.000
PT Kereta Api Indonesia (Persero)	-	-	90.877
PT XL Axiata	Fitch Indonesia	AAA(idn)	85.097
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	83.628
PT Pegadaian (Persero)	Pefindo	idAAA	80.000
PT Bank Negara Indonesia (Persero) Tbk	Pefindo	idAAA	80.000
PT Adira Dinamika Multi Finance Tbk	Pefindo	idAAA	74.888
PT Bank Syariah Indonesia Tbk	Pefindo	idAAA	70.000
PT Tower Bersama Infrastructure	Fitch Indonesia	AA+(idn)	69.338
PT Mandiri Tunas Finance	Pefindo	idAA+	58.174
PT Bank Tabungan Negara (Persero) Tbk	Fitch Indonesia	AA+(idn)	55.500
PT Jasa Marga (Persero) Tbk	Pefindo	idAA-	33.158
PT Bank Syariah Mega Indonesia	-	-	30.000
PT BCA Finance	Pefindo	idAAA	30.000
PT Bank Mandiri Taspen	Pefindo	idAAA	29.021
PT Toyota Astra Financial Services	Fitch Indonesia	AAA(idn)	25.000
PT Maybank Indonesia Tbk	Pefindo	idAAA	23.000
PT Wahana Ottomitra Multiartha Tbk	Fitch indonesia	AA(idn)	15.036
Surat kredit berdokumen dalam negeri	-	-	12.913
PT Telekomunikasi Indonesia Tbk	Pefindo	idAAA	5.279
Jumlah Rupiah			<b>16.323.719</b>
<b>Mata uang asing:</b>			
Wesel ekspor			112
			<b>16.323.831</b>
Penyisihan kerugian penurunan nilai			(511)
<b>Jumlah surat-surat berharga</b>			<b>16.323.320</b>

**8. MARKETABLE SECURITIES (continued)**

**d. By rating**

The ratings of marketable securities as of December 31, 2023 and 2022 are as follows:

Rupiah:	
Government Bonds	
Certificates of Bank Indonesia	
PT Semen Indonesia (Persero) Tbk	
PT Astra Sedaya Finance	
PT Permodalan Nasional Madani (Persero)	
PT Pupuk Indonesia (Persero)	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Bank Aceh Syariah	
PT Sarana Multigriya Finansial (Persero)	
PT Bank Mandiri (Persero) Tbk	
PT Federal International Finance	
PT Bank Muamalat Indonesia Tbk	
PT Bank NTB Syariah	
PT Kereta Api Indonesia (Persero)	
PT XL Axiata	
PT Perusahaan Listrik Negara (Persero)	
PT Pegadaian (Persero)	
PT Bank Negara Indonesia (Persero) Tbk	
PT Adira Dinamika Multi Finance Tbk	
PT Bank Syariah Indonesia Tbk	
PT Tower Bersama Infrastructure	
PT Mandiri Tunas Finance	
PT Bank Tabungan Negara (Persero) Tbk	
PT Jasa Marga (Persero) Tbk	
PT Bank Syariah Mega Indonesia	
PT BCA Finance	
PT Bank Mandiri Taspen	
PT Toyota Astra Financial Services	
PT Maybank Indonesia Tbk	
PT Wahana Ottomitra Multiartha Tbk	
Domestic L/C	
PT Telekomunikasi Indonesia Tbk	
Total Rupiah	
<b>Foreign currency:</b>	
Export bill	
	112
	<b>16.323.831</b>
Allowance for impairment losses	(511)
<b>Total marketable securities</b>	<b>16.323.320</b>

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**8. SURAT-SURAT BERHARGA (lanjutan)  
d. Berdasarkan peringkat (lanjutan)**

**8. MARKETABLE SECURITIES (continued)  
d. By rating (continued)**

	2022		
	Pemeringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying value
Rupiah:			
Surat Utang Negara	-	-	20.501.941
Bank Indonesia	-	-	400.000
PT Pegadaian (Persero)	Pefindo	idAAA	480.000
PT Bank Aceh Syariah	Pefindo	A	225.000
PT Pupuk Indonesia (Persero)	Fitch Indonesia	AAA(idn)	192.250
PT Astra Sedaya Finance	Pefindo	idAAA	152.966
PT Bank Rakyat Indonesia (Persero) Tbk	Pefindo	idAAA	146.035
PT Permodalan Nasional Madani (Persero)	-	-	140.000
PT Semen Indonesia (Persero)	Pefindo	idAAA+	135.454
PT Bank Negara Indonesia (Persero) Tbk	Pefindo	idAAA	127.610
PT Bank Sinarmas Tbk	Fitch Indonesia	A-	100.000
PT Federal International Finance	Fitch Indonesia	AAA(idn)	99.615
PT Kereta Api Indonesia (Persero)	-	-	91.519
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	69.861
PT Jasa Marga (Persero) Tbk	Pefindo	idAA-	63.243
PT XL Axiata Tbk	Fitch Indonesia	AAA(idn)	60.000
PT Maybank Indonesia Tbk	Pefindo	idAAA	33.032
PT Bank Tabungan Negara (Persero) Tbk	Pefindo	idAAA+	32.003
PT Indonesia Infrastructure Finance	Pefindo	idAAA	30.148
PT Bank Mandiri (Persero) Tbk	Pefindo	idAAA	27.343
PT Sarana Multigriya Finansial (Persero)	Pefindo	idAAA	26.000
PT Adira Dinamika Multi Finance Tbk	Pefindo	idAAA	24.803
PT Bank Mandiri Taspen	Fitch Indonesia	AA(idn)	24.011
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	Pefindo	idAA-	12.219
PT Bank Pan Indonesia Tbk	Pefindo	idAA	11.538
PT Telekomunikasi Indonesia Tbk	Pefindo	idAAA	5.454
PT Mandiri Tunas Finance	Pefindo	idAAA+	5.265
Jumlah Rupiah			<b>23.217.309</b>
<b>Mata uang asing:</b>			
Wesel ekspor			362
			23.217.671
Penyisihan kerugian penurunan nilai			(400)
<b>Jumlah surat-surat berharga</b>			<b>23.217.271</b>

Rupiah:	
Government Bonds	
Certificates of Bank Indonesia	
PT Pegadaian (Persero)	
PT Bank Aceh Syariah	
PT Pupuk Indonesia (Persero)	
PT Astra Sedaya Finance	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Permodalan Nasional Madani (Persero)	
PT Semen Indonesia (Persero)	
PT Bank Negara Indonesia (Persero) Tbk	
PT Bank Sinarmas Tbk	
PT Federal International Finance	
PT Kereta Api Indonesia (Persero)	
PT Perusahaan Listrik Negara (Persero)	
PT Jasa Marga (Persero) Tbk	
PT XL Axiata Tbk	
PT Maybank Indonesia Tbk	
PT Bank Tabungan Negara (Persero) Tbk	
PT Indonesia Infrastructure Finance	
PT Bank Mandiri (Persero) Tbk	
PT Sarana Multigriya Finansial (Persero)	
PT Adira Dinamika Multi Finance Tbk	
PT Bank Mandiri Taspen	
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	
PT Bank Pan Indonesia Tbk	
PT Telekomunikasi Indonesia Tbk	
PT Mandiri Tunas Finance	
Total Rupiah	
<b>Foreign currency:</b>	
Export bill	
Allowance for impairment losses	
Total marketable securities	



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**8. SURAT-SURAT BERHARGA (lanjutan)**

**e. Jangka waktu dan tingkat bunga**

	2023
Kurang dari 1 tahun	11.668.277
1 - 5 tahun	4.655.554
	16.323.831
Dikurangi: Penyisihan kerugian penurunan nilai	(511)
<b>Jumlah surat-surat berharga</b>	<b>16.323.320</b>
Tingkat bunga per tahun:	

	2023
Rupiah	
Surat Utang Negara	5,72%
Obligasi	6,40%
Sukuk Bank Indonesia	6,19%
Sertifikat Investasi Mudharabah Antarbank	6,24%
Negotiable Certificate of Deposit (NCD)	6,53%
Reksadana	8,90%

**f. Perubahan laba (rugi) yang belum direalisasi**

Perubahan laba (rugi) yang belum direalisasi dari perubahan nilai wajar surat berharga untuk tujuan investasi yang diukur pada nilai wajar melalui penghasilan komprehensif lain adalah sebagai berikut:

	2023
Saldo awal	(142.034)
Penambahan laba (rugi) yang belum direalisasi selama tahun berjalan	63.074
<b>Jumlah sebelum pajak tangguhan</b>	<b>(78.960)</b>
Pajak tangguhan	15.002
<b>Saldo akhir bersih</b>	<b>(63.958)</b>

**g. Kolektibilitas**

Pada tanggal 31 Desember 2023 dan 2022, kolektibilitas surat-surat berharga adalah dalam kategori lancar.

**h. Nilai tercatat bruto**

**8. MARKETABLE SECURITIES (continued)**

**e. By maturity and interest rates**

	2022	
	986.769	Less than 1 year
	22.230.902	1 - 5 years
	23.217.671	
	(400)	Less: Allowance for impairment losses
<b>Total marketable securities</b>	<b>23.217.271</b>	
		Interest rates per annum:

	2022	
	6,01%	Rupiah
	7,11%	Government Bonds
	3,85%	Bond
	3,56%	Bank Indonesia Sukuk
	5,15%	Interbank Mudharabah investment Certificate
	4,94%	Negotiable Certificate of Deposit (NCD)
		Mutual Funds

**f. The movement of unrealized gains (losses)**

The movement of unrealized gains (losses) from the change in fair value of marketable securities measured at fair value through other comprehensive income are as follows:

	2022	
	258.577	Beginning balance
	(400.611)	Addition of unrealized gains (loss) during the year
	(142.034)	Total before deferred tax
	26.986	Deferred tax
	(115.048)	Ending balance net

**g. Collectibility**

As of December 31, 2023 and 2022, the collectibility of securities are classified as current.

**h. Gross carrying amount**

	2023				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total	
<b>Rupiah:</b>					<b>Rupiah:</b>
Surat Utang Negara	12.753.006	-	-	12.753.006	Government bonds
Obligasi	2.089.300	-	-	2.089.300	Bonds
Sekuritas Rupiah Bank Indonesia	450.000	-	-	450.000	Bank Indonesia Rupiah Securities
Sukuk Bank Indonesia	450.000	-	-	450.000	Bank Indonesia Sukuk
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	450.000	-	-	450.000	Interbank Mudharabah Investment Certificate
Negotiable Certificate of Deposit	28.500	-	-	28.500	Negotiable Certificate of Deposit
Surat kredit berdokumen dalam negeri	12.913	-	-	12.913	Domestic L/C
Reksadana	90.000	-	-	90.000	Mutual funds
<b>Mata uang asing:</b>					<b>Foreign currencies:</b>
Wesel	112	-	-	112	Bill
Jumlah surat berharga	16.323.831	-	-	16.323.831	Total marketable securities
Penyisihan kerugian penurunan nilai	(511)	-	-	(511)	Allowance for impairment losses
<b>Neto</b>	<b>16.323.320</b>	<b>-</b>	<b>-</b>	<b>16.323.320</b>	<b>Net</b>

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**8. SURAT-SURAT BERHARGA (lanjutan)**

**h. Nilai tercatat bruto (lanjutan)**

	2022			
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total
<b>Rupiah:</b>				
Surat Utang Negara	20.501.941	-	-	20.501.941
Obligasi	1.851.074	-	-	1.851.074
Sukuk Bank Indonesia	400.000	-	-	400.000
Sertifikat Investasi Mudharabah				
Antar Bank (SIMA)	325.000	-	-	325.000
Reksadana	90.000	-	-	90.000
Negotiable Certificate of Deposit	47.237	-	-	47.237
Surat kredit berdokumen dalam negeri	2.056	-	-	2.056
<b>Mata uang asing:</b>				
Wesel	362	-	-	362
Surat berharga yang dijual dengan				
Penyisihan kerugian penurunan nilai	(400)	-	-	(400)
<b>Neto</b>	<b>23.217.271</b>	<b>-</b>	<b>-</b>	<b>23.217.271</b>

**8. MARKETABLE SECURITIES (continued)**

**h. Gross carrying amount (continued)**

<b>Rupiah:</b>	
Government bonds	
Bonds	
Bank Indonesia Sukuk	
Interbank Mudharabah	
Investment Certificate	
Mutual funds	
Negotiable Certificate of Deposit	
Domestic L/C	
<b>Foreign currencies:</b>	
Bill	
Marketable securities sold	
Allowance for impairment losses	
<b>Net</b>	

**i. Cadangan kerugian penurunan nilai atas surat berharga**

	2023
Saldo awal tahun	400
Penyisihan (pemulihan) tahun berjalan	111
<b>Saldo akhir tahun</b>	<b>511</b>

**i. Allowance for impairment losses for marketable securities**

	2022
Balance at beginning of year	5.944
Provision (recovery) during the year	(5.544)
<b>Balance at end of year</b>	<b>400</b>

Cadangan kerugian penurunan nilai atas surat berharga adalah sebagai berikut:

Jumlah minimum penyisihan kerugian penurunan nilai surat-surat berharga yang wajib dibentuk sesuai ketentuan Bank Indonesia pada tanggal 31 Desember 2023 dan 2022 masing-masing adalah sebesar Rp26.708 dan Rp23.157.

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat adanya surat berharga adalah memadai.

Allowance for impairment losses for marketable securities are as follows:

Minimum allowance for impairment losses for marketable securities required by Bank Indonesia as of December 31, 2023 and 2022 amounted to Rp26,708 and Rp23,157, respectively.

Management believes that the allowance for impairment losses on marketable securities is adequate.

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
DIBELI KEMBALI**

Pada tanggal 31 Desember 2023 dan 2022 surat berharga yang dijual dengan janji dibeli kembali adalah Rp8.303.663 dan Rp4.095.066.

**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT**

As of December 31, 2023 and 2022, marketable securities for sale with reverse repurchase agreement amount of Rp8,303,663 and Rp 4,095,066.

2023						
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt						
Biaya perolehan diamortisasi/Amortised cost						
PBS003	25.000	18 Januari/ January 18, 2023	15 Januari/ January 15, 2027	(254)	-	24.746
PBS003	50.000	18 Januari/ January 18, 2023	15 Januari/ January 15, 2027	(509)	-	49.491
PBS003	10.000	25 Januari/ January 25, 2023	15 Januari/ January 15, 2027	(113)	-	9.887
PBS003	50.000	25 Januari/ January 25, 2023	15 Januari/ January 15, 2027	(629)	-	49.371
PBS003	50.000	25 Januari/ January 25, 2023	15 Januari/ January 15, 2027	(629)	-	49.371
PBS003	15.000	26 Januari/ January 26, 2023	15 Januari/ January 15, 2027	(177)	-	14.823
PBS017	100.000	14 Januari/ January 14, 2021	15 Oktober/ October 15, 2025	1.207	-	101.207
PBS017	100.000	14 Januari/ January 14, 2021	15 Oktober/ October 15, 2025	1.220	-	101.220
PBS017	93.226	14 Januari/ January 14, 2021	15 Oktober/ October 15, 2025	976	-	94.202
PBS017	50.000	11 Februari/ February 11, 2021	15 Oktober/ October 15, 2025	564	-	50.564
PBS017	50.000	11 Februari/ February 11, 2021	15 Oktober/ October 15, 2025	564	-	50.564
PBS017	100.000	11 Februari/ February 11, 2021	15 Oktober/ October 15, 2025	1.167	-	101.167
PBS017	30.000	8 April/ April 8, 2021	15 Oktober/ October 15, 2025	166	-	30.166
PBS017	50.000	8 April/ April 8, 2021	15 Oktober/ October 15, 2025	268	-	50.268
PBS017	20.000	8 April/ April 8, 2021	15 Oktober/ October 15, 2025	111	-	20.111
PBS017	20.000	8 April/ April 8, 2021	15 Oktober/ October 15, 2025	91	-	20.091
PBS017	50.000	8 April/ April 8, 2021	15 Oktober/ October 15, 2025	272	-	50.272
PBS017	30.000	9 April/ April 9, 2021	15 Oktober/ October 15, 2025	165	-	30.165
PBS017	1.450	8 April/ April 8, 2021	15 Oktober/ October 15, 2025	8	-	1.458
Dipindahkan/Brought forward				4.470	-	899.146

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT  
(continued)**

2023						
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				4.470	-	899.146
PBS017	25.000	22 April/ April 22, 2021	15 Oktober/ October 15, 2025	154	-	25.154
PBS017	25.000	22 April/ April 22, 2021	15 Oktober/ October 15, 2025	178	-	25.178
PBS017	10.000	23 April/ April 23, 2021	15 Oktober/ October 15, 2025	74	-	10.074
PBS017	50.000	6 Mei/ May 6, 2021	15 Oktober/ October 15, 2025	356	-	50.356
PBS017	40.000	14 Juni/ June 14, 2021	15 Oktober/ October 15, 2025	500	-	40.500
PBS017	10.000	17 Juni/ June 17, 2021	15 Oktober/ October 15, 2025	124	-	10.124
PBS017	10.000	17 Juni/ June 17, 2021	15 Oktober/ October 15, 2025	124	-	10.124
PBS017	10.000	17 Juni/ June 17, 2021	15 Oktober/ October 15, 2025	124	-	10.124
PBS017	20.000	13 Agustus/ August 13, 2021	15 Oktober/ October 15, 2025	351	-	20.351
PBS017	55.324	13 Agustus/ August 13, 2021	15 Oktober/ October 15, 2025	991	-	56.315
PBS017	50.000	4 Oktober/ October 4, 2021	15 Oktober/ October 15, 2025	887	-	50.887
PBS026	50.000	28 Mei/ May 28, 2021	15 Oktober/ October 15, 2024	478	-	50.478
PBS026	25.000	28 Mei/ May 28, 2021	15 Oktober/ October 15, 2024	255	-	25.255
Subjumlah/Subtotal				9.065	-	1.284.065

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT  
(continued)**

2023				Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date			
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				9.065	-	1.284.065
PBS026	30.000	31 Mei/ May 31, 2021	15 Oktober/ October 15, 2024	296	-	30.296
PBS026	30.000	31 Mei/ May 31, 2021	15 Oktober/ October 15, 2024	316	-	30.316
PBS026	25.000	31 Mei/ May 31, 2021	15 Oktober/ October 15, 2024	247	-	25.247
PBS026	35.000	16 Juni/ June 16, 2021	15 Oktober/ October 15, 2024	456	-	35.456
PBS026	20.000	16 Juni/ June 16, 2021	15 Oktober/ October 15, 2024	260	-	20.260
PBS026	30.000	16 Juni/ June 16, 2021	15 Oktober/ October 15, 2024	390	-	30.390
PBS026	25.000	16 Juni/ June 16, 2021	15 Oktober/ October 15, 2024	322	-	25.322
PBS026	20.000	16 Juni/ June 16, 2021	15 Oktober/ October 15, 2024	258	-	20.258
PBS026	50.000	15 September/ September 15, 2021	15 Oktober/ October 15, 2024	748	-	50.748
PBS026	10.000	15 September/ September 15, 2021	15 Oktober/ October 15, 2024	150	-	10.150
PBS026	50.000	4 Oktober/ October 4, 2021	15 Oktober/ October 15, 2024	741	-	50.741
PBS026	25.000	4 Oktober/ October 4, 2021	15 Oktober/ October 15, 2024	367	-	25.367
PBS026	50.000	4 Oktober/ October 4, 2021	15 Oktober/ October 15, 2024	735	-	50.735
PBS026	25.000	4 Oktober/ October 4, 2021	15 Oktober/ October 15, 2024	385	-	25.385
PBS030	50.000	19 Januari/ January 19, 2023	15 Juli/ October 15, 2028	(1.404)	-	48.596
PBS030	20.000	24 Januari/ January 24, 2023	15 Juli/ October 15, 2028	(537)	-	19.463
PBS030	3.000	27 Januari/ January 27, 2023	15 Juli/ October 15, 2028	(84)	-	2.916
PBS030	13.000	6 Februari/ February 6, 2023	15 Juli/ October 15, 2028	(317)	-	12.683
<b>Subjumlah/Subtotal</b>				<b>12.396</b>	<b>-</b>	<b>1.798.396</b>

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
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(continued)**

2023				Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date			
Surat Utang Negara/Government Debt						
Biaya perolehan diamortisasi/Amortised cost						
Pindahan/Carry forward				12.396	-	1.798.396
PBS030	14.000	6 Februari/ February 6, 2023	15 Juli/ Juli 15, 2028	(339)	-	13.661
PBS031	20.000	7 April/ April 7, 2022	15 Juli/ Juli 15, 2024	(66)	-	19.934
PBS031	20.000	7 April/ April 7, 2022	15 Juli/ Juli 15, 2024	(66)	-	19.934
PBS031	13.000	1 Juli/ July 1, 2022	15 Juli/ Juli 15, 2024	(89)	-	12.911
PBS031	30.000	28 Juli/ July 28, 2022	15 Juli/ Juli 15, 2024	(292)	-	29.708
PBS031	7.000	10 Agustus/ August 10, 2022	15 Juli/ Juli 15, 2024	(64)	-	6.936
PBS031	10.000	22 Agustus/ August 22, 2022	15 Juli/ Juli 15, 2024	(73)	-	9.927
PBS036	50.000	18 Januari/ January 18, 2023	15 Agustus/ August 15, 2025	(613)	-	49.387
PBS036	10.000	19 Januari/ January 19, 2023	15 Agustus/ August 15, 2025	(136)	-	9.864
PBS036	20.000	20 Januari/ January 20, 2023	15 Agustus/ August 15, 2025	(259)	-	19.741
PBS036	20.000	20 Januari/ January 20, 2023	15 Agustus/ August 15, 2025	(259)	-	19.741
FR0059	50.000	30 Juni/ June 30, 2021	15 Mei/ May 15, 2027	1.951	-	51.951
FR0059	50.000	30 Juni/ June 30, 2021	15 Mei/ May 15, 2027	1.921	-	51.921
FR0059	15.000	1 Juli/ July 1, 2021	15 Mei/ May 15, 2027	534	-	15.534
FR0059	10.000	1 Juli/ July 1, 2021	15 Mei/ May 15, 2027	356	-	10.356
<b>Subjumlah/Subtotal</b>				<b>14.900</b>	<b>-</b>	<b>2.139.900</b>

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT  
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2023				Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date			
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				14.900	-	2.139.900
FR0059	25.000	1 Juli/ July 1, 2021	15 Mei/ May 15, 2027	889	-	25.889
FR0059	10.000	1 Juli/ July 1, 2021	15 Mei/ May 15, 2027	344	-	10.344
FR0059	10.000	1 Juli/ July 1, 2021	15 Mei/ May 15, 2027	344	-	10.344
FR0059	20.000	1 Juli/ July 1, 2021	15 Mei/ May 15, 2027	738	-	20.738
FR0059	10.000	1 Juli/ July 1, 2021	15 Mei/ May 15, 2027	344	-	10.344
FR0059	20.000	19 Juli/ July 19, 2021	15 Mei/ May 15, 2027	793	-	20.793
FR0059	30.000	19 Juli/ July 19, 2021	15 Mei/ May 15, 2027	1.206	-	31.206
FR0059	10.000	19 Juli/ July 19, 2021	15 Mei/ May 15, 2027	430	-	10.430
FR0059	20.000	19 Juli/ July 19, 2021	15 Mei/ May 15, 2027	859	-	20.859
FR0059	10.000	19 Juli/ July 19, 2021	15 Mei/ May 15, 2027	402	-	10.402
FR0059	10.000	19 Juli/ July 19, 2021	15 Mei/ May 15, 2027	430	-	10.430
FR0059	25.000	15 Juli/ July 15, 2021	15 Mei/ May 15, 2027	967	-	25.967
FR0059	25.000	15 Juli/ July 15, 2021	15 Mei/ May 15, 2027	967	-	25.967
FR0059	50.000	30 Juli/ July 30, 2021	15 Mei/ May 15, 2027	2.065	-	52.065
FR0059	30.000	9 Agustus/ August 9, 2021	15 Mei/ May 15, 2027	1.367	-	31.367
FR0059	20.000	9 Agustus/ August 9, 2021	15 Mei/ May 15, 2027	912	-	20.912
FR0059	50.000	9 Agustus/ August 9, 2021	15 Mei/ May 15, 2027	2.264	-	52.264
FR0059	10.000	9 Agustus/ August 9, 2021	15 Mei/ May 15, 2027	456	-	10.456
FR0059	20.000	9 Agustus/ August 9, 2021	15 Mei/ May 15, 2027	971	-	20.971
FR0059	20.000	9 Agustus/ August 9, 2021	15 Mei/ May 15, 2027	900	-	20.900
FR0059	30.000	10 Agustus/ August 10, 2021	15 Mei/ May 15, 2027	1.438	-	31.438
FR0059	20.000	10 Agustus/ August 10, 2021	15 Mei/ May 15, 2027	947	-	20.947
FR0059	10.000	13 Agustus/ August 13, 2021	15 Mei/ May 15, 2027	422	-	10.422
FR0059	20.000	10 Agustus/ August 10, 2021	15 Mei/ May 15, 2027	843	-	20.843
FR0059	20.000	18 Agustus/ August 18, 2021	15 Mei/ May 15, 2027	839	-	20.839
Subjumlah/Subtotal				37.037	-	2.687.037

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**9. MARKETABLE SECURITIES FOR SALE WITH  
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2023						
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				37.037	-	2.687.037
FR0059	40.000	23 Agustus/ August 23, 2021	15 Mei/ May 15, 2027	1.706	-	41.706
FR0059	30.000	23 Agustus/ August 23, 2021	15 Mei/ May 15, 2027	1.279	-	31.279
FR0059	20.000	23 Agustus/ August 23, 2021	15 Mei/ May 15, 2027	853	-	20.853
FR0059	10.000	23 Agustus/ August 23, 2021	15 Mei/ May 15, 2027	426	-	10.426
FR0059	50.000	17 November/ November 17, 2021	15 Mei/ May 15, 2027	2.300	-	52.300
FR0059	40.000	19 November/ November 19, 2021	15 Mei/ May 15, 2027	1.957	-	41.957
FR0059	30.000	19 November/ November 19, 2021	15 Mei/ May 15, 2027	1.391	-	31.391
FR0059	25.000	12 Januari/ January 12, 2022	15 Mei/ May 15, 2027	1.041	-	26.041
FR0059	25.000	12 Januari/ January 12, 2022	15 Mei/ May 15, 2027	1.041	-	26.041
FR0059	10.000	20 Januari/ January 20, 2022	15 Mei/ May 15, 2027	402	-	10.402
FR0059	50.000	20 Januari/ January 20, 2022	15 Mei/ May 15, 2027	2.012	-	52.012
FR0059	20.000	20 Januari/ January 20, 2022	15 Mei/ May 15, 2027	444	-	20.444
FR0081	10.000	9 Juni/ June 9, 2022	15 Mei/ May 15, 2027	75	-	10.075
FR0081	10.000	23 Maret/ March 23, 2021	15 Juni/ June 15, 2025	75	-	10.075
FR0081	10.000	23 Maret/ March 23, 2021	15 Juni/ June 15, 2025	75	-	10.075
FR0081	20.000	23 Maret/ March 23, 2021	15 Juni/ June 15, 2025	209	-	20.209
FR0081	10.000	15 April/ April 15, 2021	15 Juni/ June 15, 2025	101	-	10.101
FR0081	20.000	15 April/ April 15, 2021	15 Juni/ June 15, 2025	202	-	20.202
FR0081	50.000	15 April/ April 15, 2021	15 Juni/ June 15, 2025	929	-	50.929
FR0081	25.000	16 Juni/ June 16, 2021	15 Juni/ June 15, 2025	446	-	25.446
FR0081	50.000	17 Juni/ June 17, 2021	15 Juni/ June 15, 2025	892	-	50.892
Subjumlah/Subtotal				54.895	-	3.259.895



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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT (continued)**

2023						
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				54.895	-	3.259.895
FR0081	25.000	29 Juni/ June 29, 2021	15 Juni/ June 15, 2025	477	-	25.477
FR0081	20.000	29 Juni/ June 29, 2021	15 Juni/ June 15, 2025	385	-	20.385
FR0081	30.000	29 Juni/ June 29, 2021	15 Juni/ June 15, 2025	614	-	30.614
FR0081	50.000	29 Juni/ June 29, 2021	15 Juni/ June 15, 2025	963	-	50.963
FR0081	10.000	29 Juni/ June 29, 2021	15 Juni/ June 15, 2025	193	-	10.193
FR0081	10.000	01 Juli/ July 01, 2021	15 Juni/ June 15, 2025	197	-	10.197
FR0081	10.000	01 Juli/ July 01, 2021	15 Juni/ June 15, 2025	186	-	10.186
FR0081	30.000	01 Juli/ July 01, 2021	15 Juni/ June 15, 2025	557	-	30.557
FR0081	50.000	01 Juli/ July 01, 2021	15 Juni/ June 15, 2025	919	-	50.919
FR0081	13.000	01 Juli/ July 01, 2021	15 Juni/ June 15, 2025	257	-	13.257
FR0081	37.000	01 Juli/ July 01, 2021	15 Juni/ June 15, 2025	687	-	37.687
FR0081	10.000	05 Juli/ July 05, 2021	15 Juni/ June 15, 2025	184	-	10.184
FR0081	20.000	05 Juli/ July 05, 2021	15 Juni/ June 15, 2025	368	-	20.368
FR0081	10.000	05 Juli/ July 05, 2021	15 Juni/ June 15, 2025	184	-	10.184
FR0081	10.000	05 Juli/ July 05, 2021	15 Juni/ June 15, 2025	184	-	10.184
FR0081	50.000	13 Juli/ July 13, 2021	15 Juni/ June 15, 2025	954	-	50.954
FR0081	20.000	30 Juli/ July 30, 2021	15 Juni/ June 15, 2025	416	-	20.416
FR0081	10.000	30 Juli/ July 30, 2021	15 Juni/ June 15, 2025	223	-	10.223
FR0081	30.000	02 Agustus/ August 02, 2021	15 Juni/ June 15, 2025	637	-	30.637
FR0081	50.000	02 Agustus/ August 02, 2021	15 Juni/ June 15, 2025	1.062	-	51.062
FR0081	10.000	02 Agustus/ August 02, 2021	15 Juni/ June 15, 2025	212	-	10.212
FR0081	40.000	02 Agustus/ August 02, 2021	15 Juni/ June 15, 2025	849	-	40.849
FR0081	50.000	02 Agustus/ August 02, 2021	15 Juni/ June 15, 2025	1.062	-	51.062
FR0081	20.000	02 Agustus/ August 02, 2021	15 Juni/ June 15, 2025	425	-	20.425
<b>Subjumlah/Subtotal</b>				<b>67.089</b>	<b>-</b>	<b>3.887.089</b>

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**9. MARKETABLE SECURITIES FOR SALE WITH  
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2023				Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date			
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				67.089	-	3.887.089
FR0081	50.000	03 Agustus/ August 03, 2021	15 Juni/ June 15, 2025	1.062	-	51.062
FR0081	10.000	05 Agustus/ August 05, 2021	15 Juni/ June 15, 2025	217	-	10.217
FR0081	20.000	09 Agustus/ August 09, 2021	15 Juni/ June 15, 2025	423	-	20.423
FR0081	50.000	10 Agustus/ August 10, 2021	15 Juni/ June 15, 2025	1.058	-	51.058
FR0081	30.000	10 Agustus/ August 10, 2021	15 Juni/ June 15, 2025	635	-	30.635
FR0081	50.000	12 Januari/ January 12, 2022	15 Juni/ June 15, 2025	1.069	-	51.069
FR0084	20.000	31 Maret/ March 31, 2021	15 Februari/ February 15, 2026	435	-	20.435
FR0084	10.000	31 Maret/ March 31, 2021	15 Februari/ February 15, 2026	236	-	10.236
FR0084	50.000	13 April/ April 13, 2021	15 Februari/ February 15, 2026	1.239	-	51.239
FR0084	20.000	15 April/ April 15, 2021	15 Februari/ February 15, 2026	483	-	20.483
FR0084	20.000	30 April/ April 30, 2021	15 Februari/ February 15, 2026	509	-	20.509
FR0084	40.000	11 Juni/ June 11, 2021	15 Februari/ February 15, 2026	1.361	-	41.361
FR0084	10.000	11 Juni/ June 11, 2021	15 Februari/ February 15, 2026	340	-	10.340
FR0084	10.000	11 Juni/ June 11, 2021	15 Februari/ February 15, 2026	340	-	10.340
FR0084	10.000	11 Juni/ June 11, 2021	15 Februari/ February 15, 2026	340	-	10.340
FR0084	30.000	11 Juni/ June 11, 2021	15 Februari/ February 15, 2026	1.021	-	31.021
FR0084	10.000	14 Juni/ June 14, 2021	15 Februari/ February 15, 2026	348	-	10.348
FR0084	20.000	06 Agustus/ August 06, 2021	15 Februari/ February 15, 2026	765	-	20.765
FR0084	30.000	06 Agustus/ August 06, 2021	15 Februari/ February 15, 2026	1.217	-	31.217
FR0084	20.000	10 Agustus/ August 10, 2021	15 Februari/ February 15, 2026	767	-	20.767
FR0084	30.000	16 Agustus/ August 16, 2021	15 Februari/ February 15, 2026	1.147	-	31.147
FR0084	30.000	16 Agustus/ August 16, 2021	15 Februari/ February 15, 2026	1.147	-	31.147
FR0084	30.000	25 Mei/ May 25, 2022	15 Februari/ February 15, 2026	380	-	30.380
FR0084	10.000	25 Mei/ May 25, 2022	15 Februari/ February 15, 2026	127	-	10.127
<b>Subjumlah/Subtotal</b>				<b>83.757</b>	<b>-</b>	<b>4.513.757</b>

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**9. MARKETABLE SECURITIES FOR SALE WITH  
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2023				Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date			
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				83.757	-	4.513.757
FR0084	20.000	13 Juni/ June 13, 2022	15 Februari/ February 15, 2026	395	-	20.395
FR0084	45.000	01 Juli/ July 01, 2022	15 Februari/ February 15, 2026	816	-	45.816
FR0084	35.000	01 Juli/ July 01, 2022	15 Februari/ February 15, 2026	635	-	35.635
FR0040	30.000	30 April/ April 30, 2021	15 September/ September 15, 2025	2.514	-	32.514
FR0040	50.000	07 Juni/ June 07, 2021	15 September/ September 15, 2025	4.051	-	54.051
FR0040	20.000	16 Agustus/ August 16, 2021	15 September/ September 15, 2025	1.918	-	21.918
FR0040	100.000	31 Mei/ May 31, 2022	15 September/ September 15, 2025	7.916	-	107.916
FR0056	50.000	12 November/ November 12, 2021	15 September/ September 15, 2026	3.719	-	53.719
FR0056	50.000	15 November/ November 15, 2021	15 September/ September 15, 2026	3.722	-	53.722
FR0056	50.000	15 November/ November 15, 2021	15 September/ September 15, 2026	3.722	-	53.722
FR0056	50.000	21 Januari/ January 21, 2022	15 September/ September 15, 2026	3.578	-	53.578
FR0056	50.000	05 Juli/ July 05, 2022	15 September/ September 15, 2026	2.663	-	52.663
FR0056	50.000	26 September/ September 26, 2023	15 September/ September 15, 2026	2.500	-	52.500
ORI019	20.000	19 April/ April 19, 2021	15 Februari/ February 15, 2024	3	-	20.003
ORI019	30.000	19 April/ April 19, 2021	15 Februari/ February 15, 2024	6	-	30.006
ORI019	10.000	20 April/ April 20, 2021	15 Februari/ February 15, 2024	2	-	10.002
ORI019	50.000	20 April/ April 20, 2021	15 Februari/ February 15, 2024	9	-	50.009
ORI019	10.000	20 April/ April 20, 2021	15 Februari/ February 15, 2024	2	-	10.002
ORI019	10.000	20 April/ April 20, 2021	15 Februari/ February 15, 2024	2	-	10.002
ORI019	10.000	20 April/ April 20, 2021	15 Februari/ February 15, 2024	2	-	10.002
ORI019	50.000	20 April/ April 20, 2021	15 Februari/ February 15, 2024	9	-	50.009
ORI019	10.000	20 April/ April 20, 2021	15 Februari/ February 15, 2024	2	-	10.002
ORI019	70.000	21 April/ April 21, 2021	15 Februari/ February 15, 2024	14	-	70.014
ORI019	10.000	21 April/ April 21, 2021	15 Februari/ February 15, 2024	2	-	10.002
ORI019	20.000	28 April/ April 28, 2021	15 Februari/ February 15, 2024	5	-	20.005
Subjumlah/Subtotal				121.962	-	5.451.962

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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT (continued)**

2023				Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date			
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				121.962	-	5.451.962
ORI019	20.000	29 April/ April 29, 2021	15 Februari/ February 15, 2024	5	-	20.005
ORI019	20.000	29 April/ April 29, 2021	15 Februari/ February 15, 2024	5	-	20.005
ORI019	20.000	29 April/ April 29, 2021	15 Februari/ February 15, 2024	5	-	20.005
ORI019	30.000	30 April/ April 30, 2021	15 Februari/ February 15, 2024	7	-	30.007
ORI019	10.000	06 Mei/ May 06, 2021	15 Februari/ February 15, 2024	4	-	10.004
ORI019	50.000	10 Mei/ May 10, 2021	15 Februari/ February 15, 2024	20	-	50.020
ORI019	10.000	09 Agustus/ August 09, 2021	15 Februari/ February 15, 2024	14	-	10.014
ORI019	20.000	10 Agustus/ August 10, 2021	15 Februari/ February 15, 2024	29	-	20.029
ORI019	20.000	10 Agustus/ August 10, 2021	15 Februari/ February 15, 2024	29	-	20.029
ORI019	15.000	10 Agustus/ August 10, 2021	15 Februari/ February 15, 2024	21	-	15.021
ORI019	10.000	10 Agustus/ August 10, 2021	15 Februari/ February 15, 2024	14	-	10.014
ORI019	15.000	16 Agustus/ August 16, 2021	15 Februari/ February 15, 2024	21	-	15.021
ORI019	10.000	16 Agustus/ August 16, 2021	15 Februari/ February 15, 2024	14	-	10.014
ORI019	10.000	16 Agustus/ August 16, 2021	15 Februari/ February 15, 2024	14	-	10.014
ORI019	20.000	16 Agustus/ August 16, 2021	15 Februari/ February 15, 2024	28	-	20.028
ORI019	20.000	18 Agustus/ August 18, 2021	15 Februari/ February 15, 2024	28	-	20.028
ORI019	30.000	23 Agustus/ August 23, 2021	15 Februari/ February 15, 2024	42	-	30.042
ORI019	30.000	23 Agustus/ August 23, 2021	15 Februari/ February 15, 2024	41	-	30.041
ORI019	8.000	24 Agustus/ August 24, 2021	15 Februari/ February 15, 2024	11	-	8.011
ORI019	12.000	24 Agustus/ August 24, 2021	15 Februari/ February 15, 2024	16	-	12.016
ORI019	10.000	24 Agustus/ August 24, 2021	15 Februari/ February 15, 2024	14	-	10.014
ORI019	50.000	03 September/ September 03, 2021	15 Februari/ February 15, 2024	70	-	50.070
ORI019	30.000	03 September/ September 03, 2021	15 Februari/ February 15, 2024	41	-	30.041
ORI019	10.000	06 September/ September 06, 2021	15 Februari/ February 15, 2024	14	-	10.014
ORI019	20.000	06 September/ September 06, 2021	15 Februari/ February 15, 2024	27	-	20.027
Subjumlah/Subtotal				122.496	-	5.952.496

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT (continued)**

2023				Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date			
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				122.496	-	5.952.496
ORI019	10.000	06 September/ September 06, 2021	15 Februari/ February 15, 2024	14	-	10.014
ORI019	30.000	06 September/ September 06, 2021	15 Februari/ February 15, 2024	41	-	30.041
ORI019	25.000	09 September/ September 09, 2021	15 Februari/ February 15, 2024	34	-	25.034
ORI019	25.000	09 September/ September 09, 2021	15 Februari/ February 15, 2024	35	-	25.035
ORI019	10.000	13 September/ September 13, 2021	15 Februari/ February 15, 2024	13	-	10.013
ORI019	20.000	23 September/ September 23, 2021	15 Februari/ February 15, 2024	27	-	20.027
ORI019	20.000	27 September/ September 27, 2021	15 Februari/ February 15, 2024	27	-	20.027
ORI019	50.000	27 September/ September 27, 2021	15 Februari/ February 15, 2024	71	-	50.071
ORI019	10.000	01 Oktober/ October 01, 2021	15 Februari/ February 15, 2024	13	-	10.013
FR0086	50.000	01 April/ April 01, 2021	15 April/ April 15, 2026	(382)	-	49.618
FR0086	50.000	01 April/ April 01, 2021	15 April/ April 15, 2026	(390)	-	49.610
FR0086	50.000	01 April/ April 01, 2021	15 April/ April 15, 2026	(362)	-	49.638
FR0086	25.000	21 Januari/ January 21, 2021	15 April/ April 15, 2026	160	584	24.575
FR0086	25.000	21 Januari/ January 21, 2021	15 April/ April 15, 2026	160	584	24.575
FR0086	25.000	04 Februari/ February 04, 2021	15 April/ April 15, 2026	186	611	24.575
FR0086	50.000	04 Februari/ February 04, 2021	15 April/ April 15, 2026	351	1.201	49.150
FR0086	50.000	18 Februari/ February 18, 2021	15 April/ April 15, 2026	234	1.083	49.151
FR0086	25.000	18 Februari/ February 18, 2021	15 April/ April 15, 2026	106	531	24.575
FR0086	25.000	18 Februari/ February 18, 2021	15 April/ April 15, 2026	106	531	24.575
FR0086	30.000	19 Februari/ February 19, 2021	15 April/ April 15, 2026	51	561	29.491
FR0086	20.000	19 Februari/ February 19, 2021	15 April/ April 15, 2026	34	374	19.660
FR0086	10.000	19 Februari/ February 19, 2021	15 April/ April 15, 2026	17	187	9.830
FR0086	10.000	19 Februari/ February 19, 2021	15 April/ April 15, 2026	17	187	9.830
FR0086	10.000	22 Februari/ February 22, 2021	15 April/ April 15, 2026	-	170	9.830
FR0086	10.000	22 Februari/ February 22, 2021	15 April/ April 15, 2026	-	170	9.830
Subjumlah/Subtotal				123.061	6.774	6.611.287

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJIAN  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT (continued)**

2023						
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				123.061	6.774	6.611.287
FR0086	10.000	22 Februari/ February 22, 2021	15 April/ April 15, 2026	-	170	9.830
FR0086	50.000	10 Juni/ June 10, 2021	15 April/ April 15, 2026	32	881	49.151
FR0086	50.000	10 Juni/ June 10, 2021	15 April/ April 15, 2026	53	902	49.151
FR0086	50.000	10 Juni/ June 10, 2021	15 April/ April 15, 2026	32	881	49.151
FR0086	50.000	10 Juni/ June 10, 2021	15 April/ April 15, 2026	32	881	49.151
FR0086	50.000	10 Juni/ June 10, 2021	15 April/ April 15, 2026	53	902	49.151
FR0086	20.000	16 Juni/ June 16, 2021	15 April/ April 15, 2026	82	421	19.660
FR0086	20.000	16 Juni/ June 16, 2021	15 April/ April 15, 2026	82	421	19.660
FR0086	10.000	17 Juni/ June 17, 2021	15 April/ April 15, 2026	38	208	9.830
FR0086	20.000	29 Juni/ June 29, 2021	15 April/ April 15, 2026	87	427	19.660
FR0086	20.000	29 Juni/ June 29, 2021	15 April/ April 15, 2026	87	427	19.660
FR0086	10.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	39	208	9.830
FR0086	20.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	77	417	19.660
FR0086	20.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	77	417	19.660
FR0086	20.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	77	417	19.660
FR0086	10.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	39	208	9.830
FR0086	10.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	36	206	9.830
<b>Subjumlah/Subtotal</b>				<b>123.983</b>	<b>15.167</b>	<b>7.043.816</b>

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT (continued)**

2023				Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date			
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				123.983	15.167	7.043.816
FR0086	20.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	72	412	19.660
FR0086	30.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	108	618	29.491
FR0086	30.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	108	618	29.491
FR0086	20.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	67	407	19.660
FR0086	10.000	01 Juli/ July 01, 2021	15 April/ April 15, 2026	28	198	9.830
FR0086	10.000	02 Juli/ July 02, 2021	15 April/ April 15, 2026	26	196	9.830
FR0086	20.000	05 Juli/ July 05, 2021	15 April/ April 15, 2026	52	392	19.660
FR0086	30.000	05 Juli/ July 05, 2021	15 April/ April 15, 2026	78	587	29.491
FR0086	25.000	19 Juli/ July 19, 2021	15 April/ April 15, 2026	117	541	24.575
FR0086	20.000	19 Juli/ July 19, 2021	15 April/ April 15, 2026	88	428	19.660
FR0086	10.000	21 Juli/ July 21, 2021	15 April/ April 15, 2026	45	214	9.830
FR0086	10.000	21 Juli/ July 21, 2021	15 April/ April 15, 2026	44	214	9.830
FR0086	10.000	21 Juli/ July 21, 2021	15 April/ April 15, 2026	44	214	9.830
FR0086	10.000	21 Juli/ July 21, 2021	15 April/ April 15, 2026	44	214	9.830
FR0086	20.000	21 Juli/ July 21, 2021	15 April/ April 15, 2026	93	433	19.660
FR0086	10.000	21 Juli/ July 21, 2021	15 April/ April 15, 2026	47	217	9.830
FR0086	10.000	21 Juli/ July 21, 2021	15 April/ April 15, 2026	47	217	9.830
FR0086	20.000	12 Oktober/ October 12, 2021	15 April/ April 15, 2026	134	474	19.660
FR0086	20.000	12 Oktober/ October 12, 2021	15 April/ April 15, 2026	134	474	19.660
FR0086	20.000	13 Oktober/ October 13, 2021	15 April/ April 15, 2026	123	463	19.660
FR0086	20.000	13 Oktober/ October 13, 2021	15 April/ April 15, 2026	123	463	19.660
FR0086	20.000	14 Oktober/ October 14, 2021	15 April/ April 15, 2026	134	474	19.660
FR0086	20.000	14 Oktober/ October 14, 2021	15 April/ April 15, 2026	134	474	19.660
FR0086	20.000	14 Oktober/ October 14, 2021	15 April/ April 15, 2026	134	474	19.660
FR0086	10.000	26 Oktober/ October 26, 2021	15 April/ April 15, 2026	89	259	9.830
<b>Subjumlah/Subtotal</b>				<b>126.096</b>	<b>24.839</b>	<b>7.481.257</b>

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJIAN  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT (continued)**

2023				Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date			
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				126.096	24.839	7.481.257
FR0086	25.000	29 Oktober/ October 29, 2021	15 April/ April 15, 2026	237	661	24.575
FR0086	25.000	29 Oktober/ October 29, 2021	15 April/ April 15, 2026	237	661	24.575
FR0090	30.000	15 Juli/ July 15, 2021	15 April/ April 15, 2027	(247)	756	28.997
FR0090	20.000	15 Juli/ July 15, 2021	15 April/ April 15, 2027	(164)	504	19.331
FR0090	20.000	15 Juli/ July 15, 2021	15 April/ April 15, 2027	(163)	505	19.331
FR0090	10.000	22 Juli/ July 22, 2021	15 April/ April 15, 2027	(66)	268	9.666
FR0090	20.000	22 Juli/ July 22, 2021	15 April/ April 15, 2027	(139)	529	19.331
FR0090	10.000	05 Agustus/ August 05, 2021	15 April/ April 15, 2027	(36)	298	9.666
FR0090	50.000	05 Agustus/ August 05, 2021	15 April/ April 15, 2027	(142)	1.530	48.328
FR0090	10.000	06 Agustus/ August 06, 2021	15 April/ April 15, 2027	(18)	316	9.666
FR0090	20.000	09 Agustus/ August 09, 2021	15 April/ April 15, 2027	(30)	639	19.331
FR0090	20.000	09 Agustus/ August 09, 2021	15 April/ April 15, 2027	(30)	639	19.331
FR0090	10.000	09 Agustus/ August 09, 2021	15 April/ April 15, 2027	(15)	320	9.666
FR0090	10.000	09 Agustus/ August 09, 2021	15 April/ April 15, 2027	(15)	320	9.666
FR0090	20.000	09 Agustus/ August 09, 2021	15 April/ April 15, 2027	(42)	627	19.331
FR0090	30.000	09 Agustus/ August 09, 2021	15 April/ April 15, 2027	(63)	940	28.997
FR0090	30.000	09 Agustus/ August 09, 2021	15 April/ April 15, 2027	(72)	931	28.997
Subjumlah/Subtotal				125.328	35.285	7.830.042



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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT (continued)**

2023				Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date			
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				125.328	35.285	7.830.042
FR0090	20.000	09 Agustus/ August 09, 2021	15 April/ April 15, 2027	(48)	621	19.331
FR0090	20.000	09 Agustus/ August 09, 2021	15 April/ April 15, 2027	(48)	621	19.331
FR0090	40.000	09 Agustus/ August 09, 2021	15 April/ April 15, 2027	(96)	1.241	38.663
FR0090	10.000	16 Agustus/ August 16, 2021	15 April/ April 15, 2027	(52)	282	9.666
FR0090	20.000	16 Agustus/ August 16, 2021	15 April/ April 15, 2027	(110)	559	19.331
FR0090	10.000	16 Agustus/ August 16, 2021	15 April/ April 15, 2027	(55)	279	9.666
FR0090	20.000	16 Agustus/ August 16, 2021	15 April/ April 15, 2027	(110)	559	19.331
FR0090	50.000	20 Agustus/ August 20, 2021	15 April/ April 15, 2027	(231)	1.441	48.328
FR0090	50.000	20 Agustus/ August 20, 2021	15 April/ April 15, 2027	(227)	1.445	48.328
FR0090	50.000	20 Agustus/ August 20, 2021	15 April/ April 15, 2027	(227)	1.445	48.328
FR0090	10.000	23 September/ September 23, 2021	15 April/ April 15, 2027	(6)	328	9.666
FR0090	20.000	11 Januari/ January 11, 2022	15 April/ April 15, 2027	(65)	604	19.331
FR0090	10.000	31 Januari/ January 31, 2022	15 April/ April 15, 2027	(33)	302	9.666
FR0090	10.000	31 Januari/ January 31, 2022	15 April/ April 15, 2027	(33)	302	9.666
FR0090	20.000	25 Februari/ February 25, 2022	15 April/ April 15, 2027	(127)	542	19.331
FR0090	30.000	07 Maret/ March 07, 2022	15 April/ April 15, 2027	(252)	751	28.997
FR0090	10.000	07 Maret/ March 07, 2022	15 April/ April 15, 2027	(84)	250	9.666
FR0090	10.000	17 Maret/ March 17, 2022	15 April/ April 15, 2027	(135)	199	9.666
FR0090	10.000	17 Maret/ March 17, 2022	15 April/ April 15, 2027	(135)	199	9.666
FR0090	50.000	17 Maret/ March 17, 2022	15 April/ April 15, 2027	(674)	997	48.329
FR0090	10.000	26 Juli/ July 26, 2022	15 April/ April 15, 2027	(491)	(157)	9.666
FR0090	10.000	26 Juli/ July 26, 2022	15 April/ April 15, 2027	(491)	(157)	9.666
<b>Jumlah/Total</b>				<b>121.599</b>	<b>47.936</b>	<b>8.303.663</b>

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
DIBELI KEMBALI (lanjutan)**

**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT (continued)**

31 Desember/  
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Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
<b>Surat Utang Negara/Government Debt</b>						
<b>Biaya perolehan diamortisasi/Amortised cost</b>						
FR0070	50.000	25 Februari/ February 25, 2021	15 Maret/ March 15, 2024	1.724	-	51.724
FR0070	50.000	26 Februari/ February 26, 2021	15 Maret/ March 15, 2024	1.726	-	51.726
FR0070	50.000	12 Maret/ March 12, 2021	15 September/ September 15, 2024	1.478	-	51.478
FR0070	50.000	15 Maret/ March 15, 2021	15 Maret/ March 15, 2024	1.586	-	51.586
FR0081	30.000	23 Maret/ March 23, 2021	15 Juni/ June 15, 2025	368	-	30.368
FR0081	50.000	15 Juni/ June 15, 2021	15 Juni/ June 15, 2025	1.529	-	51.529
FR0081	50.000	29 Juni/ June 29, 2021	15 Juni/ June 15, 2025	1.625	-	51.625
FR0059	100.000	30 Juni/ June 30, 2021	15 Mei/ May 15, 2027	4.885	-	104.885
FR0059	100.000	1 Juli/ July 1, 2021	15 Mei/ May 15, 2027	4.577	-	104.577
FR0081	50.000	1 Juli/ July 1, 2021	15 Mei/ May 15, 2027	1.581	-	51.581
FR0081	50.000	5 Juli/ July 5, 2021	15 Juni/ June 15, 2025	1.554	-	51.554
FR0081	50.000	13 Juli/ July 13, 2021	15 Juni/ June 15, 2025	1.610	-	51.610
FR0059	50.000	15 Juli/ July 15, 2021	15 Mei/ May 15, 2027	2.509	-	52.509
FR0059	100.000	19 Juli/ July 19, 2021	15 Mei/ May 15, 2027	5.284	-	105.284
FR0081	20.000	30 Juli/ July 30, 2021	15 Juni/ June 15, 2025	702	-	20.702
FR0081	200.000	2 Agustus/ August 2, 2021	15 Juni/ June 15, 2025	7.165	-	207.165
FR0081	50.000	3 Agustus/ August 3, 2021	15 Juni/ June 15, 2025	1.793	-	51.793
FR0059	50.000	9 Agustus/ August 9, 2021	15 Mei/ May 15, 2027	2.984	-	52.984
FR0081	20.000	9 Agustus/ August 9, 2021	15 Juni/ June 15, 2025	714	-	20.714
<b>Dipindahkan/Brought forward</b>				<b>45.394</b>	<b>-</b>	<b>1.215.394</b>

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**9. SURAT BERTAGIH YANG DIJUAL DENGAN JANJI  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT (continued)**

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Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				45.394	-	1.215.394
FR0059	60.000	10 Agustus/ August 10, 2021	15 Mei/ May 15, 2027	3.597	-	63.597
FR0081	80.000	10 Agustus/ August 10, 2021	15 Juni/ June 15, 2025	2.857	-	82.857
FR0059	30.000	13 Agustus/ August 13, 2021	15 Mei/ May 15, 2027	1.640	-	31.640
FR0059	20.000	18 Agustus/ August 18, 2021	15 Mei/ May 15, 2027	1.088	-	21.088
FR0059	130.000	23 Agustus/ August 23, 2021	15 Mei/ May 15, 2027	7.189	-	137.189
FR0059	50.000	17 November/ November 17, 2021	15 Mei/ May 15, 2027	2.983	-	52.983
FR0059	60.000	19 November/ November 19, 2021	15 Mei/ May 15, 2027	3.659	-	63.659
FR0081	50.000	12 Januari/ January 12, 2022	15 Juni/ June 15, 2025	1.762	-	51.762
FR0081	50.000	21 Januari/ January 21, 2022	15 Juni/ June 15, 2025	1.805	-	51.805
FR0081	40.000	28 April/ April 28, 2022	15 Juni/ June 15, 2025	800	-	40.800
FR0081	50.000	11 Mei/ May 11, 2022	15 Juni/ June 15, 2025	407	-	50.407
FR0081	25.000	25 Mei/ May 25, 2022	15 Juni/ June 15, 2025	287	-	25.287
FR0081	65.000	27 Mei/ May 27, 2022	15 Juni/ June 15, 2025	710	-	65.710
FR0081	90.000	13 Juni/ June 13, 2022	15 Juni/ June 15, 2025	1.649	-	91.649
FR0081	60.000	20 Juni/ June 20, 2022	15 Juni/ June 15, 2025	901	-	60.901
FR0081	20.000	22 Juni/ June 22, 2022	15 Juni/ June 15, 2025	268	-	20.268
FR0081	50.000	29 Juni/ June 29, 2022	15 Juni/ June 15, 2025	1.111	-	51.111
FR0081	10.000	18 Juli/ July 18, 2022	15 Juni/ June 15, 2025	154	-	10.154
FR0081	50.000	19 Juli/ July 19, 2022	15 Juni/ June 15, 2025	601	-	50.601
FR0081	40.000	20 Juli/ July 20, 2022	15 Juni/ June 15, 2025	430	-	40.430
FR0081	50.000	26 Juli/ July 26, 2022	15 Juni/ June 15, 2025	154	-	50.154
<b>Subjumlah/Subtotal</b>				<b>79.447</b>	<b>-</b>	<b>2.329.447</b>

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
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**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT (continued)**

31 Desember/  
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Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Nilai wajar melalui penghasilan komprehensif lain/Fair value through other comprehensive income						
FR0086	50.000	21 Januari/ January 21, 2021	15 April/ April 15, 2026	448	(1.403)	49.045
FR0086	75.000	4 Februari/ February 4, 2021	15 April/ April 15, 2026	754	(2.187)	73.567
FR0086	75.000	18 Februari/ February 18, 2021	15 April/ April 15, 2026	477	(1.909)	73.568
FR0086	70.000	19 Februari/ February 19, 2021	15 April/ April 15, 2026	168	(1.504)	68.663
FR0086	30.000	22 Februari/ February 22, 2021	15 April/ April 15, 2026	-	(573)	29.427
FR0086	250.000	10 Juni/ June 10, 2021	15 April/ April 15, 2026	282	(5.056)	245.226
FR0086	40.000	16 Juni/ June 16, 2021	15 April/ April 15, 2026	229	(992)	39.236
FR0086	40.000	29 Juni/ June 29, 2021	15 April/ April 15, 2026	244	(1.008)	39.236
FR0086	170.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	879	(4.126)	166.753
FR0086	10.000	1 Juli/ July 1, 2021	15 April/ April 15, 2026	40	(231)	9.809
FR0086	10.000	2 Juli/ July 2, 2021	15 April/ April 15, 2026	36	(227)	9.809
FR0086	90.000	5 Juli/ July 5, 2021	15 April/ April 15, 2026	313	(2.032)	88.281
FR0086	10.000	6 Juli/ July 6, 2021	15 April/ April 15, 2026	29	(220)	9.809
FR0086	100.000	19 Juli/ July 19, 2021	15 April/ April 15, 2026	653	(2.563)	98.090
FR0086	40.000	21 Juli/ July 21, 2021	15 April/ April 15, 2026	262	(1.026)	39.236
FR0086	20.000	7 Oktober/ October 7, 2021	15 April/ April 15, 2026	195	(577)	19.618
FR0086	25.000	8 Oktober/ October 8, 2021	15 April/ April 15, 2026	244	(721)	24.522
FR0086	40.000	12 Oktober/ October 12, 2021	15 April/ April 15, 2026	376	(1.140)	39.236
FR0086	40.000	13 Oktober/ October 13, 2021	15 April/ April 15, 2026	346	(1.110)	39.236
Dipindahkan/Brought forward				5.973	(28.604)	1.162.369

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**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI  
DIBELI KEMBALI (lanjutan)**

**9. MARKETABLE SECURITIES FOR SALE WITH  
REVERSE REPURCHASE AGREEMENT (continued)**

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Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Nilai wajar melalui penghasilan komprehensif lain/Fair value through other comprehensive income (lanjutan)/(continued)						
Pindahan/Carry forward				5.973	(28.604)	1.162.369
FR0086	60.000	14 Oktober/ October 14, 2021	15 April/ April 15, 2026	564	(1.710)	58.854
FR0086	20.000	26 Oktober/ October 26, 2021	15 April/ April 15, 2026	246	(628)	19.618
FR0086	80.000	29 Oktober/ October 29, 2021	15 April/ April 15, 2026	1.062	(2.590)	78.472
FR0086	75.000	2 November/ November 2, 2021	15 April/ April 15, 2026	973	(2.406)	73.567
FR0086	70.000	11 November/ November 11, 2021	15 April/ April 15, 2026	961	(2.298)	68.663
FR0086	40.000	12 November/ November 12, 2021	15 April/ April 15, 2026	536	(1.300)	39.236
FR0086	70.000	22 November/ November 22, 2021	15 April/ April 15, 2026	1.017	(2.354)	68.663
FR0086	40.000	23 November/ November 23, 2021	15 April/ April 15, 2026	585	(1.349)	39.236
FR0086	30.000	24 November/ November 24, 2021	15 April/ April 15, 2026	439	(1.012)	29.427
FR0086	70.000	25 November/ November 25, 2021	15 April/ April 15, 2026	1.025	(2.363)	68.663
FR0086	60.000	30 November/ November 30, 2021	15 April/ April 15, 2026	895	(2.042)	58.854
Subjumlah/Subtotal				14.276	(48.657)	1.765.619
Jumlah/Total				93.723	(48.657)	4.095.066

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**10. TAGIHAN DARI SURAT BERHARGA YANG DIBELI  
DENGAN JANJI DIJUAL KEMBALI**

Pada tanggal 31 Desember 2023 dan 2022 Bank memiliki tagihan dari surat berharga yang dibeli dengan janji dijual kembali sejumlah Rp6.247.318 dan Rp7.822.847 dengan rincian sebagai berikut:

**10. MARKETABLE SECURITIES PURCHASED UNDER  
RESALE AGREEMENT**

As of December 31, 2023 and 2022 Bank has a number of marketable securities purchased under resale agreement Rp6,247,318 and Rp7,822,847, with details as follows:

2023							
Jenis surat berharga/ Securities	Harga beli/ Purchase price	Tanggal mulai/ Start date	Tanggal jual kembali/ Resale date	Tingkat suku bunga/ Interest rate	Harga jual kembali/ Resale price	Pendapatan bunga yang belum direalisasi/ Unrealized interest income	Nilai bersih/ Net value
Surat Utang Negara							
FR0091	417.811	28 Desember December 28, 2023	5 Januari January 5, 2024	6,25%	418.285	257	418.067
FR0084	347.288	28 Desember December 28, 2023	4 Januari January 4, 2024	6,30%	347.676	241	347.529
FR0068	108.041	29 Desember December 2, 2023	5 Januari January 5, 2024	6,30%	108.174	57	108.098
VR0068	23.321	20 Januari January 20, 2023	19 Januari January 19, 2024	6,70%	24.901	1.502	24.823
VR0073	70.194	20 Januari January 20, 2023	19 Januari January 19, 2024	6,71%	71.834	1.537	71.732
VR0070	23.851	27 Januari January 27, 2023	26 Januari January 26, 2024	6,71%	25.469	1.507	25.358
VR0083	46.810	3 Februari February 3, 2023	2 Februari February 2, 2024	6,71%	49.985	2.897	49.706
VR0063	380.065	19 Desember December 19, 2023	3 Januari January 3, 2024	6,40%	380.872	724	380.789
VR0044	289.789	27 Desember December 27, 2023	4 Januari January 4, 2024	6,28%	290.193	253	290.042
VR0045	48.298	27 Desember December 27, 2023	4 Januari January 4, 2024	6,28%	48.366	42	48.340
VR0093	48.253	27 Desember December 27, 2023	4 Januari January 4, 2024	6,28%	48.320	42	48.295
VR0072	75.260	27 Desember December 27, 2023	4 Januari January 4, 2024	6,28%	75.365	66	75.325
FR0059	584.339	28 Desember December 28, 2023	3 Januari January 3, 2024	6,23%	584.946	404	584.743
FR0082	483.291	28 Desember December 28, 2023	3 Januari January 3, 2024	6,23%	483.793	335	483.626
FR0087	946.003	28 Desember December 28, 2023	5 Januari January 5, 2024	6,27%	947.089	559	946.562
FR0076	591.529	21 Desember December 21, 2023	4 Januari January 4, 2024	6,40%	593.002	1.157	592.686
FR0080	494.498	22 Desember December 22, 2023	5 Januari January 5, 2024	6,40%	495.350	557	495.055
FR0083	201.292	22 Desember December 22, 2023	5 Januari January 5, 2024	6,40%	201.793	358	201.649
FR0085	200.400	28 Desember December 28, 2023	3 Januari January 3, 2024	6,20%	200.607	138	200.538
FR0098	194.635	28 Desember December 28, 2023	3 Januari January 3, 2024	6,20%	194.836	134	194.769
FR0081	286.008	28 Desember December 28, 2023	5 Januari January 5, 2024	6,30%	286.357	182	286.191
FR0090	185.223	29 Desember December 29, 2023	5 Januari January 5, 2024	6,25%	185.448	96	185.319
VR0077	187.945	29 Desember December 29, 2023	3 Januari January 3, 2024	6,20%	188.139	129	188.074
<b>Jumlah/Total</b>	<b>6.234.143,38</b>				<b>6.250.799</b>	<b>13.175</b>	<b>6.247.318</b>

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**10. TAGIHAN DARI SURAT BERHARGA YANG DIBELI  
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**10. MARKETABLE SECURITIES PURCHASED UNDER  
RESALE AGREEMENT (continued)**

2022							
Jenis surat berharga/ Securities	Harga beli/ Purchase price	Tanggal mulai/ Start date	Tanggal jual kembali/ Resale date	Tingkat suku bunga/ Interest rate	Harga jual kembali/ Resale price	Pendapatan bunga yang belum direalisasi/ Unrealized interest income	Nilai bersih/ Net value
Surat Utang Negara							
FR0087	367.130	1 Desember/ December 1, 2022	2 Januari/ January 2, 2023	5,86%	369.043	60	368.983
FR0081	148.341	2 Desember/ December 2, 2022	2 Januari/ January 2, 2023	5,88%	149.092	24	149.068
FR0084	99.477	2 Desember/ December 2, 2022	2 Januari/ January 2, 2023	5,88%	99.981	16	99.964
FR0083	191.662	2 Desember/ December 2, 2022	1 Desember/ December 1, 2023	6,66%	204.569	11.843	192.726
FR0088	42.352	5 Desember/ December 5, 2022	4 Januari/ January 4, 2023	5,90%	42.561	21	42.540
FR0065	115.692	5 Desember/ December 5, 2022	4 Januari/ January 4, 2023	5,90%	116.261	57	116.204
VR0078	285.505	9 Desember/ December 9, 2022	6 Januari/ January 6, 2023	5,79%	286.790	230	286.561
VR0037	139.585	23 Desember/ December 23, 2022	6 Januari/ January 6, 2023	5,95%	139.908	115	139.793
VR0072	46.831	23 Desember/ December 23, 2022	6 Januari/ January 6, 2023	5,95%	46.939	39	46.900
VR0068	381.224	26 Desember/ December 26, 2022	2 Januari/ January 2, 2023	5,80%	381.654	61	381.593
VR0077	140.534	27 Desember/ December 27, 2022	10 Januari/ January 10, 2023	6,00%	140.862	211	140.651
FR0096	28.650	27 Desember/ December 27, 2022	10 Januari/ January 10, 2023	6,00%	28.717	43	28.674
VR0053	116.745	28 Desember/ December 28, 2022	4 Januari/ January 4, 2023	5,80%	116.876	56	116.820
VR0037	931.166	28 Desember/ December 28, 2022	11 Januari/ January 11, 2023	6,00%	933.339	1.552	931.787
VR0046	192.083	29 Desember/ December 29, 2022	5 Januari/ January 5, 2023	5,50%	192.288	117	192.171
VR0050	1.004.411	29 Desember/ December 29, 2022	5 Januari/ January 5, 2023	5,50%	1.005.485	614	1.004.871
VR0062	906.457	29 Desember/ December 29, 2022	5 Januari/ January 5, 2023	5,50%	907.426	554	906.872
VR0075	234.299	29 Desember/ December 29, 2022	6 Januari/ January 6, 2023	5,85%	234.604	190	234.413
VR0045	924.263	29 Desember/ December 29, 2022	12 Januari/ January 12, 2023	5,77%	926.337	1.630	924.708
VR0034	382.616	30 Desember/ December 30, 2022	6 Januari/ January 6, 2023	5,50%	383.025	292	382.733
VR0036	573.923	30 Desember/ December 30, 2022	13 Januari/ January 13, 2023	5,77%	575.211	1.104	574.107
VR0065	370.622	30 Desember/ December 30, 2022	27 Januari/ January 27, 2023	6,03%	372.361	1.614	370.747
VR0044	189.891	30 Desember/ December 30, 2022	29 Januari/ January 29, 2023	6,66%	202.678	12.717	189.961
<b>Jumlah/Total</b>					<b>7.856.007</b>	<b>33.160</b>	<b>7.822.847</b>

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**11. TAGIHAN LAINNYA**

	<b>2023</b>
Tagihan transfer dan ATM	122.780
Lainnya	100.358
<b>Jumlah</b>	<b>223.138</b>

Pada tanggal 31 Desember 2023 dan 2022, tidak terdapat tagihan pada pihak berelasi.

Kolektibilitas tagihan lainnya pada tanggal 31 Desember 2023 dan 2022 adalah lancar.

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutupi kemungkinan kerugian yang timbul akibat bank garansi tidak tertagih adalah memadai.

**11. OTHER RECEIVABLES**

	<b>2022</b>	
	194.150	Transfer receivables and ATM
	91.997	Others
	<b>286.147</b>	<b>Total</b>

As of December 31, 2023 and 2022, there were no other receivables from related parties.

The collectibility of all other receivables as of December 31, 2023 and 2022 was classified as current.

Management believes that the allowance for impairment losses on uncollectible bank guarantee is adequate.



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**12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH**

Seluruh kredit yang diberikan oleh Bank adalah dalam Rupiah.

a. Berdasarkan jenis dan kolektibilitas

**12. LOANS AND SHARIA FINANCING**

All loans provided by the Bank are in Rupiah.

a. By type and collectibility of loans

2023							
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub-standard	Diragukan/ Doubtful	Macet/ Loss	
Modal kerja	15.550.351	13.946.393	924.261	59.999	88.048	531.650	Working capital
Investasi	8.002.279	6.786.068	1.060.393	6.918	13.921	134.979	Investment
Konsumsi	31.208.273	30.301.188	378.777	30.496	36.134	461.678	Consumption
<b>Jumlah</b>	<b>54.760.903</b>	<b>51.033.649</b>	<b>2.363.431</b>	<b>97.413</b>	<b>138.103</b>	<b>1.128.307</b>	<b>Total</b>
Dikurangi: Penyisihan kerugian penurunan nilai	(1.364.905)	(427.551)	(236.983)	(27.840)	(49.043)	(623.488)	Less: Allowance for impairment losses
<b>Jumlah kredit yang diberikan, neto</b>	<b>53.395.998</b>	<b>50.606.098</b>	<b>2.126.448</b>	<b>69.573</b>	<b>89.060</b>	<b>504.819</b>	<b>Total loans, net</b>

2022							
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub-standard	Diragukan/ Doubtful	Macet/ Loss	
Modal kerja	10.968.010	9.802.144	457.228	20.906	37.479	650.253	Working capital
Investasi	6.570.658	6.296.351	151.931	3.855	3.343	115.178	Investment
Konsumsi	28.657.989	27.883.864	295.970	26.323	37.043	414.789	Consumption
<b>Jumlah</b>	<b>46.196.657</b>	<b>43.982.359</b>	<b>905.129</b>	<b>51.084</b>	<b>77.865</b>	<b>1.180.220</b>	<b>Total</b>
Dikurangi: Penyisihan kerugian penurunan nilai	(1.318.612)	(395.953)	(78.550)	(18.979)	(28.495)	(796.635)	Less: Allowance for impairment losses
<b>Jumlah kredit yang diberikan, neto</b>	<b>44.878.045</b>	<b>43.586.406</b>	<b>826.579</b>	<b>32.105</b>	<b>49.370</b>	<b>383.585</b>	<b>Total loans, net</b>

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**12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN  
SYARIAH (lanjutan)**

**12. LOANS AND SHARIA FINANCING (continued)**

b. Berdasarkan sektor ekonomi dan kolektibilitas

b. By economic sector of loans and collectibility

	2023						
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub- standard	Diragukan/ Doubtful	Macet/ Loss	
Rumah tangga	31.178.711	30.271.804	378.644	30.495	36.136	461.632	Household
Perdagangan besar dan eceran	8.537.898	7.515.612	610.679	31.394	55.198	325.015	Wholesale and retail trade
Konstruksi	3.752.737	2.813.677	823.599	11.970	1.000	102.491	Construction
Industri pengolahan	3.098.925	2.944.123	69.337	5.798	7.948	71.719	Processing industry
Jasa kemasyarakatan dan sosial budaya	1.894.090	1.812.244	41.529	2.047	15.773	22.497	Public and social culture services
Pertanian perburuan dan kehutanan	2.702.863	2.311.400	297.926	6.783	15.767	70.987	Agriculture, hunting and forestry
Perantara keuangan	2.007.568	1.954.823	12.849	5.588	36	34.272	Financial intermediaries
Akomodasi makanan dan minuman	426.174	401.010	14.936	1.087	1.879	7.262	Accommodation, food and beverage
Jasa pendidikan	265.951	265.137	514	300	-	-	Education services
Transportasi pergudangan dan komunikasi	211.356	192.494	11.262	1.173	393	6.034	Transportation, warehousing and communications
Jasa kesehatan dan kegiatan sosial	221.041	207.914	7.379	-	-	5.748	Health services and social activities
Real estate usaha persewaan dan jasa perusahaan	136.672	115.637	6.910	3	3	14.119	Real estate, business services and business ownership
Listrik gas dan air	28.576	28.337	239	-	-	-	Electricity, gas and water
Perikanan	131.245	117.689	5.453	659	3.942	3.502	Fishery
Pertambangan dan penggalian	34.574	28.276	3.862	27	-	2.409	Mining and quarrying
Jasa perorangan yang melayani rumah tangga	21.543	19.674	1.179	89	28	573	Individual services which serve households
Kegiatan yang belum jelas batasannya	4.091	4.091	-	-	-	-	Activity is still undefined
Administrasi Pemerintahan, Pertahanan dan Jaminan Sosial Wajib	78.063	929	77.134	-	-	-	Government Administration, Defense and Mandatory Social Security
Lainnya	28.825	28.778	-	-	-	47	Other
<b>Jumlah</b>	<b>54.760.903</b>	<b>51.033.649</b>	<b>2.363.431</b>	<b>97.413</b>	<b>138.103</b>	<b>1.128.307</b>	<b>Total</b>
Dikurangi: Penyisihan kerugian penurunan nilai	(1.364.905)	(427.551)	(236.983)	(27.840)	(49.043)	(623.488)	Less: Allowance for impairment losses
<b>Jumlah kredit yang diberikan, neto</b>	<b>53.395.998</b>	<b>50.606.098</b>	<b>2.126.448</b>	<b>69.573</b>	<b>89.060</b>	<b>504.819</b>	<b>Total loans, net</b>

	2022						
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub- standard	Diragukan/ Doubtful	Macet/ Loss	
Rumah tangga	28.626.074	27.853.074	294.934	26.323	37.043	414.700	Household
Perdagangan besar dan eceran	5.770.630	5.035.105	315.445	14.955	21.580	383.545	Wholesale and retail trade
Konstruksi	3.598.479	3.466.058	15.856	1.066	-	115.499	Construction
Industri pengolahan	2.319.103	2.198.171	40.870	2.073	3.118	74.871	Processing industry
Jasa kemasyarakatan dan sosial budaya	1.901.379	1.853.941	18.868	345	2.635	25.590	Public and social culture services
Pertanian perburuan dan kehutanan	1.579.975	1.331.024	157.290	4.177	6.645	80.839	Agriculture, hunting and forestry
Perantara keuangan	1.187.332	1.127.892	27.999	1.359	5.764	24.318	Financial intermediaries
Akomodasi makanan dan minuman	321.695	296.561	12.186	692	49	12.207	Accommodation, food and beverage
Jasa pendidikan	104.662	104.475	-	-	-	187	Education services
Transportasi pergudangan dan komunikasi	173.033	160.565	3.563	-	-	8.905	Transportation, warehousing and communications
Jasa kesehatan dan kegiatan sosial	135.295	124.066	810	-	-	10.419	Health services and social activities
Real estate usaha persewaan dan jasa perusahaan	123.042	98.683	3.336	91	41	20.891	Real estate, business services and business ownership
Listrik gas dan air	29.627	29.256	349	-	-	22	Electricity, gas and water
Perikanan	75.092	63.749	8.055	3	878	2.407	Fishery
Pertambangan dan penggalian	24.244	15.370	3.833	-	-	5.041	Mining and quarrying
Jasa perorangan yang melayani rumah tangga	13.872	12.374	697	-	112	689	Individual services which serve households
Kegiatan yang belum jelas batasannya	6.484	6.484	-	-	-	-	Activity is still undefined
Administrasi Pemerintahan, Pertahanan dan Jaminan Sosial Wajib	174.195	174.195	-	-	-	-	Government Administration, Defense and Mandatory Social Security
Lainnya	32.444	31.316	1.038	-	-	90	Other
<b>Jumlah</b>	<b>46.196.657</b>	<b>43.982.359</b>	<b>905.129</b>	<b>51.084</b>	<b>77.865</b>	<b>1.180.220</b>	<b>Total</b>
Dikurangi: Penyisihan kerugian penurunan nilai	(1.318.612)	(395.953)	(78.550)	(18.979)	(28.495)	(796.635)	Less: Allowance for impairment losses
<b>Jumlah kredit yang diberikan, neto</b>	<b>44.878.045</b>	<b>43.586.406</b>	<b>826.579</b>	<b>32.105</b>	<b>49.370</b>	<b>383.585</b>	<b>Total loans, net</b>

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**12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN  
SYARIAH (lanjutan)**

**12. LOANS AND SHARIA FINANCING (continued)**

c. Berdasarkan sisa umur kredit

c. *Maturity of loans*

	2023	2022	
Kurang dari 1 tahun	8.818.032	5.289.294	Less than 1 year
1 - 2 tahun	3.306.375	3.476.781	1 - 2 years
Lebih dari 2 - 5 tahun	16.294.690	12.888.940	More than 2 - 5 years
Lebih dari 5 tahun	26.341.806	24.541.642	Over 5 years
	<u>54.760.903</u>	<u>46.196.657</u>	
Dikurangi: Penyisihan kerugian penurunan nilai	(1.364.905)	(1.318.612)	Less: Allowance for impairment losses
<b>Jumlah kredit yang diberikan, neto</b>	<b><u>53.395.998</u></b>	<b><u>44.878.045</u></b>	<b>Total loans, net</b>

d. Berdasarkan hubungan

d. *By relationship*

	2023						
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub- standard	Diragukan/ Doubtful	Macet/ Loss	
Pihak berelasi (Catatan 40)	184.848	107.371	77.134	-	343	-	Related party (Note 40)
Pihak ketiga	54.576.055	50.926.278	2.286.297	97.413	137.760	1.128.307	Third parties
<b>Jumlah</b>	<b>54.760.903</b>	<b>51.033.649</b>	<b>2.363.431</b>	<b>97.413</b>	<b>138.103</b>	<b>1.128.307</b>	<b>Total</b>
Dikurangi: Penyisihan kerugian penurunan nilai							Less: Allowance for impairment losses
Pihak berelasi	(1.351)	(156)	(1.054)	-	(141)	-	Related parties
Pihak ketiga	(1.363.554)	(427.395)	(235.929)	(27.840)	(48.902)	(623.488)	Third parties
<b>Jumlah</b>	<b>(1.364.905)</b>	<b>(427.551)</b>	<b>(236.983)</b>	<b>(27.840)</b>	<b>(49.043)</b>	<b>(623.488)</b>	<b>Total</b>
<b>Jumlah kredit yang diberikan, neto</b>	<b><u>53.395.998</u></b>	<b><u>50.606.098</u></b>	<b><u>2.126.448</u></b>	<b><u>69.573</u></b>	<b><u>89.060</u></b>	<b><u>504.819</u></b>	<b>Total loans, net</b>

	2022						
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub- standard	Diragukan/ Doubtful	Macet/ Loss	
Pihak berelasi (Catatan 40)	134.871	132.025	2.846	-	-	-	Related party (Note 40)
Pihak ketiga	46.061.786	43.850.334	902.283	51.084	77.865	1.180.220	Third parties
<b>Jumlah</b>	<b>46.196.657</b>	<b>43.982.359</b>	<b>905.129</b>	<b>51.084</b>	<b>77.865</b>	<b>1.180.220</b>	<b>Total</b>
Dikurangi: Penyisihan kerugian penurunan nilai							Less: Allowance for impairment losses
Pihak berelasi	(284)	(127)	(157)	-	-	-	Related parties
Pihak ketiga	(1.318.328)	(395.826)	(78.393)	(18.979)	(28.495)	(796.635)	Third parties
<b>Jumlah</b>	<b>(1.318.612)</b>	<b>(395.953)</b>	<b>(78.550)</b>	<b>(18.979)</b>	<b>(28.495)</b>	<b>(796.635)</b>	<b>Total</b>
<b>Jumlah kredit yang diberikan, neto</b>	<b><u>44.878.045</u></b>	<b><u>43.586.406</u></b>	<b><u>826.579</u></b>	<b><u>32.105</u></b>	<b><u>49.370</u></b>	<b><u>383.585</u></b>	<b>Total loans, net</b>

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**12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN  
SYARIAH (lanjutan)**

**d. Berdasarkan hubungan (lanjutan)**

Kredit yang diberikan kepada pihak berelasi, termasuk pinjaman kepada manajemen kunci. Pinjaman kepada manajemen kunci pada tanggal 31 Desember 2023 dan 2022, masing-masing sebesar Rp100.611 dan Rp104.192 (Catatan 40) merupakan kredit untuk pembelian kendaraan, rumah dan keperluan lainnya dengan jangka waktu antara 1 - 20 tahun dan dikenakan bunga sebesar 4,60% per tahun.

**e. Tingkat bunga tahunan**

Tingkat bunga kredit yang diberikan dalam Rupiah pada tanggal 31 Desember 2023 dan 2022, masing-masing sebesar 10,50%-12,75%.

**f. Kredit sindikasi**

Keikutsertaan Bank sebagai anggota sindikasi dengan persentase penyertaan pada tanggal 31 Desember 2023 dan 2022, masing-masing berkisar antara 2,64%-63,89% dari total pinjaman sindikasi.

**g. Kredit yang direstrukturisasi**

Restrukturisasi kredit pada tanggal 31 Desember 2023 dan 2022, adalah masing-masing sebesar Rp3.901.204 dan Rp3.937.602.

	2023	2022
Perpanjangan waktu kredit	906.673	215.738
Perpanjangan waktu kredit dan penyesuaian suku bunga	8.100	13.846
Perpanjangan waktu kredit dan skema lain	2.986.431	3.708.018
<b>Jumlah</b>	<b>3.901.204</b>	<b>3.937.602</b>

Bank telah melakukan restrukturisasi kredit untuk debitur yang terdampak pandemi Covid-19 sesuai dengan POJK No. 11/POJK.03/2020 tanggal 13 Maret 2020 tentang Stimulus Perekonomian Nasional sebagai Kebijakan *Countercyclical* Dampak Penyebaran *Coronavirus Disease* 2019.

**h. Batas Maksimum Pemberian Kredit (BMPK)**

Pada tanggal 31 Desember 2023 dan 2022, Bank telah memenuhi ketentuan BMPK.

**12. LOANS AND SHARIA FINANCING (continued)**

**d. By relationship (continued)**

Loans to related parties include loans to key management. Loans to key management as of December 31, 2023 and 2022 amounted to Rp100,611 and Rp104,192, respectively (Note 40), which involved automobiles, housing and other loans, with terms of between 1 - 20 years and interest at rates of between 4.60% per annum.

**e. Annual interest rates**

The annual interest rates of loans in Rupiah as of December 31, 2023 and 2022 are 10.50%-12.75% respectively.

**f. Syndicated loans**

The share of the Bank in syndicated loans as of December 31, 2023 and 2022 ranged from 2.64% - 63.89%, respectively, from total of syndication loan.

**g. Restructured loans**

The restructured loans as of December 31, 2023 and 2022 amounted to Rp3,901,204 and to Rp3,937,602.

Exsistension of loan period  
Exsistension of loan period and interest  
rate adjusment  
Exsistension of loan period and other schemes  
**Total**

The Bank has restructured loan for debtors affected by the Covid-19 pandemic in accordance with POJK No. 11/POJK.03/2020 dated March 13, 2020 regarding National Economic Stimulus as Countercyclical Policy Impact of Coronavirus Disease Spread 2019.

**h. Legal Lending Limits (BMPK)**

As of December 31, 2023 and 2022, the Bank was in compliance with Bank Indonesia's legal lending limits.

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**12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH (lanjutan)**

- i. Dalam pinjaman termasuk saldo pembiayaan yang diberikan berdasarkan prinsip Syariah dari unit usaha Syariah pada tanggal 31 Desember 2023 dan 2022, adalah sebagai berikut:

	2023	2022
Murabahah	902.861	874.944
Musyarakah	1.130.521	767.912
Mudharabah	105.174	223.915
Qardh	49.062	36.423
Ijarah	241	277
<b>Jumlah</b>	<b>2.187.859</b>	<b>1.903.471</b>

- j. Kredit tidak lancar

	2023	2022
Jumlah NPL	1.363.823	1.309.169
Rasio NPL bruto	2,49%	2,83%
Rasio NPL neto	1,21%	1,01%

- k. Jumlah kredit yang diberikan dan pembiayaan syariah dijamin pada tanggal 31 Desember 2023 dan 2022, masing-masing sebesar Rp885.916 dan Rp303.930 dengan jaminan berupa deposito berjangka masing-masing sebesar Rp203.926 dan Rp127.942. (Catatan 18c).
- l. Kredit yang diberikan dan pembiayaan syariah yang dihapusbukukan untuk tahun yang berakhir pada tanggal 31 Desember 2023 dan 2022, masing-masing adalah sebesar Rp629.551 dan Rp900.559.
- m. Perubahan penyisihan kerugian penurunan nilai adalah sebagai berikut:

2023					
Cadangan kerugian penurunan nilai - kredit yang diberikan/ Allowance for impairment losses - loans	Tahap/ Stage 1	Tahap/ Stage 2	Tahap/ Stage 3	Pembiayaan syariah/ Sharia financing	Jumlah/ Total
Saldo awal tahun/ Beginning balance of year	263.059	61.303	911.041	83.210	1.318.613
Perubahan aset keuangan yang diakui pada laporan laba rugi/ Change due to financial assets recognize in the statement of profit or loss that have:					
Transfer ke tahap 1/Transfer to stage 1	73.003	(22.860)	(50.143)	-	-
Transfer ke tahap 2/Transfer to stage 2	(5.661)	9.079	(3.418)	-	-
Transfer ke tahap 3/Transfer to stage 3	(18.452)	(24.104)	42.556	-	-
Penghapusbukuan/Write-off	(115.198)	(70.829)	(395.310)	(48.214)	(629.551)
Dibebankan ke laporan laba rugi/ Charge to statement of profit or loss	170.959	121.483	365.005	18.396	675.843
<b>Saldo 31 Desember 2023/ Balance at December 31, 2023</b>	<b>367.710</b>	<b>74.072</b>	<b>869.731</b>	<b>53.392</b>	<b>1.364.905</b>

**12. LOANS AND SHARIA FINANCING (continued)**

- i. The amounts of loans including financing provided based on Sharia principles from Sharia unit as of December 31, 2023 and 2022 are as follows:

	2023	2022
Murabahah	902.861	874.944
Musyarakah	1.130.521	767.912
Mudharabah	105.174	223.915
Qardh	49.062	36.423
Ijarah	241	277
<b>Total</b>	<b>2.187.859</b>	<b>1.903.471</b>

- j. Non-performing loans (NPL)

	2023	2022
Jumlah NPL	1.363.823	1.309.169
Rasio NPL bruto	2,49%	2,83%
Rasio NPL neto	1,21%	1,01%

- k. Total loans and sharia financing pledged as collateral as of December 31, 2023 and 2022 were Rp885,916 and Rp303,930, respectively with collateral of time deposit amounting Rp203,926 and Rp127,942. (Note 18c).
- l. Loans and sharia financing written-off for the year ended December 31, 2023 and 2022 amounted to Rp629,551 and Rp900,559 respectively.
- m. The changes in the allowance for impairment losses are as follows:

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**12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN  
SYARIAH (lanjutan)**

- m. Perubahan penyisihan kerugian penurunan nilai adalah sebagai berikut (lanjutan):

2022					
Cadangan kerugian penurunan nilai - kredit yang diberikan/ Allowance for impairment losses - loans	Tahap/ Stage 1	Tahap/ Stage 2	Tahap/ Stage 3	Pembiayaan syariah/ Sharia financing	Jumlah/ Total
Saldo awal tahun/ Beginning balance of year	15.807	73.110	1.659.071	83.429	1.831.417
Perubahan aset keuangan yang diakui pada laporan laba rugi/ Change due to financial assets recognize in the statement of profit or loss that have:					
Transfer ke tahap 1/Transfer to stage 1	137.683	(22.598)	(115.085)	-	-
Transfer ke tahap 2/Transfer to stage 2	(1.493)	11.190	(9.697)	-	-
Transfer ke tahap 3/Transfer to stage 3	(2.649)	(34.464)	37.113	-	-
Penghapusbukuan/Write-off	(58.773)	(25.414)	(800.922)	(15.450)	(900.559)
Dibebankan ke laporan laba rugi/ Charge to statement of profit or loss	172.483	59.479	140.562	15.230	387.754
Saldo 31 Desember 2022/ Balance at December 31, 2022	263.058	61.303	911.042	83.209	1.318.612

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat kredit yang diberikan dan pembiayaan syariah tidak tertagih adalah memadai.

Saldo cadangan kerugian penurunan nilai adalah sebesar Rp732.824 (individual) dan Rp632.081 (kolektif) pada tanggal 31 Desember 2023 dan Rp866.893 (individual) dan Rp451.719 (kolektif) pada tanggal 31 Desember 2022.

Beban penyisihan kerugian penurunan nilai adalah sebesar Rp675.843 dan Rp387.754 pada tanggal 31 Desember 2023 dan 2022 (Catatan 33).

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai yang dibentuk cukup untuk menutup kerugian yang mungkin timbul akibat tidak tertagihnya kredit yang diberikan dan pembiayaan syariah.

**12. LOANS AND SHARIA FINANCING (continued)**

- m. The changes in the allowance for impairment losses are as follows (continued):

Management believes that the allowance for impairment losses on uncollectible loans and sharia financing is adequate.

The balance of allowance for impairment losses amounted to Rp732,824 (individual) and Rp632,081 (collective) as of December 31, 2023 and Rp866,893 (individual) and Rp451,719 (collective) as of December 31, 2022.

Provision for impairment losses amounted to Rp675,843 and Rp387,754 as of December 31, 2023 and 2022 (Note 33).

Management believes that the allowance for impairment losses is adequate to cover possible losses arising from uncollectible loans and sharia financing.

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**12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN  
SYARIAH (lanjutan)**

**12. LOANS AND SHARIA FINANCING (continued)**

n. Mutasi nilai tercatat bruto kredit yang diberikan dan pembiayaan syariah:

n. Changes in the gross carrying amount of loans and sharia financing:

2023					
Nilai tercatat bruto kredit yang diberikan/ Gross carrying amount of the loans	Tahap/ Stage 1	Tahap/ Stage 2	Tahap/ Stage 3	Pembiayaan syariah/ Sharia financing	Jumlah/ Total
Saldo awal tahun/ Beginning balance of year	42.094.584	598.657	1.599.946	1.903.471	46.196.658
Perubahan aset keuangan/ Change due to financial assets				-	
Transfer ke tahap 1/Transfer to stage 1	218.473	(230.287)	11.814	-	-
Transfer ke tahap 2/Transfer to stage 2	(453.664)	464.752	(11.088)	-	-
Transfer ke tahap 3/Transfer to stage 3	(785.024)	(222.195)	1.007.219	-	-
Aset keuangan yang baru atau dibeli/ New financial assets originated or purchased	23.969.845	269.423	688.003	332.602	25.259.873
Modifikasi arus kas kontraktual atas aset keuangan/ Modification of contractual cashflow of financial assets	(2.598.015)	(27.837)	(970.923)		(3.596.775)
Perubahan akrual bunga/Change in interest accrual	(12.613.817)	(111.726)	256.241	-	(12.469.302)
Penghapusbukuan/Writte-off	(115.198)	(70.829)	(395.310)	(48.214)	(629.551)
<b>Saldo 31 Desember 2023/ Balance at December 31, 2023</b>	<b>49.717.184</b>	<b>669.958</b>	<b>2.185.902</b>	<b>2.187.859</b>	<b>54.760.903</b>
2022					
Nilai tercatat bruto kredit yang diberikan/ Gross carrying amount of the loans	Tahap/ Stage 1	Tahap/ Stage 2	Tahap/ Stage 3	Pembiayaan syariah/ Sharia financing	Jumlah/ Total
Saldo awal tahun/ Beginning balance of year	38.319.178	549.722	2.118.291	1.762.368	42.749.559
Perubahan aset keuangan/ Change due to financial assets					
Transfer ke tahap 1/Transfer to stage 1	332.412	(192.277)	(140.135)	-	-
Transfer ke tahap 2/Transfer to stage 2	(473.300)	492.701	(19.401)	-	-
Transfer ke tahap 3/Transfer to stage 3	(539.528)	(216.055)	755.583	-	-
Aset keuangan yang baru atau dibeli/ New financial assets originated or purchased	19.942.656	170.525	65.829	-	20.179.010
Modifikasi arus kas kontraktual atas aset keuangan/ Modification of contractual cashflow of financial assets	(3.169.533)	(34.190)	(380.246)	-	(3.583.968)
Perubahan bersih pada eksposur dan pengukuran kembali/ Net change in exposure and remeasurement	(12.258.559)	(146.354)	976	156.553	(12.247.385)
Penghapusbukuan/Writte-off	(58.773)	(25.414)	(800.922)	(15.450)	(900.559)
<b>Saldo 31 Desember 2022/ Balance at December 31, 2022</b>	<b>42.094.553</b>	<b>598.658</b>	<b>1.599.975</b>	<b>1.903.471</b>	<b>46.196.657</b>

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**12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN  
SYARIAH (lanjutan)**

- o. Rasio kredit usaha mikro, kecil dan menengah (UMKM) terhadap jumlah kredit yang diberikan pada tanggal-tanggal 31 Desember 2023 dan 2022, masing-masing adalah sebesar 26,81% dan 22,81%.
- p. Dalam rangka percepatan Pemulihan Ekonomi Nasional (PEN) sesuai Peraturan Menteri Keuangan No. 70/PMK.05/2020, Pemerintah melakukan Penempatan Uang Negara kepada perbankan salah satunya Bank, dalam bentuk deposito dengan tenor 6 (enam) bulan sebesar Rp2.000.000 pada tanggal 14 Agustus 2020 sampai 10 Februari 2021. Dana pemerintah tersebut telah disalurkan dalam bentuk kredit sebesar Rp8.092.192 sampai dengan tanggal 10 Februari 2021, dan selanjutnya dana akan dikembalikan kepada Pemerintah.

Bank juga berpartisipasi dalam penyaluran subsidi bunga dari Pemerintah bagi debitur UMKM dan subsidi bunga tambahan untuk Kredit Usaha Rakyat (KUR) sesuai dengan PMK No.85/PMK.05/2020 untuk periode Mei 2020.

Besaran subsidi bunga tersebut adalah sebagai berikut:

1. Plafon kredit kurang dari atau sama dengan Rp500, subsidi bunga yang diberikan sebesar 6% selama 3 (tiga) bulan pertama dan 3% selama tiga bulan berikutnya.
2. Plafon kredit lebih dari Rp500 sampai dengan Rp10.000, subsidi bunga yang diberikan sebesar 3% selama 3 (tiga) bulan pertama dan 2% selama tiga bulan berikutnya.

Sampai dengan tanggal 31 Desember 2023, Bank telah menerima subsidi bunga dari Pemerintah untuk disalurkan kepada debitur UMKM sebesar Rp2.778.

**12. LOANS AND SHARIA FINANCING (continued)**

- o. Ratio of micro, small and medium scale enterprises (UMKM) credit to total loans as at December 31, 2023 and 2022 were 26.81% and 22.81% respectively.
- p. In order to accelerate National Economic Recovery Program (PEN) based on PMK No. 70/PMK.05/2020, Government place their funds in banks, which the Bank is one of them, in time deposit with 6 (six) months tenor contract amounted to Rp2,000,000 on August 14, 2020 until February 10, 2021. The Government fund has been distributed in form of loan amounted to Rp8,092,192 until February 10, 2021 and the fund will be returned to Government.

Bank also participate in channeling interest subsidy from Government for Small Medium Enterprise (SME) debtors and additional interest subsidy for Kredit Usaha Rakyat (KUR) program based on PMK No.85/PMK.05/2020 for period May, 2020.

The interest subsidies will cover loan interest are as follows:

1. The credit limit is less than or equal to Rp500, the interest subsidy is 6% for the first 3 ((three) months and 3% for the following three months.
2. The credit limit is more than Rp500 to Rp10,000, the interest subsidy is 3% for the first (three) months and 2% for the following three months.

Until December 31, 2023, the Bank has distributed interest subsidies for SME debtors amounted to Rp2,778.



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**13. PENDAPATAN BUNGA YANG MASIH AKAN DITERIMA**

	2023	
	Jumlah nosional mata uang asing/ <i>Notional amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i> )	Ekuivalen Rupiah/ <i>Rupiah equivalent</i>
Rupiah:		
Kredit yang diberikan		377.219
Lain-lain		308.346
Mata uang asing:		
Dolar Amerika Serikat	10.976	169
<b>Jumlah pendapatan bunga yang masih akan diterima</b>		<b>685.734</b>

**13. ACCRUED INTEREST INCOME**

	2022	
	Jumlah nosional mata uang asing/ <i>Notional amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i> )	Ekuivalen Rupiah/ <i>Rupiah equivalent</i>
Rupiah:		
Loans		340.021
Others		306.091
Foreign currencies:		
United States Dollar	835	13
<b>Total accrued interest income</b>		<b>646.125</b>

**14. BIAYA DIBAYAR DIMUKA**

	2023
Asuransi tunjangan hari tua	97.840
Asuransi lainnya	50.048
Sewa dibayar dimuka	22.372
Lainnya	37.192
<b>Jumlah</b>	<b>207.452</b>
Sewa dibayar dimuka merupakan sewa atas gedung kantor cabang dan rumah dinas.	

**14. PREPAID EXPENSES**

	2022	
Mutual aid pension insurance	88.765	
Other insurance	37.924	
Prepaid rent	6.216	
Others	33.756	
<b>Total</b>	<b>166.661</b>	
Prepaid rent represents rent of the branch office buildings and official house.		

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**15. ASET TETAP**

**15. FIXED ASSETS**

2023						
Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Revaluasi/ Revaluation	Saldo akhir/ Ending balance	Cost
<b>Biaya perolehan</b>						<b>Land</b>
Tanah	945.010	-	-	(1.950)	943.060	Land
Bangunan	203.402	320	-	-	203.722	Buildings
Peralatan kantor	678.419	58.338	-	-	736.757	Office equipment
Kendaraan bermotor	50.516	13.746	12.552	-	51.710	Motor vehicles
	<b>1.877.347</b>	<b>72.404</b>	<b>12.552</b>	<b>(1.950)</b>	<b>1.935.249</b>	
<b>Aset dalam penyelesaian</b>	681	115	-	-	796	Construction in progress
<b>Aset hak guna</b>	231.232	76.779	13.178	-	294.833	Right of use assets
	<b>2.109.260</b>	<b>149.298</b>	<b>25.730</b>	<b>(1.950)</b>	<b>2.230.878</b>	
<b>Akumulasi penyusutan</b>						<b>Accumulated depreciation</b>
Bangunan	116.296	9.179	-	-	125.475	Buildings
Peralatan kantor	574.638	67.928	-	-	642.566	Office equipment
Kendaraan bermotor	24.616	7.426	12.552	-	19.490	Motor vehicles
	<b>715.550</b>	<b>84.533</b>	<b>12.552</b>	<b>-</b>	<b>787.531</b>	
<b>Aset hak guna</b>	109.460	66.219	10.045	-	165.634	Right of use assets
	<b>825.010</b>	<b>150.752</b>	<b>22.597</b>	<b>-</b>	<b>953.165</b>	
<b>Nilai buku neto</b>	<b>1.284.250</b>				<b>1.277.713</b>	<b>Net book value</b>

2022						
Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Revaluasi/ Revaluation	Saldo akhir/ Ending balance	Cost
<b>Biaya perolehan</b>						<b>Land</b>
Tanah	856.993	47.736	-	40.281	945.010	Land
Bangunan	203.366	36	-	-	203.402	Buildings
Peralatan kantor	546.324	98.090	234	34.239	678.419	Office equipment
Kendaraan bermotor	33.754	28.840	12.078	-	50.516	Motor vehicles
	<b>1.640.437</b>	<b>174.702</b>	<b>12.312</b>	<b>40.281</b>	<b>1.877.347</b>	
<b>Aset dalam penyelesaian</b>	591	90	-	-	681	Construction in progress
<b>Aset hak guna</b>	265.235	73.477	107.480	-	231.232	Right of use assets
	<b>1.906.263</b>	<b>248.269</b>	<b>119.792</b>	<b>40.281</b>	<b>2.109.260</b>	
<b>Akumulasi penyusutan</b>						<b>Accumulated depreciation</b>
Bangunan	107.086	9.210	-	-	116.296	Buildings
Peralatan kantor	492.081	64.921	234	17.870	574.638	Office equipment
Kendaraan bermotor	33.090	3.604	12.078	-	24.616	Motor vehicles
	<b>632.257</b>	<b>77.735</b>	<b>12.312</b>	<b>17.870</b>	<b>715.550</b>	
<b>Aset hak guna</b>	129.795	87.145	107.480	-	109.460	Right of use assets
	<b>762.052</b>	<b>164.880</b>	<b>119.792</b>	<b>17.870</b>	<b>825.010</b>	
<b>Nilai buku neto</b>	<b>1.144.211</b>				<b>1.284.250</b>	<b>Net book value</b>

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**15. ASET TETAP (lanjutan)**

Aset hak guna per 31 Desember 2023 dan 2022 adalah sebagai berikut:

**15. FIXED ASSETS (continued)**

Right of use assets as of December 31, 2023 and 2022 are as follows:

	2023					
	Saldo awal/ Beginning balance	Penambahan/ Addition	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Saldo akhir/ Ending balance	
Biaya perolehan						Cost
Aset Hak Guna						Right of use assets
Bangunan	188.065	42.019	4.280	-	225.804	Buildings
Peralatan Kantor	10.737	34.672	7.938	-	37.471	Office Equipment
Kendaraan	32.430	88	960	-	31.558	Motor Vehicles
<b>Total Biaya Perolehan</b>	<b>231.232</b>	<b>76.779</b>	<b>13.178</b>	<b>-</b>	<b>294.833</b>	<b>Total Cost</b>
Akumulasi penyusutan						Accumulated depreciation
Aset Hak Guna						Right of use assets
Bangunan	86.080	41.654	4.280	-	123.454	Buildings
Peralatan Kantor	5.990	12.178	4.805	-	13.363	Office Equipment
Kendaraan	17.390	12.387	960	-	28.817	Motor Vehicles
<b>Total Akumulasi Penyusutan</b>	<b>109.460</b>	<b>66.219</b>	<b>10.045</b>	<b>-</b>	<b>165.634</b>	<b>Total Accumulated depreciation</b>
Nilai buku	<b>121.772</b>				<b>129.199</b>	<b>Net book value</b>

	2022					
	Saldo awal/ Beginning balance	Penambahan/ Addition	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Saldo akhir/ Ending balance	
Biaya perolehan						Cost
Aset Hak Guna						Right of use assets
Bangunan	159.663	53.474	25.072	-	188.065	Buildings
Peralatan Kantor	25.778	9.222	24.263	-	10.737	Office Equipment
Kendaraan	79.794	10.781	58.145	-	32.430	Motor Vehicles
<b>Total Biaya Perolehan</b>	<b>265.235</b>	<b>73.477</b>	<b>107.480</b>	<b>-</b>	<b>231.232</b>	<b>Total Cost</b>
Akumulasi penyusutan						Accumulated depreciation
Aset Hak Guna						Right of use assets
Bangunan	69.492	41.660	25.072	-	86.080	Buildings
Peralatan Kantor	15.563	14.690	24.263	-	5.990	Office Equipment
Kendaraan	44.740	30.795	58.145	-	17.390	Motor Vehicles
<b>Total Akumulasi Penyusutan</b>	<b>129.795</b>	<b>87.145</b>	<b>107.480</b>	<b>-</b>	<b>109.460</b>	<b>Total Accumulated depreciation</b>
Nilai buku	<b>135.440</b>				<b>121.772</b>	<b>Net book value</b>

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**15. ASET TETAP (lanjutan)**

Tanah merupakan Sertifikat Hak Guna Bangunan (SHGB), Sertifikat Hak Milik atas Satuan Rumah Susun (SHMASRS) dan Sertifikat Hak Milik (SHM) seluas 106.820 m<sup>2</sup>. SHGB dan SHMASRS diberikan untuk periode maksimum 30 tahun dan dapat diperbarui.

Beban penyusutan untuk tahun yang berakhir pada tanggal 31 Desember 2023 dan 2022, masing-masing sebesar Rp150.752 dan Rp164.880 (Catatan 35).

Pada tanggal 31 Desember 2023, Bank melakukan penilaian kembali (revaluasi) atas aset tetap tanah untuk tujuan akuntansi. Untuk tujuan akuntansi, Bank telah mengubah kebijakan akuntansi untuk pengukuran tanah menjadi model revaluasian dari sebelumnya menggunakan model biaya. Bank mencatat penurunan dari revaluasi aset tetap sebesar Rp1.950 pada 2023 dan kenaikan sebesar Rp40.281 pada 2022. Kenaikan dan penurunan nilai tercatat yang timbul dari revaluasi dicatat sebagai "Surplus Revaluasi Aset Tetap", dan disajikan dalam penghasilan komprehensif lain.

Penilaian dilakukan sesuai dengan ketentuan dari Kode Etik Penilai Indonesia dan Standar Penilaian Indonesia (KEPI & SPI) serta Peraturan No. VIII.C.4 tentang Pedoman Penilaian dan Penyajian Laporan Penilaian di Pasar Modal, ditentukan berdasarkan transaksi pasar terkini dan dilakukan dengan ketentuan-ketentuan yang lazim dan menggunakan pendekatan penilaian.

Dalam pengukuran nilai wajar tanah, Penilai Independen memperhitungkan kemampuan peserta pasar untuk menghasilkan manfaat ekonomi dengan penggunaan tertinggi dan terbaik atas aset atau dengan menjual aset ke peserta pasar lain yang akan menggunakan aset pada kondisi tertinggi dan penggunaan terbaik. Metode penilaian yang digunakan oleh Penilai Independen adalah pendekatan pasar.

**15. FIXED ASSETS (continued)**

Land represents Building Rights Title (SHGB), Strata Title (SHMASRS) and Freehold Title (SHM) of 106,820 m<sup>2</sup>. SHGB and SHMASRS were obtained for a maximum period of 30 years and may be extended.

Depreciation expense for years ended December 31, 2023 and 2022 amounted to Rp150,752 and Rp164,880 respectively (Note 35).

On December 31, 2023, the Bank conducted a revaluation of land fixed assets for accounting purposes. For accounting purposes, the Bank has changed its accounting policy for land measurement to a revaluation model from the previous cost model. The Bank recorded decrease from revaluation amounting to Rp1,950 in 2023 and increase amounting to Rp40,281 in 2022. The increase and decrease in the carrying amount arising from the revaluation are recorded as "Surplus Revaluation of Fixed Assets", and are presented in other comprehensive income.

Appraisals are performed based on Indonesian Appraisers Ethics Code and Indonesian Appraise Standards (KEPI & SPI) and Regulation No. VIII.C.4 concerning the Guidance on Valuation and Presentation for the Appraisal Report on the Capital Market based on references from recent market transactions and ensue within the clause.

In fair value measurement of land, the Independent Appraisers counts market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The valuation method used by the Independent Appraiser is market approach.

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**15. ASET TETAP (lanjutan)**

Berdasarkan laporan penilaian dari Kantor Jasa Penilai Publik (KJPP) KJPP Satria Iskandar Setiawan & Rekan tanggal 12 Januari 2024 dan KJPP Hari Utomo & Rekan tanggal 5 Januari 2023 nilai wajar atas aset tetap yang dimiliki Bank pada tanggal 31 Desember 2023 dan 2022 adalah sebesar Rp1.496.366 dan Rp1.261.746.

Pada tanggal 31 Desember 2023 dan 2022, jika tanah diukur dengan metode biaya, nilai tercatatnya sebesar Rp942.864

Aset tetap, kecuali tanah, pada tanggal 31 Desember 2023 dan 2022 diasuransikan terhadap risiko kebakaran, kerusakan, kecelakaan, dan pencurian dengan jumlah pertanggungan masing-masing sebesar Rp1.152.326 dan Rp1.113.426. Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas aset yang dipertanggungkan.

Manajemen berkeyakinan bahwa tidak terdapat penurunan nilai aset tetap yang dimiliki Bank sebagaimana dimaksud dalam PSAK 48 (Revisi 2014) selama tahun berjalan, karena manajemen berpendapat bahwa nilai tercatat aset tetap tidak melebihi estimasi nilai yang dapat diperoleh kembali.

Rincian aset dalam penyelesaian adalah sebagai berikut:

	<b>Jenis aset/ Type of asset</b>	<b>Persentase penyelesaian/ Percentage of completion</b>	<b>Akumulasi biaya/ Accumulated Cost</b>	<b>Estimasi Penyelesaian/ Estimated Completion</b>
31 Desember/ December 31, 2023	Bangunan/ <i>Buildings</i>	3%	796	2025
31 Desember/ December 31, 2022	Bangunan/ <i>Buildings</i>	11%	681	2024

Jumlah tercatat bruto dari aset tetap yang telah disusutkan penuh namun masih digunakan dalam usaha adalah sebagai berikut:

	<b>2023</b>	<b>2022</b>	
Bangunan	21.010	19.264	<i>Buildings</i>
Peralatan kantor	456.357	399.176	<i>Office equipment</i>
Kendaraan bermotor	7.006	31.539	<i>Motor vehicle</i>
<b>Jumlah</b>	<b>484.373</b>	<b>449.980</b>	<b>Total</b>

Pada tanggal 31 Desember 2023 dan 2022, tidak terdapat aset tetap yang dijadikan jaminan.

**15. FIXED ASSETS (continued)**

Based on appraisal report of "Kantor Jasa Penilai Publik (KJPP) Satria Iskandar Setiawan and Partner dated January 12, 2024 and KJPP Hari Utomo and Partner dated January 5, 2023 the valuation of fixed assets owned by the Banks as of December 31, 2023 and 2022 amounted Rp1,496,366 and Rp1,261,746 respectively.

On December 31, 2023 and 2022, if land is measured by cost method, its carrying value is Rp942,864.

All fixed assets, except land were insured against fire, riot, accident, and theft risks as of December 31, 2023 and 2022 for insurance coverage amounting to Rp1,152,326 and Rp1,113,426, respectively. Management believes that the insurance coverage is adequate to cover possible losses from the assets for insured risks.

Management believes that there is no impairment in the value of fixed assets owned by the Bank during the year as described in PSAK 48 (Revised 2014), because management believes that the carrying amounts of fixed assets do not exceed the estimated recoverable amount.

The details of construction in progress are as follows:

The gross carrying amount of fixed assets that have been fully depreciated but still in use in operations are as follows:

As of December 31, 2023 and 2022, there were no fixed assets pledged as collateral.

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**15. ASET TETAP (lanjutan)**

Aset tetap yang telah dihapusbuku, kemudian dilakukan penjualan melalui lelang dengan rincian sebagai berikut:

	<u>2023</u>	<u>2022</u>
Harga jual	5.608	5.274
Nilai buku	-	-
<b>Laba penjualan aset tetap</b>	<b><u>5.608</u></b>	<b><u>5.274</u></b>

Proceed  
Book Value  
**Gain from sale of fixed assets**

**15. FIXED ASSETS (continued)**

*Fixed assets that have been write-off, then do the sale through auction as follows:*

**16. ASET LAIN-LAIN**

	<u>2023</u>	<u>2022</u>
Beban yang ditangguhkan	126.337	110.112
Persediaan alat tulis kantor dan barang cetakan	22.263	19.812
Lainnya, neto	283.458	54.486
Penyisihan penurunan nilai realisasi bersih	(58.656)	(43.412)
<b>Jumlah</b>	<b><u>373.402</u></b>	<b><u>140.998</u></b>

Deferred charges  
Office stationery and printed form  
Others, net  
Allowance for decline in net realizable value  
**Total**

**16. OTHER ASSETS**

Beban yang ditangguhkan merupakan beban atas biaya pendirian kantor, renovasi gedung dan jaringan telekomunikasi. Beban ditangguhkan diamortisasi selama masa sewa tanah atau gedung dengan menggunakan metode garis lurus.

Lainnya termasuk biaya perpanjangan hak atas tanah yang ditangguhkan dan diamortisasi selama masa manfaat hak atas tanah dengan menggunakan metode garis lurus.

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat aset lain-lain tidak melebihi estimasi nilai yang dapat diperoleh kembali.

Perubahan penyisihan penurunan nilai realisasi bersih adalah sebagai berikut:

	<u>2023</u>	<u>2022</u>
Saldo awal	43.412	25.460
Penyisihan selama tahun berjalan	15.244	17.952
<b>Saldo akhir</b>	<b><u>58.656</u></b>	<b><u>43.412</u></b>

Beginning balance  
Provision for the current year  
**Ending balance**

*Deferred charges represent costs related to the establishment of offices, building renovations and telecommunication network. Deferred charges are amortized over the land or building lease period using the straight-line method.*

*Others included deferred cost related to the extension of the landright and amortized over the period of the related landright using the straight-line method.*

*Management believes that there is no impairment in the value of other assets do not exceed the estimated recoverable amount.*

*The movements in the allowance for decline in net realizable value are as follows:*

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**17. LIABILITAS SEGERA**

	<b>2023</b>
Transfer, inkaso, kliring	308.136
Penerimaan yang akan diperhitungkan	150.838
Beban sudah efektif harus dibayar	73.803
ATM Bersama	21.013
Lain-lain	433.814
<b>Jumlah</b>	<b>987.604</b>

Penerimaan dana yang akan diperhitungkan merupakan titipan dana untuk pembayaran pajak *on-line*, pembayaran telepon, pembayaran PBB dan lain-lain.

Beban sudah efektif harus dibayar merupakan beban yang masih harus dibayar atas listrik, telepon, BPJS dan lain-lain.

Liabilitas lainnya meliputi rekening kontrol, utang pembelian dan lainnya.

Seluruh liabilitas segera pada tanggal 31 Desember 2023 dan 2022 adalah dalam mata uang Rupiah.

**17. OBLIGATIONS DUE IMMEDIATELY**

	<b>2022</b>	
	319.871	<i>Transfer and cheques pending collection and clearing</i>
	122.431	<i>Acceptance pending settlement</i>
	91.760	<i>Amount involving expenses payable</i>
	12.779	<i>ATM Bersama</i>
	325.673	<i>Others</i>
<b>Jumlah</b>	<b>872.514</b>	<b>Total</b>

*Acceptance pending settlement represents funds received for the payment of on-line tax, payment of telephone, payment of land and building tax and others.*

*Amounts involving expenses payable represent accrued expenses of electricity, telephone, social security ("BPJS") and others.*

*Other liabilities include control account, purchase payable and others.*

*All of obligations due immediately as of December 31, 2023 and 2022 are in Rupiah currency.*

**18. SIMPANAN DARI NASABAH**

a. Berdasarkan segmen

	<b>2023</b>
<b>Rupiah Konvensional</b>	
Tabungan	
- Simpeda	16.534.449
- Tabunganku	4.240.337
- Siklus	3.863.580
- Siklus Prioritas	3.206.551
- Simpanan Pelajar	102.555
- Haji	17.161
- Siklus Nelayan	414
	<b>27.965.047</b>
Giro	
- Pemerintah Daerah	11.971.999
- Umum	8.773.630
	<b>20.745.629</b>
Deposito berjangka	
- 1 bulan	13.528.703
- 2 bulan	217.270
- 3 bulan	5.393.406
- 6 bulan	432.388
- 12 bulan	6.963.367
- 18 bulan	38.837
- 24 bulan	17.795
- Jatuh tempo	760
- Deposito <i>on call</i>	164.700
	<b>26.757.226</b>
<b>Jumlah konvensional</b>	<b>75.467.902</b>

**18. DEPOSITS FROM CUSTOMERS**

a. Based on segment

	<b>2022</b>	
<b>Rupiah Conventional</b>		
Savings		
- Simpeda	16.468.574	
- Tabunganku	3.904.029	
- Siklus	2.606.393	
- Siklus Prioritas	2.563.553	
- Simpanan Pelajar	71.323	
- Haji	18.428	
- Siklus Nelayan	295	
	<b>25.632.595</b>	
Current accounts		
- Municipal District	14.593.208	
- Public	8.877.147	
	<b>23.470.355</b>	
Time deposits		
- 1 month	5.874.726	
- 2 months	271.709	
- 3 months	16.276.952	
- 6 months	325.605	
- 12 months	7.648.875	
- 18 months	25.594	
- 24 months	10.643	
- Due Date	560	
- Deposits on call	40.300	
	<b>30.474.964</b>	
<b>Total conventional</b>	<b>79.577.914</b>	

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**18. SIMPANAN DARI NASABAH (lanjutan)**

a. Berdasarkan segmen (lanjutan)

	<b>2023</b>	<b>2022</b>
<b>Syariah</b>		
Tabungan		
- Tabunganku	63.673	56.222
- Simpanan Pelajar	10.255	7.083
- Umroh Amanah	5.304	4.002
- Tabungan Santri	1.877	13
- Tabungan Laku Pandai	16	15
	<u>81.125</u>	<u>67.335</u>
 Giro		
- Wadiah swasta	167.742	152.820
- Wadiah Pemerintah	4.302	2.410
- Wadiah perorangan	2.382	860
	<u>174.426</u>	<u>156.090</u>
 Jumlah syariah	<u>255.551</u>	<u>223.425</u>
<b>Jumlah Rupiah</b>	<u><b>75.723.453</b></u>	<u><b>79.801.339</b></u>
 <b>Mata uang asing</b>		
<b>Konvensional</b>		
Giro		
- Umum	4.522	6.692
Tabungan		
- Siklus	51.253	49.288
	<u>55.775</u>	<u>55.980</u>
Deposito berjangka		
- 1 bulan	66.064	62.703
- 3 bulan	3.725	4.627
- 6 bulan	721	697
- 12 bulan	117	344
	<u>70.627</u>	<u>68.371</u>
<b>Jumlah mata uang asing</b>	<u><b>126.402</b></u>	<u><b>124.351</b></u>
<b>Jumlah</b>	<u><b>75.849.855</b></u>	<u><b>79.925.690</b></u>

**18. DEPOSITS FROM CUSTOMERS (continued)**

a. Based on segment (continued)

<b>Sharia</b>
Savings
Tabunganku -
Simpanan Pelajar -
Umroh Amanah -
Santri Saving -
Laku Pandai Saving -
 Current accounts
Private wadiah -
Government wadiah -
Individual wadiah -
 Total sharia
<b>Total Rupiah</b>
 <b>Foreign currencies</b>
<b>Conventional</b>
Current accounts
Public -
Savings
Siklus -
Time deposits
1 month -
3 months -
6 months -
12 months -
 Total foreign currencies
<b>Total</b>



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**18. SIMPANAN DARI NASABAH (lanjutan)**

b. Berdasarkan hubungan dan mata uang

	2023		
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
<b>Pihak berelasi</b>			
<u>Rupiah</u>			
Konvensional			
Giro		12.231.559	
Tabungan		56.755	
Deposito berjangka		351.680	
Syariah			
Tabungan		49	
<u>Mata uang asing</u>			
Konvensional			
Giro	43.093	666	
Tabungan	78.033	1.206	
Deposito berjangka dan deposito on call	169.719	2.623	
Jumlah pihak berelasi (Catatan 40)		12.644.538	
<b>Pihak ketiga</b>			
<u>Rupiah</u>			
Konvensional			
Giro		8.514.070	
Tabungan		27.908.292	
Deposito berjangka dan deposito on call		26.405.546	
Syariah			
Giro		174.377	
Tabungan		81.125	
Deposito berjangka dan deposito on call		-	
<u>Mata uang asing</u>			
Giro	257.187	3.856	
Tabungan	3.338.024	50.047	
Deposito berjangka dan deposito on call	4.535.717	68.004	
Jumlah pihak ketiga		63.205.317	
<b>Total</b>		<b>75.849.855</b>	

Simpanan dari pihak berelasi tersebut merupakan simpanan dari Pemerintah Daerah dan manajemen kunci.

**18. DEPOSITS FROM CUSTOMERS (continued)**

b. Based on relationship and currencies

	2022		
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
<b>Related parties</b>			
<u>Rupiah</u>			
Conventional			
Current accounts		14.897.111	
Savings		55.619	
Time deposits		339.868	
Sharia			
Savings		14	
<u>Foreign currencies</u>			
Conventional			
Current accounts	43.231	673	
Saving accounts	81.709	1.272	
Time deposits and deposits on call	54.472	848	
Total related parties (Note 40)		15.295.405	
<b>Third parties</b>			
<u>Rupiah</u>			
Conventional			
Current accounts		8.573.244	
Savings		25.576.976	
Time deposits and deposits on call		30.135.096	
Sharia			
Current accounts		156.089	
Savings		67.322	
Time deposits and deposits on call		-	
<u>Foreign currencies</u>			
Current accounts	386.639	6.019	
Savings	3.084.374	48.016	
Time deposits and deposits on call	4.337.434	67.523	
Total third parties		64.630.285	
<b>Total</b>		<b>79.925.690</b>	

These deposits from related parties represent deposits from Regional Governments and key management personnel.

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**18. SIMPANAN DARI NASABAH (lanjutan)**

b. Berdasarkan hubungan dan mata uang (lanjutan)

1) Tingkat suku bunga rata-rata per tahun giro terdiri dari:

	2023	2022
Rupiah	0,91%	0,89%
Mata uang asing	0,13%	0,14%

Tingkat bunga rata-rata per tahun untuk giro dari adalah sama antara pihak berelasi dengan pihak ketiga.

Pada tanggal 31 Desember 2023 dan 2022, tidak terdapat giro yang diblokir dan dijadikan jaminan kredit.

2) Tingkat suku bunga rata-rata per tahun tabungan terdiri dari:

	2023	2022
Tabungan		
- Simpeda	0,97%	0,96%
- Siklus	1,58%	1,65%
- Haji	0,81%	0,76%
- Tabunganku	0,91%	0,91%

Tingkat bunga rata-rata per tahun tabungan untuk pihak berelasi adalah sama dengan pihak ketiga.

Pada tanggal 31 Desember 2023 dan 2022, tidak terdapat tabungan yang diblokir dan dijadikan jaminan kredit.

**18. DEPOSITS FROM CUSTOMERS (continued)**

b. Based on relationship and currencies (continued)

1) The average interest rates per annum on current accounts consist of:

	2023	2022
Rupiah	0,89%	0,89%
Foreign currencies	0,14%	0,14%

The average interest rates per annum on current accounts with related parties are similar to those for third parties.

As of December 31, 2023 and 2022, there were no current accounts held under liens and used as security.

2) The average interest rates per annum on savings consist of:

	2023	2022
Savings		
Simpeka -	0,96%	0,96%
Siklus -	1,65%	1,65%
Haji -	0,76%	0,76%
Tabunganku -	0,91%	0,91%

The average interest rates per annum on savings for related parties are similar to those for third parties.

As of December 31, 2023 and 2022, there were no savings held under liens and used as collateral.

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**18. SIMPANAN DARI NASABAH (lanjutan)**

- b. Berdasarkan hubungan dan mata uang (lanjutan)
- 3). Rincian deposito berjangka dan deposito *on call*:

Klasifikasi deposito berdasarkan jangka waktu sebagai berikut:

	2023	2022
Rupiah		
- 1 bulan	13.508.940	5.874.726
- 2 bulan	217.270	271.709
- 3 bulan	5.388.303	16.276.952
- 6 bulan	417.861	325.605
- 12 bulan	7.002.761	7.648.875
- 18 bulan	38.837	25.594
- 24 bulan	17.795	10.643
- Jatuh Tempo	760	560
- Deposito <i>on call</i>	164.700	40.300
	<u>26.757.227</u>	<u>30.474.964</u>
Mata uang asing		
- 1 bulan	66.064	62.703
- 3 bulan	3.725	4.627
- 6 bulan	721	697
- 12 bulan	117	344
	<u>70.627</u>	<u>68.371</u>
<b>Jumlah</b>	<b><u>26.827.854</u></b>	<b><u>30.543.335</u></b>

Klasifikasi deposito berdasarkan sisa umur sampai dengan saat jatuh tempo:

	2023	2022
Rupiah		
- Kurang dari atau sama dengan 1 bulan	15.245.542	8.582.694
- Lebih dari 1 - 3 bulan	4.213.138	14.531.833
- Lebih dari 3 - 6 bulan	267.153	198.836
- Lebih dari 6 - 12 bulan	6.809.714	7.044.282
- Lebih dari 12 - 18 bulan	42.633	64.760
- Lebih dari 18 - 24 bulan	13.587	12.124
- Jatuh Tempo	760	135
- Deposito <i>on call</i>	164.700	40.300
	<u>26.757.227</u>	<u>30.474.964</u>
Mata uang asing		
- Kurang dari atau sama dengan 1 bulan	67.025	63.627
- Lebih dari 1 - 3 bulan	2.795	3.750
- Lebih dari 3 - 6 bulan	762	723
- Lebih dari 6 - 12 bulan	45	271
	<u>70.627</u>	<u>68.371</u>
<b>Jumlah</b>	<b><u>26.827.854</u></b>	<b><u>30.543.335</u></b>

**18. DEPOSITS FROM CUSTOMERS (continued)**

- b. Based on relationship and currencies (continued)
- 3). Detail of time deposits and deposits *on call*:

The details of time deposits based on maturities are as follows:

	2023	2022
Rupiah		
- 1 month	13.508.940	5.874.726
- 2 months	217.270	271.709
- 3 months	5.388.303	16.276.952
- 6 months	417.861	325.605
- 12 months	7.002.761	7.648.875
- 18 months	38.837	25.594
- 24 months	17.795	10.643
- Matured	760	560
- Deposits <i>on call</i>	164.700	40.300
	<u>26.757.227</u>	<u>30.474.964</u>
Foreign currencies		
- 1 month	66.064	62.703
- 3 months	3.725	4.627
- 6 months	721	697
- 12 months	117	344
	<u>70.627</u>	<u>68.371</u>
<b>Total</b>	<b><u>26.827.854</u></b>	<b><u>30.543.335</u></b>

The details of time deposits based on remaining period until maturity:

	2023	2022
Rupiah		
- Less than or until 1 month	15.245.542	8.582.694
- More than 1 - 3 months	4.213.138	14.531.833
- More than 3 - 6 months	267.153	198.836
- More than 6 - 12 months	6.809.714	7.044.282
- More than 12 - 18 months	42.633	64.760
- More than 18 - 24 months	13.587	12.124
- Matured	760	135
- Deposits <i>on call</i>	164.700	40.300
	<u>26.757.227</u>	<u>30.474.964</u>
Foreign currencies		
- Less than or until 1 month	67.025	63.627
- More than 1 - 3 months	2.795	3.750
- More than 3 - 6 months	762	723
- More than 6 - 12 months	45	271
	<u>70.627</u>	<u>68.371</u>
<b>Total</b>	<b><u>26.827.854</u></b>	<b><u>30.543.335</u></b>

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**18. SIMPANAN DARI NASABAH (lanjutan)**

c. Tingkat bunga rata-rata deposito per tahun:

	2023
Rupiah	
- 1 bulan	2,71%
- 2 bulan	2,80%
- 3 bulan	2,90%
- 6 bulan	3,00%
- 12 bulan	3,10%
- 18 bulan	3,06%
- 24 bulan	3,08%
- Deposito <i>on call</i>	3,51%
Mata uang asing:	
- 1 dan 3 bulan	0,62%

Tingkat bunga rata-rata per tahun untuk deposito berjangka dari pihak berelasi adalah sama dengan pihak ketiga.

Pada tanggal 31 Desember 2023 dan 2022, jumlah deposito berjangka yang diblokir dan dijadikan jaminan kredit, masing-masing sebesar Rp203.926 dan Rp127.942 (Catatan 12k).

**18. DEPOSITS FROM CUSTOMERS (continued)**

c. Average interest rates of deposits per annum:

	2022	Rupiah
		1 month -
		2 months -
		3 months -
		6 months -
		12 months -
		18 months -
		24 months -
		Deposits on call -
		Foreign currencies
		1 and 3 months -

The average interest rates per annum on time deposits from related parties are similar to those for third parties.

As of December 31, 2023 and 2022, time deposits held under liens and used as security were Rp203,926 and Rp127,942, respectively (Note 12k).

**19. SIMPANAN DARI BANK LAIN**

a. Berdasarkan segmen

	2023	2022
<b>Konvensional</b>		
Tabungan		
- Siklus	182.093	217.121
- Simpeda	363.554	307.176
	<u>545.647</u>	<u>524.297</u>
Giro		
- Giro Bank Swasta	62.166	49.982
- Giro BPD-SI	6.678	3.900
- Giro Bank Pemerintah	2.685	2.406
- Giro BPR	1.560	780
- Giro BPR Jets	31.126	30.887
	<u>104.215</u>	<u>87.955</u>
Deposito berjangka		
- 1 bulan	103.596	178.937
- 2 bulan	-	2.000
- 3 bulan	22.700	106.750
- 6 bulan	60	60
- 12 bulan	9.700	4.500
	<u>136.056</u>	<u>292.247</u>
Interbank call money	1.770.000	2.395.000
Total konvensional	<u>2.555.918</u>	<u>3.299.499</u>
<b>Syariah</b>		
- Giro wadiah	4.403	11.339
Total syariah	<u>4.403</u>	<u>11.339</u>
<b>Total</b>	<u>2.560.321</u>	<u>3.310.838</u>

**19. DEPOSITS FROM OTHER BANKS**

a. Based on segment

<b>Conventional</b>
Savings
Siklus -
Simpeda -
Current accounts
Private bank current accounts -
BPD-SI current accounts -
Government bank current accounts -
BPR current accounts -
BPR Jets current accounts -
Time deposits
1 month -
2 months -
3 months -
6 months -
12 months -
Interbank call money
Total conventional
<b>Sharia</b>
Wadiah current account -
Total sharia
<b>Total</b>

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**19. SIMPANAN DARI BANK LAIN (lanjutan)**

b. Berdasarkan hubungan

	2023	2022
Pihak berelasi		
- Giro	921	920
- Tabungan	55.743	64.046
- Deposito berjangka	30	77.030
	<u>56.694</u>	<u>141.996</u>
Pihak ketiga		
- Giro	107.697	98.374
- Tabungan	489.904	460.251
- Deposito berjangka	136.026	215.217
- Interbank call money	1.770.000	2.395.000
	<u>2.503.627</u>	<u>3.168.842</u>
<b>Total</b>	<b>2.560.321</b>	<b>3.310.838</b>

Seluruh simpanan dari bank lain adalah dalam mata uang Rupiah.

c. Deposito berdasarkan sisa umur sampai dengan saat jatuh tempo

	2023	2022
Rupiah		
- Kurang dari atau sama dengan 1 bulan	106.926	258.267
- Lebih dari 1 - 3 bulan	19.370	29.420
- Lebih dari 3 - 6 bulan	1.060	60
- Lebih dari 6 - 12 bulan	8.200	4.500
- Lebih dari 12 - 18 bulan	500	-
	<u>136.056</u>	<u>292.247</u>
- Interbank call money	1.770.000	2.395.000
<b>Total</b>	<b>1.906.056</b>	<b>2.687.247</b>

d. Tingkat suku bunga rata-rata per tahun

	2023	2022
<b>Konvensional</b>		
Giro	0,62%	0,46%
Tabungan	1,43%	1,16%
Deposito	3,18%	4,00%
Interbank call money	3,43%	5,67%
<b>Syariah</b>		
Giro	0,04%	0,07%
Tabungan	0,65%	0,60%
Deposito	2,60%	2,40%

**19. DEPOSITS FROM OTHER BANKS (continued)**

b. Based on relationship

Related parties  
Current accounts -  
Savings -  
Time deposits -  
  
Third parties  
Current accounts -  
Savings -  
Time deposits -  
Interbank call money -

**Total**

All deposits from other banks are in Rupiah.

c. Deposits by remaining period to maturity

Rupiah

Less than or until 1 month -  
More than 1 - 3 months -  
More than 3 - 6 months -  
More than 6 - 12 months -  
More than 12 - 18 months -

Interbank call money -

**Total**

d. Average interest rates per annum

**Conventional**

Current accounts  
Savings  
Time deposits  
Interbank call money

**Sharia**

Current accounts  
Savings  
Time deposits

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**20. LIABILITAS SURAT BERHARGA YANG DIJUAL  
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Pada tanggal 31 Desember 2023 dan 2022, Bank memiliki liabilitas surat berharga yang dijual dengan janji dibeli kembali sejumlah Rp7.915.163 dan Rp3.891.346 dengan rincian sebagai berikut:

**20. LIABILITIES OF MARKETABLE SECURITIES SOLD  
UNDER REPURCHASE AGREEMENT**

As of December 31, 2023 and 2022, Bank has a number of liability for repo securities Rp7,915,163 and Rp3,891,346 with details as follows:

2023							
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimula/ Start date	Tanggal jatuh tempo/ Maturity date	Tingkat suku bunga/ Interest rate	Nilai beli kembali/ Buy back value	Beban bunga yang belum diamortisasi/ Unamortized interest expense	Nilai bersih/ Net value
Sertifikat Bank Indonesia							
FR0086	117.560	20 Desember/ December 20, 2023	3 Januari/ January 3, 2024	6,40%	117.853	251	117.811
FR0086	117.560	20 Desember/ December 20, 2023	3 Januari/ January 3, 2024	6,40%	117.853	251	117.811
FR0090	184.841	22 Desember/ December 22, 2023	2 Januari/ January 2, 2024	6,30%	185.197	323	185.165
FR0090	184.841	22 Desember/ December 22, 2023	2 Januari/ January 2, 2024	6,30%	185.197	323	185.165
FR0090	184.841	22 Desember/ December 22, 2023	2 Januari/ January 2, 2024	6,30%	185.197	323	185.165
FR0090	184.841	22 Desember/ December 22, 2023	2 Januari/ January 2, 2024	6,30%	185.197	323	185.165
FR0086	188.444	22 Desember/ December 22, 2023	2 Januari/ January 2, 2024	6,30%	188.807	330	188.774
FR0086	187.736	15 Desember/ December 15, 2023	2 Januari/ January 2, 2024	6,55%	188.351	581	188.317
FR0086	187.736	15 Desember/ December 15, 2023	2 Januari/ January 2, 2024	6,55%	188.351	581	188.317
FR0086	187.736	15 Desember/ December 15, 2023	2 Januari/ January 2, 2024	6,55%	188.351	581	188.317
FR0086	187.736	15 Desember/ December 15, 2023	2 Januari/ January 2, 2024	6,55%	188.351	581	188.317
FR0081	190.222	20 Desember/ December 20, 2023	3 Januari/ January 3, 2024	6,48%	190.701	411	190.633
PBS017	186.102	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	187.072	901	187.003
PBS017	186.102	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	187.072	901	187.003
PBS017	186.102	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	187.072	901	187.003
PBS017	186.102	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	187.072	901	187.003
PBS017	186.102	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	187.072	901	187.003
PBS003	188.236	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	189.217	911	189.146
PBS026	198.049	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	199.081	958	199.007
PBS026	198.049	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	199.081	958	199.007
PBS026	99.024	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	99.540	479	99.503
PBS030	91.522	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	91.999	443	91.965
PBS031	97.924	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	98.434	474	98.398
PBS036	92.817	6 Desember/ December 6, 2023	3 Januari/ January 3, 2024	6,70%	93.300	449	93.266
ORI019	195.800	22 Desember/ December 22, 2023	5 Januari/ January 5, 2024	6,70%	196.310	364	196.164
ORI019	195.805	27 Desember/ December 27, 2023	3 Januari/ January 3, 2024	6,25%	196.043	170	195.975
ORI019	195.805	27 Desember/ December 27, 2023	3 Januari/ January 3, 2024	6,25%	196.043	170	195.975
ORI019	195.805	27 Desember/ December 27, 2023	3 Januari/ January 3, 2024	6,25%	196.043	170	195.975
ORI019	195.805	27 Desember/ December 27, 2023	3 Januari/ January 3, 2024	6,25%	196.043	170	195.975
FR0081	190.293	21 Desember/ December 21, 2023	4 Januari/ January 4, 2024	6,50%	190.774	378	190.671
FR0040	210.849	27 Desember/ December 27, 2023	2 Januari/ January 2, 2024	6,20%	211.067	182	211.031
FR0084	198.451	28 Desember/ December 28, 2023	5 Januari/ January 5, 2024	6,28%	198.727	138	198.589
FR0084	198.451	28 Desember/ December 28, 2023	5 Januari/ January 5, 2024	6,28%	198.727	138	198.589
FR0084	99.225	28 Desember/ December 28, 2023	5 Januari/ January 5, 2024	6,28%	99.364	69	99.295
FR0081	190.293	21 Desember/ December 21, 2023	4 Januari/ January 4, 2024	6,50%	190.774	378	190.671
FR0081	190.293	21 Desember/ December 21, 2023	4 Januari/ January 4, 2024	6,50%	190.774	378	190.671
FR0081	190.293	21 Desember/ December 21, 2023	4 Januari/ January 4, 2024	6,50%	190.774	378	190.671
FR0081	29.459	14 Desember/ December 14, 2023	3 Januari/ January 3, 2024	6,59%	29.567	97	29.556
FR0059	194.070	20 Desember/ December 20, 2023	3 Januari/ January 3, 2024	6,40%	194.553	414	194.484
FR0059	194.070	20 Desember/ December 20, 2023	3 Januari/ January 3, 2024	6,40%	194.553	414	194.484
FR0059	194.070	20 Desember/ December 20, 2023	3 Januari/ January 3, 2024	6,40%	194.553	414	194.484
FR0059	194.070	20 Desember/ December 20, 2023	3 Januari/ January 3, 2024	6,40%	194.553	414	194.484
FR0059	194.070	20 Desember/ December 20, 2023	3 Januari/ January 3, 2024	6,40%	194.553	414	194.484
FR0086	141.433	29 Desember/ December 29, 2023	4 Januari/ January 4, 2024	6,20%	141.579	73	141.506
FR0056	153.504	29 Desember/ December 29, 2023	4 Januari/ January 4, 2024	6,20%	153.663	79	153.584
FR0056	153.504	29 Desember/ December 29, 2023	4 Januari/ January 4, 2024	6,20%	153.663	79	153.584
<b>Jumlah/Total</b>	<b>7.895.647</b>				<b>7.918.120</b>	<b>19.517</b>	<b>7.915.163</b>

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**20. LIABILITAS SURAT BERHARGA YANG DIJUAL  
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**20. LIABILITIES OF MARKETABLE SECURITIES  
SOLD UNDER REPURCHASE AGREEMENT  
(continued)**

2022							
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Tingkat suku bunga/ Interest rate	Nilai beli kembali/ Buy back value	Beban bunga yang belum diamortisasi/ Unamortized interest	Nilai bersih/ Net value
<b>Sertifikat Bank Indonesia</b>							
FR0081	400.000	15 November/ November 15, 2022	14 Februari/ February 14, 2023	5,73%	394.481	2.723	391.758
FR0070	200.000	29 November/ November 29, 2022	28 Februari/ February 28, 2023	6,23%	202.166	1.998	200.168
FR0081	200.000	19 Desember/ December 19, 2022	2 Januari/ January 2, 2023	5,75%	96.086	15	96.070
FR0086	500.000	20 Desember/ December 20, 2022	3 Januari/ January 3, 2023	5,80%	470.847	151	470.696
FR0059	350.000	22 Desember/ December 22, 2022	1 Februari/ February 1, 2023	5,65%	346.111	1.673	344.437
FR0059	200.000	23 Desember/ December 23, 2022	2 Januari/ January 2, 2023	5,80%	196.492	32	196.460
FR0086	550.000	23 Desember/ December 23, 2022	2 Januari/ January 2, 2023	5,80%	471.288	76	471.212
FR0086	150.000	26 Desember/ December 26, 2022	2 Januari/ January 2, 2023	5,75%	188.488	30	188.458
FR0059	200.000	26 Desember/ December 26, 2022	2 Januari/ January 2, 2023	5,75%	196.435	31	196.404
FR0081	700.000	28 Desember/ December 28, 2022	4 Januari/ January 4, 2023	5,80%	771.068	372	770.696
FR0086	600.000	29 Desember/ December 29, 2022	5 Januari/ January 5, 2023	5,75%	565.348	361	564.987
<b>Jumlah/Total</b>					<b>3.898.809</b>	<b>7.463</b>	<b>3.891.346</b>

**21. PINJAMAN YANG DITERIMA**

**21. BORROWINGS**

	2023	2022	
Kementerian Pekerjaan Umum dan Perumahan Rakyat (PUPR)			Ministry of Public Works and Housing of the Republic of Indonesia
Republik Indonesia	490.810	481.532	
PT Sarana Multigriya Financial	66.821	71.867	PT Sarana Multigriya Financial
Lembaga Pengelola Dana Bergulir			Lembaga Pengelola Dana Bergulir
Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM)	39.253	76.698	Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM)
Pemerintah Provinsi Jawa Timur (pihak berelasi)	93	1.367	Government of East Java Province (related party)
<b>Jumlah</b>	<b>596.977</b>	<b>631.464</b>	<b>Total</b>
Seluruh pinjaman yang diterima adalah dari pihak ketiga dan dalam mata uang Rupiah.			
All borrowings are from third parties and in Rupiah.			

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**21. PINJAMAN YANG DITERIMA (lanjutan)**

**a. Kementerian PUPR**

Pusat Pengelolaan Dana Pembiayaan Perumahan (PPDPP) Kementerian PUPR Republik Indonesia bekerjasama dengan Bank dalam hal program Penyaluran Dana Fasilitas Likuiditas Pembiayaan Perumahan (FLPP) melalui kredit/pembiayaan pemilikan rumah sejahtera/rumah sejahtera syariah bagi masyarakat berpenghasilan rendah dengan tingkat bunga sebesar 0,5% maksimal untuk biaya provisi dari nilai KPR Sejahtera FLPP. Jangka waktu KPR Sejahtera FLPP paling lama 20 (dua puluh) tahun. Jangka waktu perjanjian kerjasama operasional adalah mulai tanggal 1 Januari 2021 sampai dengan tanggal 31 Desember 2021 dan sebagaimana perubahan terakhir telah diperpanjang mulai tanggal 1 Januari 2023 sampai dengan tanggal 31 Desember 2023.

Atas kerjasama ini, Bank mengelola penyalurannya menjadi dua bagian yaitu konvensional dan syariah. Dengan nomor PKS Syariah yaitu No. 71/PKS/BP-TPR/I/12/2022 dan No. 061/290/DIR/BIS/PKS. Sedangkan nomor PKS konvensional yaitu No. 82/PKS/BP-TPR/I/12/2022 dan No. 061/290/DIR/KKR/PKS. Atas kerjasama tersebut, Bank diwajibkan untuk menyampaikan rekening koran dana kelolaan dan rekening operasional paling lambat tanggal 5 dan 16 setiap bulannya. Pada 31 Desember 2023 dan 31 Desember 2022, Bank telah menyalurkan kredit FLPP masing-masing sebesar Rp197.086 dan Rp194.934.

**b. Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM)**

Sesuai Perjanjian Pinjaman No.26 tanggal 13 September 2019, Bank menerima pinjaman dari LPDB-KUMKM yang berupa fasilitas pembiayaan maksimal Rp200.000, untuk disalurkan kepada Usaha Mikro, Kecil dan Menengah (UMKM) yang tersebar di wilayah kerja Bank dan telah ditetapkan sesuai dengan daftar definitif. Tingkat suku bunga yang diberikan dari LPDB ke Bank sebesar 5% dan suku bunga dari Bank ke Usaha Mikro dan menengah maksimal 7% pertahun.

Penyaluran pembiayaan yang diberikan adalah pola *executing* dengan jangka waktu 60 (enam puluh) bulan atau 5 (lima) tahun dihitung sejak pencairan.

Bank harus menyerahkan daftar piutang sehat yang dimiliki Bank yang menjadi jaminan fidusia setiap 6 bulan minimal 100% dari *outstanding* pinjaman.

**21. BORROWINGS (continued)**

**a. Ministry of Public Works and Housing**

*Fund Management Center of Housing Financing (PPDPP) from the Ministry of General Works and Public Housing of the Republic of Indonesia in collaboration with the Bank disburse the Liquidity Facility of Housing Financing (FLPP) through loan/financing of housing for sharia prosperous house for low-income communities with an interest rate maximum of 0.5% for KPR Sejahtera FLPP provision fee. KPR Sejahtera FLPP has a maximum term of 20 (twenty) years. The term of the operational cooperation agreement is starting from January 1, 2021 until December 31, 2021 and as the latest amendment has been extended from December 31, 2023 until December 31, 2023.*

*For this collaboration, the Bank manages its distribution into two parts, namely conventional and sharia. With the Sharia PKS number, namely No. 71/PKS/BP-TPR/I/12/2022 and No. 061/290/DIR/BIS/PKS. While the conventional PKS number is No. 82/PKS/BP-TPR/I/12/2022 and No. 061/290/DIR/KKR/PKS. For this cooperation, the Bank are required to submit managed fund and operational account statements no later than the 5th and 16th of each month. As of December 31, 2023 and December 31, 2022, the Bank has disbursed FLPP loans amounting to Rp197,086 and Rp194,934.*

**b. Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM)**

*According to Credit Agreement No.26 dated September 13, 2019, Bank received borrowing facilities from LPDB-KUMKM represents revolving funds financing facility in the form of a maximum of Rp200,000. to be distributed to Small and Medium Enterprises (SMEs) which scattered in the work area of the Bank and has been determined in accordance with the definitive list. The interest rate given from LPDB h for Bank is 5% and from Bank for micro, small and medium bussines is a maximum 7% for annum.*

*The distributing patterns of financing provided is executing a pattern with a period of 60 (sixty) months or 5 (five) years from the disbursement.*

*The Bank must submit a list of healthy receivables owned by the Bank which is a fiduciary guarantee every 6 months at least 100% of the outstanding loan.*



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**21. PINJAMAN YANG DITERIMA (lanjutan)**

- b. Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM) (lanjutan)  
Bank menjaminkan kreditnya kepada LPDB-KUMKM dengan nilai minimal 100% dari *outstanding* pinjaman yang menjadi jaminan fidusia. Pada 31 Desember 2023 dan 2022 bank memiliki sisa pinjaman sebesar Rp38.250 dan Rp76.500. Apabila dalam jangka waktu pinjaman terdapat penurunan kualitas piutang yang dijaminkan maka bank wajib mengganti dengan piutang baru yang sehat.
- c. PT Sarana Multigriya Finansial (Persero)  
Dana Multigriya Financial merupakan fasilitas pembiayaan dengan porsi 25% KPR FLPP yang diterima dari PT Sarana Multigriya Finansial (Persero) untuk disalurkan dalam rangka program pengadaan perumahan melalui Pembiayaan Pemilikan Rumah (PPR) Sejahtera bagi masyarakat berpenghasilan rendah dengan tingkat margin 4,45%. Jangka waktu fasilitas pembiayaan porsi adalah mulai 1 April 2020 sampai dengan 31 Desember 2020 sesuai dengan PKS No. 058A/AKAD/SMF-BJTMS/IV/2022 dan No. 059/059/DIR/BIS/PKS. Bank harus menyerahkan Laporan Keuangan Audited selambat-lambatnya 120 hari sejak ditutupnya tahun buku. Bank tidak boleh mengalihkan/menyerahkan kepada pihak lain, sebagian atau seluruhnya atas hak dan kewajiban yang timbul berkaitan dengan perjanjian pinjaman ini.
- d. Pemerintah Provinsi Jawa Timur  
Berdasarkan perjanjian awal dengan Pemerintah Provinsi Jawa Timur No. 518/2110.1/021/2016 dengan plafond sebesar Rp400.000. Bank bekerja sama dengan jangka waktu dua tahun. Pada tahun 2016, telah dilakukan addendum I terhadap kerja sama ini dengan nomor kerja sama yaitu No. 518/10501.1/021/2016 yang menyatakan perpanjangan kerja sama hingga Desember 2018. Lalu, pada tahun 2017 dilakukan addendum II atas kerja sama tersebut dengan nomor kerja sama yaitu No. 518/8104-1/021.3/2017 yang menyatakan perpanjangan kerja sama hingga Juli 2019.  
Kerja sama ini ditujukan untuk kerja sama guna penyaluran dana bergulir sebagai tambahan modal kerja bagi usaha kecil, menengah dan koperasi dengan tujuan mensukseskan Program Pemerintah Provinsi Jawa Timur dalam rangka meningkatkan kegiatan Usaha Ekonomi Produktif Usaha Kecil Menengah dan Korporasi.  
Berdasarkan perjanjian yang telah disepakati, bank telah melunasi utangnya kepada Pemerintah Provinsi Jawa Timur. Hal ini merujuk pada nota bank No. 058/180/KMP/KRP/GRK/SRT dengan jumlah pelunasan Rp331.006. Pelunasan ini dilakukan pada tanggal 25 Juli 2019

**21. BORROWINGS (continued)**

- b. Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM) (continued)  
*The Bank pledged its loan as collateral to LPDB-KUMKM with a minimum value of 100% of the outstanding loan which is a fiduciary guarantee. As of December 31, 2023 and 2022 the bank has outstanding loan of Rp38,250 and Rp76,500. If during the loan period there is a decrease in the quality of the collateralized loan, the bank is obliged to replace it with new, performing loans.*
- c. PT Sarana Multigriya Finansial (Persero)  
*Dana Multigriya Financial is a financing facility with a portion of 25% FLPP mortgages received from PT Sarana Multigriya Finansial (Persero) to be distributed in the context of housing procurement programs through Prosperous Home Ownership Financing (PPR) for low-income people with a margin rate of 4.45%. The term of the portion financing facility is from April 1, 2020 to December 31, 2020 in accordance with PKS No. 058A/AKAD/SMF-BJTMS/IV/2022 and No. 059/059/DIR/BIS/PKS.*  
  
*Banks must submit the Audited Financial Statements no later than 120 days after the closing of the financial year. The Bank may not transfer/hand over to other parties, partially or entirely of the rights and obligations arising in connection with this loan agreement.*
- d. Government of East Java Province  
*Based on the initial agreement with the East Java Provincial Government No. 518/2110.1/021/2016 with a ceiling of Rp400,000. The Bank cooperates with a period of two years. In 2016, an addendum I to this cooperation was carried out with the cooperation number No. 518/10501.1/021/2016 stating the extension of cooperation until December 2018. Then, in 2017, addendum II to the cooperation was carried out with the cooperation number No. 518/8104-1/021.3/2017 stating the extension of cooperation until July 2019.*

*This cooperation is intended for cooperation to distribute revolving funds as additional working capital for small, medium and cooperative businesses with the aim of succeeding the East Java Provincial Government Program in order to increase Productive Economic Business activities of Small and Medium Enterprises and Corporations.:*

*Based on the agreement, the bank has repaid its debt to the East Java Provincial Government. This refers to bank note No. 058/180/KMP/KRP/GRK/SRT with a repayment amount of Rp331,006. This repayment was made on July 25, 2019.*

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**22. PERPAJAKAN**

- a. Pada tanggal 31 Desember 2023 dan 2022, saldo piutang pajak atas pajak lainnya masing-masing sebesar Rp777 dan Rp493.
- b. Utang pajak:

	2023	2022
Pajak penghasilan pasal 25	59.450	43.577
Pajak penghasilan pasal 21	48.108	30.453
Pajak penghasilan pasal 29 (Catatan 22f)	20.951	5.803
Pajak penghasilan pasal 23/4 (2)	14.321	10.489
Lain-lain	415	461
<b>Total</b>	<b>143.245</b>	<b>90.783</b>

Corporate income tax - article 25  
Employees' income tax - article 21  
Corporate income tax - article 29 (Note 22f)  
Withholding income tax articles 23/4 (2)  
Others  
**Total**

- c. Beban pajak penghasilan badan:

	2023	2022
Pajak kini	399.474	412.330
Penyesuaian beban pajak		
Pajak kini tahun 2019	-	(104.878)
<b>Total</b>	<b>399.474</b>	<b>307.452</b>
Pajak tangguhan	3.662	36.036
Penyesuaian beban pajak tangguhan	19.502	-
Koreksi pajak tangguhan		
Pajak tangguhan 2019	-	102.543
Penyesuaian saldo awal aset pajak tangguhan	-	41.194
<b>Total</b>	<b>23.164</b>	<b>179.773</b>
<b>Beban pajak</b>	<b>422.638</b>	<b>487.225</b>

Corporate income tax expense:

Current tax  
Adjustment on tax expense  
Current tax year 2019  
**Total**

Deferred Tax  
Adjustment of deferred tax expense  
Deferred Tax Correction  
Deferred Tax year 2019  
Beginning balance adjustment on deferred tax assets  
**Total**  
**Income tax expense**

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**22. PERPAJAKAN (lanjutan)**

- d. Rekonsiliasi antara laba sebelum beban pajak yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain dengan taksiran laba kena pajak adalah sebagai berikut:

	2023	2022
Laba sebelum beban pajak	1.884.441	2.030.049
Perbedaan tetap:		
Pajak	857	87.828
Tanggung jawab sosial dan lingkungan, sumbangan, promosi, rapat dan jamuan tamu dan lainnya	54.818	98.188
Penyisihan kerugian penurunan nilai non kredit	61.282	51.173
Lain-lain	120.376	92.580
	<u>237.332</u>	<u>329.769</u>
Perbedaan temporer:		
Penyisihan kerugian penurunan nilai	36.741	(205.927)
Cadangan jasa produksi	367.526	385.706
Cadangan imbalan kerja	(8.342)	31.918
Cadangan lainnya	(29.595)	(5.900)
Sewa	99	(14.689)
Pembayaran jasa produksi	(385.706)	(380.767)
	<u>(19.278)</u>	<u>(189.659)</u>
Total	<u>218.054</u>	<u>140.110</u>
Taksiran laba kena pajak	<u><u>2.102.495</u></u>	<u><u>2.170.159</u></u>

**22. TAXATION (continued)**

- d. The reconciliation between income before tax expense as shown in the statements of profit or loss and other comprehensive income and estimated taxable income is as follows:

Income before tax expense
Permanent differences:
Taxes
Social and environment responsibility, donation, promotion, meetings and entertainment and others
Non loan provision for impairment losses
Others
Temporary differences:
Provision for impairment losses
Provision for employee bonuses
Provision for employee benefit
Other provision
Lease
Payment for employee bonuses
Total
Estimated taxable income

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**22. PERPAJAKAN (lanjutan)**

e. Perhitungan beban pajak adalah sebagai berikut:

	2023	2022
<b>Pajak kini</b> (Pajak dengan tarif efektif atas taksiran laba kena pajak tahun berjalan)	399.474	412.330
	<b>399.474</b>	<b>412.330</b>
<b>Beban (manfaat) pajak penghasilan</b> tanggungan atas pengaruh beda temporer temporer pada tarif pajak maksimum:		
Penyisihan kerugian penurunan nilai	(6.981)	39.126
Cadangan jasa produksi	(69.830)	(73.284)
Sewa	(19)	2.791
Cadangan imbalan kerja	1.585	(6.064)
Cadangan lainnya	5.623	1.121
Pembayaran jasa produksi	73.284	72.346
Beban manfaat pajak tanggungan	<b>3.662</b>	<b>36.036</b>
<b>Jumlah pajak penghasilan tahun berjalan</b>	<b>395.812</b>	<b>376.294</b>
 Laba sebelum beban pajak	1.884.441	1.999.662
Taksiran pajak penghasilan dengan tarif pajak yang berlaku	358.043	385.710
Pengaruh pajak atas beda tetap	45.093	62.656
Pajak kini hasil pemeriksaan tahun 2019	-	(104.878)
<b>Pajak penghasilan tahun berjalan</b>	<b>403.136</b>	<b>343.488</b>
 Hasil Pemeriksaan Tahun 2019	-	102.543
Penyesuaian aset pajak tanggungan saldo awal	19.502	41.194
<b>Beban pajak, neto</b>	<b>422.638</b>	<b>487.225</b>

f. Perhitungan utang pajak penghasilan badan adalah sebagai berikut:

	2023	2022
Beban pajak tahun berjalan	399.474	412.330
Dikurangi: Pajak penghasilan badan dibayar dimuka - pajak penghasilan - pasal 25	378.523	406.527
<b>Kurang bayar pajak penghasilan badan (Catatan 22b)</b>	<b>(20.951)</b>	<b>(5.803)</b>

**22. TAXATION (continued)**

e. The computation of tax expense is as follows:

<b>Current tax</b> (At the effective tax rate on estimated taxable income for the current year)
<b>Deferred tax expense (benefit) of temporary differences at the maximum tax rate:</b>
Provision for impairment losses
Provision for employee bonuses
Lease
Provision for employee benefit
Others provision
Payment for employee bonuses
Deferred tax benefit
<b>Total corporate income tax current year</b>
 Income before tax expense
Estimated income tax at applicable tax rate
Tax effect on permanent differences
Inspection current tax year 2019
<b>Corporate income tax current year</b>
 Inspection result year 2019
Adjustment deferred tax assets beginning balance
<b>Tax expense, net</b>

f. The analysis of corporate income tax payable is as follows:

Current year tax expense
Less: Prepaid corporate income tax - article 25
<b>Under payment of corporate income tax (Note 22b)</b>

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**22. PERPAJAKAN (lanjutan)**

g. Aset pajak tangguhan:

	31 Desember/ December 31, 2022	Dikreditkan ke penghasilan komprehensif lain/ Credited to other comprehensive income	Dikreditkan ke laporan laba rugi/ Credited to statement of profit or loss	Penyesuaian saldo awal/ Beginning balance adjustment	31 Desember/ December 31, 2023	
Cadangan jasa produksi	73.284	-	(3.454)	-	69.830	Provision for employee bonuses
Penyisihan kerugian						Provision for losses
aset produktif	340.736	-	6.981	(19.502)	328.215	on earning assets
Laba yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan						Unrealized gain on financial assets measured at fair value through
komprehensif lain	26.986	(11.984)	-	-	15.002	other comprehensive income
Cadangan lainnya	13.381	-	(5.623)	-	7.758	Others provision
Sewa	(1.014)	-	19	-	(995)	Lease
Cadangan imbalan kerja	48.865	5.033	(1.585)	-	52.313	or employee benefit
<b>Aset pajak tangguhan</b>	<b>502.238</b>	<b>(6.951)</b>	<b>(3.662)</b>	<b>(19.502)</b>	<b>472.123</b>	<b>Deferred tax assets</b>

	31 Desember/ December 31, 2021	Dikreditkan ke penghasilan komprehensif lain/ Credited to other comprehensive income	Dikreditkan ke laporan laba rugi/ Credited to statement of profit or loss	Penyesuaian saldo awal/ Beginning balance adjustment	31 Desember/ December 31, 2022	
Cadangan jasa produksi	72.346	-	938	-	73.284	Provision for employee bonuses
Penyisihan kerugian						Provision for losses
aset produktif	523.599	-	(141.669)	(41.194)	340.736	on earning assets
Laba yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan						Unrealized gain on financial assets measured at fair value through
komprehensif lain	(45.400)	76.116	-	(3.730)	26.986	other comprehensive income
Cadangan lainnya	14.502	-	(1.121)	-	13.381	Others provision
Sewa	1.777	-	(2.791)	-	(1.014)	Lease
Cadangan imbalan kerja	60.387	(21.945)	6.064	4.359	48.865	or employee benefit
<b>Aset pajak tangguhan</b>	<b>627.211</b>	<b>54.171</b>	<b>(138.579)</b>	<b>(40.565)</b>	<b>502.238</b>	<b>Deferred tax assets</b>

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**22. PERPAJAKAN (lanjutan)**

**h. Perubahan tarif pajak**

Berdasarkan pasal 17 ayat 2 Undang-undang No.7 tahun 1983 mengenai "Pajak Penghasilan" yang telah diubah untuk keempat kalinya dengan Undang-undang No.36 tahun 2008, tarif Pajak Penghasilan Badan sebesar 25%. Namun demikian berdasarkan Undang-undang No.36 tahun 2008 tanggal 23 September 2008, Peraturan Pemerintah No.81 tahun 2007 tanggal 28 Desember 2007 tentang "Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka" dan Peraturan Menteri Keuangan No.238/PMK.03/2008 tanggal 30 Desember 2008 tentang "Tata Cara Pelaksanaan dan Pengawasan Pemberian Penurunan Tarif Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka".

Pada akhir tahun 2013, Peraturan Pemerintah No.81 Tahun 2007 tanggal 28 Desember 2007 telah diubah dengan Peraturan Pemerintah (PP) No.77 Tahun 2013 tanggal 21 November 2013 yang kemudian diubah dengan Peraturan Pemerintah (PP) No.56 Tahun 2015 tanggal 3 Agustus 2015 tentang "Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka", yang mengatur bahwa wajib pajak dalam negeri yang berbentuk perseroan terbuka dapat memperoleh penurunan tarif pajak penghasilan sebesar 5% (lima persen) lebih rendah dari tarif pajak penghasilan wajib pajak badan dalam negeri bila memenuhi persyaratan sebagai berikut: (a) paling sedikit 40% (empat puluh persen) dari jumlah keseluruhan saham yang disetor dicatat untuk diperdagangkan di Bursa Efek Indonesia, (b) saham tersebut harus dimiliki oleh paling sedikit 300 pihak, (c) masing-masing pihak tersebut hanya boleh memiliki saham kurang dari 5% (lima persen) dari keseluruhan saham ditempatkan dan disetor penuh, dan (d) ketentuan sebagaimana dimaksud di atas harus dipenuhi dalam waktu paling singkat 183 (seratus delapan puluh tiga) hari kalender dalam jangka waktu 1 (satu) tahun pajak. Ketentuan mengenai tata cara pelaksanaan dan pengawasan pemberian penurunan tarif pajak penghasilan di atas akan diatur dengan Peraturan Pemerintah (PP).

**22. TAXATION (continued)**

**h. Changes in tax rate**

Under article 17, paragraph 2 of Law No.7 year 1983 regarding "Income Tax" which has been amended for the fourth time with the Law No.36 year 2008, the corporate income tax rate is 25%. However, based on Law No.36 year 2008 dated September 23, 2008, Government Regulation No.81 year 2007 dated December 28, 2007 regarding "Reduction on Income Tax Rate for Domestic Listed Companies" and the Ministry of Finance Regulation No.238/PMK.03/2008 dated December 30, 2008 regarding "Implementation and Monitoring Procedures for Granting Reduction Rates for Domestic Listed Companies".

At end of 2013, Government Regulation No.81 Year 2007 dated December 28, 2007 was amended by Government Regulation (PP) No.77 Year 2013 dated November 21, 2013 which was amended with Government Regulation (PP) No.56 Year 2015 dated August 3, 2015 regarding "Reduction on Income Tax Rate for Domestic Listed Companies", which regulates that domestic listed companies can obtain reduction on income tax rate at 5% (five percent) lower than income tax rate of domestic companies tax payers if the following criterias are met: (a) at least 40% (fourty percent) of the total issued shares are traded in Indonesia Stock Exchange, (b) the shares are owned by at least 300 parties, (c) each party can only own lower than 5% (five percent) of the total issued and fully paid shares, and (d) the above requirements must be fulfilled at the minimum of 183 (one hundred eighty three) calendar days in a period of 1 (one) fiscal year. Regulation on application and supervision of the reduction on income tax rate will be provided in the Government Regulation.

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**22. PERPAJAKAN (lanjutan)**

**h. Perubahan tarif pajak (lanjutan)**

Pada 18 Mei 2020, Presiden Republik Indonesia mengeluarkan Undang-undang Nomor 2 Tahun 2020 tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 1 Tahun 2020 tentang Kebijakan Keuangan Negara dan Stabilitas Sistem Keuangan untuk Penanganan Pandemi Corona Virus Disease 2019 (Covid-19) dan/atau Dalam Rangka Menghadapi Ancaman yang Membahayakan Perekonomian Nasional dan/atau Stabilitas Sistem Keuangan Menjadi Undang-Undang pasal 5 menyebutkan bahwa adanya penyesuaian tarif Pajak Penghasilan Wajib Pajak Badan dalam negeri dan bentuk usaha tetap menjadi (a) sebesar 22% (dua puluh dua persen) yang berlaku pada Tahun Pajak 2020 dan Tahun Pajak 2021. Kemudian berubah menjadi (b) sebesar 20% (dua puluh persen) yang mulai berlaku pada Tahun Pajak 2022. Pada pasal 5 ayat 2 bagi Wajib Pajak dalam negeri berbentuk Perseroan Terbuka dengan jumlah keseluruhan saham yang disetor diperdagangkan pada bursa efek di Indonesia paling sedikit 40% (empat puluh persen), dan memenuhi persyaratan tertentu dapat memperoleh tarif 3% (tiga persen) lebih rendah dari tarif yang dimaksud pada huruf (a) dan (b).

Pada tanggal 29 Oktober 2021, Presiden Republik Indonesia mengeluarkan Undang-Undang Nomor 7 Tahun 2021 tentang Harmonisasi Peraturan Perpajakan dengan tarif Wajib Pajak badan dalam negeri dan bentuk usaha tetap sebesar 22% yang mulai berlaku pada tahun pajak 2022. Wajib Pajak badan dalam negeri berbentuk (a) perseroan terbuka, (b) jumlah keseluruhan saham yang disetor diperdagangkan pada bursa efek di Indonesia paling sedikit 40% dan (c) memenuhi persyaratan tertentu dapat memperoleh tarif sebesar 3% lebih rendah dari tarif yang sebagaimana dimaksud. Terkait hal tersebut, diatur oleh Peraturan Pemerintah (PP) Nomor 55 Tahun 2022 tentang Penyesuaian Pengaturan di Bidang Pajak Penghasilan yang menyebutkan bahwa tarif pajak penghasilan dalam negeri dan bentuk usaha tetap adalah sebesar (a) 22% yang berlaku pada Tahun Pajak 2020 dan 2021 dan (b) 22% yang mulai berlaku pada Tahun pajak 2022 (sesuai dengan ketentuan Undang-undang nomor 7 Tahun 2021 tentang Harmonisasi Peraturan Perpajakan).

**22. TAXATION (continued)**

**h. Changes in tax rate (continued)**

On May 18, 2020, the President of the Republic of Indonesia issued Law Number 2 of 2020 concerning the Stipulation of Government Regulation in Lieu of Law Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Corona Virus Disease 2019 (Covid-19) Pandemic and/ or In the Context of Facing Threats that Endanger the National Economy and/or Financial System Stability to Become Law. Article 5 states that there is an adjustment in the income tax rate for domestic corporate taxpayers and permanent establishments to become (a) 22% (twenty two percent) which applies in the 2020 Fiscal Year and 2021 Fiscal Year. Then it changes to (b) 20 % (twenty percent) which will take effect in the 2022 Fiscal Year. In article 5 paragraph 2 for domestic Taxpayers in the form of Public Companies with the total number of paid-up shares traded on the stock exchange in Indonesia at least 40% (forty percent), and fulfilling certain requirements may obtain a tariff of 3% (three percent) lower than the rate referred to in letters (a) and (b).

On October 29, 2021, the President of the Republic of Indonesia issued Law Number 7 of 2021 concerning Harmonization of Tax Regulations with a tax rate for domestic entities and permanent establishments of 22% which will take effect in the 2022 fiscal year. Domestic corporate taxpayers are in the form of (a) a public company, (b) the total number of paid-up shares is traded on the stock exchange in Indonesia at least 40% and (c) fulfilling certain requirements can obtain a rate of 3% lower than the rate referred to. In this regard, it is regulated by Government Regulation (PP) Number 55 of 2022 concerning Adjustment of Arrangements in the Income Tax Sector which states that the domestic income tax rate and permanent establishment is (a) 22% which applies in the 2020 and 2021 Fiscal Years and (b) 22% which will take effect in the 2022 tax year (in accordance with the provisions of Law number 7 of 2021 concerning Harmonization of Tax Regulations).

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**22. PERPAJAKAN (lanjutan)**

**h. Perubahan tarif pajak (lanjutan)**

Wajib pajak badan dalam negeri adalah berbentuk (a) perseroan terbuka, (b) dengan jumlah keseluruhan saham yang disetor diperdagangkan pada bursa efek di Indonesia paling rendah 40% dan (c) memenuhi persyaratan tertentu dapat memperoleh tarif sebesar 3% lebih rendah dari tarif yang sebagaimana dimaksud diatas. Persyaratan tertentu yang dimaksud adalah (a) saham harus dimiliki oleh paling sedikit 300 pihak, (b) masing-masing pihak hanya boleh memiliki saham kurang dari 5% dari keseluruhan saham yang ditempatkan dan disetor penuh, (c) ketentuan sebagaimana dimaksud diatas harus dipenuhi dalam jangka waktu paling singkat 183 hari kalender dalam jangka waktu 1 tahun pajak.

Berdasarkan surat keterangan No.DE/I/2024-0195 tanggal 4 Januari 2024 tentang laporan bulanan kepemilikan saham berupa Lampiran POJK Nomor 10/POJK.04/2020 dari Biro Administrasi Efek, Datindo Entrycom atas kepemilikan saham Bank selama tahun 2023, semua kriteria di atas untuk memperoleh fasilitas penurunan tarif pajak tersebut atas laporan keuangan Bank untuk tahun yang berakhir pada tanggal 31 Desember 2023 telah dipenuhi..

Manajemen akan terus melakukan pemantauan terkait pemenuhan persyaratan penurunan tarif sebagaimana disebutkan di atas. Manajemen berkeyakinan bahwa Bank telah memenuhi semua persyaratan untuk memperoleh fasilitas penurunan tarif pajak penghasilan

Sehubungan dengan hal tersebut, pajak penghasilan badan untuk posisi 31 Desember 2023 telah dihitung menggunakan tarif pajak 19%.

**22. TAXATION (continued)**

**h. Changes in tax rate (continued)**

Domestic corporate taxpayers are in the form of (a) a public company, (b) with the total number of paid-up shares traded on the stock exchange in Indonesia at a minimum of 40% and (c) fulfilling certain requirements can obtain a rate of 3% lower than the rate stipulated as referred to above. The specific requirements referred to are (a) shares must be owned by at least 300 parties, (b) each party can only own shares of less than 5% of the total issued and fully paid shares, (c) the above requirements must be fulfilled at the minimum of 183 (one hundred eighty three) calendar days in a period of 1 (one) fiscal year.

Based on Letter No.DE/I/2024-0195 dated January 4, 2024 regarding the monthly report of shares ownerships, form of Attachment to POJK Number 10/POJK.04/2020 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of Bank's shares during 2023, all of the above mentioned required criteria to obtain the tax rate reduction on Bank's financial statements for the year ended December 31, 2022 were fulfilled by Bank.

Management will continue to monitor related to meeting the tariff reduction requirements as mentioned above. Management believes that the Bank has fulfill all the requirements to obtain the reduction on income tax rate facility.

In relation with the matter above, corporate income tax for the position of December 31, 2023 has been calculated using a tax rate of 19%.

**23. BEBAN YANG MASIH HARUS DIBAYAR**

	2023
Cadangan jasa produksi	367.526
Bunga	137.222
<b>Jumlah</b>	<b>504.748</b>

**23. ACCRUED EXPENSES**

	2022
Employee bonuses	385.706
Interest	135.134
<b>Total</b>	<b>520.840</b>



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**24. LIABILITAS LAIN-LAIN**

**24. OTHER LIABILITIES**

	2023		2022		
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
<b>Rupiah</b>					<b>Rupiah</b>
Cadangan imbalan kerja		275.328		257.184	Provision of employee benefit
Setoran jaminan		119.135		132.236	Security deposits
Liabilitas sewa		29.538		23.322	Lease liabilities
Pokok kredit penerusan yang diterima		8.303		7.683	Principal - channeling loans received
Bunga kredit penerusan yang diterima		3.582		3.592	Interest - channeling loans received
Provisi dan administrasi kredit		15		-	Provision and credit administration
Estimasi kerugian komitmen dan kontinjensi		3.450		3.020	Estimated losses on commitments and contingencies
Lainnya		2.173		1.390	Others
		<u>441.524</u>		<u>428.427</u>	
<b>Mata uang asing</b>					<b>Foreign currencies</b>
Lainnya					Other
Dolar Amerika Serikat	17.813.275	274.271	2.526.096	39.325	United States Dollar
Dolar Singapore	557.049	62.209	305.187	3.538	Singapore Dollar
Dolar Hong Kong	-	-	10.017	20	Hong Kong Dollar
Yuan China	603.687	1.310			Chinese Yuan
Euro	-	-	44.869	744	Euro
		<u>337.790</u>		<u>43.627</u>	
<b>Jumlah</b>		<u><u>779.314</u></u>		<u><u>472.054</u></u>	<b>Total</b>

Estimasi kerugian komitmen dan kontinjensi adalah sebagai berikut:

Estimated losses on commitments and contingencies are as follows:

	2023	2022	
Saldo awal tahun	3.020	117	Balance at beginning of year
Pemulihan tahun berjalan	430	2.903	Recovery during the year
<b>Saldo akhir tahun</b>	<u><u>3.450</u></u>	<u><u>3.020</u></u>	<b>Balance at end of year</b>

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**25. DANA SYIRKAH TEMPORER**

- a. Giro *Mudharabah*  
1) Berdasarkan jenis produk

	2023	2022
Bukan Bank		
Giro iB Hasanah (Mudharabah)	1.786	1.637
	1.786	1.637
Bank		
Giro iB Hasanah (Mudharabah)	-	-
<b>Jumlah</b>	<b>1.786</b>	<b>1.637</b>

- 2) Berdasarkan hubungan

	2023	2022
Bukan Bank		
Pihak berelasi	-	-
Pihak ketiga	1.786	1.637
	1.786	1.637
Bank		
Pihak ketiga	-	-
<b>Total</b>	<b>1.786</b>	<b>1.637</b>

- 3) *Nisbah* dan tingkat bagi hasil  
*Nisbah* dan tingkat bagi hasil rata-rata giro *mudharabah* untuk tahun yang berakhir pada 31 Desember 2023 dan 2022 adalah sebagai berikut:

	2023		2022	
	Nisbah/Ratio	Tingkat bagi hasil/Profit sharing rate	Nisbah/Ratio	Tingkat bagi hasil/Profit sharing rate
Giro Mudharabah	5,00%	0,51%	5,00%	0,47%

- b. Tabungan Mudharabah  
1) Berdasarkan jenis produk

	2023	2022
Bukan Bank		
Tabungan iB Hasanah (Mudharabah)	718.471	594.597
	718.471	594.597
Bank		
Tabungan iB Hasanah (Mudharabah)	15.722	19.285
<b>Jumlah</b>	<b>734.193</b>	<b>613.882</b>

**25. TEMPORARY SYIRKAH FUNDS**

- a. *Mudharabah Current Accounts*  
1) *By product*

Non-Bank  
iB Hasanah (Mudharabah)  
current accounts

Bank  
iB Hasanah (Mudharabah)  
current accounts

**Total**

- 2) *By relationship*

Non-Bank  
Related parties  
Third parties

Bank  
Third parties

**Total**

- 3) *Ratio and profit sharing rate*  
*The average rate of ratio and profit sharing for mudharabah current accounts for the year ended December 31, 2023 and 2022 are as follows:*

*Mudharabah current accounts*

- b. *Mudharabah Savings Deposits*  
1) *By product*

Non-Bank  
iB Hasanah (Mudharabah)  
savings deposits

Bank  
iB Hasanah (Mudharabah)  
savings deposits

**Total**

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**25. DANA SYIRKAH TEMPORER (lanjutan)**

- b. Tabungan *Mudharabah* (lanjutan)  
2) Berdasarkan jenis produk

	2023	2022
Bukan Bank		
Pihak berelasi	1.485	972
Pihak ketiga	716.986	593.625
	718.471	594.597
Bank		
Pihak ketiga	15.722	19.285
<b>Jumlah</b>	<b>734.193</b>	<b>613.882</b>

- 3) *Nisbah* dan tingkat bagi hasil  
*Nisbah* dan tingkat bagi hasil rata-rata tabungan *mudharabah* untuk tahun yang berakhir pada 31 Desember 2023 dan 2022 adalah sebagai berikut:

	2023		2022	
	Nisbah/Ratio	Tingkat bagi hasil/Profit	Nisbah/Ratio	Tingkat bagi hasil/Profit
Tabungan Barokah Sejahtera	4,00%	0,41%	4,00%	0,38%
Tabungan Pensiun IB Barokah	15,00%	1,52%	15,00%	1,42%
Tabungan Rencana IB Barokah	25,00%	2,54%	25,00%	2,37%
Tabungan Haji Amanah	10,00%	1,02%	10,00%	0,95%
Tabungan Mudh Bank Lain	8,00%	0,81%	8,00%	0,76%
Tabungan Barokah	12,50%	1,27%	12,50%	1,19%

Non-Bank  
Related parties  
Third parties

Bank  
Third parties

**Total**

**25. TEMPORARY SYIRKAH FUNDS (continued)**

- b. *Mudharabah Savings Deposits* (continued)  
2) *By product*

- 3) *Ratio and profit sharing rate*  
*The average rate of ratio and profit sharing for mudharabah savings deposits for the year ended December 31, 2023 and 2022 are as follows:*

*Barokah Sejahtera savings deposits*  
*Pensiun IB Barokah saving deposits*  
*Rencana IB Barokah savings deposits*  
*Haji Amanah savings deposits*  
*Mudh Other Bank savings deposits*  
*Barokah savings deposits*

- c. Deposito *Mudharabah*  
1) Berdasarkan hubungan

	2023	2022
Bukan Bank		
Pihak berelasi	2.279	1.330
Pihak ketiga	1.624.519	1.244.128
	1.626.798	1.245.458
Bank		
Pihak ketiga	3.700	9.000
<b>Jumlah</b>	<b>1.630.498</b>	<b>1.254.458</b>

Non-Bank  
Related parties  
Third parties

Bank  
Third parties

**Total**

- c. *Mudharabah Time Deposits*  
1) *By relationship*

- 2) Berdasarkan jangka waktu kontrak

	2023	2022
Bukan Bank		
<1 bulan	-	1.057.791
1 - <3 bulan	1.433.382	75.331
3 - <6 bulan	55.712	18.479
6 - 12 bulan	137.704	93.857
	1.626.798	1.245.458
Bank		
<1 bulan	-	6.500
1 - <3 bulan	3.700	2.500
<b>Jumlah</b>	<b>1.630.498</b>	<b>1.254.458</b>

Non-Bank  
<1 month  
1 - <3 months  
3 - <6 months  
6 - 12 months

Bank  
<1 month  
1 - <3 months

**Total**

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**25. DANA SYIRKAH TEMPORER (lanjutan)**

- c. Deposito *Mudharabah* (lanjutan)
- 3) Berdasarkan sisa umur jatuh tempo

	2023	2022
Bukan Bank		
<1 bulan	1.453.147	1.087.576
1 - <3 bulan	60.815	59.380
3 - <6 bulan	28.070	29.431
6 - 12 bulan	84.766	69.071
	<u>1.626.798</u>	<u>1.245.458</u>
Bank		
<1 bulan	2.500	6.500
1 - <3 bulan	1.200	2.500
<b>Jumlah</b>	<u>1.630.498</u>	<u>1.254.458</u>

- 4) *Nisbah* dan tingkat bagi hasil  
*Nisbah* dan tingkat bagi hasil rata-rata  
deposito *mudharabah* untuk tahun yang  
berakhir pada 31 Desember 2023 dan 2022  
adalah sebagai berikut:

	2023	
	Nisbah/Ratio	Tingkat bagi hasil/Profit
1 bulan	36,00%	3,66%
3 bulan	38,00%	3,86%
6 bulan	41,00%	4,16%
12 bulan	42,50%	4,32%

**25. TEMPORARY SYIRKAH FUNDS (continued)**

- c. *Mudharabah Time Deposits* (continued)
- 3) *By remaining period to maturity*

	Non-Bank
<1 month	
1 - <3 months	
3 - <6 months	
6 - 12 months	
Bank	
<1 month	
1 - <3 months	
<b>Total</b>	

- 4) *Ratio and profit sharing rate*  
*The average rate of ratio and profit sharing for*  
*mudharabah time deposits for the year ended*  
*December 31, 2023 and 2022 are as follows:*

	2023	
	Nisbah/Ratio	Tingkat bagi hasil/Profit
1 month	36,00%	3,42%
3 months	38,00%	3,61%
6 months	41,00%	3,89%
12 months	42,50%	4,03%

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**26. MODAL SAHAM**

Pemegang saham Bank, jumlah saham yang ditempatkan dan disetor, dan saldo yang terkait pada tanggal 31 Desember 2023 dan 2022, adalah sebagai berikut:

**a. Modal dasar**

Modal dasar Bank pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

	<b>Jumlah saham/ Number of shares</b>
Saham Seri A	24.000.000.000
Saham Seri B	12.000.000.000
<b>Jumlah</b>	<b>36.000.000.000</b>

Saham Seri A dan Seri B, masing-masing dengan nilai nominal Rp250 per saham (Rupiah penuh).

- Modal dasar Bank semula adalah sebesar Rp2.500.000 yang terbagi atas Rp2.250.000 saham seri A dan Rp250.000 saham seri B dengan nominal per lembar saham Rp1 berdasarkan akta No. 56 tanggal 17 April 2008 dan disahkan oleh Notaris Untung Darnosoewirjo, S.H. Modal dasar ditingkatkan menjadi Rp9.000.000 yang terbagi atas Rp6.000.000 saham seri A dan Rp3.000.000 saham seri B dengan nilai nominal per lembar saham Rp250 (Rupiah penuh). Terkait dengan peningkatan modal dasar tersebut, Bank telah memperoleh persetujuan perubahan Anggaran Dasar dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-22728.AH.01.02.Tahun 2012 pada tanggal 30 April 2012.

**26. SHARE CAPITAL**

The Bank's shareholders, the number of authorized, issued and paid-up shares and the related balances as of December 31, 2023 and 2022 were as follows:

**a. Authorized capital**

The Bank's authorized capital as of December 31, 2023 and 2022 were as follows:

	<b>Rupiah/ Rupiah</b>	
	6.000.000	Series A Shares
	3.000.000	Series B Shares
	<b>9.000.000</b>	<b>Total</b>

Series A and B shares with par value of Rp250 per share (full Rupiah).

- The previous authorized capital of the Bank was Rp2,500,000 which consisted of Rp2,250,000 series A shares and Rp250,000 series B shares with par value of Rp1 based on deed No. 56 dated April 17, 2008, and was legalized by Notary of Untung Darnosoewirjo, S.H. The authorized capital was increased to be Rp9,000,000 which consisted of Rp6,000,000 series A shares and Rp3,000,000 series B shares with par value of Rp250 (full Rupiah). In relation to the increase in authorised capital, the Bank has obtained approval to amend the Bank's Articles of Association from the Ministry of Law and Human Rights of the Republic of Indonesia No. AHU-22728.AH.01.02.Tahun 2012 dated April 30, 2012.

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**26. MODAL SAHAM (lanjutan)**

**a. Modal dasar**

Saham Seri A dan Seri B, masing-masing dengan nilai nominal Rp250 per saham (Rupiah penuh).

- Berdasarkan Berita Acara Rapat Pemegang Saham Luar Biasa No. 19 tanggal 19 Maret 2012, sebagaimana dituangkan dalam Akta Notaris No. 19 tanggal 19 Maret 2012, yang dibuat dihadapan Notaris Wachid Hasyim, S.H., para pemegang saham menyetujui untuk mengkonversi saldo laba yang telah ditentukan penggunaannya sebesar Rp1.310.000 ke modal ditempatkan dan disetor penuh setelah modal dasar Bank ditingkatkan menjadi Rp9.000.000, secara proporsional berdasarkan jumlah saham yang dimiliki oleh masing-masing pemegang saham dengan nilai nominal Rp250 (Rupiah penuh) per lembar saham, sehingga sisa hasil konversi yang tidak habis dibagi Rp250 (Rupiah penuh) akan dikembalikan kepada masing-masing pemegang saham.
- Pada tanggal 12 Juli 2012 saham Bank secara resmi telah tercatat di Bursa Efek Indonesia. Jumlah saham Bank yang tercatat di Bursa Efek Indonesia sebanyak 14.768.508.132 saham atau 99% dari jumlah saham Bank. Saham yang tercatat merupakan saham seri A sebanyak 11.784.971.132 dan saham seri B sebanyak 2.983.537.000 saham. Sementara 149.176.850 saham atau 1% sisanya tidak dicatatkan di Bursa Efek Indonesia untuk memenuhi Peraturan Pemerintah No.29 tahun 1999 tentang Pembelian Saham Bank Umum.

- b. Jumlah saham seri A yang ditempatkan dan disetor penuh pada tanggal 31 Desember 2023 dan 31 Desember 2022 sebagai berikut (Rupiah penuh):**

Pemecahan nilai nominal dari  
Rp1.000.000 per saham menjadi  
Rp250 per saham

Konversi cadangan umum

**Jumlah saham pada akhir tahun**

6.694.148.000

5.239.999.982

**11.934.147.982**

- c. Jumlah saham seri B yang ditempatkan dan disetor penuh pada tanggal 31 Desember 2023 dan 2022 adalah 3.081.350.100 lembar saham (Rupiah penuh).**

**26. SHARE CAPITAL (continued)**

**a. Authorized capital**

Series A and B shares with par value of Rp250 per share (full Rupiah).

- Based on minutes of Extraordinary Meeting Shareholders' No. 19 dated March 19, 2012, as stated in Notarial Deed No. 19 dated March 19, 2012 of Wachid Hasyim, S.H., the shareholders agreed to convert the appropriated retained earnings of Rp1,310,000 to issued and fully paid capital after the authorized capital of the Bank has been increased to be Rp9,000,000, proportionally based on the number of shares hold by each shareholders, at par value of Rp250 (full Rupiah) per share, and therefore the residual for which the amount is unable to be fully divided by Rp250 (full Rupiah) are to be returned to esach shareholders.

- On July 12, 2012 Bank shares have been officially listed on the Indonesia Stock Exchange. Total shares of the Bank listed on the Indonesia Stock Exchange were 14,768,508,132 shares or 99% of the total shares of the Bank. Listed shares are 11,784,971,132 series A shares and 2,983,537,000 Series B shares. While the 149,176,850 shares or 1% are not listed on the Indonesia Stock Exchange to fulfill the Government Regulation No.29 of 1999 concerning Purchase of Shares of Commercial Banks.

- b. Total issued and fully paid-up capital of series A shares as of December 31, 2023 and December 31, 2022, are as follows (full Rupiah):**

Stock split from Rp1,000,000  
per share to be

Rp250 per saham

General reserve conversion

**Shares at year end**

- c. Total issued and fully paid-up capital of series B shares as of December 31, 2023 and 2022 are 3,081,350,100 shares (full Rupiah).**

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**26. MODAL SAHAM (lanjutan)**

**d. Susunan pemegang saham**

**26. SHARE CAPITAL (continued)**

**d. Composition of shareholders**

	2023			
Pemegang saham	Jumlah lembar saham/ Number of shares	Persentase kepemilikan/ Percentage of ownership	Jumlah modal disetor/ Total paid-in capital	Shareholders
<b>Seri A</b>				<b>Series A</b>
Pemerintah Provinsi Jawa Timur	7.676.913.648	51,13%	1.919.228	Government of East Java Province
Pemerintah Kabupaten:				Government of Regencies:
Kabupaten Sidoarjo	370.155.850	2,47%	92.539	Regency of Sidoarjo
Kabupaten Bojonegoro	300.288.632	2,00%	75.072	Regency of Bojonegoro
Kabupaten Banyuwangi	270.036.117	1,80%	67.509	Regency of Banyuwangi
Kabupaten Malang	253.635.445	1,69%	63.409	Regency of Malang
Kabupaten Gresik	220.213.170	1,47%	55.053	Regency of Gresik
Kabupaten Tuban	217.418.404	1,45%	54.355	Regency of Tuban
Kabupaten Ngawi	215.763.995	1,44%	53.941	Regency of Ngawi
Kabupaten Kediri	144.925.510	0,97%	36.231	Regency of Kediri
Kabupaten Sumenep	144.228.431	0,96%	36.057	Regency of Sumenep
Kabupaten Kraksaan	125.931.454	0,84%	31.483	Regency of Kraksaan
Kabupaten Jember	111.866.875	0,75%	27.967	Regency of Jember
Kabupaten Lamongan	101.318.315	0,67%	25.330	Regency of Lamongan
Kabupaten Sampang	101.175.235	0,67%	25.294	Regency of Sampang
Kabupaten Bondowoso	87.207.357	0,58%	21.802	Regency of Bondowoso
Kabupaten Trenggalek	84.640.532	0,56%	21.160	Regency of Trenggalek
Kabupaten Mojokerto	78.373.801	0,52%	19.593	Regency of Mojokerto
Kabupaten Nganjuk	77.217.854	0,51%	19.304	Regency of Nganjuk
Kabupaten Situbondo	76.374.593	0,51%	19.094	Regency of Situbondo
Kabupaten Tulungagung	70.697.975	0,47%	17.674	Regency of Tulungagung
Kabupaten Lumajang	67.206.045	0,45%	16.802	Regency of Lumajang
Kabupaten Pacitan	53.520.271	0,36%	13.380	Regency of Pacitan
Kabupaten Pasuruan	44.610.500	0,30%	11.153	Regency of Pasuruan
Kabupaten Pamekasan	40.592.928	0,27%	10.148	Regency of Pamekasan
Kabupaten Blitar	39.496.395	0,26%	9.874	Regency of Blitar
Kabupaten Bangkalan	36.793.459	0,25%	9.198	Regency of Bangkalan
Kabupaten Madiun	32.660.478	0,22%	8.165	Regency of Madiun
Kabupaten Jombang	26.792.899	0,18%	6.698	Regency of Jombang
Kabupaten Ponorogo	23.555.596	0,16%	5.889	Regency of Ponorogo
Kabupaten Magetan	19.594.792	0,13%	4.899	Regency of Magetan
Pemerintah Kota:				Government of Municipalities:
Kota Surabaya	319.243.457	2,13%	79.812	Municipality of Surabaya
Kota Madiun	134.064.427	0,89%	33.516	Municipality of Madiun
Kota Malang	108.635.999	0,72%	27.159	Municipality of Malang
Kota Pasuruan	100.075.767	0,67%	25.019	Municipality of Pasuruan
Kota Mojokerto	72.091.751	0,48%	18.023	Municipality of Mojokerto
Kota Batu	38.236.741	0,25%	9.559	Municipality of Batu
Kota Probolinggo	17.397.927	0,12%	4.349	Municipality of Probolinggo
Kota Blitar	16.987.084	0,11%	4.247	Municipality of Blitar
Kota Kediri	14.208.273	0,09%	3.552	Municipality of Kediri
	<b>11.934.147.982</b>	<b>79,48%</b>	<b>2.983.537</b>	
<b>Seri B</b>				<b>Series B</b>
Komisaris:				Commisioner:
- Suprajarto	191.000	0,00%	48	Suprajarto -
Direksi:				Directors:
- Busrul Iman	2.958.900	0,02%	740	Busrul Iman -
- Tonny Prasetyo	1.067.400	0,01%	267	Tonny Prasetyo -
- Edi Masrianto	327.600	0,00%	82	Edi Masrianto -
- R Arief Wicaksono	728.200	0,00%	182	R Arief Wicaksono -
- Zulhelfi Abidin	24.200	0,00%	6	Zulhelfi Abidin -
- Eko Susetyono	124.100	0,00%	31	Eko Susetyono -
Masyarakat (kepemilikan masing-masing dibawah 5%)	3.075.928.700	20,49%	768.982	Public (ownership less than 5% each)
	<b>3.081.350.100</b>	<b>20,52%</b>	<b>770.338</b>	
<b>Jumlah</b>	<b>15.015.498.082</b>	<b>100,00%</b>	<b>3.753.875</b>	<b>Total</b>

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**26. MODAL SAHAM (lanjutan)**

**d. Susunan pemegang saham (lanjutan)**

	2022			
Pemegang saham	Jumlah lembar saham/ Number of shares	Persentase kepemilikan/ Percentage of ownership	Jumlah modal disetor/ Total paid-in capital	Shareholders
<b>Seri A</b>				<b>Series A</b>
Pemerintah Provinsi Jawa Timur	7.676.913.648	51,13%	1.919.228	Government of East Java Province
Pemerintah Kabupaten:				Government of Regencies:
Kabupaten Sidoarjo	370.155.850	2,47%	92.539	Regency of Sidoarjo
Kabupaten Bojonegoro	300.288.632	2,00%	75.072	Regency of Bojonegoro
Kabupaten Banyuwangi	270.036.117	1,80%	67.509	Regency of Banyuwangi
Kabupaten Malang	253.635.445	1,69%	63.409	Regency of Malang
Kabupaten Gresik	220.213.170	1,47%	55.053	Regency of Gresik
Kabupaten Tuban	217.418.404	1,45%	54.355	Regency of Tuban
Kabupaten Ngawi	215.763.995	1,44%	53.941	Regency of Ngawi
Kabupaten Kediri	144.925.510	0,97%	36.231	Regency of Kediri
Kabupaten Sumenep	144.228.431	0,96%	36.057	Regency of Sumenep
Kabupaten Kraksaan	125.931.454	0,84%	31.483	Regency of Kraksaan
Kabupaten Jember	111.866.875	0,75%	27.967	Regency of Jember
Kabupaten Lamongan	101.318.315	0,67%	25.330	Regency of Lamongan
Kabupaten Sampang	101.175.235	0,67%	25.294	Regency of Sampang
Kabupaten Bondowoso	87.207.357	0,58%	21.802	Regency of Bondowoso
Kabupaten Trenggalek	84.640.532	0,56%	21.160	Regency of Trenggalek
Kabupaten Mojokerto	78.373.801	0,52%	19.593	Regency of Mojokerto
Kabupaten Nganjuk	77.217.854	0,51%	19.304	Regency of Nganjuk
Kabupaten Situbondo	76.374.593	0,51%	19.094	Regency of Situbondo
Kabupaten Tulungagung	70.697.975	0,47%	17.674	Regency of Tulungagung
Kabupaten Lumajang	67.206.045	0,45%	16.802	Regency of Lumajang
Kabupaten Pacitan	53.520.271	0,36%	13.380	Regency of Pacitan
Kabupaten Pasuruan	44.610.500	0,30%	11.153	Regency of Pasuruan
Kabupaten Pamekasan	40.592.928	0,27%	10.148	Regency of Pamekasan
Kabupaten Blitar	39.496.395	0,26%	9.874	Regency of Blitar
Kabupaten Bangkalan	36.793.459	0,25%	9.198	Regency of Bangkalan
Kabupaten Madiun	32.660.478	0,22%	8.165	Regency of Madiun
Kabupaten Jombang	26.792.899	0,18%	6.698	Regency of Jombang
Kabupaten Ponorogo	23.555.596	0,16%	5.889	Regency of Ponorogo
Kabupaten Magetan	19.594.792	0,13%	4.899	Regency of Magetan
Pemerintah Kota:				Government of Municipalities:
Kota Surabaya	319.243.457	2,13%	79.812	Municipality of Surabaya
Kota Madiun	134.064.427	0,89%	33.516	Municipality of Madiun
Kota Malang	108.635.999	0,72%	27.159	Municipality of Malang
Kota Pasuruan	100.075.767	0,67%	25.019	Municipality of Pasuruan
Kota Mojokerto	72.091.751	0,48%	18.023	Municipality of Mojokerto
Kota Batu	38.236.741	0,25%	9.559	Municipality of Batu
Kota Probolinggo	17.397.927	0,12%	4.349	Municipality of Probolinggo
Kota Blitar	16.987.084	0,11%	4.247	Municipality of Blitar
Kota Kediri	14.208.273	0,09%	3.552	Municipality of Kediri
	<b>11.934.147.982</b>	<b>79,48%</b>	<b>2.983.537</b>	
<b>Seri B</b>				<b>Series B</b>
Komisaris:				Commissioner:
- Heru Tjahjono	274.200	0,00%	69	Heru Tjahjono -
Direksi:				Directors:
- Busrul Iman	1.946.500	0,01%	487	Busrul Iman -
- Tonny Prasetyo	628.500	0,00%	157	Tonny Prasetyo -
- R Arief Wicaksono	126.300	0,00%	32	Ferdian Timur Satyagraha -
Masyarakat (kepemilikan masing-masing dibawah 5%)	3.078.374.600	20,50%	769.594	Public (ownership less than 5% each)
	<b>3.081.350.100</b>	<b>20,52%</b>	<b>770.338</b>	
<b>Jumlah</b>	<b>15.015.498.082</b>	<b>100,00%</b>	<b>3.753.875</b>	<b>Total</b>



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**26. MODAL SAHAM (lanjutan)**

e. Pembagian saldo laba

Berdasarkan Berita Acara Rapat Umum Pemegang Saham Tahunan, sebagaimana tercantum dalam akta No. 51 tanggal 17 Maret 2022 yang dibuat oleh Notaris Sitaresmi Puspawati Subianto, S.H. dan akta No. 01 tanggal 03 Mei 2021 yang dibuat oleh Notaris Sitaresmi Puspawati Subianto, S.H. para Pemegang Saham menyetujui pembagian laba neto untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020 sejumlah dan dengan penggunaan sebagai berikut:

	<b>Laba tahun/ Net income year 2022</b>
Dividen tunai	797.173
Cadangan umum	745.651

Bank membentuk cadangan umum untuk memperkuat modal.

**26. SHARE CAPITAL (continued)**

e. Distribution of retained earnings

Based on decisions at Annual General Meetings Report as documented in notarial deeds No.51 dated March 17, 2022 of Sitaresmi Puspawati Subianto, S.H. And No.01 dated May 03, 2021 of Sitaresmi Puspawati Subianto, S.H. the shareholders agreed to distribute net income for the year ended December 31, 2021 and 2020 as follows:

	<b>Laba tahun/ Net income year 2021</b>	
	782.457	Cash dividends
	740.613	General reserve

Bank established the general reserve to strengthen capital.

**27. TAMBAHAN MODAL DISETOR – NETO**

Rincian tambahan modal disetor tanggal 31 Desember 2023 dan 31 Desember 2022, adalah sebagai berikut:

	<b>2023</b>
Agio saham dari Penawaran Umum Perdana Saham (IPO)	509.369
Opsi saham untuk program <i>Management and Employee Stock Option Plan (MESOP)</i>	23.365
<b>Jumlah</b>	<b>532.734</b>

Pada tanggal 12 Juli 2012, Bank telah melakukan Penawaran Umum Saham Perdana (IPO) dengan mengeluarkan 2.983.537.000 lembar saham Seri B dengan nilai nominal sebesar Rp250 (Rupiah penuh) setiap lembar saham dengan harga penawaran sebesar Rp430 (Rupiah penuh) setiap lembar saham sehingga menghasilkan tambahan agio saham sebagai berikut:

Agio saham Rp180 (Rupiah penuh) per saham	537.037
Biaya emisi saham	(27.668)
<b>Agio saham dari IPO</b>	<b>509.369</b>

**27. OTHER PAID-IN CAPITAL – NET**

Details of other paid in capital as of December 31, 2023 and December 31, 2022 as follows:

	<b>2022</b>	
	509.369	Share premium from Initial Public Offering (IPO)
	23.365	Stock option for Management and Employee Stock Option Plan (MESOP) program
<b>Jumlah</b>	<b>532.734</b>	<b>Total</b>

On July 12, 2012, the Bank has made it first Initial Public Offering (IPO) by issuing 2,983,537,000 series B shares amounted to Rp250 (full Rupiah) per share with an offering price at Rp430 (full Rupiah) per share, resulting increase in share premium, as follows:

Share premium Rp180 (full Rupiah) per share	537.037
Share issuance cost	(27.668)
<b>Share premium from IPO</b>	<b>509.369</b>

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**27. TAMBAHAN MODAL DISETOR – NETO (lanjutan)**

Program MESOP sebanyak 105.915.000 lembar dilaksanakan mulai tahun 2015 kepada manajemen dan karyawan Bank dan Program MESOP akan berakhir pada tahun 2020. Sampai dengan saat ini telah tereksekusi 97.813.100 lembar saham dari Program MESOP sehingga menghasilkan tambahan agio saham sebagai berikut:

Agio saham Program MESOP Tahap I	
Rp200 (Rupiah penuh) per saham	6.355
Tereksekusi 31.774.500 lembar	
Agio saham Program MESOP Tahap II	
Rp159 (Rupiah penuh) per saham	5.052
Tereksekusi 31.774.500 lembar	
Agio saham Program MESOP Tahap III	
Rp349 (Rupiah penuh) per saham	11.958
Tereksekusi 34.264.100 lembar	
<b>Agio saham dari Program MESOP</b>	<b>23.365</b>

Program MESOP Tahap I telah dilaksanakan tanggal 1 Agustus 2016 - 13 September 2016, tanggal 1 Februari 2017 - 13 Maret 2017, tanggal 1 Agustus 2017 - 13 September 2017, tanggal 1 Februari 2018 - 15 Maret 2018, tanggal 1 Agustus 2018 - 14 September 2018, tanggal 1 Februari 2019 - 18 Maret 2019, dan tanggal 1 Agustus 2019 - 11 September 2019 dengan harga Rp450 per saham dan jumlah lembar saham yang dibeli oleh peserta yang memiliki hak opsi (MESOP) sebanyak 31.774.500 lembar saham atau 100% dari 31.774.500 hak opsi saham yang diberikan pada Tahap I dengan jumlah nominal sebesar Rp14.298.525.000 (Rupiah penuh).

Program MESOP Tahap II telah dilaksanakan tanggal 1 Agustus 2017 - 13 November 2017, dan tanggal 1 Februari 2018 - 15 Maret 2018, tanggal 1 Agustus 2018 - 14 September 2018, tanggal 1 Februari 2019 - 18 Maret 2019, tanggal 1 Agustus 2019 - 11 September 2019, dan tanggal 3 Februari 2020 - 16 Maret 2020 dengan harga Rp409 per saham dan jumlah lembar saham yang dibeli oleh peserta yang memiliki hak opsi (MESOP) sebanyak 31.774.500 lembar saham atau 100% dari 31.774.500 hak opsi saham yang diberikan pada Tahap II dengan jumlah nominal sebesar Rp12.995.770.500 (Rupiah penuh).

Program MESOP Tahap III telah dilaksanakan tanggal 1 Agustus 2018 - 14 September 2018, tanggal 1 Februari 2019 - 18 Maret 2019, tanggal 1 Agustus 2019 - 11 September 2019, dan tanggal 3 Februari 2020 - 16 Maret 2020 dengan harga Rp599 per saham dan jumlah lembar saham yang dibeli oleh peserta yang memiliki hak opsi (MESOP) sebanyak 34.264.100 lembar saham atau 80,88% dari 42.366.000 hak opsi saham yang diberikan pada Tahap III dengan jumlah nominal sebesar Rp20.524.195.900 (Rupiah penuh).

**27. OTHER PAID-IN CAPITAL – NET (continued)**

MESOP Program as much as 105,915,000 shares, started 2015 to the management and employee of the Bank and will be expire in 2020. Up to now 97,813,100 MESOP shares have been executed, resulting shares agio additional:

Share Agio MESOP Program Phase I	
Rp200 (Rupiah) per share	
executed 31,774,500 shares.	
Share Agio MESOP Program Phase II	
Rp159 (Rupiah) per share	
executed 31,774,500 shares	
Share Agio MESOP Program Phase III	
Rp349 (Rupiah) per share	
executed 34,264,100 shares	
<b>Share Agio MESOP Program</b>	

The MESOP Program Phase I has been implemented from August 1, 2016 - September 13, 2016, February 1, 2017 - March 13, 2017, August 1, 2017 - September 13, 2017, February 1, 2018 - March 15, 2018, August 1, 2018 - September 14, 2018, February 1, 2019 - March 18, 2019, 2019 - September 11, 2019, and February 3, 2020 - March 16, 2020 at Rp450 per share with the total number of shares purchased by participants is 31,774,500 shares, or 100% of 31,774,500 shares option rights granted in Phase I with a total nominal amount of Rp14,298,525,000 (full Rupiah).

The MESOP Program Phase II has been implemented from August 1, 2017 - September 13, 2017, February 1, 2018 - March 15, 2018, August 1, 2018 - September 14, 2018, February 1, 2019 - March 18, 2019, August 1, 2019 - September 11, 2019, and February 3, 2020 - March 16, 2020 at Rp 409 per share, with the total number of shares purchased by participants is 31,774,500 shares or 100% of 31,774,500 shares option rights granted in Phase II with a total nominal amount of Rp 12,995,770,500 (full Rupiah).

The MESOP Program Phase III has been implemented from August 1, 2018 - September 14, 2018, February 1, 2019 - March 18, 2019, August 1, 2019 - September 11, 2019, and February 3, 2020 - March 16, 2020 at Rp599 per share, with the total number of shares purchased by participants is 34.264.100 shares or 80,88% of 42,366,000 shares option rights granted in Phase III with a total nominal amount of Rp20,524,195,900 (full Rupiah).

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**28. PENERUSAN KREDIT**

Bank mengadakan perjanjian dengan berbagai pihak penyedia dana untuk menyalurkan kredit ke sektor usaha tertentu yang ditetapkan oleh pihak penyedia dana. Bank tidak menanggung risiko atas kredit yang disalurkan tersebut, tetapi berkewajiban melaksanakan, menatausahakan dan mengelola dana kredit yang dikeluarkan dan sebagai imbalan Bank menerima jasa administrasi atas penerusan kredit sebesar 1% dari kredit yang disalurkan.

**a. Bank Indonesia**

Pada tanggal 26 November 1998, 21 November 1999 dan 11 Agustus 1999, Bank mengadakan perjanjian kerjasama dengan Bank Indonesia untuk menyalurkan kredit likuiditas Bank Indonesia, masing-masing dalam bentuk "Kredit Likuiditas Usaha Angkutan Umum Bus Perkotaan" (KUAUBP), "Kredit Kepada Pengusaha Kecil dan Pengusaha Mikro" (KPKM) dan "Kredit Usaha Tani" (KUT).

**b. Pemerintah Provinsi Jawa Timur**

Berdasarkan amandemen perjanjian No.518/6533/021/2016 dan No.054/088/IV/2016/PKS/DIR/KRD.AGR.RTL tanggal 18 April 2016, Bank mengadakan perjanjian kerjasama untuk jangka waktu 5 (lima) tahun dengan Pemerintah Provinsi Jawa Timur untuk menyalurkan dana bergulir sebagai tambahan modal kerja bagi usaha kecil, menengah dan koperasi dengan tujuan untuk mensukseskan Program Pemerintah Provinsi Jawa Timur dalam rangka meningkatkan kegiatan Usaha Ekonomi Produktif Usaha Kecil Menengah dan Koperasi dan saat ini sedang dalam proses perpanjangan jangka waktu pinjaman.

**c. Kementerian Koperasi dan Usaha Kecil dan Menengah**

Bank sebagai penyalur dana bergulir yang bersumber dari dana APBN mengadakan Perjanjian Kerjasama dengan Kementerian Koperasi dan Usaha Kecil dan Menengah untuk Program Pengembangan Pengusaha Mikro dan Kecil, melalui:

- Penguatan modal Koperasi Simpan Pinjam (KSP) sektor agribisnis untuk mensukseskan program Pemerintah yang meliputi penyaluran, pemanfaatan, pengembalian serta terwujudnya peningkatan dan pengembangan usaha agribisnis anggota koperasi dan masyarakat berdasarkan perjanjian tanggal 19 Januari 2004 dengan jangka waktu 25 tahun.

**28. CHANNELING LOANS**

*The Bank entered into agreements with lenders to distribute credit for certain business sectors as determined by the lenders. The Bank does not have any credit risk pertaining to the channeling loans, but it is responsible to implement, administer and manage the funds distributed and the Bank collects an administration fee for channeling loans of 1% of the loans disbursed.*

**a. Bank Indonesia**

*On November 26, 1998, November 21, 1999 and August 11, 1999, the Bank entered into cooperation agreements with Bank Indonesia to distribute liquidity credits on behalf of Bank Indonesia in the form of "Kredit Likuiditas Usaha Angkutan Umum Bus Perkotaan" (KUAUBP), "Kredit Kepada Pengusaha Kecil dan Pengusaha Mikro" (KPKM) and "Kredit Usaha Tani" (KUT).*

**b. Government of East Java Province**

*Based on an amendment agreement No.518/6533/021/2016 and No.054/088/IV/2016/PKS/DIR/KRD.AGR.RTL, dated April 18, 2016, the Bank entered into a 5 (five) years cooperation agreement with the Government of East Java Province to distribute revolving funds for additional working capital for Small and Medium Scale Enterprises and Cooperatives in order to assist the Government of East Java Province's program involving the improvement of Small and Medium Scale Enterprises and Cooperatives and currently in processing for loan period extension.*

**c. Ministry of Cooperatives and Small and Medium Scale Enterprises**

*Bank as a channeling of revolving funds sourced from APBN funds with Cooperation Agreement with Ministry of Cooperatives and Small and Medium Enterprises for Small and Micro Entrepreneur Development Program, through:*

- *Strengthening the capital of cooperatives in the agribusiness sector in order to successfully implement the improvement programs for the members of cooperatives and society based on agreement dated January 19, 2004 for a period of 25 years.*

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**28. PENERUSAN KREDIT (lanjutan)**

- c. Kementerian Koperasi dan Usaha Kecil dan Menengah (lanjutan)
- Program Penyediaan Modal dan Padanan (MAP) Awal bagi usaha kecil, menengah dan koperasi melalui KSP/USP koperasi dengan tujuan mengembangkan usaha UKM pada sentra yang belum tersedia pembiayaan secara memadai berdasarkan perjanjian tanggal 8 November 2003 dan perjanjian ini berakhir atas kesepakatan kedua belah pihak.
- d. Kementerian Keuangan Republik Indonesia
- Pada tanggal 4 Agustus 1993, Bank mengadakan perjanjian kerjasama dengan Departemen Keuangan Republik Indonesia untuk meneruskan pinjaman Pemerintah dari *Islamic Development Bank* (IDB) dalam rangka membiayai proyek Rumah Sakit Islam Surabaya.
- e. Yayasan Dana Sejahtera Mandiri
- Pada tanggal 19 Juli 1999, Bank mengadakan perjanjian kerjasama dengan para pihak, yaitu:
- 1) Kantor Menteri Negara Koordinator Bidang Kesra dan Taskin, Departemen Pertanian dan Yayasan Dana Sejahtera Mandiri (Yayasan Damandiri) - untuk menyelenggarakan kredit pengentasan kemiskinan melalui pengembangan usaha agribisnis dengan Kredit Taskin Agribisnis.
  - 2) Kantor Menteri Negara Koordinator Bidang Kesra dan Taskin, Departemen Koperasi Pengusaha Kecil dan Menengah dan Yayasan Dana Sejahtera Mandiri (Yayasan Damandiri) - untuk menyelenggarakan kredit pengentasan kemiskinan melalui Usaha Kecil, Menengah dan Koperasi (UKMK) dengan Kredit Taskin UKMK.
  - 3) Kantor Menteri Negara Koordinator Bidang Kesra dan Taskin, Departemen Perindustrian dan Perdagangan dan Yayasan Dana Sejahtera Mandiri (Yayasan Damandiri) - untuk menyelenggarakan kredit pengentasan kemiskinan melalui pengembangan industri kecil dan kerajinan rakyat dengan kredit Taskin Industri Kecil dan Kerajinan Rakyat (Taskin Inkra).

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**28. CHANNELING LOANS (continued)**

- c. Ministry of Cooperatives and Small and Medium Scale Enterprises (continued)
- Initial capital and matching fund program for small and medium enterprise and cooperative through KSP/USP cooperative with the goal of developing UKM in the area that have not been adequately provided financing under the agreement dated November 8, 2003 and its expiration based on agreement of both parties.
- d. Finance Ministry of the Republic of Indonesia
- On August 4, 1993, the Bank entered into a cooperation agreement with the Finance Department of the Republic of Indonesia. Under this agreement, the Bank will distribute Government loans from the Islamic Development Bank (IDB) to finance the development of the Surabaya Islamic Hospital.
- e. Dana Sejahtera Mandiri Foundation
- On July 19, 1999, the Bank entered into cooperation agreements with the following parties:
- 1) The Coordinating Minister for People's Welfare and Poverty Eradication Division, the Agriculture Department and Dana Sejahtera Mandiri Foundation (Yayasan Damandiri) - to manage loans for poverty eradication through agribusiness development involving loans in the form of Kredit Taskin Agribisnis.
  - 2) The Coordinating Minister for People's Welfare and Poverty Eradication Division, the Cooperatives Department and Small and Medium Scale Enterprises Division and the Dana Sejahtera Mandiri Foundation (Yayasan Damandiri) - to manage loans for poverty eradication through Small and Medium Scale Enterprises and Cooperatives (Usaha Kecil, Menengah dan Koperasi-UKMK) involving loans in the form of Kredit Taskin UKMK.
  - 3) The Coordinating Minister for People's Welfare and Poverty Eradication Division, the Industrial and Trading Department and Dana Sejahtera Mandiri Foundation (Yayasan Damandiri) - to manage loans for poverty eradication through small scale industry and home industry development involving loans in the form of Kredit Taskin Industri Kecil dan Kerajinan Rakyat (Taskin Inkra).

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**28. PENERUSAN KREDIT (lanjutan)**

- f. Dinas Koperasi dan Pengusaha Kecil dan Menengah Provinsi Jawa Timur

Bank mengadakan perjanjian kerjasama untuk jangka waktu 5 tahun dengan Dinas Koperasi Pengusaha Kecil dan Menengah Provinsi Jawa Timur untuk menyalurkan dana bergulir yang bersumber dari Anggaran Pendapatan Belanja Daerah (APBD) Propinsi Jawa Timur dengan tujuan untuk mensukseskan Program Pemerintah Provinsi Jawa Timur yang meliputi penyaluran kredit dan penggunaan dana, pembinaan, pemantauan dan pengawasan, pengembalian serta pemanfaatan dana bergulir oleh koperasi. Berdasarkan amandemen perjanjian tanggal 6 Desember 2013, perjanjian jatuh tempo pada tanggal 16 Desember 2016. Pada tanggal 10 Agustus 2016, telah dilakukan perpanjangan dengan jangka waktu 3 (tiga) tahun berdasarkan perjanjian No.518/15709/108.5/2016 dan No.054/210/SP/DIR/KRD.AGR.RTL.

Pada tanggal 18 Oktober 2019 telah dilakukan perpanjangan dengan jangka waktu 5 (lima) tahun berdasarkan perjanjian No.518/19535/115.5/2019 dan 058/245/PKS/DIR/KMRP.

- g. Departemen Kehutanan dan Perkebunan Republik Indonesia

Pada tanggal 23 Juli 1999, Bank mengadakan kerjasama dengan Departemen Kehutanan dan Perkebunan Republik Indonesia sebagai penyalur Kredit Usaha Hutan Rakyat yang bertujuan untuk pengembangan Usaha Hutan Rakyat.

- h. Yayasan Abadi Karya Bhakti

Pada tanggal 9 Januari 1999, Bank mengadakan perjanjian kerjasama dengan Yayasan Abadi Karya Bhakti dan Menteri Negara Koordinator Bidang Kesra dan Taskin serta Departemen Pertanian untuk menyelenggarakan Kredit Taskin Agribisnis. Jangka waktu kerjasama terhitung sejak kesepakatan ini ditandatangani sampai dengan seluruh kredit yang disalurkan dilunasi.

**28. CHANNELING LOANS (continued)**

- f. Cooperatives and Small and Medium Enterprises Department of East Java Province

Bank entered into a cooperation agreement for a period of 5 years with the Cooperatives and Small and Medium Enterprises Department of East Java Province to distribute revolving funds from the Regional Income and Expenditures Budget (Anggaran Pendapatan Belanja Daerah - APBD) of East Java Province in order to provide assistance to the Government of East Java Province's programs for loan distribution and utilization, directing, monitoring, supervising and repayment and utilization of revolving funds (dana bergulir) by cooperatives (Koperasi). Based on the amendment agreement on December 6, 2013, the agreement was matured on December 16, 2016. On August 10, 2016, the agreement has been extended for a period of 3 (three) years based on agreement No.518/15709/108.5/2016 and No.054/210/SP/DIR/KRD.AGR.RTL.

On October 18, 2019, the agreement has been extended for a period of 5 (five) years based on agreement No.518/19535/115.5/2019 and 058/245/PKS/DIR/KMRP.

- g. Forestry and Plantation Department of the Republic of Indonesia

On July 23, 1999, the Bank entered into a cooperation agreement with the Forestry and Plantation Department of the Republic of Indonesia for distribution of loans for the purpose of the People's Forestry Business Development activities.

- h. Abadi Karya Bhakti Foundation

On January 9, 1999, the Bank entered into a cooperation agreement with the Abadi Karya Bhakti Foundation and the Coordinating State Minister of People's Welfare and Poverty Eradication Division and the Agriculture Department to manage loans involving Kredit Taskin Agribisnis for the period from the signing of the agreement until repayment of all loans.

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**28. PENERUSAN KREDIT (lanjutan)**

i. Dinas Peternakan Provinsi Jawa Timur

Berdasarkan perjanjian No. 900/8176/122.5/2020 dan No.059/161/SP/DIR/KMRP tanggal 21 September 2020, Bank mengadakan perjanjian kerjasama untuk jangka waktu 3 (tiga) tahun dengan Dinas Peternakan Provinsi Jawa Timur dengan tujuan untuk mensukseskan Program Pemerintah Provinsi Jawa Timur yang meliputi penyaluran pinjaman dan penggunaan dana, pembinaan, pemantauan, pengawasan dan pengembalian serta pemanfaatan dana bergulir oleh Koperasi Unit Desa (KUD) untuk Koperasi Persusuan dalam rangka pengadaan peralatan peternakan guna perbaikan kualitas susu sapi perah rakyat. Dalam perjanjian tersebut, Bank sebagai penyalur dana bergulir modal pengadaan peralatan peternakan untuk perbaikan kualitas susu bagi KUD untuk Koperasi Persusuan yang bersumber dari APBD Provinsi Jawa Timur sub sektor peternakan.

Rincian saldo kredit kelolaan berdasarkan penyedia dana adalah sebagai berikut:

	2023	2022
Bank Indonesia	402.524	402.524
Pemerintah Provinsi Jawa Timur	122.698	129.443
Kementerian Koperasi dan Usaha Kecil dan Menengah	54.451	55.301
Yayasan Dana Sejahtera Mandiri	15.942	15.942
Departemen Kehutanan dan Perkebunan Republik Indonesia	15.326	15.326
Dinas Koperasi dan Pengusaha Kecil dan Menengah	12.826	13.031
Departemen Keuangan Republik Indonesia	8.512	8.606
Yayasan Abadi Karya Bhakti	6.038	6.038
Dinas Peternakan Provinsi Jawa Timur	2.098	2.108
<b>Jumlah</b>	<b>640.415</b>	<b>648.319</b>

**28. CHANNELING LOANS (continued)**

i. Livestock Division of East Java Province (Dinas Peternakan Propinsi Jawa Timur)

Based on an agreement No.900/8176/122.5/2020 and No.059/161/SP/DIR/KMRP dated September 21, 2020, the Bank entered into a cooperation agreement for a period of 3 (three) years with the Livestock Division of East Java Province in order to provide assistance to the Government of East Java Province in its program for loan distribution and utilization, directing, monitoring, supervising and repayment and utilization of revolving funds by Village Union - KUD for Milk Union in connection with the procurement of equipment to improve the quality of milk produced by farmers. In accordance with this agreement, the Bank acts as agent for revolving funds from the Regional Income and Expenditures Budget of the East Java Province Livestock Sector Division.

The details of balances of channeling loans based on the sources of funds (lenders) are as follows:

	2023	2022
Bank Indonesia	402.524	402.524
Government of East Java Province	122.698	129.443
The Ministry of Cooperatives	54.451	55.301
Small and Medium Scale Enterprises	15.942	15.942
Dana Sejahtera Mandiri Foundation	15.326	15.326
Forestry and Plantation Department of the Republic of Indonesia	12.826	13.031
Department of Cooperatives and Small and Medium Enterprises	8.512	8.606
Department of Finance of the Republic of Indonesia	6.038	6.038
Abadi Karya Bhakti Foundation	2.098	2.108
Livestock Division of East Java Province		
<b>Total</b>	<b>640.415</b>	<b>648.319</b>

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**28. PENERUSAN KREDIT (lanjutan)**

Rincian saldo kredit kelolaan berdasarkan sektor ekonomi adalah sebagai berikut:

	2023	2022
Jasa kemasyarakatan dan sosial budaya	524.334	526.533
Pertanian, perburuan dan kehutanan	42.669	44.020
Perdagangan besar dan eceran	35.283	36.861
Jasa kesehatan dan kegiatan sosial	8.573	8.701
Penyediaan akomodasi makan dan minum	8.483	9.198
Industri pengolahan	5.965	6.679
Kegiatan yang belum jelas batasannya	5.896	5.941
Perikanan	5.404	6.367
Perantara keuangan	3.196	3.308
Jasa perorangan melayani rumah tangga	321	415
Transportasi, perdagangan dan komunikasi	205	210
Real estate, usaha persewaan dan jasa	51	51
Konstruksi	27	27
Pertambangan dan penggalian	8	8
<b>Jumlah</b>	<b>640.415</b>	<b>648.319</b>

**28. CHANNELING LOANS (continued)**

The details of balances of channeling loans based on economic sector are as follows:

Social culture and community services
Agriculture, hunting and forestry
Wholesale and retail
Health service and social activities
Provision of food and drink accommodation
Processing industry
Undefined activities
Fishery
Financial intermediary
Individual service which serve households
Transportation, trading and communication
Real estate, rental and business services
Construction
Mining and quarrying
<b>Total</b>

**29. KOMITMEN DAN KONTINJENSI**

Bank memiliki tagihan dan liabilitas komitmen dan kontinjensi dengan rincian sebagai berikut:

**29. COMMITMENTS AND CONTINGENCIES**

The Bank has receivables and liabilities involving commitments and contingencies as follows:

	2023	2022
<b>KOMITMEN</b>		
<b>Tagihan komitmen</b>		
Rupiah:		
Pembelian spot & derivatif	-	156.070
Lainnya	874.645	909.159
	<b>874.645</b>	<b>1.065.229</b>
<b>Liabilitas komitmen</b>		
Rupiah		
Fasilitas kredit kepada debitur yang belum digunakan	3.770.265	3.399.512
Total liabilitas komitmen, neto	<b>2.895.620</b>	<b>2.334.283</b>
<b>KONTINJENSI</b>		
<b>Tagihan kontinjensi</b>		
Rupiah:		
Pendapatan bunga dalam penyelesaian	82.966	119.108
Lainnya	13	13
	<b>82.979</b>	<b>119.121</b>
<b>Liabilitas kontinjensi</b>		
Rupiah:		
Bank garansi yang diberikan	653.383	973.063
Mata uang asing:		
Bank garansi yang diberikan	46.191	46.703
	<b>699.574</b>	<b>1.019.766</b>
Total liabilitas kontinjensi, neto	<b>616.595</b>	<b>900.645</b>
<b>Total liabilitas komitmen dan kontinjensi, neto</b>	<b>3.512.215</b>	<b>3.234.928</b>

<b>COMMITMENTS</b>
<b>Commitment receivables</b>
Rupiah:
Purchase of spot and derivative
Others
<b>Commitment liability</b>
Rupiah:
Unused loan commitments granted to debtors
Total commitment liabilities, net
<b>CONTINGENCIES</b>
<b>Contingent receivables</b>
Rupiah:
Interest income on past due accounts
Others
<b>Contingent liabilities</b>
Rupiah
Bank guarantees issued
Foreign currencies:
Bank guarantees issued
Total contingent liabilities, net
<b>Total commitment and contingent liabilities, net</b>

Pada tanggal 31 Desember 2023 dan 2022, Bank tidak mempunyai tagihan dan liabilitas komitmen dan kontinjensi kepada pihak berelasi.

As of December 31, 2023 and 2022, the Bank has no outstanding commitment and contingent receivables and liabilities involving related parties.

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**30. PENDAPATAN BUNGA DAN SYARIAH**

	2023	2022
<b>Pihak berelasi (Catatan 39)</b>		
Kredit yang diberikan	13.961	7.926
Margin dan pendapatan bagi hasil	7	126
<b>Pihak ketiga</b>		
Kredit yang diberikan	4.837.915	4.261.412
Penempatan pada Bank Indonesia dan bank lain	1.806.519	932.818
Surat berharga		
Biaya perolehan diamortisasi	423.992	1.392.992
Margin dan pendapatan bagi hasil	157.455	135.829
Provisi	90.157	110.971
Sertifikat Bank Indonesia	23.226	17.442
Lainnya	4.052	23.135
<b>Jumlah</b>	<b>7.357.284</b>	<b>6.882.651</b>

<b>Related parties (Note 39)</b>
Loans
Margin and profit-sharing revenue
<b>Third parties</b>
Loans
Placements with Bank Indonesia and other banks
Marketable securities
Amortised cost
Margin and profit-sharing revenue
Provision
Certificates of Bank Indonesia
Others
<b>Total</b>

**31. BEBAN BUNGA DAN SYARIAH**

	2023	2022
Deposito berjangka	1.669.282	1.432.248
Tabungan	280.153	264.782
Giro	200.924	221.779
Repo	117.839	30.291
Simpanan dari bank lain	38.680	4.589
Pinjaman yang diterima	8.543	10.357
Beban bunga kredit	763	1.549
<b>Jumlah</b>	<b>2.316.184</b>	<b>1.965.595</b>

Time deposits
Savings accounts
Current accounts
Premium on marketable securities
Deposits from other banks
Borrowings
Loan interest expense
<b>Total</b>

Beban bunga kepada pihak berelasi diungkapkan pada (Catatan 40).

Interest expense involving related parties is disclosed in (Note 40).

**32. PENDAPATAN OPERASIONAL LAINNYA**

	2023	2022
Administrasi giro, tabungan dan deposito	193.996	184.480
Penerimaan kembali kredit hapus buku	127.264	56.653
Administrasi kredit	30.880	42.511
Provisi dan komisi selain dari kredit yang diberikan	22.093	11.105
Lainnya	274.187	238.820
<b>Jumlah</b>	<b>648.420</b>	<b>533.569</b>

Current accounts, savings and deposits administration fees
Collection of loans written-off
Loan administration fees
Fees and commissions from other than loans
Others
<b>Total</b>

**32. OTHER OPERATING INCOME**



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**33. PENYISIHAN KERUGIAN PENURUNAN NILAI  
ATAS ASET KEUANGAN**

	2023	2022
Kredit yang diberikan		
Modal kerja	349.480	267.675
Konsumsi	144.776	52.364
Investasi	181.587	67.715
	<b>675.843</b>	<b>387.754</b>
Aset keuangan lainnya		
Penempatan pada Bank Indonesia		
dan bank lain	1.872	1.391
Giro pada bank lain	636	203
Surat berharga	111	(5.544)
Estimasi kerugian komitmen		
dan kontinjensi	430	2.903
Aset lain-lain	15.244	17.952
Jumlah	<b>694.136</b>	<b>404.659</b>

Loans
Working capital
Consumption
Investment
Other financial assets
Placement with Bank Indonesia
and other banks
Current accounts with other banks
Marketable securities
Estimated losses on commitments
and contingencies
Other assets
<b>Total</b>

**34. BEBAN TENAGA KERJA DAN TUNJANGAN  
KARYAWAN**

	2023	2022
Gaji pegawai	547.842	496.631
Bonus pegawai	367.526	385.706
Tambahan penghasilan pegawai	234.683	220.933
Sewa tenaga kerja	132.028	139.896
Asuransi dan iuran dana pensiun	130.390	143.663
Tunjangan pajak penghasilan pegawai	127.005	85.344
Pendidikan dan latihan	94.913	76.883
Imbalan kerja	38.721	55.532
Pengobatan	35.560	26.241
Gaji Direksi	13.556	8.894
Honorarium Dewan Komisaris	9.218	6.098
Rekreasi dan olahraga	8.303	5.808
Tambahan penghasilan Direksi	3.877	4.171
Perumahan Direksi	2.220	1.976
Tambahan penghasilan Komisaris	1.146	2.217
Lainnya	15.655	14.705
Jumlah	<b>1.762.643</b>	<b>1.674.698</b>

**34. SALARIES AND EMPLOYEE BENEFITS  
EXPENSES**

Employee salaries
Employee bonuses
Additional income for employees
Outsourcing
Insurance and pension fund contributions
Tax allowances - employees' salaries
Education and training
Employee benefit
Medical
Directors' salaries
Commissioners' honoraria
Recreation and sport
Additional compensation for Directors
Housing for Directors
Additional compensation for Commissioners
Others
<b>Total</b>

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**35. BEBAN UMUM DAN ADMINISTRASI**

	2023	2022
Premi asuransi pertanggungan lainnya	207.924	220.083
Amortisasi beban ditangguhkan	180.989	239.247
Jasa otomasi	157.885	142.764
Penyusutan aset tetap (Catatan 15)	150.752	164.880
Sewa	81.652	77.950
Promosi	75.260	49.292
Perjalanan dinas	57.632	62.796
Pemeliharaan	55.911	56.922
Alat tulis dan barang cetak	54.360	48.889
Listrik, air dan telekomunikasi	37.932	35.337
Sumbangan	25.828	31.568
Pajak lainnya	22.101	18.126
Pengawasan, pemeriksaan dan jasa tenaga ahli	19.498	20.273
Tanggung jawab sosial dan lingkungan	17.663	20.135
Keamanan	8.538	9.610
Surat Dinas	4.464	3.599
Penagihan	1.281	1.329
Pajak Reklame	1.251	1.531
Pajak Bumi dan Bangunan (PBB)	1.168	1.169
Pajak kendaraan bermotor	679	656
Koran dan Majalah	387	430
Bursa Efek	278	275
Pajak Penghasilan	15	112
Lainnya	19.539	22.415
<b>Jumlah</b>	<b>1.182.987</b>	<b>1.229.388</b>

Other insurance premiums
Amortization of deferred charges
Automation services
Depreciation of fixed assets (Note 15)
Rental
Promotion
Official/business travel
Maintenance
Stationery and printed materials
Electrical, water and telecommunications
Donations
Other taxes
Supervision, audit and professional services
Social and environment responsibility
Security
Mail Service
Collection
Advertising tax
Land and building tax fees (PBB)
Motor Vehicle Tax
Newspaper and Magazine
Stock Exchange
Income Tax
Others
<b>Total</b>

**36. BEBAN LAINNYA**

	2023	2022
Tanda mata, hadiah dan umum	97.460	86.316
Kliring dan transfer	53.656	59.476
Rapat dan jamuan tamu	24.394	15.423
Penelitian dan pengembangan	7.901	9.833
Kegiatan keagamaan	3.904	3.009
Provisi, komisi dan fee	32	10
Lainnya	7.366	26.987
<b>Jumlah</b>	<b>194.713</b>	<b>201.054</b>

**36. OTHER EXPENSES**

Souvenirs, gifts and general
Clearing and transfers
Meetings and entertainment
Research and development
Religious activities
Provision, commission and fee
Others
<b>Total</b>

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**37. PENDAPATAN NON OPERASIONAL**

	<b>2023</b>
Fee jasa pelayanan pajak	6.444
Keuntungan atas penjualan aset tetap	5.608
Keuntungan selisih kurs	2.390
Keuntungan penjualan efek-efek neto	8.698
Lainnya	33.901
	<b>57.041</b>

**37. NON OPERATING INCOME**

	<b>2022</b>	
	6.084	Tax service fees
	5.274	Gain on sale of fixed asset - net
	-	Gain on foreign exchange
	2.757	Gain on sale of securities - net
	158.513	Others
	<b>172.628</b>	

**38. BEBAN NON OPERASIONAL LAINNYA**

Pada tanggal 31 Desember 2023 dan 2022, saldo beban non operasional lainnya masing-masing sebesar Rp19.339 dan Rp83.405.

**38. NON OPERATING EXPENSE**

As of December 31, 2023 and 2022, the balance of non operating expense amounted Rp19,339 and Rp83,405, respectively

**39. LABA PER SAHAM DASAR**

	<b>2023</b>	<b>2022</b>
Laba untuk perhitungan laba per saham dasar	1.470.105	1.542.824
Rata-rata tertimbang jumlah saham	15.015.498.082	15.015.498.082
<b>Laba per saham dasar</b> (dalam Rupiah penuh)	<b>97,91</b>	<b>102,75</b>

**39. BASIC EARNINGS PER SHARE**

Income for computation of basic earnings per share  
Weighted average number of shares  
**Basic earnings per share**  
(in full Rupiah)

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**40. TRANSAKSI DENGAN PIHAK BERELASI**

Dalam kegiatan normal usaha, Bank melakukan transaksi dengan pihak berelasi karena hubungan kepemilikan dan/atau kepengurusan. Semua transaksi dengan pihak-pihak berelasi telah dilakukan dengan kebijakan dan syarat yang telah disepakati bersama.

Pihak berelasi	Sifat dari hubungan/ Nature of relationship
Pemerintah Provinsi Jawa Timur	Pemegang saham/Shareholder
Pemerintah Kota Surabaya	Pemegang saham/Shareholder
Pemerintah Kabupaten Malang	Pemegang saham/Shareholder
Pemerintah Kabupaten Jember	Pemegang saham/Shareholder
Pemerintah Kota Pasuruan	Pemegang saham/Shareholder
Pemerintah Kabupaten Banyuwangi	Pemegang saham/Shareholder
Pemerintah Kabupaten Probolinggo	Pemegang saham/Shareholder
Pemerintah Kabupaten Bondowoso	Pemegang saham/Shareholder
Pemerintah Kabupaten Sidoarjo	Pemegang saham/Shareholder
Pemerintah Kabupaten Tuban	Pemegang saham/Shareholder
Pemerintah Kabupaten Situbondo	Pemegang saham/Shareholder
Pemerintah Kabupaten Kediri	Pemegang saham/Shareholder
Pemerintah Kabupaten Lumajang	Pemegang saham/Shareholder
Pemerintah Kabupaten Lamongan	Pemegang saham/Shareholder
Pemerintah Kabupaten Nganjuk	Pemegang saham/Shareholder
Pemerintah Kabupaten Mojokerto	Pemegang saham/Shareholder
Pemerintah Kabupaten Sampang	Pemegang saham/Shareholder
Pemerintah Kota Malang	Pemegang saham/Shareholder
Pemerintah Kabupaten Pasuruan	Pemegang saham/Shareholder
Pemerintah Kabupaten Bangkalan	Pemegang saham/Shareholder
Pemerintah Kabupaten Gresik	Pemegang saham/Shareholder
Pemerintah Kota Mojokerto	Pemegang saham/Shareholder
Pemerintah Kabupaten Pacitan	Pemegang saham/Shareholder
Pemerintah Kota Batu	Pemegang saham/Shareholder
Pemerintah Kabupaten Ngawi	Pemegang saham/Shareholder
Pemerintah Kabupaten Jombang	Pemegang saham/Shareholder
Pemerintah Kabupaten Madiun	Pemegang saham/Shareholder
Pemerintah Kabupaten Pamekasan	Pemegang saham/Shareholder
Pemerintah Kabupaten Tulungagung	Pemegang saham/Shareholder
Pemerintah Kabupaten Blitar	Pemegang saham/Shareholder
Pemerintah Kabupaten Ponorogo	Pemegang saham/Shareholder
Pemerintah Kabupaten Trenggalek	Pemegang saham/Shareholder
Pemerintah Kabupaten Magetan	Pemegang saham/Shareholder
Pemerintah Kabupaten Bojonegoro	Pemegang saham/Shareholder
Pemerintah Kota Probolinggo	Pemegang saham/Shareholder
Pemerintah Kota Blitar	Pemegang saham/Shareholder
Pemerintah Kota Madiun	Pemegang saham/Shareholder
Pemerintah Kota Kediri	Pemegang saham/Shareholder
Pemerintah Kabupaten Sumenep	Pemegang saham/Shareholder
Pemerintah Kabupaten Bojonegoro	Pemegang saham/Shareholder
Pemerintah Kabupaten Lamongan	Pemegang saham/Shareholder
Pemerintah Kabupaten Malang	Pemegang saham/Shareholder
PT Bank Perkreditan Rakyat Jawa Timur	Dimiliki oleh pemegang saham akhir yang sama/Owned by the ultimate shareholder
Dewan Komisaris, Direksi dan pejabat eksekutif	Karyawan kunci/Key management personnel Pengurus/Management
RKUD Kabupaten Lamongan	Dimiliki oleh pemegang saham akhir yang sama/Owned by the ultimate shareholder
Pemda Kabupaten Lamongan	Dimiliki oleh pemegang saham akhir yang sama/Owned by the ultimate shareholder

**40. TRANSACTIONS WITH RELATED PARTIES**

In the normal course of business, Bank enters into certain transactions with parties which are related to the management and/or owned by the same ultimate shareholder. All transactions with related parties have met the agreed terms and conditions.

Sifat dari transaksi/ Nature of transactions	Related parties
Penempatan dana/Fund placement	Government of East Java Province
Penempatan dana/Fund placement	Government of Surabaya City
Penempatan dana/Fund placement	Government of Malang Regency
Penempatan dana/Fund placement	Government of Jember Regency
Penempatan dana/Fund placement	Government of Pasuruan City
Penempatan dana/Fund placement	Government of Banyuwangi Regency
Penempatan dana/Fund placement	Government of Probolinggo Regency
Penempatan dana/Fund placement	Government of Bondowoso Regency
Penempatan dana/Fund placement	Government of Sidoarjo Regency
Penempatan dana/Fund placement	Government of Tuban Regency
Penempatan dana/Fund placement	Government of Situbondo Regency
Penempatan dana/Fund placement	Government of Kediri Regency
Penempatan dana/Fund placement	Government of Lumajang Regency
Penempatan dana/Fund placement	Government of Lamongan Regency
Penempatan dana/Fund placement	Government of Nganjuk Regency
Penempatan dana/Fund placement	Government of Mojokerto Regency
Penempatan dana/Fund placement	Government of Sampang Regency
Penempatan dana/Fund placement	Government of Malang City
Penempatan dana/Fund placement	Government of Pasuruan Regency
Penempatan dana/Fund placement	Government of Bangkalan Regency
Penempatan dana/Fund placement	Government of Gresik Regency
Penempatan dana/Fund placement	Government of Mojokerto City
Penempatan dana/Fund placement	Government of Pacitan Regency
Penempatan dana/Fund placement	Government of Batu City
Penempatan dana/Fund placement	Government of Ngawi Regency
Penempatan dana/Fund placement	Government of Jombang Regency
Penempatan dana/Fund placement	Government of Madiun Regency
Penempatan dana/Fund placement	Government of Pamekasan Regency
Penempatan dana/Fund placement	Government of Tulungagung Regency
Penempatan dana/Fund placement	Government of Blitar Regency
Penempatan dana/Fund placement	Government of Ponorogo Regency
Penempatan dana/Fund placement	Government of Trenggalek Regency
Penempatan dana/Fund placement	Government of Magetan Regency
Penempatan dana/Fund placement	Government of Bojonegoro Regency
Penempatan dana/Fund placement	Government of Probolinggo City
Penempatan dana/Fund placement	Government of Blitar City
Penempatan dana/Fund placement	Government of Madiun City
Penempatan dana/Fund placement	Government of Kediri City
Penempatan dana/Fund placement	Government of Sumenep Regency
Kredit yang diberikan/Loans	Government of Bojonegoro Regency
Kredit yang diberikan/Loans	Government of Lamongan Regency
Kredit yang diberikan/Loans	Government of Malang Regency

Kredit yang diberikan/Loans  
Penempatan dana/Fund placement  
PT Bank Perkreditan Rakyat Jawa Timur

Simpanan nasabah/Deposits from customers  
Beban tenaga kerja/Personnel expenses  
Board of Commissioners.  
Board of Directors and executive officers

Kredit yang diberikan/Loans  
Penempatan dana/Fund placement  
RKUD Kabupaten Lamongan

Kredit yang diberikan/Loans  
Penempatan dana/Fund placement  
Pemda Kabupaten Lamongan

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**40. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)**

Saldo aset produktif, simpanan, pinjaman yang diterima dan komitmen dan kontinjensi dari pihak berelasi adalah sebagai berikut:

	2023	2022
<b>ASET</b>		
<b>Kredit yang diberikan dan pembiayaan syariah (Catatan 11)</b>		
Pinjaman manajemen kunci	100.611	104.192
PT Bank Perkreditan Rakyat Jawa Timur	-	24.851
RKUD Kabupaten Lamongan	30.914	-
Pemda Kabupaten Lamongan	46.220	-
Lain-lain	7.103	5.828
<b>Jumlah</b>	<b>184.848</b>	<b>134.871</b>
Persentase terhadap jumlah aset	0,18%	0,13%
<b>LIABILITAS</b>		
Simpanan dari nasabah (Catatan 18)	12.644.538	15.295.405
Persentase terhadap jumlah liabilitas	14,15%	17,05%
Simpanan dari bank lain (Catatan 19)		
PT Bank Perkreditan Rakyat Jawa Timur	12.648.302	141.996
<b>Jumlah</b>	<b>12.648.302</b>	<b>141.996</b>
Persentase terhadap jumlah liabilitas	14,16%	0,16%
<b>LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN</b>		
Pendapatan bunga (Catatan 30)	13.968	8.052
Persentase terhadap jumlah pendapatan bunga dan syariah	0,19%	0,12%
Beban bunga dan syariah (Catatan 31)	459.124	471.882
Persentase terhadap jumlah beban bunga dan syariah	19,82%	24,01%

**Komitmen dan kontinjensi**

Tidak terdapat saldo komitmen dan kontinjensi kepada pihak berelasi untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2023 dan 2022.

**40. TRANSACTIONS WITH RELATED PARTIES (continued)**

The outstanding balances of earning assets, deposits, borrowings and commitments and contingencies with related parties were as follows:

<b>ASSETS</b>
<b>Loans and sharia financing (Note 11)</b>
Loans to key managements
PT Bank Perkreditan Rakyat Jawa Timur
RKUD Kabupaten Lamongan
Pemda Kabupaten Lamongan
Others
<b>Total</b>
Percentage to total assets
<b>LIABILITIES</b>
Deposits from customers (Note 18)
Percentage to total liabilities
Deposits from other banks (Note 19)
PT Bank Perkreditan Rakyat Jawa Timur
<b>Total</b>
Percentage to total liabilities
<b>PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>
Interest income (Note 30)
Percentage to total interest and sharia income
Interest and sharia expenses (Note 31)
Percentage to total interest and sharia expenses

**Commitments and contingencies**

There were no commitments and contingencies involving related parties as of December 31, 2023 and 2022.

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**40. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)**

**Kompensasi manajemen kunci**

Kompensasi kepada personil manajemen kunci Bank (di luar Komisaris dan Direksi) adalah sebagai berikut:

	2023
Gaji	17.656
Jasa produksi	12.009
Tunjangan	7.458
<b>Jumlah</b>	<b>37.123</b>

Jumlah remunerasi yang telah dan akan dibayar untuk tahun yang berakhir pada tanggal 31 Desember 2023 dan 2022 untuk Dewan Komisaris, masing-masing adalah Rp15.130 dan Rp12.990 dan untuk Direksi, masing-masing adalah Rp33.962 dan Rp39.310.

**40. TRANSACTIONS WITH RELATED PARTIES (continued)**

**Compensation of key management personnel**

The compensation of key management personnel of the Bank (excluding Commissioners and Directors) are follows:

	2022	
	22.995	Salary
	12.053	Production bonus
	10.520	Allowance
<b>Total</b>	<b>45.569</b>	<b>Total</b>

Total remuneration paid and payable for the years ended December 31, 2023 and 2022 to the Board of Commissioners were Rp15,130 and Rp12,990, respectively, and to the Board of Directors were Rp33,962 and Rp39,310 respectively.

**41. INFORMASI SEGMENT USAHA**

Informasi yang berkaitan dengan segmen usaha yang operasi dari Bank disajikan dalam tabel di bawah ini:

**41. SEGMENT INFORMATION**

Information concerning the operating segment information of the Bank is set out in the table below:

	2023				
	Konvensional/ Conventional	Syariah/ Sharia	Eliminasi/ Elimination	Jumlah/ Total	
Pendapatan segmen	8.655.645	203.424	1.501.785	7.357.284	Segment income
Beban segmen	(3.754.671)	(63.298)	(1.501.785)	(2.316.184)	Segment expenses
Pendapatan segmen - neto	4.900.974	140.126	-	5.041.100	Segment Income - net
Pendapatan operasional lainnya	621.079	27.341	-	648.420	Other operating income
Penyisihan kerugian penurunan nilai atas aset keuangan dan nonkeuangan	(664.369)	(29.767)	-	(694.136)	Provision for impairment losses on financial and non-financial assets
Beban operasional lainnya	(3.036.456)	(103.887)	-	(3.140.343)	Other operating expenses
Laba operasional	1.821.228	33.813	-	1.855.041	Income from operations
Pendapatan (beban) bukan operasional - neto	37.270	432	-	37.702	Non-operating income (expenses) - net
Beban pajak - neto	(422.638)	-	-	(422.638)	Tax expense - net
Laba (rugi) periode berjalan	1.435.860	34.245	-	1.470.105	Profit (loss) for the period
Jumlah aset	100.761.038	3.620.590	(526.855)	103.854.773	Total assets

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**41. INFORMASI SEGMENT USAHA (lanjutan)**

Informasi yang berkaitan dengan segmen usaha yang operasi dari Bank disajikan dalam tabel di bawah ini (lanjutan):

	2022				
	Konvensional/ Conventional	Syariah/ Sharia	Eliminasi/ Elimination	Jumlah/ Total	
Pendapatan segmen	8.361.576	175.839	1.654.764	6.882.651	Segment income
Beban segmen	(3.565.277)	(55.082)	(1.654.764)	(1.965.595)	Segment expenses
Pendapatan segmen - neto	4.796.299	120.757	-	4.917.056	Segment Income - net
Pendapatan operasional lainnya	512.531	21.038	-	533.569	Other operating income
Penyisihan kerugian penurunan nilai atas aset keuangan dan nonkeuangan	(381.864)	(22.795)	-	(404.659)	Provision for impairment losses on financial and non-financial assets
Beban operasional lainnya	(3.024.930)	(80.210)	-	(3.105.140)	Other operating expenses
Laba operasional	1.902.036	38.790	-	1.940.826	Income from operations
Pendapatan (beban) bukan operasional - neto	87.343	1.880	-	89.223	Non-operating income (expenses) - net
Beban pajak - neto	(487.225)	-	-	(487.225)	Tax expense - net
Laba (rugi) periode berjalan	1.502.154	40.670	-	1.542.824	Profit (loss) for the period
Jumlah aset	100.470.606	3.071.458	(510.697)	103.031.367	Total assets

**42. MANAJEMEN RISIKO**

Fungsi manajemen risiko dalam pelaksanaannya melakukan identifikasi, penilaian, pengukuran, evaluasi, monitoring, dan pengendalian risiko terkait pula pengembangan sistem teknologi dan informasi manajemen, serta peningkatan kualitas sumber daya manusia dalam mengelola risiko.

Penerapan manajemen risiko di Bank mengacu pada Peraturan Otoritas Jasa Keuangan (POJK) No.18/POJK.03/2016 tanggal 16 Maret 2016 tentang Penerapan Manajemen Risiko bagi Bank Umum.

Pengelolaan risiko tidak hanya terbatas pada pemantauan, pelaporan dan evaluasi terhadap risiko-risiko yang terjadi, namun juga mendeteksi dan mengantisipasi risiko-risiko yang mungkin terjadi.

Pengawasan aktif Dewan Komisaris dan Direksi Bank sangatlah penting, termasuk membentuk beberapa unit kerja yang bersifat permanen maupun komite untuk menunjang proses pengendalian risiko. Hal ini diwujudkan dengan pembentukan Divisi Pengendalian Risiko serta beberapa komite seperti Komite Pemantau Risiko, Komite Manajemen Risiko, Komite Aset dan Liabilitas, Komite Manajemen Kepegawaian dan Komite Pengarah IT.

Bank selalu menyempurnakan seluruh ketentuan internal terkait pengelolaan risiko, termasuk dari sisi kebijakan, pedoman, prosedur dan pemanfaatan teknologi informasi.

**41. SEGMENT INFORMATION (continued)**

Information concerning the operating segment information of the Bank is set out in the table below (continued):

**42. RISK MANAGEMENT**

Risk management function includes identification, assessment, measurement, evaluation, monitoring and risk controls, including development of technology and management information systems and improvement of human resources quality in risk management.

Implementation of Bank risk management in accordance with the Financial Services Authority Regulation (POJK) No.18/POJK.03/2016 dated March 16, 2016 regarding Application of Risk Management for Commercial Banks.

Risk management is not merely related to monitoring, reporting, and evaluating the risks, but also detecting and anticipating the possible risks.

Active monitoring from the Boards of Commissioners and Directors is essential, including establishing several permanent working units or ad hoc committees to support the risks control process. This is implemented by establishing a Risk Management Division and other several committees such as Risk Monitoring Committee, Risk Management Committee, Assets and Liabilities Committee, Personnel Management and IT Steering Committee.

The Bank continuously improves internal policies related to risk management, including policies, standardized operations, procedures, and information technology utilization.

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**43. RISIKO KREDIT**

Sesuai dengan kompleksitas usahanya, Bank telah mengelola 8 (delapan) jenis risiko yaitu risiko kredit, risiko likuiditas, risiko pasar, risiko operasional, risiko hukum, risiko reputasi, risiko strategik dan risiko kepatuhan.

Setiap triwulan, Bank telah menyusun profil risiko yang secara garis besar dapat mencerminkan tingkat risiko yang dimiliki oleh Bank.

**Kerangka manajemen risiko**

Organisasi manajemen risiko Bank melibatkan pengawasan dari Dewan Komisaris, Direksi dan Komite Pemantau Risiko. Komite Pemantau Risiko merupakan pengawas risiko tertinggi di Dewan Komisaris. Komite Pemantau Risiko tersebut menyetujui dan memonitor pelaksanaan kerangka dan kebijakan manajemen risiko Bank. Dewan Komisaris mendelegasikan kuasa kepada Direktur Utama dan Direksi untuk mengimplementasikan strategi manajemen risiko. Komite Pemantau Risiko dibentuk oleh Direksi dan bertanggungjawab untuk mengelola risiko yang ada di Bank.

Kebijakan manajemen risiko Bank ditetapkan untuk mengidentifikasi dan menganalisa risiko-risiko yang dihadapi Bank, untuk menetapkan batasan risiko dan pengendalian yang sesuai, serta untuk mengawasi risiko dan kepatuhan terhadap batasan yang telah ditetapkan. Kebijakan dan sistem manajemen risiko ditelaah secara berkala untuk mencerminkan perubahan dalam kondisi pasar, produk, dan jasa yang ditawarkan. Bank, melalui pelatihan serta standar dan prosedur pengelolaan, berusaha untuk mengembangkan lingkungan pengendalian yang taat dan konstruktif, dimana semua karyawan memahami tugas dan kewajiban mereka.

Komite Audit Bank memiliki tanggung jawab untuk memantau kepatuhan terhadap kebijakan dan prosedur manajemen risiko, dan untuk menelaah kecukupan kerangka manajemen risiko yang terkait dengan risiko-risiko yang dihadapi oleh Bank. Dalam menjalankan fungsinya, Komite Audit dibantu oleh Satuan Kerja Audit Intern. Satuan Kerja Audit Intern secara berkala maupun sesuai kebutuhan, menelaah pengendalian dan prosedur manajemen risiko dan melaporkan hasilnya ke Komite Audit Bank.

Komite Pemantau Risiko mengawasi perkembangan kebijakan manajemen risiko dan menilai penerapannya. Komite juga memberikan nasihat mengenai strategi manajemen risiko yang harus digunakan oleh Bank. Dalam melaksanakan fungsi pengawasan, Komite Pemantau Risiko akan melakukan pengawasan dan evaluasi kinerja Komite Manajemen Risiko.

**43. CREDIT RISK**

*In accordance with the complexity of business, the Bank has managed 8 (eight) risks, namely credit risk, liquidity risk, market risk, operational risk, compliance risk, legal risk, strategic risk and reputation risk.*

*In quarterly, the Bank has prepared the risks profile globally which reflected the Bank's risk rate.*

**Risk management framework**

*The Bank's risk management organization involves oversight from the Board of Commissioner, the Board of Directors, and the Risk Monitoring Committee. The Risk Monitoring Committee is the highest risk authority in the Board of Commissioner level. The Risk Monitoring Committee approves and monitors the implementation of risk management framework and policies of the Bank. Board of Commissioner delegate authority to the President Director and Board of Directors to implement the risk management strategy. The Risk Monitoring Committee is established by the Board of Directors and is responsible for managing risk of the Bank.*

*The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits determined. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.*

*The Bank's Audit Committee is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank's Audit Committee is assisted in these functions by Internal Audit Task Force. Internal Audit Task Force undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Bank's Audit Committee.*

*The Risk Monitoring Committee supervises the development of risk management policies and assesses the implementation. The Committee also provides advice on the risk management strategy to be employed by the Bank. In conducting its oversight role, the Risk Monitoring Committee will also monitor and evaluate the performance of the Risk Management Committee.*



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**43. RISIKO KREDIT (lanjutan)**

Risiko kredit adalah risiko akibat wanprestasi debitur dan/atau pihak lawan (*counterparty*) dalam memenuhi liabilitas kepada Bank. Terhadap eksposur risiko kredit spesifik seperti kredit perorangan, fasilitas antar bank dan sebagainya, Bank melakukan evaluasi secara tersendiri dengan menggunakan faktor yang dapat saja berbeda, sesuai dengan karakteristik spesifik dari setiap jenis eksposur. Dalam mengelola risiko kredit, Bank telah memiliki kebijakan dan pedoman perkreditan, yang disempurnakan secara berkala, dengan tetap didasarkan pada prinsip pengelolaan risiko yang independen sesuai dengan peraturan Bank Indonesia dan peraturan eksternal lainnya.

Pengendalian risiko kredit terkait penyediaan dana dengan limit minimal tertentu harus melalui Komite Kebijakan Perkreditan. Dalam rangka pengendalian risiko kredit secara komprehensif, Bank terus meninjau dan menyempurnakan pelaksanaan fungsi pengendalian risiko kredit yang dijalankan oleh unit yang terekspos terhadap risiko diantaranya dengan pembentukan fungsi analisis kredit di cabang.

Pengelolaan risiko kredit yang lebih khusus dilakukan atas portofolio kredit yang bermasalah. Upaya yang dilakukan diantaranya adalah restrukturisasi fasilitas kredit yang bermasalah, pembentukan pencadangan untuk menutup potensi kerugian, hingga pelaksanaan hapus buku. Kebijakan pengelolaan kredit bermasalah telah dilaksanakan, termasuk pembentukan unit kerja khusus untuk mengelola kredit bermasalah.

Bank telah menjalankan proses identifikasi, pengukuran, pemantauan, dan pengendalian risiko yang mencakup profil risiko kredit secara terintegrasi dalam suatu proses manajemen risiko yang komprehensif.

**a. Risiko kredit maksimum**

Untuk aset keuangan yang diakui di laporan posisi keuangan, eksposur maksimum terhadap risiko kredit sama dengan nilai tercatatnya. Untuk bank garansi yang diterbitkan, L/C dan SKBDN yang masih berjalan yang dapat dibatalkan, eksposur maksimum terhadap risiko kredit adalah nilai maksimum yang harus dibayarkan oleh Bank jika liabilitas atas bank garansi, L/C, dan SKBDN tersebut terjadi. Untuk fasilitas kredit kepada nasabah yang belum digunakan, eksposur maksimum terhadap risiko kredit adalah sebesar komitmen tersebut.

Eksposur maksimum Bank terhadap risiko kredit untuk instrumen keuangan pada laporan posisi keuangan dan rekening administrasi, dinilai tanpa memperhitungkan agunan yang dimiliki atau perlindungan kredit lainnya.

**43. CREDIT RISK (continued)**

*Credit risk is the risk of debtors and/or counterparties failure to fulfil their obligations to the Bank. In relation to the specific credit risk exposure such as individual credits, inter-bank facilities and others, the Bank separately evaluates credit risk based on factors which may be different, according to the specific characteristics of each exposure. In managing credit risk, the Bank has credit policies and standard operation procedures that are enhanced periodically in accordance with independent risk management principles based on Bank Indonesia regulations, and other external regulations.*

*Control of the credit risks related to the provision of funds above a certain minimum limit requires approval by the Credit Committee. In the comprehensive credit risk control, the Bank continuously reviews and improves the credit risk control function which is conducted by the risk taking unit, among others, by establishing a credit analyst function in the branch.*

*Specific credit risk management is performed on the non-performing loans portfolio. Such efforts, among others, are restructuring of non-performing loans, providing allowances to cover potential losses, and write-offs. Specific policy on non-performing loans management process has been implemented, including establishing special working units to handle such loans.*

*The Bank identifies, measures, monitors, and controls risks which include credit risk profiles integrated in a comprehensive risk management process.*

**a. Maximum credit risk**

*For financial assets recognized in the statements of financial position, the maximum exposure to credit risk equals their carrying amounts. For the bank guarantees issued and outstanding revocable L/Cs and Domestic L/Cs, the maximum exposure to credit risk is the maximum amount that the Bank has to pay if the obligations under the bank guarantees issued and outstanding revocable L/Cs and Domestic L/Cs are called upon. For unused loans commitments granted to customers, the maximum exposure to credit risk is the committed amount.*

*The Bank's maximum exposure to credit risk of statements of financial position and administrative accounts financial instruments, is valued without taking into account any collateral held or other credit enhancement.*

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**43. RISIKO KREDIT (lanjutan)**

**b. Risiko konsentrasi kredit**

Pada tanggal 31 Desember 2023 dan 2022, pengungkapan risiko kredit maksimum berdasarkan konsentrasi sebelum memperhitungkan agunan yang dimiliki dan perjanjian master netting adalah sebagai berikut:

Konsentrasi risiko kredit berdasarkan geografis

**43. CREDIT RISK (continued)**

**b. Credit concentration risk**

As of December 31, 2023 and 2022, the disclosure of the maximum credit risk by concentration without taking into account any collateral held and master netting agreements is as follows:

Concentration of credit risk by geography

2023							
	Jawa Timur/ East Java	Jawa selain Jawa Timur/ Java other than East Java	Sumatera	Kalimantan/ Borneo	Lain-lain/ Others	Jumlah/ Total	
<b><u>Posisi keuangan</u></b>						<b><u>Financial position</u></b>	
Giro pada Bank Indonesia	-	7.971.412	-	-	-	7.971.412	Current accounts with Bank Indonesia
Giro pada bank lain	-	490.253	-	-	-	490.253	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	842.093	2.281.988	1.000.000	290.000	815.614	5.229.695	Placements with Bank Indonesia and other banks
Surat berharga							Marketable securities
Biaya perolehan diamortisasi	-	8.560.761	-	-	-	8.560.761	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	-	7.762.560	-	-	-	7.762.560	Fair value through other comprehensive income
Surat berharga yang dijual dengan janji dibeli kembali	-	8.303.663	-	-	-	8.303.663	Marketable securities sold under repurchased agreement
Surat berharga yang dibeli dengan janji dijual kembali	-	6.247.318	-	-	-	6.247.318	Marketable securities purchased under resale agreement
Tagihan lainnya	223.138	-	-	-	-	223.138	Other receivables
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja	11.440.125	2.842.481	604.895	-	2.973	14.890.474	Working capital
Investasi	4.236.832	2.670.923	282.259	472.895	-	7.662.909	Investment
Konsumsi	30.059.320	734.680	48.538	-	77	30.842.615	Consumption
Pendapatan bunga yang masih akan diterima	665.717	16.610	2.458	730	219	685.734	Interest receivables
<b>Jumlah</b>	<b>47.467.225</b>	<b>47.882.649</b>	<b>1.938.150</b>	<b>763.625</b>	<b>818.883</b>	<b>98.870.532</b>	<b>Total</b>
<b><u>Rekening administratif</u></b>							<b><u>Administrative accounts</u></b>
Fasilitas kredit kepada nasabah yang belum digunakan	2.875.686	872.815	6.195	15.569	-	3.770.265	Unused loans commitments granted to customers
Bank garansi yang diterbitkan	699.574	-	-	-	-	699.574	Bank guarantees issued
<b>Jumlah</b>	<b>3.575.260</b>	<b>872.815</b>	<b>6.195</b>	<b>15.569</b>	<b>-</b>	<b>4.469.839</b>	<b>Total</b>

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**43. RISIKO KREDIT (lanjutan)**

**b. Risiko konsentrasi kredit (lanjutan)**

Konsentrasi risiko kredit berdasarkan geografis (lanjutan)

	2022					
	Jawa Timur/ East Java	Jawa selain Jawa Timur/ Java other than East Java	Sumatera	Kalimantan/ Borneo	Lain-lain/ Others	Jumlah/ Total
<b><u>Posisi keuangan</u></b>						
Giro pada Bank Indonesia	-	10.786.740	-	-	-	10.786.740
Giro pada bank lain	-	302.688	-	-	-	302.688
Penempatan pada Bank Indonesia dan bank lain	1.152.000	2.702.379	538.000	449.000	2.071.796	6.913.175
Tagihan spot dan derivatif	361	-	-	-	-	361
Surat berharga						
Biaya perolehan diamortisasi	-	14.740.662	-	-	-	14.740.662
Nilai wajar melalui pendapatan komprehensif lain	-	8.476.609	-	-	-	8.476.609
Surat berharga yang dijual dengan janji dibeli kembali	-	4.095.066	-	-	-	4.095.066
Surat berharga yang dibeli dengan janji dijual kembali	-	7.822.847	-	-	-	7.822.847
Tagihan lainnya	286.147	-	-	-	-	286.147
Kredit yang diberikan dan pembiayaan syariah						
Modal kerja	8.483.137	1.014.245	677.316	-	-	10.174.698
Investasi	3.359.791	2.161.406	370.368	479.607	-	6.371.172
Konsumsi	28.151.362	143.306	37.289	70	148	28.332.175
Pendapatan bunga yang masih akan diterima	629.389	13.694	2.288	752	2	646.125
<b>Jumlah</b>	<b>42.062.187</b>	<b>52.259.642</b>	<b>1.625.261</b>	<b>929.429</b>	<b>2.071.946</b>	<b>98.948.465</b>
<b><u>Rekening administratif</u></b>						
Fasilitas kredit kepada nasabah yang belum digunakan Bank garansi yang diterbitkan	2.412.262	971.071	610	15.569	-	3.399.512
	1.019.766	-	-	-	-	1.019.766
<b>Jumlah</b>	<b>3.432.028</b>	<b>971.071</b>	<b>610</b>	<b>15.569</b>	<b>-</b>	<b>4.419.278</b>

**43. CREDIT RISK (continued)**

**b. Credit concentration risk (continued)**

Concentration of credit risk by geography (continued)

**Financial position**  
Current accounts with Bank Indonesia  
Current accounts with other banks  
Placements with Bank Indonesia and other banks  
Spot and derivative receivables  
Marketable securities  
Amortized cost  
Fair value through other comprehensive income  
Marketable securities sold under repurchased agreement  
Marketable securities purchased under resale agreement  
Other receivables  
Loans and sharia financing  
Working capital  
Investment  
Consumption  
Interest receivables  
**Total**

**Administrative accounts**  
Unused loans  
commitments granted to customers  
Bank guarantees issued  
**Total**

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**43. RISIKO KREDIT (lanjutan)**

**b. Risiko konsentrasi kredit (lanjutan)**

Konsentrasi risiko kredit berdasarkan sektor industri

**43. CREDIT RISK (continued)**

**b. Credit concentration risk (continued)**

Concentration of credit risk by industry sector

	2023						
	Pemerintah dan Bank Indonesia/ Government and Bank Indonesia	Lembaga keuangan bukan bank/ Non-bank financial institutions	Banks	Perusahaan lainnya/ Other companies	Perseorangan/ Individuals	Jumlah/ Total	
<u>Posisi keuangan</u>							<u>Financial position</u>
Giro pada Bank Indonesia	7.971.412	-	-	-	-	7.971.412	Current accounts with Bank Indonesia
Giro pada bank lain	-	-	490.253	-	-	490.253	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	5.229.695	-	-	-	-	5.229.695	Placements with Bank Indonesia and other banks
Surat berharga							Marketable securities
Biaya perolehan diamortisasi	5.890.446	-	463.025	2.207.290	-	8.560.761	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	7.762.560	-	-	-	-	7.762.560	Fair value through other comprehensive income
Surat berharga yang dijual dengan janji dibeli kembali	8.303.663	-	-	-	-	8.303.663	Marketable securities sold under repurchased agreement
Surat berharga yang dibeli dengan janji dijual kembali	-	-	6.247.318	-	-	6.247.318	Marketable securities purchased under resale agreement
Tagihan lainnya	-	-	-	-	223.138	223.138	Other receivables
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja	105.418	351.676	1.219.950	3.516.283	9.697.147	14.890.474	Working capital
Investasi	1.111	6.137	-	5.088.634	2.567.027	7.662.909	Investment
Konsumsi	-	2.671	7.376	608.137	30.224.431	30.842.615	Consumption
Pendapatan bunga yang masih akan diterima	275	2.389	2.281	33.110	647.679	685.734	Interest receivables
<b>Jumlah</b>	<b>35.264.580</b>	<b>362.873</b>	<b>8.430.203</b>	<b>11.453.454</b>	<b>43.359.422</b>	<b>98.870.532</b>	<b>Total</b>
<u>Rekening administratif</u>							<u>Administrative accounts</u>
Fasilitas kredit kepada nasabah yang belum digunakan	-	-	65.971	-	3.704.294	3.770.265	Unused loans commitments granted to customers
Bank garansi yang diterbitkan	-	-	-	-	699.574	699.574	Bank guarantees issued
<b>Jumlah</b>	<b>-</b>	<b>-</b>	<b>65.971</b>	<b>-</b>	<b>4.403.868</b>	<b>4.469.839</b>	<b>Total</b>

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**b. Risiko konsentrasi kredit (lanjutan)**

Konsentrasi risiko kredit berdasarkan sektor industri (lanjutan)

	2022					
	Pemerintah dan Bank Indonesia/ Government and Bank Indonesia	Banks	Lembaga keuangan bukan bank/ Non-bank financial institutions	Perusahaan lainnya/ Other companies	Perseorangan/ Individuals	Jumlah/ Total
<b>Posisi keuangan</b>						<b>Financial position</b>
Giro pada Bank Indonesia	10.786.740	-	-	-	-	10.786.740
Giro pada bank lain	-	-	302.688	-	-	302.688
Penempatan pada Bank Indonesia dan bank lain	6.913.175	-	-	-	-	6.913.175
Tagihan <i>spot derivatif</i>	-	-	361	-	-	361
Surat berharga						
Biaya perolehan diamortisasi	12.425.335	-	327.018	1.988.309	-	14.740.662
Nilai wajar melalui pendapatan komprehensif lain	8.476.609	-	-	-	-	8.476.609
Surat berharga yang dijual dengan janji dibeli kembali	4.095.066	-	-	-	-	4.095.066
Surat berharga yang dibeli dengan janji dijual kembali	-	-	7.822.847	-	-	7.822.847
Tagihan lainnya	-	-	-	-	286.147	286.147
Kredit yang diberikan dan pembiayaan syariah						
Modal kerja	177.813	327.211	315.826	2.937.209	6.416.639	10.174.698
Investasi	5.662	1.436	-	4.828.916	1.535.158	6.371.172
Konsumsi	-	1.000	3.897	14.773	28.312.505	28.332.175
Pendapatan bunga yang masih akan diterima	433	2.025	535	41.024	602.108	646.125
<b>Jumlah</b>	<b>42.880.833</b>	<b>331.672</b>	<b>8.773.172</b>	<b>9.810.231</b>	<b>37.152.557</b>	<b>98.948.465</b>
<b>Rekening administratif</b>						<b>Administrative accounts</b>
Fasilitas kredit kepada nasabah yang belum digunakan	-	-	132.932	-	3.266.580	3.399.512
Bank garansi yang diterbitkan	-	-	-	-	1.019.766	1.019.766
<b>Jumlah</b>	<b>-</b>	<b>-</b>	<b>132.932</b>	<b>-</b>	<b>4.286.346</b>	<b>4.419.278</b>

**c. Agunan dan perlindungan kredit lainnya**

Bank telah memiliki buku pedoman tentang cara menilai dan jenis jaminan yang bisa diterima sebagai mitigasi risiko kredit. Beberapa agunan utama yang diperoleh adalah tanah, bangunan dan kendaraan. Bank juga memiliki beberapa fasilitas kredit yang mendapat penjaminan dari pihak ketiga.

Umumnya, agunan diperlukan untuk setiap pemberian kredit sebagai sumber sekunder pelunasan kredit dan sebagai salah satu bentuk mitigasi risiko kredit. Sumber utama pelunasan kredit adalah dari hasil usaha debitur.

**43. CREDIT RISK (continued)**

**b. Credit concentration risk (continued)**

Concentration of credit risk by industry sector (continued)

**c. Collateral and other credit enhancements**

The Bank has a guidebook on how to value the type of collateral that can be accepted as credit risk mitigation. Some major collateral obtained includes land, buildings and vehicles. The Bank also has certain credit facilities guaranteed by third parties.

Generally, collateral is required for all credits extended as a secondary source of credit repayment and also as a form of credit risk mitigation. The primary source of credit repayment is the funds generated from business operations of the borrowers.

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**43. RISIKO KREDIT (lanjutan)**

**d. Kualitas aset keuangan**

Bank telah memiliki kebijakan yang telah diterapkan secara konsisten untuk pemeringkatan risiko atas portofolio aset keuangan. Sistem peringkat ini didukung oleh berbagai analisis keuangan, dikombinasikan dengan informasi pasar yang telah diolah guna pengukuran risiko pihak lawan. Semua peringkat risiko disesuaikan dengan berbagai kategori dan ditentukan sesuai dengan panduan peringkat Bank Indonesia.

**e. Evaluasi penurunan nilai**

**Pengukuran risiko kredit**

Estimasi eksposur kredit untuk tujuan manajemen risiko adalah kompleks dan mensyaratkan penggunaan model, karena eksposur yang bervariasi dengan perubahan kondisi pasar, arus kas ekspektasian dan berlalunya waktu. Penilaian risiko kredit dari portofolio aset memerlukan estimasi lebih lanjut mengenai kemungkinan terjadinya gagal bayar, rasio kerugian terkait dan korelasi gagal bayar antara pihak lawan. Bank mengukur risiko kredit menggunakan *Probability of Default* (PD), *Exposure at Default* (EAD) dan *Loss Given Default* (LGD). Hal ini sama dengan pendekatan yang digunakan untuk tujuan mengukur Kerugian Kredit Ekspektasian (ECL) berdasarkan PSAK 71.

**Pengukuran kerugian kredit ekspektasian**

PSAK 71 mengikhtisarkan model "tiga tahap" untuk penurunan nilai berdasarkan perubahan kualitas kredit sejak pengakuan awal seperti diikhtisarkan di bawah ini:

- Instrumen keuangan yang tidak mengalami penurunan nilai pada pengakuan awal diklasifikasikan ke dalam "Tahap 1" dan risiko kreditnya terus dipantau oleh Bank.
- Jika peningkatan signifikan dalam risiko kredit (SICR) sejak pengakuan awal diidentifikasi, instrumen keuangan dipindahkan ke "Tahap 2" tetapi belum diakui sebagai kredit yang mengalami penurunan nilai.
- Jika instrumen keuangan mengalami penurunan nilai, instrumen keuangan kemudian dipindahkan ke "Tahap 3".
- Instrumen keuangan pada Tahap 1 memiliki ECL yang diukur pada jumlah yang sama dengan bagian dari kerugian kredit ekspektasian sepanjang umurnya yang dihasilkan dari peristiwa gagal bayar yang mungkin terjadi dalam 12 bulan ke depan. Instrumen dalam Tahap 2 atau 3 ECL diukur berdasarkan pada kerugian kredit ekspektasian sepanjang umurnya.

**43. CREDIT RISK (continued)**

**d. Quality of financial assets**

The Bank has a policy that has been consistently applied for risk assessment of the financial asset portfolio. This rating system is supported by a variety of financial analyses, combined with market information that has been processed for the measurement of counterparty risk. All risk ratings are adjusted to the various categories and ranks as determined in accordance with the Bank Indonesia's rating guidance.

**e. Impairment assessment**

**Credit risk measurement**

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using *Probability of Default* (PD), *Exposure at Default* (EAD) and *Loss Given Default* (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under PSAK 71.

**Expected credit loss measurement**

PSAK 71 outlines a "three-stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3".
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

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**43. RISIKO KREDIT (lanjutan)**

**e. Evaluasi penurunan nilai (lanjutan)**

**Pengukuran kerugian kredit ekspektasian (lanjutan)**

PSAK 71 mengikhtisarkan model “tiga tahap” untuk penurunan nilai berdasarkan perubahan kualitas kredit sejak pengakuan awal seperti diikhtisarkan di bawah ini (lanjutan):

- Konsep pervasif dalam mengukur ECL sesuai dengan PSAK 71 adalah bahwa konsep tersebut harus mempertimbangkan informasi perkiraan masa depan.
- Aset keuangan yang dibeli atau yang berasal dari aset keuangan yang memburuk adalah aset keuangan yang mengalami penurunan nilai pada saat pengakuan awal. ECL selalu diukur sepanjang umurnya (Tahap 3).

**Peningkatan signifikan pada risiko kredit (SICR)**

Bank mempertimbangkan instrumen keuangan telah mengalami peningkatan risiko kredit yang signifikan ketika peminjam menunggak pembayaran kontraktualnya lebih dari 30 hari.

**Definisi gagal bayar dan aset yang mengalami penurunan nilai kredit**

Bank mendefinisikan instrumen keuangan sebagai gagal bayar, yang sepenuhnya sesuai dengan definisi kredit yang mengalami penurunan nilai, ketika memenuhi satu atau lebih kriteria berikut:

Kriteria kuantitatif

Peminjam yang tertunggak lebih dari 90 hari atas pembayaran kontraktualnya.

Kriteria kualitatif

Peminjam memenuhi kriteria tidak mampu membayar, yang menunjukkan peminjam dalam kesulitan keuangan yang signifikan, sebagaimana dijelaskan pada Catatan 2m.

Kriteria tersebut telah diterapkan pada semua instrumen keuangan yang dimiliki oleh Bank dan konsisten dengan definisi gagal bayar yang digunakan untuk tujuan manajemen risiko kredit internal. Definisi gagal bayar telah diterapkan secara konsisten untuk model *Probability of Default* (PD), *Exposure at Default* (EAD) dan *Loss Given Default* (LGD) sepanjang perhitungan kerugian ekspektasian Bank.

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

**Expected credit loss measurement (continued)**

PSAK 71 outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition as summarised below (continued):

- A pervasive concept in measuring ECL in accordance with PSAK 71 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

**Significant increase in credit risk (SICR)**

The Bank consider a financial instrument to have experienced significant increase in credit risk when the borrower is more than 30 days past due on its contractual payments.

**Definition of default and credit-impaired assets**

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty, as described in (Note 2m).

The criteria have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the *Probability of Default* (PD), *Exposure at Default* (EAD) and *Loss given Default* (LGD) throughout the Bank’s expected loss calculations.

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**43. RISIKO KREDIT (lanjutan)**

**e. Evaluasi penurunan nilai (lanjutan)**

**Definisi gagal bayar dan aset yang mengalami penurunan nilai kredit (lanjutan)**

Kriteria kualitatif (lanjutan)

Pertimbangan utama dalam melakukan evaluasi penurunan nilai kredit yang diberikan khususnya pembayaran pokok atau bunga yang jatuh tempo lebih dari 90 hari atau terdapat kesulitan atau pelanggaran dari persyaratan yang terdapat dalam kontrak awal. Bank melakukan evaluasi penurunan nilai dengan dua metode yaitu evaluasi penurunan nilai secara individual dan kolektif.

Bank menentukan penyisihan kerugian penurunan nilai secara individual untuk masing-masing kredit yang diberikan yang signifikan.

Hal-hal yang dipertimbangkan dalam menentukan jumlah penyisihan kerugian penurunan nilai antara lain kemampuan debitur untuk memperbaiki kinerja saat menghadapi kesulitan keuangan, proyeksi penerimaan dan ekspektasi pengeluaran saat terjadi kepailitan, ketersediaan dukungan keuangan lainnya, termasuk klaim terhadap pihak asuransi, nilai agunan yang dapat direalisasikan, dan ekspektasi waktu diperolehnya arus kas.

Penyisihan kerugian penurunan nilai dievaluasi setiap tanggal pelaporan. Sedangkan evaluasi penyisihan kerugian penurunan nilai secara kolektif dilakukan atas kredit yang diberikan yang tidak signifikan secara individual. Namun bila ada bukti obyektif penurunan nilai khususnya pembayaran pokok atau bunga menunggak lebih dari 90 hari, sistem akan menghitung penurunan nilai secara individual.

**Mengukur ECL - Penjelasan input, asumsi dan teknik estimasi**

Kerugian Kredit Ekspektasian (ECL) diukur pada basis 12 bulan atau sepanjang umurnya tergantung apakah peningkatan signifikan dalam risiko kredit telah terjadi sejak pengakuan awal atau apakah suatu aset dianggap telah mengalami penurunan nilai. Kerugian kredit ekspektasian adalah hasil diskonto dari PD, EAD, dan LGD, didefinisikan sebagai berikut:

- PD mewakili kemungkinan peminjam gagal bayar atas kewajiban keuangannya (sesuai "definisi default dan kredit yang mengalami penurunan nilai" di atas), baik selama 12 bulan ke depan, atau selama sisa umurnya (PD sepanjang umurnya) dari kewajiban.

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

**Definition of default and credit-impaired assets (continued)**

Qualitative criteria (continued)

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days or there are any known difficulties, or non-compliance of the original terms of the contract. The Bank evaluates impairment assessments using two methods: individual and collective impairment assessment.

The Bank determines the allowances for impairment losses for each significant loan on an individual basis.

Items considered when determining allowance for impairment losses include the sustainability of the debtors' business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected payout should bankruptcy occurs, the availability of other financial support, including claim for the insurance party, the realizability of collateral, and the timing of expected cash flows.

The allowance for impairment losses is evaluated at each reporting date. The allowance for impairment losses based on collective evaluation is made for the loans which are not individually significant. But if there is objective evidence of impairment or certain principal payment or interest are outstanding for more than 90 days, the system will calculate the individual impairment.

**Measuring ECL – Explanation of inputs, assumptions and estimation techniques**

The Expected Credit Loss (ECL) is measured on either a 12-month or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "definition of default and credit-impaired" above), either over the next 12 months, or over the remaining lifetime (lifetime PD) of the obligation.



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**e. Evaluasi penurunan nilai (lanjutan)**

**Mengukur ECL - Penjelasan input, asumsi dan teknik estimasi (lanjutan)**

- EAD didasarkan pada jumlah yang diharapkan dari Bank pada saat gagal bayar, selama 12 bulan ke depan atau selama sisa umurnya (*lifetime EAD*). Misalnya, untuk komitmen *revolving*, Bank memasukkan saldo yang ditarik saat ini ditambah jumlah yang diharapkan akan ditarik hingga batas kontrak pada saat gagal bayar, jika hal itu terjadi.
- (LGD) mewakili ekspektasi Bank tentang tingkat kerugian pada eksposur gagal bayar. LGD dinyatakan sebagai persentase kerugian per unit eksposur pada saat gagal bayar (EAD).

ECL ditentukan dengan memproyeksikan PD, LGD dan EAD untuk setiap bulan berikutnya dan untuk setiap eksposur individu atau segmen kolektif. Tiga komponen ini dikalikan bersama. Perhitungan efektif ECL ini dilakukan untuk setiap bulan berikutnya, yang kemudian didiskontokan kembali ke tanggal pelaporan dan dijumlahkan. Tingkat diskonto yang digunakan pada perhitungan ECL adalah suku bunga efektif awal atau perkiraannya.

PD sepanjang umurnya dikembangkan dengan menerapkan profil jatuh tempo ke PD 12 bulan saat ini. Profil jatuh tempo melihat bagaimana gagal bayar muncul pada portofolio dari titik pengakuan awal sepanjang masa umur pinjaman. Profil jatuh tempo didasarkan pada data historis yang diamati dan diasumsikan sama pada semua aset dalam portofolio dan peringkat kredit. Hal ini telah didukung oleh analisis historis.

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

**Measuring ECL – Explanation of inputs, assumptions and estimation techniques (continued)**

- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months or over the remaining lifetime (*lifetime EAD*). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12 months PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

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**e. Evaluasi penurunan nilai (lanjutan)**

**Mengukur ECL - Penjelasan input, asumsi dan teknik estimasi (lanjutan)**

EAD 12 bulan dan sepanjang umurnya ditentukan berdasarkan profil pembayaran yang diharapkan, yang bervariasi berdasarkan jenis produk.

- Untuk produk yang diamortisasi dan pinjaman dengan pembayaran di akhir, didasarkan pada pembayaran kontraktual yang terutang oleh peminjam selama 12 bulan atau sepanjang umurnya. Hal ini juga akan disesuaikan dengan pembayaran lebih yang diharapkan dari peminjam. Asumsi pembayaran/pembiayaan kembali lebih awal juga dimasukkan ke dalam perhitungan.
- Untuk produk *revolving*, eksposur pada gagal bayar diperkirakan dengan mengambil saldo saat ini yang telah ditarik dan menambahkan "faktor konversi kredit" yang diharapkan untuk ditarik dari batas yang tersisa pada saat gagal bayar. Asumsi-asumsi ini bervariasi berdasarkan jenis produk dan batasan pemanfaatan limit, berdasarkan analisis dari data standar terkini Bank.

LGD ditentukan berdasarkan faktor-faktor yang mempengaruhi pemulihan yang dibuat pasca gagal bayar. Hal ini bervariasi berdasarkan jenis produk. LGD ini dipengaruhi oleh strategi penagihan, termasuk penjualan dan harga utang kontraktual.

Perkiraan informasi ekonomi masa depan (*forward-looking*) juga termasuk dalam menentukan PD 12 bulan dan sepanjang umurnya, EAD dan LGD. Asumsi-asumsi ini bervariasi berdasarkan jenis produk.

Asumsi yang mendasari perhitungan ECL seperti bagaimana profil PD dan lain-lain dipantau dan ditelaah setiap tahun.

Tidak ada perubahan signifikan dalam teknik estimasi atau asumsi signifikan yang dibuat selama periode pelaporan.

**Informasi perkiraan masa depan yang tergabung dalam model ECL**

Penilaian SICR dan perhitungan ECL keduanya menggabungkan informasi berwawasan ke depan. Bank telah melakukan analisis historis dan mengidentifikasi variabel ekonomi utama yang berdampak pada risiko kredit dan kerugian kredit yang diperkirakan untuk masing-masing portofolio.

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

**Measuring ECL – Explanation of inputs, assumptions and estimation techniques (continued)**

The 12 month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Bank's recent default data.

The LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12 month and lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation- such as how the maturities profile of the PDs and others – are monitored and reviewed on a yearly basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

**Forward-looking information incorporated in the ECL models**

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

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**e. Evaluasi penurunan nilai (lanjutan)**

**Informasi perkiraan masa depan yang  
tergabung dalam model ECL (lanjutan)**

Variabel ekonomi ini dan dampaknya yang terkait pada PD, EAD dan LGD bervariasi menurut instrumen keuangan. Perkiraan variabel-variabel ekonomi ini (skenario ekonomi dasar) disediakan oleh Bank setiap tahun dan memberikan pandangan estimasi ekonomi terbaik selama 3 (tiga) tahun ke depan. Dampak dari variabel-variabel ekonomi ini pada PD, EAD dan LGD telah ditentukan dengan melakukan analisis regresi statistik untuk memahami dampak perubahan dalam variabel-variabel ini secara historis pada tingkat standar dan pada komponen-komponen LGD dan EAD.

Selain skenario ekonomi, Bank juga menyediakan skenario lain yang memungkinkan beserta bobot skenario. Jumlah skenario lain yang digunakan ditetapkan berdasarkan analisis setiap jenis produk utama untuk memastikan non-linearitas diketahui. Jumlah skenario dan atributnya dinilai kembali pada setiap tanggal pelaporan. Bobot skenario ditentukan oleh kombinasi analisis statistik dan analisa kredit, dengan mempertimbangkan kisaran hasil yang mungkin masing-masing skenario yang dipilih mewakili.

Penilaian SICR dilakukan dengan menggunakan PD sepanjang umurnya di masing-masing basis, dan skenario lainnya, dikalikan dengan pembobotan skenario terkait. Hal ini menentukan apakah seluruh instrumen keuangan berada dalam Tahap 1, Tahap 2, atau Tahap 3 dan karenanya apakah ECL 12 bulan atau sepanjang umurnya harus dicatat. Setelah penilaian ini, Bank mengukur ECL sebagai probabilitas tertimbang ECL 12 bulan (Tahap 1), atau probabilitas tertimbang ECL sepanjang umurnya (Tahap 2 dan 3). Probabilitas ECL terbobot ini ditentukan dengan menjalankan setiap skenario melalui model ECL yang relevan dan mengalikannya dengan pembobotan skenario yang sesuai.

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

**Forward-looking information incorporated in  
the ECL models (continued)**

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Forecasts of these economic variables (the base economic scenario) are provided by the Bank on a quarterly basis and provide the best estimate view of the economy over the next 3 (three) years. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Bank's Economics team also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Bank measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

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**e. Evaluasi penurunan nilai (lanjutan)**

**Asumsi variabel ekonomi**

Seperti halnya perkiraan ekonomi, proyeksi dan kemungkinan terjadinya tunduk pada tingkat ketidakpastian bawaan yang tinggi dan oleh karena itu hasil aktual memungkinkan berbeda secara signifikan dengan yang diproyeksikan. Bank menganggap ramalan ini untuk mewakili perkiraan terbaik dari hasil yang mungkin dan telah menganalisis non-linearitas dan asimetri dalam portofolio Bank yang berbeda untuk menetapkan bahwa skenario yang dipilih tepat mewakili berbagai skenario yang memungkinkan.

**Penyisihan kerugian**

Penyisihan kerugian yang diakui pada periode tersebut dipengaruhi oleh berbagai faktor, seperti dijelaskan di bawah ini:

- Transfer antara Tahap 1 dan Tahap 2 atau 3 karena instrumen keuangan mengalami peningkatan (atau penurunan) risiko kredit yang signifikan atau menjadi kredit yang mengalami penurunan nilai dalam periode tersebut, dan akibatnya "peningkatan" (atau "penurunan") antara 12 bulan dan ECL sepanjang umurnya;
- Penyisihan tambahan untuk instrumen keuangan baru yang diakui selama periode berjalan, serta penghentian pengakuan instrumen keuangan pada periode tersebut;
- Dampak pada pengukuran ECL karena perubahan PD, EAD dan LGD pada periode tersebut, yang timbul dari perubahan input secara rutin ke model;
- Dampak pada pengukuran ECL karena perubahan yang dilakukan pada model dan asumsi; dan
- Aset keuangan dihentikan pengakuannya selama periode berjalan dan penghapusan cadangan terkait dengan aset yang dihapusbukukan selama periode berjalan.

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

**Economic variable assumptions**

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Bank's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

**Loss allowance**

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments de-recognized in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Financial assets derecognized during the period and write-offs of allowances related to assets that were written off during the period.

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**43. RISIKO KREDIT (lanjutan)**

**e. Evaluasi penurunan nilai (lanjutan)**

**Kebijakan penghapusbukuan**

Bank menghapus aset keuangan, seluruhnya atau sebagian, ketika telah melakukan semua upaya pemulihan dan telah menyimpulkan bahwa tidak ada ekspektasi yang wajar atas pemulihan. Indikator bahwa tidak ada ekspektasi pemulihan yang masuk akal termasuk (i) menghentikan aktivitas proses hukum dan (ii) ketika metode pemulihan Bank adalah pengambilalihan agunan dan nilai agunan sedemikian rupa sehingga tidak ada ekspektasi yang wajar untuk pemulihan sepenuhnya.

Bank dapat menghapusbukuan aset keuangan yang masih mengacu pada *enforcement activity*. Jumlah saldo kontraktual dari aset yang dihapusbukukan selama tahun yang berakhir pada tanggal 31 Desember 2023 adalah Rp629.551. Bank masih berupaya untuk memulihkan jumlah yang secara legal terutang sepenuhnya.

**Modifikasi aset keuangan**

Bank dapat melakukan modifikasi persyaratan pinjaman yang diberikan kepada pelanggan karena negosiasi ulang, atau untuk pinjaman yang bermasalah, dengan maksud untuk memaksimalkan pemulihan.

Kegiatan restrukturisasi tersebut termasuk pengaturan perpanjangan jangka waktu pembayaran, fleksibilitas pembayaran dan keringanan pembayaran. Kebijakan dan praktik restrukturisasi didasarkan pada indikator atau kriteria yang, menurut penilaian manajemen, mengindikasikan bahwa pembayaran kemungkinan besar akan berlanjut. Kebijakan ini terus ditinjau terus menerus. Restrukturisasi paling sering diterapkan pada pinjaman berjangka.

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

**Write-off policy**

*The Bank writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.*

*The Bank may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended December 31, 2023 was Rp629,551. The Bank still seeks to recover amounts it is legally owed in full.*

**Modification of financial assets**

*The Bank sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.*

*Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.*

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**43. RISIKO KREDIT (lanjutan)**

**e. Evaluasi penurunan nilai (lanjutan)**

**Modifikasi aset keuangan (lanjutan)**

Risiko gagal bayar aset tersebut setelah modifikasi dinilai pada tanggal pelaporan dan dibandingkan dengan risiko berdasarkan ketentuan awal pada saat pengakuan awal, ketika modifikasi tersebut tidak substansial sehingga tidak mengakibatkan penghentian pengakuan aset awal. Bank memantau kinerja selanjutnya dari aset yang dimodifikasi. Bank dapat menentukan bahwa risiko kredit telah meningkat secara signifikan setelah restrukturisasi, sehingga aset dipindahkan dari Tahap 3 atau Tahap 2 (ECL sepanjang umurnya) ke Tahap 1 (ECL 12 bulan).

Bank terus memantau jika terdapat peningkatan risiko kredit berikutnya yang signifikan sehubungan dengan aset tersebut melalui penggunaan model spesifik untuk aset yang dimodifikasi.

**Pemetaan risiko kredit – Treasury**

Untuk instrumen utang dalam portofolio Treasury, peringkat kredit lembaga pemeringkat eksternal digunakan. Peringkat yang digunakan ini diamati dan diperbarui secara berkelanjutan. Tingkat PD terkait didasarkan pada tingkat gagal bayar yang terealisasi seperti yang diterbitkan oleh lembaga pemeringkat.

Metode pemeringkatan Bank terdiri dari 25 tingkat peringkat. Skala master memberikan masing-masing kategori peringkat kisaran probabilitas gagal bayar yang ditentukan, yang stabil dari waktu ke waktu. Metode penilaian tunduk pada validasi dan kalibrasi ulang tahunan sehingga mencerminkan proyeksi terbaru mengingat semua standar yang sebenarnya diamati.

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

**Modification of financial assets (continued)**

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL).

The Bank continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

**Credit risk grading – Treasury**

For debt securities in the Treasury portfolio, external rating agency credit grade are used. These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on realised default rates as published by the rating agency.

The Bank's rating method comprises 25 rating levels. The master scale assigns each rating category a specified range of probabilities of default, which is stable over time. The rating methods are subject to an annual validation and recalibration so that they reflect the latest projections in the light of all actually observed default.

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**43. RISIKO KREDIT (lanjutan)**

**e. Evaluasi penurunan nilai (lanjutan)**

Kredit yang diberikan dan pembiayaan syariah

Berikut ini adalah risiko kredit berdasarkan klasifikasi evaluasi penurunan nilai pada tanggal 31 Desember 2023 dan 2022:

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

Loans and sharia financing

Below are credit risks based on the allowance for impairment losses assessment classification as of December 31, 2023 and 2022:

	2023				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total	
Kredit multiguna	24.949.921	48.361	192.741	25.191.023	Multiguna loan
Kredit modal kerja	3.178.492	121.848	177.899	3.478.239	Working capital loan
Perdagangan besar dan eceran	2.729.943	148.116	437.951	3.316.010	Wholesale and retail
Kredit pegawai	2.005.146	2.612	15.745	2.023.503	Employee loans
Pertambangan, konstruksi, listrik dan transportasi	2.723.010	25.530	558.974	3.307.514	Mining, quarrying, electricity and transportation
Kredit kepemilikan rumah	1.496.088	125.008	231.420	1.852.516	Housing loan
Jasa kemasyarakatan, sosial budaya, hiburan dan perorangan lainnya	1.719.947	15.764	48.080	1.783.791	Public, social culture, entertainment and other individual services
Pertanian, perburuan dan kehutanan	1.510.630	42.059	203.509	1.756.198	Agriculture, hunting and forestry
Industri pengolahan	2.343.498	22.053	103.913	2.469.464	Processing industry
Kredit usaha rakyat	3.709.273	90.788	54.695	3.854.756	People's business credit
Perantara keuangan	1.631.661	10.586	32.259	1.674.506	Financial intermediaries
Linkage program	173.634	-	-	173.634	Linkage program
Penyediaan akomodasi dan penyediaan makan dan minum	185.464	5.604	48.670	239.738	Accommodation, food and beverages
Bukan usaha lainnya dan rumah tangga	1.231.176	9.719	63.579	1.304.474	Other business and households
Real estate, usaha persewaan dan jasa perusahaan	36.424	1.649	15.294	53.367	Real estate, business rental and services
Kredit Usaha Pembibitan Sapi	-	-	641	641	Cattle Breeding Business Loan
Jasa perorangan yang melayani rumah tangga	15.744	263	528	16.535	Individual service which serve households
Lain-lain	77.134	-	-	77.134	Others
	<b>49.717.185</b>	<b>669.960</b>	<b>2.185.898</b>	<b>52.573.043</b>	
Cadangan kerugian penurunan nilai	(367.710)	(74.072)	(869.731)	(1.311.513)	Allowance for impairment losses
<b>Konvensional - Neto</b>	<b>49.349.475</b>	<b>595.888</b>	<b>1.316.167</b>	<b>51.261.530</b>	<b>Conventional - Net</b>
Mengalami penurunan nilai/ Impaired				Jumlah/ Total	
Tidak mengalami penurunan nilai/ Not-impaired		Individu/ Individual	Kolektif/ Collective		
Syariah	1.986.968	200.892	-	2.187.860	Sharia
Cadangan kerugian penurunan nilai	(17.395)	(35.997)	-	(53.392)	Allowance for impairment losses
<b>Syariah - Neto</b>	<b>1.969.573</b>	<b>164.895</b>	<b>-</b>	<b>2.134.468</b>	<b>Sharia - Net</b>
<b>Jumlah, neto</b>	<b>51.319.048</b>	<b>760.783</b>	<b>1.316.167</b>	<b>53.395.998</b>	<b>Total, net</b>

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**43. RISIKO KREDIT (lanjutan)**

**e. Evaluasi penurunan nilai (lanjutan)**

Kredit yang diberikan dan pembiayaan syariah (lanjutan)

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

Loans and sharia financing (continued)

	2022				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total	
Kredit multiguna	23.578.636	37.542	181.718	23.797.896	Multiguna loan
Kredit modal kerja	2.400.068	104.398	293.573	2.798.039	Working capital loan
Restrukturisasi Covid	3.160.896	33.974	337.404	3.532.274	Covid Restructurisation
Perdagangan besar dan eceran	1.654.813	91.337	200.612	1.946.762	Wholesale and retail
Kredit pegawai	2.050.789	3.144	23.193	2.077.126	Employee loans
Pertambangan, konstruksi, listrik dan transportasi	1.220.386	11.991	119.168	1.351.545	Mining, quarrying, electricity and transportation
Kredit kepemilikan rumah	1.222.011	116.132	241.184	1.579.327	Housing loan
Jasa kemasyarakatan, sosial budaya, hiburan dan perorangan lainnya	747.574	8.375	25.022	780.971	Public, social culture, entertainment and other individual services
Pertanian, perburuan dan kehutanan	748.259	117.445	67.375	933.079	Agriculture, hunting and forestry
Industri pengolahan	1.614.145	20.003	51.057	1.685.205	Processing industry
Kredit usaha rakyat	2.393.551	29.099	12.857	2.435.507	People's business credit
Perantara keuangan	604.442	18.758	24.849	648.049	Financial intermediaries
Linkage program	216.994	-	-	216.994	Linkage program
Penyediaan akomodasi dan penyediaan makan dan minum	129.987	4.617	8.080	142.684	Accommodation, food and beverages
Bukan usaha lainnya dan rumah tangga	147.980	914	328	149.222	Other business and households
Real estate, usaha persewaan dan jasa perusahaan	18.096	635	10.566	29.297	Real estate, business rental and services
Kredit Usaha Pembibitan Sapi	-	-	2.142	2.142	Cattle Breeding Business Loan
Jasa perorangan yang melayani rumah tangga	8.773	294	499	9.566	Individual service which serve households
Kredit Ketahanan Pangan dan Energi	-	-	317	317	Energy and Food Stability Loan
Kegiatan yang belum jelas batasannya	2.989	-	-	2.989	Limit activities that are not yet clear
Lain-lain	174.194	-	-	174.194	Others
	<b>42.094.583</b>	<b>598.658</b>	<b>1.599.944</b>	<b>44.293.185</b>	
Cadangan kerugian penurunan nilai	(263.059)	(61.303)	(911.041)	(1.235.403)	Allowance for impairment losses
<b>Konvensional - Neto</b>	<b>41.831.524</b>	<b>537.355</b>	<b>688.903</b>	<b>43.057.782</b>	<b>Conventional - Net</b>
	Mengalami penurunan nilai/ Impaired			Jumlah/ Total	
	Tidak mengalami penurunan nilai/ Not-impaired	Individu/ Individual	Kolektif/ Collective		
Syariah	1.986.967	200.892	-	2.187.859	Sharia
Cadangan kerugian penurunan nilai	(17.395)	(35.997)	-	(53.392)	Allowance for impairment losses
<b>Syariah - Neto</b>	<b>1.969.572</b>	<b>164.895</b>	<b>-</b>	<b>2.134.467</b>	<b>Sharia - Net</b>
<b>Jumlah, neto</b>	<b>43.801.096</b>	<b>702.250</b>	<b>688.903</b>	<b>45.192.249</b>	<b>Total, net</b>



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**43. RISIKO KREDIT (lanjutan)**

**e. Evaluasi penurunan nilai (lanjutan)**

**Pemetaan risiko kredit – Treasury (lanjutan)**

Kredit yang diberikan dan pembiayaan syariah (lanjutan)

Mutasi penyisihan kerugian penurunan nilai berdasarkan jenis kredit yang diberikan dan pembiayaan syariah:

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

**Credit risk grading – Treasury (continued)**

Loans and sharia financing (continued)

Movement of allowance for impairment losses by type of loans and sharia financing:

	2023				
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumption	Jumlah/ Total	
Saldo awal tahun	793.315	199.485	325.812	1.318.612	Balance at beginning of year
Penyisihan tahun berjalan	349.480	144.856	181.587	675.923	Provision during the year
Penghapusan tahun berjalan	(482.918)	(4.969)	(141.743)	(629.630)	Written-off during the year
Saldo 31 Desember 2023	<u>659.877</u>	<u>339.372</u>	<u>365.656</u>	<u>1.364.905</u>	Balance at December 31, 2023
Penyisihan kerugian atas kredit yang mengalami penurunan nilai secara individual	411.873	90.939	230.012	732.824	Individual impairment
Penyisihan kerugian penurunan nilai secara kolektif atas kredit yang tidak mengalami penurunan nilai	248.004	248.433	135.644	632.081	Collective impairment for non impaired loans
Saldo 31 Desember 2023	<u>659.877</u>	<u>339.372</u>	<u>365.656</u>	<u>1.364.905</u>	Balance at December 31, 2023
	2022				
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumption	Jumlah/ Total	
Saldo awal tahun	1.192.221	257.879	381.317	1.831.417	Balance at beginning of year
Penyisihan tahun berjalan	267.676	52.363	67.715	387.754	Provision during the year
Penghapusan tahun berjalan	(666.582)	(110.757)	(123.220)	(900.559)	Written-off during the year
Saldo 31 Desember 2022	<u>793.315</u>	<u>199.485</u>	<u>325.812</u>	<u>1.318.612</u>	Balance at December 31, 2022
Penyisihan kerugian atas kredit yang mengalami penurunan nilai secara individual	570.537	92.889	203.467	866.893	Individual impairment
Penyisihan kerugian penurunan nilai secara kolektif atas kredit yang tidak mengalami penurunan nilai	222.778	106.596	122.345	451.719	Collective impairment for non impaired loans
Saldo 31 Desember 2022	<u>793.315</u>	<u>199.485</u>	<u>325.812</u>	<u>1.318.612</u>	Balance at December 31, 2022

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**43. RISIKO KREDIT (lanjutan)**

**e. Evaluasi penurunan nilai (lanjutan)**

Kredit yang diberikan dan pembiayaan syariah (lanjutan)

Tabel di bawah menunjukkan kualitas kredit per jenis instrumen keuangan yang belum jatuh tempo dan tidak mengalami penurunan nilai (di luar cadangan kerugian penurunan nilai):

	2023				
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>Neither st due nor impaired</i>	Tingkat standar/ <i>Standard grade</i>	Jatuh tempo tetapi tidak mengalami penurunan nilai/ <i>Past-due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>
	Tingkat tinggi/ <i>High grade</i>				
<b>Biaya perolehan diamortisasi</b>					
Surat Utang Negara	5.440.446	-	-	-	5.440.446
Reksadana	90.000	-	-	-	90.000
Obligasi	2.089.300	-	-	-	2.089.300
Sukuk Bank Indonesia	450.000	-	-	-	450.000
<i>Negotiable Certificate of Deposit</i>	28.500	-	-	-	28.500
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	450.000	-	-	-	450.000
Surat kredit berdokumen dalam negeri	12.913	-	-	-	12.913
Wesel	112	-	-	-	112
	<b>8.561.271</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.561.271</b>
<b>Nilai wajar melalui pendapatan komprehensif lain</b>					
Surat Utang Negara	7.762.560	-	-	-	7.762.560
<b>Biaya perolehan diamortisasi</b>					
Giro pada Bank Indonesia	7.971.412	-	-	-	7.971.412
Giro pada Bank lain	491.330	-	-	-	491.330
Penempatan pada Bank Indonesia dan bank lain	5.234.721	-	-	-	5.234.721
Tagihan reverse repo	6.247.318	-	-	-	6.247.318
Tagihan lainnya	223.138	-	-	-	223.138
Kredit yang diberikan dan pembiayaan syariah					
Modal kerja	-	14.870.654	-	679.697	15.550.351
Investasi	-	7.846.461	-	155.818	8.002.279
Konsumsi	-	30.679.965	-	528.308	31.208.273
Pendapatan bunga yang masih akan diterima	-	685.734	-	-	685.734
<b>Jumlah</b>	<b>36.491.750</b>	<b>54.082.814</b>	<b>-</b>	<b>1.363.823</b>	<b>91.938.387</b>
Cadangan kerugian penurunan nilai	-	(697.350)	-	(674.168)	(1.371.518)
<b>Neto</b>	<b>36.491.750</b>	<b>53.385.464</b>	<b>-</b>	<b>689.655</b>	<b>90.566.869</b>

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

Loans and sharia financing (continued)

The table below shows credit quality per class of financial assets (gross of allowance for impairment losses):

<b>Amortized cost</b>
Government's bonds
Mutual Funds
Bonds
Sukuk of Bank Indonesia
Negotiable Certificate of Deposit
Interbank Mudharabah
Investment Certificate
Domestic L/C
Bill
<b>Fair value through other comprehensive income</b>
Government's bonds
<b>Amortized cost</b>
Currents account with Bank Indonesia
Currents account with other bank
Placement with Bank Indonesia and other bank
Reverse repo receivables
Other receivables
Loans and sharia financing
Working capital
Investment
Consumption
Interest receivables
<b>Total</b>
Allowances for impairment losses
<b>Net</b>

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**43. RISIKO KREDIT (lanjutan)**

**e. Evaluasi penurunan nilai (lanjutan)**

Kredit yang diberikan dan pembiayaan syariah (lanjutan)

	2022				
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>Neither st due nor impaired</i>	Jatuh tempo tetapi tidak mengalami penurunan nilai/ <i>Past-due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>	
	Tingkat tinggi/ <i>High grade</i>	Tingkat standar/ <i>Standard grade</i>			
<b>Biaya perolehan diamortisasi</b>					<b>Amortized cost</b>
Surat Utang Negara	12.025.332	-	-	12.025.332	Government's bonds
Reksadana	90.000	-	-	90.000	Mutual Funds
Obligasi	1.851.074	-	-	1.851.074	Bonds
Sukuk Bank Indonesia	400.000	-	-	400.000	Sukuk of Bank Indonesia
Negotiable Certificate of Deposit	47.237	-	-	47.237	Negotiable Certificate of Deposit
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	325.000	-	-	325.000	Interbank Mudharabah Investment Certificate
Wesel	2.418	-	-	2.418	Bill
	<b>14.741.062</b>	<b>-</b>	<b>-</b>	<b>14.741.062</b>	
<b>Nilai wajar melalui pendapatan komprehensif lain</b>					<b>Fair value through other comprehensive income</b>
Surat Utang Negara	8.476.609	-	-	8.476.609	Government's bonds
<b>Biaya perolehan diamortisasi</b>					<b>Amortized cost</b>
Giro pada Bank Indonesia	10.786.740	-	-	10.786.740	Currents account with Bank Indonesia
Giro pada Bank lain	303.129	-	-	303.129	Currents account with other bank
Penempatan pada Bank Indonesia dan bank lain	6.916.329	-	-	6.916.329	Placement with Bank Indonesia and other bank
Tagihan spot derivatif	361	-	-	361	Spot and derivative receivables
Tagihan reverse repo	7.822.847	-	-	7.822.847	Reverse repo receivables
Tagihan lainnya	286.147	-	-	286.147	Other receivables
<b>Kredit yang diberikan dan pembiayaan syariah</b>					<b>Loans and sharia financing</b>
Modal kerja	-	10.259.372	-	10.259.372	Working capital
Investasi	-	6.448.282	-	6.448.282	Investment
Konsumsi	-	28.179.834	-	28.179.834	Consumption
Pendapatan bunga yang masih akan diterima	-	646.125	-	646.125	Interest receivables
<b>Jumlah</b>	<b>49.333.224</b>	<b>45.533.613</b>	<b>-</b>	<b>94.866.837</b>	<b>Total</b>
Cadangan kerugian penurunan nilai	-	(499.126)	-	(499.126)	Allowances for impairment losses
<b>Neto</b>	<b>49.333.224</b>	<b>45.034.487</b>	<b>-</b>	<b>94.363.711</b>	<b>Net</b>

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

Loans and sharia financing (continued)

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**43. RISIKO KREDIT (lanjutan)**

**e. Evaluasi penurunan nilai (lanjutan)**

**Pemetaan risiko kredit – Treasury (lanjutan)**

Kualitas kredit didefinisikan sebagai berikut:

Tingkat tinggi

- i. Giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain yaitu giro atau penempatan pada institusi Pemerintah, transaksi dengan bank yang memiliki reputasi baik dengan tingkat kemungkinan gagal bayar atas kewajiban yang rendah.
- ii. Kredit yang diberikan dan pembiayaan syariah, bunga yang masih akan diterima, dan tagihan kepada pihak ketiga yaitu debitur dengan riwayat pembayaran yang sangat baik dan tidak pernah menunggak sepanjang jangka waktu kredit, debitur dengan stabilitas dan keragaman yang tinggi; memiliki akses setiap saat untuk memperoleh pendanaan dalam jumlah besar dari pasar terbuka; memiliki kemampuan membayar yang kuat dan rasio-rasio posisi keuangan yang konservatif.
- iii. Efek-efek dan obligasi Pemerintah yaitu surat berharga yang dikeluarkan oleh Pemerintah, efek-efek dan obligasi yang termasuk dalam *investment grade* dengan rating minimal BBB- (Pefindo) atau Baaa3 (Moody's).

Tingkat standar

- i. Giro dan penempatan pada bank lain yaitu giro atau penempatan pada bank lokal yang tidak terdaftar di bursa.
- ii. Kredit yang diberikan dan pembiayaan syariah, bunga yang masih akan diterima, dan tagihan kepada pihak ketiga yaitu debitur dengan riwayat pembayaran yang baik dan tidak pernah menunggak 90 hari atau lebih; akses terbatas ke pasar modal atau ke pasar keuangan lainnya; tingkat pendapatan dan kinerja keseluruhan tidak stabil; memiliki kemampuan membayar yang cukup.
- iii. Efek-efek dan obligasi Pemerintah yaitu efek-efek dan obligasi dengan rating antara idBB+ sampai dengan idB (Pefindo) atau Ba1 sampai dengan B2 (Moody's).

**43. CREDIT RISK (continued)**

**e. Impairment assessment (continued)**

**Credit risk grading – Treasury (continued)**

The credit quality are defined as follows:

High grade

- i. Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements with the governmental institutions, transacted with reputable banks with low probability of insolvency.
- ii. Loans and sharia financing, interest receivables and third party receivables are borrowers with very satisfactory track record of loan repayment and whose accounts did not turn past due during the term of the loan; borrowers with high degree of stability and diversity; has access to raise substantial amounts of funds through public market at any time; very strong debt service capacity and has conservative financial position ratios.
- iii. Securities and Government bonds are Sovereign securities; investment grade securities and bonds with a rating of at least BBB- (Pefindo) or Baaa3 (Moody's).

Standard grade

- i. Current accounts and placements with other banks are current accounts or placements with the local banks not listed in the stock exchange.
- ii. Loans and sharia financing, interest receivable and third party receivables who are borrowers with an average track record of loan repayment and whose accounts did not turn past due for 90 days and over, small corporations with limited access to public capital markets or to alternative financial market; volatility of earnings and overall performance; debt service capacity is adequate.
- iii. Securities and Government bonds are securities and bonds with a rating between idBB+ to idB (Pefindo) or Ba1 to B2 (Moody's).

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**44. RISIKO PASAR**

Risiko pasar adalah risiko yang terjadi pada posisi laporan posisi keuangan dan rekening administratif, karena adanya perubahan variabel pasar. Variabel pasar seperti tingkat bunga dan nilai tukar. Risiko pasar hampir melekat pada seluruh kegiatan operasional Bank, baik pada *banking book* maupun *trading book*.

Pengelolaan risiko pasar dilakukan sesuai dengan kebijakan dan prosedur Bank yang berkaitan dengan produk dan jasa serta aktivitas treasury dan risiko yang melekat pada bisnis.

Risiko suku bunga timbul akibat perubahan harga instrumen keuangan dari posisi *trading book* atau akibat perubahan nilai ekonomis posisi *banking book*, karena perubahan suku bunga.

Dalam mengelola risiko suku bunga dilakukan pada eksposur *banking book*, dengan memperhatikan posisi gap aset dan liabilitas Bank yang sensitif terhadap pergerakan suku bunga yang mempengaruhi stabilitas tingkat profitabilitas Bank.

Tabel di bawah ini merupakan rata-rata tingkat suku bunga kontraktual per tahun untuk aset dan liabilitas keuangan yang signifikan pada tanggal 31 Desember 2023 dan 2022:

	2023	
	Rupiah %	Dolar Amerika Serikat/ United States Dollar %
<b>Aset</b>		
Giro pada Bank Indonesia	0,00%	0,00%
Giro pada bank lain	0,10%	0,89%
Penempatan pada Bank Indonesia dan bank lain	6,06%	5,70%
Surat-surat berharga	5,63%	0,00%
Surat berharga yang dijual dengan janji dibeli kembali	6,46%	0,00%
Surat berharga yang dibeli dengan janji dijual kembali	6,32%	0,00%
Kredit yang diberikan dan pembiayaan syariah	10.50%-12.75%	0,00%
<b>Liabilitas</b>		
Simpanan dari nasabah	0.00% - 3.51%	0.00% - 1.65%
Simpanan dari bank lain	0.00% - 3.43%	-

**44. MARKET RISK**

Market risk is the risks on the statement of financial position and administrative accounts due to changes in market variables. Market variables consist of interest rates and exchange rates. Market risk is an inherent risk in most of the Bank's operational activities involving the banking books and the trading books.

Management of market risk is performed in accordance with the Bank's policies and procedures related with the products and services and also treasury activities and the inherent risk of the business.

Interest rate risk is risk as the effect of changes in the financial instrument prices from the trading book position or the effect of changes of the economic value position of the banking book because of the change in the interest rate.

Management of interest rate risk is performed on the banking book exposure by considering the gap position of the Bank's assets and liabilities, which are sensitive to interest rate movements, which influence the stability of the Bank's profitability level.

The tables below summarize the average of contractual interest rates per annum for significant financial assets and liabilities as of December 31, 2023 and 2022:

<b>Assets</b>
Current accounts with Bank Indonesia
Current accounts with other banks
Placements with Bank Indonesia and other banks
Marketable securities
Marketable securities sold under repurchased agreement
Marketable securities purchased under resale agreement
Loans and sharia financing
<b>Liabilities</b>
Deposits from customers
Deposits from other banks

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**44. RISIKO PASAR (lanjutan)**

**44. MARKET RISK (continued)**

	2022		
	Rupiah %	Dolar Amerika Serikat/ United States Dollar %	
<b>Aset</b>			<b>Assets</b>
Giro pada Bank Indonesia	0,00%	0,00%	Current accounts with Bank Indonesia
Giro pada bank lain	0,02%	0,04%	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	1,33%	0,47%	Placements with Bank Indonesia and other banks
Surat-surat berharga	7,99%	0,00%	Marketable securities
Surat berharga yang dijual dengan janji dibeli kembali	5,38%	0,00%	Marketable securities sold under repurchased agreement
Surat berharga yang dibeli dengan janji dijual kembali	5,80%	0,00%	Marketable securities purchased under resale agreement
Kredit yang diberikan dan pembiayaan syariah	10.50%-12.75%	0,00%	Loans and sharia financing
<b>Liabilitas</b>			<b>Liabilities</b>
Simpanan dari nasabah	0.00% - 2.74%	0.00% - 0.16%	Deposits from customers
Simpanan dari bank lain	0.00% - 2.27%	-	Deposits from other banks

Tabel berikut mengikhtisarkan eksposur Bank terhadap risiko tingkat suku bunga (*gross*) yang mungkin berdampak kepada arus kas di masa depan pada tanggal 31 Desember 2023 dan 2022:

The table below summarizes the Bank's exposure to interest rate risk (*gross*) which may affect the future cash flows as of December 31, 2023 and 2022:

2023							
Suku bunga mengambang/ Floating interest rate							
Tidak lebih dari 3 bulan/ Not more than 3 months	3 bulan tetapi tidak lebih dari 1 tahun/ 3 months but less than 1 year	1 tahun dan lebih/ 1 year and up	Suku bunga tetap/ Fixed interest rate	Tidak dikenakan bunga/ Non-interest bearing	Total/ Total		
						Financial assets	
Aset keuangan						Cash	
Kas	2.652.775	-	-	-	2.652.775	Current accounts with Bank Indonesia	
Giro pada Bank Indonesia	7.971.412	-	-	-	7.971.412	Current accounts with other banks	
Giro pada bank lain	490.253	-	-	-	490.253	Placements with Bank Indonesia and other banks	
Penempatan pada Bank Indonesia dan bank lain	5.229.695	-	-	-	5.229.695	Marketable securities	
Surat-surat berharga						Amortized cost	
Biaya perolehan diamortisasi	2.334.459	1.481.901	4.744.401	-	8.560.761	Fair value through other comprehensive income	
Nilai wajar melalui pendapatan komprehensif lain	7.762.560	-	-	-	7.762.560	Marketable securities sold under repurchased agreement	
Surat berharga dijual dengan janji dibeli kembali	6.948.304	-	-	-	6.948.304	Marketable securities purchased under resale agreement	
Surat berharga dibeli dengan janji dijual kembali	6.247.318	-	-	-	6.247.318	Other receivable	
Tagihan lainnya	223.138	-	-	-	223.138	Loans and sharia financing	
Kredit yang diberikan dan pembiayaan syariah						Working capital	
Modal kerja	-	-	-	15.550.351	-	15.550.351	Investment
Investasi	-	-	-	8.002.279	-	8.002.279	Consumption
Konsumsi	-	-	-	31.208.273	-	31.208.273	Interest receivable
Pendapatan bunga yang masih akan diterima	287.221	14.280	384.233	-	-	685.734	Total financial assets
Jumlah aset keuangan	40.147.135	1.496.181	5.128.634	54.760.903	-	101.532.853	Financial liabilities
						Obligations due immediately	
Liabilitas keuangan						Deposits from customers	
Liabilitas segera	987.604	-	-	-	-	987.604	Current accounts
Simpanan dari nasabah							Savings accounts
Giro	20.926.363	-	-	-	-	20.926.363	Time deposits
Tabungan	28.815.896	-	-	-	-	28.815.896	Deposits from other banks
Deposito berjangka	-	-	-	28.454.651	-	28.454.651	Borrowings
Simpanan dari bank lain	2.570.985	8.260	500	-	-	2.579.745	Accrued expenses
Pinjaman yang diterima	-	530.156	-	-	66.821	596.977	Other liabilities
Beban yang masih harus dibayar	504.748	-	-	-	-	504.748	Total financial liabilities
Liabilitas lain-lain	779.314	-	-	-	-	779.314	Net interest repricing gap
Jumlah liabilitas keuangan	54.584.910	538.416	500	28.454.651	66.821	83.645.298	
Gap repricing suku bunga, neto	(14.437.775)	957.765	5.128.134	26.306.252	(66.821)	17.887.555	

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**44. RISIKO PASAR (lanjutan)**

Tabel berikut mengikhtisarkan eksposur Bank terhadap risiko tingkat suku bunga (*gross*) yang mungkin berdampak kepada arus kas di masa depan pada tanggal 31 Desember 2023 dan 2022 (lanjutan):

**44. MARKET RISK (continued)**

The table below summarizes the Bank's exposure to interest rate risk (*gross*) which may affect the future cash flows as of December 31, 2023 and 2022 (continued):

2022						
Suku bunga mengambang/ Floating interest rate						
	Tidak lebih dari 3 bulan/ Not more than 3 months	3 bulan tetapi tidak lebih dari 1 tahun/ 3 months but less than 1 year	1 tahun dan lebih/ 1 year and up	Suku bunga tetap/ Fixed interest rate	Tidak dikenakan bunga/ Non-interest bearing	Total/ Total
<b>Aset keuangan</b>						
Kas	1.988.262	-	-	-	-	1.988.262
Giro pada Bank Indonesia	10.786.740	-	-	-	-	10.786.740
Giro pada bank lain	302.688	-	-	-	-	302.688
Penempatan pada Bank Indonesia dan bank lain	6.913.175	-	-	-	-	6.913.175
Surat-surat berharga						
Biaya perolehan diamortisasi	1.578.463	4.995.096	8.167.102	-	-	14.740.661
Nilai wajar melalui pendapatan komprehensif lain	-	-	8.476.609	-	-	8.476.609
Surat berharga dijual dengan janji dibeli kembali	4.095.066	-	-	-	-	4.095.066
Surat berharga dibeli dengan janji dijual kembali	7.822.847	-	-	-	-	7.822.847
Tagihan lainnya	286.147	-	-	-	-	286.147
Kredit yang diberikan dan pembiayaan syariah						
Modal kerja	-	-	-	10.968.010	-	10.968.010
Investasi	-	-	-	6.570.658	-	6.570.658
Konsumsi	-	-	-	28.657.989	-	28.657.989
Pendapatan bunga yang masih akan diterima	74.213	14.396	557.516	-	-	646.125
Jumlah aset keuangan	33.847.601	5.009.492	17.201.227	46.196.657	-	102.254.977
<b>Liabilitas keuangan</b>						
Liabilitas segera	872.514	-	-	-	-	872.514
Simpanan dari nasabah						
Giro	23.634.773	-	-	-	-	23.634.773
Tabungan	26.343.817	-	-	-	-	26.343.817
Deposito berjangka	-	-	-	31.788.793	-	31.788.793
Simpanan dari bank lain	3.334.563	4.560	-	-	-	3.339.123
Pinjaman yang diterima	-	481.532	-	-	71.867	553.399
Beban yang masih harus dibayar	520.840	-	-	-	-	520.840
Liabilitas lain-lain	550.119	-	-	-	-	550.119
Jumlah liabilitas keuangan	55.256.626	486.092	-	31.788.793	71.867	87.603.378
Gap repricing suku bunga, neto	(21.409.025)	4.523.400	17.201.227	14.407.864	(71.867)	14.651.599

Tabel berikut menunjukkan sensitivitas terhadap kemungkinan perubahan satu poin presentase suku bunga yang wajar, dengan semua variabel lainnya tetap konstan, dalam laporan laba rugi dan penghasilan komprehensif lain Bank. Sensitivitas laporan laba rugi komprehensif adalah dampak dari perubahan asumsi suku bunga pada laporan laba rugi dan penghasilan komprehensif lain pada periode tersebut. Sensitivitas total laba atau rugi didasarkan pada asumsi bahwa ada pergeseran paralel pada kurva hasil.

The following table demonstrates the sensitivity to a reasonable possible change one percentage point in interest rates, with all other variables held constant, of the Bank's statements of profit or loss and other comprehensive income. The sensitivity of the statement of profit or loss and other comprehensive income is the effect of the assumed changes in interest rates on the statement of comprehensive income for the period. The total sensitivity of profit or loss is based on the assumption that there are parallel shifts in the yield curve.

	2023		
	Kenaikan/ Increase	Penurunan/ Decrease	
Pengaruh terhadap laporan laba rugi dan penghasilan komprehensif lain	62.414	(62.414)	Impact to statement of profit or loss and other comprehensive income

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**44. RISIKO PASAR (lanjutan)**

Bank memiliki eksposur terhadap risiko tingkat suku bunga dalam mata uang Dolar Singapura, Dolar Amerika Serikat, Euro dan lainnya.

Risiko nilai tukar adalah risiko nilai instrumen keuangan yang akan berfluktuasi karena adanya perubahan dalam nilai tukar valuta asing.

Risiko mata uang adalah kemungkinan kerugian pendapatan yang timbul dari perubahan kurs valuta asing. Bank mengelola *exposure* terhadap pengaruh fluktuasi nilai tukar mata uang asing dengan mempertahankan risiko mata uang asing dalam pedoman peraturan yang ada (yakni menjaga Posisi Devisa Neto sesuai dengan peraturan Bank Indonesia).

Pada tanggal 31 Desember 2023 dan 2022, pengaruh nilai tukar mata uang asing tidak signifikan terhadap Bank.

**45. RISIKO LIKUIDITAS**

Risiko likuiditas adalah risiko akibat ketidakmampuan Bank untuk memenuhi liabilitas yang jatuh tempo dari sumber pendanaan arus kas dan/atau dari aset likuid berkualitas tinggi yang dapat diagunkan tanpa mengganggu aktivitas dan kondisi keuangan Bank.

Bank melakukan pengukuran risiko likuiditas menggunakan *Liquidity Risk Model* dengan metodologi *maturity profile gap*. Pengelolaan kondisi likuiditas harian dilakukan oleh Unit Treasury dan perubahan eksternal serta makro ekonomi yang terjadi dengan segera diinformasikan dan diambil strategi serta kebijakan internal antara lain melalui mekanisme *Asset and Liabilities Committee* (ALCO).

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**44. MARKET RISK (continued)**

*The Bank has other exposure to interest rate risks in Singapore Dollar, United States Dollar, Euro and others.*

*Foreign exchange risk is the risk on the financial instruments value, which will fluctuate due to exchange rate volatility.*

*Foreign currency risk is the probability of loss of earnings arising from changes in foreign exchange rates. The Bank manages exposure to effects of fluctuations in foreign currency exposure within the existing regulatory guidelines (i.e. maintaining the Net Open Position based on Bank Indonesia regulations).*

*As of December 31, 2023 and 2022, the effect of foreign exchange rates fluctuations is insignificant to the Bank.*

**45. LIQUIDITY RISK**

*Liquidity risk is the risk which is caused by the Bank's inability to fulfil its obligations when they become due from cash flow financing sources and/or high quality liquid assets that can be pledged without affecting the Bank's activities and financial condition.*

*The Bank measures liquidity risk using the Liquidity Risk Model based on maturity profile gap methodology. Daily liquidity condition management is performed by the Treasury Unit and external and macro economic changes are immediately informed, and strategy and internal policies are undertaken, among others, through the Asset and Liabilities Committee (ALCO) mechanism.*



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**45. RISIKO LIKUIDITAS (lanjutan)**

Rasio dari aset likuid neto terhadap simpanan nasabah adalah sebagai berikut:

	2023
Kas dan setara kas	16.350.238
Surat berharga yang dijual dengan janji dibeli kembali	8.303.663
Tagihan reverse repo	6.247.318
Simpanan dari bank lain	(2.540.889)
<b>Jumlah</b>	<b>28.360.330</b>
Simpanan dari nasabah	78.196.910
Rasio aset likuid neto terhadap simpanan dari nasabah	36,27%

Tabel jatuh tempo berikut menyajikan informasi mengenai perkiraan sisa jatuh tempo dari aset dan liabilitas keuangan (pokok saja) pada tanggal 31 Desember 2023 dan 2022:

	2023					
	Nilai tercatat/ Carrying value	Kurang dari 1 bulan/ Less than 1 month	1- 3 bulan/ months	3 - 6 bulan/ months	6 - 12 bulan/ months	Lebih dari 12 bulan/ More than 12 months
<b>Aset keuangan</b>						
Kas	2.652.775	2.652.775	-	-	-	-
Giro pada Bank Indonesia	7.971.412	7.073.597	-	-	-	897.815
Giro pada bank lain	490.253	490.253	-	-	-	-
Penempatan pada Bank Indonesia dan bank lain	5.229.695	5.228.200	1.495	-	-	-
Surat-surat berharga						
Biaya perolehan diamortisasi	8.560.761	830.243	1.504.216	783.350	698.551	4.744.401
Nilai wajar melalui pendapatan komprehensif lain	7.762.560	7.732.011	30.549	-	-	-
Surat berharga dijual dengan janji dibeli kembali	6.948.304	6.948.304	-	-	-	-
Surat berharga dibeli dengan janji dijual kembali	6.247.318	6.197.612	49.706	-	-	-
Tagihan lainnya	223.138	223.138	-	-	-	-
Kredit yang diberikan pembiayaan syariah						
Modal kerja	14.890.474	271.543	832.593	2.530.760	2.766.875	8.488.703
Investasi	7.662.909	30.414	7.589	15.135	225.659	7.384.112
Konsumsi	30.842.615	17.031	144.205	119.894	513.914	30.047.571
Pendapatan bunga yang masih akan diterima	685.734	251.395	35.826	8.246	6.034	384.233
<b>Jumlah</b>	<b>100.167.948</b>	<b>37.946.516</b>	<b>2.606.179</b>	<b>3.457.385</b>	<b>4.211.033</b>	<b>51.946.835</b>
<b>Liabilitas keuangan</b>						
Liabilitas segera	987.605	987.605	-	-	-	-
Simpanan dari nasabah	78.196.910	22.457.975	5.462.113	2.436.735	7.344.737	40.495.350
Simpanan dari bank lain	2.579.744	2.541.704	29.280	60	8.200	500
Pinjaman yang diterima	596.978	189.984	-	-	-	406.994
Beban yang masih harus dibayar	504.748	504.748	-	-	-	-
Liabilitas lain-lain	779.314	779.314	-	-	-	-
<b>Jumlah</b>	<b>83.645.299</b>	<b>27.461.330</b>	<b>5.491.393</b>	<b>2.436.795</b>	<b>7.352.937</b>	<b>40.902.844</b>
<b>Perbedaan jatuh tempo</b>	<b>16.522.649</b>	<b>10.485.186</b>	<b>(2.885.214)</b>	<b>1.020.590</b>	<b>(3.141.904)</b>	<b>11.043.991</b>

**45. LIQUIDITY RISK (continued)**

The ratio of net liquid assets to deposits from customers are as follows:

	2023	2022
Cash and cash equivalent	16.350.238	19.994.460
Marketable securities sold under purchased agreement	8.303.663	4.095.066
Reverse repo receivables	6.247.318	7.822.847
Deposits from other banks	(2.540.889)	(3.282.553)
<b>Total</b>	<b>28.360.330</b>	<b>28.629.820</b>
Deposits from customers	78.196.910	81.767.383
Ratio of net liquid assets to deposit from customers	36,27%	35,01%

The following maturity tables provide information about the expected maturities within which financial assets and liabilities (principal only) as of December 31, 2023 and 2022:

<b>Financial assets</b>
Cash
Current accounts with Bank Indonesia
Current accounts with other banks
Placements with Bank Indonesia and other banks
Marketable securities
Amortized cost
Fair value through other comprehensive income
Marketable securities sold under repurchased agreement
Marketable securities purchased under resale agreement
Other receivable
Loans and sharia financing
Working capital
Investment
Consumption
Interest receivable
<b>Total</b>
<b>Financial liabilities</b>
Obligations due immediately
Deposits from customers
Deposits from other banks
Borrowings
Accrued expenses
Other liabilities
<b>Total</b>
<b>Maturity gap</b>

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**45. RISIKO LIKUIDITAS (lanjutan)**

Tabel jatuh tempo berikut menyajikan informasi mengenai perkiraan sisa jatuh tempo dari aset dan liabilitas keuangan (pokok saja) pada tanggal 31 Desember 2023 dan 2022 (lanjutan):

	2022					
	Nilai tercatat/ Carrying value	Kurang dari 1 bulan/ Less than 1 month	1 - 3 bulan/ months	3 - 6 bulan/ months	6 - 12 bulan/ months	Lebih dari 12 bulan/ More than 12 months
<b>Aset keuangan</b>						
Kas	1.988.262	1.988.262	-	-	-	-
Giro pada Bank Indonesia	10.786.740	230.541	-	-	-	10.556.199
Giro pada bank lain	302.688	302.688	-	-	-	-
Penempatan pada Bank Indonesia dan bank lain	6.913.175	6.306.518	606.657	-	-	-
Surat-surat berharga						
Biaya perolehan diamortisasi	14.740.661	725.515	852.948	2.367.794	2.627.302	8.167.102
Nilai wajar melalui pendapatan komprehensif lain	8.476.609	-	-	-	-	8.476.609
Surat berharga dijual dengan janji dibeli kembali	4.095.066	4.095.066	-	-	-	-
Surat berharga dibeli dengan janji dijual kembali	7.822.847	7.440.160	-	-	192.726	189.961
Tagihan lainnya	286.147	286.147	-	-	-	-
Kredit yang diberikan pembiayaan syariah						
Modal kerja	10.174.698	474.092	591.709	1.027.046	1.904.233	6.177.618
Investasi	6.371.172	35.082	2.414	7.284	32.541	6.293.851
Konsumsi	28.332.175	16.380	25.106	68.179	320.447	27.902.063
Pendapatan bunga yang masih akan diterima	646.125	25.795	48.418	9.901	4.495	557.516
<b>Jumlah</b>	<b>100.936.365</b>	<b>21.926.246</b>	<b>2.127.252</b>	<b>3.480.204</b>	<b>5.081.744</b>	<b>68.320.919</b>
<b>Liabilitas keuangan</b>						
Liabilitas segera	916.091	916.091	-	-	-	-
Simpanan dari nasabah	81.767.383	11.214.472	16.200.878	1.699.788	10.878.340	41.773.905
Simpanan dari bank lain	3.339.123	3.287.933	46.630	60	4.500	-
Pinjaman yang diterima	553.399	150.517	-	-	-	402.882
Beban yang masih harus dibayar	520.840	520.840	-	-	-	-
Liabilitas lain-lain	550.119	550.119	-	-	-	-
<b>Jumlah</b>	<b>87.646.955</b>	<b>16.639.972</b>	<b>16.247.508</b>	<b>1.699.848</b>	<b>10.882.840</b>	<b>42.176.787</b>
<b>Perbedaan jatuh tempo</b>	<b>13.289.410</b>	<b>5.286.274</b>	<b>(14.120.256)</b>	<b>1.780.356</b>	<b>(5.801.096)</b>	<b>26.144.132</b>

**46. RISIKO OPERASIONAL**

Risiko operasional adalah risiko akibat ketidakcukupan dan/atau tidak berfungsinya proses internal, kesalahan manusia, kegagalan sistem, dan/atau adanya kejadian-kejadian eksternal yang mempengaruhi operasional Bank.

Dalam mengelola risiko operasional, *risk owner* bertanggung jawab atas risiko yang terjadi pada unitnya masing-masing. Tata cara pengendalian risiko tersebut diatur dalam kebijakan Bank secara menyeluruh dan prosedur operasional pada setiap unit.

**45. LIQUIDITY RISK (continued)**

The following maturity tables provide information about the expected maturities within which financial assets and liabilities (principal only) as of December 31, 2023 and 2022 (continued):

**46. OPERATIONAL RISK**

Operational risk is the risk resulting from inadequate and/or failure of internal processes, people, systems, and/or from external events which affect the Bank's operations.

In managing operational risk, the risk owner is responsible for the risk that occurs in the respective units. Risk management is regulated in the Bank's overall policies and operational procedures in each unit.

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**46. RISIKO OPERASIONAL (lanjutan)**

Metode dan kebijakan dalam pengendalian risiko operasional dilaksanakan diantaranya melalui:

- i. Pengkajian terhadap kebijakan, pedoman, dan prosedur pengendalian internal sesuai dengan kondisi perkembangan dunia perbankan, kebijakan pemerintah dan limitasi operasional yang telah ditetapkan;
- ii. Pengkajian dan penerapan *Disaster Recovery Plan* sebagai langkah antisipasi atas kejadian internal maupun eksternal yang berpotensi menimbulkan kerugian;
- iii. Tindakan koreksi terhadap hasil temuan audit; dan
- iv. Pengkajian dari penerapan Rencana Kontinjensi Usaha dalam pengelolaan dan pengendalian aktivitas Bank.

**47. RISIKO HUKUM**

Risiko hukum adalah risiko akibat tuntutan hukum dan/atau kelemahan aspek yuridis, yang antara lain disebabkan ketiadaan peraturan perundang-undangan yang mendukung, atau kelemahan perikatan seperti tidak dipenuhinya syarat sahnya kontrak dan pengikatan agunan yang tidak sempurna.

Identifikasi risiko hukum dilakukan pada seluruh aktivitas fungsional yang melekat pada perkreditan, *treasury*, operasional, sistem informasi teknologi dan pengelolaan sumber daya manusia.

**48. RISIKO REPUTASI**

Risiko reputasi adalah risiko akibat menurunnya tingkat kepercayaan *stakeholder* yang bersumber dari persepsi negatif terhadap Bank.

Identifikasi risiko reputasi dilakukan secara berkala sesuai dengan pengalaman kerugian di masa lalu yang disebabkan oleh risiko reputasi. Penilaian risiko reputasi dilakukan secara kualitatif antara lain bersumber dari pemberitaan negatif yang muncul dari masyarakat/nasabah dan keluhan nasabah.

**46. OPERATIONAL RISK (continued)**

*The methods and policies involving operational risk management are performed, among others, through the following:*

- i. Evaluation of internal control policies, guidance, and procedures in accordance with the banking industry development, government policies, and pre-determined operational limits;*
- ii. Evaluation and implementation of a Disaster Recovery Plan as the anticipated procedures to be applied during internal and external potential loss events;*
- iii. Implementing corrective actions based on audit results; and*
- iv. Reviewing the implementation of the Business Contingency Plan in the management and control of the Bank's activities.*

**47. LEGAL RISK**

*Legal risk is the risk due to legal aspects, legal claims and/or weaknesses in agreements which among others are caused by the absence of supporting regulations, weaknesses in agreements such as the criteria for valid contracts is not fulfilled, and collateral arrangements are inappropriate.*

*Legal risk identification is performed for all functional activities that are inherent to loan, treasury, operational and information technology systems and human resources management.*

**48. REPUTATION RISK**

*Reputation risk is the risk due to a decrease in the stakeholders' trust that results from a negative perception of the Bank.*

*Reputation risk identification is performed periodically based on the knowledge of historical losses due to reputation risk. Reputation risk valuation is performed qualitatively among others from negative publications and commentaries from the public/customers and customer's complaints.*

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**49. RISIKO KEPATUHAN**

Risiko kepatuhan adalah risiko yang terjadi karena Bank tidak mematuhi dan/atau tidak melaksanakan ketentuan internal dan peraturan perundang-undangan. Pada praktiknya, risiko kepatuhan melekat pada risiko Bank yang terkait pada peraturan perundang-undangan, ketentuan kehati-hatian dan ketentuan lain yang berlaku, seperti:

- i. Risiko kredit terkait dengan ketentuan Kewajiban Penyediaan Modal Minimum (KPM), Kualitas Aset, Pembentukan Cadangan Kerugian Penurunan Nilai (CKPN), dan Batas Maksimum Pemberian Kredit (BMPK);
- ii. Risiko pasar terkait dengan ketentuan Posisi Devisa Neto (PDN); dan
- iii. Risiko lain yang terkait dengan ketentuan eksternal dan internal.

Identifikasi risiko kepatuhan dilakukan secara berkala sesuai dengan pengalaman kerugian di masa lalu yang disebabkan oleh risiko kepatuhan dan pengukuran risiko kepatuhan juga dilakukan melalui perhitungan risiko berdasarkan data kerugian akuntansi dengan menggunakan pendekatan distribusi kerugian untuk perhitungan *capital charges*.

**50. RISIKO STRATEJIK**

Risiko stratejik adalah risiko akibat ketidaktepatan dalam pengambilan dan/atau pelaksanaan suatu keputusan stratejik serta kegagalan dalam mengantisipasi perubahan lingkungan bisnis. Identifikasi risiko stratejik dilakukan secara berkala sesuai dengan pengalaman kerugian dimasa lalu yang disebabkan oleh risiko stratejik. Pengendalian risiko stratejik dilakukan melalui monitoring pencapaian/realisasi atas anggaran yang sudah ditetapkan secara berkala dan dilanjutkan dengan mitigasi dari faktor-faktor penyebab kegagalan.

**51. MANAJEMEN MODAL**

Tujuan utama dari kebijakan Bank atas kebijakan pengelolaan modal adalah untuk memastikan bahwa Bank memiliki modal yang kuat untuk mendukung strategi pengembangan ekspansi usaha Bank saat ini dan mempertahankan kelangsungan pengembangan di masa mendatang serta untuk memenuhi ketentuan kecukupan permodalan yang ditetapkan oleh regulator serta memastikan agar struktur permodalan Bank telah efisien.

Bank menyusun Rencana Permodalan berdasarkan penilaian dan penelaahan atas kebutuhan kecukupan permodalan yang dipersyaratkan dan mengkombinasikannya dengan tinjauan perkembangan ekonomi terkini. Bank senantiasa akan menghubungkan tujuan keuangan dan kecukupan modal terhadap risiko yang dapat ditoleransi melalui proses perencanaan modal, begitu pula dengan bisnis yang disesuaikan dengan tingkat permodalan dan persyaratan likuiditas Bank.

**49. COMPLIANCE RISK**

*Compliance risk is the risk incurred because the Bank has not complied with and/or has not implemented appropriate internal policies and regulations. In practice, compliance risk is inherent to the Bank's risk related to regulations, prudential provisions and other provisions, such as:*

- i. *Credit risk related to Capital Adequacy Ratio (CAR), Asset Quality, Allowance for Impairment Losses, and Legal Lending Limit (LLL) regulations;*
- ii. *Market risk related to Net Open Position (NOP) regulations; and*
- iii. *Other risks related to external and internal regulations.*

*Compliance risk identification is performed periodically based on the knowledge of historical losses due to compliance risk and is measured through risk calculations based on accounting loss data using a loss distribution approach for calculating capital charges.*

**50. STRATEGIC RISK**

*Strategic risk is the risk due to inaccurate decision making and/or implementation of strategic decisions and failure in anticipating business environment changes. Strategic risk identification is performed periodically based on knowledge of historical losses due to strategic risk. Strategic risk control is performed through periodical monitoring the realization of the budget determined periodically, followed by the investigation of the factors that cause failures.*

**51. CAPITAL MANAGEMENT**

*The primary objectives of the Bank's capital management policy are to ensure that the Bank has a strong capital to support the Bank's business expansion strategy currently, to sustain future development of the business, to meet regulator capital adequacy requirements and also to ensure the efficiency of Bank's capital structure.*

*Bank undertakes Capital Planning based on assessment and review of the capital situation in terms of the legal capital adequacy requirement, combined with assessment of economic outlooks. Bank will continue to link financial and capital adequacy goals to risk which can be tolerated appetite through the capital planning process method as well as assess the businesses based on Bank's capital and liquidity requirements.*

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**51. MANAJEMEN MODAL (lanjutan)**

Kebutuhan permodalan Bank juga direncanakan dan didiskusikan secara rutin yang didukung dengan data-data analisis.

Rencana Permodalan disusun oleh Dewan Direksi sebagai bagian dan Rencana Bisnis Bank dan disetujui oleh Dewan Komisaris. Perencanaan ini diharapkan akan memastikan tersedianya modal yang cukup dan terciptanya struktur permodalan yang kuat guna mendukung pertumbuhan bisnis ke depan.

Otoritas Jasa Keuangan (OJK) menentukan dan mengawasi kebutuhan modal Bank. Bank diwajibkan untuk menaati peraturan yang berlaku dalam hal ini modal yang diwajibkan regulator. Pendekatan Bank terhadap pengelolaan modal ditentukan oleh strategi dan persyaratan organisasi bank, dengan memperhitungkan peraturan, serta keadaan ekonomi dan komersial.

Bank mematuhi semua persyaratan modal yang ditetapkan oleh pihak regulator sepanjang periode pelaporan, khususnya berkenaan dengan perhitungan Kewajiban Penyediaan Modal Minimum (KPMM) dan Aktiva Tertimbang Menurut Risiko (ATMR).

Bank menghitung kebutuhan modal berdasarkan POJK No.34/POJK.03/2016 tanggal 22 November 2016 tentang "Perubahan Atas Peraturan Otoritas Jasa Keuangan No.11/POJK.03/2016 tentang Kewajiban Penyediaan Modal Minimum Bank Umum" dan Surat Edaran OJK No.43/SEOJK.03/2016 tentang "Transparansi dan Publikasi Laporan Bank Umum Konvensional", dimana modal yang diwajibkan regulator dianalisa dalam dua *tier* sebagai berikut:

- Modal inti (*tier 1*), yang terdiri dari modal inti utama dan modal inti tambahan. Modal inti utama antara lain meliputi modal ditempatkan dan disetor penuh, tambahan modal disetor, cadangan umum, laba tahun-tahun lalu dan periode/tahun berjalan (100%), penghasilan komprehensif lainnya berupa potensi keuntungan/kerugian yang berasal dari perubahan nilai wajar aset keuangan dalam kelompok tersedia untuk dijual, selisih kurang dari penyisihan penghapusan aset produktif sesuai ketentuan Bank Indonesia dan cadangan kerugian penurunan nilai aset produktif yang diperbolehkan. Aset pajak tangguhan, aset takberwujud (termasuk *goodwill*) dan penyertaan (100%) merupakan faktor pengurang modal inti utama. Modal inti tambahan antara lain terdiri dari saham preferen, surat berharga subordinasi dan pinjaman subordinasi dimana ketiganya bersifat non kumulatif setelah dikurangi pembelian kembali.

**51. CAPITAL MANAGEMENT (continued)**

The capital needs of the Bank are also discussed and planned on a routine basis supported by data analysis.

Capital Planning is prepared by the Board of Directors as part of Bank's business plan and is approved by the Board of Commissioners. Capital Planning ensures that adequate levels of capital and strong mix of the different components of capital are maintained to support business growth in the future.

Financial Services Authority (OJK) sets and monitors capital requirements for the Bank. The Bank is required to comply with prevailing regulation in respect of regulatory capital. The Bank's approach to capital management is driven by bank's strategic and organisational requirements, taking into account regulatory, economic and commercial environment.

Bank has complied with all regulator imposed capital requirements throughout the reporting period, particularly regarding Capital Adequacy Ratio (CAR) and calculation of Risk Weighted Assets (RWA).

Bank calculates its capital requirements in accordance with POJK No.34/POJK.03/2016 dated November 22, 2016 about "Changes of Financial Service Authority Regulation No.11/POJK.03/2016 about Minimum Capital Reserve for Commercial Bank" and OJK Circular Letter No.43/SEOJK.03/2016 about "Transparency and Publication Conventional Commercial Bank Report", where the regulatory capital is analysed into two tiers as follows:

- Tier 1 capital, which consists of core and additional core capital. Core capital includes issued and fully paid-up capital, additional paid-in capital, general reserve, specific reserve, retained earnings and profit for the period/year (100%), other comprehensive income deriving from potential gain/loss from the changes in fair value of financial assets classified as available-for-sale, shortfall between allowable amount of allowance for uncollectible account on productive assets according to Bank Indonesia guideline and allowance for impairment losses on productive assets. Deferred tax assets, intangible assets (including goodwill) and share investments (100%) are deducted from core capital. Additional core capital includes non-cumulative preference shares, subordinated securities and subordinated debts net of buyback portion.

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**51. MANAJEMEN MODAL (lanjutan)**

- Modal pelengkap (*tier 2*) antara lain meliputi instrumen modal, agio atau disagio, cadangan umum aset produktif dan cadangan tujuan sesuai ketentuan Bank Indonesia.

Beberapa batasan berlaku untuk bagian-bagian modal yang diwajibkan oleh regulator, antara lain Bank wajib menyediakan modal inti (*tier 1*) paling rendah sebesar 6,00% dari ATMR dan modal inti utama (*Common Equity tier 1*) paling rendah sebesar 4,50% dari ATMR, baik secara individual maupun secara dengan entitas anak.

- Modal *tier 1*, meliputi modal ditempatkan dan disetor penuh, cadangan umum, saldo laba dan laba periode berjalan.
- Modal *tier 2*, meliputi penyisihan kerugian penurunan nilai yang diperbolehkan.

Bank tidak mempunyai modal tambahan lain yang memenuhi kriteria modal *tier 3* sesuai dengan peraturan BI yang berlaku.

Berbagai batasan telah diterapkan untuk bagian-bagian modal yang diwajibkan oleh regulator. Pengaruh dari pajak tangguhan telah dikeluarkan dalam menentukan jumlah saldo laba untuk modal *tier 1*; hanya 50 persen laba periode berjalan sebelum pajak tangguhan yang dapat diperhitungkan dalam modal *tier 1*; dan modal *tier 2* tidak boleh melebihi modal *tier 1*. Juga terdapat batasan jumlah penyisihan kolektif penurunan nilai yang boleh dimasukkan sebagai bagian dari modal *tier 2*.

ATMR Bank ditentukan berdasarkan persyaratan yang telah ditentukan yang mencerminkan berbagai tingkatan risiko yang terkait dengan aset dan eksposur, yang tidak tercermin dalam laporan posisi keuangan. Berdasarkan peraturan BI, Bank diharuskan untuk mempertimbangkan risiko kredit, risiko pasar dan risiko operasional dalam mengukur ATMR Bank.

Kebijakan Bank adalah menjaga modal yang kuat untuk menjaga kepercayaan pemodal, kreditur dan pasar dan untuk mempertahankan perkembangan bisnis di masa depan. Pengaruh tingkat modal terhadap tingkat pengembalian ke pemegang saham juga diperhitungkan dan Bank juga memahami perlunya menjaga keseimbangan antara tingkat pengembalian yang tinggi, yang dimungkinkan dengan *gearing* yang lebih besar serta keuntungan-keuntungan dan tingkat keamanan yang didapat dari posisi modal yang kuat.

Manajemen menggunakan rasio permodalan yang diwajibkan regulator untuk memantau permodalan Bank dan rasio-rasio modal ini tetap menjadi standar industri untuk mengukur kecukupan modal. Pendekatan OJK untuk pengukuran ini terutama didasarkan pada pemantauan hubungan antara profil risiko Bank dengan ketersediaan modal. Bank wajib menyediakan modal minimum sesuai profil risiko.

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**51. CAPITAL MANAGEMENT (continued)**

- *Supplementary capital (tier 2)*, which includes capital instruments, agio or disagio, general reserves of productive assets and purpose reserves according to Bank Indonesia guideline.

Various limits have been set to elements of the regulatory capital, such as Banks are required to provide core capital (*tier 1*) at a minimum of 6.00% from Risk Weighted Assets and Common Equity *tier 1* at a minimum of 4.50% from Risk Weighted Assets, both individually and level with subsidiary.

- *Tier 1 capital*, which includes issued and fully paid share capital, general reserve, retained earnings and profit for the period.
- *Tier 2 capital*, which includes the eligible amount of allowance for impairment losses.

The Bank does not have any other supplementary capital which meets the criteria of *tier 3* capital under prevailing BI regulation.

Various limits are applied to elements of the regulatory capital. The effect of deferred taxation has been excluded in determining the amount of retained earnings for *tier 1* capital; only 50 percent of the profit for the period before deferred taxation being included in *tier 1* capital; and qualifying *tier 2* capital cannot exceed *tier 1* capital. There is also a restriction on the amount of collective impairment allowances that may be included as part of *tier 2* capital.

ATMR are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and exposures not recognized in the statement of financial position. Based on BI regulations, the Bank needs to take into consideration its credit risk, market risk and operational risk in measuring the ATMR.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. The impact of the level of capital on shareholders' return is also recognized and the Banks also recognise the need to maintain a balance between the higher return that might be possible with greater gearing and the advantages and security level afforded by a strong capital position.

Management uses regulatory capital ratios in order to monitor its capital base, and these capital ratios remain the industry standards for measuring capital adequacy. OJK's approach to such measurement is primarily based on monitoring the relationship of the Bank's risk profile with the available capital. The Bank is required to provide minimum capital based on the risk profile.

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**51. MANAJEMEN MODAL (lanjutan)**

Penyediaan modal minimum sebagaimana dimaksud ditetapkan sebagai berikut:

- Untuk profil risiko peringkat 1 (satu), modal minimum terendah yang wajib dimiliki adalah 8% dari Aset Tertimbang Menurut Risiko;
- Untuk profil risiko peringkat 2 (dua), modal minimum terendah yang wajib dimiliki adalah 9% sampai dengan kurang dari 10% dari Aset Tertimbang Menurut Risiko;
- Untuk profil risiko peringkat 3 (tiga), modal minimum terendah yang wajib dimiliki adalah 10% sampai dengan kurang dari 11% dari Aset Tertimbang Menurut Risiko; dan
- Untuk profil risiko peringkat 4 (empat) atau 5 (lima), modal minimum terendah yang wajib dimiliki adalah 11% sampai dengan kurang dari 14% dari Aset Tertimbang Menurut Risiko.

Posisi modal yang diwajibkan regulator Bank sesuai peraturan Bank Indonesia yang berlaku pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

**51. CAPITAL MANAGEMENT (continued)**

Minimum capital requirements are as follows:

- For banks with risk profile rating 1 (one), the minimum capital requirement is 8% of Risk Weighted Asset;
- For banks with risk profile rating 2 (two), the minimum capital requirement is 9% to less than 10% of Risk Weighted Asset;
- For banks with risk profile rating 3 (three), the minimum capital requirement is 10% to less than 11% of Risk Weighted Asset; and
- For banks with risk profile rating 4 (four) or 5 (five), the minimum capital requirement is 11% to less than 14% of Risk Weighted Asset.

The Bank's regulatory capital position under prevailing Bank Indonesia regulation as of December 31, 2023 and 2022 are as follows:

	2023	2022	
Modal inti (Tier 1)			Core capital (Tier 1)
Modal inti utama (CET 1)	11.025.184	10.346.392	Common equity tier (CET 1)
Modal inti tambahan (AT 1)	-	-	Additional equity tier (AT 1)
	11.025.184	10.346.392	
Modal pelengkap (Tier 2)	516.010	437.563	Supplementary capital (Tier 2)
Jumlah modal	11.541.194	10.783.955	Total capital
Aset Tertimbang Menurut Risiko			Risk Weighted Asset
Risiko kredit	40.764.771	34.567.488	Credit risk
Risiko operasional	4.083.746	8.917.841	Operational risk
Risiko pasar	49.106	108.144	Market risk
Jumlah Aset Tertimbang Menurut Risiko	44.897.623	43.593.473	Total Risk Weighted Asset
Rasio kecukupan modal			Capital Adequacy Ratio
Rasio CET 1	24,56%	23,73%	CET 1 ratio
Rasio tier 1	24,56%	23,73%	Tier 1 ratio
Rasio tier 2	1,15%	1,00%	Tier 2 ratio
Rasio modal terhadap ATMR	25,71%	24,74%	Ratio of capital to ATMR
Rasio kewajiban penyediaan modal minimum untuk risiko kredit dan risiko operasional	25,73%	24,80%	Capital adequacy ratio with credit and operational risk
Rasio kewajiban penyediaan modal minimum untuk risiko kredit, risiko pasar dan risiko operasional	25,71%	24,74%	Capital adequacy ratio with credit, market and operational risk
Rasio kewajiban penyediaan modal minimum yang diwajibkan	9% - <10%	9% - <10%	Minimum capital adequacy ratio required

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**51. MANAJEMEN MODAL (lanjutan)**

OJK berwenang menetapkan modal minimum lebih besar dari modal minimum dalam hal OJK menilai suatu bank menghadapi potensi kerugian yang membutuhkan modal lebih besar.

Berdasarkan *self-assessment* Bank, pada tanggal 31 Desember 2023 profil risiko Bank dinilai berada pada peringkat *Low to Moderat* (PK-2). Oleh karena itu, Bank berkewajiban untuk memenuhi modal minimum sebesar 9% sampai dengan kurang dari 10%. Kewajiban Penyediaan Modal Minimum Bank berada pada level di atas modal minimum yang diwajibkan tersebut, yaitu sebesar 25.71%.

**52. POSISI DEvisa NETO**

Perhitungan Posisi Devisa Neto (PDN) didasarkan pada Peraturan Bank Indonesia No.5/13/PBI/2003 tanggal 17 Juli 2003 sebagaimana telah diubah terakhir dengan Peraturan Bank Indonesia No.12/10/PBI/2010 tanggal 1 Juli 2010. Berdasarkan peraturan tersebut, Bank diwajibkan untuk menjaga rasio PDN laporan posisi keuangan dan secara keseluruhan maksimum 20% dari jumlah modal. PDN adalah penjumlahan nilai absolut yang dinyatakan dalam rupiah dari selisih bersih antara aset dan liabilitas dalam mata uang asing dan selisih bersih tagihan dan liabilitas komitmen dan kontinjensi yang dicatat dalam rekening administratif yang didenominasi dalam setiap mata uang.

PDN Bank pada tanggal-tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

Mata uang	2023			
	Aset/ Assets	Liabilitas/ Liabilities	Nilai neto/ Net value	Nilai absolut neto/ Net absolute value
<b>POSISI KEUANGAN</b>				
Dolar Amerika Serikat	434.208	394.155	40.053	40.053
Riyal Saudi Arabia	15.436	-	15.436	15.436
Dolar Singapura	71.918	68.077	3.841	3.841
Euro	6.365	763	5.602	5.602
Ringgit Malaysia	1.984	-	1.984	1.984
Poundsterling Inggris Raya	2.553	-	2.553	2.553
Dolar Australia	6.676	1	6.675	6.675
Yuan China Renminbi	4.673	1.310	3.363	3.363
Yen Jepang	1.072	33	1.039	1.039
Dolar Hong Kong	762	-	762	762
	<b>545.647</b>	<b>464.339</b>	<b>81.308</b>	<b>81.308</b>
<b>REKENING ADMINISTRATIF</b>				
Dolar Amerika Serikat	-	47.915	(47.915)	47.915
<b>Jumlah</b>	<b>545.647</b>	<b>512.254</b>	<b>33.393</b>	<b>49.117</b>
Total modal (Catatan 51)				11.541.194
Rasio Posisi Devisa Neto (Posisi keuangan)				0,70%
Rasio Posisi Devisa Neto				0,43%

**51. CAPITAL MANAGEMENT (continued)**

OJK is authorised to stipulate minimum capital greater than minimum capital in terms of OJK assesses a bank as facing potential losses which requires a larger capital.

Based on its self-assessment, as of December 31, 2023 the Bank risk profile is assessed to be in rating Low to Moderat (PK-2). Therefore, the Bank is required to provide a minimum capital of 9% to less than 10%. The Bank Capital Adequate Ratio was 25,71%, which was higher than the required minimum provision of capital.

**52. NET OPEN POSITION**

The Net Open Position (NOP) was calculated based on Bank Indonesia Regulation No.5/13/PBI/2003 dated July 17, 2003 which was last amended by Bank Indonesia Regulation No.12/10/PBI/2010 dated July 1, 2010. Based on this regulation, the Bank is required to maintain overall and statement of financial position Net Open Position at a maximum of 20% of the total capital. The ratio is the sum of the absolute values, which are stated in rupiah, of the net difference between the assets and liabilities denominated in each foreign currency and the net difference and payables of both commitments and contingencies recorded in the administrative accounts denominated in each currency.

The Bank's NOP as of December 31, 2023 and 2022 are as follows:

Currencies
<b>FINANCIAL POSITION</b>
United States Dollar
Saudi Arabian Riyal
Singapore Dollar
Euro
Malaysian Ringgit
Great Britain Poundsterling
Australian Dollar
Chinese Yuan Renminbi
Japanese Yen
Hong Kong Dollar
<b>ADMINISTRATIVE ACCOUNTS</b>
United States Dollar
<b>Total</b>
Total capital (Note 51)
Net Open Position as a percentage of capital (Financial position)
Net Open Position as a percentage of capital



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**52. POSISI DEVISA NETO (lanjutan)**

**52. NET OPEN POSITION (continued)**

Mata uang	2022			
	Aset/ Assets	Liabilitas/ Liabilities	Nilai neto/ Net value	Nilai absolut neto/ Net absolute value
<b>POSISI KEUANGAN</b>				
Dolar Amerika Serikat	278.741	157.121	121.620	121.620
Riyal Saudi Arabia	7.242	-	7.242	7.242
Dolar Singapura	12.463	9.240	3.223	3.223
Euro	4.392	1.609	2.783	2.783
Ringgit Malaysia	3.420	-	3.420	3.420
Poundsterling Inggris Raya	1.464	-	1.464	1.464
Dolar Australia	6.176	-	6.176	6.176
Yuan China Renminbi	1.375	-	1.375	1.375
Yen Jepang	563	15	548	548
Dolar Hong Kong	845	20	825	825
	<b>316.681</b>	<b>168.005</b>	<b>148.676</b>	<b>148.676</b>
<b>REKENING ADMINISTRATIF</b>				
Dolar Amerika Serikat	-	202.378	(202.378)	202.378
<b>Jumlah</b>	<b>316.681</b>	<b>370.383</b>	<b>(53.702)</b>	<b>351.054</b>
Total modal (Catatan 51)				10.783.955
Rasio Posisi Devisa Neto (Posisi keuangan)				1,38%
Rasio Posisi Devisa Neto				3,26%

<b>Currencies</b>
<b>FINANCIAL POSITION</b>
United States Dollar
Saudi Arabian Riyal
Singapore Dollar
Euro
Malaysian Ringgit
Great Britain Poundsterling
Australian Dollar
Chinese Yuan Renminbi
Japanese Yen
Hong Kong Dollar
<b>ADMINISTRATIVE ACCOUNTS</b>
United States Dollar
<b>Total</b>
Total capital (Note 51)
Net Open Position as a percentage of capital (Financial position)
Net Open Position as a percentage of capital

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**53. ASET DAN LIABILITAS KEUANGAN**

Nilai wajar yang diungkapkan di bawah ini adalah berdasarkan informasi relevan yang tersedia pada tanggal laporan posisi keuangan dan tidak diperbaharui untuk mencerminkan perubahan dalam kondisi pasar yang telah terjadi setelah tanggal laporan posisi keuangan.

Tabel di bawah ini menyajikan nilai tercatat dan nilai wajar aset dan liabilitas keuangan Bank pada tanggal 31 Desember 2023 dan 2022:

	2023		2022	
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value
<b>Aset Keuangan</b>				
Kas	2.652.775	2.652.775	1.988.262	1.988.262
Surat Berharga				
Nilai wajar melalui pendapatan komprehensif lain				
Surat Utang Negara	7.762.560	7.762.560	8.476.609	8.476.609
Biaya perolehan diamortisasi				
Surat Utang Negara	4.848.046	4.848.046	12.025.332	12.025.332
Obligasi:				
PT BCA Finance	30.000	30.000	-	-
PT Pegadaian (Persero)	80.000	80.000	480.000	480.000
PT Bank Aceh Syariah	-	-	225.000	225.000
PT Pupuk Indonesia (Persero)	192.203	192.203	192.250	192.250
PT Astra Sedaya Finance	197.862	197.862	152.966	152.966
PT Bank Rakyat Indonesia (Persero) Tbk	181.055	181.055	146.035	146.035
PT Semen Indonesia Persero	244.970	244.970	135.454	135.454
PT Sinarmas Tbk	-	-	100.000	100.000
PT Federal International Finance Tbk	112.190	112.190	99.615	99.615
PT Kereta Api Indonesia (Persero)	90.877	90.877	91.519	91.519
PT Bank Negara Indonesia Tbk	80.000	80.000	80.000	80.000
PT Tower Bersama Infrastructure Tbk	69.338	69.338	-	-
PT Perusahaan Listrik Negara (Persero)	83.628	83.628	69.861	69.861
PT Jasa Marga (Persero) Tbk	33.158	33.158	63.243	63.243
PT XL Axiata Tbk	85.097	85.097	60.000	60.000
PT Permodalan Nasional Madani	104.218	104.218	50.000	50.000
PT Maybank Indonesia Tbk	23.000	23.000	33.032	33.032
PT Bank Tabungan Negara (Persero) Tbk	27.000	27.000	32.003	32.003
PT Toyota Astra Financial Services	25.000	25.000	-	-
PT Indonesia Infrastructure Finance	-	-	30.148	30.148
PT Bank Mandiri (Persero) Tbk	114.000	114.000	27.189	27.189
PT Sarana Multigriya Finansial (Persero)	133.308	133.308	26.000	26.000
PT Adira Dinamika Multi Finance Tbk	74.888	74.888	24.803	24.803
PT Bank Mandiri Taspen	29.021	29.021	24.011	24.011
PT Bank Pembangunan Daerah				
Jawa Barat dan Banten Tbk	-	-	12.219	12.219
PT Bank Pan Indonesia Tbk	-	-	10.008	10.008
PT Telekomunikasi Indonesia Tbk	5.279	5.279	5.454	5.454
PT Mandiri Tunas Finance Tbk	58.174	58.174	5.265	5.265
PT Hutama Karya (Persero)	-	-	-	-
PT WOM Finance	15.036	15.036	-	-
Sekuritas Rupiah Bank Indonesia	592.400	592.400	-	-
Sukuk Bank Indonesia	450.000	450.000	400.000	400.000
<b>Sertifikat Investasi Mudharabah Antarbank (SIMA):</b>				
PT Bank Syariah Mega Indonesia	30.000	30.000	-	-
PT Bank Sinarmas Tbk	-	-	100.000	100.000
PT Bank Aceh Syariah	150.000	150.000	225.000	225.000
PT Bank Muamalat Indonesia Tbk	100.000	100.000	-	-
PT Bank Syariah Indonesia Tbk	70.000	70.000	-	-
PT Bank NTB Syariah	100.000	100.000	-	-
<b>Negotiable Certificate of Deposit (NCD):</b>				
PT Bank Negara Indonesia Tbk	28.500	28.500	47.237	47.237
<b>Reksadana:</b>				
PT Permodalan Nasional Madani	90.000	90.000	90.000	90.000
Surat kredit berdokumen dalam negeri	12.913	12.913	-	-
Wesel	112	112	2.418	2.418
	<b>16.323.831</b>	<b>16.323.831</b>	<b>23.542.670</b>	<b>23.542.670</b>
	<b>18.976.606</b>	<b>18.976.606</b>	<b>25.530.932</b>	<b>25.530.932</b>

**53. FINANCIAL ASSETS AND LIABILITIES**

The fair values disclosed below are based on available relevant information at the statement of financial position date and are not updated to reflect changes in market conditions which have occurred after the dates of the statements of financial position.

The table below presents the carrying amount and fair values of the Bank's financial assets and liabilities as of December 31, 2023 and 2022:

<b>Financial Assets</b>
Cash
Securities
Fair value through other comprehensive income
Government bonds
Amortized cost
Government bonds
Bonds:
PT Pegadaian (Persero)
PT Bank Aceh Syariah
PT Pupuk Indonesia (Persero)
PT Astra Sedaya Finance
PT Bank Rakyat Indonesia (Persero) Tbk
PT Semen Indonesia Persero
PT Sinarmas Tbk
PT Federal International Finance Tbk
PT Kereta Api Indonesia (Persero)
PT Bank Negara Indonesia Tbk
PT Tower Bersama Infrastructure Tbk
PT Perusahaan Listrik Negara (Persero)
PT Jasa Marga (Persero) Tbk
PT XL Axiata Tbk
PT Permodalan Nasional Madani
PT Maybank Indonesia Tbk
PT Bank Tabungan Negara (Persero) Tbk
PT Toyota Astra Financial Services
PT Indonesia Infrastructure Finance
PT Bank Mandiri (Persero) Tbk
PT Sarana Multigriya Finansial (Persero)
PT Adira Dinamika Multi Finance Tbk
PT Bank Mandiri Taspen
PT Bank Pembangunan Daerah
Jawa Barat dan Banten Tbk
PT Bank Pan Indonesia Tbk
PT Telekomunikasi Indonesia Tbk
PT Mandiri Tunas Finance Tbk
PT Hutama Karya (Persero)
PT WOM Finance
Bank Indonesia Rupiah Securities
Bank Indonesia Sukuk
<b>Interbank Mudharabah Investment Certificates:</b>
PT Bank Syariah Mega Indonesia
PT Bank Sinarmas Tbk
PT Bank Aceh Syariah
PT Bank Muamalat Indonesia Tbk
PT Bank Syariah Indonesia Tbk
PT Bank NTB Syariah
<b>Negotiable Certificate of Deposit:</b>
PT Bank Negara Indonesia Tbk
<b>Reksadana:</b>
PT Permodalan Nasional Madani
Domestic L/C
Bill

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**53. ASET DAN LIABILITAS KEUANGAN (lanjutan)**

	2023	
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value
<b>Biaya perolehan diamortisasi</b>		
Giro pada Bank Indonesia	7.971.412	7.971.412
Giro pada Bank lain	491.330	491.330
Penempatan pada Bank Indonesia		
dan bank lain	5.234.721	5.234.721
Surat berharga	16.323.831	16.323.831
Surat berharga yang dijual untuk dijual kembali	8.303.663	8.303.663
Tagihan reverse repo	6.247.318	6.247.318
Tagihan lainnya	223.138	223.138
Kredit yang diberikan dan pembiayaan syariah		
Modal kerja	15.550.351	15.550.351
Investasi	8.002.279	8.002.279
Konsumsi	31.208.273	31.208.273
Pendapatan bunga yang masih akan diterima	685.734	685.734
	<b>100.242.050</b>	<b>100.242.050</b>
<b>Jumlah</b>	<b>116.565.881</b>	<b>116.565.881</b>
<b>Liabilitas keuangan</b>		
Liabilitas lain-lain		
Liabilitas segera	987.605	987.605
Simpanan nasabah	75.849.855	75.849.855
Simpanan dari bank lain	2.560.321	2.560.321
Pinjaman yang diterima	596.977	596.977
Beban yang masih harus dibayar	504.748	504.748
Liabilitas lain-lain	779.314	779.314
<b>Jumlah</b>	<b>81.278.820</b>	<b>81.278.820</b>

- i. Giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, surat-surat berharga dan tagihan lainnya

Nilai tercatat dari kas dan setara kas, giro serta penempatan dengan suku bunga mengambang adalah perkiraan yang layak atas nilai wajar.

Estimasi nilai wajar terhadap penempatan dengan suku bunga tetap, surat-surat berharga dan tagihan lainnya ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga pasar uang yang berlaku untuk utang dengan risiko kredit dan sisa jatuh tempo yang serupa. Karena sisa jatuh tempo di bawah 1 (satu) tahun, sehingga nilai tercatat dari penempatan dengan suku bunga tetap, surat-surat berharga dan tagihan lainnya adalah perkiraan yang layak atas nilai wajar.

**53. FINANCIAL ASSETS AND LIABILITIES (continued)**

	2022		
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
			<b>Amortised cost</b>
	10.786.740	10.786.740	Current accounts with Bank Indonesia
	303.129	303.129	Current accounts with other banks
			Placement with Bank Indonesia
	6.916.329	6.916.329	and other banks
	23.217.671	23.217.671	Marketable securities
	4.095.066	4.095.066	Marketable securities sold under repurchased agreement
	7.822.847	7.822.847	Reverse repo receivables
	286.147	286.147	Other receivables
			Loans and sharia financing
	10.968.010	10.968.010	Working capital
	6.570.658	6.570.658	Investment
	28.657.989	28.657.989	Consumption
	646.125	646.125	Interest receivables
	<b>100.270.711</b>	<b>100.270.711</b>	
	<b>123.813.381</b>	<b>123.813.381</b>	<b>Total</b>
			<b>Financial liabilities</b>
			Other liabilities
	872.514	872.514	Obligations due immediately
	81.767.383	81.767.383	Deposits from customers
	3.339.123	3.339.123	Deposits from other banks
	553.399	553.399	Borrowings
	520.840	520.840	Accrued expenses
	550.119	550.119	Other liabilities
	<b>87.603.378</b>	<b>87.603.378</b>	<b>Total</b>

- i. Current accounts with Bank Indonesia, other banks, placements with Bank Indonesia and other banks, marketable securities and other receivables

Carrying value of cash and cash equivalents, current accounts and placements at floating interest rates are the reasonable estimates of fair value.

The estimated fair value of placements with fixed interest rates, marketable securities and other receivables are determined based on discounted cash flows using the prevailing money market interest rates for debt with the same credit risks and remaining maturity. Because the residual maturity dates are below 1 (one) year, the carrying amount of fixed rate placements, marketable securities and other receivables are reasonable estimates of fair value.

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**53. ASET DAN LIABILITAS KEUANGAN (lanjutan)**

ii. Kredit yang diberikan dan pembiayaan syariah

Portofolio kredit Bank terdiri dari kredit yang diberikan dengan suku bunga tetap. Kredit yang diberikan dinyatakan berdasarkan jumlah nilai tercatat. Nilai wajar dari kredit yang diberikan menunjukkan nilai diskonto dari perkiraan arus kas masa depan yang diharapkan akan diterima oleh Bank. Perkiraan arus kas ini didiskontokan dengan menggunakan suku bunga pasar untuk menentukan nilai wajar.

iii. Liabilitas segera, simpanan dari nasabah dan simpanan dari bank lain dan liabilitas lain-lain

Estimasi nilai wajar liabilitas segera, simpanan tanpa jatuh tempo, termasuk simpanan tanpa bunga adalah sebesar jumlah terutang ketika utang tersebut dibayarkan.

Estimasi nilai wajar terhadap simpanan dengan tingkat suku bunga tetap dan liabilitas lain-lain yang tidak memiliki kuotasi di pasar aktif ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga utang baru dengan sisa jatuh tempo yang serupa. Adalah tidak praktis untuk memperkirakan nilai wajar dari setoran jaminan dikarenakan tidak memiliki jangka waktu pembayaran yang tetap meskipun tidak diharapkan dapat diselesaikan dalam waktu 12 bulan setelah tanggal pelaporan, sehingga nilai tercatat dari simpanan dengan suku bunga tetap dan liabilitas lain-lain adalah perkiraan yang layak atas nilai wajar.

iv. Surat berharga

Nilai wajar untuk surat berharga yang dimiliki hingga jatuh tempo ditetapkan berdasarkan harga pasar atau harga kuotasi perantara (*broker*)/pedagang efek (*dealer*). Jika informasi ini tidak tersedia, nilai wajar diestimasi dengan menggunakan harga pasar kuotasi efek yang memiliki karakteristik kredit, jatuh tempo dan *yield* yang serupa. Surat berharga yang tersedia untuk dijual adalah surat berharga yang ditetapkan untuk dimiliki pada periode tertentu dimana akan dijual dalam rangka pemenuhan likuiditas atau perubahan suku bunga, valuta asing atau yang tidak diklasifikasikan sebagai pinjaman yang diberikan atau piutang, aset keuangan yang diklasifikasikan dalam kelompok dimiliki hingga jatuh tempo atau aset keuangan yang diukur pada nilai wajar melalui laba rugi.

v. Pinjaman yang diterima

Dihitung berdasarkan diskonto arus kas sesuai dengan sisa periode jatuh temponya.

**53. FINANCIAL ASSETS AND LIABILITIES (continued)**

ii. Loans and sharia financing

The Bank credit portfolio consists of loans with fixed interest rates. The loans are stated at carrying amounts. The fair value of the loans shows the estimated value of discounted future cash flows expected to be received by the Bank. Estimated cash flows are discounted using market interest rates to determine fair values.

iii. Liabilities immediately payable, deposits from customers and deposits from other banks and other liabilities

The estimated fair value of liabilities immediately payable, deposits with no specified maturity, including non-interest-bearing deposits represent payable amounts when the debt is paid.

The estimated fair value of deposits with fixed interest rates and other liabilities that do not have a quotation price in an active market is determined based on discounted cash flows using the interest rates of new debt with similar maturities. There is no practice to estimate the fair value of security deposits due to they have no certain settlement schedule, although is not expected to be settled within 12 months after the reporting date, the carrying amount of fixed rate deposits and other liabilities are reasonable estimates of fair value.

iv. Marketable securities

The fair value for marketable securities held to maturity is determined based on market prices or quotation prices of intermediaries (brokers)/securities dealers. If this information is not available, fair value is estimated using quotation market prices of securities with similar credit characteristics, maturities and yields. The Available for sale for marketable securities are intended to be held for indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or that are not classified as loans and receivables, held to maturity or financial assets at fair value through profit or loss.

v. Borrowings

The calculation is based on the discounted cash flow corresponding to the remaining period to maturity.

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**54. LIABILITAS IMBALAN KERJA PASTI**

**Program pensiun manfaat pasti**

Bank menyelenggarakan Program Pensiun Manfaat Pasti bagi seluruh karyawan Bank yang memenuhi persyaratan sebagaimana diatur dalam Peraturan PT Dana Pensiun PT Bank Pembangunan Daerah Jawa Timur Tbk (Dapen Bank Jatim). Dalam program ini, manfaat pensiun diberikan berdasarkan persyaratan yang ditetapkan dalam peraturan Bank dengan memperhatikan penghargaan per tahun masa kerja, jasa lalu dan Penghasilan Dana Pensiun. Program dana pensiun Bank dikelola oleh Dapen Bank Jatim, sesuai dengan ketentuan yang diatur dalam Surat Keputusan Direksi Bank, karyawan Bank memberikan kontribusi pada dana pension sebesar 5% dari penghasilan dasar pension pekerja dan sisanya merupakan kontribusi Bank.

- i. Penilaian aktuaria atas beban pensiun per 31 Desember 2023 dan 2022 dilakukan oleh Kantor Konsultan Aktuaria Agus Susanto, aktuaris independen, berdasarkan laporannya tanggal 4 Januari 2024 dan 24 Januari 2023 telah sesuai dengan PSAK 24 (revisi 2013) dengan menggunakan metode *Projected Unit Credit* serta mempertimbangkan asumsi-asumsi sebagai berikut:

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES**

**Defined benefit pension plan**

The Bank provides a Defined Benefit Pension Plan for all qualified employees in accordance with the Regulation of Pension Funds of "PT Dana Pensiun Bank Pembangunan Daerah Jawa Timur Tbk" (Dapen Bank Jatim).. Based on this program, the right of pension benefits is provided based on the requirements as set out in the regulation considering the annual service factors, past service and the Pension Fund's income. The Bank's pension funds program is managed by Dapen Bank Jatim. Pursuant to the terms provided the Bank Directors' Decision Letter, the employees' pension fund contribution is 5% of the pensionable basic income of employees and the remaining pension fund contributions are paid by the Bank.

- i. The actuarial valuation of pension expense as of December 31, 2023 and 2022 were made by Konsultan Aktuaria Agus Susanto, an independent actuarial firm, based on their report dated January 4, 2024 and January 24, 2023 conform with the PSAK 24 (revised 2013) with use calculated method *Projected Unit Credit* also considers assumptions are as follows :

	2023	2022	
<b>Asumsi ekonomi</b>			<b>Economic assumptions</b>
Tingkat diskonto	7,00%	7,40%	Discount rate
Tingkat kenaikan penghasilan dasar pensiun	0,00%	0,00%	Pension basic income growth
Tingkat bunga imbal hasil investasi aset	7,00%	7,40%	Investment yield of plan aset
<b>Asumsi lainnya</b>			<b>Other assumptions</b>
Tingkat mortalita	GAM-1971		Mortality table
Usia pensiun normal	58 tahun/years		Normal retirement age
Tingkat cacat	10% Mortalita		Disability rate
Tingkat pengunduran diri untuk usia:			Retirement rate per year for ages:
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linearly until age 45 years old		18-45 years old
Usia 46-55 tahun	5% per tahun/per year		46-55 years old

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program pensiun manfaat pasti (lanjutan)**

ii. Komposisi aset dana pensiun, terdiri dari:

	<b>2023</b>	<b>2022</b>	
Deposito berjangka	13,70%	13,70%	Time deposits
Obligasi korporasi	72,60%	72,60%	Corporate Bonds
Properti	7,00%	7,00%	Property
Lainnya	6,70%	6,70%	Others

iii. Perhitungan kewajiban program pensiun manfaat pasti yang diakui di dalam laporan posisi keuangan adalah sebagai berikut:

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	
Nilai kini kewajiban	961.785	912.082	986.872	868.937	738.556	Present value of liabilities
Nilai wajar aset program	(839.753)	(800.814)	(763.453)	(662.634)	(533.439)	Fair value of assets program
Status pendanaan	122.032	111.268	223.419	206.303	205.117	Funded status
<b>Liabilitas (aset) imbalan pasti - neto</b>	<b>122.032</b>	<b>111.268</b>	<b>223.419</b>	<b>206.303</b>	<b>205.117</b>	<b>Liabilities (Assets) defined benefit - net</b>

iv. Mutasi atas kewajiban program pensiun manfaat pasti adalah sebagai berikut:

	<b>2023</b>	<b>2022</b>	
Aset imbalan pasti neto awal tahun	111.268	223.419	Asset defined benefit net at beginning of year
Biaya imbalan pasti:			Expenses for the year:
Jumlah yang diakui dalam laba rugi	19.156	31.586	Amount recognized in the profit and losses
Pengukuran kembali liabilitas (aset) periode berjalan	6.367	(95.354)	Remeasurement of liabilities (assets) in the current year
Pembayaran iuran dari pendiri	(14.759)	(48.383)	Paid of contribution from employee
<b>Liabilitas imbalan pasti neto</b>	<b>122.032</b>	<b>111.268</b>	<b>Liabilities defined benefit - net</b>

v. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam laporan laba rugi adalah sebagai berikut:

	<b>2023</b>	<b>2022</b>	
Biaya jasa kini	10.922	14.830	Current service cost
Biaya jasa lalu - vested			Past service cost - vested
Keuntungan/kerugian atas penyelesaian			Gain/losses on settlement
Bunga neto atas liabilitas (aset) imbalan:			Net interest on liabilities (asset) defined:
Biaya bunga	67.494	74.015	Interest cost
Pendapatan bunga dari aset	(59.260)	(57.259)	Interest income from assets
<b>Biaya imbalan kerja yang diakui di laporan laba rugi</b>	<b>19.156</b>	<b>31.586</b>	<b>Recognized employee benefit cost on statement of profit or loss</b>

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)**

**Defined benefit pension plan (continued)**

ii. Pension plan assets primarily consists of:

iii. The calculation of defined benefit pension plan obligations recognized in the statement of financial position are as follows:

iv. The calculation movement of defined benefit pension plan obligations are as follows:

v. The calculation of defined benefit pension plan expenses recognized in the statement of profit or loss are as follows:

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program pensiun manfaat pasti (lanjutan)**

- vi. Mutasi atas nilai wajar aset program adalah sebagai berikut:

	2023
Saldo awal	800.814
Hasil pengembangan riil	59.260
Imbalan hasil atas aset program	5.516
Pembayaran iuran-iuran – pemberi kerja	14.759
Pembayaran iuran-iuran – peserta program	3.209
Pembayaran imbalan kerja	(43.805)
<b>Saldo akhir</b>	<b>839.753</b>

- vii. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam penghasilan komprehensif lain adalah sebagai berikut:

	2023
Keuntungan (kerugian) aktuarial pada kewajiban	11.883
Keuntungan (kerugian) aktuarial pada aset	(5.516)
<b>Biaya yang diakui di penghasilan komprehensif lain</b>	<b>6.367</b>

Imbalan pasca kerja program manfaat lain pada dana pensiun

Berdasarkan Peraturan Otoritas Jasa Keuangan No.5/POJK.05/2017 tentang iuran, manfaat pensiun, dan manfaat lain yang diselenggarakan oleh dana pensiun, selain menyelenggarakan program pensiun, DPPK, dan DPLK, Bank dapat menyelenggarakan atau memberikan manfaat lain kepada peserta. Manfaat lain adalah pembayaran manfaat selain manfaat pensiun yang dapat dilakukan oleh Dana Pensiun dan diatur dalam peraturan Dana Pensiun. Imbalan pegawai dihitung berdasarkan Peraturan Dana Pensiun Bank Pembangunan Daerah Jawa Timur, Tbk No. 058/050.2/DIR/HCP/KEP tanggal 12 Maret 2019 yang telah disahkan berdasarkan Keputusan Dewan Komisiner Otoritas Jasa Keuangan No.Kep-24/NB.1/2019 tanggal 14 Juni 2019. Bank menentukan manfaat lain bagi Peserta dalam tiga bentuk, antara lain dana manfaat tambahan, dana santunan kesehatan, dan dana santunan kematian. Manfaat ini mulai diberikan oleh Bank terhitung sejak disahkan oleh Otoritas Jasa Keuangan.

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)**

**Defined benefit pension plan (continued)**

- vi. The movement in the fair value of plan asset are as follows:

	2022	
	763.453	Beginning balance
	57.259	Actual investment result
	(22.775)	Return on plan assets
	44.919	Contribution paid – employer's
	3.463	Contribution paid – employee plan
	(45.505)	Actual benefit paid
	<b>800.814</b>	<b>Ending balance</b>

- vii. The calculation of defined benefit pension plan expenses recognized in the other comprehensive income are as follows:

	2022	
		Actuarial gain (losses) on obligation
	(118.130)	
	22.775	Actuarial gain (losses) on asset
		Recognized cost in other comprehensive income
	<b>(95.355)</b>	

Post-employment benefits from other programs on pension funds

Based on the Financial Services Authority Regulation No.5/POJK.05/2017 concerning contributions, pension benefits, and other benefits held by pension funds, in addition to organizing pension programs, DPPK, and DPLK, the Bank can organize or provide other benefits to participants. Another benefit is the payment of benefits other than pension benefits that can be made by the Pension Fund and regulated in the Pension Fund regulations. Employee benefits are calculated based on Pension Fund Regulations of the Bank Pembangunan Daerah Jawa Timur, Tbk No.058/050.2/DIR/HCP/KEP dated March 12, 2019 which was ratified based on the Decision of the Board of Commissioners of the Financial Services Authority No.Kep-24/NB.1/2019 dated June 14, 2019. The Bank determines other benefits for Participants in three forms, including additional benefit funds, health compensation funds, and death compensation funds. This benefit will be provided by the Bank starting from ratified by the Financial Service Authority.

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program pensiun manfaat pasti (lanjutan)**

- i. Penilaian aktuarial atas beban pensiun dihitung oleh Kantor Konsultan Aktuarial Agus Susanto untuk tanggal valuasi per 31 Desember 2023 dan 2022. Penilaian aktuarial telah sesuai dengan PSAK 24 (revisi 2016) dengan menggunakan metode *Projected Unit Credit* serta mempertimbangkan asumsi-asumsi sebagai berikut:

	2023	2022
<b>Asumsi ekonomi</b>		
Tingkat diskonto	7.00%	7.40%
Tingkat kenaikan penghasilan dasar pensiun	0.00%	0.00%
Tingkat bunga imbal hasil investasi aset	7.00%	7.40%
<b>Asumsi lainnya</b>		
Tingkat mortalita	GAM-1971	
Usia pensiun normal	58 tahun/years	
Tingkat cacat	10% Mortalita	
Tingkat pengunduran diri untuk usia:		
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linearly until age 45 years old	
Usia 46-55 tahun	5% per tahun/per year	

**Economic assumptions**

Discount rate  
Pension basic income growth  
Investment yield of plan asset

**Other assumptions**

Mortality table  
Normal retirement age  
Disability rate  
Retirement rate per year for ages:  
18-45 years old  
46-55 years old

- ii. Komposisi aset dana pensiun, terdiri dari:

	2023	2022
Deposito berjangka	13,70%	13,70%
Obligasi korporasi	72,60%	72,60%
Properti	7,00%	7,00%
Lainnya	6,70%	6,70%

Time deposits  
Corporate Bonds  
Property  
Others

- iii. Perhitungan kewajiban program pensiun manfaat lain yang diakui di dalam laporan posisi keuangan adalah sebagai berikut:

	2023	2022
Nilai kini kewajiban	228.754	204.612
Nilai wajar aset program	(271.404)	(259.207)
Biaya dibayar dimuka	(42.650)	(54.595)

Present value of liabilities  
Fair value of assets program  
Prepaid expenses

- iii. Calculation of other benefit pension plan obligations recognized in the financial position report are as follows:



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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program pensiun manfaat pasti (lanjutan)**

- iv. Mutasi atas kewajiban program pensiun manfaat pasti adalah sebagai berikut:

	2023	2022
Liabilitas (aset) imbalan pasti neto awal tahun	54.595	22.940
Biaya imbalan pasti:		
Jumlah yang diakui dalam laba rugi	(4.591)	(4.433)
Pengukuran kembali liabilitas (aset) periode berjalan	(7.354)	16.317
Pembayaran iuran dari pendiri	-	19.771
<b>Liabilitas imbalan pasti neto</b>	<b>42.650</b>	<b>54.595</b>

- v. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam Laporan Laba Rugi adalah sebagai berikut:

	2023	2022
Biaya jasa kini	4.591	4.433
Bunga neto atas liabilitas (aset) imbalan:		
Biaya bunga	15.141	14.891
Pendapatan bunga dari aset	(19.181)	(16.611)
Bunga atas dampak batasan aset	4.040	1.720
<b>Biaya imbalan kerja yang diakui di laporan laba rugi</b>	<b>4.591</b>	<b>4.434</b>

- vi. Mutasi atas nilai wajar aset program pensiun manfaat pasti adalah sebagai berikut:

	2023	2022
Saldo awal	259.207	221.492
Hasil yang diharapkan dari aset	19.181	16.611
Pembayaran iuran-iuran – pemberi kerja	-	19.772
Pembayaran imbalan kerja	(7.738)	(6.777)
Laba (rugi) aktuarial pada aset	754	8.109
<b>Saldo akhir</b>	<b>271.404</b>	<b>259.207</b>

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES  
(continued)**

**Defined benefit pension plan (continued)**

- iv. The mutations of the defined benefit pension plan obligations are as follows:

Liabilities (asset) defined benefit net at beginning of year
Expenses for the year:
Amount recognized in the profit and losses
Remeasurement of liabilities (assets) in the current year
Paid of contribution from employee
<b>Liabilities defined benefit - net</b>

- v. The calculation of the cost of a defined benefit pension plan recognized in the Income Statement is as follows:

Current service cost
Net interest on liabilities (asset) defined:
Interest cost
Interest income from assets
Interest of the asset ceiling
<b>Recognized employee benefit cost on statement of profit or loss</b>

- vi. The movement in the fair value of a defined benefit pension asset are as follows:

Beginning balance
Results expected from assets
Payment of contributions - employers
Payment of employee benefits
Actuarial gain (loss) on assets
<b>Ending balance</b>

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program pensiun manfaat pasti (lanjutan)**

- vii. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam penghasilan komprehensif lain adalah sebagai berikut:

	2023
Keuntungan (kerugian) aktuarial pada kewajiban	12.149
Keuntungan aktuarial pada aset	(754)
Perubahan pada dampak batasan aset tidak termasuk bunga	(15.985)
<b>Diakui di penghasilan komprehensif lain</b>	<b>(4.590)</b>

- viii. Pengukuran kembali atas liabilitas (aset) program pensiun manfaat pasti adalah sebagai berikut:

	2023
Saldo awal	(1.830)
(Keuntungan) kerugian aktuarial pada kewajiban	12.149
(Keuntungan) kerugian aktuarial pada aset	(754)
Perubahan pada dampak batasan aset tidak termasuk bunga	(15.986)
<b>Jumlah pengukuran kembali atas aset imbalan pasti neto</b>	<b>(6.421)</b>

**Program pensiun iuran pasti**

Bank juga memiliki program pensiun iuran pasti, untuk karyawannya. Bank mengikutsertakan pegawai tetap dalam program pensiun iuran pasti yang dikelola oleh Dana Pensiun Lembaga Keuangan PT Bank Rakyat Indonesia (Persero) Tbk.

Pegawai tetap yang bergabung dengan Bank setelah bulan April 2012, memiliki hak atas program pensiun iuran pasti atau manfaat yang disediakan sesuai dengan Undang-Undang Tenaga Kerja No.13/2003, mana yang lebih tinggi.

Pegawai tetap yang bergabung dengan Bank sebelum bulan April 2012, memiliki hak atas program pensiun manfaat pasti ditambah dengan program pensiun iuran pasti atau manfaat yang disediakan sesuai dengan Undang-Undang Tenaga Kerja No.13/2003, mana yang lebih tinggi.

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)**

**Defined benefit pension plan (continued)**

- vii. The calculation of the cost of a defined benefit pension plan recognized in other comprehensive income is as follows:

	2022	
	(6.487)	Actuarial gains (losses) on liabilities
	(8.109)	Actuarial gains on assets
	29.935	Changes to the impact of asset limits exclude interest
<b>Recognised in other comprehensive income</b>	<b>15.339</b>	

- viii. Measurement of return on liabilities (assets) defined benefit pension plans is as follows:

	2022	
	(17.169)	Beginning balance
	(6.487)	Actuarial (gains) losses on liabilities
	(8.109)	Actuarial (gains) losses on assets
	29.935	Changes to the impact of asset limits exclude interest
<b>Amount of re-measurement of net defined benefit assets</b>	<b>(1.830)</b>	

**Defined contribution pension plan**

Bank also has a defined contribution pension plan for its employees. The Bank has a participate permanent employee in defined contribution pension plan is managed by Dana Pensiun Lembaga Keuangan PT Bank Rakyat Indonesia (Persero) Tbk.

The permanent employees who joined the Bank after April 2012, are entitled to benefits under defined contribution plan or the benefits provided for under the Labour Law No.13/2003, whichever is higher.

The permanent employees who joined the Bank prior to April 2012, are entitled to benefits pension plan plus defined contribution pension plan, or the benefits provided for under the Labour Law No.13/2003, whichever is higher.

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program pensiun iuran pasti (lanjutan)**

Pada tahun 2016, Bank melakukan evaluasi perhitungan program pensiun iuran pasti dimana imbalan pegawai dihitung sebesar selisih Undang-Undang Ketenagakerjaan No.13 tahun 2003 dan imbalan pensiun sesuai iuran Bank ke Dana Pensiun Lembaga Keuangan (DPLK), di luar uang penggantian imbalan yang berkaitan dengan cuti tahunan, ongkos pulang ketempat dimana pegawai diterima bekerja.

- i. Penilaian aktuaria atas program pensiun iuran pasti selisih dengan Undang-Undang Ketenagakerjaan No.13 tahun 2003 dan imbalan pensiun sesuai iuran Bank ke Dana Pensiun Lembaga Keuangan (DPLK) untuk tahun yang berakhir pada 31 Desember 2023 dan 2022, dilakukan oleh Kantor Konsultan Aktuarial Agus Susanto dengan menggunakan metode *Projected Unit Credit* sebagaimana yang dijelaskan dalam laporan aktuaris pada tanggal 4 Januari 2024 dan 24 Januari 2023 yaitu sebagai berikut:

Asumsi-asumsi utama yang digunakan dalam perhitungan dalam perhitungan adalah:

	2023	2022
<b>Asumsi ekonomi</b>		
Tingkat diskonto	7,10%	7,40%
Tingkat kenaikan gaji	5,00%	5,00%
Tingkat bunga imbal hasil investasi aset	0,00%	0,00%
<b>Asumsi lainnya</b>		
Tingkat mortalita	GAM-1971	
Usia pensiun normal	58 tahun/years	
Tingkat cacat	10% Mortalita	
Tingkat pengunduran diri untuk usia:		
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age 45 years old	
Usia 46-55 tahun	5% per tahun/per year	

- ii. Biaya imbalan kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:

	2023	2022
Biaya jasa kini	2.649	2.653
Biaya bunga neto	3.731	4.348
<b>Biaya yang dibebankan pada laporan laba rugi</b>	<b>6.380</b>	<b>7.001</b>

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)**

**Defined contribution pension plan (continued)**

In year 2016, the Bank evaluates the calculation of defined contribution pension plan where the employees benefit is calculated as the difference between the Labour Law No.13/2003 and defined contribution pension based on contribution Bank to Dana Pensiun Lembaga Keuangan (DPLK), except replacement of annual leave rights, the cost of return to a place where an employee was hired.

- i. The actuarial calculations of difference defined contribution pension plan Labour Law No.13/2003 and defined contribution pension based on contribution Bank to Dana Pensiun Lembaga Keuangan (DPLK) for the year ended December 31, 2023 and 2022, were prepared by a registered actuarial consulting firm, Kantor Konsultan Aktuarial Agus Susanto, using the "Projected Unit Credit" method as discussed an independent actuary report dated January 4, 2024 and January 24, 2023, are as follows:

Key assumptions used in the actuarial calculation are as follows:

<b>Economic assumptions</b>
Discount rate
Annual salary growth rate
Investment yield of plan aset
<b>Other assumptions</b>
Mortality table
Normal retirement age
Disability rate
Retirement rate per year for ages:
18-45 years old
46-55 years old

- ii. The employee benefit expenses recognized in profit or loss, are as follows:

Current service cost
Interest cost net
<b>Expense recognized in statement of profit or loss</b>

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program pensiun iuran pasti (lanjutan)**

- iii. Rekonsiliasi atas perubahan (aset) liabilitas imbalan pasca kerja selama tahun berjalan adalah sebagai berikut:

	<b>2023</b>
Saldo awal	50.411
Beban tahun berjalan	6.380
Pengukuran kembali imbalan kerja - neto	17.402
Pembayaran imbalan	(22.895)
<b>Saldo akhir</b>	<b>51.298</b>

- iv. Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	<b>2023</b>
Saldo awal	50.411
Biaya jasa kini	2.649
Biaya bunga	3.731
Pembayaran imbalan	(22.895)
Keuntungan aktuarial pada kewajiban	17.402
<b>Saldo akhir</b>	<b>51.298</b>

- v. Pengukuran kembali (aset) liabilitas imbalan kerja neto:

	<b>2023</b>
Saldo pada awal tahun	44.627
Keuntungan aktuarial pada kewajiban	17.401
<b>Saldo akhir</b>	<b>62.028</b>

Liabilitas atas imbalan pasca kerja lainnya adalah program asuransi tunjangan hari tua yang telah dikelola oleh PT Asuransi Jiwasraya (Persero), dan program uang duka sebagai jasa pengabdian. Imbalan jangka panjang lainnya adalah program penghargaan masa kerja. Imbalan tersebut diberikan kepada pegawai tetap yang jumlahnya sebesar 2 (dua) sampai dengan 4 (empat) kali penghasilan terakhir dengan masa kerja 15 tahun, 25 tahun dan 30 tahun.

**Uang Duka Sebagai Jasa Pengabdian**

Bank memberikan uang duka sebagai jasa pengabdian bagi pegawai yang meninggal dunia sebesar nominal yang ditetapkan ditambah dengan 1 (satu) kali penghasilan terakhir serta ditambah 1 (satu) kali penghasilan bulan berikutnya. Program tersebut dikelola sendiri oleh Bank.

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)**

**Defined contribution pension plan (continued)**

- iii. Following are the reconciliation of the movements of employee benefit (assets) liabilities during the years:

	<b>2022</b>	
	57.968	Beginning balance
	7.001	Current service cost
	(14.558)	Remeasurement of employee benefit - net
	-	Actual benefit paid
	<b>50.411</b>	<b>Ending balance</b>

- iv. The movements in the present value of employee benefit are as follows:

	<b>2022</b>	
	57.968	Beginning balance
	2.653	Current service cost
	4.348	Interest cost
	-	Actual benefit paid
	(14.558)	Actuarial gain on obligation
	<b>50.411</b>	<b>Ending balance</b>

- v. Remeasurement of net employee benefit (aset) liabilities:

	<b>2022</b>	
	59.185	Balance at beginning of year
	(14.558)	Actuarial gain on obligation
	<b>44.627</b>	<b>Ending balance</b>

The liability for post employee benefits consisted of mutual aid pension insurance plan is managed by PT Asuransi Jiwasraya (Persero), and employee death benefits program as service devotion.

Other long-term employee benefits is gratuity for service program. The benefits is granted to employees at amount of 2 (two) until 4 (four) last of salary with working service periods of 15 years, 25 years and 30 years.

**Death Benefit To Employees Service Devotion**

Bank provides employee death benefit to employees who have passed away at fixed amount plus 1 (one) month salary of his/her last month plus 1 (one) month salary of the following month from his/her death as his/her service devotion. This program is self – managed by the Bank.

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Uang Duka Sebagai Jasa Pengabdian (lanjutan)**

Penilaian aktuarial atas uang duka jasa pengabdian dan penghargaan masa kerja untuk periode tahun yang berakhir pada 31 Desember 2023 dan untuk tahun yang berakhir pada 31 Desember 2022, dihitung oleh Kantor Konsultan Aktuaria Agus Susanto dengan menggunakan metode "Projected Unit Credit" sebagaimana tercantum dalam laporan pada tanggal 4 Januari 2024 dan 24 Januari 2023.

Asumsi-asumsi utama yang digunakan dalam perhitungan dalam perhitungan adalah:

	2023	2022	
<b>Asumsi ekonomi</b>			<b>Economic assumptions</b>
Tingkat diskonto	6,90%	7,40%	Discount rate
Tingkat kenaikan gaji	5,00%	5,00%	Annual salary growth rate
Tingkat bunga imbal hasil investasi aset	0,00%	0,00%	Investment yield of plan aset
<b>Asumsi lainnya</b>			<b>Other assumptions</b>
Tingkat mortalita	GAM-1971	GAM-1971	Mortality table
Usia pensiun normal	58 tahun/years	58 tahun/years	Normal retirement age
Tingkat cacat	10% Mortalita	10% Mortalita	Disability rate
Tingkat pengunduran diri untuk usia:			Retirement rate per year for ages:
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linearly until age years old		18-45 years old
Usia 46-55 tahun	5% per tahun/per year		46-55 years old

i. Biaya imbalan kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:

i. The employee benefit expenses recognized in profit or loss, are as follows:

	2023		2022		
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Gratuity for service program	Uang duka sebagai jasa pengabdian/ Death benefit as employee service	Program penghargaan masa kerja/ Gratuity for service program	
Biaya jasa kini	275	4.902	265	4.358	Current service cost
Biaya bunga neto	177	3.962	162	3.104	Oterest cost net
Rugi aktuarial	-	5.287	-	11.355	Actuarial loss
<b>Biaya yang dibebankan pada laporan laba rugi</b>	<b>452</b>	<b>14.151</b>	<b>427</b>	<b>18.817</b>	<b>Expenses recognized in statement of profit or loss</b>

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Uang Duka Sebagai Jasa Pengabdian (lanjutan)**

- ii. Rekonsiliasi atas perubahan liabilitas imbalan kerja selama tahun berjalan adalah sebagai berikut:

	2023	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Graduity for service program
Saldo awal	(2.401)	(53.546)
Beban tahun berjalan	(452)	(14.151)
Pengukuran kembali imbalan kerja - neto	91	-
Pembayaran imbalan kerja	87	7.195
Liabilitas imbalan pasti neto	(2.675)	(60.502)

- iii. Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	2023	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Graduity for service program
Saldo awal	(2.401)	(53.546)
Biaya jasa kini	(275)	(4.902)
Biaya bunga	(177)	(3.962)
Biaya jasa lalu	-	-
Pembayaran imbalan	87	7.195
Kerugian aktuarial pada kewajiban	91	(5.287)
Liabilitas imbalan pasti neto	(2.675)	(60.502)

- iv. Pengukuran kembali liabilitas imbalan kerja neto:

	2023	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Graduity for service program
Saldo pada awal tahun	501	-
Kerugian aktuarial pada kewajiban	(91)	-
Pendapatan komprehensif lain	410	-

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)**

**Death Benefit To Employees Service Devotion (continued)**

- ii. Following are the reconciliation of the movements of employee benefit liabilities during the years:

	2022	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Graduity for service program
Beginning balance	(2.164)	(41.384)
Current year expenses	(427)	(18.817)
Remeasurement of employee benefits - net	28	-
Actual benefit paid	162	6.655
Liabilities defined benefit - net	(2.401)	(53.546)

- iii. The movements in the present value of employee benefit are as follows:

	2022	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Graduity for service program
Beginning balance	(2.164)	(41.384)
Current service cost	(265)	(4.358)
Interest cost net	(162)	(3.104)
Past service cost	-	-
Actual benefit paid	162	6.655
Actuarial losses on obligation	28	(11.355)
Liabilities defined benefit - net	(2.401)	(53.546)

- i. Remeasurement of net employee benefit liabilities:

	2022	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Graduity for service program
Balance at beginning of year	529	-
Actuarial losses on obligation	(28)	-
Other comprehensive income	501	-

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program penghargaan purna tugas**

Penilaian aktuarial atas program penghargaan purna tugas untuk periode tahun yang berakhir pada 31 Desember 2023 dan 2022, dihitung oleh Kantor Konsultan Aktuaria Agus Susanto dengan menggunakan metode "Projected Unit Credit" sebagaimana tercantum dalam laporan pada tanggal 4 Januari 2024 dan 24 Januari 2023.

Asumsi-asumsi utama yang digunakan dalam perhitungan dalam perhitungan adalah:

	2023	2022	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7,00%	7,40%	Discount rate
Tingkat kenaikan gaji	5,00%	5,00%	Annual salary growth rate
Tingkat bunga imbal hasil investasi aset	0,00%	0,00%	Investment yield of plan asset
Asumsi lainnya			Other assumptions
Tingkat mortalita	GAM-1971	GAM-1971	Mortality table
Usia pensiun normal	58 tahun/years	58 tahun/years	Normal retirement age
Tingkat cacat	10% Mortalita	10% Mortalita	Disability rate
Tingkat pengunduran diri untuk usia:			Retirement rate per year for ages:
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linearly until age 45 years old	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linearly until age 45 years old	18-45 years old
Usia 46-55 tahun	5% per tahun/per year	5% per tahun/per year	46-55 years old

**i. Biaya imbalan kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:**

	2023	2022	
Biaya jasa kini	4.097	3.810	Current service cost
Biaya bunga neto	1.131	1.203	Interest cost net
<b>Biaya yang dibebankan pada laporan laba rugi</b>	<b>5.228</b>	<b>5.013</b>	<b>Expense recognized in statement of profit or loss</b>

**i. The employee benefit expenses recognized in profit or loss, are as follows:**

**ii. Rekonsiliasi atas perubahan liabilitas imbalan kerja selama tahun berjalan adalah sebagai berikut:**

	2023	2022	
Saldo awal	15.284	15.832	Beginning balance
Beban tahun berjalan	5.228	5.013	Current service cost
Keuntungan aktuarial pada kewajiban	(2.774)	(5.561)	Actuarial gain on obligation
Pembayaran imbalan	(897)	-	Actual benefit paid
<b>Saldo akhir</b>	<b>16.841</b>	<b>15.284</b>	<b>Ending balance</b>

**ii. Following are the reconciliation of the movements of employee benefit liabilities during the years:**

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program penghargaan purna tugas (lanjutan)**

- iii. Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	<b>2023</b>	<b>2022</b>
Saldo awal	15.284	15.832
Biaya jasa kini	4.097	3.810
Biaya jasa lalu	-	-
Biaya bunga neto	1.131	1.203
Keuntungan aktuarial pada kewajiban	(2.774)	(5.561)
Pembayaran imbalan	(897)	-
<b>Saldo akhir</b>	<b>16.841</b>	<b>15.284</b>

- iv. Pengukuran kembali liabilitas imbalan kerja neto:

	<b>2023</b>	<b>2022</b>
Saldo awal	5.561	-
Laba aktuarial	2.774	5.561
<b>Saldo akhir</b>	<b>8.335</b>	<b>5.561</b>

**Program Pensiun Asuransi Dwiguna dan Program Cuti Besar**

Penilaian aktuarial atas program pensiun dwiguna dan cuti besar untuk periode tahun yang berakhir pada 31 Desember 2023 dan 2022, dihitung oleh Kantor Konsultan Aktuaria Agus Susanto dengan menggunakan metode "Projected Unit Credit" sebagaimana tercantum dalam laporan pada tanggal 4 Januari 2024 dan 24 Januari 2023.

Program Imbalan cuti besar adalah program penggantian hak cuti karyawan. Imbalan tersebut diberikan kepada pegawai tetap yang telah bekerja selama 6 tahun berturut – turut dan kelipatannya sejak diangkat sebagai pegawai tetap. Penggantian hak cuti besar diberikan sebesar 2 (dua) kali upah pokok.

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)**

**After duty award program (continued)**

- iii. The movements in the present value of employee benefit are as follows:

*Beginning balance*  
*Current service cost*  
*Past service cost*  
*Interest cost net*  
*Actuarial gain on obligation*  
*Actual benefit paid*  
*Ending balance*

- iv. Remeasurement of net employee benefit liabilities:

*Beginning balance*  
*Actuarial gain*  
*Ending balance*

**Endowment Insurance Pension Program and Long Service Leave Program**

The actuarial valuation of endowment insurance pension program and long service leave program for the year ended December 31, 2023 and 2022, were performed by Kantor Konsultan Aktuaria Agus Susanto, using the "Projected Unit Credit" method as stated in its report dated January 4, 2024 and January 24, 2023.

Long service leave program are employee leave entitlement replacement programs. The benefits are given to permanent employees who have worked for 6 consecutive years and multiples since being appointed as permanent employees. Replacement for grand leave is given at 2 (two) times the basic salary



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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program Pensiun Asuransi Dwiguna dan Program  
Cuti Besar**

	2023		
	Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program	Program Cuti besar/ Long service leave program	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	6,90%	6,90%	Discount rate
Tingkat kenaikan gaji	5,00%	5,00%	Annual salary growth rate
Tingkat bunga imbal hasil investasi aset	0,00%	0,00%	Investment yield of plan aset
Asumsi lainnya			Other assumptions
Tingkat mortalita	GAM-1971	GAM-1971	Mortality table
Usia pensiun normal	58 tahun/years	58 tahun/years	Normal retirement age
Tingkat cacat	10% Mortalita	10% Mortalita	Disability rate
Tingkat pengunduran diri untuk usia:			Retirement rate per year for ages:
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age 45 years old	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age 45 years old	18-45 years old
Usia 46-55 tahun	5% per tahun/per year	5% per tahun/per year	46-55 years old
	2022		
	Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program	Program Cuti besar/ Long service leave program	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7,40%	7,40%	Discount rate
Tingkat kenaikan gaji	5,00%	5,00%	Annual salary growth rate
Tingkat bunga imbal hasil investasi aset	0,00%	0,00%	Investment yield of plan aset
Asumsi lainnya			Other assumptions
Tingkat mortalita	GAM-1971	GAM-1971	Mortality table
Usia pensiun normal	58 tahun/years	58 tahun/years	Normal retirement age
Tingkat cacat	10% Mortalita	10% Mortalita	Disability rate
Tingkat pengunduran diri untuk usia:			Retirement rate per year for ages:
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age 45 years old	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age 45 years old	18-45 years old
Usia 46-55 tahun	5% per tahun/per year	5% per tahun/per year	46-55 years old

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program Pensiun Asuransi Dwiguna dan Program  
Cuti Besar (lanjutan)**

- i. Biaya imbalan kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:

	<b>2023</b>	
	<b>Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program</b>	<b>Program Cuti besar/ Long service leave program</b>
Biaya jasa kini	726	5.977
Biaya bunga neto	458	1.338
Rugi aktuarial	-	(582)
Biaya jasa lalu - vested	-	-
<b>Biaya yang dibebankan pada laporan laba rugi</b>	<b>1.184</b>	<b>6.733</b>

**Endowment Insurance Pension Program and  
Long Service Leave Program (continued)**

- i. The employee benefit expenses recognized in profit or loss, are as follows:

Current service cost  
Oterest cost net  
Actuarial loss  
Past service cost - vested  
**Expenses recognized in  
statement of profit or loss**

	<b>2022</b>	
	<b>Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program</b>	<b>Program Cuti besar/ Long service leave program</b>
Biaya jasa kini	568	5.729
Biaya bunga neto	-	-
Rugi aktuarial	-	-
Biaya jasa lalu - vested	5.618	12.359
<b>Biaya yang dibebankan pada laporan laba rugi</b>	<b>6.186</b>	<b>18.088</b>

Current service cost  
Oterest cost net  
Actuarial loss  
Past service cost - vested  
**Expenses recognized in  
statement of profit or loss**

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

- ii. Rekonsiliasi atas perubahan liabilitas imbalan kerja selama tahun berjalan adalah sebagai berikut:

	<b>2023</b>		
	<b>Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program</b>	<b>Program Cuti besar/ Long service leave program</b>	
Saldo awal	6.186	18.088	<i>Beginning balance</i>
Beban tahun berjalan	1.184	6.733	<i>Current year expenses</i>
Kerugian aktuarial pada kewajiban	5.583	-	<i>Actuarial losses on obligation</i>
Pembayaran imbalan kerja	(5.620)	(10.175)	<i>Actual benefit paid</i>
<b>Liabilitas imbalan pasti neto</b>	<b>7.333</b>	<b>14.646</b>	<b><i>Liabilities defined benefit - net</i></b>
	<b>2022</b>		
	<b>Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program</b>	<b>Program Cuti besar/ Long service leave program</b>	
Saldo awal	-	-	<i>Beginning balance</i>
Beban tahun berjalan	6.186	18.088	<i>Current year expenses</i>
Kerugian aktuarial pada kewajiban	-	-	<i>Actuarial losses on obligation</i>
Pembayaran imbalan kerja	-	-	<i>Actual benefit paid</i>
<b>Liabilitas imbalan pasti neto</b>	<b>6.186</b>	<b>18.088</b>	<b><i>Liabilities defined benefit - net</i></b>

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**54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)**

**Program Pensiun Asuransi Dwiguna dan Program  
Cuti Besar (lanjutan)**

- iii. Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	<b>Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program</b>	<b>Program Cuti besar/ Long service leave program</b>
Saldo awal	6.186	18.087
Biaya jasa kini	726	5.977
Biaya bunga	457	1.338
Biaya jasa lalu	-	(582)
Pembayaran imbalan	(5.619)	(10.175)
Kerugian aktuarial pada kewajiban	5.583	-
<b>Liabilitas imbalan pasti neto</b>	<b>7.333</b>	<b>14.645</b>

**2022**

	<b>Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program</b>	<b>Program Cuti besar/ Long service leave program</b>
Saldo awal	-	-
Biaya jasa kini	568	5.729
Biaya jasa lalu	5.618	12.358
<b>Liabilitas imbalan pasti neto</b>	<b>6.186</b>	<b>18.087</b>

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES  
(continued)**

**Endowment Insurance Pension Program and  
Long Service Leave Program (continued)**

- iii. The movements in the present value of employee benefit are as follows:

*Beginning balance*  
*Current service cost*  
*Interest cost net*  
*Past service cost*  
*Actual benefit paid*  
*Actuarial losses on obligation*  
**Liabilities defined benefit - net**

*Beginning balance*  
*Current service cost*  
*Past service cost*  
**Liabilities defined benefit - net**

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**55. JAMINAN TERHADAP KEWAJIBAN PEMBAYARAN  
BANK UMUM**

Berdasarkan Undang-undang No.24 tanggal 22 November 2004 yang berlaku efektif sejak tanggal 22 November 2005, sebagaimana diubah dengan Peraturan Pemerintah Pengganti Undang-Undang Republik Indonesia No.3 (Perppu No. 3/2008) tanggal 13 Oktober 2008, Lembaga Penjaminan Simpanan (LPS) dibentuk untuk menjamin liabilitas tertentu bank umum berdasarkan program penjaminan yang berlaku, yang besaran nilai jaminannya dapat berubah jika memenuhi kriteria tertentu yang berlaku.

Berdasarkan Peraturan Pemerintah Republik Indonesia No. 66 tahun 2008 tanggal 13 Oktober 2008 mengenai Besarnya Nilai Simpanan yang Dijamin LPS, jumlah simpanan yang dijamin LPS adalah simpanan sampai dengan Rp2.000 untuk per nasabah per bank. Simpanan nasabah dijamin hanya jika suku bunganya sama dengan atau di bawah 3,75% dan 1,75% dalam mata uang Rupiah dan mata uang asing pada tanggal 31 Desember 2022 dan sama dengan atau di bawah 3,50% dan 0,25% dalam mata uang Rupiah dan mata uang asing pada tanggal 31 Desember 2023.

Pada tanggal 13 Januari 2009, Pemerintah Republik Indonesia telah mengesahkan Perppu No.3/2008 menjadi Undang-undang.

Beban premi penjaminan Pemerintah yang dibayar oleh Bank untuk tahun yang berakhir pada tanggal 31 Desember 2023 dan 2022, masing-masing sebesar Rp167.677 dan Rp188.454.

**55. GOVERNMENT GUARANTEE OF OBLIGATIONS  
OF PRIVATE BANKS**

Based on Law No.24 dated November 22, 2004, which was effective on November 22, 2005 and subsequently amended by the Government Regulation-in-Lieu-of Law No.3 (Perppu No. 3/2008) dated October 13, 2008, the Indonesian Deposit Insurance Corporation (LPS) was formed to guarantee certain liabilities of commercial banks under the applicable guarantee program, where the amount of such guarantee can be changed if certain valid criteria are fulfilled.

Based on Government Regulation No. 66 year 2008 dated October 13, 2008 regarding the Amount of Deposits Guaranteed by LPS, the amount of deposits covered by LPS is up to Rp2,000 per depositor per bank. Customer deposits are covered only if the rate of interest is equal to or below 3.75% and 1.75% in Rupiah and foreign currency as of December 31, 2022 and equal to or below 3.50% and 0.25% in Rupiah and foreign currency as of December 31, 2023.

On January 13, 2009, the Government of the Republic of Indonesia has stipulated Perppu No.3/2008 to become a law.

The Government guarantee premiums paid by the Bank for years ended December 31, 2023 and 2022, amounted to Rp167,677 and Rp188,454 respectively.

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**56. PELAPORAN JATUH TEMPO**

- a. Pelaporan jatuh tempo aset dan liabilitas menurut kelompok jatuh temponya berdasarkan periode yang tersisa (sebelum penyisihan kerugian), adalah sebagai berikut:

**56. MATURITY PROFILE**

- a. The maturity of the Bank's assets and liabilities based on the remaining period (before allowance for impairment losses), is as follows:

	2023						
	Tidak ada tanggal jatuh tempo	Sampai dengan 1 bulan/ Up to 1 month	Lebih dari 1 bulan/ More than 1 month up to 3 months	Lebih dari 3 bulan/ More than 3 months up to 6 months	Lebih dari 6 bulan/ More than 6 months up to 12 months	Lebih dari 12 bulan/ More than 12 months	
	No Contractual Maturity						Total/ Total
<b>ASET</b>							<b>ASSETS</b>
Kas	-	2.652.775	-	-	-	-	2.652.775
Giro pada Bank Indonesia	-	7.073.597	-	-	-	897.815	7.971.412
Giro pada bank lain	-	491.330	-	-	-	-	491.330
Penempatan pada Bank Indonesia dan bank lain	-	5.233.226	1.495	-	-	-	5.234.721
Surat berharga							
Biaya perolehan diamortisasi	-	830.243	1.504.216	783.350	698.551	4.744.401	8.560.761
Nilai wajar melalui pendapatan komprehensif lain	-	7.732.011	30.549	-	-	-	7.762.560
Surat berharga Repo	-	-	1.000.865	-	605.755	6.697.043	8.303.663
Tagihan reverse repo	-	6.197.612	49.706	-	-	-	6.247.318
Tagihan lainnya	-	223.138	-	-	-	-	223.138
Kredit yang diberikan dan pembiayaan syariah	-	383.350	993.507	2.681.738	3.472.562	47.229.746	54.760.903
Pendapatan bunga yang masih akan diterima	-	251.395	35.826	8.246	6.034	384.233	685.734
Beban dibayar dimuka	207.452	-	-	-	-	-	207.452
Aset tetap - neto	1.277.714	-	-	-	-	-	1.277.714
Aset pajak tangguhan - neto	-	-	-	-	-	472.122	472.122
Aset lain-lain	373.402	-	-	-	-	-	373.402
<b>Jumlah</b>	<b>1.858.568</b>	<b>31.068.677</b>	<b>3.616.164</b>	<b>3.473.334</b>	<b>4.782.902</b>	<b>60.425.360</b>	<b>105.225.005</b>
<b>LIABILITAS</b>							<b>LIABILITIES</b>
Liabilitas segera	-	987.605	-	-	-	-	987.605
Simpanan dari nasabah	-	22.457.975	5.462.113	2.436.735	7.344.737	40.495.350	78.196.910
Simpanan dari bank lain	-	2.541.703	29.280	60	8.200	500	2.579.743
Pinjaman yang diterima	-	150.638	-	-	-	406.994	557.632
Utang pajak	143.245	-	-	-	-	-	143.245
Beban yang masih harus dibayar	-	504.748	-	-	-	-	504.748
Liabilitas lain-lain	-	779.314	-	-	-	-	779.314
<b>Jumlah</b>	<b>143.245</b>	<b>27.421.983</b>	<b>5.491.393</b>	<b>2.436.795</b>	<b>7.352.937</b>	<b>40.902.844</b>	<b>83.749.197</b>
<b>Perbedaan jatuh tempo</b>	<b>1.715.323</b>	<b>3.646.694</b>	<b>(1.875.229)</b>	<b>1.036.539</b>	<b>(2.570.035)</b>	<b>19.522.516</b>	<b>21.475.808</b>

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**56. PELAPORAN JATUH TEMPO (lanjutan)**

- a. Pelaporan jatuh tempo aset dan liabilitas menurut kelompok jatuh temponya berdasarkan periode yang tersisa (sebelum penyisihan kerugian), adalah sebagai berikut: (lanjutan)

		2022					
Tidak ada tanggal jatuh tempo		Lebih dari 1 bulan sampai 3 bulan/ More than 1 month up to 3 months	Lebih dari 3 bulan sampai 6 bulan/ More than 3 months up to 6 months	Lebih dari 6 bulan sampai 12 bulan/ More than 6 months up to 12 months	Lebih dari 12 bulan/ More than 12 months	Total/ Total	
kontraktual/ No Contractual Maturity	Sampai dengan 1 bulan/ Up to 1 month						
<b>ASET</b>							
Kas	-	1.988.262	-	-	-	1.988.262	
Giro pada Bank Indonesia	-	230.541	-	-	10.556.199	10.786.740	
Giro pada bank lain	-	303.129	-	-	-	303.129	
Penempatan pada Bank Indonesia dan bank lain	-	4.628.064	606.657	-	-	5.234.721	
Surat berharga							
Biaya perolehan diamortisasi	-	725.515	852.948	2.367.794	2.627.302	8.167.102	
Nilai wajar melalui pendapatan komprehensif lain	-	-	-	-	8.476.609	8.476.609	
Surat berharga Repo	-	4.095.066	-	-	-	4.095.066	
Tagihan reverse repo	-	7.440.160	-	-	192.726	7.822.847	
Tagihan lainnya	-	286.147	-	-	-	286.147	
Kredit yang diberikan dan pembiayaan syariah	-	900.723	886.002	933.711	2.436.591	41.039.630	
Pendapatan bunga yang masih akan diterima	-	25.795	48.418	9.901	4.495	557.516	
Beban dibayar dimuka	166.661	-	-	-	-	166.661	
Aset tetap - neto	1.284.250	-	-	-	-	1.284.250	
Aset pajak tangguhan - neto	-	-	-	-	502.238	502.238	
Aset lain-lain	141.492	-	-	-	-	141.492	
Jumlah	1.592.403	20.623.402	2.394.025	3.311.406	5.281.114	69.489.255	
<b>LIABILITAS</b>							
Liabilitas segera	-	872.514	-	-	-	872.514	
Simpanan dari nasabah	-	11.214.472	16.200.878	1.699.788	10.878.340	41.773.905	
Simpanan dari bank lain	-	3.287.933	46.630	60	4.500	-	
Pinjaman yang diterima	-	150.517	-	-	-	402.882	
Utang pajak	47.205	-	-	-	-	-	
Beban yang masih harus dibayar	-	520.840	-	-	-	-	
Liabilitas lain-lain	-	550.119	-	-	-	-	
Jumlah	47.205	16.596.395	16.247.508	1.699.848	10.882.840	42.176.787	
Perbedaan jatuh tempo	1.545.198	4.027.007	(13.853.483)	1.611.558	(5.621.726)	27.312.468	

- b. Rasio aset produktif yang diklasifikasikan terhadap jumlah aset produktif pada tanggal 31 Desember 2023 dan 2022, masing-masing adalah sebesar 3,34% dan 2,55%

- b. The ratio of classified earning assets to total productive assets as of December 31, 2023 and 2022 is 3.34 % and 2.55% respectively.

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**57. INFORMASI KEUANGAN UNIT USAHA SYARIAH**

**57. SHARIA UNIT FINANCIAL INFORMATION**

	2023	2022
<b>ASET</b>		
Kas	35.681	24.827
Penempatan pada Bank Indonesia dan bank lain	338.477	329.777
Surat berharga	1.066.406	852.935
Piutang:		
- Murabahah	902.861	874.944
- Qardh	49.062	36.423
Dikurangi: cadangan kerugian penurunan nilai	(25.963)	(55.246)
Piutang, neto	925.960	856.121
Pembiayaan:		
- Musyarakah	1.130.521	767.912
- Mudharabah	105.174	223.915
Dikurangi: cadangan kerugian penurunan nilai	(27.429)	(27.963)
Pembiayaan, neto	1.208.266	963.864
Aset ijarah	241	277
Aset tetap	66.882	62.414
Dikurangi: Akumulasi penyusutan	(34.884)	(28.450)
Nilai buku neto	31.998	33.964
Aset lain-lain	13.561	9.693
<b>JUMLAH ASET</b>	<b>3.620.590</b>	<b>3.071.458</b>
<b>LIABILITAS, INVESTASI TIDAK TERIKAT DAN EKUITAS</b>		
<b>LIABILITAS</b>		
Giro wadiah	174.426	156.090
Tabungan wadiah	81.125	-
Liabilitas segera	21.029	8.889
Liabilitas lainnya	943.288	1.024.117
<b>JUMLAH LIABILITAS</b>	<b>1.219.868</b>	<b>1.189.096</b>
<b>INVESTASI TIDAK TERIKAT</b>		
Giro mudharabah	1.786	1.637
Tabungan mudharabah	734.193	594.597
Deposito berjangka mudharabah	1.630.498	1.245.458
<b>JUMLAH INVESTASI TIDAK TERIKAT</b>	<b>2.366.477</b>	<b>1.841.692</b>
Laba neto	34.245	40.670
<b>JUMLAH LIABILITAS, INVESTASI TIDAK TERIKAT DAN EKUITAS</b>	<b>3.620.590</b>	<b>3.071.458</b>

<b>ASSETS</b>
Cash
Placements with Bank Indonesia and other banks
Marketable securities
Receivables:
Murabahah -
Qardh -
Less: Allowance for impairment losses
Receivables, net
Financing:
Musyarakah -
Mudharabah -
Less: Allowance for impairment losses
Financing, net
Ijarah assets
Fixed assets
Less: Accumulated depreciation
Net book value
Other assets
<b>TOTAL ASSETS</b>
<b>LIABILITIES, UNCOMMITTED INVESTMENT AND EQUITY</b>
<b>LIABILITIES</b>
Wadiah current accounts
Wadiah savings
Obligations due immediately
Other liabilities
<b>TOTAL LIABILITIES</b>
<b>UNCOMMITTED INVESTMENT</b>
Mudharabah current account
Mudharabah savings
Mudharabah time deposits
<b>TOTAL UNCOMMITTED INVESTMENT</b>
Net income
<b>TOTAL LIABILITIES, UNCOMMITTED INVESTMENT AND EQUITY</b>



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**57. INFORMASI KEUANGAN UNIT USAHA SYARIAH  
(lanjutan)**

	2023	2022
<b>LAPORAN LABA RUGI</b>		
Pendapatan operasional		
- Margin	62.234	59.747
- Bagi hasil	95.101	75.242
- Sewa	128	44
- Operasional Lainnya	61.931	61.845
<b>Pendapatan operasional</b>	<b>219.394</b>	<b>196.878</b>
Beban bagi hasil untuk investor dana investasi tidak terikat		
- Bank	(338)	(578)
- Bukan bank	(62.870)	(54.338)
<b>Bagi hasil</b>	<b>(63.208)</b>	<b>(54.916)</b>
Beban operasional lainnya		
- Bonus	(90)	(166)
- Penyisihan kerugian penurunan nilai	(18.396)	(22.794)
- Beban administrasi dan umum	(40.849)	(40.456)
- Beban personalia	(51.021)	(28.022)
- Beban lainnya	(12.017)	(11.734)
	<b>(122.373)</b>	<b>(103.172)</b>
<b>Pendapatan operasional bersih</b>	<b>33.813</b>	<b>38.790</b>
Pendapatan non operasional bersih	432	1.880
<b>Laba tahun berjalan</b>	<b>34.245</b>	<b>40.670</b>

**58. ASET/LIABILITAS KONTINJENSI**

Bank saat ini mempunyai aset/liabilitas kontinjensi yang signifikan terkait dengan beberapa perkara perdata sebagai berikut:

- Perkara perdata No.584/Pdt.G/2007/PN.Sby tanggal 21 November 2007 tentang gugatan PT Hikmah Surya Jaya kepada Bank untuk memenuhi ganti rugi materiil atas kredit dana bergulir sebesar Rp3.000. Pengadilan Negeri (PN) dan Pengadilan Tinggi (PT) memutuskan pihak Bank menang. Bank telah mengirimkan surat No.057/0865/HKM/LIT/LEGAL/SRT tanggal 3 Juli 2018 dan diterima PN tanggal 6 Juli 2018. Masih menunggu jawaban surat dari PN untuk kepastian inkracht putusan Pengadilan Tinggi tersebut.
- Perkara Kepailitan No. 40/Pdt.Sus/PKPU/2019/PN.Niaga.Sby dengan pemohon PT Fatma Lestari Abadi Mix dan CV. Azka Pelangi Bersaudara terhadap PT Citra Gading Asritama. Bank sebagai kreditur mengajukan tagihan kepada Kurator atas kredit PT Citra Gading Asritama (dalam pailit) sebesar Rp31.103 saat ini dalam proses verifikasi berkas kreditur di Pengadilan Niaga Surabaya pada Pengadilan Negeri Surabaya.

**57. SHARIA UNIT FINANCIAL INFORMATION  
(continued)**

**STATEMENTS OF PROFIT OR LOSS**

Operating income
Margin -
Profit sharing -
Rents -
Other operating -
<b>Operating income</b>
Profit sharing expenses to non-restricted investors fund
Bank -
Non bank -
<b>Profit sharing</b>
Other operating expenses
Bonuses -
Allowance for impairment losses -
General and administratif expenses -
Personnel expenses -
Others -
<b>Net operating income</b>
Non-operating income - net
<b>Profit during the year</b>

**58. CONTINGENT ASSETS/LIABILITIES**

The Bank currently has significant contingent assets/liabilities in connection with several civil cases as follows:

- Case No.584/Pdt.G/2007/PN.Sby dated November 21, 2007 about the lawsuit of PT Hikmah Surya Jaya towards Bank, demanding compensation to the amount of Rp3,000 regarding revolving credit. The District Court's and the Apellate Court's decide that Bank won. Bank Jatim has sent a letter number 057/0865/HKM/LIT/LEGAL/SRT on July 3rd, 2018 and received by the District Court on July 6th, 2018. Still waiting for a response from the District Court's for the inkracht decision of the High Court.
- Bankruptcy Case No. 40/Pdt.Sus/PKPU/2019/PN.Niaga.Sby with the pleader PT Fatma Lestari Abadi Mix and CV. Azka Pelangi Bersaudara towards PT Citra Gading Asritama. Bank as a creditor submits a bill to the Curator for the credit of PT Citra Gading Asritama (in bankruptcy) of Rp31,103 currently in the process of creditor file verification at the Surabaya Commercial Court at the Surabaya District Court.

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**58. ASET/LIABILITAS KONTINJENSI (lanjutan)**

3. Perkara Perdata Nomor 16/Pdt.G/2023/PN.Bna tanggal 18 April 2023 dengan Penggugat PT Rudi Jaya, potensi kerugian materiil sebesar Rp.3.218, Penggugat sebagai debitur Bank Jatim yang menerima pola keppres mengajukan gugatan kepada Bank agar tidak dianggap wanprestasi dikarenakan Penggugat diputus kontrak oleh Kementerian PUPR. Saat ini dalam proses Banding di Pengadilan Tinggi Banda Aceh.
4. Perkara Perdata Nomor 124/Pdt.G/2023/PN.Mlg tanggal 30 Mei 2023 dengan Penggugat Galuh Nalibronto Prabaningrum dan Ngatemoen Harijono, potensi kerugian materiil sebesar Rp.3.100, Para Penggugat sebagai Penjamin mengajukan gugatan kepada Bank agar mengembalikan objek jaminan kepada Penggugat karena kredit dianggap tidak sah. Saat ini dalam proses persidangan di Pengadilan Negeri Malang.
5. Perkara Perdata Nomor 746/Pdt.G/2023/PN.Sby tanggal 26 Juli 2023 dengan Penggugat PT Toya Indo Manunggal, potensi kerugian materiil sebesar Rp.5.732, Penggugat mengajukan gugatan kepada Bank agar menyerahkan seluruh termijn yang diterima oleh PT Acretia Inti Shosha Persada/Tergugat 2 atas pengerjaan proyek dari PT Indonesia Power. Saat ini dalam proses persidangan di Pengadilan Negeri Surabaya.
6. Perkara Perdata Nomor 888/Pdt.G/2023/PN.Sby tanggal 29 Agustus 2023 dengan Penggugat PT Anugerah Bersama Berkah Abadi, potensi kerugian materiil sebesar Rp.15.000, Penggugat mengajukan gugatan kepada Bank agar menyerahkan kembali sertifikat hak atas tanah kepada Penggugat. Saat ini dalam proses persidangan di Pengadilan Negeri Surabaya.
7. Perkara Perdata Nomor 176/Pdt.G/2023/PN.Kpn tanggal 6 September 2023 dengan Penggugat Yon Permadian Tesna, dengan potensi kerugian materiil sebesar Rp.27.988, Penggugat mengajukan gugatan kepada Bank proses kredit Bank Jatim mengandung Perbuatan Melawan Hukum. Saat ini dalam proses persidangan di Pengadilan Negeri Kepanjen.
8. Perkara perdata lainnya dengan nilai gugatan masing-masing dibawah Rp3.000 sejumlah Rp9.853.

Manajemen Bank berkeyakinan bahwa penyelesaian kasus-kasus tersebut tidak mengganggu kinerja Bank.

**58. CONTINGENT ASSETS/LIABILITIES (continued)**

3. Civil Case Number 16/Pdt.G/2023/PN.Bna dated 18 April 2023 with the Plaintiff PT Rudi Jaya, potential material loss amounting to IDR 3,218, the Plaintiff as a debtor of Bank Jatim who received the presidential decree filed a lawsuit against the Bank so that it would not be considered in default due to The plaintiff's contract was terminated by the PUPR Ministry. Currently in the appeal process at the Banda Aceh High Court.
4. Civil Case Number 124/Pdt.G/2023/PN.Mlg dated 30 May 2023 with Plaintiffs Galuh Nalibronto Prabaningrum and Ngatemoen Harijono, potential material loss amounting to Rp. 3,100, The Plaintiffs as Guarantor filed a lawsuit against the Bank to return the collateral object to the Plaintiff because the credit was considered invalid. Currently in the trial process at the Malang District Court.
5. Civil Case Number 746/Pdt.G/2023/PN.Sby dated 26 July 2023 with the Plaintiff PT Toya Indo Manunggal, potential material loss amounting to IDR 5,732, The Plaintiff filed a lawsuit against the Bank to hand over all terms received by PT Acretia Inti Shosha Persada/Defendant 2 for project work from PT Indonesia Power. Currently in trial at the Surabaya District Court.
6. Civil Case Number 888/Pdt.G/2023/PN.Sby dated 29 August 2023 with the Plaintiff PT Anugerah Bersama Berkah Abadi, potential material loss amounting to IDR 15,000, The Plaintiff filed a lawsuit against the Bank to hand over the land title certificate back to the Plaintiff. Currently in trial at the Surabaya District Court.
7. Civil Case Number 176/Pdt.G/2023/PN.Kpn dated 6 September 2023 with Plaintiff Yon Permadian Tesna, against the Bank with potential material losses amounting to Rp. 27,988, The plaintiff filed a lawsuit against the Bank. Bank Jatim's credit process contained unlawful acts. civil judgment. Currently in the trial process at the Kepanjen District Court.
8. Other civil cases with a value of each lawsuit demands under Rp3,000 amount to Rp9,853.

The Bank's management believes that the above cases doesn't interfere to the Bank performances.

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**59. BANK KUSTODIAN**

Jasa Kustodian Bank mendapatkan ijin operasi oleh OJK berdasarkan surat OJK nomor: S-4/PM.2/2019 tanggal 29 Januari 2019. Bank Kustodian merupakan bagian dari Divisi Dana Jasa, Sub Divisi *Priority Banking & Kustodian*, adapun jasa-jasa yang diberikan diantaranya:

1. Penyimpanan (*safekeeping*) dan administrasi atas Efek-efek maupun dokumen berharga lainnya;
2. Penyelesaian transaksi jual dan beli Efek berbentuk warkat (*script*) maupun tanpa warkat (*scriptless*);
3. Pengurusan hak-hak nasabah atas kepemilikan efek-efek yang disimpan sehingga hak tersebut efektif di rekening nasabah (*corporate action*);
4. Perwakilan (*proxy*) pada Rapat Umum Pemegang Saham dan Rapat Umum Pemegang Obligasi;
5. *Sub-Registry* untuk melayani investor yang melakukan transaksi dan investasi Efek; dan
6. Penyampaian laporan (*reporting*) dan informasi (*information*) yang terkait dengan Efek-efek dan/atau dokumen berharga milik nasabah yang disimpan dan diadministrasikan oleh Bank Jatim Kustodian.

**60. STANDAR AKUNTANSI BARU**

Berikut ini ikhtisar Pernyataan Standar Akuntansi Keuangan (PSAK) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan yang relevan untuk Bank, namun belum berlaku efektif untuk laporan keuangan yang berakhir pada tanggal 31 Desember 2023:

Berlaku efektif pada atau setelah tanggal 1 Januari 2025:

- PSAK 74, "Kontrak Asuransi", yang diadopsi dari IFRS 17, penerapan dini diperkenankan untuk entitas yang juga telah menerapkan PSAK 71 dan PSAK 72.

Saat ini Bank sedang mengevaluasi dan belum menetapkan dampak dari penerapan standar tersebut serta pengaruhnya pada laporan keuangan Bank.

**61. PENYELESAIAN LAPORAN KEUANGAN**

Laporan keuangan telah diselesaikan dan disetujui untuk diterbitkan oleh Direksi Bank pada tanggal 15 Januari 2024.

**59. BANK CUSTODY**

*Bank Custodian Services has obtained an operating license based on the letter of OJK number: S-4/PM.2/2019 date Januari 29, 2019. Bank's Custodian, which is part of the Service and Fund Divisions, Priority Banking & Custodian Sub-Divisions, provides a full range of custodian services such as:*

1. *Safekeeping and administration of marketable securities and other valuable assets;*
2. *Settlement and handling services for script and scriptless trading transactions;*
3. *Corporate action services related to the rights of the marketable securities;*
4. *Proxy services for its customers' shareholder meetings and bond holder meetings;*
5. *Sub-Registry service provider for securities settlement and investment; and*
6. *Generate reports and information regarding customers' marketable securities which are kept and administered by Bank Jatim's Custodian Unit.*

**60. NEW ACCOUNTING STANDARDS**

*The following summarizes the Statement of Financial Accounting Standards (PSAK) which were issued by the Financial Accounting Standards Board and are relevant to the Bank, but is not yet effective for financial statements ended December 31, 2023:*

*Effective on or after January 1, 2025:*

- *PSAK 74, "Insurance Contracts", adopted from IFRS 17, early application is permitted for entities that have also applied PSAK 71 and PSAK 72.*

*The Bank is currently evaluating the above standards and has not yet determined the impact of these standard on the financial statement of the Bank.*

**61. COMPLETION OF THE FINANCIAL STATEMENTS**

*The financial statements were completed and authorized for issuance by the Bank's Directors on January 15, 2024.*

# 2023

Annual Report



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